



Serving All of Thurston County

**Special Commission Meeting**  
**Monday, July 22, 2024**  
**10:00 AM**

Percival Plaza - Olympics Room  
626 Columbia Street NW  
Olympia, WA 98501

The meeting agenda is available on the Port's website as of July 18, 2024.

<https://www.portolympia.com/commission>

The public may join the meeting from their computer, tablet or smartphone at:

<https://us02web.zoom.us/j/87174114590?pwd=QqJCvbSpg8bE7Y485MXBTSXSACzAeO.1>

or Telephone: 1 253 215 8782

Meeting ID: 871 7411 4590

Passcode: 594862

Written public comments may be submitted to [commissioncoordinator@portolympia.com](mailto:commissioncoordinator@portolympia.com) by 3:00 p.m. Friday, July 19.

All written comments will be compiled and sent to the Commissioners prior to the meeting.

Verbal public comment is accepted in person at the meeting.

If you are attending the meeting via Zoom, you may raise your hand during the meeting to give public comment.

For those listening by phone, press \*9 if you wish to raise your hand and provide comment.

## AGENDA

- A. Call to Order
- B. Pledge of Allegiance
- C. Approval of Agenda
- D. Executive Director Report
- E. Public Comment

Individual public comments are limited to 3 minutes per person. Members of the public may comment on agenda items and other port business.

NOTE: Guidelines for public comment can be found in the Commission Rules in Resolution 2022-09 Article VI.

- *Comments should be directed to Commission:* Comments should be directed to the Commission as a whole and should not include comments about individual Port staff or members of the public.
- *Courtesy:* All speakers (members of the public, Port staff, and Commissioners) shall be courteous in language and demeanor and shall confine remarks to those facts that are germane and relevant to the question or issue under discussion.

### **Port of Olympia Mission**

*Creating economic opportunities and building community for all of Thurston County through responsible resource use.*

F. Consent Calendar

1. Bills and Vouchers for June 2024, Batch #23-26

Warrants over \$200,000: None

G. Pending Issues or Business

1. Budget Season Prep – Anatomy of the Port Budget: Tad Kopf, Director of Finance

H. Action Calendar

1. Budd Inlet Remediation and Integrated Port Peninsula Master Plan – Dalton, Olmsted & Fuglevand Contract Amendment #3: Shawn Gilbertson, Director of Planning and Programs and Camille St. Onge, Director of Strategic Initiatives and Commission Affairs
2. Port Management Agreement Application to Washington Department of Natural Resources: Clarita Mattox, Real Estate Senior Manager
3. PUBLIC HEARING: Resolution 2024-07 Comprehensive Scheme of Harbor Improvements. *Pursuant to RCW 53.02.020, the Port of Olympia Commission will hold a public hearing to consider a change to the Port Comprehensive Scheme of Harbor Improvements (CSHI).*
  - a. Open Public Hearing
  - b. Presentation regarding Resolution 2024-07 Comprehensive Scheme of Harbor Improvements: Warren Hendrickson, Director of Operations
  - c. Accept Public Testimony
  - d. Close Public Hearing
4. Resolution 2024-07 Comprehensive Scheme of Harbor Improvements: Warren Hendrickson, Director of Operations

I. Action/Other Calendar

1. None

Public Comment on Action/Other Item

J. Advisory Calendar

1. Waterfront Center Architectural Contract Award: James Sommer, Capital Assets Program Manager and Clarita Mattox, Real Estate Senior Manager  
Public Comment on Advisory Item
2. Option to Ground Lease 5<sup>th</sup> Amendment – Panattoni/New Market Industrial Campus: Warren Hendrickson, Director of Operations  
Public Comment on Advisory Item
3. Port of Olympia Citizens Advisory Committee Update, Subcommittee Formation, Operating Updates, Resolution Update: Camille St. Onge, Director of Strategic Initiatives and Commission Affairs and Joel Hansen, Port of Olympia Citizens Advisory Committee Chair  
Public Comment on Advisory Item

K. Commissioner Reports/Discussion

L. Other Business

M. Meeting Announcements

***Port of Olympia Mission***

*Creating economic opportunities and building community for all of Thurston County through responsible resource use.*



N. Adjourn

***Port of Olympia Mission***

*Creating economic opportunities and building community for all of Thurston County through responsible resource use.*

PORT OF OLYMPIA  
VOUCHER APPROVAL LISTING, Batch # 23-26  
June 2024

GENERAL FUND		
	COMPUTER PREPARED	462,909.92
	BOND ACCOUNT PAYMENTS	-
	VOIDED WARRANT(S) / ELECTONIC PAYMENT(S)	(31,118.14)
	PAYROLL	-
	ELECTRONIC PAYMENTS	332,308.22
	TOTAL GENERAL FUND WARRANTS, BOND ACCOUNT WARRANTS & ELECTRONIC PAYMENTS:	<u>764,100.00</u>

General Fund Warrants Issued:  
Electronic Payments Issued:  
Bond Account Warrants Issued:  
Payroll Warrants Issued:  
Voided Warrant(s):  
Voided Electronic Payment(s):  
Zero Warrants:

We the undersigned Board of Commissioners of the Port of Olympia, Olympia Washington, do hereby authorize the issuance of the warrants described above.

Total Warrants: \$764,100.00

**Warrants over \$200,000:**

\_\_\_\_\_  
Amy Harding, Commissioner

\_\_\_\_\_  
Jasmine Vasavada, Commissioner

\_\_\_\_\_  
Sarah Tonge, Commissioner

\_\_\_\_\_  
Magdalene Sanders, Commissioner

\_\_\_\_\_  
Alex Smith, Executive Director

\_\_\_\_\_  
Charles Iyall, Commissioner

PORT OF OLYMPIA  
VOUCHER APPROVAL LISTING  
June 2024

Batch #: 23

WARRANTS ISSUED:

COMPUTER PREPARED, issued week ending 06/07/2024  
COMPUTER PREPARED  
Voided Warrant(s)  
Zero Checks

WARRANT NUMBERS:

089512-089550

71,898.47

PROJECTS:

COMPUTER PREPARED  
Voided Warrant(s)

ELECTRONIC PAYMENTS:

Electronic Payments, issued week ending 06/07/2024  
COMPUTER PREPARED  
Voided Warrant(s)

ACH NUMBERS:

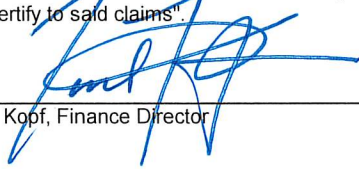
001270-00001273

167,218.28

TOTAL WARRANTS

\$ 239,116.75

RCW 42.24.080: "I, the undersigned, do hereby certify under penalty of perjury, that the materials have been furnished the services rendered or the labor performed as described herein, and that the claims are just, due and unpaid obligations of the Port of Olympia, and that I am authorized to authenticate and certify to said claims".


  
\_\_\_\_\_  
Tad Koof, Finance Director

PORT OF OLYMPIA  
VOUCHER APPROVAL LISTING  
June 2024

Batch #: 24

WARRANTS ISSUED:	WARRANT NUMBERS:	
COMPUTER PREPARED, Issued week ending 06/14/24		195,269.69
COMPUTER PREPARED	089551-089585	
Voided Warrant(s)		-
Zero Checks		-
PROJECTS:		
COMPUTER PREPARED		-
Voided Warrant(s)		-
ELECTRONIC PAYMENTS:	ACH NUMBERS:	
Electronic Payments, issued week ending 06/14/24		61,058.21
COMPUTER PREPARED	001274-001277	
Voided Warrant(s)		
	TOTAL WARRANTS	\$ 256,327.90

RCW 42.24.080: "I, the undersigned, do hereby certify under penalty of perjury, that the materials have been furnished the services rendered or the labor performed as described herein, and that the claims are just, due and unpaid obligations of the Port of Olympia, and that I am authorized to authenticate and certify to said claims."

  
\_\_\_\_\_  
Tad Kopf, Finance Director

PORT OF OLYMPIA  
VOUCHER APPROVAL LISTING  
June 2024

Batch #: 25

WARRANTS ISSUED:	WARRANT NUMBERS:	
COMPUTER PREPARED, Issued week ending 06/21/24		72,961.13
COMPUTER PREPARED	089586-089617	
Voided Warrant(s)		
Zero Checks		-
PROJECTS:		
COMPUTER PREPARED		-
Voided Warrant(s)		-
ELECTRONIC PAYMENTS:	ACH NUMBERS:	
Electronic Payments, issued week ending 06/21/24		68,155.05
COMPUTER PREPARED	001278-001279	
Voided Warrant(s)		
	TOTAL WARRANTS	\$ 141,116.18

RCW 42.24.080: "I, the undersigned, do hereby certify under penalty of perjury, that the materials have been furnished the services rendered or the labor performed as described herein, and that the claims are just, due and unpaid obligations of the Port of Olympia, and that I am authorized to authenticate and certify to said claims".

  
Tad Kopf, Finance Director

PORT OF OLYMPIA  
VOUCHER APPROVAL LISTING  
June 2024

Batch #: 26

WARRANTS ISSUED:

COMPUTER PREPARED issued week ending 06/28/24  
COMPUTER PREPARED  
Voided Warrant(s)  
Zero Checks

WARRANT NUMBERS:

089618-089657  
089470, 089510

122,780.63

(31,118.14)

-

PROJECTS:

COMPUTER PREPARED  
Voided Warrant(s)

-

-

ELECTRONIC PAYMENTS:

Electronic Payments, issued week ending 06/28/24  
COMPUTER PREPARED  
Voided Warrant(s)

ACH NUMBERS:


001280

35,876.68

TOTAL WARRANTS

\$ 127,539.17

RCW 42.24.080: "I, the undersigned, do hereby certify under penalty of perjury, that the materials have been furnished the services rendered or the labor performed as described herein, and that the claims are just, due and unpaid obligations of the Port of Olympia, and that I am authorized to authenticate and certify to said claims"

  
\_\_\_\_\_  
Tad Kopf, Finance Director

## COVER MEMO

**Briefing Date/Time:** July 22, 2024

**Staff Contact/Title:** Tad Kopf, Finance Director, 360.528.8040,  
[tadk@portolympia.com](mailto:tadk@portolympia.com)

**Subject:** Port Budget Anatomy

**Purpose:**  Information Only  Decision Needed

### **Overview:**

This brief is advisory only and requires no action. It provides a comprehensive high level overview of the budget process, initial proposed dates for deliverables / actions and the structure of the presentations Commissioners will review as the process progresses from beginning to conclusion.

### **Background:**

The anatomy presentation is based on the 2024 budget process which was a significant departure from recent prior iterations. This process is intended to offer greater transparency, clearer understanding, and a more interactive approach to the process.

### **Documents Attached:**

PowerPoint outlining the process and anatomy of the pending 2025 budget process.

### **Affected Parties:**

Commission and Staff involved in the budget process will be affected by this process and any potential modifications.

### **Conclusion:**

This presentation, coupled with upcoming opportunities for Commissioner input into the budget direction and process, should result in a further improved process with clearer objectives and better executable budget for the coming year.



**PORT of OLYMPIA**  
Serving All of Thurston County

# Port Budget Anatomy


Tad Kopf  
Director of Finance  
July 22, 2024



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## Budget Process

- Begins in June and concludes in November
- Requests sent to business units for initial budget figures
- Sections presented and reviewed by Commission
- Multiple work sessions held to develop final draft budget
- Final draft budget presented with draft resolutions for adoption



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## Commission Input Opportunities

Commission Meeting Schedule for 2024 Budgeting (held in 2023)

Month	Date	Topic
September	25	Budget process overview and schedule
October	2	Capital investment plan
October	9	Non-operating, tax levy uses and community events
October	16	Draft operating budget, first review
October	23	Draft operating budget, second review
November	6	Budget adjustments and final review, (as needed)
November	13	Budget presentation and public hearing
November	20	Final adjustments, (if needed)
November	27	budget adoption / resolutions

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## Budget Action Timeline

2025 Budget Preparation Schedule

Date	Day	Action	Responsibility
7/17/2024	Wednesday	June Financials complete	Finance & Accounting
7/19/2024	Friday	Projects List	James
7/20/2024	Saturday	Compiled List Sent to Directors	James
7/19/2024	Friday	Budget Templates Ready and sent	Finance & Accounting
8/7/2024	Wednesday	Budget Templates Due (Submit to Finance)	Directors > Finance & Accounting
8/7/2024	Wednesday	Review Projects List w/ Budget Team	Planning, Public Works & Environmental
8/9/2024	Friday	1st Draft of Projects List Sent to Directors	Planning, Public Works & Environmental
8/14/2024	Wednesday	Review 1st Draft with Exec Director & Budget Team	Finance & Accounting
8/16/2024	Friday	1st Draft of Budget Sent to Directors/SR Managers	Finance & Accounting
8/20/2024	Tuesday	Review of 1st Draft of Operating & CIP Budgets	Directors
8/22/2024	Thursday	Meet with Directors and Sr. Managers regarding Assumptions and Edits	Budget Team
8/23/2024	Friday	Meet with Directors and Sr. Managers regarding Assumptions and Edits	Budget Team
8/30/2024	Friday	Budget Changes back to Finance	Directors
9/9/2024	Monday	Review 2nd Draft with Exec Director & Budget Team	Finance & Accounting
9/11/2024	Wednesday	Second Draft Budget Sent to Directors	Finance & Accounting
9/13/2024	Friday	Review of 2nd Draft of Operating & CIP Budgets	Directors

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## Budget Process (con't)

2025 Budget Preparation Schedule			
Date	Day	Action	Responsibility
9/19/2024	Thursday	Final Changes back to Finance	Finance & Accounting
9/20/2024	Friday	Budget Work Session with Commissioners focus on Non Ops	Directors
9/24/2024	Tuesday	Complete Draft Budget	Finance & Accounting
9/26/2024	Thursday	Send Draft Budget to Commission	Finance & Accounting
9/30/2024	Monday	Study Session - Operating Budget and CIP Not on Schedule	Finance & Accounting
10/7/2024	Monday	2022 Budget Process @ Commission Meeting	Finance & Accounting
10/14/2024	Monday	Study Session - CIP and review of Tax Levy Uses	Finance & Accounting
10/21/2024	Monday	Advisory Review Draft Budget & CIP Vote on Changes	Finance & Accounting
10/27/2024	Sunday	Advertise Budget & Public Hearing	Finance & Accounting
11/3/2024	Sunday	Advertise Budget & Public Hearing	Finance & Accounting
11/4/2024	Monday	Study Session - Budget & CIP - Review Budget if necessary	Finance & Accounting
11/7/2024	Thursday	Draft Budget Available on Web & Office	Finance & Accounting
11/10/2024	Sunday	Advertise Budget & Public Hearing	Finance & Accounting
11/11/2024	Monday	Public Hearing - 2023 Proposed Budget & Capital Investment Plan	Finance & Accounting
11/18/2024	Monday	Study Session - Budget & CIP - Review Budget & Public Comments (If Necessary)	Finance & Accounting
11/25/2024	Monday	Budget & CIP Presentation - Commission Approval	Finance & Accounting
11/26/2024	Tuesday	Budget News Release	Communications
11/27/2024	Wednesday	Resolutions and Budget Documents Delivered to County (No later than Nov 30.)	Finance & Accounting

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What does a mid-process budget presentation look like?

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## Agenda

- Commission IOUs
- Review schedule
- 2024 Budget assumptions
- Capital Investment Plan
- 2024 Budget overview
- 2024 Operating budget by business
- Tax Levy and Non-Operations (including environmental, Commission and other non-ops)
- Questions and Comments



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## Budget Work Session IOUs

- **Small City Budget provisions:** Added \$ to Commission budget
- **Sea Level Rise:** \$ Included in Environmental budget
- **Commission Special Projects provision:** Added \$ to Commission budget
- **Tax Levy Refund line item:** Added to Tax Levy slide, in the amount of \$
- **Bond Project information:** Detail summary distributed to Commissioners
- **Intercity Transit MOU detail:** MOU detail distributed to Commissioners
- **POCAC budget increase from \$ to \$:** Change made to proposed budget

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# 2024 Budget Assumptions

## Operating Budget (2023 Adopted vs. 2024 Proposed)

- Overall Revenues Increase / Decrease %
- Overall Expenses Increase / Decrease %
  
- Grants, \$s in 2023 to anticipated \$s in 2024
- Commerce Building Center Lacey, not included (Revenue, Expenses, G&A redistributed)
  
- Rates and Fees
  - Airport Increase / Decrease %
  - Marina Increase / Decrease %
  - Marine Terminal Tariff TBD
  
- Staffing
  - COLA salary adjustment %
  - Budd Inlet Communications Specialist added



# Capital Budget

*\*example only*

2024 Proposed Capital Budget						
Business Unit	Page #	Project Name	Capital Budget	Port Funds	Grant Funds	Notes, Comments, Assumptions
Airport	1	Airfield Pilot Controlled Lighting System	\$150,000	\$15,000	\$135,000	FAA NPE grant funds \$135,000.
	2	Airfield Lighting Regulators	\$500,000	\$50,000	\$450,000	FAA BIL/AIG grant funds \$450,000.
	3	Unleaded AvGas Tank & Fuel Truck	\$500,000	\$50,000	\$450,000	FAA NPE & BIL/AIG grant funds \$450,000.
	4	Runway 17/35 Rehab Design	\$75,000	\$75,000	\$0	Environmental. 90% reimbursable in 2025 from grant.
	5	Airport/Operations Electric Vehicle x2	\$173,800	\$17,380	\$156,420	FAA Sustainability Grant Project \$156,420.
	6	Airport Runway 8/26 Reconstruction**	\$250,000	\$250,000	\$0	Carry over from 2023.
	7	Equipment: Airport Snow Plow	\$60,000	\$60,000	\$0	Suitable large snow plow vehicle for 2024-25 snow
	8	WSP Hangar Roof	\$400,000	\$400,000	\$0	Awaiting 2023 evaluation.
			\$2,108,800	\$917,380	\$1,191,420	
Marina & Boatworks	9	BW-Replace Media in Stormpond	\$60,000	\$60,000	\$0	Media in pond is over 20 yrs. old.
	10	BW-Stormwater unit/filtration**	\$200,000	\$200,000	\$0	Engineering in 2023. Construction in 2024.
	11	Equipment: Tractor Attachment	\$18,000	\$18,000	\$0	
	12	Equipment: Asphalt Sealer	\$80,000	\$80,000	\$0	
			\$358,000	\$358,000	\$0	




*\*example only*

2024 Proposed Capital Budget						
Business Unit	Page #	Project Name	Capital Budget	Port Funds	Grant Funds	Notes, Comments, Assumptions
Marine Terminal	13	Asphalt/Repairs-Berth 1**	\$75,000	\$75,000	\$0	PIDP Grant Award - Design, engineering
	14	Maintenance Facility**	\$75,000	\$75,000	\$0	PIDP Grant Award - Design, engineering
	15	Marine Terminal Paving**	\$75,000	\$75,000	\$0	PIDP Grant Award - Design, engineering
	16	Port Security - Gate Replacement	\$400,000	\$100,000	\$300,000	Port Security Grant
	17	Fuel Containment Facility	\$65,000	\$65,000	\$0	
			\$690,000	\$390,000	\$300,000	
Real Estate		N/A				
			\$0	\$0	\$0	
Non-Ops   Admin	18	Waterfront Center - Design**	\$300,000	\$55,000	\$245,000	
	19	Marine Drive Asphalt (Heavy to MT Gate)	\$1,500,000	\$200,000	\$1,300,000	State appropriations. Engineering & rebuild in 2024.
	20	Billy Frank Jr Trail Signs**	\$50,000	\$50,000	\$0	
	21	Sustainability Infrastructure	\$97,900	\$8,900	\$89,000	Grant - Clean Energy 5
	22	IT - Needs	\$75,000	\$75,000	\$0	
	23	IT-Phone Upgrades (VOIP)	\$20,000	\$20,000	\$0	
	24	IT-Fiber to Port Cyber Security Infrast.	\$125,000	\$31,250	\$93,750	Port security grant
	25	SL Rise: Install Backflow Prevention - A&J	\$25,000	\$25,000	\$0	
	26	Contingency Capital Project(s) *	\$300,000	\$300,000	\$0	*Additional projects require commission approval
			\$2,492,900	\$765,150	\$1,727,750	
		<b>Capital Total</b>	<b>Port Total</b>	<b>Grants Total</b>		
		<b>Total</b>	<b>\$5,649,700</b>	<b>\$2,430,530</b>	<b>\$3,219,170</b>	

\*\* indicate a Capital carryover from a previous year

V. 10.30.23





### 2024 CAPITAL PROJECT PROPOSAL SUMMARY SHEET

**PROJECT SUMMARY**

**Project Name:** Airport/Zero Emissions Vehicles (ZEV) Purchase  
**Business Unit:** Airport

**Description:** If successful in being awarded an Federal Aviation Administration ZEV grant, purchase of two electric pickup trucks to support Olympia Regional Airport Operations. This purchase will include the vehicles, charging equipment and installation, and technical assistance/design fees.

**Need:** This purchase is one component of the Port's vehicle replacement plan in favor of zeroing carbon emissions and achieving greater sustainability. The availability of grant funding for 90% of the purchase is a significant added incentive to complete this purchase in 2024.

**Alignment with Vision 2050, Strategic Plan 2025, and other pros:**  
 Environmental stewardship and sustainability.

**FINANCIAL SUMMARY**


This project will be funded using Federal Aviation Administration (FAA) ZEV Grant funds (90%) plus a required match with Port funds (10%).

COST ASSUMPTIONS	
Engineering Services	\$0
Other Professional Services	\$15,800
Machinery & Equipment	\$154,500
Construction Services	\$3,500
<b>TOTAL:</b>	<b>\$173,800</b>

Revenue Source	FISCAL YEAR FUNDING REQUESTS							TOTAL
	Spent to Date	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	
Port Funds	---	\$17,380	---	---	---	---	---	\$17,380
Grants - FAA Grant	---	\$156,420	---	---	---	---	---	\$156,420
Loans - N/A								
Other - N/A								
<b>TOTAL REQUESTED FUNDS</b>	---	<b>\$173,800</b>	---	---	---	---	---	<b>\$173,800</b>

**ESTIMATED PROJECT & PURCHASE TIMELINE**

Pre-Design: N/A  
 Engineering/Design: N/A  
 Purchase/Construction: FY 2024  
 Estimated Completion: FY 2024



# White Paper Example

Page #5



## 2024 Statutory Budget

(in 000's)

	2024 Budget
Beginning Cash & Investments	\$ -
Operating Revenues	-
Ops / Maint / Admin Expense	-
<b>Income from Operations</b>	<b>-</b>
Property tax revenue	-
Non Operating	-
<b>Operations &amp; Other Income</b>	<b>-</b>
Debt Service Payments	-
Capital Investments - Planned Projects	-
<b>Projected Uses of Income</b>	<b>-</b>
<b>Ending Cash &amp; Investments</b>	<b>\$ -</b>

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## 2024 Budget Overview

Comparative (000's)

	Consolidated Airport	Consolidated Swantown	Marine Terminal	Properties
<b>Operating Revenues</b>	\$0	\$0	\$0	\$0
Operating Expenses	\$0	\$0	\$0	\$0
Maintenance Expenses	\$0	\$0	\$0	\$0
General & Admin	\$0	\$0	\$0	\$0
<b>Net Income (Before Dep.)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
Depreciation	\$0	\$0	\$0	\$0
<b>Net Income (After Dep.)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

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## 2024 Budget Overview

Consolidated Individual Business Unit, (in 000's)

		% +/- Vs. 2023 Budget	
Operating Revenues	\$0	Increase of	%
Operating Expenses	\$0	Decrease of	%
Maintenance Expenses	\$0	Increase of	%
General & Admin. Overhead	\$0	Increase of	%
Net Income (Before Depreciation)	<b>\$0</b>		
Depreciation	\$0		
Net Income (After Depreciation)	<b>\$0</b>		

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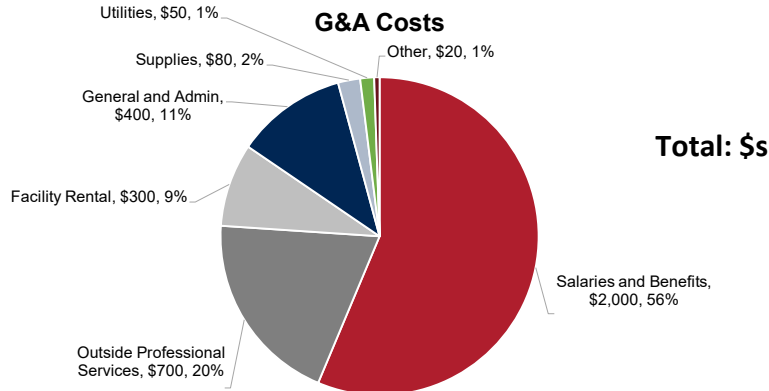


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## Budget Overview

General and Administration (in 000's)

*\*example only*

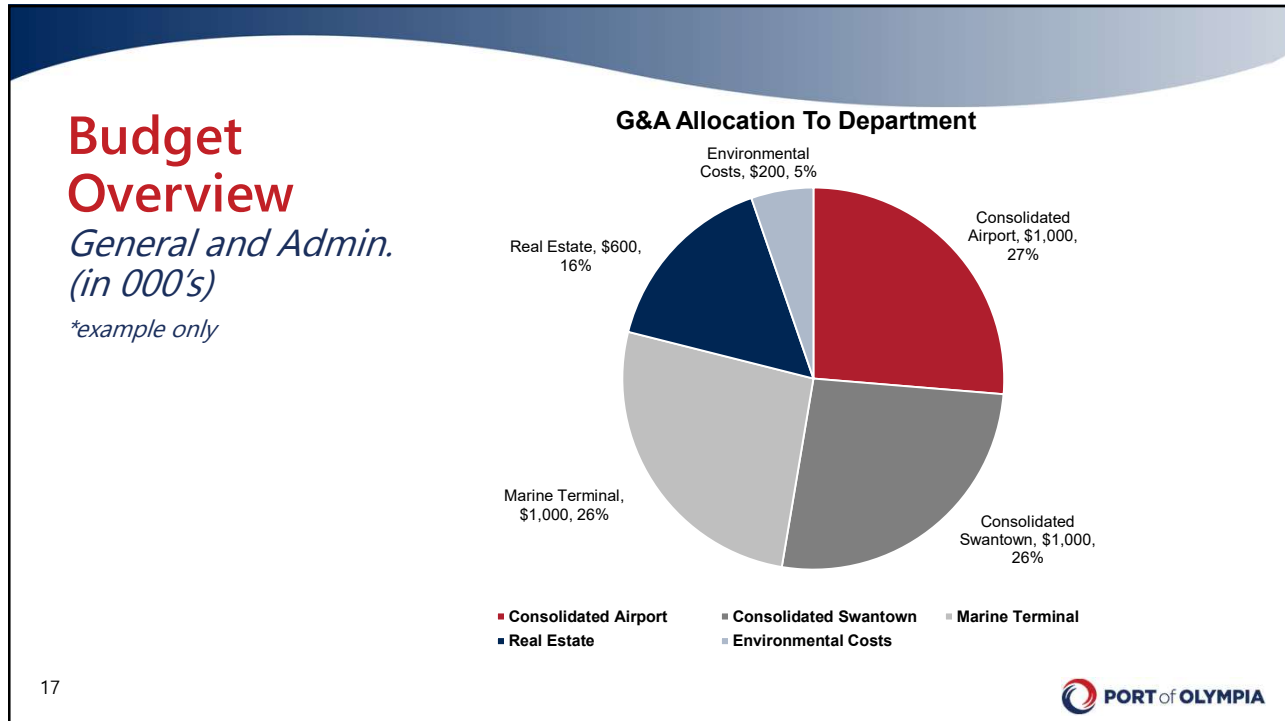


■ Salaries and Benefits ■ Outside Professional Services ■ Facility Rental ■ General and Admin ■ Supplies ■ Utilities ■ Other

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## Tax Levy

*Calculated Proposed Amount* *\*numbers used for example only*

1% + New Construction Increase		
2023 levy amount		\$ 7,587,578
Increase on prior year levy	1%	75,876
Levy increase for new construction		115,453
Administrative Refund Re-Levy		79,261
<b>Proposed 2024 tax levy</b>		<b>\$ 7,858,167</b>
<b>Increase (Decrease)</b>		<b>\$ 270,589</b>
2024 Preliminary Assessed Valuation	\$60,139,661,071	
2024 Millage Rate (calculated)		\$ 0.1307
2023 Millage Rate		\$ 0.1267
Difference		\$ 0.0040

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<b>Total Tax Levy Revenues</b>		<b>\$ -</b>
<b>Uses of Taxes:</b>		
Principle & Interest Expense, Debt		-
Environmental Expense:		
Cascade Pole		-
Environmental Administration		-
Budd Inlet Remediation (Port Share Only)		-
Community Events		-
Public Amenities		-
Harbor Patrol		-
Small Cities		-
Special Projects		-
Commission Expense		-
<b>Total Use of Taxes</b>		<b>\$ -</b>
<b>Net Levy Funds</b>		<b>\$ -</b>
<b>Funds Required From Operations</b>		<b>\$ -</b>

## Tax Levy Uses

*(in 000's)*

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## Sample Motion(s)

Budget adoption:

"...move to adopt Resolution 2023-XX for the Budget Adoption Tax Levy and move to adopt Resolution 2023-XX Adoption of Budget and Capital Improvement Plan."

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## Questions and Comments

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## Final Cash 2024 Statutory Budget *(in 000's)*

	<b>2024 Budget</b>
Beginning Cash & Investments	\$ 15,342
Operating Revenues	15,635
Operating Expense	(14,347)
<b>Income from Operations</b>	<b>1,288</b>
Property tax revenue	7,858
Non Operating	(4,395)
<b>Operations &amp; Other Income</b>	<b>4,751</b>
Debt Service Payments	(4,616)
Capital Investments - Planned Projects	(2,446)
<b>Projected Uses of Income</b>	<b>(7,062)</b>
<b>Ending Cash &amp; Investments</b>	<b>\$ 13,031</b>

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**Port of Olympia  
Budget Process Discussion**

Capital Investments	<ul style="list-style-type: none"><li>• Existing Projects Carryforward</li><li>• New Projects - financial analysis</li></ul>
Tax Levy	<ul style="list-style-type: none"><li>• Determine need</li><li>• Policy</li></ul>
Business Units	<ul style="list-style-type: none"><li>• Existing Revenue Expectations, Business Unit Contribution</li><li>• New Revenue from Capital Investments</li></ul>
Gen & Admin	<ul style="list-style-type: none"><li>• Conforms to Business Unit need</li><li>• Limited by Cash generated from Operations</li></ul>
Debt ?	<ul style="list-style-type: none"><li>• Plan of Finance Results</li><li>• Determine if new debt needed to fund capital program</li></ul>
Review	<ul style="list-style-type: none"><li>• Does Plan Meet Financial Goals?</li><li>• Does Plan Support Port Goals?</li></ul>

**Decision Tree**



23

## COVER MEMO

**Briefing Date/Time:** July 22, 2024

**Staff Contact/Title:** **Shawn Gilbertson**, Director of Environmental Planning and Programs, (360)528-8061  
[ShawnG@portolympia.com](mailto:ShawnG@portolympia.com)

**Camille St. Onge**, Director of Strategic Initiatives and Commission Affairs, (564)669-3100  
[CamilleS@portolympia.com](mailto:CamilleS@portolympia.com)

**Subject:** Budd Inlet Remediation and Integrated Port Peninsula Master Plan: Dalton, Olmsted & Fuglevand Contract Amendment #3

**Purpose:**  Information Only  Decision Needed

### **Overview:**

Action Item – Decision Requested.

Proposed is an amendment to the Dalton, Olmsted & Fuglevand (DOF) Professional Services Contract No. 2022-1002 – Budd Inlet Remediation. The history of this contract is as follows:

This contract amendment will increase the not-to-exceed amount by \$5.24M. This adjusted contract budget includes \$4M for continued Budd Inlet Remediation work and \$1.24M to complete an Integrated Port Peninsula Master Plan. The contract amendment will also extend the contract expiration from Dec. 31, 2024, to Dec. 31, 2026.

### **Background:**

The Port of Olympia executed an Agreed Order (AO) with the Washington Department of Ecology (Ecology) to conduct an evaluation of contaminated sediments in Budd Inlet as required by the Model Toxics Control Act (MTCA). Originally signed in December of 2008, the AO has been amended twice. The amendments generally require an expanded site footprint, increased investigatory parameters, and progress toward developing a cleanup action plan.

The DOF Consulting team was brought under contract with the Port after a competitive solicitation process in 2022. The original contract set the course towards compliance with the Ecology AO. Subsequent amendments to the contract have been executed to fully accomplish the AO and amendments thereto, as funds have become available in the Port’s budget.

Contract History	Effective Date	Amount Added	Approximate Port Share	Amended NTE Amount
Initial Contract	June 2022	\$99,500	\$49,750	\$99,500
Amendment #1	October 2022	\$2,186,881	\$1,093,441	\$2,286,381
Amendment #2	June 2023	\$4,305,555	\$2,152,778	\$6,591,936
Proposed Amendment #3	July 2024	\$5,240,000	\$2,620,000	\$11,831,936

**Contract Amendment:**

Progress towards completion of the AO is occurring rapidly. There is now a need to expand the investigatory work to West Bay. The additional funding proposed for this amendment would allow for planning, permitting, and execution of sampling and analysis of sediments as in West Bay. This work has all been accounted for in the Port’s budget (including the recent \$2M budget amendment).

In addition to assessment of sediment contamination in Budd Inlet, the DOF contract scope of work includes integrated planning and project strategy. Integrated planning was included in the original scope of work because remediation of contaminated sediments is inextricably tied to Port operations, future development of the Port Peninsula, and opportunities for climate resilience. These considerations will impact the remediation strategy because upland placement of dredged sediment may be used to mitigate the impacts of sea level rise. Goals for the integrated planning effort include planning for the Marine Terminal, Swantown Marina & Boatworks, integration with the Deschutes Estuary Project, sea level rise response actions, and Peninsula development.

At an April 30, 2024, Commission/staff retreat, the Commission confirmed this work is a priority. The Master Plan will build off the work done in Destination Waterfront and Vision 2050 and integrate it with the Budd Inlet Remediation Project to maximize environmental benefit, economic development, and community assets.

The DOF contract amendment supports our goal of completing the Integrated Port Peninsula Master Plan by spring of 2025. This aggressive schedule allows ample opportunity to apply for federal grants and other appropriations during 2025 and 2026 legislative funding cycles.

**Documents Attached:**

- PowerPoint Presentation
- Proposal documents with scope and budget provided in the July 8 meeting materials: [July 8 meeting materials](#)

**Financial Impact:**

\$5,240,000 expended from Budd Inlet Remediation 2024 Budget.



**PORT of OLYMPIA**  
Serving All of Thurston County

# Budd Inlet Remediation and Integrated Port Peninsula Master Plan Contract

July 22, 2024

Shawn Gilbertson  
Director of Environmental  
Planning and Programs

Camille St. Onge  
Director of Strategic Initiatives  
and Commission Affairs

1



## Today's Presentation

*Action – Decision Requested*

- Dalton, Olmsted and Fuglevand (DOF) contract amendment #3
- Overview
- Phasing
- Review history
- Purpose of amendment
- Additional master plan details



2

2



## Overview

- Continues aggressive Budd Inlet investigation schedule.
- Integrates Budd Inlet with upland long-term planning.
- Strengthens position for state/federal funding requests.
- Aligns with community request for broader, long-term planning approach.



3



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## Phased Project Approach

### *Contract background*

- Ecology Agreed Order and 2 amendments
- Phased investigation
- DOF contract amendments to match
- West Bay sediment sampling
- Integrated planning



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## Proposed Contract Amendment

- Extend DOF contract to December 31, 2026
- Continue Budd Inlet Investigation - \$4M
- Develop Integrated Port Peninsula Master Plan - \$1.24M



*Processing East Bay Sediment Core Samples*

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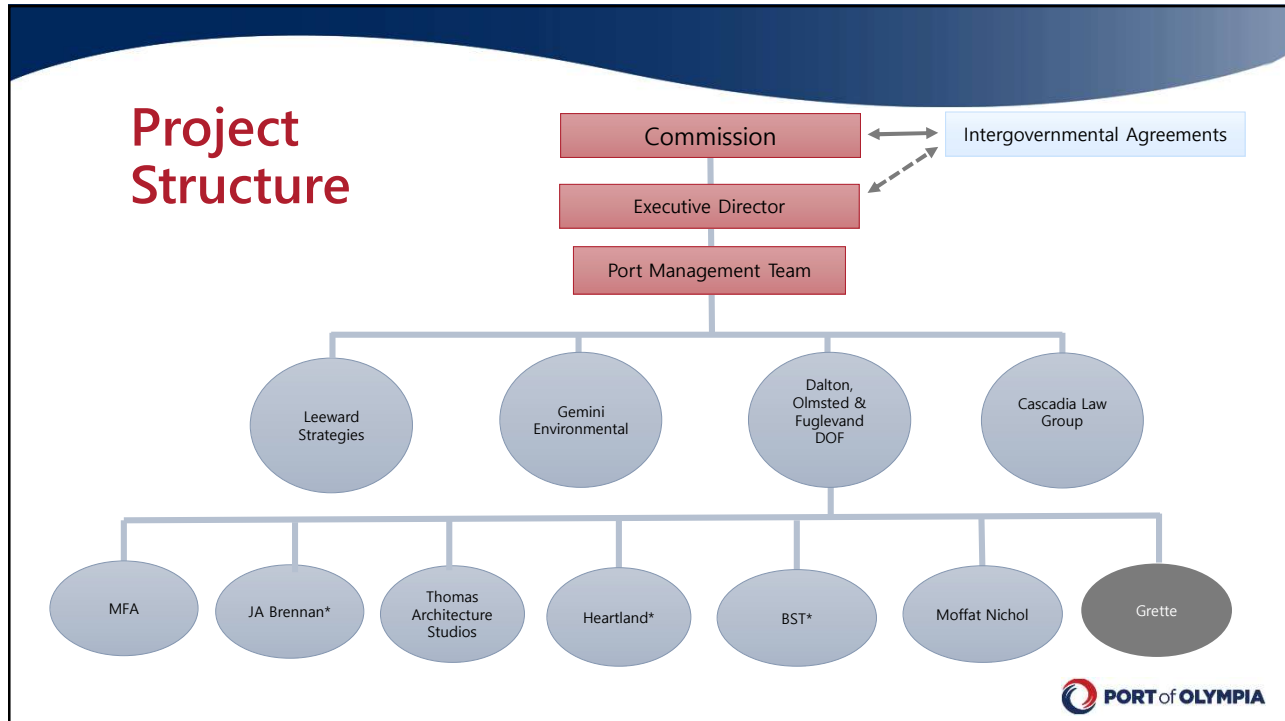


## Integrated Port Peninsula Master Plan

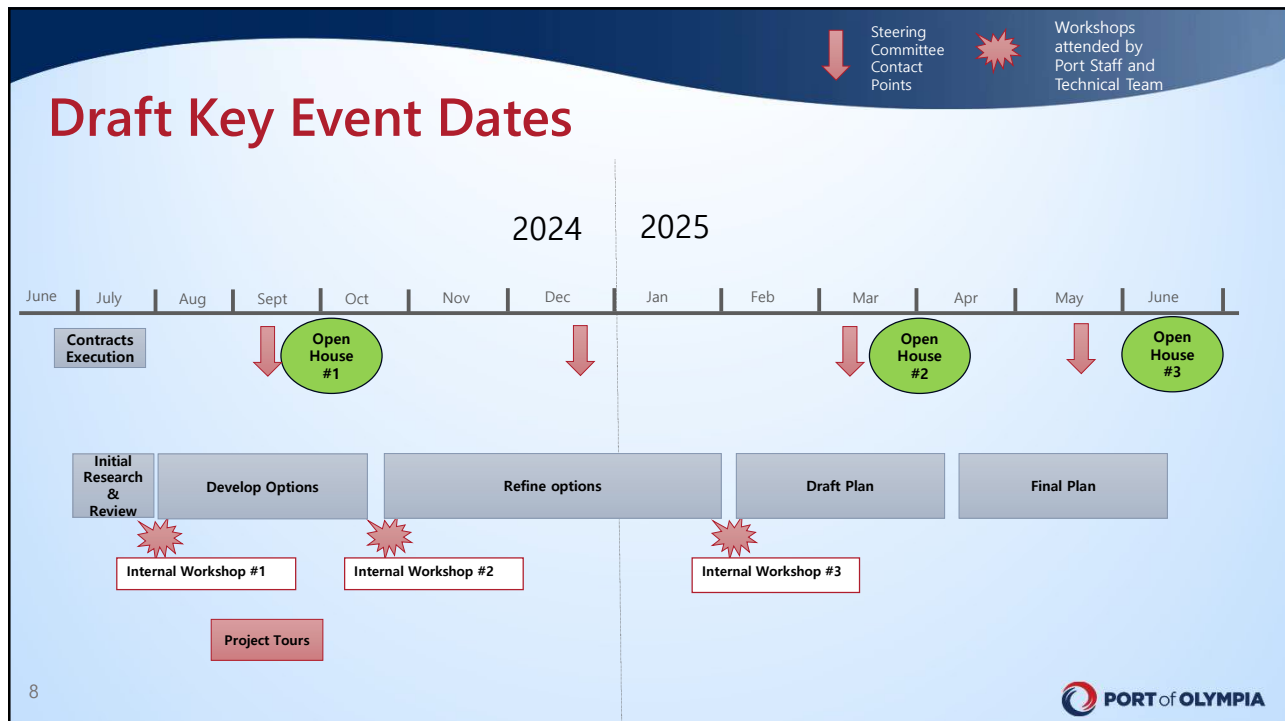
### Additional Details



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## Integrated Port Peninsula Master Plan Deliverables

- Budd Inlet upland sediment placement, sea level rise and Deschutes Estuary alternatives
- Market and economic impact analysis
- Marine terminal layout and integration analysis
- Marina & Boatworks layout and integration analysis
- Open space and parks vision casting and integration
- Probable construction costs
- Grant funding source matrix
- Branding of master plan
- Final master plan

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## Questions and Comments

*Suggested Motion...*

*"...move to authorize the Executive Director to sign Amendment #3 regarding contract number 2022-1002 increasing the Dalton, Olmsted and Fuglevand budget by \$5,240,000 for a not to exceed amount of \$11,831,936 and with a new term date of December 31, 2026."*

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## COVER MEMO

**Briefing Date/Time:** July 22, 2024

**Staff Contact/Title:** Clarita Mattox, Real Estate Senior Manager 360.528.8070, [claritam@portolympia.com](mailto:claritam@portolympia.com)

**Subject:** Port Management Agreement Application to Washington State Department of Natural Resources

**Purpose:**  Information Only  Decision Needed

### **Overview:**

Action Requested. Staff presented an Advisory of this topic at the July 8, 2024 Commission meeting.

By law, the Washington Department of Natural Resources (DNR) is directed to manage aquatic lands owned by the state of Washington. RCW 79.105.420 (previously codified at RCW 79.90.475) provides that port districts and DNR may, at the request of the ports, enter into a management agreement for ports to manage those aquatic lands for the purpose of port operations. The Washington Administrative Code 332-30-114 states that a mutual, formal, and written agreement with the Washington Department of Natural Resources is required. The intent of the Agreement is to identify the respective responsibilities for managing aquatic lands that abut to upland properties owned by port districts.

The most current agreement between DNR and Port of Olympia was signed in 1984, which expired in 2014, at which time DNR granted an extension to the Port for an additional 10 years or through September 30, 2024. The application to DNR requires Port Commission action, via a resolution, authorizing the Executive Director to sign the PMA on behalf of the Port.

### **Background:**

The Port's PMA was amended in September 2014 to memorialize the extension of 10 years. However, DNR had disputed in 1996 ownership of the western part of Columbia Street, which was vacated by the City of Olympia in 1924. The disputed area included the submerged tidelands, harbor and channel, and DNR claimed rents owed to the agency from the leases along that section of Columbia Street. The two leases were from the development of Anthony's and the Market Place office building. The

settlement agreement was dated April 1, 2016, in which the Port and DNR agreed to mutual release of any claims against each other as a result of the leases. The Port acknowledged the State's ownership rights over the disputed area, and further agreed to share 35% of the base rents from the land leases (Anthony's Homeport and Market Place office building) during the remainder of the land leases' terms. DNR has received approximately \$328,576 from 2016-2023.

DNR agreed to not have the Port pay back rent for the use of the vacated area prior to March 2016, and the Port included the vacated (disputed area) as part of the PMA record survey in the future.

The application requires a new record of survey (completed April 2024), reviewed and approved by DNR; the record survey is to include the PMA area, all improvements, and uses; if any, fills on parcels or discharge permit for outfalls, title and legal description of ownership, evidence of NPDES permit issuance, and copies of any land leases or sublease associated with any of the Port's uplands abutting the PMA boundaries.

**Documents Attached:**

- PowerPoint presentation
- Port's current Management Agreement
- Amendment #1
- Amendment #2

**Summary and Financial Impact:**

None outside the agreement terms.

**Affected Parties:**

Port of Olympia and Department of Natural Resources.

**Options with Pros and Cons:**

Maintain integrity of the PMA and balanced operations of the Marine Terminal.

**Staff Recommendation:**

Approve resolution 2024-06, approving submitting application to the Washington Department of Natural Resources for a new Port Management Agreement and authorizing the Executive Director to submit the application and sign the PMA on behalf of the Port.



**PORT of OLYMPIA**  
Serving All of Thurston County

# Port Management Agreement Application

Clarita Mattox  
Real Estate Senior Manager  
July 22, 2024



1



## Port Management Agreement (PMA)

Application to  
Washington Department  
of Natural Resources



2





## Today's Presentation

*Action is Required*

- Port Management Agreement - expires September 30, 2024
- Application to the Washington Department of Natural Resources (DNR)



3

## PMA – Advisory July 8, 2024 Recap

- Staff brought before the Commission information related to DNR and port management agreements, as provided by RCW 79.105.420 and WAC 332-30-114, which allow ports to manage aquatic lands for port operations.
- PMA agreements are intended to identify the respective responsibilities for managing those aquatic lands that abut to upland properties owned by the ports.



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## PMA Advisory Recap

- The Port of Olympia's last PMA was signed in 1984 PMA, which expired September 30, 2014.
- Amendment #1 provided a 10-year extension, which expires September 30, 2024.
- 1996 DNR disputed ownership of the western part of the vacated Columbia Street (submerged tidelands, harbor, and channel), when the City of Olympia vacated Columbia Street in 1924.



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## PMA – Recap

- The disputed area is identified as PMA Parcel 2, and it is the western area where the Anthony's Restaurant and Market Place Building were developed.
- Amendment #2, September 30, 2016: Memorialized the Port and DNR Settlement Agreement dated April 1, 2016, which included description of the Port and DNR respective ownership, and DNR receiving a 35% of the annual revenues from the two businesses on the disputed area (Anthony's and Market Place).
- DNR has received \$328,576 from 2016-2023.



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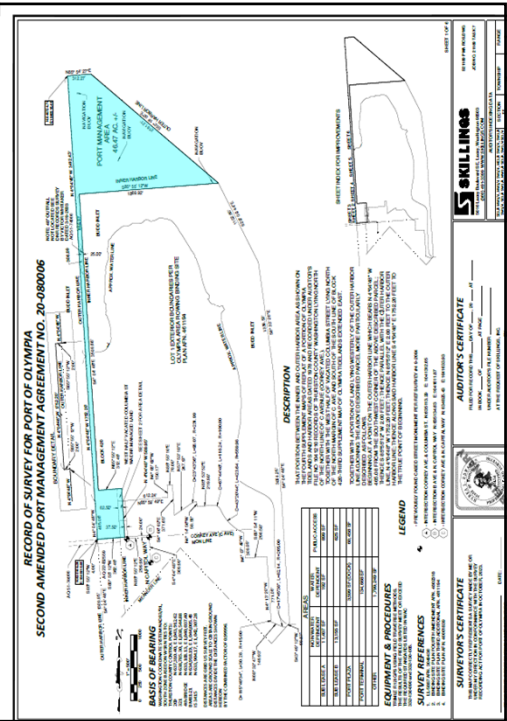


# PMA – 2024 Application

- Port updated the record of survey in 2024, which was reviewed and accepted by DNR, and has followed the WPPA guidelines.
- The Port will continue to follow guidance directly from DNR and the guidance offered in the Washington Public Ports Association’s (WPPA) handbook, which was the result of a collaborative effort between DNR and WPPA to assist port districts through the PMA application process.

<https://static1.squarespace.com/static/5a8499e518b27dc83c2403ce/t/5b4bfca562fa7789282c30c/1531953108959/pmahandbook1.pdf>

7



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# Port Management Agreement

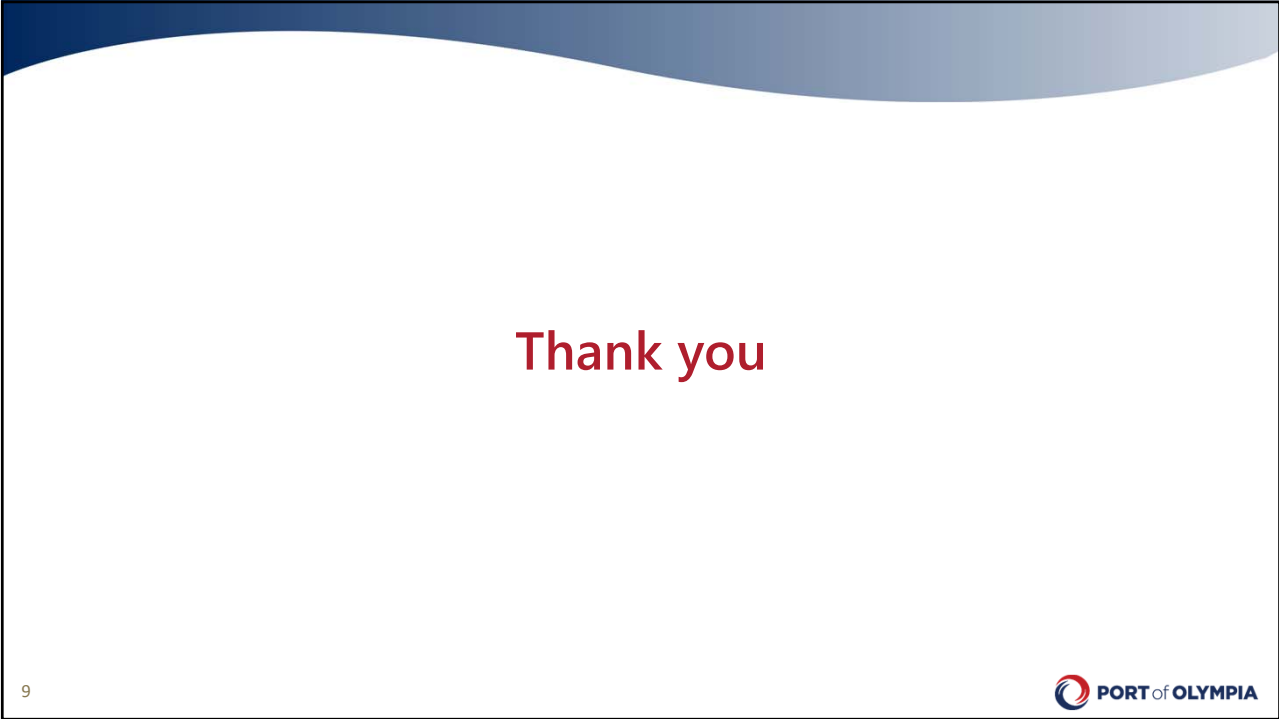
## *Suggested Motion...*

*"...move to adopt Port of Olympia Resolution 2024-06 approving submitting application to the Washington Department of Natural Resources for an official management Agreement, providing for the management of those state-owned aquatic lands which meet the criteria established for such agreement by the Port of Olympia, and authorizing the executive director to sign the Agreement on behalf of the Port of Olympia."*



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When recorded, return to:  
Port of Olympia  
915 Washington St NE  
Olympia, WA 98501-6931

 COPY

STATE OF WASHINGTON  
DEPARTMENT OF NATURAL RESOURCES  
PETER GOLDMARK  
Commissioner of Public Lands  
Olympia, WA 98504

**FIRST AMENDMENT TO PORT MANAGEMENT AGREEMENT (PMA)**

**Agreement No. 20-080006**

This Agreement is made between the STATE OF WASHINGTON acting through the Department of Natural Resources (the "State"), whose address is 1111 Washington Street SE, Olympia, Washington 98504-7027, and the PORT OF OLYMPIA (the "Port"), a Government Agency, whose address is 915 Washington Street NE, Olympia, Washington 98501-6931.

WHEREAS, the Port, located in Thurston County, Washington, and the State entered into a Port Management Agreement (PMA No. 20-080006) on the 1st day of October 1984, for certain state-owned aquatic lands, commonly known as the Port of Olympia; and

WHEREAS, the term of the PMA is set to expire on the 1st day of October 2014, and the Port wishes to extend the term of the existing agreement; and

WHEREAS, the State has determined that the Port is in compliance with the Port Management Agreement; and

WHEREAS, the State believes that it is in the best interest of the State of Washington to grant the Port's request;

IT IS THEREFORE AGREED:

PORT OF OLYMPIA  
First PMA Amendment-September 26, 2014

1 of 6

Port Management Agreement No. 20-080006

4418921  
11/25/2014 02:55 PM Agreement  
Thurston County Washington  
PORT OF OLYMPIA

Pages: 6



- 1) That an Amendment is hereby extending the term of the PMA for Ten (10) years from the 1st day of October 2014 to the 30th day of September 2024.
- 2) The Parties agree that this Amendment to the PMA will not change the liability of either party for any future remediation on the site. The Port agrees to retain all the responsibilities and liabilities associated with PMA 20-080006.
- 3) The Port acknowledges that it continues to have an ongoing obligation to report to the Department of Natural Resources' Ports Program any of the following:
  - a) Changes in Port ownership of uplands abutting PMA parcels.
  - b) Changes in planned or actual uses of PMA Property.
  - c) Documentation of water-dependent / nonwater-dependent use areas and classifications.
  - d) Development of Improvements.
  - e) Development of authorized Fills, Confined Aquatic Disposal Sites, or Mitigation Sites.
  - f) Easements through PMA Property.
- 6) That all other terms and conditions of Port Management Agreement No. 20-080006 are not affected by this Amendment.

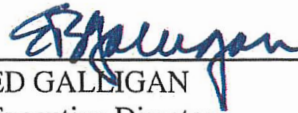
Subject to the terms of this agreement, Port Management Agreement No. 20-080006 is amended effective October 1, 2014.

This Amendment requires the signature of all Parties.

The Port expressly agrees to all covenants herein.

Executed this 14<sup>th</sup> day of October, 20 14.

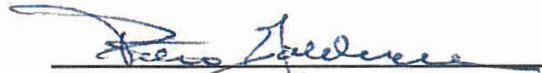
PORT OF OLYMPIA



ED GALLIGAN  
Executive Director  
915 Washington St NE  
Olympia, WA 98501-6931  
360-528-8000

Executed this 23<sup>rd</sup> day of October, 20 14.

STATE OF WASHINGTON  
DEPARTMENT OF NATURAL RESOURCES



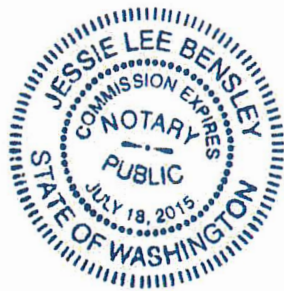
PETER GOLDMARK  
Commissioner of Public Lands  
1111 Washington Street SE MS 47000  
Olympia, WA 98504-7000  
360-902-1000

CERTIFICATE OF ACKNOWLEDGMENT

STATE OF WASHINGTON )  
 ) ss.  
County of Thurston )

I certify that I know or have satisfactory evidence that ED GALLIGAN is the person who appeared before me, and said person acknowledged that he signed this instrument, on oath stated that he was authorized to execute the instrument and acknowledged it as the Executive Director of the PORT OF OLYMPIA to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

DATED: 10/14/14



Jessie Bensley  
(Type/Print Name)  
Notary Public in and for the State of Washington  
Residing at Olympia  
My Commission Expires July 18, 2015



CERTIFICATE OF ACKNOWLEDGMENT

STATE OF WASHINGTON )  
 ) ss.  
County of Thurston )

On this 23<sup>rd</sup> day of October, 2014, personally appeared before me PETER GOLDMARK, the Commissioner of Public Lands and ex officio administrator of the Department of Natural Resources of the State of Washington, the department that executed the within and foregoing instrument on behalf of the State of Washington, and acknowledged said instrument to be the free and voluntary act and deed of the State of Washington for the uses and purposes therein mentioned, and on oath stated that he was authorized to execute said instrument and that the seal affixed is the official seal of the Commissioner of Public Lands for the State of Washington.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year first above written.



Kelli Park  
(Type/Print Name)  
Notary Public in and for the State of Washington  
Residing at Lacey  
My Commission Expires 8-1-17

Standard Port Management Agreement Amendment  
Approved as to Form in August 2010  
by Terry Pruit  
Assistant Attorney General  
State of Washington



**EXHIBIT A**

Legal Description of Premises and Encumbrances

Current Survey recorded with Thurston County

Auditor's File No. 3016812

Dated the 27th day of February 1996

RETURN ADDRESS

Phillips Burgess PLLC  
724 Columbia Street  
Suite 320  
Olympia, WA 98501

**Document Title(s)**

Second Amendment to Port Management  
Agreement

**Reference Numbers(s) of related documents**

4418921

Additional Reference #-s on page

**Grantor(s)** (Last, First and Middle Initial)

State of Washington

Additional grantors on page

**Grantee(s)** (Last, First and Middle Initial)

Port of Olympia

Additional grantees on page

**Legal Description** (abbreviated form: i.e. lot, block, plat or section, township, range, quarter/quarter)

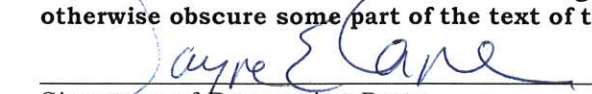
Additional legal is on page

**Assessor's Property Tax Parcel/Account Number**

Additional parcel #-s on page

The Auditor/Recorder will rely on the information provided on this form. The staff will not read the document to verify the accuracy or completeness of the indexing information provided herein.

I am requesting an emergency nonstandard recording for an additional fee as provided in RCW 36.18.010. I understand that the recording processing requirements may cover up or otherwise obscure some part of the text of the original document.

  
Signature of Requesting Party





When recorded, return to:  
Port of Olympia  
606 Columbia Street NW, Suite 300  
Olympia, WA 98501



PETER GOLDMARK  
COMMISSIONER OF PUBLIC LANDS

## **SECOND AMENDMENT TO PORT MANAGEMENT AGREEMENT (PMA)**

### **Agreement No. 20-080006**

This Agreement is made between the STATE OF WASHINGTON acting through the Department of Natural Resources (the "State"), whose address is 1111 Washington Street SE, Olympia, Washington 98504-7027, and the PORT OF OLYMPIA (the "Port"), a Government Agency, whose address is 915 Washington Street NE, Olympia, Washington 98501-6931.

WHEREAS, the Port, located in Thurston County, Washington, and the State entered into Port Management Agreement No. 20-080006 (PMA) on the 1st day of October 1984, for certain state-owned aquatic lands, commonly known as the Port of Olympia; and

WHEREAS, the PMA was amended effective October 1, 2014 to extend the term of the PMA ten (10) years, to expire on the 30th day of September 2024, by the First Amendment to the Port Management Agreement; and

WHEREAS, the Port has requested this Second Amendment to the PMA to add the tideland parcels identified in the attached Exhibit A, "the Property", to the PMA as PMA Parcel 2; and

WHEREAS, on April 1, 2016, the Port and DNR entered into the settlement agreement, attached as Exhibit B, "the Settlement Agreement", in which State agreed to add the Property to the PMA as PMA Parcel 2; and

WHEREAS, the Port has entered into the ground leases for portions of the Property with Market Place Building, LLC, as Tenant, and the Port of Olympia, as Lessor, on July 15, 1997, and with Mad Anthony's, Inc. as Tenant and the Port of Olympia, as Lessor, on July 31, 1997, "the Leases", attached as Exhibit C, which identify and authorize the improvements on the Property, ("the Improvements"); and

WHEREAS, the Port has agreed to update the PMA record of survey to include the area subject to the settlement agreement as PMA Parcel 2; and

WHEREAS, the State believes that it is in the best interest of the State of Washington to add Parcel 2 to the PMA by this Second Amendment;

IT IS THEREFORE AGREED:

- 1) Exhibit A to PMA 20-080006 is hereby amended to add the parcel identified in Exhibit A to this Second Amendment as PMA Parcel 2.
- 2) The Port agrees to submit for state review an updated record of survey for the PMA describing Parcel 1 and Parcel 2, within two years of the effective date of this Second Amendment.
- 3) Subject to the provisions of Section 15 of the PMA, the improvements on PMA Parcel 2 remain owned by the Port and Port tenants as determined in accordance with the Leases and are the responsibility of the Port.
- 4) Rent to be remitted to DNR for non-water dependent uses within PMA Parcel 2 will be determined as specified in the Settlement Agreement.
- 5) The Parties agree that this Second Amendment to the PMA will not change the liability of either party for any future remediation on the site. The Port agrees to retain all the responsibilities and liabilities associated with PMA 20-080006.
- 6) The Port acknowledges that it continues to have an ongoing obligation to report to the Department of Natural Resources Ports Program any of the following:
  - a) Changes in Port ownership of uplands abutting the PMA parcels.
  - b) Changes in planned or actual uses of the PMA property.
  - c) Documentation of water-dependent / nonwater-dependent use areas and classifications.
  - d) Development of improvements.
  - e) Development of authorized fills, confined aquatic disposal sites, or mitigation sites.
  - f) Easements over PMA property.



- 7) The Port represents and warrants to State that (i) the PMA is in full force and effect; (ii) Port is not in default or breach of the PMA; (iii) Port has no knowledge of any claims, offsets, or defenses of the Port under the PMA; and (iv) to the best of Port's knowledge, the Property is in full compliance with all applicable federal, state, and local governmental permits, rules, ordinances, and laws.
- 8) All other terms of the PMA not inconsistent with this Agreement are hereby affirmed and ratified.

This Second Amendment requires the signature of all Parties and is effective as of the date of the last signature below.

Dated: 9-19-2016 PORT OF OLYMPIA

  
By: ED GALLIGAN  
Title: Executive Director  
Address: 606 Columbia Street NW, Suite 300  
Olympia, WA 98501  
Phone: 360-528-8000

Dated: 9/30 2016 STATE OF WASHINGTON  
DEPARTMENT OF NATURAL RESOURCES

  
  
By: PETER GOLDMARK  
Title: Commissioner of Public Lands  
Address: 1111 Washington Street SE; MS 47000  
Olympia, WA 98504-7000  
Phone: 360-902-1000

REPRESENTATIVE ACKNOWLEDGMENT

STATE OF WASHINGTON )  
 ) ss.  
County of Thurston )

I certify that I know or have satisfactory evidence that Ed Galligan is the person who appeared before me, and said person acknowledged that he signed this instrument, on oath stated that he was authorized to execute the instrument and acknowledged it as the Executive Director of the Port of Olympia to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: September 19, 2016

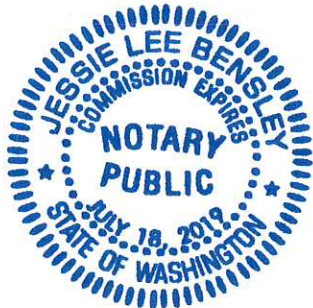
Jessie Binsley  
(Signature)

(Seal or stamp)

Jessie Binsley  
(Print Name)

Notary Public in and for the State of Washington, residing at

Olympia



My appointment expires July 18, 2019



STATE ACKNOWLEDGMENT

STATE OF WASHINGTON )  
 ) ss.  
County of Thurston )

On this 30<sup>th</sup> day of September, 2017, personally appeared before me PETER GOLDMARK, the Commissioner of Public Lands and ex officio administrator of the Department of Natural Resources of the State of Washington, the department that executed the within and foregoing instrument on behalf of the State of Washington, and acknowledged said instrument to be the free and voluntary act and deed of the State of Washington for the uses and purposes therein mentioned, and on oath stated that he was authorized to execute said instrument and that the seal affixed is the official seal of the Commissioner of Public Lands for the State of Washington.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year first above written.



Andrea Wagner  
(Type/Print Name)  
Notary Public in and for the State of Washington  
Residing at Olympia, WA  
My Commission Expires 9-16-18

Standard Port Management Agreement Amendment  
Approved as to Form in July 2016  
by Terry Pruit  
Assistant Attorney General  
State of Washington

## EXHIBIT A

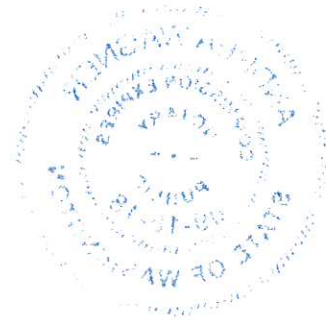
### Legal Description of Premises and Encumbrances

#### LEGAL DESCRIPTION

A part of North Columbia Street (formerly Stevens Avenue) being 125 feet wide as shown on Plate II of the Map of Olympia Tidelands dated April 1892 and said street was vacated by the City of Olympia by Ordinance No. 1866 dated September 5, 1924 and together with the vacated intersection of "E" Avenue West and said Columbia Street vacated by the City of Olympia by Ordinance No. 2678 dated May 23, 1950; described as follows: The west half of North Columbia Street lying north of the north line of "C" Avenue and lying south of the center line of "E" Avenue West.

Subject to a reservation for the City of Olympia with the right for all time to construct, keep and maintain any sewer, water pipe, or other public utility in said vacated street, together with the right of ingress and egress of said vacated street for the purpose of inspection, repairing, or replacing such sewer, water pipe, or any other public utility therein.

Condition 2 of this Second Amendment commits the Port to providing a Record of Survey for Parcel 1 and Parcel 2 within 2 years of this Second Amendment. When approved by DNR those surveys will become part of Exhibit A to the PMA.



## EXHIBIT B

### The Settlement Agreement

#### SETTLEMENT AGREEMENT

THIS SETTLEMENT AGREEMENT ("Agreement") is entered into on this \_\_\_\_\_ day of \_\_\_\_\_, 2016, by the Port of Olympia ("Port"), a Washington municipal corporation, and the Washington State Department of Natural Resources ("DNR"), a Washington State governmental agency (collectively, the "Parties").

#### I. RECITALS

WHEREAS, a portion of North Columbia Street was first platted as part of the plat of Olympia Tidelands in 1892; and

WHEREAS, beginning in 1907, the State of Washington began selling the first-class platted tidelands on the east side of North Columbia Street; and

WHEREAS, in 1924 the City of Olympia by Ordinance No. 1866 vacated that portion of North Columbia Street on the Port Peninsula in Olympia abutting Olympia Tideland Blocks 4 and 5 (the "Property"); and

WHEREAS, at the time of the street vacation in 1924, and at all other times relevant hereto, state-owned harbor area abutted on the western side of North Columbia Street and first-class platted tidelands abutted on the eastern side of North Columbia Street; and

WHEREAS, the Port of Olympia as the successor to the parties who purchased Olympia Tideland blocks 4 and 5 from the State of Washington owns the filled tidelands abutting on the eastern side of the vacated portion on North Columbia Street; and

WHEREAS, the State of Washington is the owner of the harbor area abutting the western side of the vacated Columbia Street; and

WHEREAS, both DNR on behalf of the State of Washington and the Port as the successor to the tideland owners abutting on North Columbia Street at the time it was vacated in 1924 claim title (the "Dispute") to the western half of the portion of North Columbia Street fronting blocks 4 and 5 of the plat of Olympia Tidelands from the south line of Corky Avenue to the north line of vacated E Ave (the "Disputed Property") (the Disputed Property is depicted in Exhibit A attached hereto); and

WHEREAS, the Disputed Property is currently occupied by a restaurant building and an office building each under a ground lease (collectively the "Leases") with the Port; and

WHEREAS, as part of the Dispute, DNR claims it is owed fair market value for the Port's use of the Disputed Property since 1998 when the Parties signed a letter acknowledging the other's claim to the Disputed Property and allowing Port development of the property to proceed; and

WHEREAS, as a potential means of resolving the Dispute, the Port had requested that DNR consider a land exchange involving the Disputed Property and certain Port-owned parcels within the West Bay Tidelands; and

WHEREAS, DNR provided the Port with a written analysis dated February 17, 2016 explaining ~~DNR's consideration of the Port's request and the reasons why the proposed exchange did not satisfy relevant legal criteria for DNR to accept the proposed exchange;~~ and

WHEREAS, the Port and DNR wish to fully and finally resolve the Dispute without resort to litigation.

## II. AGREEMENT

In consideration of the promises and obligations set forth below, the Parties agree as follows:

A. Recitals. The Recitals contained above are incorporated herein as though set forth in full.

B. Mutual Release. With the exception of any of their respective rights and obligations created pursuant to this Agreement, upon execution of this Agreement DNR and the Port mutually completely release and forever discharge the other, their agents, employees, attorneys, insurers, and all other persons, firms, or corporations that may be liable, of and from any and all claims of any kind whatsoever which the Port or DNR now has, or may hereafter acquire, on account of, growing out of, or related to the Dispute. Further, with the exception of any of their respective rights and obligations created pursuant to this Agreement, upon execution of this Agreement DNR and the Port mutually completely release and forever discharge the other, their agents, employees, attorneys, insurers, and all other persons, firms, or corporations that may be liable from any claims arising out of the Leases prior to the execution of this Agreement. The releases set forth in this Agreement shall be a fully binding and complete settlement between the Parties, their assigns, and successors.

C. No Admission. It is understood and agreed by the Parties that this Agreement is a compromise of a disputed claim, and the obligations set forth herein shall not be construed as an admission of liability on the part of the Port.

D. Title. The Port will recognize the State of Washington has title to the Disputed Property. DNR will draft and provide to the Port the legal description of the Disputed Property, after which the Port will draft and issue to DNR a quit claim deed granting the Port's right, title, and interest, if any, to the Disputed Property to the State of Washington, subject to the Leases. Such quit claim deed will have an effective date no earlier than the effective date of the amendment to the Port Management Agreement as provided for in Section G herein.

E. Rent. Beginning July 10, 2016 the Port shall pay DNR rent per the following formula: 35 percent of the base rent (which by definition excludes any percentage rent) that the Port is due under its leases for the Property, including the eastern half of vacated Columbia Street abutting the Property, multiplied by 85 percent.

1. Payment. The July 10, 2016 rent payment shall include rent for the period March 22, 2016 through June 30, 2016. On or before October 10, 2016 and quarterly on or before the 10<sup>th</sup> day of each quarter thereafter through October

10, 2017, the Port shall pay DNR the quarterly rent as calculated using the formula provided in this Section for the preceding quarter. Beginning on October 1, 2017, the Port shall pay DNR rent as calculated using the formula provided in this Section in a single annual payment for the following year (measured from October 1 to September 30), which shall be due no later than October 1 of each year.

2. **Base Rent Calculation.** For purposes of this Agreement base rent under the Leases shall be calculated using the following formula set forth in the Leases: The assessed value of the Property (Thurston County tax parcel numbers 61020000100 and 61020000200) multiplied by 9.5 percent multiplied by 70 percent. The formula results in a current annual base rent for the Property under the Leases of \$53,668.80 for tax parcel number 61020000200 and \$65,699.14 for tax parcel number 61020000100.
3. **Rent Revision.** Beginning on the anniversary date of the leases in 2017 and every five (5) years thereafter, the Port shall revise the rent to reflect the then current assessed value of the Property using the formula set forth above. If for any reason a current tax assessment is not available for the Property or any portion of the Property used for non-water dependent purposes, rent shall be calculated as set forth above using the fair market value for the Property or such portion of the Property as determined by appraisal in accordance with Section 37 of the Port of Olympia Ground Lease between Market Place Building, LLC, as Tenant, and the Port of Olympia, as Lessor, as such provision was written when made on July 15, 1997 and Section 1(c), "Value Disagreement," of Lease Amendment No. 3 of the Port of Olympia Ground Lease between Mad Anthony's, Inc. as Tenant and the Port of Olympia, as Lessor, dated September 9, 2013 provided that DNR shall have the right to consent to the appraiser selected pursuant to the referenced lease provisions, unless DNR consents to another method for calculating fair market value.
4. **Amendment and Future Leases.** The Port shall not change the formula for setting the base rent in the Leases as described above in Section E(2) without the consent of DNR, which consent shall not be unreasonably withheld. Future leases shall determine base rent for the Property in the same manner as set forth above unless the Port obtains DNR's consent to change the method for computing base rent.

F. **No Back Rent.** The Port shall not be obligated to pay back rent for its use of the Property prior to March 22, 2016.

G. **Amendment of PMA.** DNR and the Port agree to amend the Port's Port Management Agreement (PMA) so that the Disputed Property is within the PMA and managed by the Port. As of the date this Agreement is fully executed, (the Application Date), the Agreement shall constitute an application from the Port to DNR for amendment of the PMA to include the Disputed Property within the PMA. As of the Application Date, the Port and DNR will diligently pursue formal amendment of the PMA until such time as a formal amendment to the PMA is completed. From the Application Date the Port will manage the Disputed Property

and pay rent pursuant to Section E as if the PMA had been amended to include the Disputed Property.

**H. Mediation Fees.** The Parties shall share equally the responsibility to pay all mediation fees billed by the mediator in this matter.

**I. Attorneys' Fees and Costs.** Each Party shall each bear its own attorneys' fees and costs related to the Dispute.

**J. Confidentiality.** While both Parties acknowledge this Agreement is subject to public disclosure, both Parties agree that they will not use this Agreement for any purposes other than enforcing the terms of this Agreement. The Parties specifically agree that this Agreement shall not be used as precedent for any purposes in discussions with third parties.

**K. Approval Deadline.** If for any reason, the Port Commission or the Commissioner of Public Lands fails to approve this Agreement by April 5, 2016, this Agreement shall be null and void as if it had never been made.

**L. Governing Law.** This Agreement shall be construed and interpreted in accordance with the laws of the State of Washington.

**M. Venue and Enforcement.** Any dispute arising under or out of this Agreement shall first be mediated with the Honorable Thomas McPhee (Retired). If Retired Judge McPhee is unavailable, the parties will jointly select a mediator from the Seattle office of IAMS. Venue for any lawsuit filed under this Agreement shall be in the Superior Court of Washington for Thurston County.

**N. Entire Agreement and Successors in Interest.** This Agreement contains the entire agreement between the Parties with regard to the matters set forth herein and shall be binding upon and inure to the benefit of the executors, administrators, personal representatives, heirs, successors, and assigns of each. No promises of any kind have been made in connection with this settlement, other than as stated in this Agreement.

**O. Modification.** No change or addition to this Agreement shall be binding or valid upon any Party unless such change or addition is in writing and agreed to by the Parties or their heirs, successors, or assigns.

**P. Notices.** Notices required or made under this Agreement shall be effective if made in writing via U.S. Mail and electronically to the Parties as provided below:

For the Port:                   Jeff Smith  
Finance Director  
Port of Olympia  
606 Columbia St. NW Suite 300  
Olympia, WA 98501  
[jeffs@portolympia.com](mailto:jeffs@portolympia.com)

With a Copy to: Heather L. Burgess  
Phillips Burgess PLLC  
724 Columbia St. NW Suite 320  
Olympia, WA 98501  
[hburgess@phillipsburgesslaw.com](mailto:hburgess@phillipsburgesslaw.com)

For DNR: Kristin Swenddal  
Aquatic Resources Division Manager  
Department of Natural Resources  
1111 Washington St. SE  
M.S. 47027  
Olympia, WA 98504-7027

With a Copy to: Terence A. Pruitt  
Assistant Attorney General  
Washington Attorney General's Office  
1125 Washington St. SE  
P.O. Box 40100  
Olympia, WA 98504-0100

**Q. Additional Documents.** The Parties agree to cooperate fully and execute any and all supplementary documents and to take all additional actions that may be necessary or appropriate to give full force and effect to the terms and intent of this Agreement.

**R. Warranty of Capacity to Execute Agreement.** The Parties represent and warrant that no other person or entity has, or has had, any interest in any claims, demands, obligations, or causes of action referred to in this Agreement except as otherwise set forth in this Agreement. The Parties represent and warrant that they have not sold, assigned, transferred, conveyed, or otherwise disposed of any claims, demands, obligations, or causes of action referred to in this Agreement. To the extent applicable, the officer, agent, or employee signing this Agreement on behalf of the Port hereby warrants that he or she is duly authorized to execute this Agreement. To the extent applicable, the officer, agent, or employee signing this Agreement on behalf of the State hereby warrants that he or she is duly authorized to execute this Agreement.

**S. Understanding of Document.** In entering into this Agreement, the Parties represent that they have read the terms of this Agreement and have relied upon the legal advice of their attorneys. The Parties represent that the terms of this Agreement have been completely explained to them by their attorneys and that the terms of this Agreement are fully understood and voluntarily accepted.

**T. Counterparts.** This Agreement may be executed in counterparts, each of which shall be deemed an original and which together constitute one and the same instrument.

**U. Consent.** Where the terms of this Agreement require DNR consent, such consent shall not be unreasonably withheld.



IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date and year first written above.

PORT OF OLYMPIA:

STATE OF WASHINGTON  
DEPARTMENT OF NATURAL  
RESOURCES:

By:   
E.B. Galligan  
Its: Executive Director

By:   
Peter Goldmark  
Its: Commissioner of Public Lands

Dated: 3-30-16


Dated: April 1, 2016

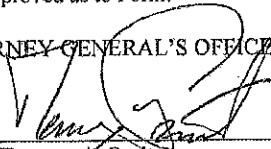
And Approved as to Form:

And Approved as to Form:

PHILLIPS BURGESS, PLLC

ATTORNEY GENERAL'S OFFICE

By:   
Heather L. Burgess  
General Counsel, Port of Olympia

By:   
Terence A. Pruitt  
Assistant Attorney General

**COPY SUBMITTED  
FOR RECORDING**

# Exhibit A

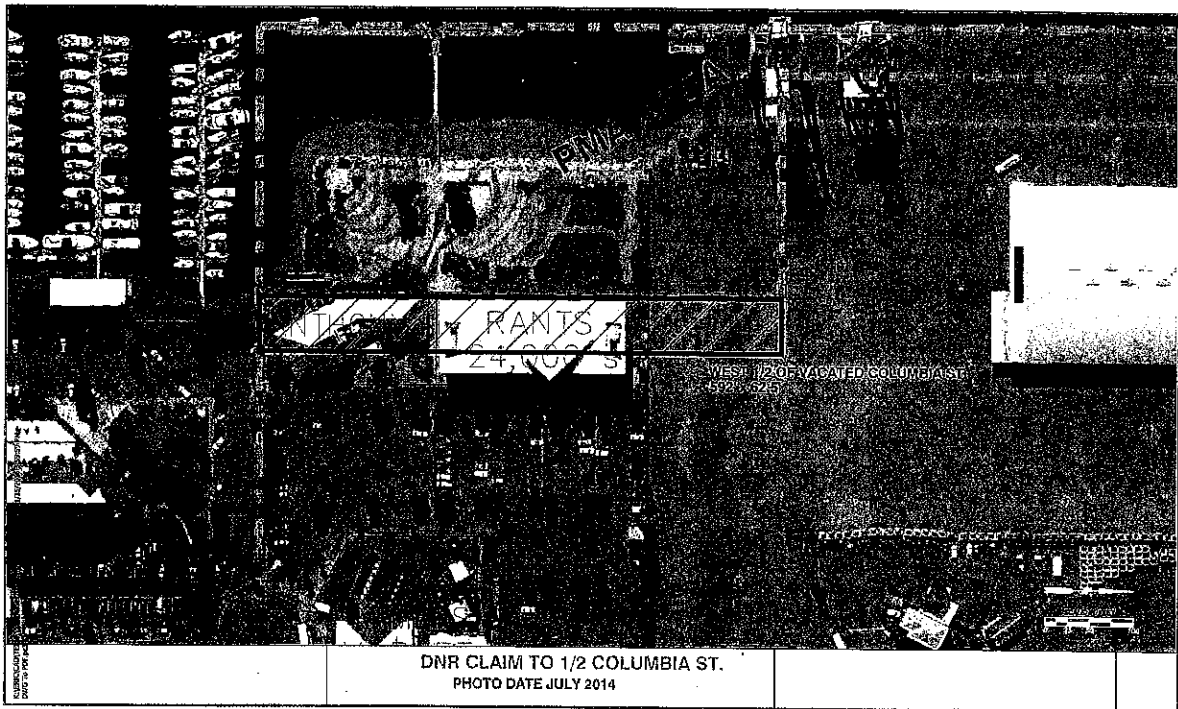


EXHIBIT C

COPY SUBMITTED  
FOR RECORDING

The Leases

ORIGINAL

PORT OF OLYMPIA GROUND LEASE

THIS LEASE is made this 15<sup>th</sup> day of July, 1997 by and between the PORT OF OLYMPIA, a Washington municipal corporation, Lessor, hereinafter referred to as "the Port," and the Tenant described below, hereinafter referred to as "Tenant," on the following terms and conditions:

1. LEASE SUMMARY.

TENANT.

Name: MARKET PLACE BUILDING, L.L.C.  
%o THE RANTS GROUP  
Address: 101 N. Capitol Way, Suite 302  
City, State, Zip Code: Olympia, WA 98501  
Phone Numbers: (360) 943-8060

LEASED PREMISES.

Approximately 24,000 square feet as shown in Exhibit "D" and described in Exhibit "E":

  
LESSOR  
INITIAL  
HERE

TERM.

Fifty (50) years beginning 9-1-1997, ending 8-31-2047

  
LESSEE  
INITIAL  
HERE

Option to Renew: One (1) option to renew for an additional term of thirty (30) years. Such renewal shall be upon the terms, covenants, and conditions contained herein (except for minimum ground rent, ground rental adjustments, and the times at which ground rental adjustments shall be made, all of which shall be adjusted and determined in accordance with the then current Commission policy). The renewal term shall commence on the expiration of the immediately preceding term. Such option to renew may be exercised only by written notice to the Port no later than one hundred eighty (180) days prior to the expiration of the then current term. Tenant shall not be entitled to renew this Lease if Tenant is in default of the performance of its obligations hereunder at the date notice of renewal is due or at the date the renewal term is to commence.

RENT.

\$4,987.50 per month. Rental revisions shall be made every five (5) years during the first thirty (30) years of the term, to be effective at the commencement of each successive five (5) year period during such first thirty (30) years. The monthly rent for each succeeding five (5) year period during the first thirty (30) years during the lease term, shall be one-twelve (1/12) of nine and one-half (9½) percent of seventy (70) percent of the fair market value of the premises, determined as provided in Paragraphs 4 and 37 below. The monthly rent thereafter shall be set and adjusted in accordance with the then current Commission policy. Notwithstanding the foregoing, the rent so calculated for any period after the first thirty (30) years of the lease term will not exceed an amount calculated using one hundred

(100) percent of the fee simple fair market value of the land and a percentage rate equal to two (2) percentage points over the prime rate described in Section 4.2 of the Lease at the date of the applicable rental revision. Tenant hereby elects to have the fair market value for rental revisions of the property determined by the Assessor's valuation, as outlined in Paragraph 37, APPRAISAL PROCEDURE.

Rent shall commence on the earlier of (i) Tenant's occupancy of any portion of any improvements constructed on the premises, (ii) issuance of a temporary or final certificate of occupancy, or (iii) July 1, 1998. Notwithstanding the foregoing, for the forty-eight (48) month period commencing on the rent commencement date, monthly rent shall be payable in an amount equal to the monthly rent stated above multiplied by the ratio that the total area under lease in the building bears to the total gross leasable area in the building, calculated as of the first day of each month for the monthly rent due on that date. "Under lease" shall mean that Tenant has a signed lease with a tenant (i) who is in occupancy, whether or not paying rent, or (ii) for which the term has commenced, whether or not such tenant is in occupancy or has commenced the payment of rent. "Gross leasable area" shall exclude all common areas and facilities and all other portions of the building not available for use or occupancy by any tenant. Gross leasable area shall include any portion of the building used or occupied by Tenant, its owners or members, and such portions used or occupied by Tenant, its owners or members, shall be considered under lease.

Plus: Leasehold Tax; Insurance; Utilities; Fire Insurance; Other: Rental revisions every five (5) years.

#### PERCENTAGE RENT.

In addition to minimum rent, Tenant shall pay a percentage rent in amount equal to 5.5 percent of annual Gross Sales in accordance with the provisions of paragraph 4.3.

#### SURETY.

Amount: Two times annual rent. Initially \$119,700.00 Form: Acceptable to the Port  
Expiration Date: 90 days after expiration of lease term. To be effective on the earlier of the rent commencement date or July 1, 1998.

#### USE OF PREMISES.

For the construction and operation of a Class A office building along with the right to use the parking area as shown as Parcel "2" on Exhibit "H" in common with other tenants of the Port as described herein. Tenant (and its subtenants) may operate vending machines, espresso carts, employees only lunchrooms, and delicatessens open to the public not exceeding, in the aggregate, 1,000 square feet. No other food service operations (including delicatessens exceeding in the aggregate 1,000 square feet, restaurants open to the public, or any food service with a State of Washington Class H liquor license or its equivalent) shall be permitted within the leased premises.

INSURANCE.

Bodily Injury/Death: \$500,000 per person and \$1,000,000 per accident or occurrence.

Property Damage per Occurrence: \$500,000

ADDITIONAL PROVISIONS.

Tenant acknowledges that the leased premises are adjacent to premises owned by the State of Washington Department of Natural Resources (the "DNR Premises"). The Port has entered into a Port Management Agreement with DNR with respect to the DNR Premises. For so long as such agreement (and any renewal or extension thereof, or any lease or any other agreement under which the Port has control over the use of the DNR Premises) is in effect, the Port will not use the DNR Premises for any purpose not identified to such premises in the Port's 1995 Comprehensive Plan as of the date hereof, the relevant portions of which are attached hereto as Exhibit "F". Without limiting the foregoing, the Port agrees that it will cease to use that portion of the DNR premises adjacent to the leased premises along its western boundary for log storage once Tenant's office building is constructed and occupied. Tenant acknowledges receipt of a copy of the Port Management Agreement.

The Port will use commercially reasonable efforts to maintain control over the DNR Premises for the term, including any renewal term, of this Lease. The Port acknowledges that the value of the leased premises as an office building site is dependent on its water view. In that connection, the Port agrees to use its commercially reasonable efforts to enter into such easements or restrictive covenants with respect to the DNR Premises as Tenant may reasonably request and DNR may approve, to protect the view of the water and the Olympic Mountains from the leased premises from blockage by any facilities other than those identified in the Port's 1995 Comprehensive Plan, for the term, including any renewal term, of this Lease. Without limiting the right of the Port to conduct its cargo yard and other operations on Port premises to the north of the demised premises, and to the extent such operations will not be adversely affected, the Port will in good faith take into account the impact such operations have in restricting or blocking the view from the office building to be constructed. Further, to the extent operations are not adversely affected and subject to change based on operational considerations, the Port will endeavor to park its two cranes at the northerly end of the crane rail at berth two when neither the cranes nor berth two are in use.

It is the intent of the parties that noise from the Port operations shall not interfere with the normal operation of a first class office building. The parties recognize that the northern terminus of the demised premises borders on Port industrial operations and that some noise interference may occur from time to time. On an intermittent basis, noise levels may exceed otherwise applicable noise levels and may be measured by noise standards applicable to transmission from a Class C

EDNA to a Class C EDNA. Notwithstanding the foregoing, Tenant is not waiving any rights if the frequency and duration of such intermittent noise causes internal noise levels to interfere with normal operations. Therefore, the parties agree to work cooperatively to manage and resolve noise issues relating to the Port's terminal operations in light of uncertain future development of the Port peninsula. Notwithstanding the foregoing, it is the Port's intent to comply with all applicable laws, rules and regulations relating to noise with respect to the leased premises.

Tenant agrees to use reasonable efforts to incorporate into the design of its office building (consistent with Tenant's existing or proposed plans and budget) reasonable methods of noise abatement to mitigate, within the building, the impact of noise produced by the Port's terminal operations. Tenant will defend, indemnify and hold the Port harmless from any liability resulting from any complaints or actions with respect to noise within the levels permitted hereunder made by or related to its own tenants and others occupying the leased premises, as long as the Port complies with the applicable laws, rules and regulations referenced in the preceding paragraph.

Prior to either party exercising any legal remedies with respect to any disputes, complaints or claims regarding noise, the parties agree to meet and work cooperatively and in good faith to resolve such disputes, complaints or claims, and agree to use all reasonable means available to them to manage and mitigate noise disturbance.

The Port hereby reserves a noise easement over, across and upon the leased premises consistent with the foregoing limitations.

#### ADDITIONAL AMENDMENTS.

The following paragraphs of the Lease are amended as set forth below:

- 4.3 For all purposes of Section 4.3, references to goods or services provided at retail shall mean, and shall be defined in the same manner as the terms "sale at retail" or "retail sale" are defined in RCW 82.04.050, as in effect on the lease commencement date.
- 4.3.3. "Gross Sales" shall also exclude rent or percentage rents collected by Tenant from subtenants of the leased premises; provided, however, that this provision shall not be construed to exclude actual retail sales by subtenants from Gross Sales subject to percentage rent.
6. Notwithstanding the provisions of Section 6, the Port represents and warrants that, as of the date hereof, no environmentally significant amount of Hazardous Substances (as defined in paragraph 27), have been generated, stored, or disposed of or exist on, under or in the leased premises, and to the best of the Port's knowledge, the condition of the leased premises complies with all applicable law, rules, and regulations relating to Hazardous Substances. The Port shall indemnify and hold Tenant harmless from and against any and all claims, demand, damages,

losses, liens, liabilities, penalties, fines, lawsuits, and other proceedings and costs and expenses, (including, without limitation the cost of any clean up), which accrue to or are incurred by Tenant on or after the date hereof, and which arise directly or indirectly from or out of the Port's breach or the foregoing representations and warranties. In addition, the Port agrees to provide reasonable security fencing and screening along the North property line of the Leased premises to separate and screen the Port's marine terminal operations. Tenant acknowledges that disturbances may be generated by activities from the Port's ocean terminal operations on Port property adjacent to or in the vicinity of the leased premises, including, without limitation, traffic, vibrations, fumes, deposits of dust or other particulate matter and any other effects that may alleged to be inherent in, incident to or caused by the operation of a container yard and container crane activity. Tenant is taking the leased premises subject to such conditions, whether now existing or hereafter arising, changing or increasing.

8. Any dispute regarding Tenant's compliance with the restriction on use set forth in Section 8 shall be subject to arbitration under paragraph 38, ARBITRATION PROCEDURE.

12. A new section 12.5 is added as follows:

12.5 Parking. The Port agrees that it will provide to Tenant sufficient parking to support a first class office building of approximately 52,000 square feet during the term of this Lease and any renewals hereof. Tenant acknowledges that the parking area shown on Exhibit "H" (which includes not less than 394 parking stalls), as shared with the tenants of parcels 1 and 3 and given the days and hours of operation of the Farmers' Market as of the date hereof and the anticipated operations of the restaurant, together with that portion of the auxiliary parking area shown on Exhibit "J" that is leased by Tenant, will be sufficient to support such first class office building. If the parking area shown as on Parcel "2" Exhibit "H" is reduced from 394 stalls as a result of City of Olympia landscaping requirements, the Port agrees to make up any shortfall by providing a number of additional stalls in the auxiliary parking area equal to such shortfall. Tenant further acknowledges and agrees that changes in parking availability or requirements resulting from changes in the use or intensity of use of Tenant's building shall not be considered in determining whether the Port has provided sufficient parking.

The Port agrees that Tenant may lease not less than forty (40) nor more than seventy (70) dedicated parking spaces for use by Tenant, its subtenants, customers, clients and invitees from 7 a.m. through 5 p.m., Monday through Friday, the exact number, design and location of which is subject to the mutual agreement of the Port and Tenant. Tenant may increase or decrease the numbers of such dedicated parking spaces (within such limits) at the end of each of each five (5) year period by providing not less than one hundred eighty (180) days prior written notice to the Port. In consideration of the dedication of such parking



spaces to Tenant's use, Tenant shall pay to the Port a monthly rent per dedicated parking space for the first five (5) years of the lease term as follows:

<u>Number of Actual Dedicated Spaces</u>	<u>Monthly Rent Per Space</u>
40 - 49	\$ 41.00
50 - 59	\$ 36.00
60 - 69	\$ 33.00
70	\$ 29.00

The monthly rent determined from the foregoing table is not cumulative, but shall be applicable to all of the spaces. For example, the total monthly rent for 55 spaces would be  $55 \times \$36.00 = \$1,980.00$

Notwithstanding the foregoing, for the forty-eight (48) month period commencing on the rent commencement date, Tenant may lease fewer than forty (40) dedicated parking spaces, with the monthly rent therefor to be in amount equal to Forty-One Dollars (\$41) times the number of dedicated spaces so leased as of the first day of the month. Tenant may increase or decrease the number of dedicated spaces so leased during such forty-eight (48) month period by giving the Port not less than one hundred twenty (120) days prior written notice of the increase or decrease. Until such time as Tenant is leasing forty (40) dedicated spaces and has agreed, or is obligated, not to decrease such number below forty (40), the Port shall not be required to pave the auxiliary parking area or provide associated improvements such as curbs and gutters. The Port shall cause the auxiliary parking area to be paved within eight (8) months after such time.

At the end of such first five (5) years and at five (5) year intervals thereafter, such monthly fees shall be increased in the same proportion and at the same time as the monthly base rent under this Lease. Stalls within such dedicated parking area shall be striped and marked in the same manner as stalls striped and marked in the entire main parking area. With respect to use of the auxiliary parking area, the Port shall make available a number of spaces equal to the number of spaces in the main parking area dedicated to Tenant, during the same hours and days. Unless the Port determines that adequate customer parking will be available in the area shown as Parcel "2" on Exhibit "H" (at any particular time), Tenant shall cause a number of vehicles equal to the number of such dedicated parking spaces to be parked in such auxiliary area rather than in any portion of the main parking area not dedicated to Tenant. Such vehicles shall be vehicles associated with the leased premises that would otherwise use the main parking area.

The Port shall have the right to enforce the use of the auxiliary parking area as follows. Tenant shall provide to the Port the license plate numbers and other reasonable identifying information (such as year, make, model, and color) of each vehicle required to be parked in the auxiliary parking area and, if requested by the Port, shall cause each such vehicle to exhibit a parking sticker issued by the

Port. In the case of any such vehicle parked in any portion of the main parking area not dedicated to Tenant, the Port may, in its sole discretion:

- (I) issue a written warning that such vehicle is improperly parked;
- (II) have such vehicle towed, with or without prior warning, at the owner's cost and expense; or,
- (III) bill Tenant for the use of such parking space at a daily rate equal to the then current City of Olympia charge for overtime parking violations,

The Port further acknowledges and agrees that the parking lot included within the common areas subject to this Lease is or shall be constructed solely to meet the needs of tenants of the Port for that property identified as Parcels one (1) and three (3) on Exhibit "H" attached hereto and by this reference incorporated herein. The Port agrees that no development on Port property, other than such property, shall share the use of the parking areas. The Port further agrees that it will act reasonably in exercising management and control of the parking lot.

12. A new section 12.6 is added as follows:

12.6 Any dispute regarding this paragraph 12 shall be subject to arbitration under the paragraph 38, ARBITRATION PROCEDURE; provided that Tenant shall not be excused from payment under this paragraph pending the outcome of such arbitration.

18. Without limiting the provisions of paragraph 18, Alterations and Improvements, the Port and Tenant agree as follows with respect to installation of utilities. The "Utility Plan" referred to in this section is Sheet C-3 (Utility Plan) of Port of Olympia contract document, "Market District Parking Lot Improvements Contract" dated May 5, 1997.

(a) Water lines and Fire Hydrants The Port agrees to install all water lines located outside of the demised premises, as shown on the Utility Plan attached hereto as Exhibit K and by this reference incorporated herein. Tenant acknowledges that a portion of such water lines are being installed solely to serve the demised premises and not to serve any other property of the Port. Therefore, the following portions of the waterlines and two fire hydrants will be included in the Port's contract to construct the parking lot improvements and to extend the utilities. The Port will solicit bids using unit pricing rather than a lump sum bid for purposes of cost accounting. The Tenant shall reimburse the Port for the cost of installing the same within (30) days after receipt of an invoice therefor from the Port, provided such reimbursement shall not exceed \$24,858.

(i) the eight (8) inch north water main extension up to fire hydrant assembly which serves the northeast fire hydrant, the buildings fire sprinkler piping, and the domestic water line stub to the property line as shown on the Utility Plan, which are indicated as "by others";

(ii) the six (6) inch water line and other necessary piping required to install the fire hydrant at the southwest corner of the proposed building including the fire hydrant assembly, as shown on the Utility Plan which is indicated as "by others".

(iii) one-half of the cost of one (1) fire hydrant to be located in the parking lot at the northeastern end of the demised premises.

(b) Sewer lines. The Port agrees to install all sewer lines located outside of the demised premises, including the 6" stub to the property line as shown on the Utility Plan.

(c) Pavement. The Port will cut and remove the existing pavement from the east property line of the demised premises east (30) feet, the full north-south length of the demised premises. The Port will construct the new paving at the fire lane after the tenant improvements have been made. The Tenant shall notify the Port in writing 30 days prior to having all preparatory work for the paving completed. The Tenant improvements shall include all grading and grade preparation for the paving, all curbs, entry approach slabs, sidewalks and other improvements that will meet the new pavement.

(d) Trenching and Excavation. The Port will perform all trench and vault excavation and backfill for gas, power, and telephone outside of the property lines of the demised premises, and will also perform all vault excavation and backfill necessary for the northeast transformer vault located within the demised premises.

(e) Payments to Puget Sound Energy. Tenant shall pay \$2,318.10 to Puget Sound Energy for electrical service to serve the demised premises. Electrical service provided to the site will be through a transformer operating at 277v/480v, 3 phase. In the event Tenant has not made this payment by July 28, 1997, Port may advance the funds and Tenant shall repay Port within 90 days.

(f) The Port shall pay for the installation of one (1) fire hydrant to be located in the parking lot between the Tenant's office building and the adjacent proposed restaurant site.

25. Notwithstanding the provisions of paragraph 25, ASSIGNMENT OR SUBLEASE, the Port's consent shall not be required for transfers of membership interests in Tenant, so long as the Rants Group and Evergreen Olympic Properties,

Inc. or any of their respective affiliates, continue to hold, in the aggregate, not less than a twenty (20) percent interest in Tenant.

38. The first sentence of paragraph 38, ARBITRATION PROCEDURE shall read as follows:

“In the event of a dispute between the Port and Tenant (other than: (i) non-payment of rent; (ii) any matter to be determined or set, as a policy matter, by the Port of Olympia commission; (iii) any dispute in connection with any action brought by or involving a third party; (iv) any matter for which injunctive relief is sought and (v) any action brought pursuant to RCW chapter 59.12), such dispute shall be determined by arbitration as provided in this paragraph.”

CONFLICTING PROVISIONS

To the extent any of the provisions of the foregoing Paragraph 1, LEASE SUMMARY, conflict with any other provisions of this lease, the provisions of paragraph 1, LEASE SUMMARY, shall govern.

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**THE PARTIES HEREBY AGREE AS FOLLOWS:**

2. **LEASED PREMISES.** The Port hereby leases to Tenant, and Tenant hereby leases from the Port, the premises consisting of the ground described in paragraph 1 above, located in Thurston County, hereinafter called "the premises."

3. **TERM.** This Lease shall be for the term specified in paragraph 1 above.

4. **RENT.**

4.1 It is the intention of the parties hereto that the rent specified in the Lease shall be net to the Landlord in each year during the term of the Lease. Accordingly, all costs, expenses and obligations of every kind relating to the leased premises (except as otherwise, specifically provided in the Lease) which may arise or become due during the term of the Lease shall be paid by Tenant and the Port shall be indemnified by the Tenant against such costs, expenses and obligations. Tenant agrees to pay as rent for the use and occupancy of the premises during the term of this Lease, without deduction or offset, the rent specified in paragraph 1 above, payable to the Port in advance on or before the first day of each and every month and payable at such place as the Port may designate. During the first thirty (30) years of the term, rent shall be subject to revision by the appraisal procedure as outlined in paragraph 37, **APPRAISAL PROCEDURE** and the revised monthly rent shall be determined as one-twelfth (1/12) of nine and one-half percent (9-1/2%) of seventy percent (70%) of the fair market value of the leased premises.

Thereafter, the timing and calculation of rent and rental revisions shall be determined in accordance with the then current Commission policy. Any revised monthly rent shall not be less than the then-current monthly rent payment immediately prior to the time the revision becomes effective.

4.2 If the Tenant does not pay the rent by the 10th of the month, then in addition to the overdue rent, Tenant shall pay interest on the rent payment then due at a rate per annum equal to the greater of eighteen percent (18%) per annum or two (2) percentage points over the prime rate charged by commercial banks in the Olympia, Washington area. Such interest commences on the date the rent is due and continues until such rent is paid. If the Tenant does not pay the rent when due and interest is incurred each month for three (3) consecutive months, the rent called for herein shall automatically become due and payable quarterly in advance rather than monthly, notwithstanding any other provision in this Lease to the contrary, and regardless of whether or not the interest is paid or collected. The imposition of such interest does not prevent the Port from exercising any other rights and remedies under this Lease.

4.3 Percentage Rent.

4.3.1 Tenant shall be liable to pay to the Landlord in addition to the minimum ground rent, for each calendar year (or portion thereof), percentage rent ("Percentage Rent") in the annual amount determined by multiplying all Gross Sales (as defined in Subsection 4.3.3) for such calendar year (or portion thereof) times the Gross Sales Multiplier defined below. The term "calendar year" when used with respect to Percentage Rent shall also include any portion of a calendar year during the Lease Term, at the commencement of or upon the termination of this Lease.

4.3.2 The "Gross Sales Multiplier" shall be five and one-half (5.5) percent.

4.3.3 The term "Gross Sales" as used in this Lease shall mean the actual retail sales price of all goods, food, meals, beverages, wares and merchandise sold at retail, and the actual charges for all services performed by Tenant or any subtenant of the leased premises at retail, whether such sales and charges are made for cash, on credit or for any other consideration, and including gift certificates, or like vouchers, and including merchandise certificates, coupons or other similar instruments, however designated (sales on credit being treated as a sale for the full price thereof the month in which such sale shall have been made, regardless of time of collection of payment), where such sales and charges are made in or from the premises, including but not limited to telephone sales or services and orders taken in or from the premises (including off-premises catering from the premises) and receipts from vending machines and amusement devices. Gross Sales shall not include the sales price or charges for promotional giveaways and employee meals for which the Tenant does not receive cash consideration nor shall it include sales at wholesale. The term "Gross Sales" as used in this Lease shall exclude the following:

1. The selling price of all merchandise returned by customers and accepted for full credit or the amount of discounts and credit allowances made thereon;
2. Sums and credits received by Tenant in the settlement of claims for loss of or damage to merchandise;
3. Cash refunds made to customers in the ordinary course of business, but this exclusion shall not include any amount paid or payable for what are commonly referred to as trading stamps;
4. Returns to shippers or manufacturers;
5. Receipts from public telephones, stamp machines, public toilet locks, or cigarette vending machines.
6. Sales taxes, so-called luxury taxes, consumers' excise taxes, gross receipts taxes and other similar taxes now or hereafter imposed upon the sale of merchandise or services, but only if stated separately from the selling price of merchandise or services;
7. Sales of trade fixtures, equipment or personal property which are not stock in trade;
8. The exchange of merchandise between stores of the Tenant where such exchanges are made solely for the convenient operation of the Tenant's business and not for the purpose of consummating a sale which has theretofore been made at, in, on or from the premises, and/or for the purpose of depriving the Port of the benefit of a sale which otherwise would have been made at, in, on or from the premises;
9. Fees paid by Tenant to credit card companies and/or banking institutions in accordance with credit card purchase plans not to exceed a total of two percent (2%) of Tenant's Gross Sales in any single calendar year;



10. Gift certificates until redeemed or taken into income and not to exceed a total of one percent (1%) of Tenant's Gross Sales in any single calendar year; and

11. Discounts from coupons rung up as sales, but where no cash is received by Tenant.

12. Actual losses from bad debts not to exceed a total of two percent (2%) of Tenant's Gross Sales in any single calendar year.

All sales originating at the premises shall be considered as made and completed therein, even though bookkeeping and payment of the account may be transferred to another place for collection and even though actual filing of the sale or service order and actual delivery of the merchandise may be made from a place other than the premises.

4.3.4 Tenant shall record at the time of sale, in the presence of the customer, all receipts from sales or other transactions, whether cash or credit, in a cash register or registers having a sealed and continuous tape which cumulates and consecutively numbers all purchases. Tenant shall keep, and Tenant shall cause any and all subtenants to keep, complete and accurate books and records of all of their respective Gross Sales during the term of this Lease, including, without limitation, (a) a sales journal, general ledger, and all bank account statements showing deposits of Gross Sales revenue, (b) all such cash register receipts with regard to the Gross Sales and credits, refunds and other pertinent transactions made from or upon the premises (including the Gross Sales of any subtenant, licensee or concessionaire), and (c) detailed original records of any exclusions or deductions from Gross Sales (including any exclusions or deductions from Gross Sales of any subtenant, licensee or concessionaire). Tenant shall preserve, and shall require all subtenants to preserve, for a period of three (3) years following each respective calendar year during the lease term, all such books and records. Tenant shall (i) give the Port or require any subtenant to give the Port during reasonable hours upon forty-eight (48) hours prior written notice, access to the books and records relating to the operation of the business transacted on the premises, including the right to copy a portion or portions thereof; and (ii) give the Port or require any subtenant to give to the Port access to the registers on a reasonable basis as the Port may from time to time desire. In addition, upon request of the Port, Tenant agrees to furnish to the Port a copy of Tenant's state and local sales and use tax returns.

4.3.5 Said Percentage Rent shall be computed each calendar month during the lease term, and, on or before the twentieth (20th) day of the calendar month immediately following the close of each such calendar month. Tenant shall pay to the Port the amount so computed.

4.3.6 The Tenant agrees to furnish or cause to be furnished to the Port a statement of Gross Sales of the Tenant within twenty (20) days after the close of each calendar month, and an annual statement of Gross Sales within thirty (30) days after the close of each calendar year. Such statements shall be signed by a responsible officer of Tenant. The receipt by the Port of any statement or any payment of Percentage Rent for any period shall not bind it as to the correctness of the statement or the payment. Within two (2) years after the receipt of any such statement, the Port at any time shall be entitled to an audit of such Gross Sales either by the Port or by a certified public accountant to be designated by the Port. Such audit shall be limited to the determination of the "Gross Sales" as defined in this Lease and shall be conducted during normal

business hours at the principal place of business of Tenant. If it shall be determined as a result of such audit that there has been a deficiency in the payment of Percentage Rent, then such deficiency shall become immediately due and payable with interest at the rate set forth in Paragraph 4.1 above from the date when said payment should have been made. In addition, if Tenant's statement for the pertinent calendar year shall be found to have understated Gross Sales by more than two percent (2%), and the Port is entitled to any additional Percentage Rent as a result of said understatement, or if such audit shows that Tenant has failed to maintain the books of account and records required hereunder so that the Port is unable to verify the accuracy of Tenant's statement, then the Tenant shall pay all of the Port's reasonable costs and expenses (including reasonable auditor and attorney fees) which may be incurred by the Port in conducting such audit and collecting such underpayment, if any. If Tenant understates Gross Sales by more than three percent (3%) more than twice in any five-year period, then, in addition to the Port's aforesaid rights, the Port may terminate this Lease. Any information gained from such statements or inspection shall be confidential and shall not be disclosed other than to carry out the purposes hereof; provided, however the Port shall be permitted to divulge the contents of any such statements in connection with any contemplated sales, transfers, encumbrances, financing arrangement or assignments of the Port's interest in all or any portion of the Property or in connection with any administrative or judicial proceeding in which the Port is involved or in which the Port may be required to divulge such information.

5. **LEASE SURETY BOND.** Tenant shall, upon the earlier of (i) the date at which Tenant's obligation to pay rent commences or (ii) July 1, 1998, file with the Port a good and sufficient surety bond in accordance with the requirements of state law. The form and terms of the surety bond and the identity of the surety shall be subject to approval of the Port and the surety shall guaranty the full performance by Tenant of all the terms and conditions of this Lease, including the payment by Tenant of the rents and all other amounts herein provided for the full term hereof. Any acceptable surety instrument having an expiration earlier than the full lease term shall be renewed or replaced not less than ninety (90) days prior to its expiration. Any company issuing such a surety instrument must give the Port at least ninety (90) days advance written notice prior to the effective date of cancellation or expiration of such surety instrument. Initially, the required amount of the surety bond is set forth in paragraph 1 above. These provisions as to lease surety are subject to the continued approval of the Port and to revision and adjustment as may hereafter result from changes in state requirements or as established by the Port Commission; provided, however, that the amount of such surety shall not be required to exceed two times the then current minimum annual ground rent.

6. **ACCEPTANCE OF PREMISES.** Tenant has examined the premises, and the adjoining premises of which the premises are a part, and accepts them in their present condition. There are no warranties expressed or implied as to any condition apparent or unknown except as otherwise stated in this Lease. Tenant agrees to make any changes in the premises necessary to conform to any federal, state or local law applicable to Tenant's use of the premises. Notwithstanding the foregoing, Tenant shall not be liable to the Port for injury or damage to the extent caused or sustained as a result of any condition existing on the leased premises as of the date hereof.

7. **POSSESSION.** If the Port shall be unable for any reason to deliver possession of the premises or any portion thereof at the time of the commencement of this Lease, the Port shall not be liable for any damage caused thereby to Tenant, nor shall this Lease thereby become void or voidable, nor shall the term specified herein be in any way extended, but in such event Tenant shall

not be liable for any rent until such time as the Port can deliver possession; provided that if Tenant shall take possession of any portion of the premises in the interim, it shall pay the full rent specified herein reduced pro rata for the portion of the premises not available for possession by Tenant; and provided further, that if the Port shall be unable to deliver possession of the premises at the commencement of this Lease, Tenant shall have the option to terminate this Lease by giving at least thirty (30) days' written notice of such termination, and this Lease shall terminate unless the Port shall deliver possession of the premises prior to the effective date of termination specified in such notice. If Tenant shall, with the Port's consent, take possession of all or any part of the premises prior to the commencement of the term of this Lease, all of the terms and conditions of this Lease shall immediately become applicable, with the exception that Tenant shall not be obligated to pay any rental for the period prior to the commencement of the term of this Lease unless otherwise mutually agreed.

8. **USE OF PREMISES.** Tenant shall use the premises only for those purposes stated in paragraph 1 above and shall not use them for any other purpose without the written consent of the Port, which consent may be withheld in the Port's reasonable discretion. The premises shall be used only for lawful purposes; and only in accordance with all applicable building, fire and zoning codes. Tenant shall use the entire premises for the conduct of said business in a first-class manner continuously during the entire term of this Lease. Tenant agrees that it will not disturb the Port or any other Tenant of the Port by making or permitting any public or private nuisance or disturbance or any unusual noise, vibration or other condition on or in the premises. No signs or other advertising matter, symbols, canopies or awnings shall be attached to or painted on or within the premises, including the windows and doors thereof, without the approval of the Port. At the termination or sooner expiration of this Lease, all such signs, advertising matter, symbols, canopies or awnings attached to or painted by Tenant shall be removed by Tenant at its own expense, and Tenant shall repair any damage or injury to the premises and correct any unsightly condition caused by such removal. At no time shall the Tenant have the right to remove or otherwise disturb timber, valuable minerals, sand, gravel or water, from the site, which materials belong to the Port and may only be used with consent and appropriate compensation.

9. **REQUIREMENTS AS TO IMPROVEMENTS.** The specific requirements as to the planning, construction and completion of any major improvements planned by Tenant on the subject premises are attached hereto as Exhibit "A" to this Lease, which by this reference is incorporated herein as if set forth in full. Prior to the submission of any plans for contemplated improvements on the leased premises, Tenant shall furnish a survey of the appropriate leased premises as prepared by a registered and licensed surveyor, all at Tenant's own expense.

10. **RIGHTS-OF-WAY.** The Port agrees to grant other such right-of-way easements across the property of the Port reasonably available therefor for the installation and maintenance of necessary and adequate services to the premises of Tenant.

11. **RESERVATION OF RIGHTS.** The Port reserves to itself from the premises herein leased rights of way upon, across, onto or beneath the above-described lands by power lines, gas, water and sewage pipes and mains, conduits or any other utilities or industrial or business area facilities of all kinds now existing or to be constructed and maintained by it, either in addition to or in the substitution for those now existing from any point or points and in any direction and also reasonable rights of entry upon the demised premises for the construction, repair, inspection and maintenance of them in efficient use and condition, providing such action by the Port shall not

materially interfere with or interrupt Tenant's operation and shall be at the expense of the Port. The Port is hereby granted a continuous, perpetual easement or easements that the Port believe are necessary within the leased premises for such purposes, which easement or easements may be further granted by the Port to third parties; provided, however, that such easements shall not materially restrict or interfere with Tenant's use of the leased premises.

12. **COMMON AREAS.** The Port grants to Tenant and to its employees, agents, customers, and invitees the non-exclusive right for and during the term of this lease to use the common areas identified herein; such use to be in common with all other users of the Market area, whether as tenants or as owners, and their employees, agents, customers and invitees. The Port reserves the unrestricted right to make reasonable changes in the common areas. Parking areas may be elevated, surface or subterranean. The Port shall have the right to make such changes in the common areas as Port deems necessary and consistent with the purposes and intent of operating and in respect thereto, shall have the right to erect additional buildings or structures, and include landscaping and landscaping devices or features; provided, however, that the Port: (i) will not make changes to the parking area that would reduce the parking currently available to Tenant; (ii) will not alter that portion of the parking area immediately adjacent to the leased premises, as shaded on the sketch attached hereto as Exhibit G without Tenant's prior written consent, which shall not be unreasonably withheld; and (iii) will not charge (by meter or otherwise) for any parking in such shaded area except for parking spaces dedicated or reserved for the exclusive use of Tenant, or any other tenant of the Port. The common areas include, but are not limited to, all automobile parking areas, access roads, driveways, entrances, exits, retaining walls, sidewalks and loading docks, courts, ramps, landscaping, irrigation sprinkler systems, landscaped areas, lighting, curbs, facilities and special services provided by the Port for the general use, in common, of tenants of the Market area, and their employees, customers and invitees, as located on the property identified as Parcel 2 in the sketch attached hereto as Exhibit H and by this reference incorporated herein. With the prior written approval of the Port, which shall not be unreasonably withheld, Tenant may use agreed upon, designated portions of the common area parking for valet parking.

12.1 The common areas shall at all times be subject to the exclusive control and management of the Port. The Port shall have the right from time to time to establish, modify and enforce reasonable rules and regulations with respect to the common areas; to construct surface or elevate parking areas and facilities; to establish, and from time to time change, the level of parking surfaces; to employ personnel; construct, maintain and operate lighting facilities; police the common area; restrict parking by Tenant, its agents and employees to employee parking areas; close temporarily all or any portion of the common areas to prevent a dedication thereof or the accrual of any interest therein by any person or the public; and close temporarily all or any portion of the parking areas or facilities for the purpose of resurfacing, restriping, maintaining or repairing the parking areas or other common areas.

12.2 The Tenant agrees to pay the Port a proportionate share of the operating costs, as hereafter defined, of maintaining the common areas. The term "operating costs" as used in this paragraph, shall mean the total costs and expenses incurred (including the value of goods and services provided in kind) in operating, maintaining, and repairing the common areas, including without limitation, taxes or fees, and personal and real property taxes; surcharges levied upon or assessed against parking spaces or areas, payments toward mass transit or car pooling facilities or otherwise as required by federal, state or local authorities; costs and expenses in connection with maintaining federal, state or local ambient air and environmental standards; the cost of all materials, supplies and services purchased or hired therefor; sweeping and the removal

of snow, trash garbage and other refuse; the cost and expense of maintaining landscaping, gardening and planting, cleaning, painting (including line painting), paving, lighting, and sanitary control; fire protection and security protection; directional signs and other markers and bumpers; water, sewage, and stormwater fees or charges; the cost of all types of insurance coverages carried by the Port covering the common areas, including, without limitation, public liability, personal and bodily injury and property damage liability and automobile coverage, fire and extended coverage, vandalism and malicious mischief and all broad form coverages, sign insurance and other insurance that may be carried by the Port covering the common areas, all in limits selected by the Port; maintenance and repair (which may include replacement) of utility systems serving the common areas including water, sanitary sewer and stormwater lines, equipment owned and used in operation, maintenance and repair of the common areas, or the rental charges for machinery or equipment; and the cost of personnel (including applicable payroll taxes, workmen's compensation insurance, disability insurance and other benefits) to implement all of the foregoing, including the policing of the common areas and the directing of traffic and parking of automobiles on the parking areas thereof. The Port may cause any or all of said services to be provided by an independent contractor or contractors.

12.3 The Tenant's proportionate share of the "operating costs" shall be a percentage equal to two-thirds (2/3) of the ratio (the "Ratio") (as such ratio may change from time to time) (i) the number of parking spaces that would be required by the City of Olympia (based on its downtown zoning) for Tenant's building if it were a stand-alone operation bears to (ii) the aggregate number of parking spaces that would be required for all existing buildings in the market area (exclusive of the Farmer's Market itself and determined on a stand-alone basis), at the time of permitting. Tenant shall pay to the Port monthly, with its payment of minimum ground rent, Tenant's share of the monthly operating cost budget, as provided below, for the common area operating costs. Tenant shall also pay the Port monthly a reasonable charge made by the Port for accounting, bookkeeping and collection of the common area operating costs, in an amount not to exceed ten (10) percent of the total of Tenant's proportionate share of the common area operating costs for each calendar month. An illustration of the determination of Tenant's proportionate share of operating costs based on this paragraph is attached hereto as Exhibit I.

12.4 On or about the first day of the lease term, the Port shall submit to Tenant a statement of the anticipated monthly common area operating costs for the calendar year. Tenant shall pay Tenant's proportionate share of said statement and all subsequent monthly statements concurrently with the payment of minimum ground rent. Tenant shall continue to make said monthly payments until notified by the Port of a change in common area operating costs. By April 1 of each calendar year, the Port shall provide Tenant with a statement showing the total common area operating costs actually incurred during the prior calendar year and Tenant's share thereof, together with a proposed common area operating cost budget showing anticipated expenses for the current calendar year, including any reasonable reserve for the current calendar year. The first and last such statement shall be prorated from the first day of the lease term to the expiration of the lease term, as appropriate. If the total of the monthly payments which Tenant made for the prior calendar year is less than the Tenant's proportionate share of actual common area operating costs for said calendar year, then Tenant shall pay any difference in a lump sum within thirty (30) calendar days after receipt of such statement from the Port and shall concurrently pay the difference in monthly payments made in the current calendar year and the amount of monthly payments which are then calculated as monthly common area operating costs next coming due. The Port reserves the right to charge Tenant for its share of, and Tenant agrees to pay its share of, any common area operating costs not previously charged due to third party billing errors. If such

total monthly payment shall be more than Tenant's proportionate share, then such overpayment shall be given as a credit against the monthly common area operating costs next coming due.

13. **UTILITIES AND SERVICES.** Tenant shall be liable for and shall pay throughout the term of this lease all charges for all utility services furnished to the premises, including but not limited to, light, heat, gas, janitorial services, garbage disposal, security, electricity, water, stormwater and sewerage, including any connection fees, and any fire protection, police protection, or emergency health services as furnished by local authorities and as may be the subject of a contract between the Port and such local authorities or as imposed by ordinance or statute. If the premises are part of a building or part of any larger premises to which any utility services are furnished on a consolidated or joint basis, Tenant agrees to pay to the Port Tenant's pro-rata share of the cost of any such utility services. Tenant's pro-rata share of any such services may be computed by the Port on any reasonable basis, and separate metering or other exact segregation of cost shall not be required.

14. **INDEMNIFICATION/LIABILITY INSURANCE.** The Port, its employees and agents shall not be liable for any injury (including death) to any persons or for damage to any property, regardless of how such injury or damage be caused, sustained or alleged to have been sustained by Tenant or by others (including, but not limited to all persons directly or indirectly employed by Tenant, and any agents, contractors, subcontractors, suppliers, customers or invitees of Tenant) as a result of any condition (including existing or future defects in the premises), or occurrence (including failure or interruption of utility service) whatsoever related in any way to the premises and the areas adjacent thereto or related in any way to Tenant's use or occupancy of the premises and areas adjacent thereto; provided, however, that the foregoing provisions shall not be construed to make Tenant responsible for loss, damage, liability or expense resulting from injuries to third parties caused by the sole negligence of the Port or any agent or employee of the Port; and provided further, however, if and to the extent that any of the activities covered by this indemnity are construed to be subject to Section 4.24.115 of the Revised Code of Washington, it is agreed that where such items of actual or alleged liability, damages, costs or expenses arise from the concurrent negligence of Tenant and the Port, it is expressly agreed that Tenant's obligations of indemnity under this paragraph shall be effective only to the extent of Tenant's negligence. Tenant agrees to indemnify, defend and to hold and save the Port harmless from all liability or expense (including attorneys' fees, costs and all other expenses of litigation) in connection with any such items of actual or alleged injury or damage. In addition, Tenant shall, at its own expense, maintain proper liability insurance with a reputable insurance company or companies satisfactory to the Port in the minimum policy limits set forth in paragraph 1 above, together with such additional types and amounts of liability insurance (e.g., liquor liability) as the Port may deem reasonably necessary for the type of activities or services offered by Tenant. The coverage offered by such policies shall thereafter be in such increased amounts as the Port may specify to indemnify both the Port against such liability or expense. The Port shall be named as one of the insureds on the policies (and, at the Port's option, shall be furnished with a copy of such policy or policies of insurance) which shall provide that such insurance may not be canceled without the insurance company first having given the Port thirty (30) days' advance written notice of such intent to cancel. Tenant shall submit certificates evidencing compliance with this paragraph in lieu of furnishing the actual policies or copies thereof. Tenant shall furnish the Port with evidence of renewal of such policies not less than thirty (30) days prior to their expiration. In consideration of the Port's execution of this Lease, Tenant hereby waives any immunity Tenant may have under industrial insurance, Title 51 RCW, in connection with the foregoing indemnity.

15. **WAIVER OF SUBROGATION.** The Port and Tenant 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 fire insurance contracts, including any extended coverage endorsements thereto, and for any loss resulting from business interruption or rental loss which may be covered by policies applicable thereto provided, that this paragraph shall be inapplicable to the extent it would have the effect of invalidating any insurance coverage of the Port or Tenant. Each party agrees to cause their respective insurance carriers to include in its policies a waiver of subrogation clause or endorsement.

16. **TAXES.** Tenant shall be liable for, and shall pay, throughout the term of this lease, all license fees and taxes covering or relating to the premises and its use, including, without limitation, (a) all real estate taxes assessed and levied against the premises; (b) all amounts due and payable for general or special assessments against the premises during the term of this lease (whether assessed prior to or during the term of this lease), including any assessments for LIDs or ULIDs; and (c) all personal property taxes upon Tenant's fixtures, furnishings, equipment and stock in trade, Tenant's leasehold interest under this lease or upon any other personal property situated in or upon the Premises. If any governmental authority at any time levies a tax on rentals payable under this lease or a tax in any form against Landlord because of or measured by income derived from the leasing or rental of the premises, such tax shall be paid by Tenant; provided, however, that Tenant shall not be liable for the payment of any tax imposed generally on Landlord's gross or net income without regard to the source of such income. Tenant represents that it is familiar with the provisions of RCW 82.29A Leasehold Excise Tax, which imposes a tax, to be paid by Tenant, on the rental payments due under this Lease.

17. **MAINTENANCE AND REPAIR.** Tenant shall, at its own expense, keep the premises, structures, tenant refuse storage areas, and other improvements and the adjoining roadways, sidewalks and areas in a neat, clean, safe and sanitary condition and maintain and keep all of the premises maintained equal in quality to of other owners of similar class properties and conditions in the Thurston County, Washington area, reasonable wear and tear excepted, and to maintain the landscape and undeveloped areas of the leased premises (exclusive of common areas) in a clean, sanitary, orderly and attractive condition free from rubbish and debris. Tenant shall keep all areas in the vicinity of the premises free from the accumulation of disposable products and other litter generated by the operation of Tenant's business. Tenant shall also, at its own expense, at all times keep the premises free from infestation of pests and conditions which might result in harborage for, or infestation of, pests. (Pests shall include, without limitation, rodents, insects, and birds in numbers to the extent that a nuisance is created.) Tenant shall keep the glass of all windows and doors on the premises clean and presentable, and shall maintain and keep the premises in a good state of repair, and shall commit no waste of any kind, and, without limiting the generality of the foregoing, shall replace all cracked or broken glass in the premises, and keep the electrical system and all drains clean and in a good state of repair, and shall use its best efforts to protect all sprinkler systems and all pipes and drains so that they will not freeze or become clogged. Tenant shall replace any and all improvements which become worn out, obsolescent, deteriorated, unsafe or unusable and shall replace such improvements with new fixtures and improvements of at least as good a quality as originally installed at the commencement of this Lease. In the event Tenant fails to properly maintain, repair and replace the premises or any improvements thereon, and if the Port shall give a ten (10) day written notice to Tenant, Tenant shall comply with Tenant's responsibilities under this paragraph, and the Port shall be entitled, but shall not be obligated, to enter the leased premises and perform such work as may be necessary to

restore the leased premises and improvements to the conditions set forth herein. The cost of such repairs shall be billed to Tenant by the Port and shall be payable upon receipt and subject to the same penalties for late payment as if such payment was additional rent.

Tenant shall keep the premises free and clear of any liens and encumbrances arising or growing out of the use and occupancy of the premises by Tenant. At the Port's request, Tenant shall furnish the Port with written proof of payment (or adequate provision for payment) of any item which would or might constitute the basis for such a lien on the premises if not paid. Notwithstanding Tenant's obligations to keep the Premises free and clear of any liens and encumbrances, Tenant shall have the right to defend any disputed lien or encumbrances (and may appeal any tax assessment), but shall as a condition thereto, provide a bond or make a deposit with the Port in an amount equal to one and one-half (1½) times the amount of the claimed lien or encumbrances to provide sufficient funds for the Port to discharge such lien or encumbrance if Tenant is unsuccessful. Any dispute under this section shall be subject to arbitration under paragraph 38, **ARBITRATION PROCEDURE**. Tenant shall also be wholly responsible for any and all repairs, maintenance, and improvements to maintain building structure integrity, (including foundations, bearing columns, bearing walls and exterior walls), and to the roof, utility service and lines, whether located on or off the premises, provided, however, Tenant shall only be responsible for any sewer line repairs occurring on the premises. Tenant shall have no claim as deduction or offset any monies or charges against the rent paid to the Port for maintenance or repairs. Tenant has inspected the premises and accepts the premises "as is, where is".

18. **ALTERATIONS AND IMPROVEMENTS.** Tenant shall make no alterations or improvements to or upon the premises or install any fixtures (other than trade fixtures which can be removed without injury to the premises) without first obtaining written approval of the Port. The Port's response to Tenant's requests for approval shall be prompt, and such approval shall not be unreasonably withheld. From time to time Tenant may close the entire premises to the general public for the limited purpose of remodeling or maintaining the premises. Any plans for remodeling and the timing and duration of the closure must be approved by the Port pursuant to this paragraph 18 which approval shall not be unreasonably withheld. The Port agrees that Tenant may make minor modifications to the interior of any improvements without the prior approval of the Port; provided, however, that any alterations or improvements requiring a permit from any governmental authority, or any alteration or improvement that alters the footprint of the building(s) or alters the exterior appearance of the building(s) will require the prior written approval of the Port which will not be unreasonably withheld. Any request for approval to which the Port has not responded within twenty (20) days after its receipt of such request shall be deemed granted. Whenever feasible, Tenant shall undertake such remodeling or maintenance during the time of year when the closure would have the least impact on the gross sales of Tenant. During such closure, Tenant shall not be obligated to pay the Port percentage rental for the days during which such closure exists. Upon installation, Tenant shall furnish the Port with a copy of the "as-built" drawings including utility installations and site plans detailing the nature of the additions, alterations or improvements. If any alterations or improvements shall be made or fixtures (other than trade fixtures which can be removed without injury to the premises) installed by Lessee they shall become the property of the Port upon any expiration or termination of this Lease unless the Port exercises its right provided below to have Tenant remove the same. Movable furniture and trade fixtures which are removable without injury to the premises shall be and remain the property of Tenant. The Port reserves the right to have Tenant remove, at Tenant's sole expense, all of such alterations, additions or improvements at the end of the Lease term upon giving Tenant sixty (60) days' advance written notice of the Port's exercise of this option. If the Port exercises this option,



all such alterations and improvements be removed by Tenant prior to the last day of the Lease term. Any dispute under this section shall be subject to arbitration under paragraph 38, **ARBITRATION PROCEDURE**.

**19. DISPOSITION OF IMPROVEMENTS.**

a. Within sixty (60) days after the expiration or earlier termination of this Lease, the Tenant shall at Tenant's expense, promptly and diligently remove, demolish or clear off from the leased premises all or any designated portion of the improvements and other property owned by Tenant, and after such removal or clearance, Tenant shall restore the surface of the ground to a graded, properly filled, level and uniform condition, free from all debris; provided, however, that if Tenant at such time shall be in default in the payment of rents or any other charges hereunder, the Port shall have a lien on the improvements to secure payment of such rents or charges.

b. Provided, however, that the Port may, at its sole discretion, elect to have the buildings remain, in which event title to the same shall automatically pass to the Port, free of any right, title, interest of Tenant therein, or its successors or assigns, without the necessity of executing any further instrument and without any allowance, compensation, or payment by the Port. Tenant hereby grants and conveys to the Port all of its right, title and interest in and to such improvements, to be effective for all purposes upon any termination of this Lease. Notwithstanding the foregoing, if the Port does not elect to have Tenant remove the improvements, Tenant agrees to execute, acknowledge and deliver to the Port prior to the expiration of such sixty-day (60) period a proper recordable instrument quit claiming and releasing to the Port to any right, title and interest of Tenant in and to the leased premises and all improvements thereon, and giving such further assurances of title as may be required by the Port. Tenant shall, upon such lease termination, surrender and deliver the leased premises and all remaining improvements to the Port, without delay and in good order, condition and repair, ordinary wear and tear excepted, and in a neat and clean condition, excepting only Tenant's or any subtenant's movable trade fixtures, machinery, equipment and personal property. Tenant shall also deliver to the Port all documents necessary or appropriate for the proper operation, maintenance and management of the leased premises and improvements.

c. Any dispute under this section shall be subject to arbitration under paragraph 38, **ARBITRATION PROCEDURE**.

**20. INSPECTION.** The Port reserves the right to inspect the premises at any and all reasonable times throughout the term of this Lease, provided that it shall not interfere unduly with Tenant's operations. The right of inspection reserved to the Port hereunder shall impose no obligation on the Port to make inspections to ascertain the condition of the premises, and shall impose no liability upon the Port for failure to make such inspections. The Port shall have the right to place and maintain "For Rent" signs in conspicuous places on the premises for a reasonable period of time prior to the expiration or sooner termination of this Lease.

**21. RESTORATION.**

a. At all times during the term of this Lease, Tenant shall maintain in effect upon the leased premises and Tenant's improvements thereon, fire and extended coverage property insurance for physical loss and damage including earthquake insurance and flood insurance,

written by companies authorized to do business in the State of Washington and approved by the Port's insurance carrier. Such policy or policies (a) shall be written in the form of replacement cost insurance in an amount not less than 100% of the full replacement cost of the leased premises and Tenant's improvements thereon, which amount shall be adjusted not less frequently than annually, (b) shall contain an endorsement waiving any and all rights of subrogation against the Port and (c) shall provide that notice of cancellation of the policy or any endorsement shall be given to the Port and any other party designated by the Port at least 10 days prior to cancellation. The Port and each other party designated by the Port shall be named as additional insureds and loss payees on all such policies. Tenants shall provide the Port and each other party designated by the Port with certificates of insurance evidencing such coverage and shall provide evidence of renewal at least 30 days prior to the expiration of such policy or policies. Tenant will also take out and maintain policies of insurance to cover the loss, damage or destruction of Tenant's furniture, fixtures, equipment and other items owned by Tenant on the leased premises, with limits based on the reasonable value thereof. Tenant and the Port acknowledge that insurance coverage for earthquakes may not be available at a reasonable cost at the commencement of this lease, but that at such time during the term hereof that such coverage becomes available at a reasonable cost, Tenant shall obtain such coverage and have such coverage in effect at all times it is available at a reasonable cost. If the Port and Tenant cannot agree whether such coverage is available at a reasonable cost, such disagreement shall be submitted to arbitration as provided in paragraph 38, ARBITRATION PROCEDURE.

b. If any building or improvement erected by Tenant on the leased premises or any part thereof shall be damaged or destroyed by fire or other casualty during the term of this Lease, Tenant may, at its option, at its own cost and expense, repair or restore the same according to the original plans thereof or according to such modified plans as shall be previously approved in writing by the Port. Such work of repair or restoration shall be commenced within sixty (60) days after receipt of permits therefor (which Tenant shall obtain within one (1) year after the damage or loss occurs) and shall be completed with due diligence but not longer than one (1) year after such work is commenced, and such work shall be otherwise done in accordance with the requirements of the provisions hereof pertaining to the construction of improvements upon the leased premises. All insurance proceeds collected for such damage or destruction shall be applied to the cost of such repairs or restoration, or if Tenant elects not to repair or restore, to the cost of removing, demolishing, or clearing off the building or improvements. If (i) there are not insurance proceeds, or (ii) the same shall be insufficient for said purpose, Tenant shall make up the deficiency out of its own funds. Should Tenant fail or refuse to make the repair, restoration or removal as hereinabove provided, then in such event said failure or refusal shall constitute a default under the covenants and conditions hereof, and all insurance proceeds so collected shall be forthwith paid over to and be retained by the Port on its own account, and the Port may, but shall not be required to, sue and apply the same for and to the repair, restoration or removal of said leased premises or improvements, and the Port may, at its option, terminate this Lease as elsewhere provided herein.

c. Notwithstanding anything to the contrary contained in the preceding section, if any building erected on said leased premises shall be damaged by fire or other casualty, and if the cost of repairing or restoring the same shall exceed the insurance payable for such damage, and if such damage shall occur during the term so that the remaining term of this Lease is of insufficient length to allow Tenant to finance such cost in a commercially reasonable manner, the Tenant shall have the option, to be exercised within one hundred twenty (120) days after such event, to repair or restore said building as hereinabove provided, or to terminate this Lease by written notice thereof to the Port.

d. Any dispute under this section shall be subject to arbitration under paragraph 38, **ARBITRATION PROCEDURE**.

22. **DEFAULTS.** Time is of the essence of this Lease, and in the event of the failure of Tenant to pay the rental, interest or other charges provided in this Lease at the time and in the manner herein specified, or to keep any of Tenant's covenants or agreements herein, the Port may elect to terminate this Lease and reenter and take possession of the premises with or without process of law, provided, however, that Tenant shall be given fifteen (15) days' notice in writing if the default is for the nonpayment of rent or other monetary default, or thirty (30) days' notice in writing for any other default, stating the nature of the default in order to permit such default to be remedied by Tenant within the applicable time period. If the Port issues a notice of default for the nonpayment of rent, in order to cure such default, Tenant must pay the overdue rent, together with interest as set forth in paragraph 4.1 above, plus a Fifty Dollar (\$50.00) lease reinstatement fee.

If upon such reentry there remains any personal property of Tenant or of any other person upon the premises, the Port may, but without the obligation to do so, remove said personal property and hold it for the owners thereof or may place the same in a public garage or warehouse, all at the expense and risk of the owners thereof, and Tenant shall reimburse the Port for any expense incurred by the Port in connection with such removal and storage. The Port shall have the right to sell such stored property, without notice to Tenant, after it has been stored for a period of thirty (30) days or more, the proceeds of such sale to be applied first to the cost of such sale, second to the payment of the charges for storage, and third to the payment of any other amounts which may then be due from Tenant to the Port, and the balance, if any, shall be paid to Tenant. Notwithstanding any such reentry, the liability of Tenant for the full rental provided for herein shall not be extinguished for the balance of the term of this Lease, and Tenant shall make good to the Port any deficiency arising from a reletting of the premises at a lesser rental than that chargeable to Tenant. Tenant shall pay such deficiency each month as the amount thereof is ascertained by the Port. Payment by Tenant to the Port of interest on rents and/or any other charges due and owing under this Lease shall not cure or excuse Lessee's default in connection with rents and/or other charges. All remedies of the Port hereunder are cumulative and not alternative.

23. **ADVANCES BY PORT FOR TENANT.** If Tenant shall fail to do anything required to be done by it under the terms of the Lease, except to pay rent, the Port may, at its sole option, do such act or thing on behalf of Tenant, and upon notification to Tenant of the cost thereof to the Port, Tenant shall promptly pay the Port the amount of that cost. However, if the Port shall pay any monies on Tenant's behalf, Tenant shall repay such monies, together with interest thereon commencing on the date the Port paid such monies and calculated at the greater of the rate of eighteen percent (18%) per annum, or two (2) percentage points over the composite prime rate of interest set forth in the Wall Street Journal "Money Rates" column (or its successor) most recently prior to such date.

24. **HOLDING OVER.** If Tenant shall, without the consent of the Port, hold over after the expiration or sooner termination of this Lease, the resulting tenancy shall, unless otherwise mutually agreed, be on a month-to-month basis. During such month-to-month tenancy, Tenant shall pay to the Port the rate of four (4) times the then-current rental under the terms of the Lease, unless a different rate shall be agreed upon, and the Tenant shall be bound by all of the additional provisions of this Lease.

25. **ASSIGNMENT OR SUBLEASE.** Except as provided below, Tenant shall not assign or transfer (including any assignment or transfer for security purposes) this Lease or any interest therein nor sublet the whole or any part of the premises, nor shall this Lease or any interest hereunder be assignable or transferable by operation of law or by any process or proceeding of any court, or otherwise, without the advance written consent of the Port, which may be withheld in the Port's reasonable discretion. Landlord agrees that it will consent to the assignment of this Lease (or any interest herein) for security purposes to a bona fide lender, but only on the terms and conditions contained in the form of Landlord's Consent and Agreement attached hereto as Exhibit C, which must be signed by such lender. Tenant further agrees that if at any time during the term of this Lease, more than one-half (1/2) of the outstanding shares of any class of stock of the Tenant corporation shall belong to any stockholders other than those who own the outstanding shares of that class of stock at the time of the execution of this Lease or to members of their immediate families, including their estates, such change in the ownership of the stock of Tenant shall be deemed an assignment of this Lease within the meaning of this paragraph. If Tenant is a partnership or a limited liability company, Tenant further agrees that if at any time during the term of this Lease, more than one-half (1/2) of the interest of the partnership or the limited liability company, as the case may be, shall belong to any partner or member other than those who own an interest in such entity at the time of the execution of this Lease or to members of their immediate families, including their estate, such change in the ownership of interest in Tenant shall be deemed an assignment of this Lease within the meaning of the paragraph. Tenant shall remain liable under the terms of this Lease, and this paragraph shall nevertheless continue in full force and effect and no further assignment or sublease shall be made without the Port's consent pursuant to this paragraph.

26. **COMPLIANCE WITH PORT REGULATIONS/ALL LAWS.** Tenant agrees to comply with all applicable rules and regulations of the Port pertaining to the building or other realty of which the premises are a part or to Tenant's use or occupancy thereof, now in existence or hereafter promulgated for the general health, welfare, safety and convenience of the Port, its various tenants, invitees, licensees and the general public. Tenant further agrees to comply with all applicable federal, state and municipal laws, ordinances and regulations, including, without limitation, those relating to environmental matters, and Americans with Disabilities Act, and to indemnify the Port for any liability, damages, costs or fees incurred by the Port due to Tenant's failure to comply with the requirements of this section. Costs and fees shall include all direct and indirect costs and professional fees, including engineering and attorney's fees. Any fees for any federal, state or local inspections and/or certificates required for use and occupancy of the leased premises shall be paid by Tenant.

27. **HAZARDOUS SUBSTANCES.** Tenant certifies, represents, warrants, covenants and agrees that:

(a) For itself, its contractors, subcontractors and agents, Tenant will comply with all applicable local, state and federal environmental laws, regulations, ordinances and administrative and judicial orders relating to the generation, recycling, treatment, use, sale, storage, handling, transport and disposal of any Hazardous Substances (as defined below) by any person on the leased premises. Lessee will not, without the Port's prior written consent, keep on or around the leased premises or any common areas, for use, disposal, treatment, generation, storage, or sale, any Hazardous Substances except those normally used in the operation of a restaurant, and then only in such amounts as are normal and only in full compliance with all applicable laws, rules and regulations.

(b) With respect to any Hazardous Substance, Tenant shall:

(i) Comply promptly, timely and completely with all governmental requirements for reporting, keeping and submitting manifests and obtaining and keeping current identification numbers;

(ii) Make available for the Port's review and copying during normal business hours, true and correct copies of all reports, manifests and identification numbers at the time as they are required to be and/or are submitted to the appropriate governmental authorities;

(iii) Within five (5) business days of the Port's request, submit written reports to the Port regarding Tenant's use, storage, treatment, transportation, generation, disposal or sale of Hazardous Substances and provide evidence satisfactory to the Port of Tenant's compliance with the applicable laws, rules and regulations;

(iv) Allow the Port or the Port's agents or representatives to come on the leased premises at all reasonable times to check Tenant's compliance with all applicable laws, rules and regulations regarding Hazardous Substances; and

(v) Comply with minimum levels, standards or other performance standards or requirements which may be set forth or established for certain Hazardous Substances (if minimum standards or levels are applicable to Hazardous Substances) present on the leased premises, including those levels or standards established by an on-site inspection by the appropriate governmental authorities.

In the event of a material violation of any of the items (i) through (v) listed above, any and all costs incurred by the Port and associated with the Port's inspections of Tenant's leased premises and the Port's monitoring of Tenant's compliance with this section, and including the Port's attorney's fees and costs, shall be additional rent and shall be due and payable to the Port immediately upon demand by the Port.

(c) Tenant has not and will not release or waive the liability of any party who may be potentially responsible for the presence or removal of Hazardous Substances on or from the leased premises.

(d) Tenant agrees to immediately notify the Port if Tenant becomes aware of (a) any Hazardous Substances or other environmental problem or liability with respect to the leased premises or any Other Property (as defined below); or (b) any lien, action or notice resulting from violation of any laws, regulations, ordinances or orders described in this Section 26. At its own cost, Tenant will take all actions which are necessary or desirable to clean up any Hazardous Substances affecting the leased premises, including removal, containment or any other remedial action whether or not required by governmental authorities.

(e) If Tenant is in violation of any governmental law, rule or regulation concerning Hazardous Substances or is in violation of this Lease relating thereto, it shall promptly take such action as is necessary to mitigate and correct the violation. If Tenant does not act in a prudent and prompt manner, the Port reserves the right, but not the obligation to come onto the premises, to act in place of the Tenant (with Tenant hereby appointing the Port as its agent for

such purposes), and to take such action as the Port deems necessary to insure compliance or to mitigate the violation. If the Port has a reasonable belief that Tenant is in violation of any such regulation, or that Tenant's actions or inactions present a threat of violation or a threat of damage to the premises, the Port reserves the right to enter the premises and take such action as the Port deems necessary to mitigate, abate or correct the threat thereof. All costs and expenses incurred by the Port in connection with any such action shall be payable by the Tenant and shall become immediately due and payable as additional rent upon presentation of an invoice therefor.

(f) Tenant shall be fully and completely liable to the Port for, and shall indemnify and hold the Port harmless from and against any and all actual or alleged claims, demands, damages, losses, liens, liabilities, penalties, fines, lawsuits and other proceedings and costs and expenses (including attorneys' fees and disbursements), which accrue to or are incurred by Tenant or the Port which arise or are alleged to arise directly or indirectly from or out of, or are in any way connected with (a) the inaccuracy of the representations and warranties contained herein, (b) the breach of any covenant contained herein, (c) any operations or activities (including, without limitation, use, disposal, transportation, storage, generation or sale of Hazardous Substances) on or about the leased premises during Tenant's possession or control of the leased premises which directly or indirectly result in the leased premises or any Other Property becoming contaminated with Hazardous Substances or otherwise violating any applicable law, rule or regulation pertaining to Hazardous Substances, and (d) the cleanup of Hazardous Substances from the leased premises or any Other Property. Tenant acknowledges that it will be solely responsible for all costs and expenses relating to investigation (including preliminary investigation) and cleanup of Hazardous Substances from the leased premises or from any Other Property arising as described above. Tenant specifically agrees that the bond provided pursuant to this Lease shall extend to the indemnity agreed to in this subparagraph.

(g) Tenant's obligations under this Section 27 are unconditional and shall not be limited by any other limitations of liability provided for in this Lease. The representations, warranties and covenants of Tenant set forth in this Section 27 (a) are separate and distinct obligations from Tenant's other obligations under the Lease and (b) shall survive and continue in effect after any termination or expiration of this Lease for any reason.

(h) As used in this Section 27, "Hazardous Substances" means any chemical, substance, material, waste or similar matter defined, classified, listed or designated as harmful, hazardous, extremely hazardous, dangerous, toxic or radioactive, or as a contaminant or pollutant, or other similar term, by, and/or which are subject to regulation under, any federal, state or local environmental statute, regulation or ordinance presently in effect or that may be promulgated in the future, and as they may be amended from time to time.

(i) As used in this Section 27, "Other Property" means any real or personal property (including, without limitation, surface or ground water) which becomes contaminated with Hazardous Substances as a result of operations or other activities on, or the contamination of, the leased premises arising as described in subsection (f) above.

(j) Upon expiration or sooner termination of this Lease, Tenant shall have removed from the leased premises any contaminated soils or other contaminated or hazardous materials or substances deposited thereon by Tenant. Any failure to complete such removal by the expiration or sooner termination of this Lease shall be deemed a holding over by Tenant subject to the provision of paragraph 24, **HOLDING OVER**. At the Port's request, within 30 days

thereafter, Tenant shall deliver to the Port a certificate from the Thurston County Health Department certifying that the leased premises comply with all applicable requirements of the Health Department concerning levels of Hazardous Substances. At such time, Tenant shall also reconfirm its representations and warranties contained herein and shall represent and warrant that upon termination of the Lease all Hazardous Substances have been removed from the leased premises and have been properly and lawfully disposed of.

(k) Tenant shall be responsible for applying for and obtaining all necessary and desirable federal, state or local governmental permits or approvals for the use of the leased premises; shall not commence any activity on the leased premises until all permits or approvals required for such activity have been issued; and shall conduct all of its activities on the leased premises in full compliance with all applicable permits and approvals.

28. **STORAGE TANK LICENSES.** All storage on site, whether permanent or mobile, capable of holding more than one hundred ten (110) gallons either in bulk or in separate containers or any material identified in Exhibit "B" shall require a separate hazardous materials license. Such license shall provide for appropriate handling and storage facilities, inspections, testing and clean up procedures and any special insurance provisions which may be required. Tenant shall comply with all laws, rules and regulations applicable thereto. Tenant shall provide Landlord with full and complete copies of any reports or other results of inspections within five (5) days after any remedial or other action required as a result of any inspection. Upon request, Tenant shall provide Landlord with a certificate of insurance evidencing Tenant's compliance with insurance requirements applicable to storage tanks.

29. **INSPECTIONS AND NOTICE OF CHANGE.**

a. Tenant agrees that inspections may be required by the Port at the Tenant's expense to assure compliance with paragraphs 27, **HAZARDOUS SUBSTANCES**, and 28, **STORAGE TANK LICENSES**. Such inspections shall be made once every five (5) years or at any time the Port has good cause to believe a problem may exist.

b. The Tenant shall annually identify any materials listed in Exhibit "B" used in the course of its ordinary business.

30. **EMINENT DOMAIN.** If the premises shall be taken or condemned for any public purpose, or for any reason whatsoever, to such an extent as to render the premises untenable, either Landlord or Tenant shall have the option to terminate this Lease effective as of the date of taking or condemnation, which shall be the earlier of the date the final condemnation judgment or the date possession is taken by the condemning authority. If the taking or condemnation does not render the premises untenable, this Lease shall continue in effect, and Landlord shall, if the condemnation award is sufficient therefor, promptly restore the portion not taken to the extent possible to the condition existing prior to the taking. If, as a result of such restoration, the area of the premises is reduced, the rental shall be reduced proportionately. Tenant shall be entitled to any award separately designated for Tenant's relocation expenses or for damage or taking of Tenant's improvements, trade fixtures or other personal property; provided, however, that if the taking does not render the premises untenable, this Lease shall continue in effect and Tenant shall restore its improvements to the extent possible to the conditions existing prior to the taking. Landlord and Tenant agree to cooperate in Tenant's obtaining such a separately designated award. All other proceeds from any taking or condemnation shall be paid to Landlord. A

voluntary sale or conveyance in lieu of but under the threat of condemnation shall be considered a taking or condemnation for public purpose, and shall include the Port's use of the premises for any purpose for public use in connection with the operation of the business of the Port. If the Port so requires the use of the premises, then this Lease may be terminated by the Port by written notice delivered or mailed by the Port to Tenant not less than six (6) months or more before the termination date specified in the notice, and damages to Tenant, if any resulting therefrom shall be determined by agreement between the parties hereto, or in the absence of agreement, by arbitration as hereafter provided. Damages or other compensation shall be determined in accordance with RCW 53.08.010 and Title 8 as appropriate. The Port agrees that it will not exercise any right under this paragraph for the purpose of reletting the premises to another commercial retail user.

31. **TERMINATION FOR GOVERNMENT USE.** In the event that the United States government, the State of Washington or any agency or instrumentality thereof other than the Port shall, by condemnation or otherwise, take title, possession or the right to possession of the premises or any part thereof, the Port may, at its option, terminate this Lease as of the date of such taking, and if Tenant is not in default under any of the provisions of this Lease on said date, any rental prepaid by Tenant shall, to the extent allocable to any period subsequent to the effective date of the termination, be promptly returned to Tenant. All proceeds from any taking or condemnation shall be paid to the Port, and Tenant waives all claim against such proceeds; provided, however, that Tenant shall be entitled to any awards separately designated for Tenant's relocation expenses or for damage or taking of Tenant's building and other improvements, trade fixtures or other property of Tenant. Landlord and Tenant agree to cooperate in Tenant's obtaining such a separately designated award.

32. **INSOLVENCY.** If Tenant shall: solicit acceptances of a plan of reorganization to be filed in any subsequent case under the United States Bankruptcy Code, 11 U.S.C. §§ 101-1330, as hereafter amended or any successor statute thereto (the "Bankruptcy Code"); negotiate with one or more creditors for any workout, including, but not limited to, an extension agreement, composition agreement, standoff, standby, or standstill agreement whereby the creditors agree to forebear in any fashion from their rights to collect a debt of Tenant; cease to pay Tenant's debts as they come due; admit in writing the inability to pay its debts as they come due; make an assignment for the benefit of creditors; become a party to any liquidation or dissolution action or proceeding; have appointed (voluntarily or involuntarily), a trustee, custodian, receiver, conservator, or liquidator for Tenant or for a significant portion of Tenant's assets; have entered against it any order by a district court or bankruptcy court of the United States or any of its territories that dismisses a voluntary petition under the Bankruptcy Code because the bankruptcy petition was filed in bad faith; have entered against it an order, judgment, or decree; have any of its assets levied against by writ of execution, attachment (including pre-judgment attachment), garnishment, recording of a judgment or any similar process whereby a creditor seeks to obtain a legal right to dispose of particular assets of Tenant to satisfy to any extent a debt of the Tenant to the creditor; file a voluntary petition under the Bankruptcy Code or have filed against it an involuntary petition under the Bankruptcy Code creating any automatic stay or other injunctive force protecting the assets of Tenant from the immediate collection actions of a creditor (where such involuntary petition is not subsequently dismissed within 60 days in response to pleadings filed by the Tenant by entry of an order of any district court or bankruptcy court of the United States or any of its territories); have appointed voluntarily or involuntarily, a trustee, custodian, or examiner with special powers by any district court or bankruptcy court in the United States or any of its territories; admit in an answer filed in response to an involuntary petition filed under the Bankruptcy Code that Tenant is insolvent because Tenant's assets are exceeded by Tenant's debts



or that Tenant is unable to pay Tenant's debts as they come due; then, in the event any of the foregoing shall occur, the Port may, at its option, terminate this Lease.

33. **PROMOTION OF PORT COMMERCE.** The purpose of the Port is to encourage the development of commerce within the Port district, and to every reasonable extent possible, increase the movement of passengers and freight through Port facilities. In furtherance of this purpose, Tenant agrees to cooperate with the Port in the promotion of these purposes during the term of this Lease, and wherever reasonably possible, to utilize the Port's facilities in the movement of freight and passengers as a part of Tenant's business activities. Nothing in this paragraph shall be construed to obligate Tenant to spend monies in the Port's promotional advertising, but Tenant does agree to supply such information and data for the Port's promotional and advertising activities.

34. **ATTORNEY'S FEES AND COSTS.** Should a dispute arise between the parties hereto as to the effect of any provision hereof and said dispute is referred to an attorney, whether for enforcement in court or for decision under arbitration, the losing party shall pay the prevailing party's actual and incurred attorney's fees; costs of court or arbitration, including such fees and costs of any appeal; other legal expenses; and collection costs, except that the amount of such fees, costs or expenses taken separately or in the aggregate, shall not be unreasonable. If such dispute arises and is later settled by the parties, such settlement shall include a specific allocation of disposition of attorney's fees on both sides.

35. **NONDISCRIMINATION - SERVICES.** Tenant agrees that it will not discriminate by segregation or otherwise against any person or persons because of race, sex, age, creed, color or national origin in furnishing, or by refusing to furnish, to such person or persons the use of the facility herein provided, including any and all services, privileges, accommodations and activities provided thereby.

36. **NONDISCRIMINATION - EMPLOYMENT.** Tenant covenants and agrees that in all matters pertaining to the performance of this Lease, Tenant shall at all times conduct its business in a manner which assures fair, equal and nondiscriminatory treatment of all persons without respect to race, creed or national origin, and in particular:

a. Tenant will maintain open hiring and employment practices and will welcome applications for employment in all positions from qualified individuals who are members of racial or other minorities; and

b. Tenant will comply strictly with all requirements of federal, state or local laws or regulations issued pursuant thereto relating to the establishment of nondiscriminatory requirements in the hiring and employment practices, and assuring the service of all patrons or customers without discrimination as to any person's race, sex, age, creed, color or national origin.

37. **APPRAISAL PROCEDURE.** The fair market value of the property shall be determined, at Tenant's election, either (a) by reference to the most recent land valuation for the parcel as determined by the Thurston County Assessor's Office (for so long as Washington State law requires the Assessor to assess land at 100% of its fair market value) or (b) by an appraisal conducted by an independent appraiser selected by Tenant and approved by the Port, which approval will not be unreasonably withheld. Such appraiser shall be a qualified MAI appraiser, with not less than 10 years experience appraising commercial real estate in Thurston County,

Washington. A qualified MAI appraiser shall mean a member in good standing of the American Institute of Real Estate Appraisers, or equivalent professional organization. In conducting an appraisal of the property, the appraiser (a) shall consider sales of fee simple comparable properties in the general area; (b) shall appraise the property as if in private ownership and without discount or consideration for the property being owned by a municipal corporation; and (c) shall appraise the property without regard to the premises being leased or the existence of any buildings or structures thereon. If Tenant fails to choose an appraiser within 180 days prior to the date a rental revision is to become effective, Tenant shall be deemed to have elected to have the rental revised as provided in clause (a). If fair market value is not or cannot be determined by either method described above, fair market value shall be determined by an appraiser selected by the Port who meets the qualifications described above. Such determination, and any rental revision resulting therefrom shall be retroactive to the date the rental revision was to be effective. The cost of any appraisal shall be shared equally by the Port and Tenant. The Port agrees to assist Tenant in any effort to have any percentage rent disregarded by the Thurston County Assessor when using an income approach to value the leased premises for assessment purposes.

38. **ARBITRATION PROCEDURE.** In the event of a dispute between the Port and Tenant with respect to any issue specifically mentioned elsewhere in this Lease as a matter to be decided by arbitration, such dispute shall be determined by arbitration as provided in this paragraph. The Port and Tenant shall each appoint a person as arbitrator who shall have had at least ten (10) years of experience in Thurston, King or Pierce County in the subject matter of the dispute. The appointment shall be in writing and given by each party to the other, and the arbitrators so appointed shall consider the subject matter of the dispute, and if agreement can be reached between them, their opinion shall be the opinion of the arbitration. In the event of their failure to agree upon the matter so submitted, they shall appoint a third arbitrator. In the case of the failure of such arbitrators to agree upon the third arbitrator, the same shall be appointed by the American Arbitration Association from its qualified panel of arbitrators, with similar qualifications. If the Port or Tenant shall fail to so appoint an arbitrator for a period of ten (10) days after written notice from the other party to make such appointment, then such party will have defaulted its right to make such appointment, and the arbitrator appointed by the nondefaulting party shall determine and resolve the dispute. In the event the three arbitrators are appointed, after being duly sworn to perform their duties with impartiality and fidelity, they shall proceed to determine the question submitted. The decision of the arbitrators shall be rendered within thirty (30) days after their appointment, and such decision shall be in writing, with copies thereof delivered to each of the parties. The award of the arbitrators shall be final, binding, and conclusive on the parties. The fees of the arbitrators and the expenses incident to the proceedings shall be borne equally between the Port and Tenant. The arbitrators shall award to the prevailing party the fees of that party's counsel, expert witnesses, or other witnesses called by the prevailing party.

39. **JOINT AND SEVERAL LIABILITY.** Each and every party who signs this Lease, other than in a representative capacity, as Tenant, shall be jointly and severally liable hereunder.

40. **INVALIDITY OF PARTICULAR PROVISIONS.** If any term or provision of this Lease or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Lease or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable shall not be affected thereby and shall continue in full force and effect.

41. **NOTICES.** All default and other substantial notices required under the provisions of this Lease may be personally delivered or mailed. If mailed, they shall be sent by certified mail, return receipt requested to the following addresses:

To the Port:  
Port of Olympia  
P. O. Box 827  
Olympia, WA 98507-0827

To the Tenant:  
Market Place Building, L.L.C.  
c/o Rants Group  
101 N. Capitol Way, Suite 302  
Olympia, WA 98501

or to such other respective addresses as either party hereto may hereafter from time to time designate in writing. Notices given by personal delivery shall be deemed given upon receipt. Notices sent by mail shall be deemed given when properly mailed, and the postmark affixed by the United States Post Office shall be conclusive evidence of the date of mailing.

42. **WAIVER.** The acceptance of rental by the Port for any period or periods after a default by Tenant hereunder shall not be deemed a waiver of such default unless the Port shall so intend and shall so advise Tenant in writing. No waiver by the Port of any default hereunder by Tenant shall be construed to be or act as a waiver of any subsequent default by Tenant. After any default shall have been cured by Tenant, it shall not thereafter be used by the Port as a ground for the commencement of any action under the provisions of paragraph 25, DEFAULTS.

43. **BINDER.** This Lease is binding upon the parties hereto, their heirs, personal representatives, successors in interest and assigns.

44. **NO RECORDING.** Without the prior written consent of the Port, this Lease shall not be placed of record. At the request of either party, the parties will execute and record a memorandum of this lease.

LESSOR:  
PORT OF OLYMPIA, a Washington  
municipal corporation

TENANT:  
MARKET PLACE OFFICE  
BUILDING, L.L.C.

By: [Signature]  
Executive Director

By: R.A. Rantz  
Title: Managing owner  
By: R.A. Rantz  
Title: operations manager

STATE OF WASHINGTON )  
 ) ss.  
COUNTY OF THURSTON )

On this 28<sup>th</sup> day of July, 1997, personally appeared before me Norron Handy to me known to be the Executive Director of the Port of Olympia, the municipal corporation named in the within and foregoing Lease, and acknowledged to me that he signed the same on its behalf, as he is so authorized to do, as his free and voluntary act and deed for the uses and purposes therein mentioned.

IN WITNESS WHEREOF, I have hereunto set my hand and seal the day and year first above written.

[Signature]  
NOTARY PUBLIC in and for the State of Washington  
residing at Olympia. Commission expires: 3-1-98

STATE OF WASHINGTON )  
 ) ss.  
COUNTY OF THURSTON )

On this 22<sup>nd</sup> day of July, 1997, personally appeared before me R.A. Rantz and [Signature] to me known to be the Managing owner and Operations Manager the entity named in the within and foregoing Lease, and acknowledged to me that they signed the same on its behalf, as they are so authorized to do, as their free and voluntary act and deed for the uses and purposes therein mentioned.

IN WITNESS WHEREOF, I have hereunto set my hand and seal the day and year first above written.

[Signature]  
NOTARY PUBLIC in and for the State of Washington  
residing at Olympia. Commission expires: 5-26-00

**COPY SUBMITTED  
FOR RECORDING**

**EXHIBIT "A"**  
**REQUIREMENTS AS TO IMPROVEMENTS**

These conditions relating to improvements in this Exhibit "A" shall control unless the Port and Tenant have otherwise separately agreed to more specific time periods for production and coordination of drawings, financing and commencement of construction. In the event such additional documentation becomes a part of this Lease, then the time periods set forth in such documents shall be logically coordinated, the intent being that the shorter time periods should control the parties' respective performances.

**1. PORT APPROVAL OF TENANT IMPROVEMENTS**

As used herein, the terms "improvements" or "structures" shall mean and include without limitation all permanent buildings, and all other major structures or improvements of any kind located above the ground level of any site, plus any replacements, additions, repairs or alterations thereto. No improvement shall be constructed or maintained on the leased premises until the Port has first approved the design, density, size, appearance and location thereof. Before commencing any work of improvement or applying for any governmental permit or approval, Tenant shall first deliver to the Port for approval two (2) sets of schematic plans and preliminary specifications, including grading and drainage plans, exterior elevations, floor plans, site plans, and showing in reasonable detail existing topography and proposed type of use, size, land coverage, shape, height, location, material and elevation of each proposed improvement, all proposed ingress and egress to public or private streets or roads, all utilities and service connections, and all proposed landscaping, exterior materials and fences, parking, exterior lighting, signs, cut and fill, finished grade, runoff and concentration points. Nothing in this paragraph shall imply a submission standard higher than that required for a building permit, except as it relates to land use(s), utilities, infrastructure and impact upon adjoining properties and use(s) of adjoining properties.

The Port shall then have twenty (20) days during which to accept and approve or reject such preliminary plans and specifications. Once the preliminary plans and specifications have been approved, but prior to commencing any such work, Tenant shall submit to the Port for approval of final plans and specifications for any proposed improvements in the same manner as a provided above.

All plans and specifications for grading or improvements to be submitted to the Port hereunder shall be prepared by a licensed or registered architect or engineer, as the case may be. All grading, piling, footing and foundation work must be conducted under the supervision of an appropriate licensed engineer. At the Port's option, a final certification by a licensed soils engineer or geologist must be filed with the Port upon completion of the grading work. The Port shall not unreasonably withhold its approval of any such plans or specifications.

The Port shall be conclusively deemed to have given its approval unless, within thirty (30) days after all such plans and specifications have been received by the Port, the Port shall give Tenant written notice of each item of which the Port disapproves. Unless so disapproved, the Port shall endorse its approval on at least one set of plans and return the same to Tenant. The Port may disapprove any plans which are not in harmony or conformity with other existing or proposed improvements on or in the vicinity of the leased premises, or with the Port Master Plan or other plans or criteria for the leased premises in the general area in which the leased premises are

located, the sole discretion as to such adequacy remaining with the Port. Notwithstanding the foregoing, Tenant may, in accordance with the lease, repair, replace, alter or reconstruct any improvement on the leased premises for which plans were previously approved by the Port as provided above, but only if such repair, replacement, alteration or reconstruction is substantially identical to the improvement previously approved.

Concerning utility installations, Tenant, at Tenant's sole cost, including any connection fees, assessments or changes, shall be responsible for the installation on the leased premises of all utilities required by Tenant's use of the premises, assuming such utility services are available to the leased premises. Any contractual arrangements with any municipal supplier with respect to the improvements or utility installation shall not be entered into by Tenant without first obtaining the Port's approval. In the event that such utility services are not readily available at the leased premises, Tenant, at Tenant's sole cost, shall pay for the extension of such utilities to the leased premises.

The Port shall not be liable for any damages in connection with the approval or disapproval of any plans or specifications, any construction or performance by Tenant on the leased premises in connection with the erection of such improvements, any mistake in judgment, negligence or omission in exercising its rights and responsibilities hereunder, or the enforcement or failure to enforce any provisions contained in the Lease. The Port's approval of plans and specifications shall not constitute the assumption of any responsibility by the Port or its representatives for the accuracy, efficacy or sufficiency hereof, and Tenant shall be solely responsible therefor.

## **2. CERTIFICATES OF COMPLIANCE**

Tenant shall obtain all necessary permits and shall send copies of same to the Port, as well as copies of Certificates of Completion/Occupancy associated with such permits and pay the cost thereof. Prior to any commencement of any such work of improvements, Tenant shall supply to the Port a certificate from a licensed civil engineer or land surveyor verifying that the proposed improvements will be located on the correct parcel and in accordance with plans previously approved by the Port. The Port may waive such requirement if the Port has already surveyed the proposed premises. Upon completion of any such improvements, Tenant shall supply to the Port a further certification by Tenant's architect (including the landscape architect in the case of improvements consisting of landscaping) that the improvements, as designed by the architect, have been completed in accordance with the plans previously approved by the Port. Final landscaping as approved by the Port shall be completed within sixty (60) days after completion of the structure.

Tenant shall also supply to the Port one (1) set of "as-built" grading plans showing all underground installations within sixty (60) days following completion of any substantial improvement within the leased premises. Tenant shall also furnish the Port with a complete set of "as-built" building plans and an itemized statement of the actual construction cost of such improvements, not later than sixty (60) days after completion.

## **3. DILIGENT COMPLETION AND COMPLIANCE**

After commencement of construction, Tenant shall diligently complete the construction so that the improvements will not remain in a partly finished condition any longer than is reasonably necessary. Tenant shall comply with all applicable governmental laws, ordinances and other requirements or conditions and restrictions which may affect the leased premises, (whether prior to,

during or after construction) including, without limitation, the Americans with Disabilities Act, and shall make such corrections, alterations or other improvements which may be necessary to remedy any non-complying condition (subject to the reasonable approval of the Port), all at the sole cost and expense of Tenant.

EXHIBIT "B"

TOXIC, DANGEROUS AND HAZARDOUS SUBSTANCES STORAGE LICENSE

(License required for any material covered by  
Dangerous Waste Regulations in WAC 173-303  
as amended and 40 CFR Part 116-117 as amended,  
copies are on file in the Port of Olympia offices)

Licensee: \_\_\_\_\_

Lease: \_\_\_\_\_

Term: \_\_\_\_\_

(Not to exceed 5 years.)

Fee: \_\_\_\_\_

Insurance: \_\_\_\_\_

(The Port must be named insured and entitled notice prior to cancellation.)

Renewable: For life of underlying lease so long as conditions below are met:

1. Facilities approved for installation and use:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

2. Preconstruction approvals required:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

3. Preoccupancy approvals required:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

4. Inspections required:

a.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

b. At any time the Port has good reason to believe a problem may exist.

c. At a minimum, all tanks shall be pressure tested at least once every five (5) years to assure no loss of product into the environment (air, soil, surface or ground water).



5. Materials authorized for storage:  
a.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

b. Any additional materials require the consent of the Port.

6. Additional terms:

a. The Port Engineer shall have the right to terminate this license at any time and in his own discretion, if the facilities fail to meet all federal, state or local requirements or otherwise pose a hazard of unlawful contamination or pollution and such failures are not cured within thirty (30) days of written notice or such lesser time as appropriate under emergency circumstances.

b. The licensee agrees to bear all costs of construction, operation, maintenance, inspection or repair of the approved facilities and to keep the same in good operating repair during the term of this license, and the cost of any cleanup or other activities required in the event of a spill, leak or other pollution causing event.

c. The licensee agrees at any time that the approved facilities cease to be subject to a valid license agreement, for any reason, that the licensee shall, at its own cost, remove the facilities and restore the site to its original condition (including removal of all contaminated soils or water).

d. The Port shall have the right to terminate this license upon breach of any term herein or termination of the specified lease. Breach of any term of this license shall constitute a breach of the specified lease.

e. The licensee shall compensate the Port for all costs incurred by reason of any breach of this license.

LICENSEE:

PORT OF OLYMPIA;

\_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

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

By: \_\_\_\_\_

Title: \_\_\_\_\_

EXHIBIT "C"

LANDLORD'S CONSENT AND AGREEMENT  
(For Financing Purposes)

Description of Ground Lease.

"Landlord"	The Port of Olympia
"Tenant"	<u>MARKET PLACE BUILDING, L.L.C.</u>
"Lease":	Ground Lease dated <u>July 15, 1997</u>
"Leasehold":	Tenant's interest in the Lease and all Leasehold Improvements
"Lender(s)":	<u>Sterling Savings Bank</u> <u>c/o Intervest</u> <u>5285 SW Meadows Road, Suite 320</u> <u>Lake Oswego, Oregon 97035</u>

NOW, THEREFORE, Landlord represents, warrants, covenants and agrees as follows:

1. Consents. Landlord hereby consents to the assignment of Tenant's interest in the Leasehold to Lender for security purposes under the Lender's Deed of Trust upon closing of the loan. Herein the term "Deed of Trust" shall mean the Lender's Deed of Trust as may be applicable and the "Lender" shall mean Sterling Savings Bank, as its/their interests appear in the Deed of Trust.

2. Status of Lease. A true and correct copy of the Lease, together with all amendments, supplements, and modifications thereto, is attached as Schedule A to this Agreement. The Lease is presently in full force and effect, is valid and enforceable according to its terms and has not been modified or amended in any way except as shown on the copy of the Lease attached hereto.

3. Non-Default. Tenant is not in default (a) in the payment of rent or any other amounts due and payable by Tenant to Landlord under the Lease or (b) to the knowledge of Landlord, in the observance or performance of any other covenant or condition to be observed or performed by Tenant under the Lease. To the knowledge of Landlord, no event has occurred which now does or hereafter will authorize Landlord to terminate the Lease.

4. Right to Foreclose Deed of Trust. Lender recognizes that any Deed of Trust taken by Lender affects and applies only to Tenant's interest in the Leasehold and that Landlord will not

permit any security interest to be taken in any of its land. In the event of default by Tenant under the terms of the Deed of Trust, Lender may enforce or foreclose the Deed of Trust including the acceptance of a Deed in Lieu of Foreclosure. Landlord agrees that in connection with any such foreclosure, Lender may:

- a. acquire Tenant's interest in the Leasehold either by Deed in Lieu of Foreclosure or actual foreclosure without further consent of Landlord, subject to the requirements of paragraph 6.4 below.
- b. rent the Leased Premises pending foreclosure of the Leasehold by Lender without further consent of Landlord.
- c. assign and sell the Leasehold in whole or in part to any person or entity, subject to the requirements set forth in paragraph 6.5 below.

In the event the successful purchaser at the foreclosure sale is a person or entity other than Lender, such purchaser shall not automatically succeed to Tenant's interest in the Leasehold, but must first qualify as an acceptable part as set forth in paragraph 6.5 below and Lender agrees to insert the following language in its Deed of Trust: *"Trustee's and Beneficiary's right to sell/assign the Leasehold interest secured by this Deed of Trust upon foreclosure to any person other than beneficiary, is limited to such person reasonably being approved by the Port of Olympia (or its successors/lessor under the Lease) pursuant to that certain 'Landlord's Consent and Agreement' between the Port of Olympia and Beneficiary."*

5. Surrender of the Leased Premises. No surrender of the Leased Premises or any other act of Tenant shall be deemed to terminate the Lease and Landlord will not terminate voluntarily by agreement with Tenant unless Lender has been previously notified in writing and has consented to the termination in writing.

6. Notice of Default and Lender's Rights.

6.1 Notice of Default. If Tenant defaults under the Lease or if any event occurs which would give Landlord the right to terminate, modify, amend or shorten the term of the Lease, Landlord shall take no steps to exercise any right it may have under the Lease without first giving Lender written notice of such default. A copy of each and every Notice of Default served or sent by Landlord or its agent to or upon Tenant pursuant to the Lease shall be sent contemporaneously to Lender in accordance with paragraph 13 below. Such Notice of Default shall specify the event or events of default then outstanding and the time period at the end of which the indicated action would become effective.

6.2 Termination for Monetary Default. If the Notice of Default given by Landlord to Lender relates to a monetary default and Tenant has not cured such monetary default within 15 days as provided in the Lease and Tenant's failure to cure results in Landlord desiring to terminate the Lease, Landlord may terminate the Lease if such monetary default is not cured by either Tenant or Lender within twenty (20) days of Lender's receipt of Notice, and kept current thereafter.

6.3 Termination for Non-Monetary Default. If the notice given by Landlord to

Lender relates to a non-monetary default and Tenant has not cured such non-monetary default within the 30-day period specified in the Lease, Landlord shall take no action to terminate the Lease if:

(a) within 20 days after Landlord's notice to Lender to Tenant's failure to cure (or failure to diligently pursue a cure) Lender notifies Landlord of its intent to realize upon its security interest and commences realization within 60 days thereafter, and diligently pursues realization; and

(b) Lender notifies Landlord that it will assume the Lease when Lender is legally entitled to the ownership and/or possession of Tenant's interests in the Leasehold; and

(c) Lender pays Landlord at time of notification all back rent or other monies or performances due that may be in default up to the date Lender notifies Landlord of Lender's intent and further pays all rent that accrues during the period after Lender so notifies Landlord and completes such other performances that may be required or come due under the Lease.

Landlord shall not terminate the Lease because of Tenant's breach of any term(s) of the Lease relating to the solvency of Tenant or the institution of any bankruptcy, insolvency, receivership or related action by or against tenant as long as Lender cures any default under the Lease by Tenant as provided in this Consent and Agreement.

6.3.1 If the non-monetary default is of a nature which requires immediate abatement as a result of which Lender would not normally pursue realization on the collateral, and Tenant has not taken steps to immediately cure the default, then Lender must take immediate steps to cure such default within ten (10) days of receipt of notice or else the Landlord may terminate the Lease.

6.3.2 Upon termination of the Lease as provided herein, Lender will release its Deed of Trust within fifteen (15) days thereafter.

6.4 Assumption of the Lease. If Lender acquires the interest of Tenant at any time or takes possession of the collateral, then Lender shall formally assume the Lease within twenty (20) days thereafter. Failure to so assume the Lease shall give Landlord the right to immediately terminate the Lease.

6.5 Right to Assign. Lender shall not have the right to assign its interest in the Leasehold nor in the case of a foreclosure under the Deed of Trust shall the Trustee under the Deed of Trust transfer the Leasehold to any person or entity (other than Lender) without first obtaining the written consent of Landlord for such assignment or transfer, which consent will not be unreasonably withheld or delayed provided that Lender has disclosed to Landlord (a) the identity of the proposed purchaser, assignee or transferee; (b) shown that the purchaser's, assignee's or transferee's credit standing would reasonably be acceptable to a commercially prudent lender; and (c) provided evidence to Landlord that the use of the property by such purchaser, assignee or transferee shall be consistent with the terms of the Lease or Tenant's prior use of the Leasehold. Upon the purchaser's, assignee's or transferee's assumption and agreement to perform and to be bound by all of the terms of the Lease, Lender shall be relieved of further liability under the Lease, however, if Lender finances the purchaser, assignee or transferee, Lender shall again be subject to all the obligations set forth in this Agreement.

7. Disposition of Insurance and Condemnation Proceeds. Landlord shall be named as an additional insured under any of Tenant's casualty policies on the Leased Premises to the extent

of the interests limited in this paragraph 7. Should the Leased Premises suffer any loss which is covered by casualty insurance, and the insurance proceeds are used to restore any improvements made by Tenant, Landlord agrees that Tenant and Lender shall have the right to such proceeds so long as none of Landlord's property, utilities or other services therein are damaged or such damages are repaired. In the event the Leased Premises are substantially damaged and Tenant's improvements have been repaired, Landlord shall only participate in the insurance proceeds to the extent necessary to repair and restore Landlord's ground and any of Landlord's or Tenant's improvements (excluding buildings and personal property) on or in the ground to the same condition the land was in at the commencement of the Lease, or in the same condition at the time of the casualty. Under the Lease, Landlord has the option of requiring Tenant to demolish the improvements at the end of the Lease term, or to have Tenant convey title to Landlord Tenant's interests in the Leasehold Improvements. In the event Leased Premises and the Leasehold are so severely damaged that Tenant's and Lenders' decision is not to repair or restore the premises, Landlord shall participate in the insurance proceeds to the extent necessary to remove the remainder of the damaged improvements and to restore the Leased Premises and any utilities or other such improvements (excluding rebuilding the improvements or restoring other personal property of Tenant) to the same condition the land was in at the commencement of the Lease, or in the same condition at the time of the casualty. Other than as described herein, Landlord shall have no claim to insurance proceeds or condemnation proceeds that are attributable to Tenant's interest in the Leasehold, nor shall Lender have any interest in Landlord's condemnation proceeds, if any.

8. Right to Participate in Litigation. Lender shall have the right to participate in any litigation, arbitration or dispute directly affecting the Leased Premises or the interests of Tenant or Lender therein, including without limitation, any suit, action, arbitration proceeding, condemnation proceeding or insurance claim. Landlord, upon instituting or receiving notice of any such litigation, arbitration or dispute will promptly notify Lender of the same.

9. Incorporation of Mortgagee Protection Provisions. To the extent not inconsistent with this Agreement, all provisions of the Lease which by their terms are for the benefit of any leasehold mortgagee, are hereby incorporated herein for the benefit of Lender.

10. Right to Remove Collateral. In the event Lender exercises its rights under its collateral and realizes upon the collateral, Landlord agrees that Lender is entitled to remove Tenant's furniture, movable trade fixtures and equipment installed by Tenant from the Leased Premises at any reasonable time and that the collateral shall remain personal property even though the trade fixtures may be affixed to or placed upon the Leased Premises. "Trade fixtures" means the movable personal property of Tenant which is free standing or attached to floors, walls or ceiling, but does not include installed light fixtures, floor coverings, doors, windows, heating, plumbing or electrical systems or components thereof, including any roof-mounted HVAC equipment and/or units thereof, or permanent walls or partitions installed by Tenant. In the event Lender so realizes on its collateral, Landlord waives any right, title, claim, lien or interest in the above trade fixtures by reason of such fixtures being attached to or located on the Leased Premises. Lender shall use reasonable care in removing the trade fixtures from the premises and shall repair any damage that may result from such removal which shall be completed in accordance with the terms of the Lease.

11. Interpretation of Agreement. This Agreement sets forth the complete understanding of Lender with respect to this transaction; may be amended only in writing signed by the party against whom it is sought to be enforced; and, without limiting the generality of the foregoing shall not be deemed modified by any course of dealing. No provision in the Assignment of Tenant's Interest in

Lease, Security Agreement and Deed of Trust shall vary, modify or expand the covenants herein contained. In the event of any conflict between the terms of this Agreement and the Lease, this Agreement shall control.

12. In the event of litigation or arbitration between the parties to enforce or interpret this Agreement, the arbitrator, Board of Arbitration or Judge, as may be appropriate, may award the prevailing party in such arbitration or litigation a reasonable attorney's fee not to exceed 20 percent of the amount in controversy, plus costs and costs of collection.

13. Notices. All notices, copies of notices, consents or other communications given under this Agreement must be in writing and shall be effective when received. Such communications shall be given in person to an officer of Lender or to Landlord or shall be delivered to one of such persons by registered or certified U.S. mail or by public or private courier or wire service or facsimile transmission addressed to the parties at their respective addresses set forth below, unless by such notice a different person or address shall have been designated in writing:

If to Lender:

If to Landlord: Port of Olympia  
915 Washington St. NE  
Olympia, Washington 98501  
Attn: Heber Kennedy

March 20~~00~~ IN WITNESS WHEREOF, Landlord has executed these presents this 20 day of 199

LANDLORD:  
PORT OF OLYMPIA, a Washington Municipal corporation

By: [Signature]  
Its: Exec Director

AGREED to this \_\_\_\_\_ day \_\_\_\_\_, 199\_

LENDER: Sterling Savings Bank

By: [Signature]  
Its: John M. Harlow, Vice President

**EXHIBIT A**  
**To Landlord's Consent and Agreement**

Copy of Lease

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EXHIBIT A

Page 58 of 115



EXHIBIT "E"

Description for Market Square Office Building lease. July 14, 1997

Lot 1 of City of Olympia short plat SS-5888, EXCEPT the south 200.00 feet.

Containing approximately 24,080 square feet as shown on attached Exhibit "D".

EXHIBIT "E"

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EXHIBIT F

Page 60 of 115

1. MARKET DISTRICT 12

**Intent** The Market should be a vibrant waterfront development which supports a variety of uses and encourages people to walk along the waterfront and shop in the downtown area. This District is the transition area between downtown and the marine terminal and cargo areas. It should be home to multiple retail, commercial and light industrial uses, such as the local farmer's market, micro-brewery, restaurants, offices and waterfront pier.

**Use** Retail, commercial, and light industrial.

**Character** The design intent for the Market is Pacific Northwest, possibly featuring native Indian designs and architecture, or the Granville Island character of a mix of building styles of a more rural flavor than urban. Retail building windows should have transoms and canopies, with boardwalk-style entries.

Vehicle access is via a diagonal street from Capitol Way to D Avenue, and from Columbia Street. Pedestrian access is from Percival Landing. The traffic circle and other street treatments such as pavers and trees creates an atmosphere of an entry instead of a through-street.

**Placement** Buildings are oriented around a central plaza, with shared parking and open space. A traffic circle and road re-alignment connects this district to East Bay, as well as to downtown via Capitol Way.

**Setbacks** Buildings setbacks would conform to the requirements set forth in this district by the Port Peninsula Design Guidelines.

**Coverage** 100%, minus all landscaped and stormwater areas.

**Height** Maximum: 45 feet.

**Parking** Parking ratios and design would conform to the requirements set forth in the Port Peninsula Design Guidelines.

6. OCEAN TERMINAL 52

**Intent** The Ocean Terminal and supporting cargo yards should continue to handle inbound and outbound cargoes. Future development of this District will be opportunity and market-driven, so development flexibility must be maintained.

**Use** Industrial, commercial, warehousing and accessory.

**Character** Industrial.

**Placement** The placement of buildings and other support activities should support the efficient loading and unloading of cargo.

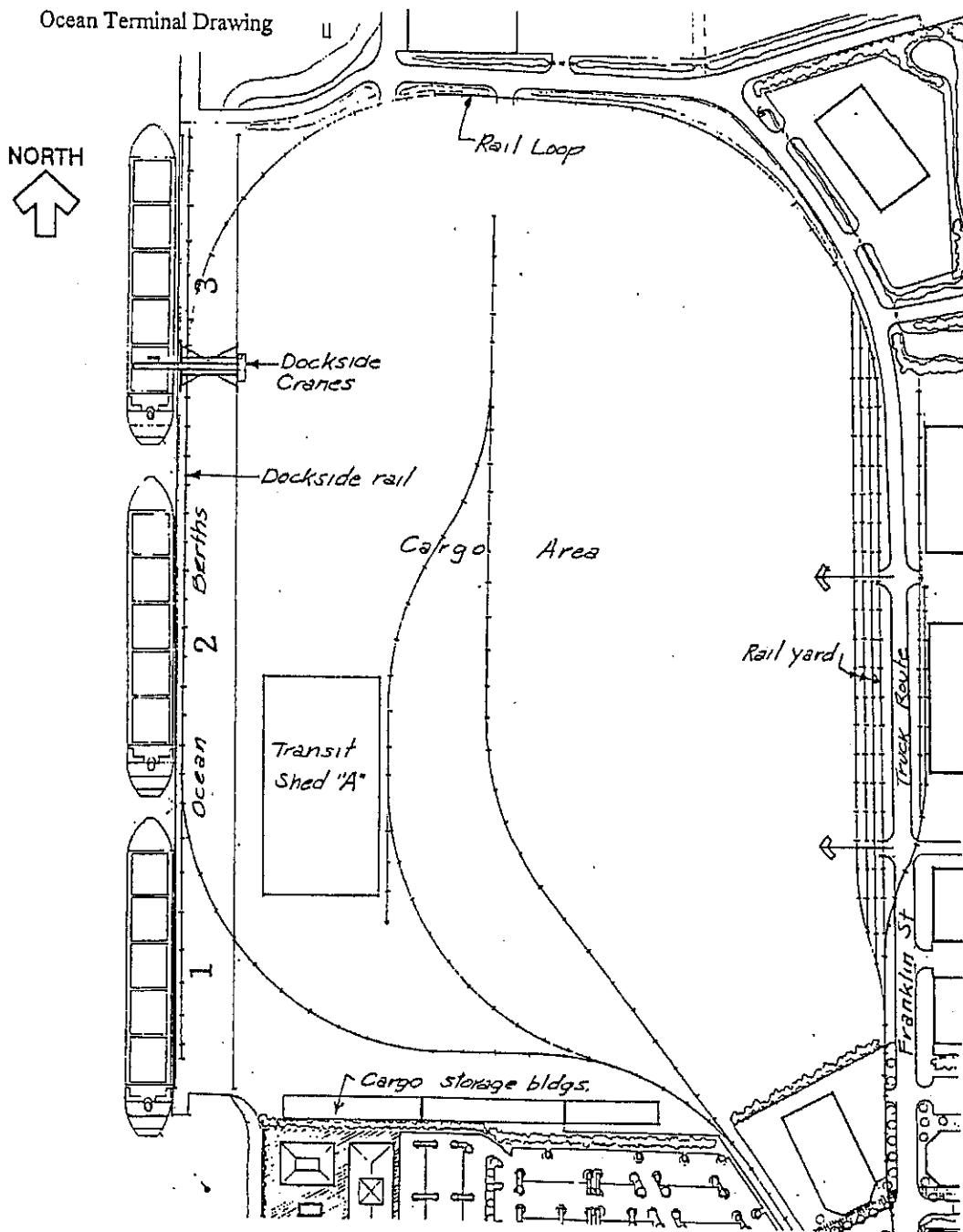
**Setbacks** Buildings setbacks would conform to the requirements set forth by the Port Peninsula Design Guidelines.

**Coverage** 100%.

**Height** Maximum building height: 60 feet. Operational equipment such as cranes and ships are not included in this height restriction.

**Parking** Parking ratios and design would conform to the requirements set forth in the Port Peninsula Design Guidelines.

ADDENDUM TO EXHIBIT "F"



Port of Olympia Comprehensive Plan - May 1995  
Page 34

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ADDENDUM TO EXHIBIT F

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EXHIBIT H

Page 65 of 115

**EXHIBIT "I"**

**COMMON AREA OPERATING COSTS ALLOCATION**  
(For illustration purposes only)

**MARKET PLACE OFFICE BUILDING**

**EXAMPLE 1.**

- a. Market Square Office Building has a requirement of 120 parking stalls
- b. Mad Anthony's Inc. building has a requirement of 80 parking stalls
- c. "Ratio" for Market Square Office Building equals 60.0% [ $120 \div (120 + 80) = 60.0\%$ ]

TOTAL OPERATING COSTS (including Port charges)	2/3 OF TOTAL OPERATING COSTS	RATIO	MARKET SQUARE SHARE OF COSTS
\$60,000	\$40,000	60.0%	\$24,000

**EXAMPLE 2.**

- a. Market Square Office Building has a requirement of 120 parking stalls
- b. Mad Anthony's Inc. building has a requirement of 80 parking stalls
- c. Building A in Market District has a requirement of 22 parking stalls.
- d. "Ratio" for Market Square Office Building equals 54% [ $120 \div (120 + 80 + 22) = 54\%$ ]

TOTAL OPERATING COSTS (including Port charges)	2/3 OF TOTAL OPERATING COSTS	RATIO	MARKET SQUARE SHARE OF COSTS
\$60,000	\$40,000	54%	\$21,600

**EXAMPLE 3.**

- a. Market Square Office Building has a requirement of 120 parking stalls.
- b. There are no other buildings in the Market District.
- c. "Ratio" for Market Square Office Building equals 100% [ $120 \div (120 + 0) = 100\%$ ]

TOTAL OPERATING COSTS (including Port charges)	2/3 OF TOTAL OPERATING COSTS	RATIO	MARKET SQUARE SHARE OF COSTS
\$60,000	\$40,000	100%	\$40,000



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EXHIBIT I

Page 67 of 115

ORIGINAL

PORT OF OLYMPIA GROUND LEASE

THIS LEASE is made this 31st day of July, 1997, by and between the PORT OF OLYMPIA, a Washington municipal corporation, Lessor, hereinafter referred to as "the Port," and the Tenant described below, hereinafter referred to as "Tenant," on the following terms and conditions:

1. LEASE SUMMARY.

TENANT.

Name: Mad Anthony's Inc.  
Address: P.O. Box 3805  
City, State, Zip Code: Bellevue, WA 98009  
Phone Numbers: (425) 455-0732

LEASED PREMISES.

Twenty thousand (20,000) square feet of ground more particularly described on Exhibits "D" and "E" attached hereto and by this reference incorporated herein, together with a license to use a 26 foot by 13 foot portion of other Port property for a refuse and recycling area, as depicted on Exhibit "D".

TERM.

Thirty (30) years beginning August 1, 1997, ending July 31, 2027.

Option to Renew: One (1) option to renew for an additional term of thirty (30) years. Such renewal shall be upon the terms, covenants, and conditions contained herein (except for minimum ground rent, ground rental adjustments, and the times at which ground rental adjustments shall be made, all of which shall be adjusted and determined in accordance with the then current Commission policy based on the formula or method for determining minimum ground rental in effect nine (9) months prior to the commencement of such renewal term, but without affecting or changing percentage rental). The renewal term shall commence on the expiration of the immediately preceding term. Such option to renew may be exercised only by written notice to the Port no later than one hundred eighty (180) days prior to the expiration of the then current term. Tenant shall not be entitled to renew this Lease if there is a material uncured default by Tenant in the performance of its obligations hereunder at the date notice of renewal is due or at the date the renewal term is to commence.

MINIMUM GROUND RENT.

\$3,740.00 per month. Rental revisions shall be made every five (5) years during the thirty (30) year initial term, to be effective at the commencement of each successive five (5) year period during such first thirty (30) years. Tenant elects to have such rental revisions made by reference to the Thurston County Assessor's land valuation, as described in paragraph 37.

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Plus: Leasehold Tax.

PERCENTAGE RENT.

Commencing January 1, 2002 and, in addition to minimum rent, Tenant shall pay a percentage rent in amount equal to a percentage of annual Gross Sales in accordance with the provisions of paragraph 4.3.

SURETY.

Amount: Two times minimum annual ground rent. Initially \$89,760  
Form: **Acceptable to the Port.** An irrevocable letter of credit, surety bond or assigned deposit account will be acceptable forms of lease surety.  
Expiration Date: Ninety (90) days after expiration of the Lease. To be effective on the earlier of the rent commencement date or January 1, 1999

USE OF PREMISES.

Tenant shall use the Premises for the operation of a full-service restaurant and food service facility similar in menu concept, price structure and decor to restaurants as currently operated by Tenant at other Washington public port locations, and for no other purpose or purposes without the written consent of owner.

INSURANCE.

Bodily Injury/Death: \$500,000 per person and \$1,000,000 per accident or occurrence.

Property Damage per Occurrence: \$500,000

ADDITIONAL PROVISIONS.

Tenant acknowledges that the leased premises are adjacent to premises owned by the State of Washington Department of Natural Resources (the "DNR Premises"). The Port has entered into a Port Management Agreement with DNR with respect to the DNR Premises. For so long as such agreement (and any renewal or extension thereof, or any lease or any other agreement under which the Port has control over the use of the DNR Premises) is in effect, the Port will not use the DNR Premises for any purpose not identified to such premises in the Port's 1995 Comprehensive Plan as of the date hereof, the relevant portions of which are attached hereto as Exhibit "F". Tenant acknowledges receipt of a copy of the Port Management Agreement.

The Port will use commercially reasonable efforts to maintain control over the DNR Premises for the term, including any renewal term, of this lease. In that connection, the Port agrees to use its commercially reasonable efforts, to enter into such easements or restrictive covenants as Tenant may reasonably request and DNR may approve, to protect the view of the water and the Olympic Mountains from the leased premises from blockage by any facilities other than those identified in the Port's 1995 Comprehensive Plan, for the term, including any renewal term, of this lease.

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**THE PARTIES HEREBY AGREE AS FOLLOWS:**

2. **LEASED PREMISES.** The Port hereby leases to Tenant, and Tenant hereby leases from the Port, the premises consisting of the ground described in paragraph 1 above, located in Thurston County, hereinafter called "the premises."

3. **TERM.** This Lease shall be for the term specified in paragraph 1 above.

4. **RENT.**

4.1 It is the intention of the parties hereto that the rent specified in the Lease shall be net to the Landlord in each year during the term of the Lease. Accordingly, all costs, expenses and obligations of every kind relating to the leased premises (except as otherwise, specifically provided in the Lease) which may arise or become due during the term of the Lease shall be paid by Tenant and the Port shall be indemnified by the Tenant against such costs, expenses and obligations. Tenant agrees to pay as rent for the use and occupancy of the premises during the term of this Lease, without deduction or offset, the rent specified in paragraph 1 above, payable to the Port in advance on or before the first day of each and every month, commencing on the earlier of January 1, 1999 or the date Tenant opens for business on the leased premises (the "Rent Commencement Date") and payable at such place as the Port may designate. During the first thirty (30) years of the term, minimum rent shall be subject to revision by the appraisal procedure as outlined in paragraph 37, **APPRAISAL PROCEDURE** and the revised monthly rent shall be determined as one-twelfth (1/12) of nine and one-half percent (9-1/2%) of seventy percent (70%) of the fair market value of the leased premises (which is the formula adopted as Commission policy for the calculation of rent for substantially all long term ground leases of properties on the Port peninsula as of the date hereof). Thereafter, the timing and calculation of minimum rent and rental revisions shall be determined in accordance with the then current Commission policy. Any revised monthly rent shall not be less than the then-current monthly rent payment immediately prior to the time the revision becomes effective.

4.2 If the Tenant does not pay the rent by the 15th of the month, then in addition to the overdue rent, Tenant shall pay interest on the rent payment then due at a rate per annum equal to the greater of eighteen percent (18%) per annum or two (2) percentage points over the prime rate charged by commercial banks in the Olympia, Washington area. Such interest commences on the date the rent is due and continues until such rent is paid. If the Tenant does not pay the rent when due and interest is incurred each month for three (3) consecutive months, the rent called for herein shall automatically become due and payable quarterly in advance rather than monthly, notwithstanding any other provision in this Lease to the contrary, and regardless of whether or not the interest is paid or collected. The imposition of such interest does not prevent the Port from exercising any other rights and remedies under this Lease.

4.3 Percentage Rent.

4.3.1 Tenant shall be liable to pay to the Landlord in addition to the minimum ground rent, for each calendar year (or portion thereof) commencing on January 1, 2002, percentage rent ("Percentage Rent") in the annual amount determined by multiplying all Gross Sales (as defined in Subsection 4.3.3) for such calendar year (or portion thereof) times the Gross Sales Multiplier defined below) and then subtracting from the product thus obtained the minimum ground rent paid by Tenant for such calendar year (or portion thereof). The term "calendar year" when used with respect to Percentage

Rent shall also include any portion of a calendar year during the Lease Term, at the commencement of or upon the termination of this Lease.

4.3.2 The "Gross Sales Multiplier" shall be two (2) percent through December 31, 2011; two and one-quarter (2¼) percent from January 1, 2012 through December 31, 2016; and two and one-half (2½) percent for the remainder of the term and the renewal term.

4.3.3 The term "Gross Sales" as used in this Lease shall mean the actual sales price of all goods, food, meals, beverages, wares and merchandise sold, and the actual charges for all services performed by Tenant or any subtenant of the leased premises, whether such sales and charges are made for cash, on credit or for any other consideration, and including gift certificates, or like vouchers, and including merchandise certificates, coupons or other similar instruments, however designated (sales on credit being treated as a sale for the full price thereof the month in which such sale shall have been made, regardless of time of collection of payment), where such sales and charges are made in or from the premises, including but not limited to telephone sales or services and orders taken in or from the premises (including off-premises catering from the premises) and receipts from vending machines and amusement devices. Gross Sales shall not include the sales price or charges for promotional giveaways and employee meals for which the Tenant or its subtenant(s), as the case may be, does not receive cash consideration (or the cash received for such employee meals is intended only to reimburse for part or all of the expense thereof) nor shall it include meals provided in trade for services normally required for the operation of a restaurant. The term "Gross Sales" as used in this Lease shall exclude the following:

1. The selling price of all merchandise returned by customers and accepted for full credit or the amount of discounts and credit allowances made thereon;
2. Sums and credits received by Tenant or its subtenant(s), as the case may be, in the settlement of claims for loss of or damage to merchandise;
3. Refunds made to customers in the ordinary course of business, but this exclusion shall not include any amount paid or payable for what are commonly referred to as trading stamps;
4. Returns to shippers or manufacturers;
5. Receipts from public telephones, stamp machines, public toilet locks, or cigarette vending machines.
6. Sales taxes, so-called luxury taxes, consumers' excise taxes, gross receipts taxes and other similar taxes now or hereafter imposed upon the sale of merchandise or services, but only if stated separately from the selling price of merchandise or services;
7. Sales of trade fixtures, equipment or personal property which are not stock in trade;
8. The exchange of merchandise between stores of the Tenant or its subtenant(s), as the case may be, where such exchanges are made solely for the convenient operation of the Tenant's or its subtenant's(s'), as the case may be, business and not for the purpose of consummating

a sale which has theretofore been made at, in, on or from the premises, and/or for the purpose of depriving the Port of the benefit of a sale which otherwise would have been made at, in, on or from the premises;

9. Fees paid by Tenant, or its subtenant(s), as the case may be, to credit card companies and/or banking institutions in accordance with credit card purchase plans not to exceed a total of two percent (2%) of Tenant's Gross Sales in any single calendar year;

10. Gift certificates until redeemed; and

11. Discounts from coupons rung up as sales, but where no cash is received by Tenant.

12. Gratuities received from patrons for Tenant's, or its subtenant's(s'), as the case may be, employees.

13. Employee or promotional meals.

All sales occurring from the premises shall be considered as made and completed therein, even though bookkeeping and payment of the account may be transferred to another place for collection and even though actual filing of the sale or service order may be made from a place other than the premises.

4.3.4 Tenant shall, and shall cause any and all subtenants to, record at the time of sale, all receipts from sales or other transactions, whether cash or credit, in a cash register or registers having a sealed and continuous tape which cumulates and consecutively numbers all purchases. Tenant shall keep, and Tenant shall cause any and all subtenants to keep, complete and accurate books and records of all of their respective Gross Sales during the term of this Lease, including, without limitation, (a) a sales journal, general ledger, and all bank account statements showing deposits of Gross Sales revenue, (b) all such cash register receipts with regard to the Gross Sales and credits, refunds and other pertinent transactions made from or upon the premises (including the Gross Sales of any subtenant, licensee or concessionaire), and (c) detailed original records of any exclusions or deductions from Gross Sales (including any exclusions or deductions from Gross Sales of any subtenant, licensee or concessionaire). Tenant shall preserve, and shall require all subtenants to preserve, for a period of three (3) years following each respective calendar year during the lease term, all such books and records. Tenant shall (i) give the Port or require any subtenant to give the Port during reasonable hours upon forty-eight (48) hours prior written notice, access to the books and records relating to the operation of the business transacted on the premises, including the right to copy a portion or portions thereof; and (ii) give the Port or require any subtenant to give to the Port access to the registers on a reasonable basis as the Port may from time to time desire. In addition, upon request of the Port, Tenant agrees to furnish to the Port a copy of Tenant's state and local sales and use tax returns.

4.3.5 Said Percentage Rent shall be computed each calendar quarter commencing January 1, 2002, and reported to the Port on or before the twentieth (20th) day of the calendar quarter immediately following the close of each such calendar quarter. Such report shall identify the amount by which the sum so computed as a percentage of Gross Sales of the Tenant during such quarter exceeds the installments of minimum ground rent payable by Tenant during such quarter. At the close of each calendar year commencing with calendar year 2002 and within thirty (30) days thereafter, there shall be determined the Gross Sales of the Tenant during said calendar year and the amounts paid



to the Port as minimum ground rent for said calendar year; and Tenant shall pay the amount of Percentage Rent due based on such figures.

4.3.6 The Tenant agrees to furnish or cause to be furnished to the Port a statement of Gross Sales within twenty (20) days after the close of each calendar quarter commencing January 1, 2002, and an annual statement of Gross Sales within thirty (30) days after the close of each calendar year commencing with calendar year 2002. Such statements shall be signed by a responsible officer of Tenant. The receipt by the Port of any statement or any payment of Percentage Rent for any period shall not bind it as to the correctness of the statement or the payment. Within two (2) years after the receipt of any such statement, the Port at any time shall be entitled to an audit of such Gross Sales either by the Port or by a certified public accountant to be designated by the Port. Such audit shall be limited to the determination of the "Gross Sales" as defined in this Lease and shall be conducted during normal business hours at the principal place of business of Tenant. If it shall be determined as a result of such audit that there has been a deficiency in the payment of Percentage Rent, then such deficiency shall become immediately due and payable with interest at the rate set forth in Paragraph 4.1 above from the date when said payment should have been made. In addition, if Tenant's statement for the pertinent calendar year shall be found to have understated Gross Sales by more than two percent (2%), and the Port is entitled to any additional Percentage Rent as a result of said understatement, or if such audit shows that Tenant has failed to maintain the books of account and records required hereunder so that the Port is unable to verify the accuracy of Tenant's statement, then the Tenant shall pay all of the Port's reasonable costs and expenses (including reasonable auditor and attorney fees) which may be incurred by the Port in conducting such audit and collecting such underpayment, if any. If Tenant understates Gross Sales by more than three percent (3%) more than twice in any five-year period, then, in addition to the Port's aforesaid rights, Tenant shall pay to the Port an amount equal to twice the amount of additional Percentage Rent due as a result of such understatement of Gross Sales. Any information gained from such statements or inspection shall be confidential and shall not be disclosed other than to carry out the purposes hereof; provided, however the Port shall be permitted to divulge the contents of any such statements in connection with any contemplated sales, transfers, encumbrances, financing arrangement or assignments of the Port's interest in all or any portion of the Property or in connection with any administrative or judicial proceeding in which the Port is involved or in which the Port may be required to divulge such information.

5. **LEASE SURETY BOND.** Tenant shall, upon the earlier of (i) the date at which Tenant's obligation to pay rent commences or (ii) January 1, 1999, file with the Port a good and sufficient surety instrument (acceptable forms of which are described in paragraph 1, **LEASE SUMMARY, SURETY**) in accordance with the requirements of state law. The form and terms of the surety instrument and the identity of the surety shall be subject to approval of the Port and the surety shall guaranty the full performance by Tenant of all the terms and conditions of this Lease, including the payment by Tenant of the rents and all other amounts herein provided for the full term hereof. Any acceptable surety instrument having an expiration earlier than the full lease term shall be renewed or replaced not less than ninety (90) days prior to its expiration. Any company issuing such a surety instrument must give the Port at least ninety (90) days advance written notice prior to the effective date of cancellation or expiration of such surety instrument. Initially, the required amount of the surety instrument is set forth in paragraph 1 above. These provisions as to lease surety are subject to the continued approval of the Port and to revision and adjustment as may hereafter result from changes in state requirements or as established by the Port Commission; provided, however, that the amount of such surety shall not be required to exceed two times the then current minimum annual ground rent.

6. **ACCEPTANCE OF PREMISES.** The Port represents and warrants to Tenant that it has good and marketable fee title to the leased premises and that it has full power and authority to enter into this Lease. Tenant has examined the premises, and the adjoining premises of which the premises are a part, and accepts them in their present condition. There are no warranties expressed or implied as to any condition apparent or unknown except as otherwise stated in this Lease. Tenant agrees to make any changes in the premises necessary to conform to any federal, state or local law applicable to Tenant's use of the premises. Notwithstanding the foregoing, Tenant shall not be liable to the Port for injury or damage to the extent caused or sustained as a result of any condition existing on the leased premises as of the date hereof.

7. **POSSESSION.** If the Port shall be unable for any reason to deliver possession of the premises or any portion thereof at the time of the commencement of this Lease, the Port shall not be liable for any damage caused thereby to Tenant, nor shall this Lease thereby become void or voidable, but the term and Rent Commencement Date (if the Rent Commencement Date would become effective as of a date certain and not due to Tenant's occupancy) shall be extended for the period of such delay; provided that if the Port shall be unable to deliver possession of the premises at the commencement of this Lease, Tenant shall have the option to terminate this Lease by giving at least thirty (30) days' written notice of such termination, and this Lease shall terminate unless the Port shall deliver possession of the premises prior to the effective date of termination specified in such notice. If Tenant shall, with the Port's consent, take possession of all or any part of the premises prior to the commencement of the term of this Lease, all of the terms and conditions of this Lease shall immediately become applicable, with the exception that Tenant shall not be obligated to pay any rental for the period prior to the Rent Commencement Date unless otherwise mutually agreed.

8. **USE OF PREMISES.** Tenant shall use the premises only for those purposes stated in Paragraph 1 above and shall not use them for any other purpose without the written consent of the Port, which consent may be withheld in the Port's reasonable discretion. The premises shall be used only for lawful purposes; and only in accordance with all applicable building, fire and zoning codes. Tenant shall use the entire premises for the conduct of said business continuously during the entire term of this Lease, in the manner described in Paragraph 1, **LEASE SUMMARY, USE OF PREMISES.** For this purpose and subject to the provisions of Paragraph 18, **ALTERATIONS AND IMPROVEMENTS,** Tenant will, at a minimum, operate its business at all times during normal business hours which are typical for the type of restaurant activity contemplated under this Lease and will be open not less than seven (7) days or evenings per week excluding Christmas, Thanksgiving and two (2) additional holidays each year. Notwithstanding the foregoing, Tenant shall not be required to comply with the requirements of the preceding two sentences on any day (or time of day) Washington State law prohibits the sale of liquor. Tenant agrees that it will not disturb the Port or any other Tenant of the Port by making or permitting (to the extent within Tenant's control) any public or private nuisance or disturbance or any unusual noise, vibration or other condition on or in the premises. No signs or other advertising matter, symbols, canopies or awnings shall be attached to or painted on the exterior of the premises, or, if visible from the exterior of the premises, within the premises, including the windows and doors thereof, without the approval of the Port, which shall not be unreasonably withheld. At the termination or sooner expiration of this Lease, all such signs, advertising matter, symbols, canopies or awnings attached to or painted by Tenant shall be removed by Tenant at its own expense, and Tenant shall repair any damage or injury to the premises and correct any unsightly condition caused by such removal. At no time shall the Tenant have the right to remove or otherwise disturb timber, valuable minerals, sand, gravel or water, from the site, which materials belong to the Port and may only be used with consent and appropriate compensation.

9. **REQUIREMENTS AS TO IMPROVEMENTS.** The specific requirements as to the planning, construction and completion of any major improvements planned by Tenant on the subject premises are attached hereto as Exhibit "A" to this Lease, which by this reference is incorporated herein as if set forth in full. Prior to the submission of any plans for contemplated improvements on the leased premises, Tenant shall furnish a survey of the appropriate leased premises as prepared by a registered and licensed surveyor, all at Tenant's own expense.

10. **RIGHTS-OF-WAY.** The Port agrees to grant other such right-of-way easements across the property of the Port reasonably available therefor for the installation and maintenance of necessary and adequate services to the premises of Tenant.

11. **RESERVATION OF RIGHTS.** The Port reserves to itself from the premises herein leased rights of way upon, across, onto or beneath the above-described lands by power lines, gas, water and sewage pipes and mains, conduits or any other utilities or industrial or business area facilities of all kinds now existing or to be constructed and maintained by it, either in addition to or in the substitution for those now existing from any point or points and in any direction and also reasonable rights of entry upon the demised premises for the construction, repair, inspection and maintenance of them in efficient use and condition, providing such action by the Port shall not materially interfere with or interrupt Tenant's operation and shall be at the expense of the Port. The Port is hereby granted a continuous, perpetual easement or easements that the Port believe are necessary within the leased premises for such purposes, which easement or easements may be further granted by the Port to third parties; provided, however, that such easements shall not materially restrict or interfere with Tenant's use of the leased premises.

12. **COMMON AREAS.** The Port grants to Tenant and to its employees, agents, customers, and invitees the non-exclusive right for and during the term of this Lease to use the common areas identified herein; such use to be in common with all other users of the Market area, whether as tenants or as owners, and their employees, agents, customers and invitees except for those portions of the common areas shown as reserved for the exclusive use of any other tenant of the Port (which reservation shall be limited to the hours of 7:00 a.m. to 5:00 p.m., Monday through Friday). The Port reserves the unrestricted right to make changes in the common areas. Parking areas may be elevated, surface or subterranean. The Port shall have the right to make such changes in the common areas as Port deems necessary and consistent with the purposes and intent of operating and in respect thereto, shall have the right to erect additional buildings or structures, and include landscaping and landscaping devices or features; provided, however, that the Port: (i) will not make changes to the parking area that would reduce the parking currently available to Tenant; (ii) will not alter that portion of the parking area immediately adjacent to the leased premises, as shaded on the sketch attached hereto as Exhibit "G", without Tenant's prior written consent, which shall not be unreasonably withheld; (iii) will not charge (by meter or otherwise) for any parking in such shaded area except for parking spaces dedicated or reserved for the exclusive use of Tenant, or any other tenant of the Port; (iv) will not change the ratio of compact to full-size parking stalls; and (v) will manage that portion of the parking area in front of the premises to the east as short-term parking and, after the Farmer's Market closing time and after 5:00 p.m. with respect to the office building, will manage it for the convenience of restaurant patrons. The common areas include, but are not limited to, all automobile parking areas, access roads, driveways, entrances, exits, retaining walls, sidewalks and loading docks, courts, ramps, landscaping, irrigation sprinkler systems, landscaped areas, lighting, curbs, facilities and special services provided by the Port for the general use, in common, of tenants of the Market area, and their employees, customers and invitees, as located on the property identified as Parcel 2 in the sketch attached hereto as Exhibit "J" and

by this reference incorporated herein, which shall show the entire parking lot plan, including any dedicated stalls. With the prior written approval of the Port, which shall not be unreasonably withheld, Tenant may use agreed upon, designated portions of the common area parking for valet parking.

12.1 The common areas shall at all times be subject to the exclusive control and management of the Port. The Port shall have the right from time to time to establish, modify and enforce reasonable rules and regulations with respect to the common areas; to construct surface or elevate parking areas and facilities; to establish, and from time to time change, the level of parking surfaces; to employ personnel; construct, maintain and operate lighting facilities; police the common area; restrict parking by Tenant, its agents and employees to employee parking areas; close temporarily all or any portion of the common areas to prevent a dedication thereof or the accrual of any interest therein by any person or the public; and close temporarily all or any portion of the parking areas or facilities for the purpose of resurfacing, restriping, maintaining or repairing the parking areas or other common areas.

12.2 The Tenant agrees to pay the Port a proportionate share of the operating costs, as hereafter defined, of maintaining the common areas. The term "operating costs" as used in this paragraph, shall mean the total costs and expenses incurred (including the value of goods and services provided in kind) in operating, maintaining, and repairing the common areas, including without limitation, taxes or fees, and personal and real property taxes; surcharges levied upon or assessed against parking spaces or areas; payments toward mass transit or car pooling facilities or otherwise as required by federal, state or local authorities; costs and expenses in connection with maintaining federal, state or local ambient air and environmental standards; the cost of all materials, supplies and services purchased or hired therefor; sweeping and the removal of snow, trash garbage and other refuse; the cost and expense of maintaining landscaping, gardening and planting, cleaning, painting (including line painting), paving, lighting, and sanitary control; fire protection and security protection; directional signs and other markers and bumpers; water, sewage, and stormwater fees or charges; the cost of all types of insurance coverages carried by the Port covering the common areas, including, without limitation, public liability, personal and bodily injury and property damage liability and automobile coverage, fire and extended coverage, vandalism and malicious mischief and all broad form coverages, sign insurance and other insurance that may be carried by the Port covering the common areas, all in limits selected by the Port (and with Tenant named as an additional insured); maintenance and repair (which may include replacement) of utility systems serving the common areas including water, sanitary sewer and stormwater lines, equipment owned and used in operation, maintenance and repair of the common areas, or the rental charges for machinery or equipment; and the cost of personnel (including applicable payroll taxes, workmen's compensation insurance, disability insurance and other benefits) to implement all of the foregoing, including the policing of the common areas and the directing of traffic and parking of automobiles on the parking areas thereof. The Port may cause any or all of said services to be provided by an independent contractor or contractors. The term "operating costs" shall not include the cost and expense of any additional buildings or structures.

12.3 The Tenant's proportionate share of the "operating costs" shall be a percentage equal to two-thirds (2/3) of the ratio (the "Ratio") (as such Ratio may change from time to time) (i) the number of parking spaces that would be required by the City of Olympia (based on its downtown zoning) for Tenant's restaurant if it were a stand-alone operation bears to (ii) the aggregate number of parking spaces that would be required for all existing buildings in the market area (exclusive of the Farmer's Market itself and determined on a stand-alone basis), determined with respect to each building, at the time of permitting. Tenant shall pay to the Port monthly, with its payment of minimum ground rent, Tenant's share of the monthly operating cost budget, as provided below, for the common area operating costs.

Tenant shall also pay the Port monthly a reasonable charge made by the Port for accounting, bookkeeping and collection of the common area operating costs, in an amount not to exceed ten (10) percent of the total of Tenant's proportionate share of the common area operating costs for each calendar month. An illustration of the determination of Tenant's proportionate share of operating costs based on this paragraph is attached hereto as Exhibit "I".

12.4 On or about the first day of the lease term, the Port shall submit to Tenant a statement of the anticipated monthly common area operating costs for the calendar year. Tenant shall pay Tenant's proportionate share of said statement and all subsequent monthly statements concurrently with the payment of minimum ground rent. Tenant shall continue to make said monthly payments until notified by the Port of a change in common area operating costs. By April 1 of each calendar year, the Port shall provide Tenant with a statement showing the total common area operating costs actually incurred during the prior calendar year and Tenant's share thereof, together with a proposed common area operating cost budget showing anticipated expenses for the current calendar year, including any reasonable reserve for the current calendar year. The first and last such statement shall be prorated from the first day of the lease term to the expiration of the lease term, as appropriate. If the total of the monthly payments which Tenant made for the prior calendar year is less than the Tenant's proportionate share of actual common area operating costs for said calendar year, then Tenant shall pay any difference in a lump sum within thirty (30) calendar days after receipt of such statement from the Port and shall concurrently pay the difference in monthly payments made in the current calendar year and the amount of monthly payments which are then calculated as monthly common area operating costs next coming due. For a period of one (1) year following the occurrence of any third party billing error, the Port reserves the right to charge Tenant for its share of, and Tenant agrees to pay its share of, any common area operating costs not previously charged due to such third party billing error. If such total monthly payment shall be more than Tenant's proportionate share, then such overpayment shall be given as a credit against the monthly common area operating costs next coming due.

12.5 Notwithstanding the provisions of paragraph 4.3, **PERCENTAGE RENT**, Tenant shall be permitted to offset a portion of the percentage rent paid against certain common area charges payable under this paragraph 12 as follows:

12.5.1 During the first five (5) years of the lease term, Tenant may offset any percentage rent paid for any lease year against any common area charges payable with respect to that lease year, and Tenant shall be required to pay common area charges only to the extent such charges exceed any percentage rent paid.

12.5.2 For the sixth (6th) year of the lease term, and for each lease year thereafter, Tenant may offset fifty percent (50%) of the percentage rent paid on Gross Sales in excess of Three Million Dollars (\$3,000,000) for any lease year against any common area charges payable with respect to that lease year, and Tenant shall be required to pay common area charges only to the extent such charges exceed fifty percent (50%) of the percentage rent paid on Gross Sales in excess of Three Million Dollars (\$3,000,000). Such \$3,000,000 limit shall be adjusted annually, on each anniversary of the Rent Commencement Date commencing with the tenth anniversary for the purpose of reflecting the increase, if any, in the cost of living. The adjustment, if any, shall be calculated based upon the United States Department of Labor, Bureau of Labor Statistics Consumer Price Index for all Urban Consumers, Subgroup "All Items" for Seattle, Washington (1982-1984 = 100) (the "Index"). The Index published most recently prior to the tenth anniversary shall be considered the "Base" to be used for calculating the adjusted amount at each applicable adjustment date. The Index published most recently prior to the

applicable adjustment date shall be considered the Index to be used for calculating adjusted amount at the applicable adjustment date. On each adjustment date, such amount shall be increased by a percentage equal to the percentage increase, if any, in the Index over the Base. If at any adjustment date, the Index does not have the format recited in this section, there shall be substituted therefor any such official successor index as may be published by the Bureau of Labor Statistics or by an successor or similar government agency as may be available.

13. **UTILITIES AND SERVICES.** Tenant shall be liable for and shall pay throughout the term of this Lease all charges for all utility services furnished to the premises, including but not limited to, light, heat, gas, janitorial services, garbage disposal, security, electricity, water, stormwater and sewerage, including any connection fees, and any fire protection, police protection, or emergency health services as furnished by local authorities and as may be the subject of a contract between the Port and such local authorities or as imposed by ordinance or statute. If the premises are part of a building or part of any larger premises to which any utility services are furnished on a consolidated or joint basis, Tenant agrees to pay to the Port Tenant's pro-rata share of the cost of any such utility services. Tenant's pro-rata share of any such services may be computed by the Port on any reasonable basis, and separate metering or other exact segregation of cost shall not be required. The Port agrees to make the following utilities available at the property line of the leased premises: sewer, water, electrical power, telephone and natural gas. Without limiting the provisions of paragraph 18, **ALTERATIONS AND IMPROVEMENTS**, the Port and Tenant agree as follows with respect to installation of utilities. The "Utility Plan" referred to in this section is Sheet C-3 (Utility Plan) of Port of Olympia contract document "Market District Parking Lot Improvements Contract" dated May 5, 1997, as attached hereto as Exhibit "K" and by this reference incorporated herein. Tenant shall pay the sum of \$3,404.09 to Puget Sound Energy for electrical lines to serve the demised premises; provided that the Port may make such payment directly, and, if so, Tenant shall reimburse the Port therefor within ninety (90) days. In addition, Tenant shall reimburse the Port for costs incurred by the Port in installing the four (4) inch line from the refuse/recycling area to the sewer line into which it feeds. Such reimbursement shall be based upon the unit prices contracted therefor by the Port, and shall be paid within thirty (30) days after Tenant's receipt of an invoice therefor from the Port. The Port will cut and remove the existing pavement from the east property line of the demised premises east thirty (30) feet the full north-south length of the demised premises. The Port will construct the new paving at the fire lane after the tenant improvements have been made. The Tenant shall notify the Port in writing thirty (30) days prior to having all preparatory work for the paving completed. The tenant improvements shall include all grading and grade preparation for the paving, all curbs, entry approach slabs, sidewalks and other improvements that will meet the new pavement. The paving work will be contracted in unit prices by the Port. The Tenant will reimburse the Port for the paving work within thirty (30) days after receipt of an invoice therefor from the Port.

14. **INDEMNIFICATION/LIABILITY INSURANCE.** The Port, its employees and agents shall not be liable for any injury (including death) to any persons or for damage to any property, regardless of how such injury or damage be caused, sustained or alleged to have been sustained by Tenant or by others (including, but not limited to all persons directly or indirectly employed by Tenant, and any agents, contractors, subcontractors, suppliers, customers or invitees of Tenant) as a result of any condition (including existing or future defects in the premises), or occurrence (including failure or interruption of utility service) whatsoever related in any way to the premises and the areas adjacent thereto or related in any way to Tenant's use or occupancy of the premises and areas adjacent thereto; provided, however, that the foregoing provisions shall not be construed to make Tenant responsible for, or release the Port from liability with respect to, loss, damage, liability or expense resulting from injuries to third parties or Tenant to the extent caused by the negligence of the Port or any agent or employee of

the Port; and provided further, however, if and to the extent that any of the activities covered by this indemnity are construed to be subject to Section 4.24.115 of the Revised Code of Washington, it is agreed that where such items of actual or alleged liability, damages, costs or expenses arise from the concurrent negligence of Tenant and the Port, it is expressly agreed that Tenant's obligations of indemnity under this paragraph shall be effective only to the extent of Tenant's negligence. Tenant agrees to indemnify, defend and to hold and save the Port harmless from all liability or expense (including attorneys' fees, costs and all other expenses of litigation) in connection with any such items of actual or alleged injury or damage. In addition, Tenant shall, at its own expense, maintain proper liability insurance with a reputable insurance company or companies satisfactory to the Port in the minimum policy limits set forth in paragraph 1 above, together with such additional types and amounts of liability insurance (e.g., liquor liability) as the Port may deem reasonably necessary for the type of activities or services offered by Tenant. The coverage offered by such policies shall thereafter be in such increased amounts as the Port may specify and as may be commercially reasonable to indemnify both the Port against such liability or expense. The Port shall be named as one of the insureds on the policies which shall provide that such insurance may not be canceled without the insurance company first having given the Port thirty (30) days' advance written notice of such intent to cancel. Tenant shall submit certificates evidencing compliance with this paragraph. At the Port's option, the Port shall be furnished with a copy of such policy or policies of insurance within thirty (30) days after the Port's written request therefor. Tenant shall furnish the Port with evidence of renewal of such policies not less than thirty (30) days prior to their expiration. In consideration of the Port's execution of this Lease, Tenant hereby waives any immunity Tenant may have under industrial insurance, Title 51 RCW, in connection with the foregoing indemnity.

15. **WAIVER OF SUBROGATION.** The Port and Tenant 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 fire insurance contracts, including any extended coverage endorsements thereto, and for any loss resulting from business interruption or rental loss which may be covered by policies applicable thereto provided, that this paragraph shall be inapplicable to the extent it would have the effect of invalidating any insurance coverage of the Port or Tenant. Each party agrees to cause their respective insurance carriers to include in its policies a waiver of subrogation clause or endorsement.

16. **TAXES.** Tenant shall be liable for, and shall pay, throughout the term of this Lease, all license fees and taxes covering or relating to the premises and its use, including, without limitation, (a) all real estate taxes assessed and levied against the premises; (b) all amounts due and payable for general or special assessments against the premises during the term of this Lease (whether assessed prior to or during the term of this Lease), including any assessments for LIDs or ULIDs; and (c) all personal property taxes upon Tenant's fixtures, furnishings, equipment and stock in trade, Tenant's leasehold interest under this Lease or upon any other personal property situated in or upon the Premises. If any governmental authority at any time levies a tax on rentals payable under this Lease or a tax in any form against Landlord because of or measured by income derived from the leasing or rental of the premises, such tax shall be paid by Tenant; provided, however, that Tenant shall not be liable for the payment of any tax imposed generally on Landlord's gross or net income without regard to the source of such income. Tenant represents that it is familiar with the provisions of RCW 82.29A Leasehold Excise Tax, which imposes a tax, to be paid by Tenant, on the rental payments due under this Lease.

17. **MAINTENANCE AND REPAIR.** Tenant shall, at its own expense, keep the premises, structures, tenant refuse storage areas, and other improvements and the adjoining sidewalks and areas in a neat, clean, safe and sanitary condition and maintain and keep all of the premises maintained equal in

quality to of other owners of similar class properties and conditions in the Thurston County, Washington area, reasonable wear and tear excepted, and to maintain the landscape and undeveloped areas of the leased premises (exclusive of common areas) in a clean, sanitary, orderly and attractive condition free from rubbish and debris. Tenant shall keep all areas in the vicinity of the premises free from the accumulation of disposable products and other litter generated by the operation of Tenant's business. Tenant shall also, at its own expense, use its best reasonable efforts to control and minimize pests and conditions which might result in harborage for, or infestation of, pests. (Pests shall include, without limitation, rodents, insects, and birds in numbers to the extent that a nuisance is created.) Tenant shall keep the glass of all windows and doors on the premises clean and presentable, and shall maintain and keep the premises in a good state of repair, and shall commit no waste of any kind, and, without limiting the generality of the foregoing, shall replace all cracked or broken glass in the premises, and keep the electrical system and all drains clean and in a good state of repair, and shall use its best efforts to protect all sprinkler systems and all pipes and drains so that they will not freeze or become clogged. Tenant shall replace any and all improvements which become worn out, obsolescent, deteriorated, unsafe or unusable and shall replace such improvements with new fixtures and improvements of at least as good a quality as originally installed at the commencement of this Lease. In the event Tenant fails to properly maintain, repair and replace the premises or any improvements thereon, and if the Port shall give a thirty (30) day written notice to Tenant, Tenant shall comply with Tenant's responsibilities under this paragraph, and the Port shall be entitled, but shall not be obligated, to enter the leased premises and perform such work as may be necessary to restore the leased premises and improvements to the conditions set forth herein. The cost of such repairs shall be billed to Tenant by the Port and shall be payable upon receipt and subject to the same penalties for late payment as if such payment was additional rent.

Tenant shall keep the premises free and clear of any liens and encumbrances arising or growing out of the use and occupancy of the premises by Tenant. At the Port's request, Tenant shall furnish the Port with written proof of payment (or adequate provision for payment) of any item which would or might constitute the basis for such a lien on the premises if not paid. Notwithstanding Tenant's obligations to keep the Premises free and clear of any liens and encumbrances, Tenant shall have the right to defend any disputed lien or encumbrances (and may appeal any tax assessment), but shall as a condition thereto, provide a bond or make a deposit with the Port in an amount equal to one and one-half (1½) times the amount of the claimed lien or encumbrances to provide sufficient funds for the Port to discharge such lien or encumbrance if Tenant is unsuccessful. Any dispute under this section shall be subject to arbitration under paragraph 38, **ARBITRATION PROCEDURE**. Tenant shall also be wholly responsible for any and all repairs, maintenance, and improvements to maintain building structure integrity, (including foundations, bearing columns, bearing walls and exterior walls), and to the roof, utility service and lines, whether located on or off the premises, provided, however, Tenant shall only be responsible for any sewer line repairs occurring on the premises. Tenant shall have no claim as deduction or offset any monies or charges against the rent paid to the Port for maintenance or repairs. Tenant has inspected the premises and accepts the premises "as is, where is".

18. **ALTERATIONS AND IMPROVEMENTS.** Tenant shall make no alterations or improvements to or upon the premises or install any fixtures (other than trade fixtures which can be removed without injury to the premises) without first obtaining written approval of the Port. The Port's response to Tenant's requests for approval shall be prompt, and such approval shall not be unreasonably withheld. From time to time Tenant may close the entire premises to the general public for the limited purpose of remodeling or maintaining the premises. Any plans for remodeling and the timing and duration of the closure must be approved by the Port pursuant to this paragraph 18 which approval shall not be unreasonably withheld. The Port agrees that Tenant may make modifications costing not more



than Twenty-Five Thousand Dollars (\$25,000) (adjusted as provided below) to the interior of any improvements without the prior approval of the Port; provided, however, that any alterations or improvements requiring a permit from any governmental authority, or any alteration or improvement that alters the footprint of the building(s) or alters the exterior appearance of the building(s) will require the prior written approval of the Port which will not be unreasonably withheld. Such \$25,000 limit shall be adjusted annually, on each anniversary of the Rent Commencement Date for the purpose of reflecting the increase, if any, in the cost of living. The adjustment, if any, shall be calculated based upon the United States Department of Labor, Bureau of Labor Statistics Consumer Price Index for all Urban Consumers, Subgroup "All Items" for Seattle, Washington (1982-1984 = 100) (the "Index"). The Index published most recently prior to the Rent Commencement Date shall be considered the "Base" to be used for calculating the adjusted amount at each applicable adjustment date. The Index published most recently prior to the applicable adjustment date shall be considered the Index to be used for calculating adjusted amount at the applicable adjustment date. On each adjustment date, such amount shall be increased by a percentage equal to the percentage increase, if any, in the Index over the Base. If at any adjustment date, the Index does not have the format recited in this section, there shall be substituted therefor any such official successor index as may be published by the Bureau of Labor Statistics or by an successor or similar government agency as may be available. Any request for approval to which the Port has not responded within twenty (20) days after its receipt of such request shall be deemed granted. Whenever feasible, Tenant shall undertake such remodeling or maintenance during the time of year when the closure would have the least impact on the gross sales of Tenant. During such closure, Tenant shall not be obligated to pay the Port percentage rental for the days during which such closure exists. Upon installation, Tenant shall furnish the Port with a copy of the "as-built" drawings including utility installations and site plans detailing the nature of the additions, alterations or improvements. If any alterations or improvements shall be made or fixtures (other than trade fixtures which can be removed without injury to the premises) installed by Lessee they shall become the property of the Port upon any expiration or termination of this Lease unless the Port exercises its right provided below to have Tenant remove the same. Movable furniture and trade fixtures which are removable without injury to the premises shall be and remain the property of Tenant. The Port reserves the right to have Tenant remove, at Tenant's sole expense, all of such alterations, additions or improvements at the end of the Lease term upon giving Tenant sixty (60) days' advance written notice of the Port's exercise of this option. If the Port exercises this option, all such alterations and improvements be removed by Tenant prior to the last day of the Lease term. Any dispute under this section shall be subject to arbitration under paragraph 38, **ARBITRATION PROCEDURE.**

19. **DISPOSITION OF IMPROVEMENTS.**

a. Within sixty (60) days after the expiration or earlier termination of this Lease, the Tenant shall at Tenant's expense, promptly and diligently remove, demolish or clear off from the leased premises all or any designated portion of the improvements and other property owned by Tenant, and after such removal or clearance, Tenant shall restore the surface of the ground to a graded, properly filled, level and uniform condition, free from all debris; provided, however, that if Tenant at such time shall be in default in the payment of rents or any other charges hereunder, the Port shall have a lien on the improvements to secure payment of such rents or charges; provided, further, however, that Tenant shall not be required to remove any pilings, but shall, at the Port's request, cut any pilings at the original grade level.

b. Provided, however, that the Port may, at its sole discretion, elect to have the buildings remain, in which event title to the same shall automatically pass to the Port, free of any right,

title, interest of Tenant therein, or its successors or assigns, without the necessity of executing any further instrument and without any allowance, compensation, or payment by the Port. Tenant hereby grants and conveys to the Port all of its right, title and interest in and to such improvements, to be effective for all purposes upon any termination of this Lease. Notwithstanding the foregoing, if the Port does not elect to have Tenant remove the improvements, Tenant agrees to execute, acknowledge and deliver to the Port prior to the expiration of such sixty-day (60) period a proper recordable instrument quit claiming and releasing to the Port to any right, title and interest of Tenant in and to the leased premises and all improvements thereon, and giving such further assurances of title as may be required by the Port. Tenant shall, upon such lease termination, surrender and deliver the leased premises and all remaining improvements to the Port, without delay and in good order, condition and repair, ordinary wear and tear excepted, and in a neat and clean condition, excepting only Tenant's or any subtenant's movable trade fixtures, machinery, equipment and personal property. Tenant shall also deliver to the Port all documents necessary or appropriate for the proper operation, maintenance and management of the leased premises and improvements.

c. Any dispute under this section shall be subject to arbitration under paragraph 38, **ARBITRATION PROCEDURE.**

20. **INSPECTION.** The Port reserves the right to inspect the premises at any and all reasonable times throughout the term of this Lease, provided that it shall not interfere unduly with Tenant's operations. The right of inspection reserved to the Port hereunder shall impose no obligation on the Port to make inspections to ascertain the condition of the premises, and shall impose no liability upon the Port for failure to make such inspections. The Port shall have the right to place and maintain "For Rent" signs in conspicuous places on the premises for a reasonable period of time prior to the expiration or sooner termination of this Lease.

21. **RESTORATION.**

a. At all times during the term of this Lease, Tenant shall maintain in effect upon the leased premises and Tenant's improvements thereon, fire and extended coverage property insurance for physical loss and damage, written by companies authorized to do business in the State of Washington and approved by the Port's insurance carrier. Such policy or policies (a) shall be written in the form of replacement cost insurance in an amount not less than 100% of the full replacement cost of the leased premises and Tenant's improvements thereon, which amount shall be adjusted not less frequently than annually, (b) shall contain an endorsement waiving any and all rights of subrogation against the Port and (c) shall provide that notice of cancellation of the policy or any endorsement shall be given to the Port and any other party designated by the Port at least 10 days prior to cancellation. The Port and each other party designated by the Port shall be named as additional insureds and loss payees on all such policies. Tenants shall provide the Port and each other party designated by the Port with certificates of insurance evidencing such coverage and shall provide evidence of renewal at least 30 days prior to the expiration of such policy or policies. Tenant will also take out and maintain policies of insurance to cover the loss, damage or destruction of Tenant's furniture, fixtures, equipment and other items owned by Tenant on the leased premises, with limits based on the reasonable value thereof. Tenant acknowledges that insurance coverage for earthquakes is not required, but that the Port recommends that Tenant obtain such coverage.

b. If any building or improvement erected by Tenant on the leased premises or any part thereof shall be damaged or destroyed by fire or other casualty during the term of this Lease, Tenant may, at its option, at its own cost and expense, repair or restore the same according to the original plans

thereof or according to such modified plans as shall be previously approved in writing by the Port. Such work of repair or restoration shall be commenced within sixty (60) days after receipt of permits therefor (which Tenant shall obtain within one (1) year after the damage or loss occurs) and shall be completed with due diligence but not longer than one (1) year after such work is commenced, and such work shall be otherwise done in accordance with the requirements of the provisions hereof pertaining to the construction of improvements upon the leased premises. All insurance proceeds collected for such damage or destruction shall be applied to the cost of such repairs or restoration, or if Tenant elects not to repair or restore, to the cost of removing, demolishing, or clearing off the building or improvements. If (i) there are not insurance proceeds, or (ii) the same shall be insufficient for said purpose, Tenant shall make up the deficiency out of its own funds. Should Tenant fail or refuse to make the repair, restoration or removal as hereinabove provided, then in such event said failure or refusal shall constitute a default under the covenants and conditions hereof, and all insurance proceeds so collected shall be forthwith paid over to and be retained by the Port on its own account, and the Port may, but shall not be required to, sue and apply the same for and to the repair, restoration or removal of said leased premises or improvements, and the Port may, at its option, terminate this Lease as elsewhere provided herein.

c. Notwithstanding anything to the contrary contained in the preceding section, if any building erected on said leased premises shall be damaged by fire or other casualty, and if the cost of repairing or restoring the same shall exceed the insurance payable for such damage, and if such damage shall occur during the term so that the remaining term of this Lease is of insufficient length to allow Tenant to finance such cost in a commercially reasonable manner, the Tenant shall have the option, to be exercised within one hundred twenty (120) days after such event, to repair or restore said building as hereinabove provided, or to terminate this Lease by written notice thereof to the Port.

d. Any dispute under this section shall be subject to arbitration under paragraph 38, **ARBITRATION PROCEDURE.**

22. **DEFAULTS.** Time is of the essence of this Lease, and in the event of the failure of Tenant to pay the rental, interest or other charges provided in this Lease at the time and in the manner herein specified, or to keep any of Tenant's covenants or agreements herein, the Port may elect to terminate this Lease and reenter and take possession of the premises with or without process of law, provided, however, that Tenant shall be given fifteen (15) days' notice in writing if the default is for the nonpayment of rent or other monetary default, or thirty (30) days' notice in writing for any other default, stating the nature of the default in order to permit such default to be remedied by Tenant within the applicable time period; provided, however, that with respect to any non-monetary default which by its nature is susceptible of cure but not within thirty (30) days, Tenant shall have such additional period of time to cure as may be reasonable provided that Tenant commences such cure within the thirty (30) day period and diligently prosecutes such case to completion. If the Port issues a notice of default for the nonpayment of rent, in order to cure such default, Tenant must pay the overdue rent, together with interest as set forth in paragraph 4.1 above, plus a Fifty Dollar (\$50.00) lease reinstatement fee. Monetary defaults shall include failure to pay any rent, percentage rent, leasehold tax or other tax payable by Tenant to the Port hereunder, common area charges (including administrative charges), interest or lease reinstatement fees payable under this Lease when due or to reimburse the Port on demand for any funds expended by the Port on behalf of Tenant to cure Tenant's failure to perform any obligation of Tenant under this Lease.

If upon such reentry there remains any personal property of Tenant or of any other person upon the premises, the Port may, but without the obligation to do so, remove said personal property and hold

it for the owners thereof or may place the same in a public garage or warehouse, all at the expense and risk of the owners thereof, and Tenant shall reimburse the Port for any expense incurred by the Port in connection with such removal and storage. The Port shall have the right to sell such stored property, without notice to Tenant, after it has been stored for a period of thirty (30) days or more, the proceeds of such sale to be applied first to the cost of such sale, second to the payment of the charges for storage, and third to the payment of any other amounts which may then be due from Tenant to the Port, and the balance, if any, shall be paid to Tenant. Notwithstanding any such reentry, the liability of Tenant for the full rental provided for herein shall not be extinguished for the balance of the term of this Lease, and Tenant shall make good to the Port any deficiency arising from a reletting of the premises at a lesser rental than that chargeable to Tenant. Tenant shall pay such deficiency each month as the amount thereof is ascertained by the Port. Payment by Tenant to the Port of interest on rents and/or any other charges due and owing under this Lease shall not cure or excuse Lessee's default in connection with rents and/or other charges. All remedies of the Port hereunder are cumulative and not alternative.

23. **ADVANCES BY PORT FOR TENANT.** If Tenant shall fail to do anything required to be done by it under the terms of the Lease, except to pay rent, the Port may, at its sole option, do such act or thing on behalf of Tenant, and upon notification to Tenant of the cost thereof to the Port, Tenant shall promptly pay the Port the amount of that cost. However, if the Port shall pay any monies on Tenant's behalf, Tenant shall repay such monies, together with interest thereon commencing on the date the Port paid such monies and calculated at the greater of the rate of eighteen percent (18%) per annum, or two (2) percentage points over the composite prime rate of interest set forth in the Wall Street Journal "Money Rates" column (or its successor) most recently prior to such date.

24. **HOLDING OVER.** If Tenant shall, without the consent of the Port, hold over after the expiration or sooner termination of this Lease, the resulting tenancy shall, unless otherwise mutually agreed, be on a month-to-month basis. During such month-to-month tenancy, Tenant shall pay to the Port the rate of four (4) times the then-current rental under the terms of the Lease (excluding percentage rent), unless a different rate shall be agreed upon, and the Tenant shall be bound by all of the additional provisions of this Lease; provided, however, this paragraph shall not apply for the sixty (60) day period set forth in Paragraph 19.a if the Port has not elected to have Tenant's improvements remain on the premises pursuant to Paragraph 19.b and Tenant completes the removal of the same within such sixty (60) day period.

25. **ASSIGNMENT OR SUBLEASE.** Except as provided below, Tenant shall not assign or transfer (including any assignment or transfer for security purposes) this Lease or any interest therein nor sublet the whole or any part of the premises, nor shall this Lease or any interest hereunder be assignable or transferable by operation of law or by any process or proceeding of any court, or otherwise, without the advance written consent of the Port, which may be withheld in the Port's reasonable discretion. Notwithstanding the foregoing, the Port agrees that it will not unreasonably withhold its consent to any proposed assignment or sublease for which the Port has been provided satisfactory evidence that the proposed assignee or sublessee: (i) has sufficient net worth and financial ability to perform all obligations of Tenant under this Lease and (ii) has sufficient experience in, and will use the leased premises for, the uses to which the leased premises are subject. The Port agrees that it will consent to the assignment of this Lease (or any interest herein): (i) for security purposes to a bona fide lender, but only on the terms and conditions contained in the form of Landlord's Consent and Agreement attached hereto as Exhibit "C", which must be signed by such lender; (ii) to any stockholders of Tenant at the time of execution of this Lease or to members of their immediate families, including their estates or trusts, so long as such assignee(s) subleases the leased premises to Mad Anthony's Inc. for the duration

of the lease term, including any renewals; and (iii) in connection with the sale of all or substantially all of the assets of Mad Anthony's, Inc., or all or substantially all of the stock of Mad Anthony's, Inc., so long as the proposed assignee is the purchaser of all or substantially all of such assets or stock. Except as provided in the foregoing sentence, Tenant further agrees that if at any time during the term of this Lease, more than one-half (1/2) of the outstanding shares of any class of voting stock of the Tenant corporation shall belong to any stockholders other than those who own the outstanding shares of that class of stock at the time of the execution of this Lease or to members of their immediate families, including their estates or trusts, such change in the ownership of the stock of Tenant shall be deemed an assignment of this Lease within the meaning of this paragraph subject to the Port's consent. Tenant shall remain liable under the terms of this Lease, and this paragraph shall nevertheless continue in full force and effect and no further assignment or sublease shall be made without the Port's consent pursuant to this paragraph.

26. **COMPLIANCE WITH PORT REGULATIONS/ALL LAWS.** Tenant agrees to comply with all applicable rules and regulations of the Port pertaining to the building or other realty of which the premises are a part or to Tenant's use or occupancy thereof, now in existence or hereafter promulgated for the general health, welfare, safety and convenience of the Port, its various tenants, invitees, licensees and the general public. Tenant further agrees to comply with all applicable federal, state and municipal laws, ordinances and regulations, including, without limitation, those relating to environmental matters, and Americans with Disabilities Act, and to indemnify the Port for any liability, damages, costs or fees incurred by the Port due to Tenant's failure to comply with the requirements of this section. Costs and fees shall include all direct and indirect costs and professional fees, including engineering and attorney's fees. Any fees for any federal, state or local inspections and/or certificates required for use and occupancy of the leased premises shall be paid by Tenant. The Port hereby permits Tenant to apply for and operate a Class H restaurant and lounge as licensed by the Washington State Liquor Control Board. The Port agrees not to permit other tenants of the Port on Parcels 1, 2 or 3 of the Farmers Market area as described on Exhibit "H" attached hereto and by this reference incorporated herein to apply for and operate a Class H establishment, but the Port contemplates that other tenants will apply for licenses to serve beer and/or wine in such area, as, for example, provided in the use clause for Market Place Building, L.L.C., which is attached hereto as Exhibit "L" and by this reference incorporated herein. Tenant agrees that it has no objection to such other licenses being applied for or being issued, to the operation of such other licensed premises or to the operation of other food service facilities on property owned by the Port. Should Tenant not be granted permission to have a Class H license for the premises by the commencement date, the parties agree to renegotiate the rent terms of this Lease to provide compensation to both parties appropriate for restaurant operation without a Class H license. If the parties are unable to agree upon renegotiated rental amounts, such amounts shall be determined by three arbitrators, each of whom shall be a member of either the Society of Industrial Realtors or the Washington-British Columbia chapter of the American Institute of Real Estate Appraisers and shall be experienced in the evaluation of the type of premises subject to this Lease. Each party shall select and fully compensate one of these arbitrators, and the third arbitrator shall be selected by the other two and compensated in equal shares by the parties. If the two arbitrators so chosen fail to agree upon the appointment of the third arbitrator, then either party may request the American Arbitration Association to appoint a third person. If either party fails to choose its respective arbitrator within thirty (30) days after the other has chosen its arbitrator, then such sole appointed arbitrator shall determine the rental amounts. If Tenant is subsequently granted a Class H license for the premises, all terms and conditions of this Lease, as now written, shall then become effective.

27. **HAZARDOUS SUBSTANCES.** Tenant certifies, represents, warrants, covenants and agrees that:

(a) For itself, its contractors, subcontractors and agents, Tenant will comply with all applicable local, state and federal environmental laws, regulations, ordinances and administrative and judicial orders relating to the generation, recycling, treatment, use, sale, storage, handling, transport and disposal of any Hazardous Substances (as defined below) by any person on the leased premises. Lessee will not, without the Port's prior written consent, keep on or around the leased premises or any common areas, for use, disposal, treatment, generation, storage, or sale, any Hazardous Substances except those normally used in the operation of a restaurant, and then only in such amounts as are normal and only in full compliance with all applicable laws, rules and regulations.

(b) With respect to any Hazardous Substance, Tenant shall:

(i) Comply promptly, timely and completely with all governmental requirements for reporting, keeping and submitting manifests and obtaining and keeping current identification numbers;

(ii) Make available for the Port's review and copying during normal business hours, true and correct copies of all reports, manifests and identification numbers at the time as they are required to be and/or are submitted to the appropriate governmental authorities;

(iii) Within five (5) business days of the Port's request, submit written reports to the Port regarding Tenant's use, storage, treatment, transportation, generation, disposal or sale of Hazardous Substances and provide evidence satisfactory to the Port of Tenant's compliance with the applicable laws, rules and regulations;

(iv) Allow the Port or the Port's agents or representatives to come on the leased premises at all reasonable times to check Tenant's compliance with all applicable laws, rules and regulations regarding Hazardous Substances; and

(v) Comply with minimum levels, standards or other performance standards or requirements which may be set forth or established for certain Hazardous Substances (if minimum standards or levels are applicable to Hazardous Substances) present on the leased premises, including those levels or standards established by an on-site inspection by the appropriate governmental authorities.

In the event of a material violation of any of the items (i) through (v) listed above, any and all costs incurred by the Port and associated with the Port's inspections of Tenant's leased premises and the Port's monitoring of Tenant's compliance with this section, and including the Port's attorney's fees and costs, shall be additional rent and shall be due and payable to the Port immediately upon demand by the Port.

(c) Tenant has not and will not release or waive the liability of any party who may be potentially responsible for the presence or removal of Hazardous Substances on or from the leased premises.

(d) Tenant agrees to immediately notify the Port if Tenant becomes aware of (a) any Hazardous Substances or other environmental problem or liability with respect to the leased premises or any Other Property (as defined below); or (b) any lien, action or notice resulting from violation of any

laws, regulations, ordinances or orders described in this Section 26. At its own cost, Tenant will take all actions which are necessary or desirable to clean up any Hazardous Substances affecting the leased premises, including removal, containment or any other remedial action whether or not required by governmental authorities, to the extent Tenant is responsible therefor as provided in subparagraph (f) below.

(e) If Tenant is in violation of any governmental law, rule or regulation concerning Hazardous Substances or is in violation of this Lease relating thereto, it shall promptly take such action as is necessary to mitigate and correct the violation. If Tenant does not act in a prudent and prompt manner, the Port reserves the right, but not the obligation to come onto the premises, to act in place of the Tenant (with Tenant hereby appointing the Port as its agent for such purposes), and to take such action as the Port deems necessary to insure compliance or to mitigate the violation. If the Port has a reasonable belief that Tenant is in violation of any such regulation, or that Tenant's actions or inactions present a threat of violation or a threat of damage to the premises, the Port reserves the right to enter the premises and take such action as the Port deems necessary to mitigate, abate or correct the threat thereof. All costs and expenses incurred by the Port in connection with any such action shall be payable by the Tenant and shall become immediately due and payable as additional rent upon presentation of an invoice therefor.

(f) Tenant shall be fully and completely liable to the Port for, and shall indemnify and hold the Port harmless from and against any and all claims, demands, damages, losses, liens, liabilities, penalties, fines, lawsuits and other proceedings and costs and expenses (including attorneys' fees and disbursements), which accrue to or are incurred by Tenant or the Port which arise or are alleged to arise directly or indirectly from or out of, or are in any way connected with (a) the inaccuracy of the representations and warranties contained herein, (b) the breach of any covenant contained herein, (c) any operations or activities (including, without limitation, use, disposal, transportation, storage, generation or sale of Hazardous Substances) on or about the leased premises which are caused by Tenant or third parties under Tenant's control and which directly or indirectly result in the leased premises or any Other Property becoming contaminated with Hazardous Substances or otherwise violating any applicable law, rule or regulation pertaining to Hazardous Substances, and (d) the cleanup of Hazardous Substances from the leased premises or any Other Property which are the result of operations or activities of the Tenant or third parties under Tenant's control. Tenant acknowledges that it will be solely responsible for all costs and expenses relating to investigation (including preliminary investigation) and cleanup of Hazardous Substances from the leased premises or from any Other Property arising as described above.

(g) Tenant's obligations under this Section 27 are unconditional and shall not be limited by any other limitations of liability provided for in this Lease. The representations, warranties and covenants of Tenant set forth in this Section 27 (a) are separate and distinct obligations from Tenant's other obligations under the Lease and (b) shall survive and continue in effect after any termination or expiration of this Lease for any reason.

(h) As used in this Section 27, "Hazardous Substances" means any chemical, substance, material, waste or similar matter defined, classified, listed or designated as harmful, hazardous, extremely hazardous, dangerous, toxic or radioactive, or as a contaminant or pollutant, or other similar term, by, and/or which are subject to regulation under, any federal, state or local environmental statute, regulation or ordinance presently in effect or that may be promulgated in the future, and as they may be amended from time to time.

(i) As used in this Section 27, "Other Property" means any real or personal property (including, without limitation, surface or ground water) which becomes contaminated with Hazardous Substances as a result of operations or other activities on, or the contamination of, the leased premises arising as described in subsection (f) above.

(j) Upon expiration or sooner termination of this Lease, Tenant shall have removed from the leased premises any contaminated soils or other contaminated or hazardous materials or substances deposited thereon by Tenant. Any failure to complete such removal by the expiration or sooner termination of this Lease shall be deemed a holding over by Tenant subject to the provision of paragraph 24, **HOLDING OVER**. At the Port's request, within 30 days thereafter, Tenant shall deliver to the Port a certificate from the Thurston County Health Department certifying that the leased premises comply with all applicable requirements of the Health Department concerning levels of Hazardous Substances. At such time, Tenant shall also reconfirm its representations and warranties contained herein and shall represent and warrant that upon termination of the Lease all Hazardous Substances have been removed from the leased premises and have been properly and lawfully disposed of.

(k) Tenant shall be responsible for applying for and obtaining all necessary and desirable federal, state or local governmental permits or approvals for the use of the leased premises; shall not commence any activity on the leased premises until all permits or approvals required for such activity have been issued; and shall conduct all of its activities on the leased premises in full compliance with all applicable permits and approvals.

(l) The Port shall be fully and completely liable to the Tenant for, and shall indemnify and hold Tenant harmless from and against any and all claims, demands, damages, losses, liens, liabilities, penalties, fines, lawsuits and other proceedings and costs and expenses (including attorneys' fees and disbursements), which accrue to or are incurred by Tenant which arise or are alleged to arise directly or indirectly from or out of, or are in any way connected with (a) any operations or activities (including, without limitation, use, disposal, transportation, storage, generation or sale of Hazardous Substances) on or about the leased premises not conducted by Tenant or third parties under Tenant's control and which directly or indirectly result in the leased premises or any Other Property becoming contaminated with Hazardous Substances or which otherwise violate any applicable law, rule or regulation pertaining to Hazardous Substances, and (b) the cleanup of Hazardous Substances from the leased premises or any Other Property which are not the result of operations or activities of the Tenant or third parties under Tenant's control. Without limiting or waiving any rights or remedies the Port may have against any third parties, the Port acknowledges that, as between Tenant and the Port, the Port will be solely responsible for all costs and expenses relating to investigation (including preliminary investigation) and cleanup of Hazardous Substances from the leased premises or from any Other Property arising as described in this subparagraph (l).

28. **STORAGE TANKS.** Tenant shall not store on site, either permanently or temporarily, in quantities greater than one hundred ten (110) gallons either in bulk or in separate containers, any material subject to WAC 173-303 or 40 CFR Parts 116-117, as the same may be amended from time to time.

29. **INSPECTIONS AND NOTICE OF CHANGE.** Tenant agrees that inspections may be required by the Port at the Tenant's expense to assure compliance with paragraphs 27, **HAZARDOUS SUBSTANCES**, and 28, **STORAGE TANKS**. Such inspections may be made at any time the Port has good cause to believe a problem may exist.



30. **EMINENT DOMAIN.** If the premises shall be taken or condemned for any public purpose, or for any reason whatsoever based upon a determination of public use and necessity, to such an extent as to render the premises untenable, either Landlord or Tenant shall have the option to terminate this Lease effective as of the date of taking or condemnation, which shall be the earlier of the date the final condemnation judgment or the date possession is taken by the condemning authority. If the taking or condemnation does not render the premises untenable, this Lease shall continue in effect, and Landlord shall, if the condemnation award is sufficient therefor, promptly restore the portion not taken to the extent possible to the condition existing prior to the taking. If, as a result of such restoration, the area of the premises is reduced, the rental shall be reduced proportionately. Tenant shall be entitled to any award separately designated for Tenant's relocation expenses or for damage or taking of Tenant's improvements, trade fixtures or other personal property; provided, however, that if the taking does not render the premises untenable, this Lease shall continue in effect and Tenant shall restore its improvements to the extent possible to the conditions existing prior to the taking. Landlord and Tenant agree to cooperate in Tenant's obtaining such a separately designated award. All other proceeds from any taking or condemnation shall be paid to Landlord. A voluntary sale or conveyance in lieu of but under the threat of condemnation shall be considered a taking or condemnation for public purpose, and shall include the Port's use of the premises for any purpose for public use in connection with the operation of the business of the Port. If the Port so requires the use of the premises, then this Lease may be terminated by the Port by written notice delivered or mailed by the Port to Tenant not less than six (6) months or more before the termination date specified in the notice, and damages to Tenant, if any resulting therefrom shall be determined by agreement between the parties hereto, or in the absence of agreement, by arbitration as hereafter provided. Damages or other compensation shall be determined in accordance with RCW 53.08.010 and Title 8 as appropriate. The Port agrees that it will not exercise any right under this paragraph for the purpose of reletting the premises to another commercial retail user.

31. **Intentionally Omitted.**

32. **Intentionally Omitted.**

33. **PROMOTION OF PORT COMMERCE.** The purpose of the Port is to encourage the development of commerce within the Port district, and to every reasonable extent possible, increase the movement of passengers and freight through Port facilities. In furtherance of this purpose, Tenant agrees to cooperate with the Port in the promotion of these purposes during the term of this Lease, and wherever reasonably possible, to utilize the Port's facilities in the movement of freight and passengers as a part of Tenant's business activities. Nothing in this paragraph shall be construed to obligate Tenant to incur any cost or expense in cooperating in the promotion of Port commerce, but Tenant does agree to supply such information and data for the Port's promotional and advertising activities as the Port may reasonably request.

34. **ATTORNEY'S FEES AND COSTS.** Should a dispute arise between the parties hereto as to the effect of any provision hereof and said dispute is referred to an attorney, whether for enforcement in court or for decision under arbitration, the losing party shall pay the prevailing party's actual and incurred attorney's fees; costs of court or arbitration, including such fees and costs of any appeal; other legal expenses; and collection costs, except that the amount of such fees, costs or expenses taken separately or in the aggregate, shall not be unreasonable. If such dispute arises and is later settled

by the parties, such settlement shall include a specific allocation of disposition of attorney's fees on both sides.

35. **NONDISCRIMINATION - SERVICES.** Tenant agrees that it will not discriminate by segregation or otherwise against any person or persons because of race, sex, age, creed, color or national origin in furnishing, or by refusing to furnish, to such person or persons the use of the facility herein provided, including any and all services, privileges, accommodations and activities provided thereby.

36. **NONDISCRIMINATION - EMPLOYMENT.** Tenant covenants and agrees that in all matters pertaining to the performance of this Lease, Tenant shall at all times conduct its business in a manner which assures fair, equal and nondiscriminatory treatment of all persons without respect to race, creed or national origin, and in particular:

a. Tenant will maintain open hiring and employment practices and will welcome applications for employment in all positions from qualified individuals who are members of racial or other minorities; and

b. Tenant will comply strictly with all requirements of federal, state or local laws or regulations issued pursuant thereto relating to the establishment of nondiscriminatory requirements in the hiring and employment practices, and assuring the service of all patrons or customers without discrimination as to any person's race, sex, age, creed, color or national origin.

37. **APPRAISAL PROCEDURE.** The fair market value of the property shall be determined, at Tenant's election, (made only at the execution of this Lease and as set forth in the lease summary) either (a) by reference to the most recent land valuation for the parcel as determined by the Thurston County Assessor's Office (for so long as Washington State law requires the Assessor to assess land at 100% of its fair market value) or (b) by an appraisal conducted by an independent appraiser selected by Tenant and approved by the Port, which approval will not be unreasonably withheld. Such appraiser shall be a qualified MAI appraiser, with not less than 10 years experience appraising commercial real estate in Thurston County, Washington. A qualified MAI appraiser shall mean a member in good standing of the American Institute of Real Estate Appraisers, or equivalent professional organization. In conducting an appraisal of the property, the appraiser (a) shall consider sales of fee simple comparable properties in the general area; (b) shall appraise the property as if in private ownership and without discount or consideration for the property being owned by a municipal corporation; and (c) shall appraise the property without regard to the premises being leased or the existence of any buildings or structures thereon. If Tenant fails to choose an appraiser within 180 days prior to the date a rental revision is to become effective, Tenant shall be deemed to have elected to have the rental revised as provided in clause (a). If fair market value is not or cannot be determined by either method described above, fair market value shall be determined by an appraiser selected by the Port who meets the qualifications described above. Such determination, and any rental revision resulting therefrom shall be retroactive to the date the rental revision was to be effective. The cost of any appraisal shall be shared equally by the Port and Tenant. The Port agrees to assist Tenant in any effort to have any percentage rent disregarded by the Thurston County Assessor when using an income approach to value the leased premises for assessment purposes.

38. **ARBITRATION PROCEDURE.** In the event of a dispute between the Port and Tenant with respect to any issue specifically mentioned elsewhere in this Lease as a matter to be decided by arbitration, such dispute shall be determined by arbitration as provided in this paragraph. The Port and Tenant shall each appoint a person as arbitrator who shall have had at least ten (10) years of experience

in Thurston, King or Pierce County in the subject matter of the dispute. The appointment shall be in writing and given by each party to the other, and the arbitrators so appointed shall consider the subject matter of the dispute, and if agreement can be reached between them, their opinion shall be the opinion of the arbitration. In the event of their failure to agree upon the matter so submitted, they shall appoint a third arbitrator. In the case of the failure of such arbitrators to agree upon the third arbitrator, the same shall be appointed by the American Arbitration Association from its qualified panel of arbitrators, with similar qualifications. If the Port or Tenant shall fail to so appoint an arbitrator for a period of ten (10) days after written notice from the other party to make such appointment, then such party will have defaulted its right to make such appointment, and the arbitrator appointed by the nondefaulting party shall determine and resolve the dispute. In the event the three arbitrators are appointed, after being duly sworn to perform their duties with impartiality and fidelity, they shall proceed to determine the question submitted. The decision of the arbitrators shall be rendered within thirty (30) days after their appointment, and such decision shall be in writing, with copies thereof delivered to each of the parties. The award of the arbitrators shall be final, binding, and conclusive on the parties. The fees of the arbitrators and the expenses incident to the proceedings shall be borne equally between the Port and Tenant. The arbitrators shall award to the prevailing party the fees of that party's counsel, expert witnesses, or other witnesses called by the prevailing party.

39. **JOINT AND SEVERAL LIABILITY.** Each and every party who signs this Lease, other than in a representative capacity, as Tenant, shall be jointly and severally liable hereunder.

40. **INVALIDITY OF PARTICULAR PROVISIONS.** If any term or provision of this Lease or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Lease or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable shall not be affected thereby and shall continue in full force and effect.

41. **NOTICES.** All default and other substantial notices required under the provisions of this Lease may be personally delivered or mailed. If mailed, they shall be sent by certified mail, return receipt requested to the following addresses:

To the Port:  
Port of Olympia  
P. O. Box 827  
Olympia, WA 98507-0827

To the Tenant:  
Mad Anthony's Inc.  
P.O. Box 3805  
Bellevue, WA 98009

or to such other respective addresses as either party hereto may hereafter from time to time designate in writing. Notices given by personal delivery shall be deemed given upon receipt. Notices sent by mail shall be deemed given when properly mailed, and the postmark affixed by the United States Post Office shall be conclusive evidence of the date of mailing.

42. **WAIVER.** The acceptance of rental by the Port for any period or periods after a default by Tenant hereunder shall not be deemed a waiver of such default unless the Port shall so intend and shall

so advise Tenant in writing. No waiver by the Port of any default hereunder by Tenant shall be construed to be or act as a waiver of any subsequent default by Tenant. After any default shall have been cured by Tenant, it shall not thereafter be used by the Port as a ground for the commencement of any action under the provisions of paragraph 25, DEFAULTS.

43. **BINDER.** This Lease is binding upon the parties hereto, their heirs, personal representatives, successors in interest and assigns.

44. **NO RECORDING.** Without the prior written consent of the Port, this Lease shall not be placed of record. At the request of either party, the parties will execute and record a memorandum of this Lease. If this Lease may be placed of record, the party so requesting shall pay all costs and expenses of recording.

**LESSOR:**

**TENANT:**

PORT OF OLYMPIA, a Washington  
municipal corporation

MAD ANTHONY'S INC.

By: 

Executive Director

By: 

Title: President

By: 

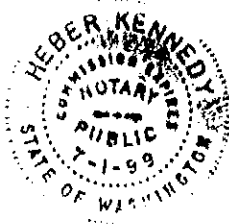
Title: SECRETARY

**COPY SUBMITTED  
FOR RECORDING**

STATE OF WASHINGTON )  
 ) ss.  
COUNTY OF THURSTON )

On this 31 day of JULY, 1997, personally appeared before me NIXON HANDY, to me known to be the Executive Director of the Port of Olympia, the municipal corporation named in the within and foregoing Lease, and acknowledged to me that he signed the same on its behalf, as he is so authorized to do, as his free and voluntary act and deed for the uses and purposes therein mentioned.

IN WITNESS WHEREOF, I have hereunto set my hand and seal the day and year first above written.



Heber Kennedy  
NOTARY PUBLIC in and for the State of Washington,  
residing at Olympia  
Commission expires: 7-1-99

STATE OF WASHINGTON )  
 ) ss.  
COUNTY OF THURSTON )

On this 31 day of JULY, 1997, personally appeared before me HERBERT M. GOULD, and HERBERT M. GOULD, to me known to be the PRESIDENT and SECRETARY, of the entity named in the within and foregoing Lease, and acknowledged to me that they signed the same on its behalf, as they are so authorized to do, as their free and voluntary act and deed for the uses and purposes therein mentioned.

IN WITNESS WHEREOF, I have hereunto set my hand and seal the day and year first above written.



Heber Kennedy  
NOTARY PUBLIC in and for the State of Washington,  
residing at Olympia  
Commission expires: 7-1-99

**COPY SUBMITTED  
FOR RECORDING**

EXHIBIT "A"

REQUIREMENTS AS TO IMPROVEMENTS

These conditions relating to improvements in this Exhibit "A" shall control unless the Port and Tenant have otherwise separately agreed to more specific time periods for production and coordination of drawings, financing and commencement of construction. In the event such additional documentation becomes a part of this Lease, then the time periods set forth in such documents shall be logically coordinated, the intent being that the more specific time periods should control the parties' respective performances.

**A. PORT APPROVAL OF TENANT IMPROVEMENTS.** As used herein, the terms "improvements" or "structures" shall mean and include without limitation all permanent buildings, and all other major structures or improvements of any kind located above the ground level of any site, plus any replacements, additions, repairs or alterations thereto. No improvement shall be constructed or maintained on the leased premises until the Port has first approved the design, density, size, appearance and location thereof. Before commencing any work of improvement or applying for any governmental permit or approval, Tenant shall first deliver to the Port for approval two (2) sets of schematic plans and preliminary specifications, including grading and drainage plans, exterior elevations, floor plans, site plans, and showing in reasonable detail existing topography and proposed type of use, size, land coverage, shape, height, location, material and elevation of each proposed improvement, all proposed ingress and egress to public or private streets or roads, all utilities and service connections, and all proposed landscaping, exterior materials and fences, parking, exterior lighting, signs, cut and fill, finished grade, runoff and concentration points. Nothing in this paragraph shall imply a submission standard higher than that required for a building permit, except as it relates to land use(s), utilities, infrastructure and impact upon adjoining properties and use(s) of adjoining properties.

The Port shall then have twenty (20) days during which to accept and approve or reject such preliminary plans and specifications. Once the preliminary plans and specifications have been approved, but prior to commencing any such work, Tenant shall submit to the Port for approval of final plans and specifications for any proposed improvements in the same manner as provided above.

All plans and specifications for grading or improvements to be submitted to the Port hereunder shall be prepared by a licensed or registered architect or engineer, as the case may be. All grading, piling, footing and foundation work must be conducted under the supervision of an appropriate licensed engineer. At the Port's option, a final certification by a licensed soils engineer or geologist must be filed with the Port upon completion of the grading work. The Port shall not unreasonably withhold its approval of any such plans or specifications.

The Port shall be conclusively deemed to have given its approval unless, within thirty (30) days after all such plans and specifications have been received by the Port, the Port shall give Tenant written notice of each item of which the Port disapproves. Unless so disapproved, the Port shall endorse its approval on at least one set of plans and return the same to Tenant. The Port may disapprove any plans which are not in harmony or conformity with other existing or proposed improvements on or in the vicinity of the leased premises, or with the Port Master Plan or other plans or criteria for the leased premises in the general area in which the leased premises are located, the sole discretion as to such adequacy remaining with the Port. Notwithstanding the foregoing, Tenant may, in accordance with the

lease, repair, replace, alter or reconstruct any improvement on the leased premises for which plans were previously approved by the Port as provided above, but only if such repair, replacement, alteration or reconstruction is substantially identical to the improvement previously approved.

Concerning utility installations, Tenant, at Tenant's sole cost, including any connection fees, assessments or changes, shall be responsible for the installation on the leased premises of all utilities required by Tenant's use of the premises, assuming such utility services are available to the leased premises. Any contractual arrangements with any municipal supplier with respect to the improvements or utility installation shall not be entered into by Tenant without first obtaining the Port's approval. In the event that such utility services are not readily available at the leased premises, Tenant, at Tenant's sole cost, shall pay for the extension of such utilities to the leased premises.

The Port shall not be liable for any damages in connection with the approval or disapproval of any plans or specifications, any construction or performance by Tenant on the leased premises in connection with the erection of such improvements, any mistake in judgment, negligence or omissions in exercising its rights and responsibilities hereunder, or the enforcement or failure to enforce any provisions contained in the Lease. The Port's approval of plans and specifications shall not constitute the assumption of any responsibility by the Port or its representatives for the accuracy, efficacy or sufficiency thereof, and Tenant shall be solely responsible therefor.

**B. CERTIFICATES OF COMPLIANCE.** Tenant shall obtain all necessary permits and shall send copies of same to the Port, as well as copies of Certificates of Completion/Occupancy associated with such permits and pay the cost thereof. Prior to commencement of any such work of improvements, Tenant shall supply to the Port a certificate from a licensed civil engineer or land surveyor verifying that the proposed improvements will be located on the correct parcel and in accordance with plans previously approved by the Port. The Port may waive such requirement if the Port has already surveyed the proposed premises. Upon completion of any such improvements, Tenant shall supply to the Port a further certification by Tenant's architect (including the landscape architect in the case of improvements consisting of landscaping) that the improvements, as designed by the architect, have been completed in accordance with the plans previously approved by the Port. Final landscaping as approved by the Port shall be completed within sixty (60) days after completion of the structure. Tenant shall also supply to the Port one (1) set of "as-built" grading plans showing all underground installations within sixty (60) days following completion of any substantial improvement within the leased premises. Tenant shall also furnish the Port with a complete set of "as-built" building plans and an itemized statement of the actual construction cost of such improvements, not later than sixty (60) days after completion.

**C. DILIGENT COMPLETION AND COMPLIANCE.** After commencement of construction, Tenant shall diligently complete the construction so that the improvements will not remain in a partly finished condition any longer than is reasonably necessary. Tenant shall comply with all applicable governmental laws, ordinances and other requirements or conditions and restrictions which may affect the leased premises, (whether prior to, during or after construction) including, without limitation, the Americans With Disabilities Act, and shall make such corrections, alterations or other improvements which may be necessary to remedy any non-complying condition (subject to the reasonable approval of the Port), all at the sole cost and expense of Tenant

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**EXHIBIT "B"**  
**INTENTIONALLY OMITTED**

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31



EXHIBIT "C"

LANDLORD'S CONSENT AND AGREEMENT  
(For Financing Purposes)

Description of Ground Lease.

"Landlord"	The Port of Olympia
"Tenant"	_____
"Lease":	Ground Lease dated _____
"Leasehold":	Tenant's interest in the Lease and all Leasehold Improvements
"Lender(s)":	_____ _____ _____ _____

NOW, THEREFORE, Landlord represents, warrants, covenants and agrees as follows:

1. Consents. Landlord hereby consents to the assignment of Tenant's interest in the Leasehold to Lender for security purposes under the Lender's Deed of Trust upon closing of the loan. Herein the term "Deed of Trust" shall mean the Lender's Deed of Trust as may be applicable and the "Lender" shall mean \_\_\_\_\_, as its/their interests appear in the Deed of Trust and any successors and assigns of such Deed of Trust.

2. Status of Lease. A true and correct copy of the Lease, together with all amendments, supplements, and modifications thereto, is attached as Schedule A to this Agreement. The Lease is presently in full force and effect, is valid and enforceable according to its terms and has not been modified or amended in any way except as shown on the copy of the Lease attached hereto.

3. Non-Default. Tenant is not in default (a) in the payment of rent or any other amounts due and payable by Tenant to Landlord under the Lease or (b) to the knowledge of Landlord, in the observance or performance of any other covenant or condition to be observed or performed by Tenant under the Lease. To the knowledge of Landlord, no event has occurred which now does or hereafter will authorize Landlord to terminate the Lease.

4. **Right to Foreclose Deed of Trust.** Lender recognizes that any Deed of Trust taken by Lender affects and applies only to Tenant's interest in the Leasehold and that Landlord will not permit any security interest to be taken in any of its land. In the event of default by Tenant under the terms of the Deed of Trust, Lender may enforce or foreclose the Deed of Trust including the acceptance of a Deed in Lieu of Foreclosure. Landlord agrees that in connection with any such foreclosure, Lender may:

a. acquire Tenant's interest in the Leasehold either by Deed in Lieu of Foreclosure or actual foreclosure without further consent of Landlord, subject to the requirements of paragraph 6.4 below.

b. rent the Leased Premises prior to or after foreclosure of the Leasehold by Lender or acceptance of a deed in lieu of foreclosure by Lender without further consent of Landlord.

c. assign and sell the Leasehold in whole or in part to any person or entity, subject to the requirements set forth in paragraph 6.5 below.

5. **Surrender of the Leased Premises.** No surrender of the Leased Premises or any other act of Tenant shall be deemed to terminate the Lease and Landlord will not terminate voluntarily by agreement with Tenant unless Lender has been previously notified at least thirty (30) days in advance in writing and has consented to the termination in writing, which consent may be withheld by Lender in its sole discretion.

6. **Notice of Default and Lender's Rights.**

6.1 **Notice of Default.** If Tenant defaults under the Lease or if any event occurs which would give Landlord the right to terminate, modify, amend or shorten the term of the Lease, Landlord shall take no steps to exercise any such right it may have under the Lease without first giving Lender written notice of such default and the applicable time period (s) under Section 6.2 or Section 6.3, as the case may be, has expired without such default being cured. A copy of each and every Notice of Default served or sent by Landlord or its agent to or upon Tenant pursuant to the Lease shall be sent contemporaneously to Lender in accordance with paragraph 13 below. Such Notice of Default shall specify the event or events of default then outstanding and the time period at the end of which the indicated action would become effective, which time period shall not be less than that provided in Section 6.2 or 6.3, as the case may be.

6.2 **Termination for Monetary Default.** If the Notice of Default given by Landlord to Lender relates to a monetary default and Tenant has not cured such monetary default within 15 days as provided in the Lease and Tenant's failure to cure results in Landlord desiring to terminate the Lease, Landlord may terminate the Lease if such monetary default is not cured by either Tenant or Lender within thirty (30) days after Lender's receipt of notice.

6.3 **Termination for Non-Monetary Default.** If the notice given by Landlord to Lender relates to a non-monetary default and Tenant has not cured such non-monetary default within the 30-day period specified in the Lease, Landlord shall take no action to terminate the Lease if: (i) either Lender or Tenant cures such default within thirty-five (35) days after Lender's receipt of Landlord's notice or (ii):

(a) within sixty (60) days after Lender's receipt of Landlord's notice of Tenant's failure to cure (or failure to diligently pursue a cure) Lender notifies Landlord of its intent to realize upon its security interest and thereafter diligently commences and diligently pursues realization; and

(b) Lender notifies Landlord that, if and when Lender becomes the legal owner of the lessee's interest in the leasehold estate created by the Lease, Lender will assume all of the lessee's obligations under the Lease arising during the time that Lender is the legal owner of the said leasehold estate.

(c) Lender pays Landlord at the time of notification to Landlord of its intent to realize upon its security interest all back rent or other monies due that may be in default up to the date Lender notifies Landlord of Lender's intent to realize upon its security interest and further pays all rent that accrues during the period after Lender so notifies Landlord for so long as Lender continues to diligently pursue realization of its security interest and completes such other performances that may be required or come due under the Lease during such period until such time as either a foreclosure of the deed of trust is completed or Lender accepts a deed in lieu of foreclosure of the deed of trust; provided, however, that Lender shall not be required to cure any non-monetary default, or perform any obligation, of Tenant, if such default or performance is by its nature not reasonably feasible for Lender to perform, such as, without limitation, the operation of a restaurant.

**6.4 Assumption of the Lease.** If Lender becomes owner of the lessee's interest in the leasehold estate created by the Lease, then within twenty (20) days thereafter, Lender shall formally assume all of the lessee's obligations under the Lease arising during the time that Lender is the legal owner of the leasehold estate. Failure to so assume the Lease shall give Landlord the right to immediately terminate the Lease. Notwithstanding the foregoing, Lender shall not be required: (i) to comply with the requirements of the third and fourth sentences of Section 8 of the Lease, **USE OF PREMISES**; (ii) to provide the lease surety described in Section 5 of the Lease, **LEASE SURETY BOND**; or (iii) to waive industrial insurance immunity under Title 51 RCW. Notwithstanding that Lender is required to assume only those obligations of the lessee under the Lease arising during the time that the Lender is the legal owner of the leasehold estate, Landlord may pursue any remedies it may have (including termination) with respect to any defaults existing under the Lease as of the time Lender assumes such obligations that are not cured; provided, however, that Landlord may not pursue any such remedies with respect to any non-monetary default if such default is by its nature not reasonably feasible for Lender to cure.

**6.5 Right to Assign.** Lender shall not have the right to assign its interest in the Leasehold (except in the case of an assignment of Lender's Deed of Trust) without first obtaining the written consent of Landlord for such assignment or transfer, which consent will not be unreasonably withheld or delayed provided that Lender has disclosed to Landlord (a) the identity of the proposed purchaser, assignee or transferee; (b) shown that the purchaser's, assignee's or transferee's credit standing would reasonably be acceptable to a commercially prudent lender; and (c) provided evidence to Landlord that the use of the property by such purchaser, assignee or transferee shall be consistent with the terms of the Lease or Tenant's prior use of the Leasehold; provided, however, that any use of the property shall be permitted at such time as long as it meets all requirements of the then current: (x) zoning, (y) Port of Olympia Comprehensive Plan and (z) City of Olympia Shoreline Master Program. Upon the purchaser's, assignee's or transferee's assumption and agreement to perform and to be bound by all of the terms of the Lease, Lender shall be relieved of further liability under the Lease, however, if Lender takes a security interest in the lessee's interest in the leasehold estate created by the Lease to secure funds

lent to the purchaser, assignee or transferee, Lender shall again be subject to all the obligations set forth in this Agreement.

6.6 **Arbitration.** Any dispute regarding any default or performance under the Lease and Lender's obligation to cure such default or render such performance shall be determined by arbitration as provided in paragraph 3 of the Lease. Any such arbitration shall be limited to the single issues of (i) whether there has been a default, and (ii) whether Lender is required under the terms of this Agreement to cure such default or render the required performance.

7. **Disposition of Insurance and Condemnation Proceeds.** Landlord shall be named as an additional insured under any of Tenant's casualty policies on the Leased Premises to the extent of the interests limited in this paragraph 7. Lender shall cause Tenant to procure and maintain coverage for debris removal. Should the Leased Premises suffer any loss which is covered by casualty insurance, and the insurance proceeds are used to restore any improvements made by Tenant, Landlord agrees that Tenant and Lender shall have the right to such proceeds so long as none of Landlord's property, utilities or other services therein are damaged or such damages are repaired. In the event the Leased Premises are substantially damaged and Tenant's improvements have been repaired, Landlord shall only participate in the insurance proceeds to the extent necessary to repair and restore Landlord's ground and any of Landlord's or Tenant's improvements (excluding buildings and personal property) on or in the ground to the same condition the land was in at the commencement of the Lease, or in the same condition at the time of the casualty. Under the Lease, Landlord has the option of requiring Tenant to demolish the improvements at the end of the Lease term, or to have Tenant convey title to Landlord Tenant's interests in the Leasehold Improvements. In the event Leased Premises and the Leasehold are so severely damaged that Tenant's and Lenders' decision is not to repair or restore the premises, Landlord shall participate in the insurance proceeds attributable to debris removal to the extent necessary to remove the remainder of the damaged improvements and to restore the Leased Premises and any utilities or other such improvements (excluding rebuilding the improvements or restoring other personal property of Tenant) to the same condition the land was in at the commencement of the Lease, or in the same condition at the time of the casualty. Other than as described herein, Landlord shall have no claim to insurance proceeds or condemnation proceeds that are attributable to Tenant's interest in the Leasehold, nor shall Lender have any interest in Landlord's condemnation proceeds, if any.

8. **Right to Participate in Litigation.** Lender shall have the right to participate in any litigation, arbitration or dispute directly affecting the Leased Premises or the interests of Tenant or Lender therein, including without limitation, any suit, action, arbitration proceeding, condemnation proceeding or insurance claim. Landlord, upon instituting or receiving notice of any such litigation, arbitration or dispute will promptly notify Lender of the same.

9. **Incorporation of Mortgagee Protection Provisions.** To the extent not inconsistent with this Agreement, all provisions of the Lease which by their terms are for the benefit of any leasehold mortgagee, are hereby incorporated herein for the benefit of Lender.

10. **Right to Remove Collateral.** In the event Lender exercises its rights under its collateral and realizes upon the collateral, Landlord agrees that Lender is entitled to remove Tenant's furniture, movable trade fixtures and equipment installed by Tenant from the Leased Premises at any reasonable time and that the collateral shall remain personal property even though the trade fixtures may be affixed to or placed upon the Leased Premises. "Trade fixtures" means the movable personal property of Tenant which is free standing or attached to floors, walls or ceiling, but does not include installed light

fixtures, floor coverings, doors, windows, heating, plumbing or electrical systems or components thereof, including any roof-mounted HVAC equipment and/or units thereof, or permanent walls or partitions installed by Tenant. In the event Lender so realizes on its collateral, Landlord waives any right, title, claim, lien or interest in the above trade fixtures by reason of such fixtures being attached to or located on the Leased Premises. Lender shall use reasonable care in removing the trade fixtures from the premises and shall repair any damage that may result from such removal which shall be completed in accordance with the terms of the Lease.

11. Interpretation of Agreement. This Agreement sets forth the complete understanding of Lender with respect to this transaction; may be amended only in writing signed by the party against whom it is sought to be enforced; and, without limiting the generality of the foregoing shall not be deemed modified by any course of dealing. No provision in the Assignment of Tenant's Interest in Lease, Security Agreement and Deed of Trust shall vary, modify or expand the covenants herein contained. In the event of any conflict between the terms of this Agreement and the Lease, this Agreement shall control.

12. Attorney Fees. In the event of litigation or arbitration between the parties to enforce or interpret this Agreement, the arbitrator, Board of Arbitration or Judge, as may be appropriate, may award the prevailing party in such arbitration or litigation a reasonable attorney's fee not to exceed 20 percent of the amount in controversy, plus costs and costs of collection.

13. Notices. All notices, copies of notices, consents or other communications given under this Agreement must be in writing and shall be effective when received. Such communications shall be given in person to an officer of Lender or to Landlord or shall be delivered to one of such persons by registered or certified U.S. mail or by public or private courier or wire service or facsimile transmission addressed to the parties at their respective addresses set forth below, unless by such notice a different person or address shall have been designated in writing:

If to Lender:

If to Landlord: Port of Olympia  
915 Washington St. NE  
Olympia, Washington 98501  
Attn: Heber Kennedy

IN WITNESS WHEREOF, Landlord has executed these presents this \_\_\_\_ day of \_\_\_\_\_, 199\_\_.

LANDLORD:  
PORT OF OLYMPIA, a Washington  
Municipal corporation

By: \_\_\_\_\_  
Its: \_\_\_\_\_

AGREED to this \_\_\_\_ day \_\_\_\_\_, 199\_\_

LENDER:

By: \_\_\_\_\_  
Its: \_\_\_\_\_

Exhibit A  
To Landlord's Consent and Agreement

Copy of Lease

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EXHIBIT A

To Landlord's Consent and Agreement

Page 106 of 115



EXHIBIT "E"

Description for Anthony's parcel

The south 200.00 feet of Lot 1 of City of Olympia Short Plat SS-5888, Subject to a revised easement and agreement across the south 11 feet for City of Olympia improvements of LID 754.

Containing 20,000 square feet as shown on attached Exhibit "D".

EXHIBIT "E"

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EXHIBIT F

Page 108 of 115

EXHIBIT "F"  
Portion of the Port's Comprehensive Plan

1. MARKET DISTRICT 12

**Intent** The Market should be a vibrant waterfront development which supports a variety of uses and encourages people to walk along the waterfront and shop in the downtown area. This District is the transition area between downtown and the marine terminal and cargo areas. It should be home to multiple retail, commercial and light industrial uses, such as the local farmer's market, micro-brewery, restaurants, offices and waterfront pier.

**Use** Retail, commercial, and light industrial.

**Character** The design intent for the Market is Pacific Northwest, possibly featuring native Indian designs and architecture, or the Granville Island character of a mix of building styles of a more rural flavor than urban. Retail building windows should have transoms and canopies, with boardwalk-style entries.

Vehicle access is via a diagonal street from Capitol Way to D Avenue, and from Columbia Street. Pedestrian access is from Percival Landing. The traffic circle and other street treatments such as pavers and trees creates an atmosphere of an entry instead of a through-street.

**Placement** Buildings are oriented around a central plaza, with shared parking and open space. A traffic circle and road re-alignment connects this district to East Bay, as well as to downtown via Capitol Way.

**Setbacks** Buildings setbacks would conform to the requirements set forth in this district by the Port Peninsula Design Guidelines.

**Coverage** 100%, minus all landscaped and stormwater areas.

**Height** Maximum: 45 feet.

**Parking** Parking ratios and design would conform to the requirements set forth in the Port Peninsula Design Guidelines.

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EXHIBIT F

Page 110 of 115

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EXHIBIT H

Page 111 of 115

EXHIBIT "I"

COMMON AREA OPERATING COSTS ALLOCATION  
(For illustration purposes only)

MAD ANTHONY'S INC.

EXAMPLE 1.

- a. Mad Anthony's Inc. building has a requirement of 80 parking stalls
- b. Building A in Market District has a requirement of 120 parking stalls
- c. "Ratio" for Mad Anthony's Inc. equals 40.0%  $[80 \div (120 + 80) = 40.0\%]$

TOTAL OPERATING COSTS (including Port charges)	2/3 OF TOTAL OPERATING COSTS	RATIO	MAD ANTHONY'S SHARE OF COSTS
\$60,000	\$40,000	40.0%	\$16,000

EXAMPLE 2.

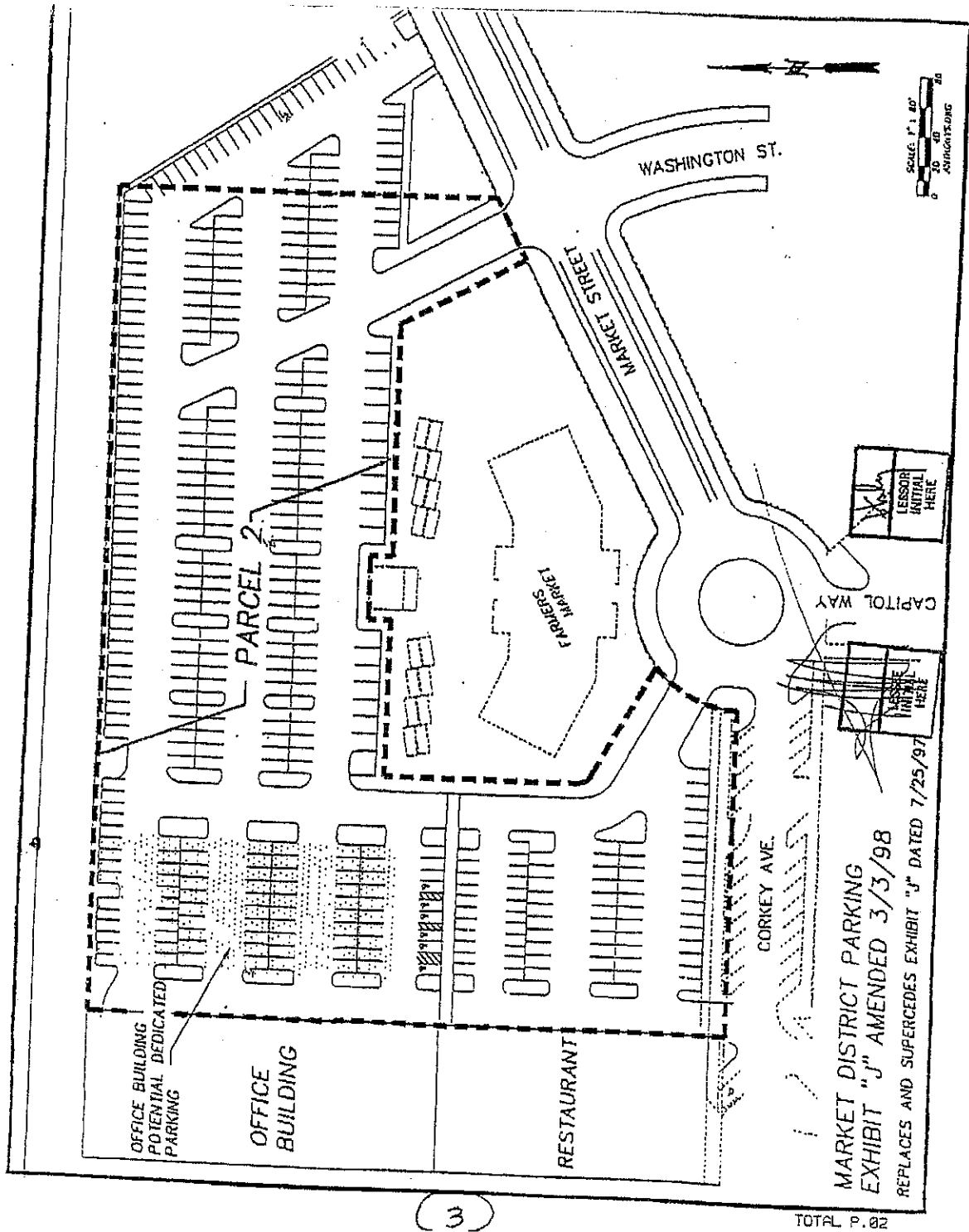
- a. Mad Anthony's Inc. building has a requirement of 80 parking stalls
- b. Building A in Market District has a requirement of 120 parking stalls
- c. Building B in Market District has a requirement of 22 parking stalls.
- d. "Ratio" for Mad Anthony's Inc. equals 36%  $[80 \div (120 + 80 + 22) = 36\%]$

TOTAL OPERATING COSTS (including Port charges)	2/3 OF TOTAL OPERATING COSTS	RATIO	MAD ANTHONY'S SHARE OF COSTS
\$60,000	\$40,000	36%	\$14,400

EXAMPLE 3.

- a. Mad Anthony's Inc. building has a requirement of 80 parking stalls.
- b. There are no other buildings in the Market District.
- c. "Ratio" for Mad Anthony's Inc. equals 100%  $[80 \div (80 + 0) = 100\%]$

TOTAL OPERATING COSTS (including Port charges)	2/3 OF TOTAL OPERATING COSTS	RATIO	MAD ANTHONY'S SHARE OF COSTS
\$60,000	\$40,000	100%	\$40,000



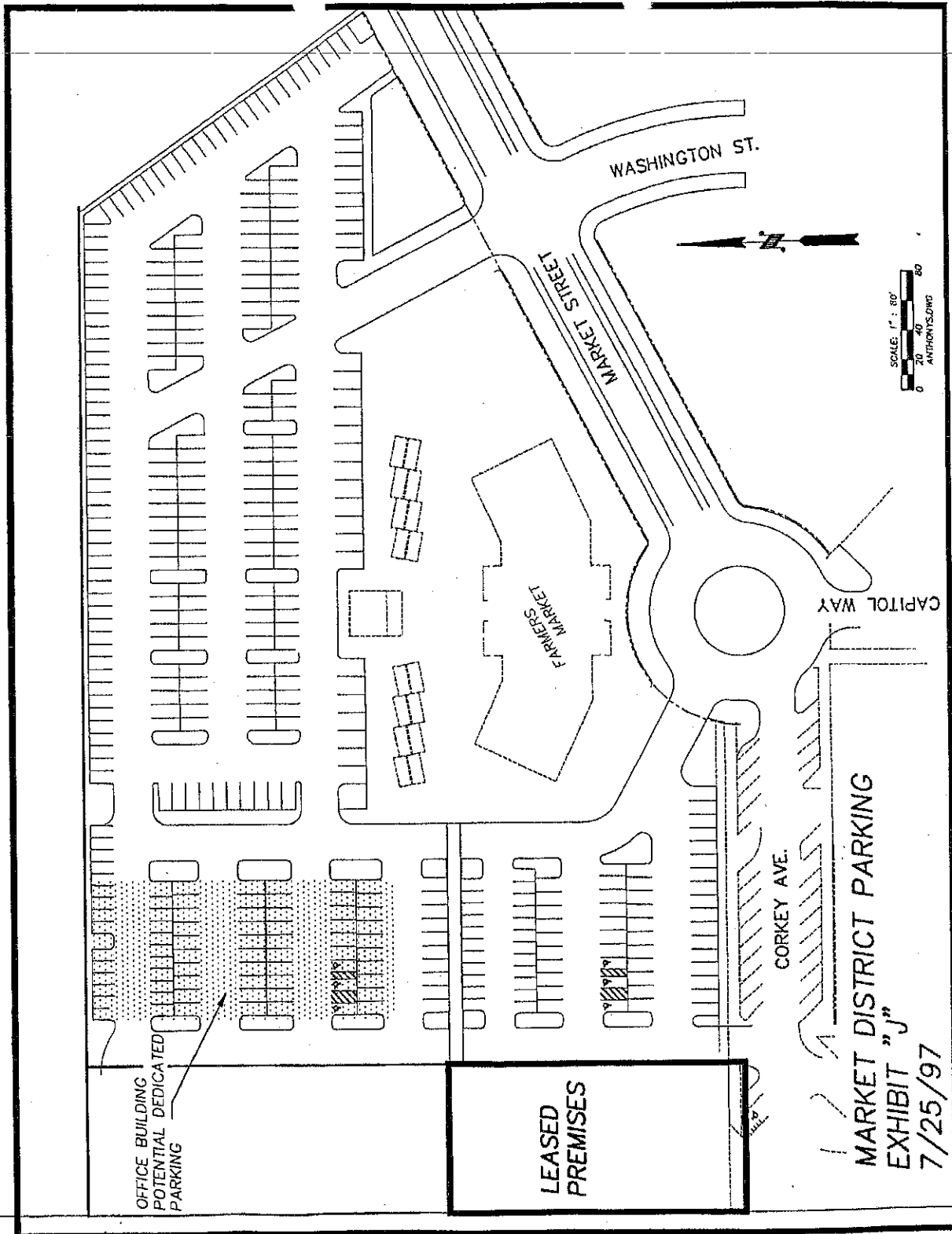




EXHIBIT "L"

MARKET PLACE BUILDING USE CLAUSE

USE OF PREMISES

For the construction and operation of a Class A office building along with the right to use the parking area as shown as Parcel "2" on Exhibit "H" in common with other tenants of the Port as described herein. Tenant (and its subtenants) may operate vending machines, espresso carts, employees only lunchrooms, and delicatessens open to the public not exceeding, in the aggregate, 1,000 square feet. No other food service operations (including delicatessens exceeding in the aggregate 1,000 square feet, restaurants open to the public, or any food service with a State of Washington Class H liquor license or its equivalent) shall be permitted within the leased premises.



**THE FOLLOWING EXHIBITS WERE OMITTED  
FROM RECORDED AGREEMENT DUE TO NONSTANDARD FONT SIZE:**

EXHIBIT A	Page 58 of 115
EXHIBIT F	Page 60 of 115
ADDENDUM TO EXHIBIT F	Page 64 of 115
EXHIBIT H	Page 65 of 115
EXHIBIT I	Page 67 of 115
EXHIBIT A To Landlord's Consent and Agreement	Page 106 of 115
EXHIBIT F	Page 108 of 115
EXHIBIT F	Page 110 of 115
EXHIBIT H	Page 111 of 115

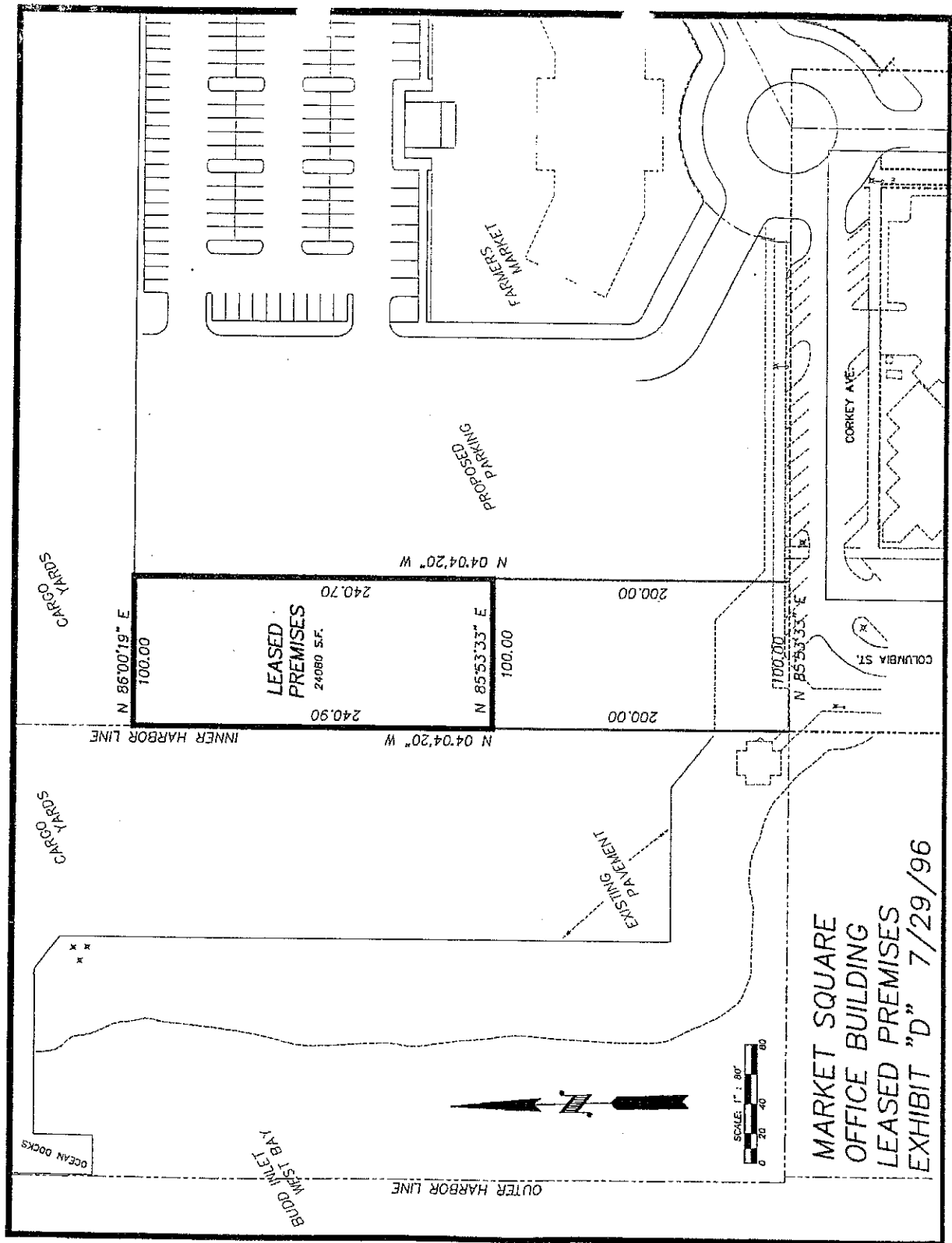


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EXHIBIT A

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EXHIBIT F

Page 60 of 115

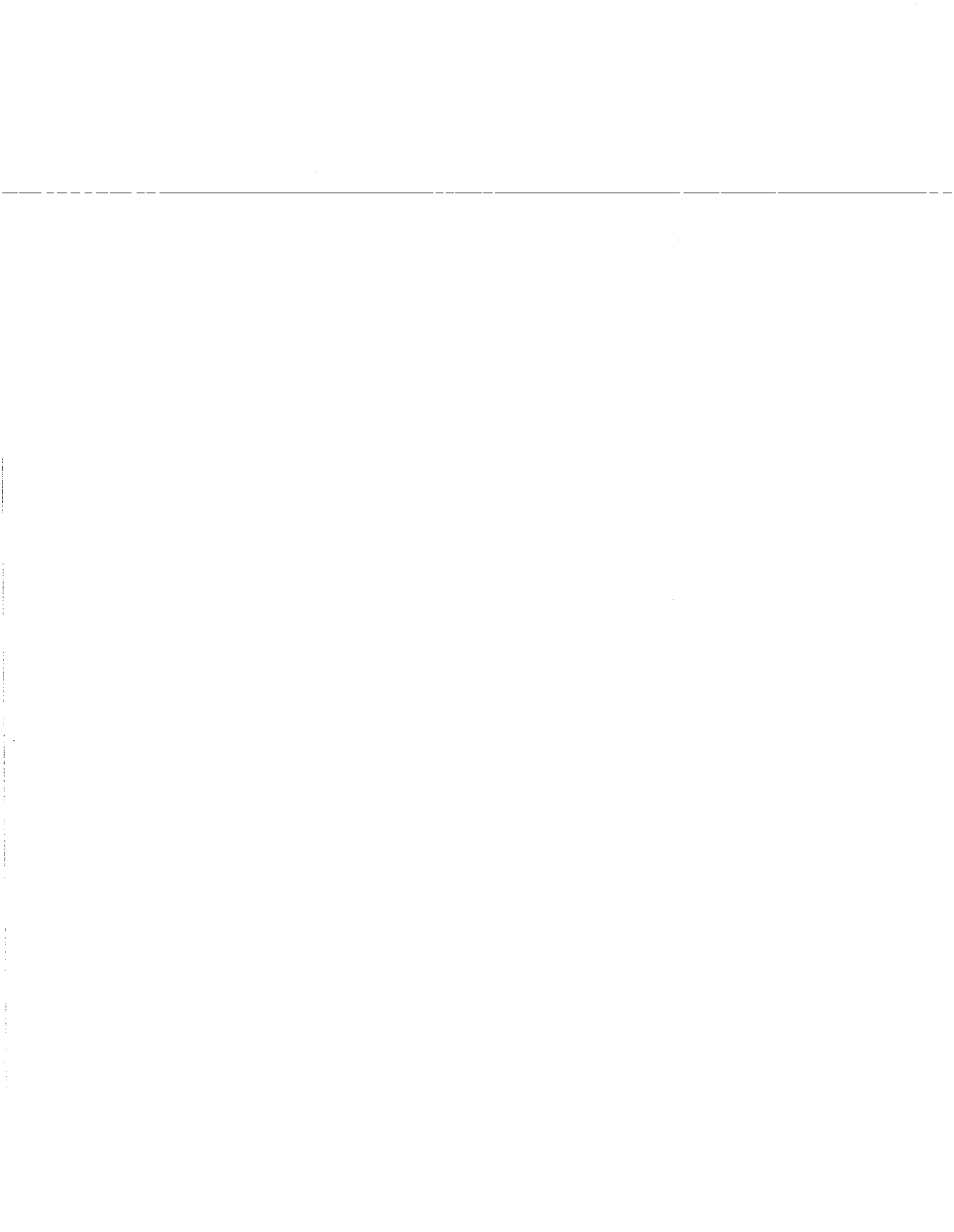
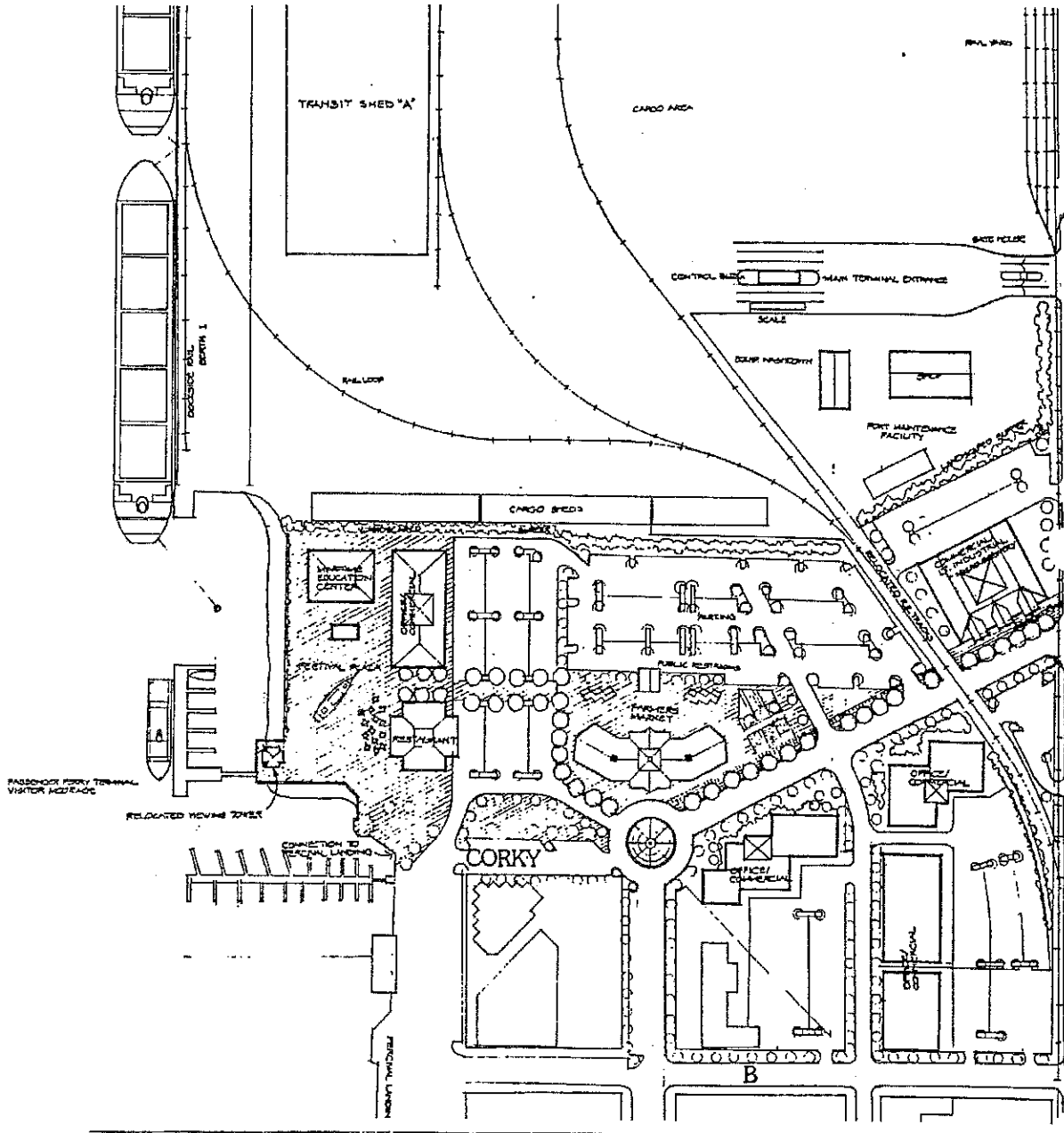


EXHIBIT "F"

Market District Drawing



Port of Olympia Comprehensive Plan -- May 1995  
Page 26

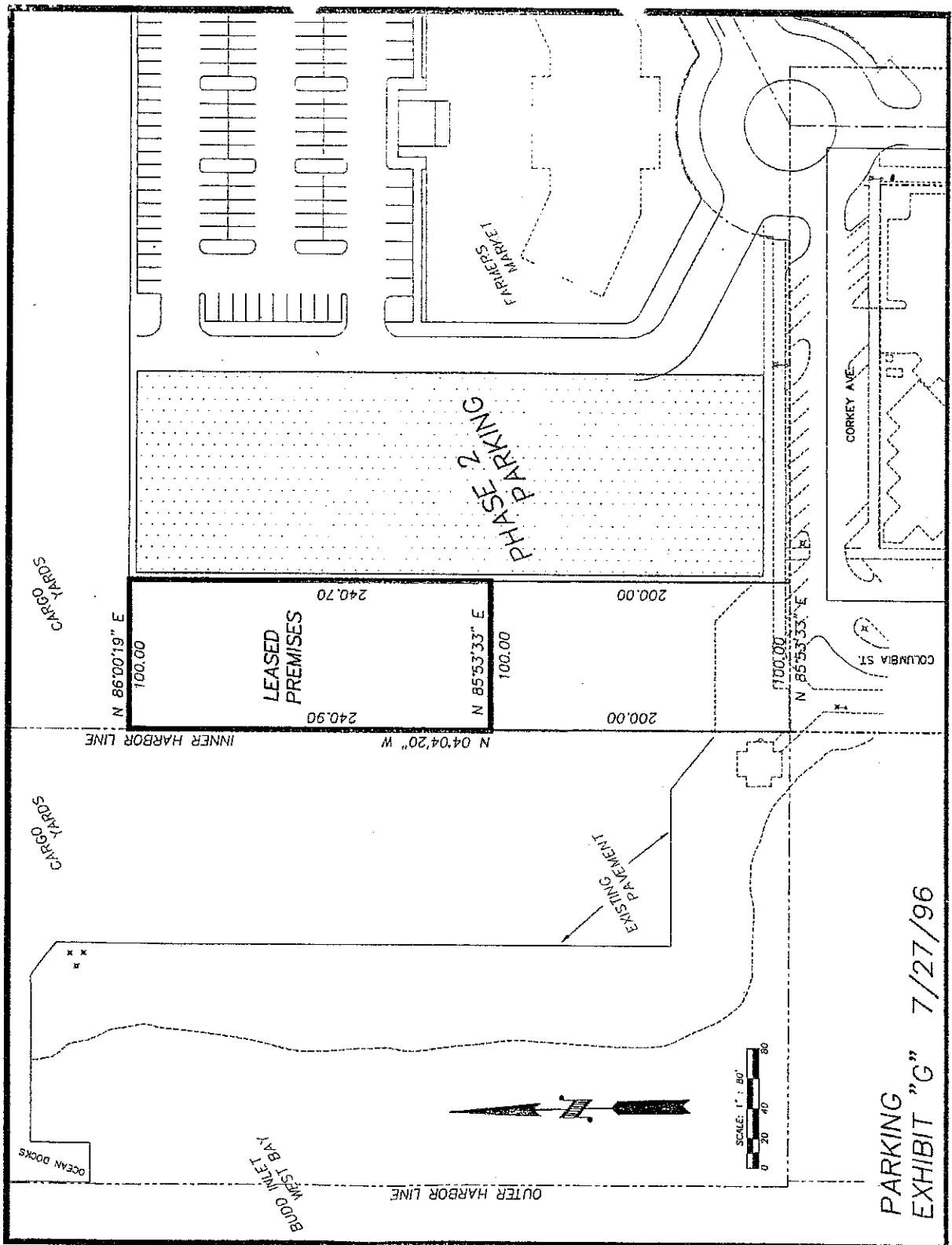


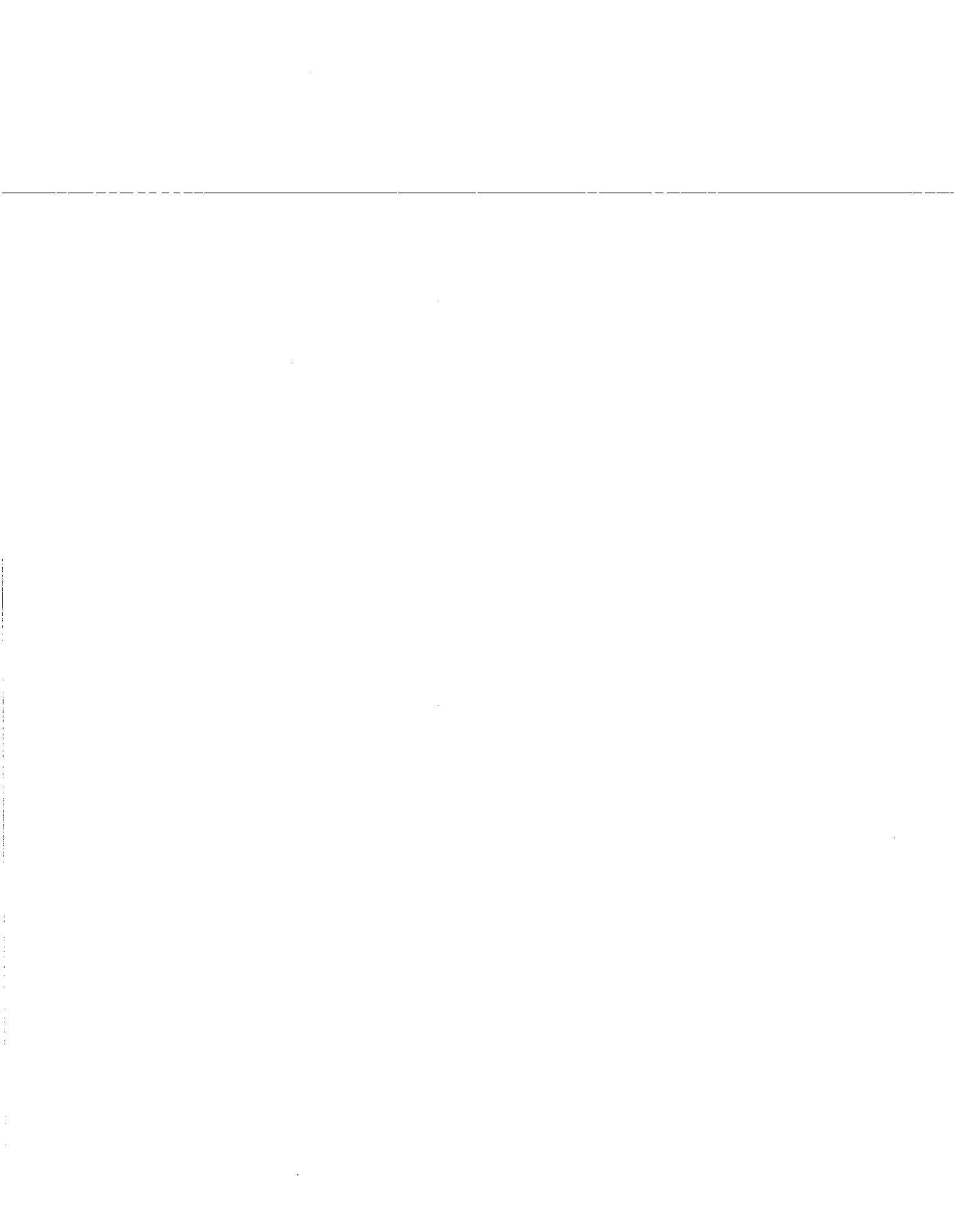
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ADDENDUM TO EXHIBIT F

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EXHIBIT H

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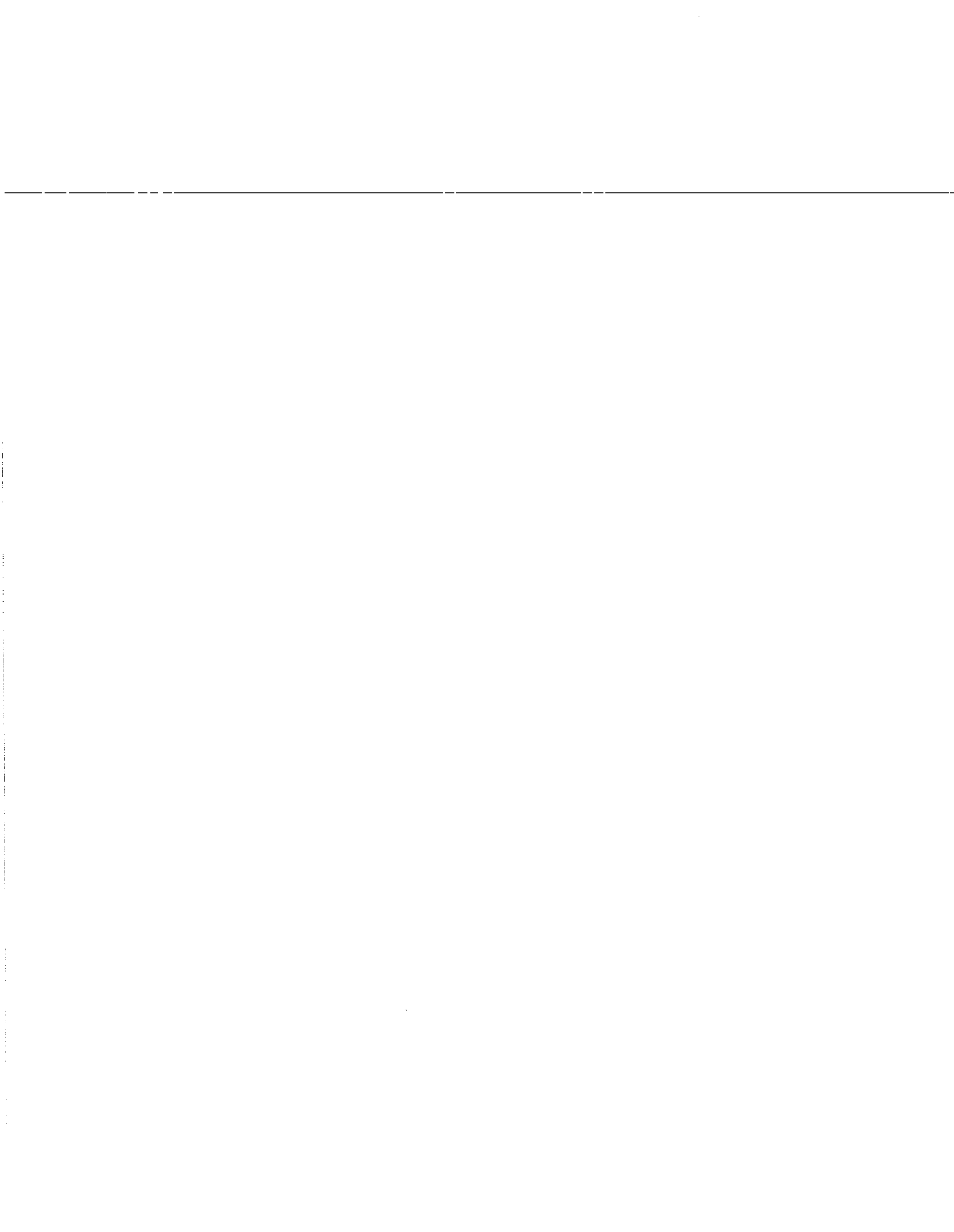
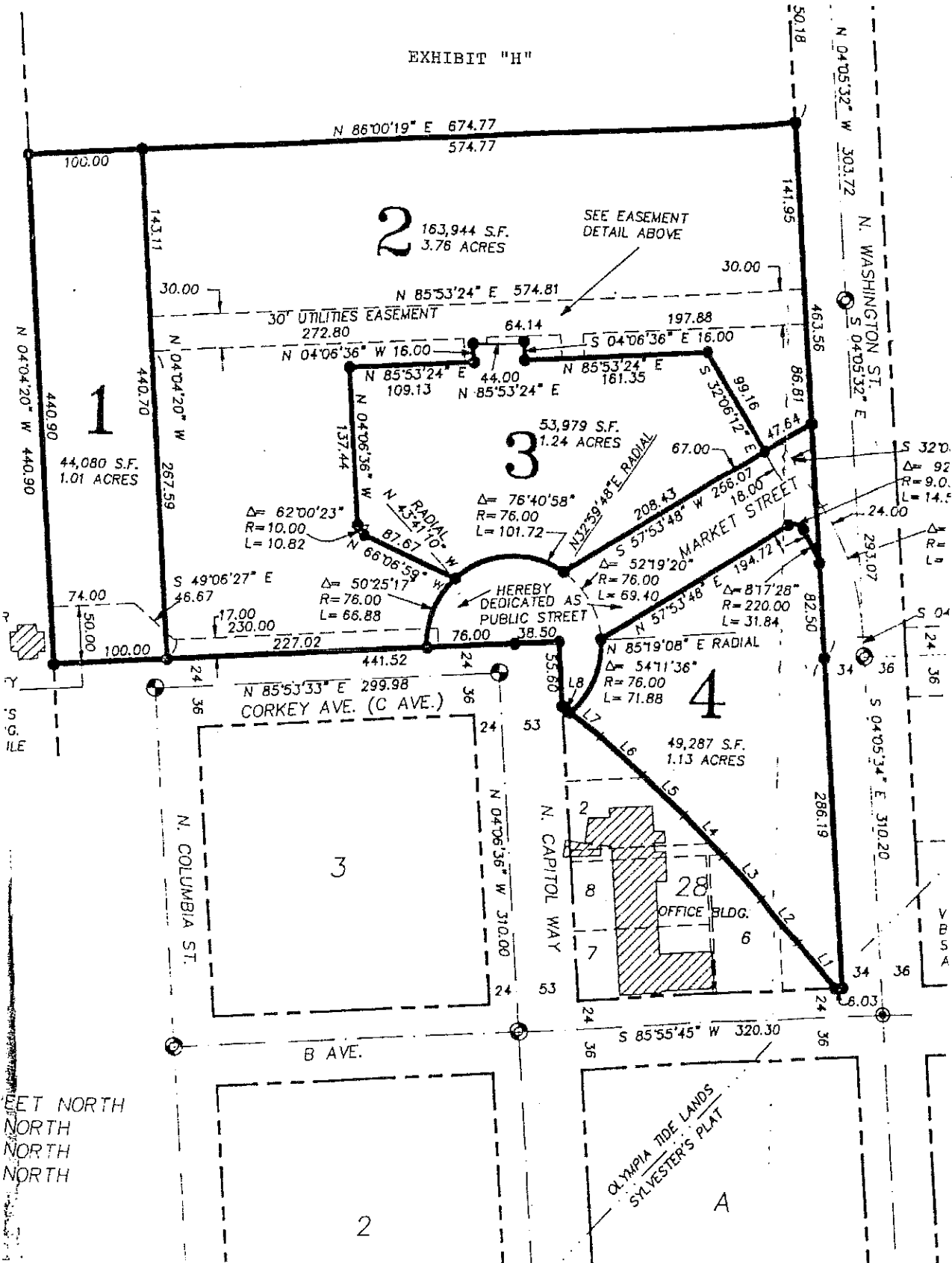
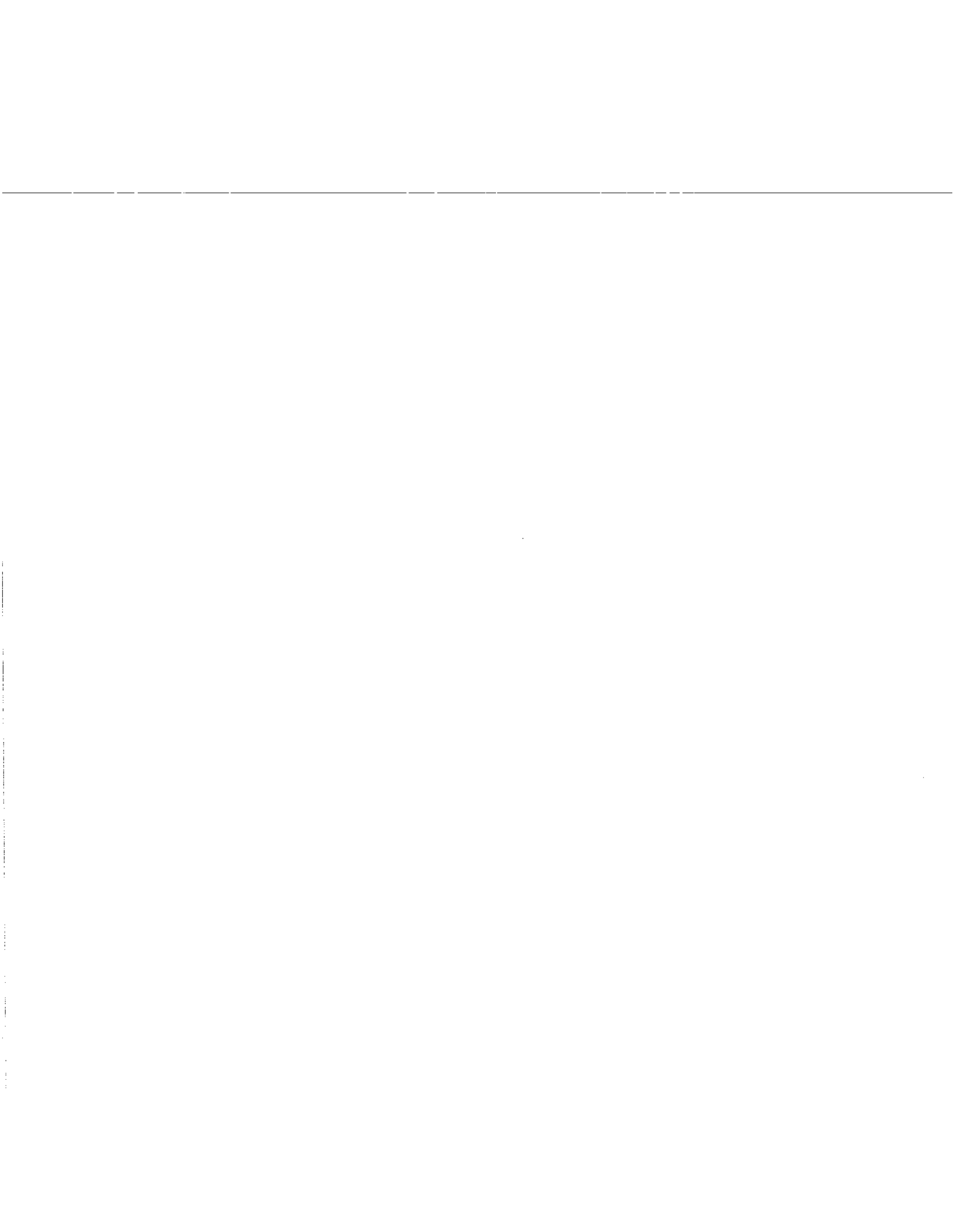


EXHIBIT "H"

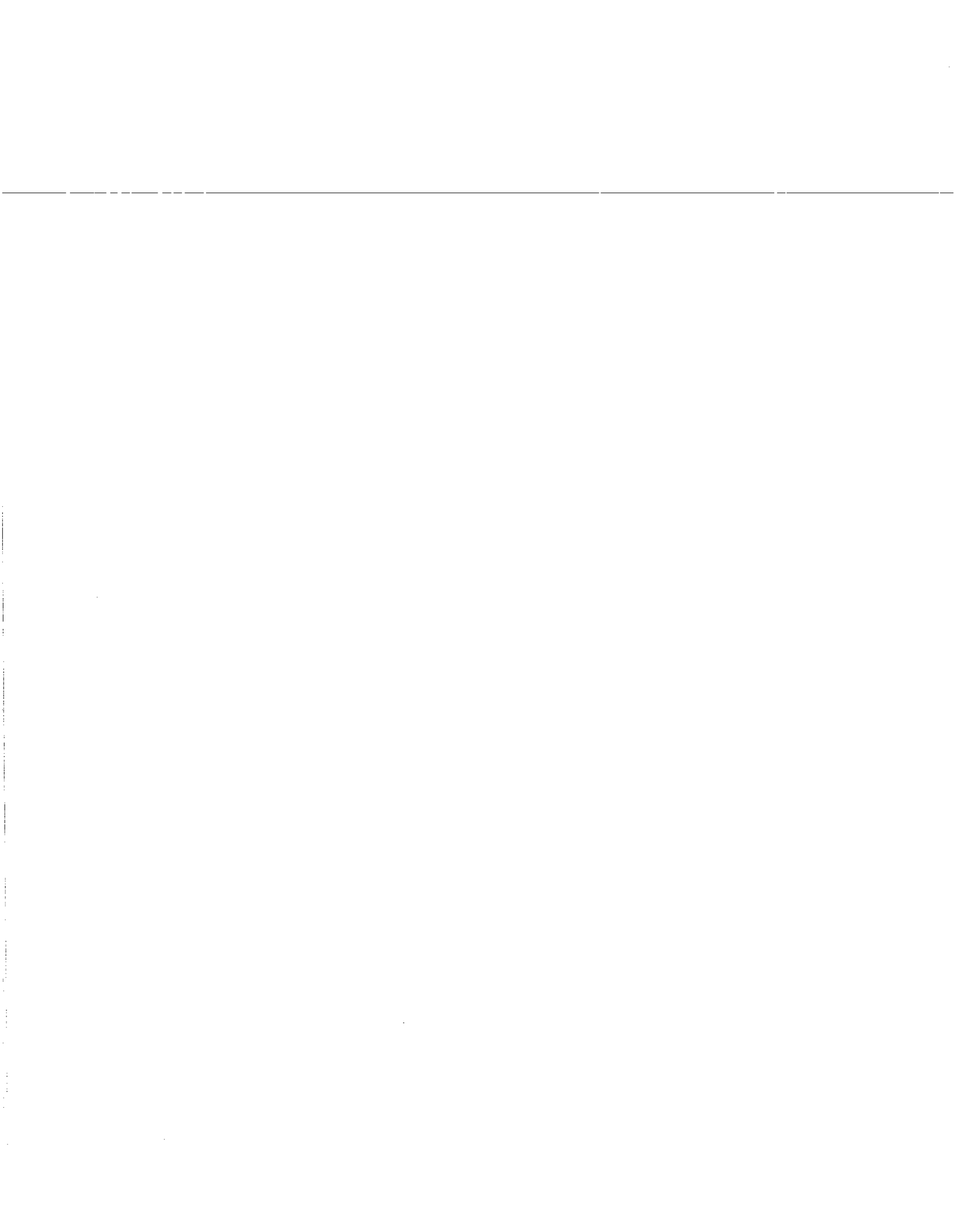


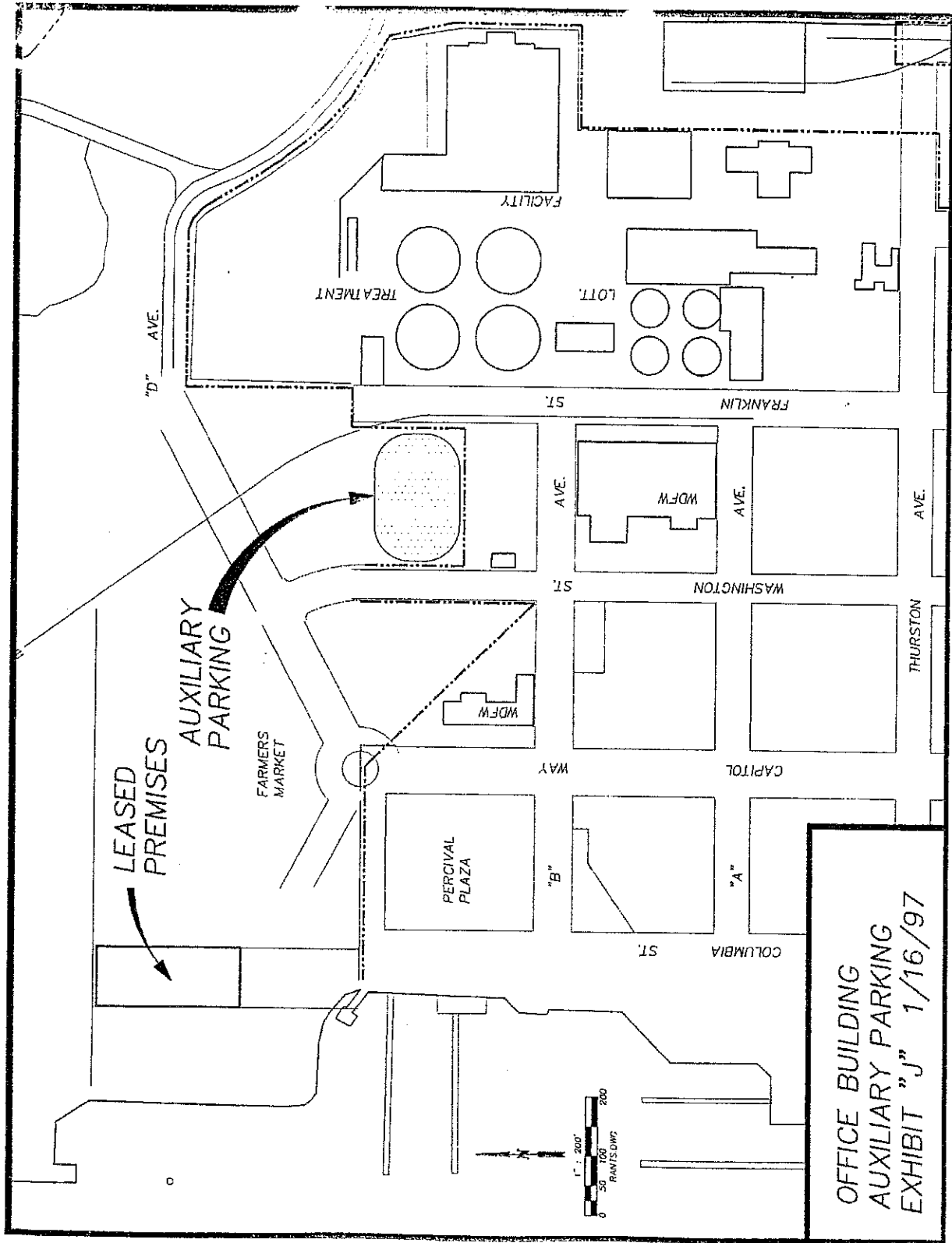


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EXHIBIT I

Page 67 of 115









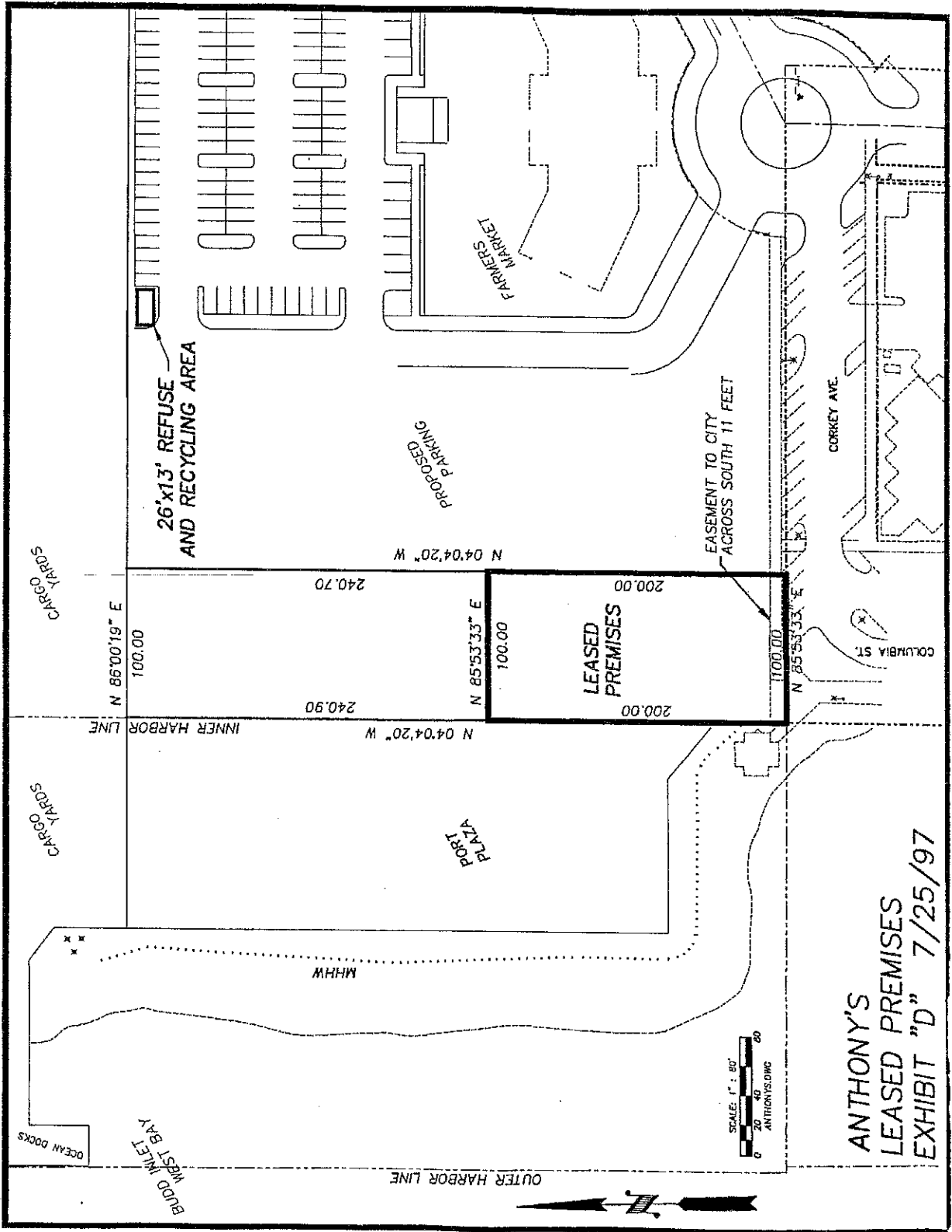
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EXHIBIT A

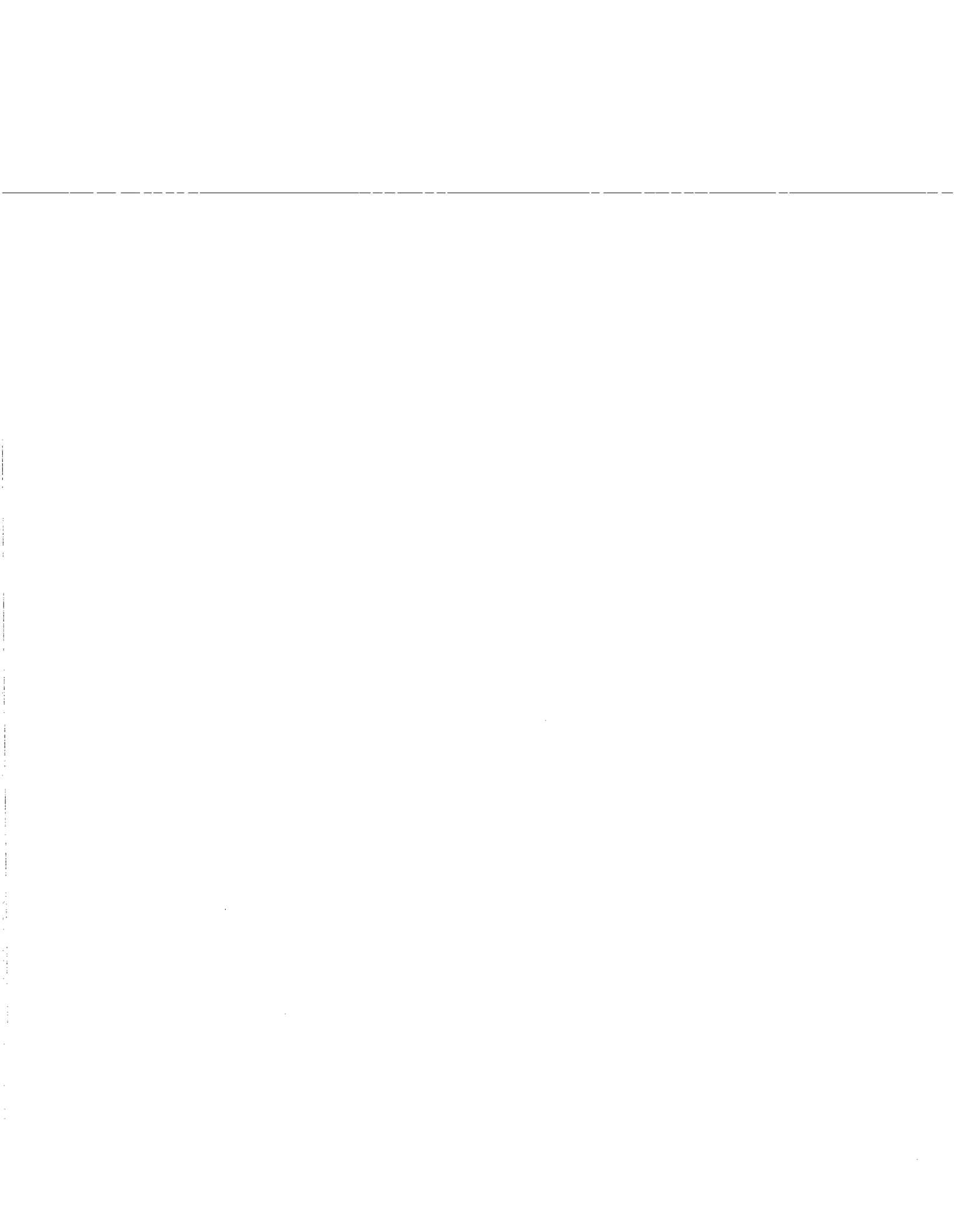
To Landlord's Consent and Agreement

Page 106 of 115





ANTHONY'S  
 LEASED PREMISES  
 EXHIBIT "D" 7/25/97



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EXHIBIT F

Page 108 of 115

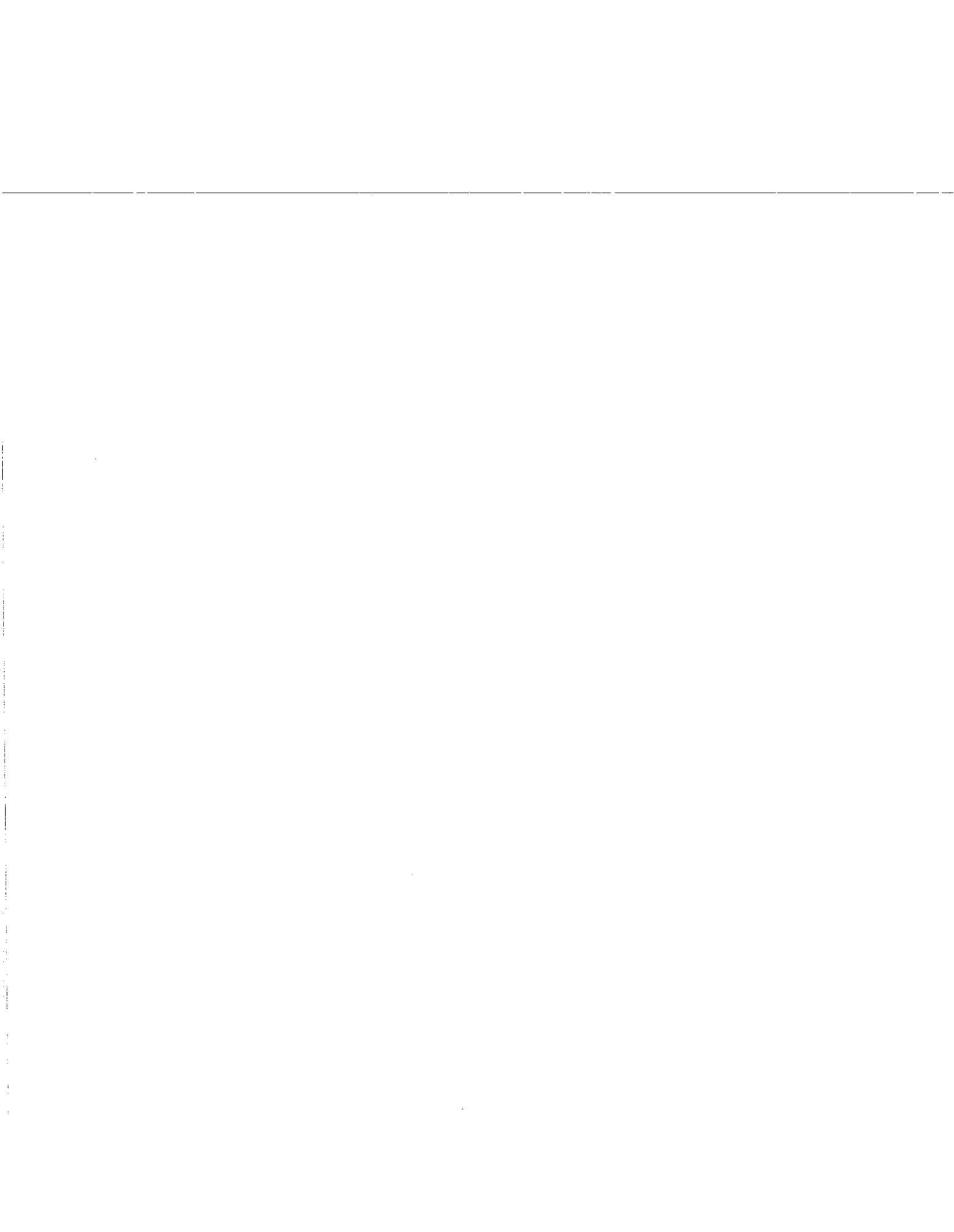
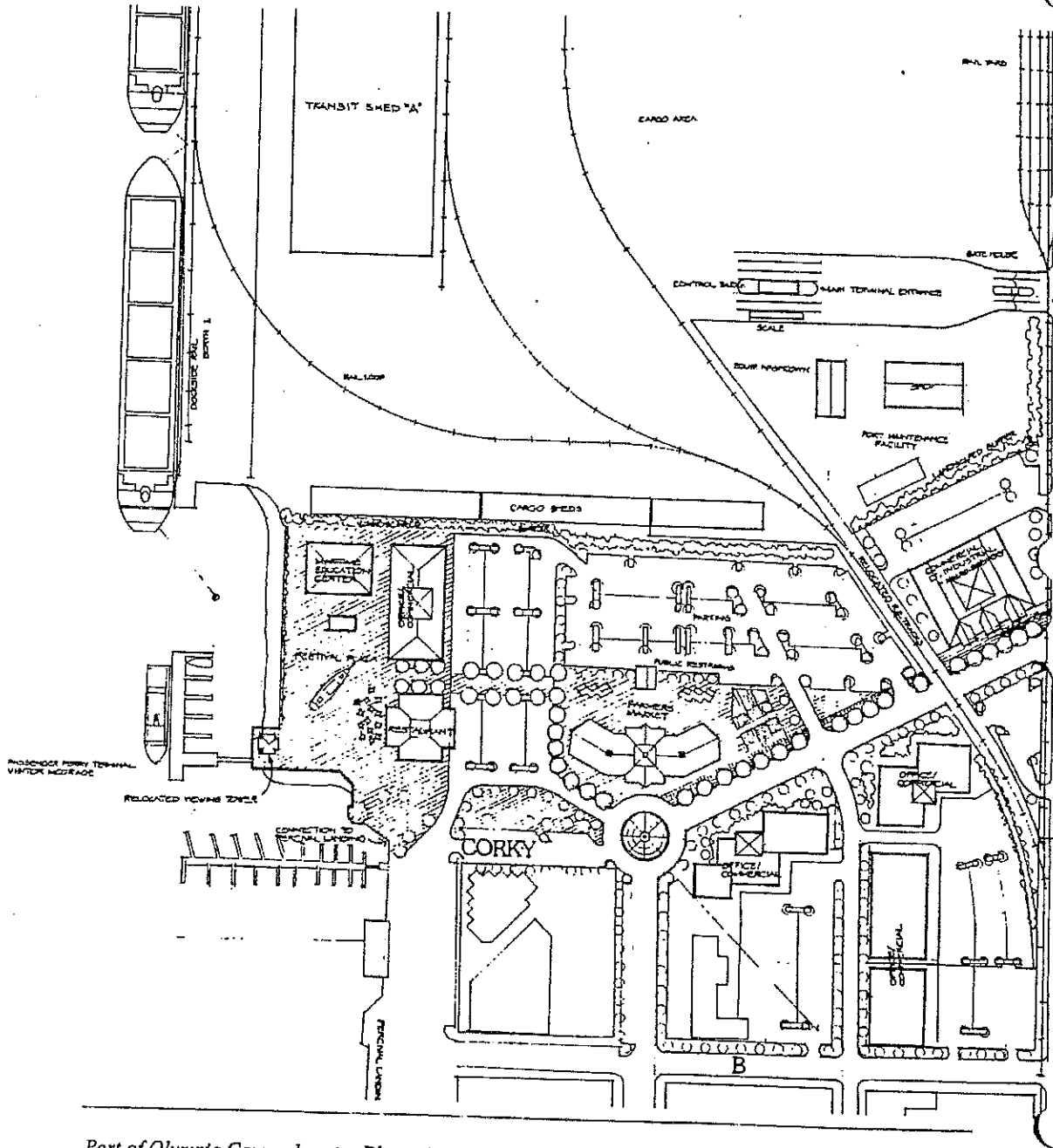
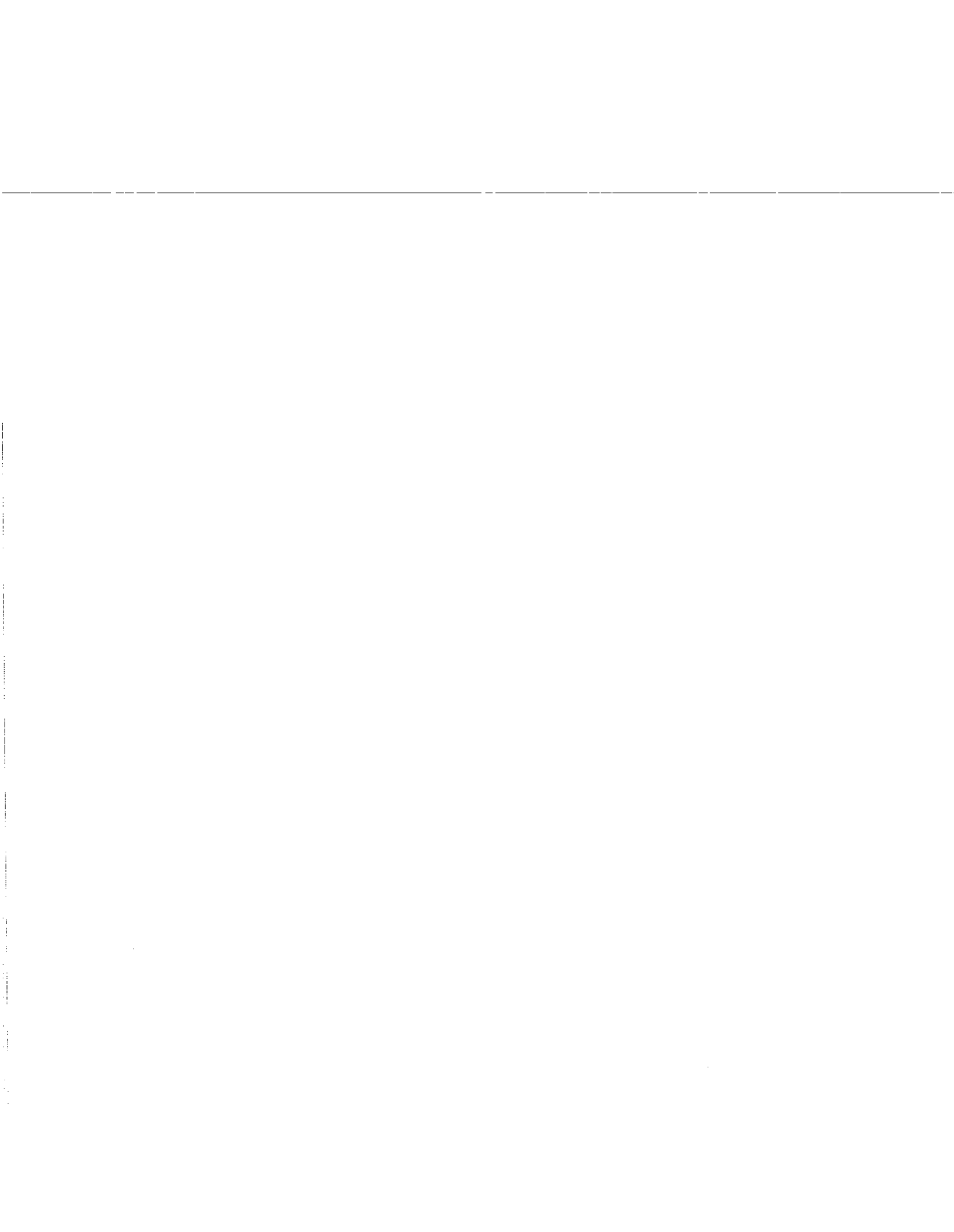


EXHIBIT "F"  
Portion of the Port's Comprehensive Plan

Market District Drawing



Port of Olympia Comprehensive Plan - May 1995  
Page 26

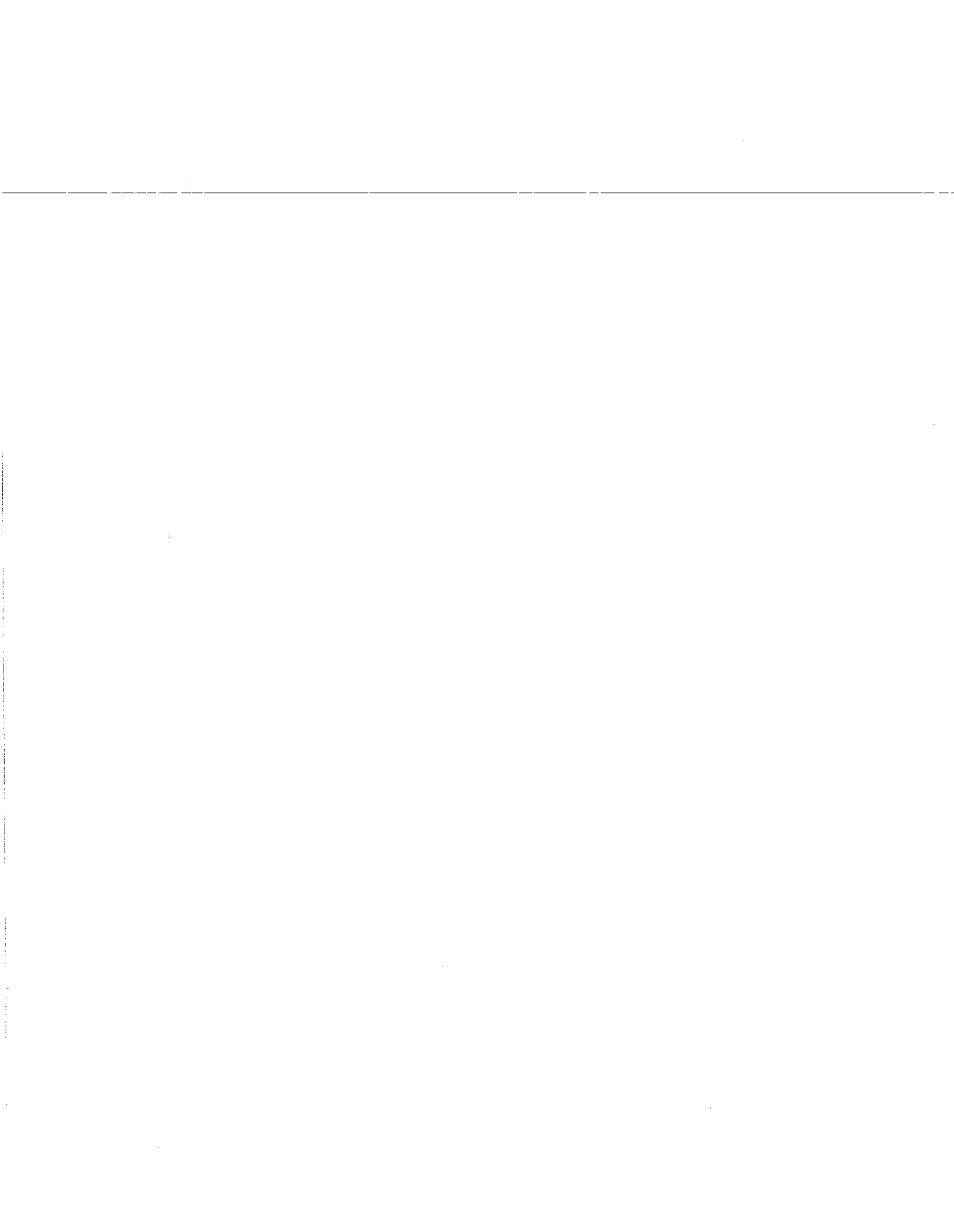


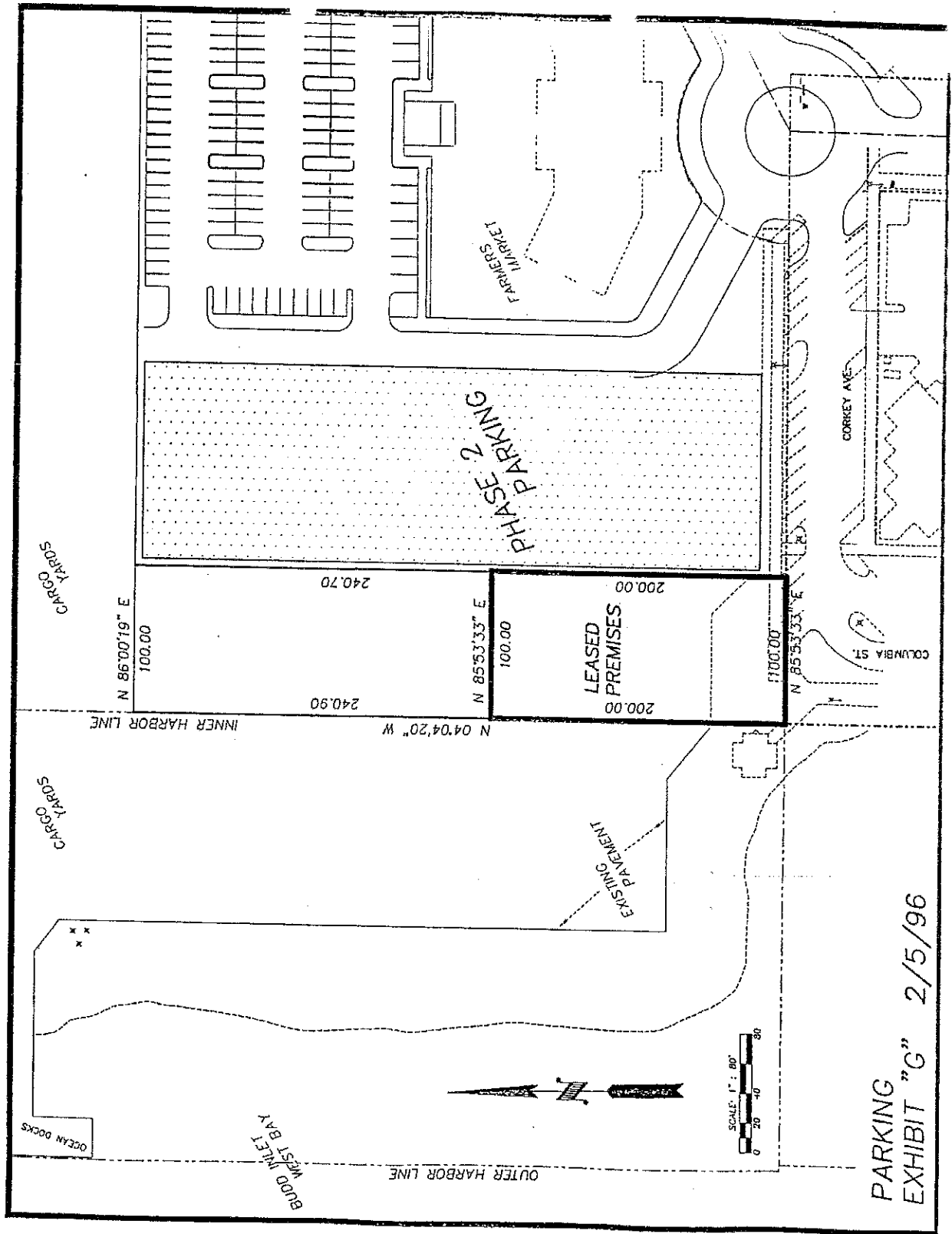


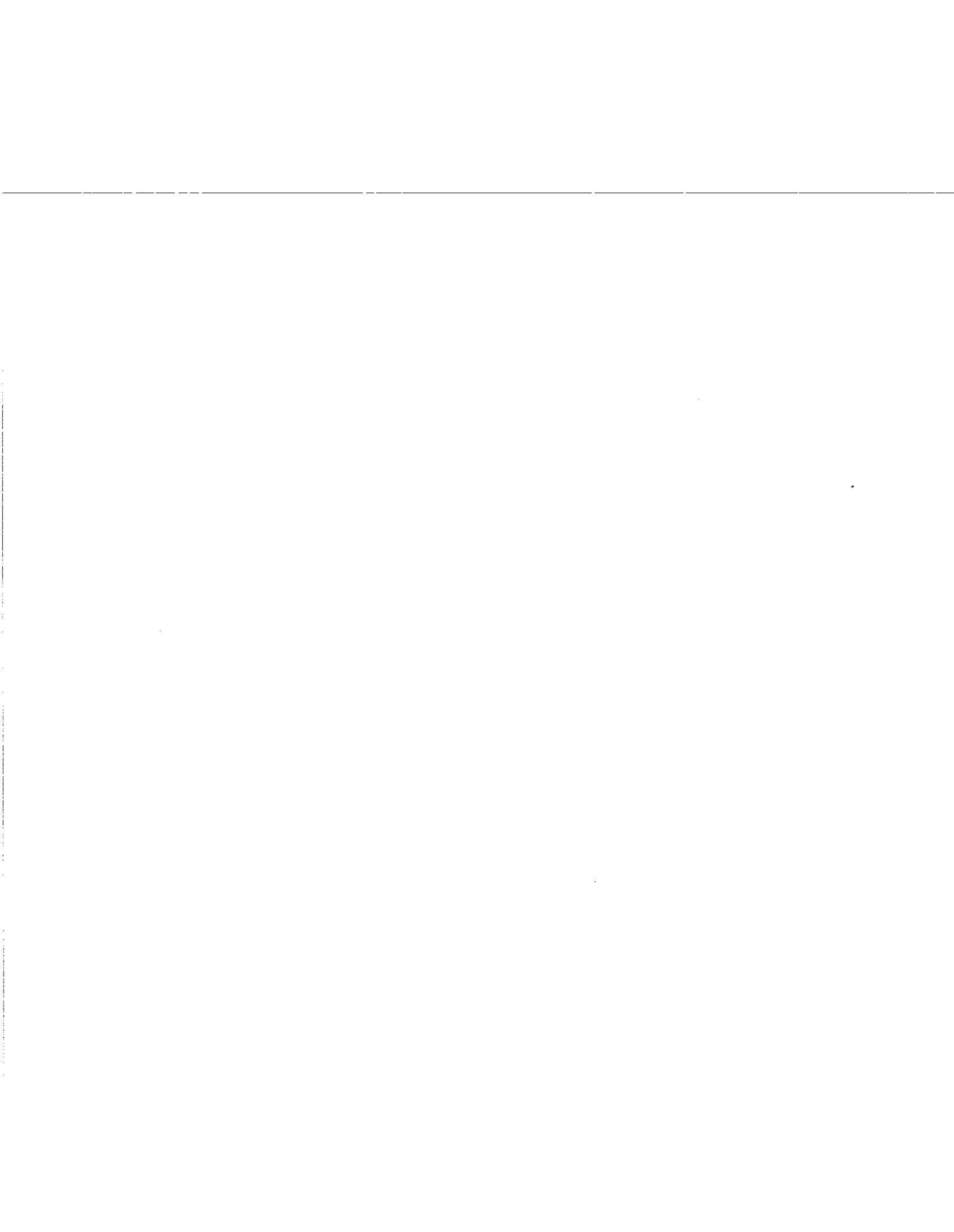
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EXHIBIT F

Page 110 of 115







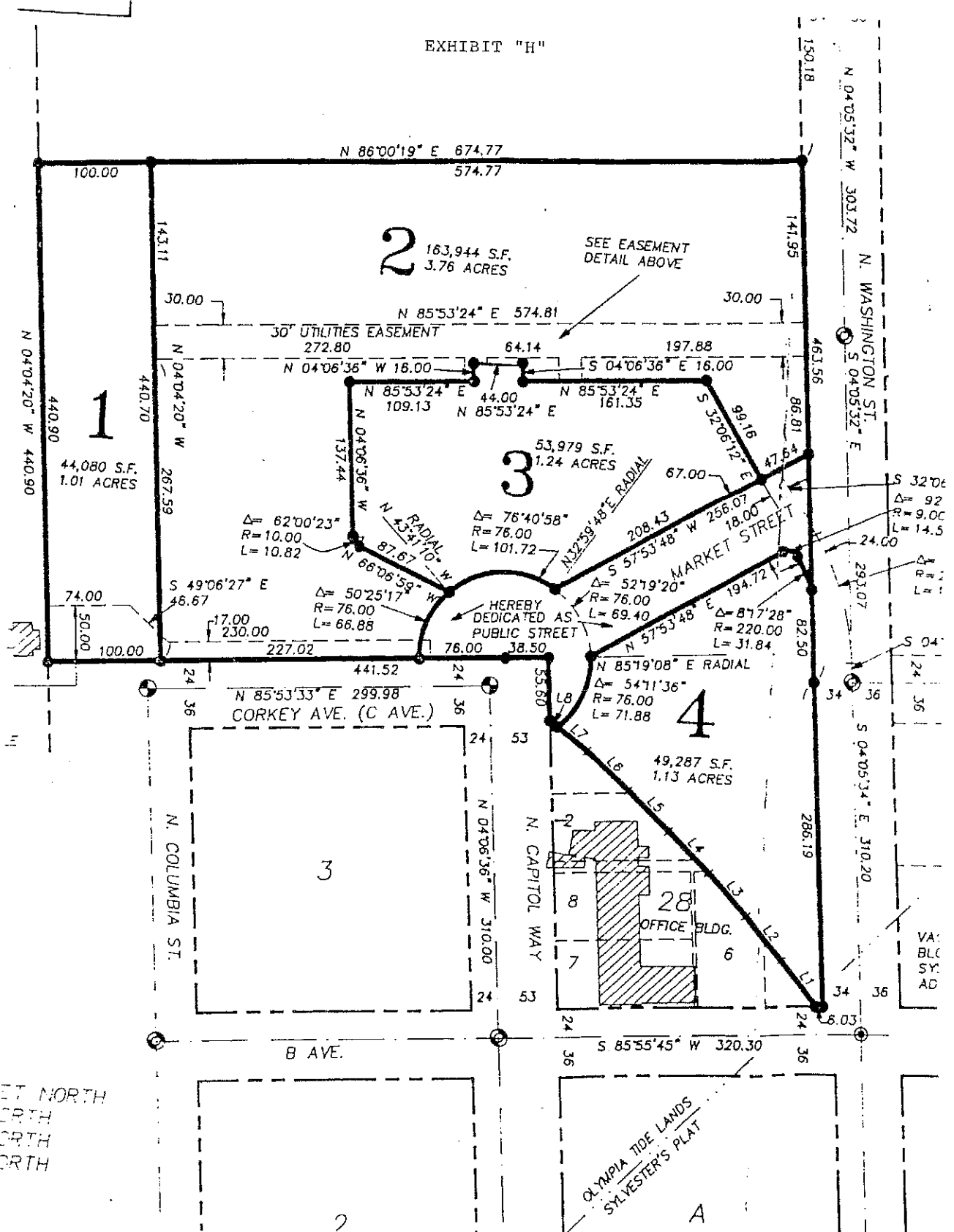
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EXHIBIT H

Page 111 of 115



EXHIBIT "H"



ET NORTH  
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## CR 2A AGREEMENT

THIS CR2A AGREEMENT (“Agreement”) is entered into on this 9<sup>th</sup> day of February, 2016, by The Port of Olympia (“Port”), a Washington Municipal Corporation, and the Washington State Department of Natural Resources, (“DNR”), a Washington State governmental agency (collectively, the “Parties”).

### I. RECITALS

- A. In 1924 the City of Olympia by Ordinance No. 1866 vacated the portion of North Columbia Street on the Port peninsula in Olympia abutting Olympia Tideland blocks 4 and 5.
- B. North Columbia Street was first platted as part of the plat of Olympia Tidelands in 1891.
- C. At the time of the street vacation in 1924, and at all other times relevant hereto, state-owned harbor area abutted on the western side of Columbia Street and first class platted tidelands abutted on the eastern side of Columbia Street.
- D. Beginning in 1903, the State of Washington began selling the first class platted tidelands on the east side of Columbia Street.
- E. The Port of Olympia as the successor to the parties who purchased Olympia Tideland blocks 4 and 5 from the State of Washington owns the filled tidelands abutting on the eastern side of the vacated portion on North Columbia Street.
- F. The State of Washington is the owner of the harbor area abutting the western side of the vacated Columbia Street.
- G. Both DNR on behalf of the State of Washington and the Port as the successor to the tideland owners abutting on North Columbia Street at the time it was vacated in 1924 claim title to the western half of vacated Columbia Street fronting blocks 4 and 5 of the Olympia Tidelands, (“the Dispute” or “Disputed Property”).
- H. The Disputed Property is currently occupied by a restaurant building and an office building under a ground lease with the Port.
- I. As part of the Dispute, DNR claims it is owed fair market value for the Port’s use of the western half of the vacated street since 1998 when the Parties signed a letter acknowledging the other’s claim to the disputed property and allowing Port development of the property to proceed.

### II. AGREEMENT

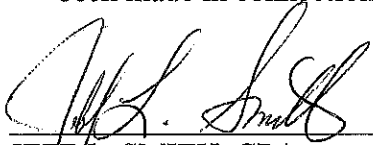
In consideration of the promises and obligations set forth below, the Parties agree as follows:

- A. **Release.** The Parties mutually completely release and forever discharge the others, their agents, employees, attorneys, insurers, and all other persons, firms, or corporations that may be liable, of and from any and all claims of any kind whatsoever which the Port or DNR now has, or may hereafter acquire, on account of, growing out of, or related to the Dispute. DNR and the Port mutually completely release and forever discharge the others, their agents, employees, attorneys, insurers, and all other persons, firms, or corporations that may be liable from any claims arising out of the Lease prior to the execution of this Agreement. This release shall

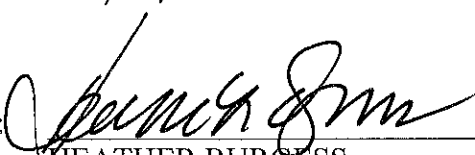
be a fully binding and complete settlement between the Parties, their assigns, and successors.

- B. Attorneys' Fees and Costs.** Each Party shall each bear its own attorneys' fees and costs related to the Dispute.
- C. No Admission.** It is understood and agreed by the Parties that this settlement is a compromise of a disputed claim, and the obligations set forth herein shall not be construed as an admission of liability on the part of the Port.
- D. Title.** The Port will issue to DNR a quit claim deed granting the Port's right title and interest, if any, to the western half of the portion of North Columbia Street fronting blocks 4 and 5 of Olympia Tidelands from the south line of Corky Avenue to the north line of vacated E Ave ("the Property").
- E. Rent.** Beginning March 22, 2016 and on a monthly basis thereafter the Port shall pay DNR per the following formula: 35 percent of the base rent (which by definition excludes any percentage rent) that the Port receives for under its leases for the Property, including the eastern half of vacated Columbia Street abutting the Property, multiplied by 85 percent. The Port shall not change the formula for setting the base rent set forth in the leases for the Property in existence at the time of this Agreement without the consent of DNR, which consent shall not be unreasonably withheld. Future leases shall determine base rent for the Property in the same manner as in the existing leases for the Property unless the Port obtains DNR's consent to change the method for computing base rent, which consent DNR shall not unreasonably withhold.
- F. No Back Rent.** The Port shall not be obligated to pay back rent for its use the Property prior to March 22, 2016.
- G. Exchange Proposal:** As soon as possible the Port shall submit the exchange proposal for the West Bay parcel to DNR for consideration. DNR shall explain in writing to the Port no later than February 17, 2016 why DNR does not believe the West Bay parcel meets the exchange criteria set forth in RCW 79.105.400 and WAC 332-30-170. DNR's written proposal may be presented to the Port Commission as support for this Agreement but may not be used for any other purpose by the Port.
- H. Amendment of PMA.** DNR and the Port agree to amend the Port's Port Management Agreement (PMA) so that the Property is within the PMA and managed by the Port.
- I. Confidentiality.** While both parties acknowledge this Agreement is subject to public disclosure both parties agree that they will not use this agreement for any purposes other than enforcing the terms of this agreement. The parties specifically agree that this agreement shall not be used as precedent for any purposes in discussions with third parties.
- J. Approval.** The Parties agree to seek and recommend approval of this agreement without reservation by the Port's Commission and the Commissioner of Public Lands. The Agreement shall be presented to the Port Commission at its February 18, 2016 Work Session and its February 22, 2016 regular meeting for final approval. The Agreement shall be presented to the Commissioner of Public Lands for approval as soon as possible but no later than February 22, 2016. If for any reason, the Port Commission or the Commissioner of Public Lands fails to approve this Agreement by February 29, 2016 this Agreement shall be null and void as if it had never been made.

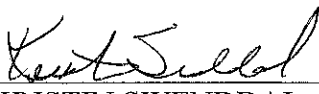
- K. Mediation Fees.** The Parties shall share equally the responsibility to pay all mediation fees billed by the mediator in this matter.
- L. Warranty of Capacity to Execute Agreement.** The Parties represent and warrant that no other person or entity has, or has had, any interest in any claims, demands, obligations, or causes of action referred to in this Agreement except as otherwise set forth in this Agreement. The Parties represent and warrant that they have not sold, assigned, transferred, conveyed, or otherwise disposed of any claims, demands, obligations, or causes of action referred to in this Agreement.
- M. Understanding of Document.** In entering into this Agreement, the Parties represent that they have read the terms of this Agreement and have relied upon the legal advice of their attorneys. The Parties represent that the terms of this Agreement have been completely explained to them by their attorneys and that the terms of this Agreement are fully understood and voluntarily accepted.
- N. Governing Law.** This Agreement shall be construed and interpreted in accordance with the laws of the State of Washington.
- O. Additional Documents.** The Parties agree to cooperate fully and execute any and all supplementary documents and to take all additional actions that may be necessary or appropriate to give full force and effect to the terms and intent of this Agreement.
- P. Entire Agreement and Successors in Interest.** This Agreement contains the entire agreement between the Parties with regard to the matters set forth herein and shall be binding upon and inure to the benefit of the executors, administrators, personal representatives, heirs, successors, and assigns of each. No promises of any kind have been made in connection with this settlement, other than as stated in this Agreement.

BY:   
 \_\_\_\_\_  
 JEFF L. SMITH, CPA  
 Finance Director & Port Auditor  
 Port of Olympia

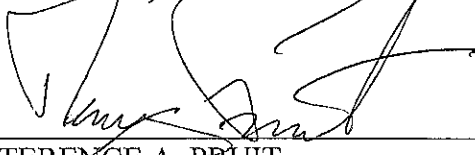
Date: 2/9/2016

BY:   
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 HEATHER BURGESS  
 Phillips Burgess PLLC  
 Attorney for the Port of Olympia

Date: 2/9/2016

BY:   
 \_\_\_\_\_  
 KRISTIN SWENDDAL  
 Aquatics Division Manager  
 Washington State Department of  
 Natural Resources

Date: Feb. 9, 2016

BY:   
 \_\_\_\_\_  
 TERENCE A. PRUIT  
 Assistant Attorney General  
 Attorney for Washington State  
 Department of Natural Resources

Date: 2/9/2016

## COVER MEMO

<b>Briefing Date/Time:</b>	July 22, 2024
<b>Staff Contact/Title:</b>	Warren Hendrickson, Director of Operations 360.528.8050, <a href="mailto:warrenh@portolympia.com">warrenh@portolympia.com</a>
<b>Subject:</b>	Comprehensive Scheme of Harbor Improvements (CSHI) Resolution 2024-07
<b>Purpose:</b>	<input type="checkbox"/> Information Only <input checked="" type="checkbox"/> Decision Needed

### **Overview:**

- Public hearing required prior to consideration of action item.
- Action item – Approval requested. There will be two motions offered:
  - Approval of an amended CSHI
  - Approval of an annual CSHI update, in concert with the annual budget approval process.
- Advisory presentation to the Commission took place on July 8, 2024.

### **Definition:**

A Comprehensive Scheme of Harbor Improvements (CSHI) is the RCW-required Port plan with two primary purposes:

1. Portray the port’s geographical boundaries, and
2. Identify the specific property/facility improvements anticipated requiring the expenditure of public funds.

### **Background:**

Three keystone documents serve as the foundation for all ports:

- Strategic plan
  - Mission statement
  - Vision statement
- CSHI
  - Required by RCW 53.20
- Annual budget

Each of these documents is formally approved by the Port Commission.

Generally, there are five components of a CSHI:

1. Map of Port lands
2. General statement of objectives
3. Description and inventory of existing/planned facilities
4. Description of planned improvements for facilities
5. Capital improvement plan and schedule

A current CSHI is not only important for public involvement and awareness, it is also required to establish eligibility for certain grant awards.

The Port's current CSHI includes the following geographical areas and subareas:

1. Budd Inlet properties
  - a. NorthPoint
  - b. Swantown
  - c. East Bay
  - d. Market District
  - e. West Bay
  - f. Marine Terminal
2. Airport and New Market Industrial Campus properties
  - a. Olympia Regional Airport
  - b. New Market Industrial Campus
  - c. Cleanwater Center
3. Lacey properties

The following revisions are included in the proposed update to the existing CSHI:

- Property removals:
  - Market District: 608 Washington property – Sold
  - Lacey properties – Sold
- Development Guidelines remain in effect
  - As adopted by the Port Commission on May 22, 2017 via Resolution 2017-04, unless in conflict with, and thereby superseded by, any portion of this amendment and Resolution 2024-07.

Additionally, per Commission direction during the July 8, 2024 Advisory presentation, the following items will also be incorporated into the amended CSHI:

- The Port’s increased focus on environmental initiatives
  - Budd Inlet remediation
  - Sea level rise
  - Habitat Conservation Plan completion
  - Energy sustainability

Recognizing that it is a best management practice to formally update the CSHI annually, the Commission will also be asked to approve – via separate motion – incorporation of an annual CSHI update with the adoption of the annual budget and tax levy each November. Since a public hearing is already required for these latter events, incorporating the CSHI update into that public hearing is a relatively simple matter, enabling a single public hearing to serve multiple objectives.

**Next Steps for the Commission:**

- When future CSHI amendments are placed before the Commission for approval, the following relevant component documents will be offered for formal incorporation into the CSHI as individual appendices:
  - Capital Investment Plan and annual capital budget
  - Airport Master Plan Update
  - Integrated Port Peninsula Master Plan
  - EIS, as amended, and/or SEPA Checklist

**Next Step for Port Staff:**

- Develop a more formal CHSI document, similar to the appearance of the Port’s Vision 2050 and Strategic Plan 2025 documents.

**Document Attached:**

- PowerPoint presentation
- Resolution 2024-07
- Amended CSHI
- 2017 Port Development Guidelines, Adopted 05-22-2017
- Affidavit of Public Notice

**Staff Recommendations:**

- Motion #1: Approve an amended CSHI by formal resolution.
- Motion #2: Adopt a process that updates the CSHI annually, in concert with the annual budget public hearing and approval process.



**PORT of OLYMPIA**  
Serving All of Thurston County

## Comprehensive Scheme of Harbor Improvements Resolution 2024-07

Warren Hendrickson  
Director of Operations  
July 22, 2024




1



## Today's Presentation

*Action Item – Approval Requested*

- Comprehensive Scheme of Harbor Improvements (CSHI) Amendment
  - Brief background review
    - Advisory presentation July 8, 2024
  - Review of changes since last amendment
  - Amendment approval by resolution
- Annual Update Best Management Practice



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## Background

### *Port Keystone Documents*

- Strategic plan
  - Mission statement
  - Vision statement
- CSHI
  - Required by RCW 53.20
- Annual budget



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## CSHI Definition

- RCW-required Port plan
  - Portrays the Port's geographical boundaries
  - Identifies the specific property/facility improvements anticipated requiring the expenditure of public funds

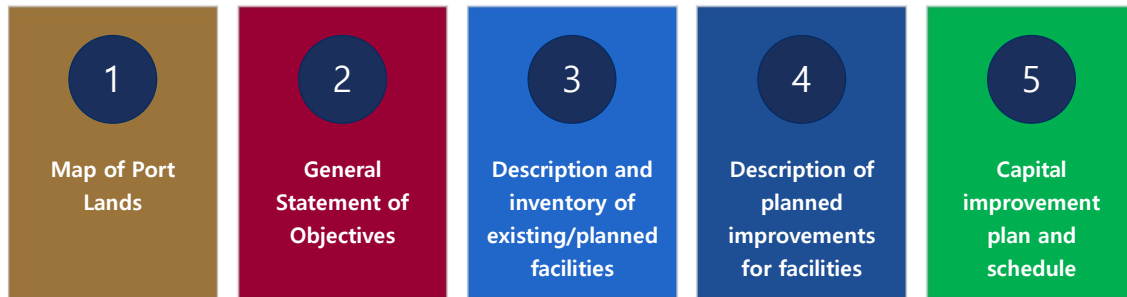


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## CSHI Contents

*Describing the Port Within the Context of the Community*



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## Port of Olympia CSHI

*Terminology Meaning*

- "Commission CSHI action"
  - Property is declared surplus to Port's needs
  - Sale is in the public interest
  - CSHI is hereby amended
  - Listed improvements are removed from the CSHI

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## Port of Olympia CSHI

### Recent Revisions

- Sale of Surplus Property
  - 608 Washington St NE, Olympia
  - "Market District"
  - Buyer: LOTT Clean Water Alliance
  - Sale price \$1,130,004.59
  - Commission CSHI action May 8, 2023
    - Resolution 2023-03
  - Sale closed July 13, 2023



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## Port of Olympia CSHI

### Recent Revisions (cont'd)

- Sale of Surplus Property
  - Commerce Business Center
  - "Lacey Properties"
  - Buyer: 2625 Willamette LLC
  - AKA 1892 Holdings, LLC
  - Sale price \$9,600,000.00
  - Commission CSHI action Dec. 11, 2023
    - Resolution 2023-12
  - Sale closed March 18, 2024



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## Port of Olympia CSHI

### *Recent Revisions (cont'd)*

- Port focus on environmental initiatives
  - Budd Inlet remediation
  - Sea level rise
  - Bush Prairie Habitat Conservation Plan
    - Joint interlocal agreement with City of Tumwater
  - Energy sustainability
- 2017 Development Guidelines are retained and remain in effect
  - Per Resolution 2017-04

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## Port of Olympia CSHI

### *Amendment Approval via Resolution 2024-07*

- Supersedes Resolution 2017-04 of May 8, 2017
- Amended by Resolutions 2023-03 and 2023-12
- Public notice requirement per RCW 53.20.020 has been met
  - The Olympian: July 11, 2024
- Development Guidelines of Resolution 2017-04 are retained
- Public hearing requirement per RCW 53.20.020 has been met
- Commission amends the Comprehensive Scheme of Harbor Improvements

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## Next Steps

### *Public Hearing Process, Action Item Next on Agenda*

- Public hearing continuation
  - Public testimony
  - Close public hearing
  - Public hearing concluding remarks
- Action item – two separate and independent motions:
  - Resolution 2024-07
    - Revision of CSHI contents, as presented
  - Approval of annual update

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## Next Steps

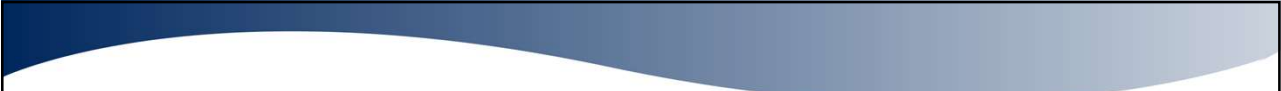
### *Commission, Port Staff Follow-Up*

- Commission: During future CSHI updates, consider the following relevant component documents for formal incorporation into the CSHI as individual appendices:
  - Capital Investment Plan and Annual Capital Budget
  - Airport Master Plan Update
  - Integrated Port Peninsula Master Plan
  - EIS, as amended, and/or SEPA Checklist
- Port staff follow-up: Development of formal CHSI document
  - Examples: Vision 2050, Strategic Plan 2025

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# Commission Questions and Comments

13



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# Public Comment

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## Agenda Action Item

### *Suggested Motion #1 of 2 – Motions are Independent Actions*

*"...move to adopt Resolution 2024-07, amending the Port of Olympia Comprehensive Scheme of Harbor Improvements, as presented."*

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## Agenda Action Item

### *Suggested Motion #2 of 2 – Motions are Independent Actions*

*"...move to adopt a plan to amend the Port of Olympia Comprehensive Scheme of Harbor Improvements on annual basis, in concert with the annual budget public hearing and approval process each November."*

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**PORT OF OLYMPIA COMMISSION  
RESOLUTION 2024-07**

**A RESOLUTION of the Port Commission of the Port of Olympia, Washington,  
amending the Port’s Comprehensive Scheme of Harbor Improvements, as  
provided by RCW 53.20.020, and repealing and superseding Resolution 2017-04.**

DECLARATIONS:

**WHEREAS**, the Port of Olympia’s Comprehensive Scheme of Harbor Improvements, was last amended in its entirety by the Port Commission at a regular meeting thereof held on May 22, 2017, via the adoption of Resolution 2017-04; and

**WHEREAS**, the Port of Olympia’s Development Guidelines, as adopted by the Port Commission at a regular meeting thereof held on May 22, 2017 as an accompanying document to the amended Comprehensive Scheme of Harbor Improvements via the adoption of Resolution 2017-04, shall remain in full force and effect except any specific portion that may be in conflict with, and thereby superseded by, this resolution; and

**WHEREAS**, the Port of Olympia’s Comprehensive Scheme of Harbor Improvements, was further amended for the declaration of surplus property and removal (tax parcel number 78509600000 – described as 608 Washington Street NE, Olympia, WA 98506, and all improvements located on the parcel, including one (1) 850.5 square foot building) by the Port Commission at a regular meeting thereof held on May 8, 2023, via the adoption of Resolution 2023-03; and

**WHEREAS**, the Port of Olympia’s Comprehensive Scheme of Harbor Improvements, was further amended for the declaration of surplus property and removal (tax parcel numbers 4204-00-00100, 4204-00-00200, and 4204-00-00300 – described as 2641 Willamette Dr NE, 2633 Willamette Dr. NE, and 2625 Willamette Dr. NE respectively, all in Lacey, Washington, and all improvements located on the parcels, including three buildings) by the Port Commission at a regular meeting thereof held on December 11, 2023, via the adoption of Resolution 2023-12; and

**WHEREAS**, a public notice was published in *The Olympian*, a newspaper of general circulation in Thurston County, on July 11, 2024 proclaiming the availability to the public at the Port office of a copy of the proposed amended Comprehensive Scheme of Harbor Improvements, and announcing a public hearing on the proposed amendments to the Comprehensive Scheme of Harbor Improvements on July 22, 2024, all in accordance with RCW 53.20.020; and

**WHEREAS**, the Port Commission held a public hearing on July 22, 2024 at 10:00 A.M., at Percival Plaza, 626 Columbia Street NW, Suite 1-B, Olympia, Washington after public notice prior to the public hearing was published in *The Olympian*, a newspaper of general circulation in Thurston County; and the Port Commission heard from all persons desiring to be heard on the matter of amending the Comprehensive Scheme of Harbor Improvements, all in accordance with RCW 53.20.020;

**NOW, THEREFORE, IT IS RESOLVED** that the Port of Olympia Commission amends the Comprehensive Scheme of Harbor Improvements, appended hereto as part of this Resolution.

This Resolution shall become effective immediately upon its adoption.

**ADOPTED** by a majority of the members of the Port of Olympia Commission, a majority being present and voting on this Resolution at a regular Commission meeting on July 22, 2024, as attested to by the signatures below of the Commissioners physically present this 22<sup>nd</sup> day of July, 2024.

PORT OF OLYMPIA COMMISSION

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Bob Iyall, President

---

Jasmine Vasavada, Vice-President

---

Sarah Tonge, Secretary

---

Amy Harding

---

Maggie Sanders





# **PORT of OLYMPIA**

## **Comprehensive Scheme of Harbor Improvements**

**Commission Approval Date: July 22, 2024**

- Section 1: Introduction**
- Section 2: Budd Inlet Properties**
- Section 3: Airport/NewMarket Industrial Campus Properties**
- Section 4: Port Environmental Initiatives**

## Section 1: Introduction

The Port of Olympia’s mission: “...creating economic opportunities and building community for all of Thurston County through responsible resource use...” was adopted by the Port Commission when it approved its Strategic Plan 2025. The Port has a proud history in Thurston County. It serves the community in a wide variety of ways, leading the way for many of the area’s economic development efforts.

From its available undeveloped land, to its diversified specialty Marine Terminal, to its vibrant Swantown Marina and Boatworks, to the strategically located Olympia Regional Airport and its commercial center at NewMarket Industrial Campus, the Port of Olympia is committed to fostering economic growth, connecting Thurston County to the world, providing multiple public amenities, and serving as a model of environmental sustainability for the entire South Puget Sound region

The Port promotes economic development in Thurston County through its business operations and economic development tools, including its four-county foreign trade zone; land and infrastructure improvements are provided to encourage business development. The Marine Terminal connects the worldwide supply chain with regional industry. Our partnership with the City of Olympia through the Olympia Farmers Market fosters tourism. Areas such as the Billy Frank Jr. Waterfront Trail and the Port Plaza are earmarked for recreation and public access. Environmental protection is the connective tissue that lies at the heart of all Port economic development efforts.

### *Port of Olympia Planning Document History*

The Port of Olympia has developed and improved facilities over time based on an extensive long-range planning effort conducted in 1994-95, labeled as the Port of Olympia Comprehensive Plan. The term “comprehensive plan,” however, became the preferred choice for those plans required of cities and counties which fall under the State of Washington’s 1990 Growth Management Act (GMA), codified as RCW 36.70A. Ports, on the other hand, do not exercise land use authority as do cities and counties under the GMA. Rather, Ports are subject to the planning requirements and the adopted comprehensive plans of the city and/or county within which the respective Port operates.

Instead of mirroring city/county comprehensive plans with their RCW 36.70A GMA connotations, Ports are required to comply with RCW 53.20.010, which requires a Comprehensive Scheme of Harbor Improvements (CSHI). Under Washington law, the Port's series of planning and budget documents, including its Comprehensive Scheme and its Strategic Plan, satisfies this statutory requirement.

The Port nonetheless continued use of the term "comprehensive plan" until late 2011; the evolution timeline follows. The Port of Olympia Comprehensive Plan was revised in 2003. In 2007, the Port extracted and revised Chapter 3 of the 2003 Comprehensive Plan entitled "Land Use Plans," and subsequently named this new document "Port Development Guidelines" with an effective date of August 11, 2008. These guidelines, when compared to its 2003 version, incorporated a small number of minor changes, primarily name changes. As part of this work, the Port conducted a State Environmental Policy Act (SEPA) review, with the result that the Port, on August 5, 2008, issued an addendum to the original Final Environmental Impact Statement (FEIS) of February 7, 1994. The Port's SEPA Responsible Official determined that the 2008 update to the Port's land use plans did not substantially change the analysis of impacts in the existing environmental documents for this project (WAC 197-11-706), and that the changes were within the scope and magnitude of impacts detailed in the original 1994 FEIS and a previous December 23, 1994 addendum.

It was at that time the Port undertook the process of reorganizing the Port's planning documents for clarity and for reducing the potential of public confusion brought about by the planning document's title of "Comprehensive Plan." The Port's SEPA Responsible Official determined that this reorganization is categorically exempt pursuant to WAC 197-11-800(14)(h) "All agency organization, reorganization, internal operational planning or coordination of plans or functions."

The Port Commission adopted a Comprehensive Scheme of Harbor Improvements, formally replacing the Port of Olympia Comprehensive Plan on November 28, 2011. That same year, the Port made additional and minor and administrative changes to its Development Guidelines. These changes included district name changes, consolidation of three districts into one, and the movement of one boundary line approximately 100 yards.

The Port adopted further amendments to its CSHI on:

- November 25, 2013, and
- November 24, 2014.

In 2016, the Port undertook the process of again reorganizing the information contained in the CSHI to enhance clarity and facilitate deeper public understanding of the activities being contemplated by the Port. Concurrent with this reorganization, the Port made minor and administrative changes to the Development Guidelines. These changes were intended to ensure consistency among both primary planning documents in both content and format. These changes necessitated an additional Final Environmental Impact Statement (FEIS) addendum in August 2016. The Port's SEPA Responsible Official again determined that the updates to the planning documents did not substantially change the analysis of the impacts in the existing environmental documents (WAC 197-11-706), and that the changes were within the scope and magnitude of impacts detailed in the FEIS and previous addenda.

On May 22, 2017, the Port of Olympia adopted its most recent CSHI, including two separate, yet closely related, planning documents:

- Comprehensive Scheme of Harbor Improvements. This document includes maps of Port properties, depicting the Port's Use Districts (as described further in the Port's Development Guidelines), as well as a general description of anticipated future projects.
- Development Guidelines. The Development Guidelines provide detailed information on existing properties and long-range plans for development within the Port's Use Districts. The Port Development Guidelines contain the intended uses, design standards, and other information for all properties shown in its Budd Inlet Properties and its Airport/NewMarket Industrial Campus Properties, Figures One and Two below respectively.

## *Port of Olympia 2024 CSHI Amendment*

This 2024 CSHI amendment maintains the planning document convention of the 2017 CSHI amendment. Namely, its two primary components are the:

- CSHI document, and the
- Development Guidelines document. The 2017 Development Guidelines remain in full force and effect, except for those specific portions that conflict with, and are superseded by, the amended CSHI document.

The amended 2024 CSHI includes the following changes:

- Removal of Market District tax parcel 78509600000, described as 608 Washington Street NE, Olympia, WA 98506, and all improvements located on the parcel, including one (1) 850.5 square foot building.
- Removal of the Lacey Properties, tax parcel numbers 4204-00-00100, 4204-00-00200, and 4204-00-00300 – described as 2641 Willamette Dr NE, 2633 Willamette Dr. NE, and 2625 Willamette Dr. NE respectively, all in Lacey Washington, and all improvements located on the parcels, including three buildings.
- The addition of a new Section 4: Port Environmental Initiatives
  - Budd Inlet remediation
  - Sea level rise
  - Habitat Conservation Plan completion
  - Energy sustainability

This new section will highlight the Port's increasing focus on environmental stewardship.

Separate from the CSHI, the Port also maintains a Capital Investment Plan (CIP). The CIP is a complement to the CSHI and identifies projects that are ready to proceed on an annual basis. Consistent with RCW 53.20.010, all projects included in the annually updated CIP must be contemplated in the CSHI and must undergo the associated environmental review prior to initiation.

Other related Port planning documents include:

- Five-Year Strategic Plan, currently Strategic Plan 2025
- Airport Master Plan Update, most recently dated 2013 and now under revision
- Other Port master planning documents

- FEIS and associated addenda, including SEPA checklists

While each such document is an entity unto itself, taken together they create a far more significant and far more detailed Comprehensive Scheme of Harbor Improvements. When future CSHI amendments are placed before the Commission for approval, the following relevant component documents will be offered for formal incorporation into the CSHI as a complete library of individual appendices:

- Development Guidelines
- Capital Investment Plan, including the annual capital budget
- Airport Master Plan Update, expected by late 2024
- Integrated Port Peninsula Master Plan, expected in 2025
- Final Environmental Impact Statement, as amended, and/or SEPA Checklist(s)

All Port of Olympia planning documents are available on the Port's public website.

## Section 2. Budd Inlet Properties

The Port of Olympia properties in and around Budd Inlet include the properties shown in Figure One at the end of this section:

- NorthPoint District
- NorthPoint (Tidelands)
- Swantown Marina
- Swantown Boatworks
- East Bay District
- Market District
- Marine Terminal District, and
- West Bay (Tidelands).

**NorthPoint** is the tip of the Port peninsula with expansive views of Puget Sound's Budd Inlet and the Olympic Mountains. It is currently home to Anthony's Hearthfire Grill and the KGY AM-FM radio station. The Billy Frank Jr. Waterfront Trail provides public access to the shoreline, including historical signage displays of Budd Inlet's Native American heritage. The Port of Olympia and the Washington State Department of Ecology have worked to return this former industrial site back to beneficial use through extensive remediation efforts on the former Cascade Pole site.

Adjacent to the award-winning marina, the **Swantown District** offers development opportunities for marine-related office, retail, and services to support the boating industry. The vision for the district is a cluster of marine-related activities highlighted by the Port's Swantown Marina and Boatworks operations. Development opportunities include a marine village for multiple marine retail and service providers. The district provides public access to the waterfront with the Billy Frank Jr. Waterfront Trail and several pocket parks.

Located on downtown Olympia's waterfront, **East Bay** is a redeveloping and revitalizing area that formerly served industrial uses. It is home to the Hands On Children's Museum, the East Bay Public Plaza, the LOTT Clean Water Alliance and Water Education Center, and Urban Olympia development that brings office, commercial, retail, mixed-use and limited residential uses. These developments are a result of the public-public partnership between the Port of

Olympia, City of Olympia, LOTT Clean Water Alliance, Hands On Children’s Museum, and a close working relationship with the Washington Department of Ecology. The East Bay District totals 13.3 acres, of which approximately 4.21 acres remain available to be developed. East Bay is a pedestrian-friendly center focusing on mixed-use development for office, commercial, retail, residential, hospitality, and education. The district vision is to promote economic opportunities, education, and environmental stewardship along the waterfront. The Port and Washington Department of Ecology worked diligently in the remediation of the site to minimize any contamination in this district. As a remediation site, however, the East Bay District’s development is subject to restrictions under RCW 70.105D – Model Toxics Control Act and RCW 64.70 – Uniform Environmental Covenants Act.

In the heart of downtown Olympia, the **Market District** is 17 acres of vibrant development for commercial and retail uses in the Market Place, Market Center buildings, Anthony’s HomePort restaurant, and Dancing Goats Coffee Roasters. It also houses the Port Plaza, which is approximately a 1.2-acre area located at the north end of Percival Landing on Budd Inlet’s west bay. The Port Plaza has become one of the most attractive sites for all residents and visitors to the region to enjoy the waterfront as was envisioned. The District was created to provide a transition from the Marine Terminal operations to the downtown corridor, and to offer waterfront access to the public. This district is an example of a highly successful investment that has created significant economic opportunity and public pride.

**West Bay** – The Port of Olympia owns tidelands and a small piece of uplands on West Bay. Opportunities for remediation are intended to **restore** the area to provide acclimation areas for salmon migration to and from the Deschutes River.

The Port of Olympia’s 66-acre **Marine Terminal** consists of the following:

- A complete cargo facility focused on breakbulk, bulk, and ro-ro goods.
- A U.S. Customs bonded warehouse.
- Rail service provided by Union Pacific and BNSF with an on-dock rail loop.
- Three modern, deepwater berths.
- Heavy machinery, conveyor system, a heavy-lift mobile harbor crane, and truck scales.

The Port is currently commencing an Integrated Port Peninsula Master Plan effort, including the Marine Terminal, to determine the highest and best use of the Budd Inlet Properties. This



evaluation will include a future Waterfront Center (future home to the Port Commission meeting room, Port administration, and Swantown Marina offices), potential future Marine Terminal layouts to improve operations and maximize its revenue-generating capability, potential additional retail, office, and marine development (including a possible hotel site), while simultaneously incorporating changes necessitated by the City of Olympia's Comprehensive Plan and Shoreline Master Program update processes. The Port will engage with a broad range of stakeholders in the course of creating an Integrated Port Peninsula Master Plan. The Port also anticipates completing a Supplemental Environmental Impact Statement under SEPA for the Port's Budd Inlet Properties for these planning document updates.

### *Budd Inlet Properties: Projected & Potential Future Projects*

The following future projects are under consideration or preliminary planning by the Port:

#### **Market District**

The Port is evaluating possibilities for additional parking and electric vehicle charging stations to meet existing commitments and to enhance future development opportunities. A parking structure would increase parking density in the district and create a potential parking solution for more parking at the Olympia Farmers Market. It would also support future development in the district. The Market District currently includes two electrical vehicle charging stations that can simultaneously accommodate up to four electric vehicles.

#### **Swantown District**

The Port anticipates that the Marina District will see additional buildings in the planning and preliminary engineering phases with construction to begin within the next five years. Future East Bay dredging will provide an opportunity to reconfigure the Swantown Marina. Providing public transportation access between downtown Olympia and the Peninsula is a vital component of the planning process.

#### **Marine Terminal District**

The Port anticipates evaluating potential future Marine Terminal layouts to improve operations, as noted above. The Port has received a Maritime Administration grant to develop a new maintenance facility, replacing an aged and degraded facility and supporting the Marine Terminal. The facility is expected to be between 10,000 and 20,000 square feet and includes

offices, maintenance shops and maintenance bays large enough to handle large cargo-handling equipment. Additional structures, located east of the warehouse, have long outlived their useful life spans and will be demolished. The former Port headquarters building remains structurally sound and may have potential for rehabilitation as tenant offices. Lastly, the U.S. Coast Guard is considering installation and mobilization of a Port Security Unit within the Marine Terminal facility. All these projects will be incorporated into the Integrated Port Peninsula Master Plan.

### **NorthPoint Development**

NorthPoint redevelopment will expand the renewal of the NorthPoint District begun in 2006 with the construction of Anthony's Hearthfire Restaurant. Potential redevelopment includes an expanded shoreline walking path and open areas, as well as other potential structures and uses, such as a boutique hotel or other uses responding to commercial and retail demands. Recruitment of additional development at NorthPoint will likely require either a City of Olympia approved sewer lift station and accompanying infrastructure. Alternatively, the Port could consider having each individual project install its own lift station.

Upon completion of the final remediation of Port-owned uplands on West Bay, the Port will explore opportunities to partner with the City of Olympia to expand West Bay Park (the park is formerly Port-owned and is adjacent to a site the Port still owns).

Figure One – Budd Inlet Properties



## **Section 3: Airport and NewMarket Industrial Campus Properties**

Olympia Regional Airport is designated as a General Aviation (GA) facility by the Federal Aviation Administration (FAA) National Plan of Integrated Airport Systems (NPIAS). It represents a significant regional economic asset and supports numerous aviation-related businesses and facilities. The airport offers aircraft service and maintenance, flight instruction, hangars, and tie down space for aircraft storage, state and corporate aviation facilities, and land and buildings available for lease for aviation-related use. Scheduled commercial passenger and freight service are not currently offered at the airport.

The Port last completed an Airport Master Plan Update in 2013. The FAA conditionally approved the Airport Layout Plan – a planning document depicting all current and future facilities on the airport – in May 2014. The Port Commission adopted the Airport Master Plan Update in August 2016. A further update of the Airport Master Plan is in its final stages and is expected to be adopted by the Port Commission before the end of 2024.

Olympia Regional Airport includes all Port of Olympia-owned properties in Tumwater, Washington, including NewMarket Industrial Campus and Cleanwater Centre, as shown in Figure Two at the end of this section. They are zoned Airport Related Industry Zone (ARI) under Tumwater Municipal Code, Chapter 18.34. The 2013 Airport Master Plan Update and future projects identified in the document are included and incorporated in this Comprehensive Scheme of Harbor Improvements by reference.

### *Olympia Regional Airport: Potential Future Projects*

Based on the adopted Airport Master Plan Update, the following future projects are under consideration or preliminary planning by the Port:

#### **A. General Aviation/Corporate Aviation (GA)**

The General Aviation/Corporate Aviation areas of the Airport are intended to be used for facilities necessary to accommodate direct aircraft access to taxiways and runways. These facilities include service facilities and hangars for storage and servicing of aircraft. The Port forecasts

that additional hangars for general aviation and corporate aircraft will be needed to continue the modest growth of the Airport over the immediate future. The Port will consider either building or leasing land to developers or corporate entities to build such facilities at the Regional Airport.

#### B. Aviation Related Industrial (Aviation & Non-Aviation)

Aviation Related Industrial (ARI) facilities include manufacturing, maintenance and support facilities that require access to taxiways and runways as well as those facilities that can function without direct access to airside operations. The Port forecasts increased demand for such facilities and intends to develop such facilities or lease the land to developers, or private and corporate parties to develop as demand requires.

#### C. Commercial Air Service

Scheduled or unscheduled Commercial Air Service remains an opportunity. The Airport Master Plan indicates approximately 45-acres of future development area supporting Commercial Air Service.

#### D. Other Airport Facilities

##### Rehabilitation and Infrastructure Development

Currently, the Airport is developing plans and rehabilitating a number of facilities, including:

- Taxiway, tax-lane, and roadway rehabilitations as part of the Airport Pavement Management Plan.
- Rehabilitation of facilities such as hangar building sidings, roofs, gutters and aprons to increase building/facility life and ensure future revenue streams.
- Rehabilitation and maintenance of roads and parking areas that serve airport facilities.
- Purchase of energy-efficient operations and maintenance vehicles and equipment that are used in the routine operation and maintenance of the Airport runways, taxiways, and facilities.
- Construction of sewer connections to City of Tumwater sanitary sewer.
- Land and easement acquisitions and obstruction removals for approach airspace protection.
- Miscellaneous unanticipated maintenance and repairs.
- Development of a Habitat Conservation Plan (HCP) for all airport- and ARI- zoned property, including any mitigation measures the HCP may require.

#### E. Airport-Related Industry Zone District (ARI) Compatible Development

The Port of Olympia is preparing a Real Estate Development Master Plan to guide future ARI compatible development on Port-owned properties within the NewMarket Industrial Campus (NMIC) and Cleanwater Centre (CWC) properties adjacent to the Port of Olympia Regional Airport. The plan will guide future planning events such as the formation of Local Improvement Districts, necessary municipal and comprehensive plan updates, infrastructure developments, Planned Action SEPA's, and any other necessary environmental reviews for activities and projects identified. It is anticipated that this planning effort will have its own environmental supporting documents.

##### *NewMarket Industrial Future Projects*

Most of the undeveloped NewMarket Industrial Campus land – approximately 199 acres – is currently included within an Option to Ground Lease Agreement with Panattoni Development Company through July 2031. Panattoni will lead the development of these parcels, most of which are subject to the aforementioned Habitat Conservation Plan.

##### *Cleanwater Centre Future Projects*

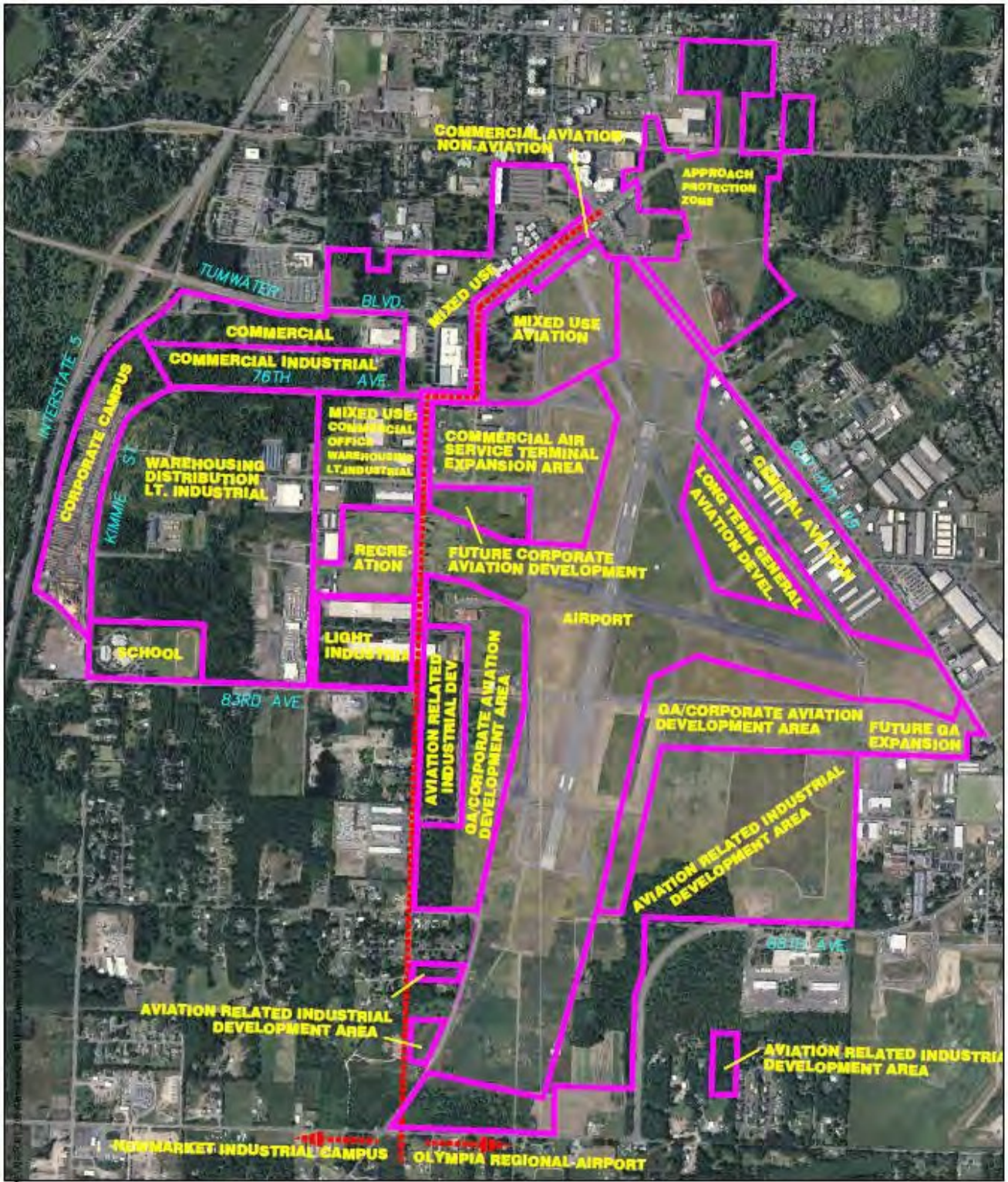
The Port intends to fully develop the Cleanwater Centre, an area which resides within the City of Tumwater Town Center, in a manner that is consistent with Tumwater Municipal Code Chapter 18.23.010(A). Cleanwater Centre, northwest of the airport, is identified in Figure Two below with a “Mixed Use” label.

The Cleanwater Centre was short platted to facilitate improvements including parking, utilities, stormwater, and LED lighting. The Port has sold six of eight small buildings that offer retail, day care, religious gathering, food, and education. Additional medical service, office, and commercial uses are anticipated, meeting the vision to increase economic development within the City's Town Center borders. The intent of the Town Center mixed-use subdistrict is to provide a level of density sufficient to support public transit services. Current open parcels and remaining large building structure offer several land use options, including office, retail, public, or entertainment facilities, either in a single or a physically integrated group of structures. A broad mix of land uses are allowed in this sub-district, including retail, personal and professional services, restaurants, entertainment, lodging, community facilities and residential.

Permitted land uses allowed for this area (see Tumwater Municipal Code Chapter 18.23.020) include: adult family homes; residential care facilities; attached wireless communication facilities; breweries, wineries, or distilleries; child day care center; churches; community center and/or community gardens; distribution, fabrication, and assembly facilities – all occurring within buildings lawfully constructed on Port of Olympia property on or before January 1, 2000; drive-through uses; electric vehicle infrastructure; entertainment facilities; family child care homes; farmers markets; general offices; group foster homes; medical clinics; mixed use commercial/residential developments; motels or hotels; museum, library, or art gallery; parking structures; parks and open spaces; personal/professional services; planned unit development; post offices; private clubs and lodges; recreation facilities; restaurants; retail sales; schools; senior housing facilities; state education facilities; and support facilities.



Figure Two – Olympia Regional Airport/NewMarket Industrial Campus Properties





## Section 4: Environmental Initiatives

This new CSHI section highlights the Port's increasing focus on environmental stewardship via multiple disciplines as well as in several specific locations.

### *Budd Inlet Remediation*

Contaminated sediment from historical industrial activities in Budd Inlet presents a threat to human health, negatively impacts the ecology of south Puget Sound, and impairs maritime operations and recreational boating. The Port of Olympia is exploring a strategy to clean up and restore Budd Inlet in collaboration with local, state, federal, and Tribal partners. The cleanup will benefit the economy, environment, and the greater Olympia community.

The first phase of the Port's strategy is focused on researching and identifying the best way to conduct and pay for cleanup and restoration of Budd Inlet. The intention is to complete the investigation and develop a Cleanup Action Plan that will be implemented starting in 2027 for completion in 2030.

### *Sea Level Rise Response*

Current trends in sea level rise and weather patterns are concerning. The risk of widespread flooding in Downtown Olympia increases as sea levels rise and weather systems become increasingly volatile. The magnitude and timing of sea level rise is uncertain, but the risk is clear. Downtown Olympia, including the Port of Olympia peninsula, are vulnerable to flooding. Sea level rise will increase the likelihood of flooding. Without action, maintaining downtown public and private services will be challenging.

The City of Olympia, LOTT Clean Water Alliance, and the Port of Olympia collaborated to develop a response plan for protecting the downtown area and completed the Olympia Sea Level Rise Response Plan in March 2019. Implementation of the plan is ongoing.

### *Bush Prairie Habitat Conservation Plan*

The City of Tumwater and the Port of Olympia's Olympia Regional Airport are located on the site of a glacial prairie historically called Bush Prairie. Most of Bush Prairie has been converted to agriculture or forestry, residences, and businesses, but part of it remains and provides a home for the unique flora and fauna of the South Puget Sound Prairie ecosystem. Protected species residing in Bush Prairie include the Olympia Pocket Gopher, Streaked Horned Lark, Oregon Vesper Sparrow, and Oregon Spotted Frog.

The Bush Prairie Habitat Conservation Plan is being developed to balance growth and the preservation of endangered species within the City of Tumwater and its urban growth area, including the Olympia Regional Airport and its associated industrial development properties. The Habitat Conservation Plan will conserve these species by providing long-term habitat protection across a system of managed reserve areas. The City of Tumwater and the Port of Olympia are jointly developing the Habitat Conservation Plan through the terms of an Interlocal Agreement.

### *Decarbonization and Energy Efficiency Programs*

The Port of Olympia recognizes that utilization of renewable energy will not only decrease its carbon footprint, it will also significantly improve the Port's financial performance. Investing in renewable energy where and when it makes sense is a priority for the Port. To date, the Port has installed on-site renewable energy on several of its properties. 48 solar panels have been added to the roof of the 76,000 square foot Marine Terminal warehouse. The Port also installed solar street lighting at the Tumwater Cleanwater Centre. All 22 parking lot lights run 100% on solar power and are completely off-grid. The Port also installed two electric vehicle charging stations – accommodating up to four vehicles simultaneously – at the Olympia Farmers Market.

In addition to these completed projects, the Port is assessing the utilization of additional solar panels on Port facilities. The Port is also conducting a fleet evaluation to ensure that as vehicles are replaced, it is done with low carbon emission vehicles wherever applicable. An assessment of additional charging station needs will accompany the fleet evaluation.

# Port of Olympia

## Development Guidelines

**Commission Approval Date: May 22, 2017**

### I. Introduction

This document contains the Port's Development Guidelines for its lands holdings in Thurston County; Olympia, Lacey, and Tumwater. The Port properties at the Olympia location are comprised of Northpoint, Swantown Marina and Boatworks, Marine Terminal, West Bay and East Bay. The Port properties in Tumwater are the Olympia Regional Airport and the New Market Industrial Campus. The properties the Port may acquire in Lacey consist of light industrial and warehouse space at the Commerce Business Center.

### II. Olympia Properties

#### *A. Property Description*

The Olympia properties consist of approximately 150 acres on the Port Peninsula and 26 acres of tidelands on West Bay. This ownership is shown on Attachment 1. Much of the City of Olympia's downtown areas were constructed on tidelands in the late 1800s and early 1900s, with the first major fill projects completed prior to formation of the Port District in 1922. The peninsula properties represent the tip of tidelands filled over the century. A significant function of the peninsula is the marine terminal, which provides 2,500 linear feet of wharf and 76,000 square feet of warehousing. The marine terminal can host three modern ships simultaneously, or a combination of vessels. The federal navigation channel which serves the marine terminal is dredged to a depth of -30 feet, based on mean-low-low-water.

The Swantown Marina is on the east side of the peninsula, which was created in the early 1980's. The boat basin was built for a capacity of 1,000 moorage slips, with fifty-four acres of upland for support areas as well as additional cargo storage and maneuvering areas.

Approximately 13 acres of the northeast portion of the Port Peninsula were used by companies which produced treated wood products, the last being McFarland Cascade Pole Company. The Site is known as the Cascade Pole site and has undergone a Washington State Model Toxics Control Act remediation effort. The Port's goal has been to return this property back to productive use. Conditions of the remediation require limiting water that can enter the

contained portions of the site and prohibiting any penetrations that could compromise the low-permeable aquitard underneath the site.

The Port's upland ownership on West Bay consists of approximately 26 acres of tidelands, and the approximate 11 acres known as the Port Lagoon, which is under a perpetual easement to the U.S. Fish & Wildlife Service to serve as a fish and wildlife conservancy area and as mitigation for the development of the East Bay Marina.

Approximately 54 acres of land fill on the Port Peninsula is conditioned with uses that must be consistent with Section 404 of the Federal Water Pollution Control Act permit issued by the Army Corps of Engineers in 1982. Since a portion of the 54 acres of the land was created by filling in waters of the United States, uses on that land must be water dependent to a certain extent, or marina related. The following uses are consistent with this condition if the primary reason they are there is to provide support to those using boats in the marina:

- |  |   |
|--|---|
| Restaurants                                  | Coffee Shops                            |
| Boat Sales                                   | Yacht Brokers                           |
| Marine Surveyors                             | Marine Insurance                        |
| Sail Loft & Sales                            | Canvas/Boat Tops and Upholstery         |
| Engine Repairs, Parts & Service              | Marine Supplies & Hardware              |
| Boat Repair Facilities                       | Dry Storage – Open Covered              |
| Haul-out Facilities                          | Boating Apparel                         |
| Electronic Sales & Services (marine related) | Fishing supplies                        |
| Fueling Facilities                           | Groceries                               |
| Charter Boats & Boat Rentals                 | Yacht Designers, Naval Architects       |
| Boat Trailer Dealers                         | Marina Parking                          |
| Coast Guard or Police Facilities             | Canoe/Kayak Facilities                  |
| Shell House – Crew Racing                    | Laundry Facilities                      |
| Restrooms                                    | Public Transit Shelters – park and ride |
| Marina Maintenance Building                  | Marina Administration Building          |
| Port Administration Building                 | Offices Relating to Maritime Business   |
| Boat Builders, Shipyards                     | Seaplane Landing                        |
| Ferry Terminal                               | Recycling Area for Boaters              |
| Fishing, Viewing Piers & Towers              | Boat Shows                              |
| Yacht Maintenance & Management               | Boat Rental                             |
| Boat Appliance Repair                        | Fish Buyers                             |

Commercial Fish Boat Facilities	Dry Dock
Yacht Deliveries	Oceanographic Mapping/Charting
Boat Salvage	Boat Pup Out & Service
Seafood Market	Fish Processing – load/unload
Accessory Uses, e.g. pump stations, substations, phone booths, signage, etc.	
Boat Names – Commercial Painters & Lettering	

## B. Design Guidelines

This plan conceptually addresses site development factors that are considered elements of design such as architecture, landscaping, development themes, and parking. It recommends a design character for each district, and general design guidelines for all Olympia property. These design recommendations are supplemented by more detailed design guidelines administered at the Staff level. The following general design guidelines apply to each district listed below.

Materials from which a building or group of buildings are constructed contribute to the character of the surrounding area. Therefore, the use of blank walls such as concrete cinder block (without façade ornamentation) uninterrupted glass curtain walls, and mirrored glass, are not acceptable design for any district; as well as the design of large, unbroken expanses of parking.

These design concepts are encouraged:

- Shade trees and shrubs to screen parking lots;
- Connections between adjacent site parking lots for shared parking;
- Landscaping and architectural details with distinctive accent colors to lessen the impact of larger buildings;
- Shade trees to line and define the property, and indicate entrances;
- Landscaped berms;
- Rooflines and wall heights with varied gables, dormers, architecturally fenestrated fascias and eaves to add variety;
- Entrance canopies and plazas to delineate the office entrance;
- Architecturally contoured walls to provide attractive shadow line appearance from the street; and
- Use of building materials such as brick, masonry, glass, tile, stone, or wood on portions of the building façade.

## C. Port Districts

The Olympia property is divided into ten districts, with corresponding uses and standards for each district. These districts are shown on Attachment 1:

1. Market District
2. Swantown Boatworks
3. East Bay District
4. Swantown Marina
5. Marine Terminal District
6. NorthPoint
7. NorthPoint (Tidelands)
8. West Bay (Tidelands)

**1. Market District.**

*Intent:* The Market District is a vibrant waterfront development which supports a variety of uses and encourages people to walk along the waterfront and shop in the downtown area. This District is the transition between downtown and the Marine Terminal. It is home to retail, commercial and light industrial uses; such as the local farmer's market, a coffee roaster, restaurants, offices, recreational moorage and community event space.

*Use:* Retail, commercial, office and light industrial.

*Character:* The design intent for the Market District is Pacific Northwest, possibly featuring Native American designs and architecture, or the Granville Island character of a mix of building styles of a more rural flavor than urban. Retail building windows should have transoms and canopies, with boardwalk style entries.

Vehicle access is via Capitol Way and Marine Drive. Pedestrian access is from multiple points including Percival Landing, local streets, and East Bay. The traffic circle and other street treatments such as pavers and trees create an atmosphere of an entry instead of a through street.

*Placement:* Buildings are oriented towards the street and primary entrances, with shared parking and open space. A traffic circle and extra wide sidewalks add character and access to the area in recognition of the pedestrian oriented nature of the uses.

**Attachment 1. Budd Inlet Properties and Districts**



## **2. Swantown Boatworks**

*Intent:* Swantown is a 6-acre marine center for vessel and haul-out, service and repair, associated retail sales, and restaurant use. It is a vibrant and modern working waterfront, with expansive indoor and outdoor working areas and sophisticated and effective pollution control systems for boat maintenance and repair. Swantown consolidated marine businesses into a single area, creating a one-stop, full-service marine facility.

*Use:* Industrial, retail, commercial, recreational. Limited residential use is allowed. Coordination with the U.S. Army Corps of Engineer's Section 404 permit is required for uses in this area.

*Character:* The recommended design character is Cannery-Rose-nouveau warehouse style. Elements of this design character feature: buildings of metal or mill construction with heavy exposed structural members and lofts; metal roofs; retail windows with transoms and canopies; and boardwalk-style entries. Industrial buildings require fewer window and access treatments than retail buildings. Since Swantown and Market Districts create a significant east to west linkage, the design character should reflect this linkage.

*Placement:* Placement of buildings is a matter of function, with the larger workshops which require travel lift access located in the yard. The commercial and retail uses which depend upon high visibility and vehicle access are located around the parking lot.

## **3. East Bay District**

*Intent:* The East Bay District has valuable waterfront frontage and frontage along State Avenue. The intent of this area is to take advantage of the high volume frontage with commercial and retail uses, as well as the waterfront views and access the district offers.

*Use:* Office, commercial, retail and mixed use, including limited residential.

*Character:* Development character in this area should be pedestrian oriented, walkable, limited residential, business district.

*Placement:* Placement of buildings is use and site dependent in this area.

## **4. Swantown Marina**



*Intent:* The Marina District consists of a 733 slip marina (1,100 at full build-out), boat launch, and marine fueling facility (anticipated spring 2017) with upland marina-related services which include commercial, retail and limited office use. Typical uses in this area should be restaurants, boat supplies, grocery/deli, yacht clubs, yacht brokers, boutique hotel, etc. This district supports both upland and over-the-water uses which are of a water-dependent nature. A boat launch and parking is also included.

*Use:* Marina, marina support, commercial, retail, office. Coordination with the U.S. Army Corps of Engineer's Section 404 permit is required for uses in this area.

*Character:* The design character should add to the goal of making the marina a destination facility. All buildings which face the pedestrian plaza should include retail windows with transoms and canopies, with boardwalk-style entries. Where appropriate, buildings should also form smaller open spaces which will each take on their own character.

*Placement:* Buildings should be located off of the plaza. Parking should be located to the side of the buildings.

## **5. Marine Terminal**

*Intent:* The Marine Terminal and supporting cargo yards handle inbound and outbound cargoes from ocean going vessels and barges. The types of cargo handled are from traditional forest products to break bulk, bulk, roll-on/roll-off cargo, and containerized cargoes. This cargo moves in/out via all modes of transportation. Use and development within the Marine Terminal are opportunity and market-driven, so development flexibility must be maintained.

*Use:* Industrial.

*Character:* Metal buildings should be appropriate in this area.

*Placement:* The placement of buildings and other support activities should support the efficient loading and unloading of cargo.

## **6. NorthPoint**

*Intent:* NorthPoint is intended to be a destination, pedestrian friendly, mixed-use district which benefits from remarkable mountain, water and downtown views, and offers recreational marine access.

No specific plan has been approved by the Commission. This area is also the end point of the East Bay Promenade, which skirts the north and east sides of the Port peninsula.

*Use:* Marina, marina support, commercial, retail, and office.

*Character:* The character of development in this area should be a pedestrian oriented commercial waterfront nature.

*Placement:* Buildings in this area should be located to take advantage of the views, without creating large visual barriers for other locations on the Peninsula. Parking should be located to the side of buildings.

## **7. NorthPoint (Tidelands)**

*Intent:* A portion of the Tidelands District is contaminated and is a part of the McFarland Cascade Pole Model Toxics Control Act (MTCA) clean-up efforts. The most highly contaminated sediments were removed and placed in an upland containment cell in 2003. Activities in the area may include additional clean-up and habitat mitigation. Mitigation for this site may include other sites in the Budd Inlet watershed which are not Port-owned.

*Use:* Clean-up, mitigation, and education.

## **8. West Bay**

The Port sold the majority of its upland West Bay properties to the City of Olympia for use as a park, and retained the tidelands. The remaining uplands were previously used by ARCO and are subject to ongoing environmental remediation work.

*Intent:* The intent of this district is to provide habitat, potential habitat mitigation, and public access. The Port and the U.S. Fish & Wildlife Service have designated approximately 11 acres in this area for conservation. Upon completion of the environmental remediation, the Port will evaluate the highest and best use for the remaining uplands.

*Use:* Wildlife habitat, educational, recreational, and conservation.

*Character:* Wildlife habitat and public access.

## **9. Landscape Guidelines and Port Landscape Management Plan**

A few conceptual development guidelines are needed which promote landscaping that will enhance and unify the Port Peninsula properties. These guidelines promote a neat and well maintained appearance in areas not covered by buildings or parking and minimize the adverse visual and environmental impacts of large buildings and/or paved areas.

Outlined below are a few general requirements which should be followed by tenants to meet this intent.

- Landscaping should delineate site entrances.
- The setback space between streets and parking lots should be fully landscaped.
- Landscaping should be used to help define pedestrian paths and areas.
- Landscaping should accentuate the architectural details of site buildings.
- Shade trees should line and define the building and property perimeters (when feasible with adjacent uses). Sidewalks adjacent to the building should be setback with landscaping in between.
- Street trees and on-site landscaping must conform, at a minimum, to City standards.

The tenant is responsible for maintaining landscaping associated with their site in a groomed, weed-free condition. This requirement is monitored and enforced by both Port and City staff, relying upon the original landscaping plan as the standard.

## **10. Transportation Network**

### Routes and Street Standards

There are a variety of City and Port street ownerships on the Port Peninsula. Marina Drive is the primary road owned by the Port, and a portion of Franklin Street. The Port built and dedicated Market Street to the City. The proposed Olympia Avenue extension will likely also be built and dedicated to the City. Plum Street is designated to the City for use for heavy trucks. The Port and City have previously partnered to provide additional strength to this roadway to improve it in order to accommodate heavy trucks and their loads. Plum Street is used for routine truck access to the Marine Terminal as well as occasional over-dimensional cargo, in coordination with the City of Olympia.

### East Bay Promenade

The goal of the pedestrian promenade is to provide and maintain a safe, slow paced, convenient, community-oriented access way along and near the water's edge. Overall, the promenade is a coordinated system of connected pathways, sidewalks, and shoreline access points that increases the amount and diversity of opportunities for walking and chances for personal discoveries along the Port Peninsula waterfront.

In response to ideas from the City of Olympia's East Bay Enhancement project, the Port is implementing a lawn conversion project to create a vegetated edge with interesting gardens that also provide habitat value and a buffer to East Bay.

As part of the Comprehensive Planning process the Port and its advisory committees considered the nature of the promenade and opted to keep the long sections of the trail ADA accessible with a hard surface but not paved. The intent is to make the area accessible but to discourage fast moving activities such as rollerblading, biking, and skateboarding. Hard surface areas would be focused around destination points such as the Marina Village within the Marina District, and the Marina Plaza near the M-N-O docks. This compromise accommodated both approaches for some paved surfaces yet a trail that would not become so competitive with potential conflicting uses that all enjoyment was compromised.

### **III. Airport Development Guidelines**

The current Airport Master Plan Update is incorporated by reference into these Development Guidelines and serves as the basis for the summary below. The current Airport Master Plan Update illustrates both airside and landside facilities, and is a graphic depiction of the existing and ultimate airport facilities that will be required to enable the airport to properly accommodate the future forecast demand. In addition, the current Airport Master Plan Update provides detailed information on both airport and runway design criteria which is necessary to define relationships with applicable standards.

#### **A. Property Description**

The Olympia Regional Airport is located within the City of Tumwater and the Port's ownership is illustrated on Figure 2. Airport operations and development are governed largely by Federal Aviation Administration (FAA) grant assurances and FAA Order 5190.6A, Airport Compliance Handbook, because the property was once owned by the federal government, and because the FAA continues to contribute financially to the development of the Airport through issuance of Federal Grants. In 1994 and 1995, the Port acquired

additional property from property owners north and south of its existing holdings, in the area of Case and Tilley roads.

## **B. Development Area Guidelines**

In 1996, the Washington State Growth Management Act of 1990 was amended by Washington State Bill 6422, which recognized airports as essential public facilities. This bill requires every city, town, code city, charter city and county having a general aviation airport in its jurisdiction to discourage site uses that are incompatible with airports. According to representatives of the Washington State Department of Transportation (WSDOT) Aviation Division, the Tumwater Comprehensive Plan and the Tumwater/Thurston County Joint Plan have been prepared in accordance with the requirements of the Growth Management Act and determined to be in compliance with the current Washington State Aviation Policy. Future uses as reflected by these documents are depicted in the current Airport Master Plan Update at Figure E-3.

This plan recommends a general design character for reach use development area depicted in the current Airport Master Plan Update.

Materials from which a building or group of buildings are constructed contribute to the character of the surrounding area. Airport facilities are fairly universal in design, which is attributable to the functionality and FAA design standards associated with aircraft dimensional clearances and separation standards.

These landside design concepts are encouraged when appropriate:

- Short, utility friendly shade trees located outside the Air Operations Area and shrubs and to screen parking lots;
- Connections between adjacent site parking lots for shared parking;
- Landside landscaping, landscaped berms and building architectural details with colors and design consistent with existing development to promote standardization;
- Short shrubbery to line and define the property, and indicate entrances;
- Landside entrance canopies and plazas to delineate the office entrance;
- Architecturally contoured walls to provide attractive shadow line appearance from the street; and
- Use of building materials such as brick, masonry, glass, tile, stone or wood on portions of the landside building façade.

## **C. Airport Development Areas**

The current Airport Master Plan Update visually depicts several use development site areas which are depicted on Attachment 2 and are as follows:

1. General Aviation (GA)
2. Corporate Aviation
3. Light Industrial (Aviation & Non-Aviation)
4. Commercial Air Service
5. North Airport Commercial (Aviation & Non-Aviation)

The next section generally describes the use development areas in terms of intent, specific use, character, and building placement.

### **1. General Aviation (GA)**

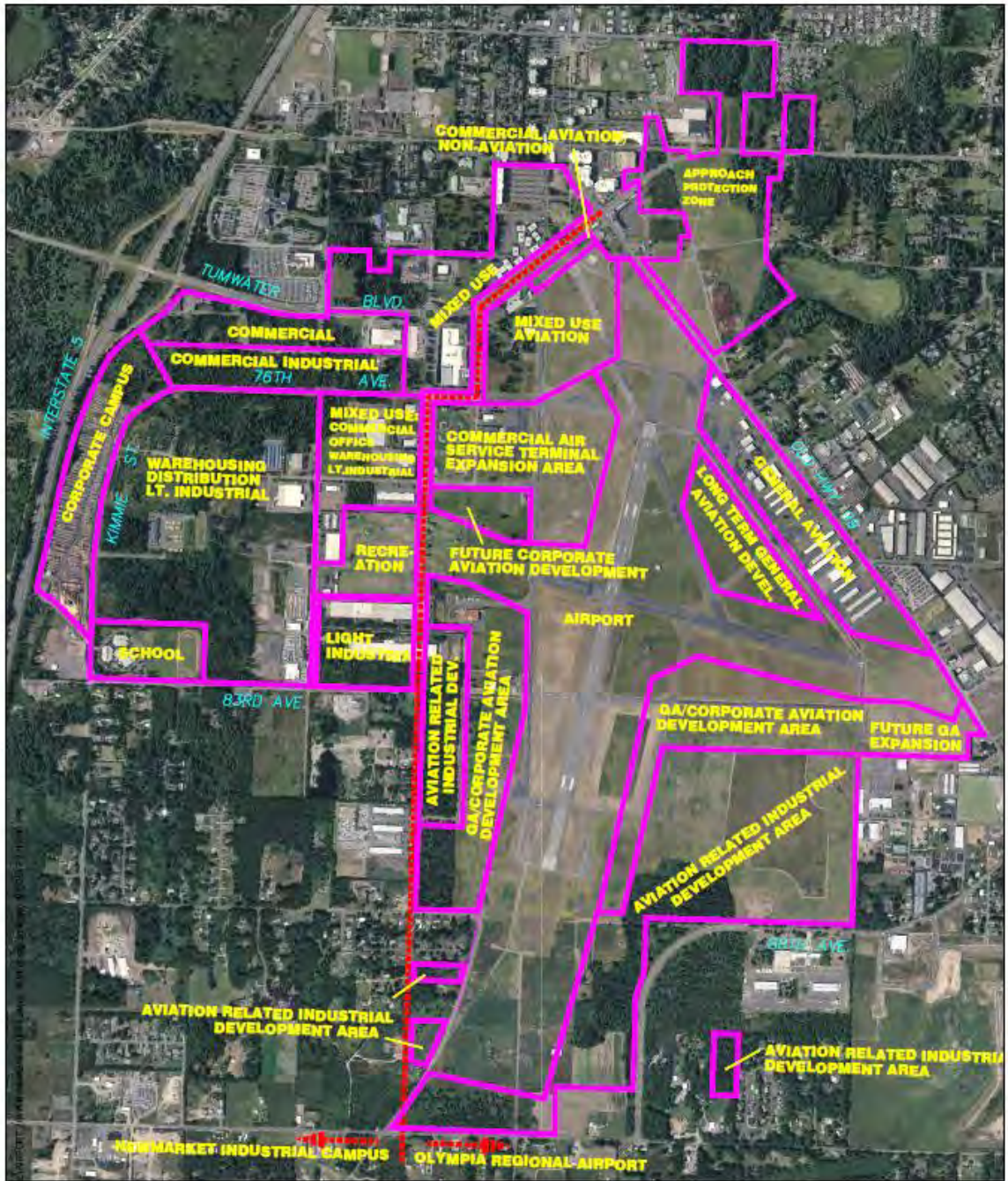
*Intent:* These development areas (shown as 1-5 on drawing) have runway/taxiway access, and are reserved for airside access dependent on uses.

*Use:* A broad mix of uses are allowed in the General Aviation development area excluding residential. The defining criteria for allowable uses in this area are the extent to which they are dependent on access to the runway, and the type and size of aircraft operations.

*Character:* Architectural details are dependent on aircraft type and size, the scale of the development (single hangar vs. T-hangar complex), ALP designated Building Restriction Lines and dimensional standards outlined in FAA Advisory Circular 150/5300-13 (series) Airport Design. Landscaping should only be considered outside the Air Operations Area. Building design should be consistent with accepted industry design standards and FAA approved building materials.

*Placement:* Development of these sites generally accommodates the mixing of ground vehicle and airplane activities with some sort of access controls and parking restrictions. Side or rear-yard setbacks and aircraft object-free areas vary depending on the taxiway or taxi lane type and the specific type hangar development. Development details are governed by City of Tumwater development standards and design review requirements.

Figure 2. Airport Properties and Districts



## **2. Corporate Aviation**

*Intent:* This development area has runway/taxiway access, and is reserved for airside access dependent uses. Customers site development areas range from individuals to corporations with high performance turbo-prop and turbojet aircraft.

*Use:* A broad mix of uses is allowed in the Corporate Aviation development area excluding residential. A defining criteria for allowable uses in this area are the extent to which they are dependent on access to the runway, and the type and size of aircraft operations.

*Character:* The buildings should define the professional quality of the district. Architectural details are dependent on aircraft type and size, the scale of the development (single hangar vs. multi-hangar complex), ALP designated Building Restriction Lines and dimensional standards outlined in FAA Advisory Circular 150/5300-13 (series) Airport Design. Landscaping should only be considered outside the Air Operations Area. Building design should be consistent with accepted industry design standards and FAA approved building materials. Landscaping and short, utility friendly shade trees and landscaped berms should only be considered outside the Air Operations Area. Use of existing trees in landside landscaping is preferred consistent with City of Tumwater Ordinance. Entrance canopies and plazas should be used to delineate the office/landside entrance. The Peninsula Properties building is one example for the architectural and landscaping character for this type of area.

*Placement:* Office buildings when separated should be oriented toward the vehicle access; hangars should be oriented toward the taxiways. Combination office/hangar complexes are common to the industry and are authorized. Parking should be located to the side and rear of the buildings and, where feasible, interconnected parking lots are encouraged. Development of these sites should generally have two orientations – one to the taxiway and the other to the roadway. Placement of buildings generally shall separate vehicle and airplane activities. Airport security should play a significant role in determining facility layout and design. Setbacks and aircraft object-free areas vary depending on the taxiway or taxi lane type and the specific type of hangar development. Development details are governed by City of Tumwater development standards and design review requirements.

## **3. Light Industrial (Aviation and Non-Aviation)**

*Intent:* These development areas (shown as 1-4 on drawing) are intended for light industrial uses such as Cardinal CG.



*Use:* A broad mix of uses is allowed in the light industrial development area excluding residential. Uses may be aviation related or non-aviation related and will be recommended by the Port business team based on the overall fit with the goals of the Port.

*Character:* Landscaping and architectural details with distinctive accent colors should serve to lessen the impact of larger buildings. Short, utility friendly shade trees should line and define the property, and indicate entrances. Landscaped berms are encouraged. Use of existing trees is required consistent with City of Tumwater ordinance. Entrance canopies and plazas should be used to delineate the office entrance. Building materials such as metal, brick, masonry, glass, tile, stone or wood are allowed on the building façade.

*Placement:* Access to the area provided off of Terminal Street or Armstrong Road on the southwest side of the Airport or 88<sup>th</sup> Street or future access roads at the southeast corner of the airport. Buildings should be sited according to function or to facilitate compliance with City of Tumwater codes and development standards. Parking areas should be screened with landscaping.

#### **4. Commercial Air Service**

*Intent:* This development area has runway/taxiway access, and is reserved for commercial air service terminal and support services.

*Use:* This area is restricted to commercial air service and support services.

*Character:* Uses in this area will cater to the traveling public and planes. The street side character should be pedestrian friendly with entrances well marked to eliminate confusion.

*Placement:* Development of within this district should generally have two orientations – one to the taxiway and the other to the traveler arriving by roadway. Placement of buildings generally shall separate pedestrian, vehicle and airplane activities. Airport security should play a significant role in determining facility layout and design.

#### **5. North Airport Commercial**

*Intent:* This development area has Tumwater Boulevard frontage which influences its uses and character.

*Use:* Commercial and retail are the target uses.

*Character:* Buildings should be oriented toward the sidewalk and Tumwater Boulevard and should have amenities which draw people to it including windows, attractive ornamentation, and clearly delineated entrances.

*Placement:* Building placement should be adjacent to Tumwater Boulevard to define the street edge and serve as a draw to the high volume of traffic, similar to the existing building on the corner.

## **IV. New Market Industrial Campus Development Guidelines**

### **A. Property Description**

New Market Industrial Campus is about 686 acres in size, which includes a portion of the Olympia Airport as shown on Attachment 2. Both New Market Industrial Campus and the Airport are governed – to some extent – by the Federal Aviation Administration because the property was once owned by the federal government and because the FAA continues to assist in the development of the Airport. New Market Industrial Campus is located within Tumwater city limits. In 1994 and 1995, the Port acquired property north and south of its existing holdings in the area of Case and Tilley roads.

A majority of New Market Industrial Campus is located south of Tumwater Boulevard. Existing uses in New Market Industrial Campus are manufacturing, warehousing, distribution, office, commercial, highway retail and recreational.

### **B. Development Design Guidelines**

This plan recommends a design character for each use district, and addresses site development factors that are considered elements of design. These include architecture, landscaping, development themes, and parking.

Materials from which a building or group of buildings are constructed contribute to the character of the surrounding area. Therefore, the use of blank walls such as concrete cinder block (without façade ornamentation), uninterrupted glass curtain walls, and mirrored glass, are not acceptable design for any district; as well as the design of large, unbroken expanses of parking.

These design concepts are encouraged:

- Shade trees, shrubs, and berms to screen parking lots;
- Connections between adjacent site parking lots for shared parking;

- Landscaping and architectural details with distinctive access colors to lessen the impact of larger buildings;
- Shade trees to line and define the property, and indicate entrances;
- Landscaped berms;
- Rooflines and wall heights with varied gables, dormers, architecturally fenestrated facias and eaves to add variety;
- Entrance canopies and plazas to delineate the office entrance;
- Architecturally contoured walls to provide attractive shadow line appearance from the street; and
- Use of building materials such as brick, masonry, glass, tile, stone or wood on portions of the building façade.

### **C. Use Districts**

New Market Industrial Campus (New Market) is divided into nine districts, with corresponding uses and standards for each district. These are shown on Attachment 2 and the districts are as follows:

1. Commercial
2. Commercial Industrial
3. Office/Retail
4. Corporate Campus
5. Mixed Use
6. Light Industry District
7. Warehousing, Distribution and Light Industrial
8. Recreational District
9. School

The first 3 districts listed above have a strong association with the City of Tumwater's concept for a Tumwater Town Center north of Tumwater Boulevard. A focused master plan was prepared for these 3 districts titled Tumwater Town Center Land Use Plan, December 2004. The objectives, design principles, streets and block patterns, street types and trees, street walls, parking concepts, upper level stepbacks and open spaces for these districts are articulated in this plan. Rather than include all of this detail in this document, the Port of Olympia's Tumwater Town Center Land Use Plan, December 2004, is adopted by reference.

Beginning with the Corporate Campus, the next section describes the nine districts in terms of intent, use, character and building placement.

#### **1. Commercial District**

*Intent:* With close access and parcels adjacent to I-5, this location is ideal for freeway orientated commercial including retail, office and hotel development. This gateway area of New Market should contain a variety of commercial uses, service uses, such as the existing hotels, professional offices, and retail. Across the street are several large State office buildings which would benefit from, and would support these uses.

*Use:* Commercial, retail, and office.

*Character:* The character of this district should develop a distinct, strong, cohesive identity for the area. The urban intensity should be maximized by structuring and encouraging growth toward a more concentrated, pedestrian friendly, and transit supportive area. Development practices in the area should embody environmentally sustainable principles. All buildings facing the internal circulation streets should include windows and overhead protection along the sidewalks. Signage will be freeway oriented.

Existing trees should be incorporated into the landscaping to lend an established look to development.

*Placement:* Buildings should be located on the street edge along Harper, 75<sup>th</sup> and Center Street in a manner that frames the street. This development technically provides a sense of urban intensity, generally slowing vehicular movement and facilitating pedestrian activity. Parking should be located to the side and rear of the building and, where feasible, interconnected parking lots are encouraged to the extent that this should be compatible in the long term. Where appropriate, buildings should also form smaller open spaces which should each take on their own character. A public open space, such as a plaza, would serve as the focal point for lunchtime and after work activities.

## **2. Commercial Industrial District**

*Intent:* Located south of Tumwater Boulevard, this location will include commercial, office, warehouse and light industrial development.

*Use:* Commercial, office, warehousing and light industrial.

*Character:* The character of this district should develop a distinct, strong, cohesive identity for the area. The urban intensity should be maximized by structuring and encouraging growth toward a more concentrated, pedestrian friendly, and transit supportive area. Development practices in the area should embody environmentally sustainable principles. All buildings facing the internal circulation streets should

include windows and overhead protection along the sidewalk. Signage type will be appropriate to its arterial orientation.

Existing trees should be incorporated into the landscaping to lend an established look to the development.

*Placement:* The buildings along 75<sup>th</sup> and Center in this district are generally encourage to abut the street to mirror building placements on these same streets but in the Commercial District. Where appropriate, buildings should also form smaller open spaces which should each take on their own character. Parking should be located to the side and rear of the buildings and, where feasible, interconnected parking lots are encouraged to the extent that this should be compatible in the long term.

### **3. Office/Retail District**

*Intent:* This district overlaps the City of Tumwater's designated Town Center, and will include commercial, office and retail uses. Architectural standards for Clearwater Center apply to this project area. This may include mixed use development, especially north of Tumwater Boulevard. In keeping with the massing, design and intent of this district, signage will be pedestrian oriented.

*Use:* Commercial, office, and retail.

*Character:* Landscaping and architectural details with distinctive accent colors should serve to lessen the impact of larger buildings. Shade trees should like and define the property, and indicate entrances. Rooflines should be varied; gables, dormers, and entrance canopies should add variety as well as architecturally fenestrated fascias and eaves. Walls should be architecturally contoured to provide attractive shadow line appearance from the street.

Incorporations of existing trees into site landscaping is required.

*Placement:* Buildings should be located near the street edge with separate vehicle and truck access. Parking should be located to the side and rear of the buildings and, where feasible, interconnected parking lots are encouraged and it is anticipated as the site becomes denser surface parking would convert to parking garages. Parking areas should be screened with landscaping.

### **4. Corporate Campus District**

*Intent:* The intent for this district is to provide visibility for businesses from 1-5. The design should be of high quality because of its visibility.

*Use:* Office and commercial.

*Character:* The buildings should define the area as a professional quality office park. Landscaping and architectural details with distinctive accent colors should serve to lessen the impact of larger buildings. Shade trees should line and define the property, and indicate entrances. Rooflines and wall heights should be varied; gables, dormers, architecturally fenestrated facias and eaves should add variety. Entrance canopies and plazas should be used to delineate the office entrance. Walls should be architecturally contoured to provide attractive shadow line appearance from the street.

The Peninsula Properties building is a model for the architectural and landscaping character for this area.

*Placement:* Two to three-story buildings should face Kimmie Street, with ample front yard setbacks. Parking should be located to the side and rear of the buildings and, where feasible, parking lots should be interconnected.

## 5. Mixed Use District

*Intent:* The Mixed Use District should contain uses consistent with the Mixed Use definition as set forth in the City of Tumwater's Chapter 18.23 TC Town Center Zone District.

*Use:* See the City of Tumwater's Chapter 18.23 TC Town Center Zone District.

*Character:* Landscaping and architectural details with distinctive accent colors should serve to lessen the impact of larger buildings. Shade trees should line and define the property and indicate entrances. Landscaped berms are encouraged. Rooflines should be varied gables, dormers and entrance canopies should add variety as well as architecturally fenestrated fascias and eaves. Walls should be architecturally contoured to provide attractive shadow line appearance from the street.

Incorporation of existing trees into site landscaping is required.

*Placement:* Buildings should be located near the street edge with separate vehicle and truck access. Parking should be located to the side and rear of the buildings and, where feasible, interconnected parking

lots are encouraged to the extent that this will be complete in the long term. Parking areas should be screened with landscaping.

## **6. Light Industry District**

*Intent:* This district is intended for light industrial uses such as Cardinal CG.

*Use:* Light industrial.

*Character:* Large metal buildings are appropriate in this area with high levels of ornamentation and modulation to indicate key entrances for customers and employees. Landscaping and architectural details with distinctive accent colors should serve to lessen the impact of larger buildings. Shade trees should line and define the property and indicate entrances. Use of existing trees is required to meet landscaping requirements. Walls should be architecturally contoured to provide attractive shadow line appearance from the street.

*Placement:* Access to the area is provided off of Pat Kennedy Way. Buildings should be located near the street edge. Parking should be located to the side and rear of the buildings, with shared parking lots where feasible. Parking areas should be screened with landscaping.

## **7. Warehousing, Distribution, and Light Industrial District.**

*Intent:* This district is intended for some of the larger buildings within New Market. These buildings will be used by businesses which require large spaces for manufacturing, warehousing, and distribution. A linear greenbelt stormwater facility should be developed through the interior as part of a sub-regional stormwater system for New Market. This stormwater greenbelt would be designed to meet each on-site abutting development's stormwater needs, and create an attractive amenity. Pedestrian trails, used by employees for lunchtime walks or after work jogs, will also be available to citizens of the larger community as a recreational amenity.

*Use:* Manufacturing, warehousing, and distribution.

*Character:* Large metal buildings are appropriate in this area with high levels of ornamentation and modulation to indicate key entrances for customers and employees. Landscaping and architectural details with distinctive accent colors should serve to lessen the impact of the larger buildings. Shade trees should line and define the property, and indicate entrances. Rooflines and wall heights should be varied; gables,

dormers, architecturally fenestrated facias and eaves should add variety. Entrance canopies and plazas should be used to delineate the office entrance. Walls should be architecturally contoured to provide attractive shadow line appearance from the street.

*Placement:* Buildings should be located near the street edge with separate truck and vehicle access. Parking should be located to the side and rear of the buildings. Interconnected parking lots are encouraged. Parking areas should be screened with landscaping.

## **8. Recreational District**

*Intent:* To maximize use of properties located within the cross-wind runway protection zone, per Federal Aviation Administration guidelines. Land uses on this site should be low intensity recreational uses.

*Use:* Recreational. Structures which would enter the runway airspace are not allowed. No night lighting or glare will be allowed.

*Character:* Low density development with large open spaces for outdoor recreational activity.

The rooflines and wall heights should be varied with the use of gables, dormers, architecturally fenestrated facias and eaves. Walls should be architecturally contoured to provide attractive shadow line appears from the street.

*Placement:* Development of this site must take into consideration neighboring uses and compatibility issues.

## **9. School District**

*Intent:* This parcel is in long term school use and no other use is envisioned for this site in the long term.

### **D. Transportation Network**

All streets at New Market are Port-owned except for Center Street, Tumwater Boulevard, and New Market Street north of Tumwater Boulevard.

#### Recreational Path



On most warm summer days, especially during the lunch hour, joggers and walkers travel the New Market Industrial Campus street network. A recreational path is incorporated into the street standard for Kimmie Street to accommodate this recreational use.

## **E. Landscaping and Greenbelt Guidelines**

### Landscaping Guidelines

These guidelines promote the establishment of compatible and continuous landscape development to enhance and unify New Market Industrial Campus. The goal is to create the sense of an established, professional, business-park atmosphere. To some extent each preceding section of this plan has addressed landscaping, from streets standards, to development uses and stormwater management. These guidelines reinforce earlier concepts; and to promote a neat and well maintained appearance in areas not covered by buildings or parking; to enhance the existing site character, and to minimize the adverse visual and environmental impacts of the large paved areas.

- Landscaping should delineate site entrances.
- Parking lots should be shaded and landscaped inside as well as on the perimeter.
- The setback space between streets and parking lots should be fully landscaped. Where possible, berms should be provided in order to screen parked cars and to prevent headlights from disrupting traffic. Where berms are not possible due to space limitation, the parking should be screened through use of coniferous trees and/or appropriate shrub plantings.
- Landscaping should be used to help define pedestrian paths and areas.
- Landscaping should accentuate the architectural details of the site buildings.
- Shade trees should line and define the building and property perimeters (when feasible with adjacent uses). Sidewalks adjacent to the building should be setback with landscaping in between.
- Retention of existing trees is strongly encouraged and should be retained where possible.

The tenant is responsible for maintaining landscaping associated with their site in a groomed, weed-free condition.

### Greenbelt Guidelines

Two greenbelt systems are proposed for New Market and are illustrated on the attached drawing. One is around the perimeter of New Market, primarily on the south and west sides. Most of the trees which should be a part of this system are existing trees. A second system is proposed as part of the north-south sub-regional stormwater facility. Some trees which would be part of this system are existing trees; others would have to be added, especially at the north end of the system.

The existing trees in the undeveloped areas of New Market are a significant amenity and should be preserved and incorporated into site designs for each parcel that abuts the greenbelt. As a rule, the greenbelt areas should not be included within the future leases unless the tenant is committed to retaining and maintaining the Greenbelt. Adjacent tenants should ensure that development on their site do not adversely impact the greenbelt system.

Existing and new trees should be combined in the following greenbelt areas:

- At the entrance to New Market on Center Street. These trees create a boulevard atmosphere and add to the aesthetic value of Tumwater Boulevard. A viable strip should be preserved the length of Center Street between Tumwater Boulevard and 77<sup>th</sup> (or so);
- Along Armstrong Road;
- North of the existing bulk fuel farm;
- Within the Commercial District, primarily on the north perimeter and within the future sub-regional stormwater facility;
- On the western border of the Corporate Campus;
- Between the school site and future uses to the north;
- Along the north-south future sub-regional stormwater facilities in the Warehousing District;
- Along 83<sup>rd</sup> and Armstrong Street;
- Along the north-south future sub-regional stormwater facility in the Mixed Use District; and Grange; and those trees within the development to the south of 73<sup>rd</sup>;
- Around the Light Industrial District.

## **V. Lacey Properties**

### **A. Property Description**

On August 8, 2016, the Port Commission authorized entry into a purchase and sale agreement for the potential acquisition of three buildings located in Lacey, Washington located at 2625, 2633, and 2641 Willamette Drive NE (Parcel Numbers: 42040000300, 42040000200, 42040000100) subject to review and appraisal. The structures were built in 2004. Total site acreage is 4.9 acres with Building 1 being 9500 square feet, building 2 being 18350 square feet, and building 3 being 28654 square feet. The buildings are currently used for light industrial and private commercial enterprise. See Figure 3.



Figure 3. Commerce Business Center

### **B. Development Design Guidelines**

The buildings are currently developed with light industrial and private commercial enterprise. Potential future uses for the properties include Economic Development, Workforce Development, and Industrial Business Incubation/Acceleration. The Port does not plan to modify the footprint of the existing buildings; however, future customer needs may compel tenant improvements. The Port plans to retain tenants with existing leases at the time of acquisition. If future vacancies arise the Port may re-lease the space or pursue new opportunities for the use of the space as described above. Any future improvements or change of use to the existing buildings will comply with the City of Lacey code requirements and development standards.



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**Attention:** Inquiries Port

Port of Olympia  
 606 Columbia Street NW, Suite 300  
 Olympia, WA 98501

[inquiries@portolympia.com](mailto:inquiries@portolympia.com)

**Public Notice of Port of Olympia Public Hearing Pursuant to RCW 53.20.020.**

The Port of Olympia Commission will hold a public Hearing in the Port of Olympia Commission Meeting Room, 626 Columbia St. NW, Olympia, WA, at its regularly scheduled meeting Monday, July 22, 2024 at 10:00 AM, to consider a change to the Port Comprehensive Scheme of Harbor Improvements (CSHI).

Per RCW 53.20.020, changes to the CSHI require a public hearing thereon, of which at least ten days' notice shall be published in a newspaper in general circulation in such port district. Please mail comments to Port of Olympia, Attn: Warren Hendrickson, Port of Olympia, Director of Operations, 606 Columbia St. NW, Suite 300, Olympia WA, 98501, or email [warrenh@portolympia.com](mailto:warrenh@portolympia.com).  
 IPL0183384  
 Jul 11 2024

Mary Castro, being duly sworn, deposes and says: That she is the Principal Clerk of E-Edition, a daily newspaper printed and published at Olympia, Thurston County, State of Washington, and having a general circulation therein, and which said newspaper has been continuously and uninterruptedly published in said County during a period of six months prior to the first publication of the notice, a copy of which is attached hereto: that said notice was published in E-Edition in accordance with RCW 65.16.020 and RCW 63.16.040, as amended, for:

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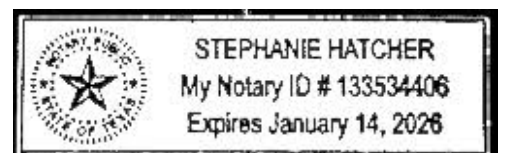
*Mary Castro*

Principal Clerk

Sworn to and subscribed before me this 11th day of July in the year of 2024 before me, a Notary Public, personally appeared before me Mary Castro known or identified to me to be the person whose name subscribed to the within instrument, and being by first duly sworn, declared that the statements therein are true, and acknowledged to me that he/she executed the same.

*Stephanie Hatcher*

Notary Public in and for the state of Texas, residing in Dallas County



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**COVER MEMO**

**Briefing Date/Time:** July 22, 2024

**Staff Contact/Title:** James Sommer, Capital Assets Program Manager, 360.528.8005, [JamesS@portolympia.com](mailto:JamesS@portolympia.com)

**Subject:** Waterfront Center Architecture Contract Award

**Purpose:**  Information Only  Decision Needed

**Overview:**

- This is an Advisory agenda item before the commission
- No action required
- This contract will come back to the commission on August 12, 2024, for approval

**Project Background:**

The process of visioning and developing the waterfront goes back to the 1980s when the first sketch of a waterfront building was developed. It has long been a goal of the port and the community to better utilize our properties along the Port Peninsula. This background focuses on the more recent efforts starting in 2017 and forward.

**2017**

- In 2017, mold was found in the marina office. Although a temporary fix was implemented, it became immediately clear that this building was at the end of its life cycle and required replacement.

**2018**

- In 2018, the POCAC was asked to review how the Port utilizes its leased spaces and to investigate and make suggestions about how the Port might use those resources most efficiently while still providing sufficient space to accommodate the Port's changing real estate needs over time. The impetus for this assignment was the discovery of the environmental issues affecting the Marina Office. Although the immediate pressing need was addressed, it prompted a closer look into Port real estate needs and obligations, and whether some advantage could be realized through consolidating certain facilities. One recommendation that came from the POCAC is that in the long term, it would be better for the Port to own its buildings rather than continue to lease.

**2019**

- In 2019, the Port Commission accepted the Port Vision 2050 plan. Port Vision 2050 was an 18-month process that sought input on goals for Port activities through 2050 from key stakeholders and the community at large. One of the key community goals that emerged from this effort was to “Turn the Port Peninsula into a premier destination by adding attractions, increasing accessibility, and maintaining a clean and safe environment. The Port recognizes that the Port Peninsula can be transformed into a revenue-generating, environmentally sustainable, community asset with the proper planning and vision in place.
- The Port also contracted with MSGS in 2019 to determine the cost and phasing for a new marina office and the potential of consolidating all administrative offices. It was determined that combining both areas in one building, rather than two, would reduce costs by an estimated 10-15%. This would also leave more site flexibility for future development.
- The Port also contracted with Skillings Engineers to perform asset assessments on existing owned properties. The asset assessment confirmed that the Marina Office was indeed at the end of its lifecycle and needed replacement.

## **2020**

- In 2020, the Port contracted with an award-winning team led by Thomas Architecture Studio (TAS) to develop a Destination Waterfront Vision Plan that was completed with the assistance of a Community Economic Revitalization Board (CERB) grant. After an extensive and comprehensive community engagement process, a presentation was made to the Commission at the March 22, 2021, meeting. At this meeting, the commission passed a motion to:

*“Acknowledge the community input given to this vision for the development of a Destination Waterfront and recognize that staff will use this vision to continue to build partnerships, market Port properties and develop project proposals for Commission consideration. ”*

## **2021**

- In 2021, as a means to advance the implementation of this vision for a Destination Waterfront, the Port successfully sought and received an award of \$250,000 in the State 2021-2023 Capital Budget to program and begin the design of a mixed-use “Marine Center” building. The Port had originally been seeking enough funding for design and construction but was granted a scope change in 2022 for design only due to the award amount.

## **2023**

- In 2023, the state appropriation was extended, and the Port worked to finalize contracting to secure the funding.
- The Port also formed a new Waterfront Center project team to ensure the continuity of the project. Due to turnover, forming a team approach moving forward was essential.

## **2024**

- The Port released an Architectural service contract solicitation.
- The Capital Assets Program Manager, James Sommer, briefed the commission on the Waterfront Center project.

### **Contract Background**

- Feb 2, 2024 - The Port released a Request for Qualifications to secure and architect for the design process
- Mar 15, 2024 – Interview with EHDDA
- Mar 26, 2024 - After evaluations and interviews, EHDD Architects was selected and notified of selection
- Apr-Jun 2024 - Scope negotiation with EHDD Architects
- Jul 22, 2024 – Advisory presentation to the Commission

### **Documents Attached:**

- [Oct 17, 2022: Budd Inlet – Port Large Scale Remediation Project Examples \(link\)](#)
- [May 6, 2024: Waterfront Center Briefing - Special Work Session \(link\)](#)
- Destination Waterfront Development Vision
- EHDD Statement of Qualifications
- EHDD Scope of Services and Fee
- Guidelines for Determining Architect and Engineer Fees

### **Summary and Financial Impact:**

The design and construction administration of this project is estimated to cost **\$2,239,076**.

### **Affected Parties:**

Port of Olympia

### **Options with Pros & Cons:**

1. Approve Port contract through Construction Administration for a not-to-exceed amount of **\$2,239,076**.

Result: Waterfront Center design moves forward, in stages, through Construction Administration. The architectural contract will have authorization from design through

completion pending funding in the capital budget. Annual funding for this project will be approved by the commission through the budget process for capital projects.

2. Approve Port contract through Design Development for a not-to-exceed amount of **\$1,026,636**.

Result: Waterfront Center design moves forward, in stages, through Design Development. Commission approval will be required for a phase 2 amendment which would include contract authorization for development of Construction Documents, Bidding, and Construction Administration. Annual funding for this project will be approved by the commission through the budget process for capital projects.

3. Take no Action

Result: Waterfront Center project is postponed or cancelled which may result in loss of state capital appropriation funds.

**Environmental Considerations:**

This project is part of the master planning effort that will be focused around the restoration of Budd Inlet.

**Staff Recommendation:**

No action is requested at today's meeting. This is advisory only.

**Next Steps/Timeframe:**

This contract will be returned to the commission at an August Commission meeting for approval. Port staff will recommend Port Commission approve a contract in a not-to-exceed amount of \$2,324,475 with EHDD Architectural firm.





**PORT of OLYMPIA**  
Serving All of Thurston County

## Waterfront Center Architectural Contract Award

July 22, 2024

<b>Camille St. Onge</b> Director of Strategic Initiatives and Commission Affairs	<b>Clarita Mattox</b> Real Estate Senior Manager	<b>James Sommer</b> Capital Assets Program Manager
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1



## Today's Presentation

*Advisory Only – No Action Required*

- Port vision and approach
- Integrated Port Peninsula Master Plan
- Case studies
- Contract details

2



## Waterfront Development and Water Access

**Clarita Mattox**  
Real Estate Senior Manager

3



3



## MISSION

Creating economic opportunities and building community for all of Thurston County through responsible resource use.

4



4

## Market District

- Enhance the peninsula
- Comprehensive planning
- Public involvement



5

5

## East Bay and North Point District

- Revitalization
- City partnership
- Visioning for East Bay



6

6



## Destination Waterfront

- Environmental revitalization
- Community visioning
- Public amenities and access



7

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## Master Planning and Case Studies

**Camille St. Onge**  
Director of Strategic Initiatives &  
Commission Affairs

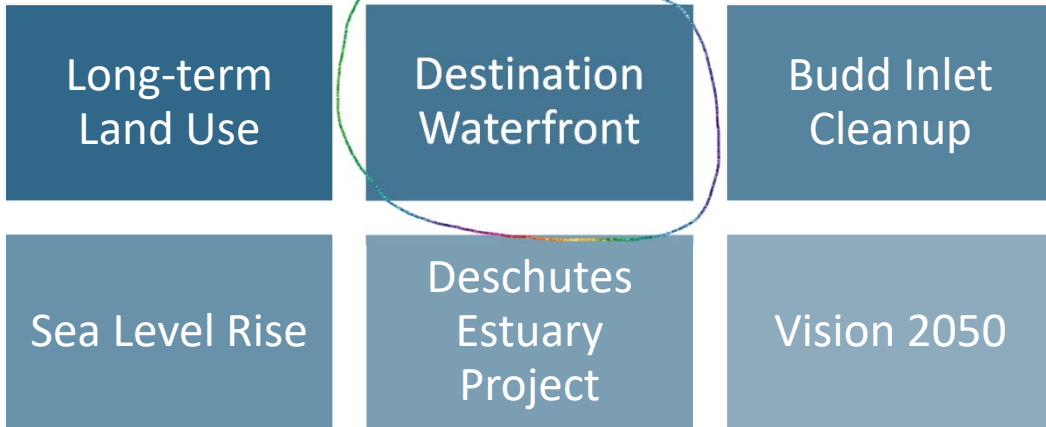


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# Integrated Port Peninsula Master Plan



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# Land Use Plan: Catalyst Project

- Planned integration
- Consultant cross-pollination
- E.g. Moffat & Nichol and TAS



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## Combine Cleanup and Capital Development

### Destination Waterfront

- Include environmental stewardship in the development approach.
- Maximize and expedite environmental and economic benefits for the community.
- Integrate with sea level rise resilience.
- Responsible management of assets.



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## Port of Everett Approach

- Strategic organizational alignment (DNA) – think big: Is the cleanup a priority and is it integrated with the core vision and mission of the organization?
- Combine cleanup with capital development to maximize/expedite environmental and economic returns to the community.



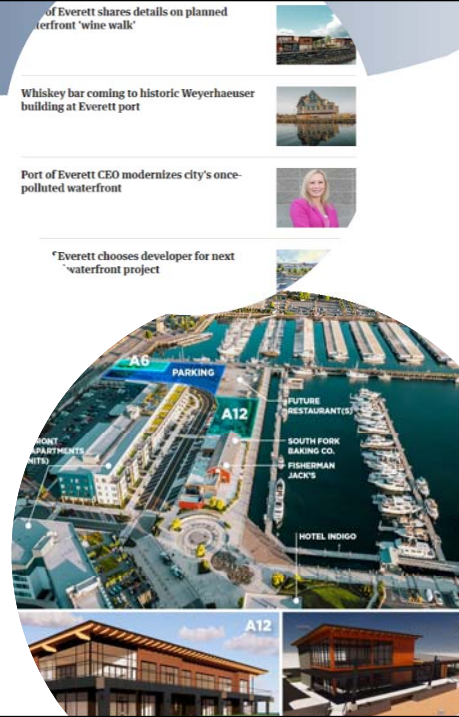
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# Port of Everett Outcome

## Waterfront Place

- Between 2006 – 2015, innovative cleanup across 65-acre Waterfront Place was completed.
- Removed 150K+ tons of contaminated soil, remediated groundwater plumes, dredged contaminated soil, removed creosote structures/piling, etc.
- Destination Waterfront; 1.5M sf, public/private investment.



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# Port of Bellingham Approach

## Waterfront District Redevelopment

- Promote a healthy and dynamic waterfront economy
- Improve waterfront access
- Restore the health of land and water
- Reinforce the inherent qualities of each place on the waterfront



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## Port of Bellingham Outcome

- Cleanup, environmental stewardship, and capital development integrated.
- Economic opportunities and vitality for the community.
- Improved community access, expansive views, and diverse recreational experiences.



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## Port of Kalama Approach

- Combine cleanup and dredging with capital improvements.
- Develop commercial properties.
- Create public spaces.
- Maintain marine terminal.



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## Port of Kalama Outcome

- Waterfront Interpretive Center
- Mountain Timber Market
- Commercial opportunities
- Public access through park/event space



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## Architectural Contract Details

**James Sommer**  
Capital Assets Program Manager



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## Solicitation History

### *Waterfront Center Architectural Contract*

- Nov 27, 2023: Capital budget is adopted with Waterfront Center project
- Feb 2, 2024: Released architectural services request for qualifications
- Mar 1, 2024: Statement of qualifications due from consultants
- Mar 4, 2024: Began evaluating statement of qualifications from consultants
- Mar 15, 2024: Began interviews of top 4 firms
- Mar 26, 2024: Notified EHDD of selection
- Apr-Jun 2024: Scope negotiation
- Jul 2024: Commission presentation

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## Contract Details

### *Waterfront Center Architectural Contract*

- 3 Phase approach
- Based on Washington State fee schedule

#### Assumptions

- 3 Story, 23k sq foot mixed use building
- Responsible resource use – LEED Silver
- Project budget of \$17,500,000 for building
- Project budget of \$2,500,000 for site / shoreline work

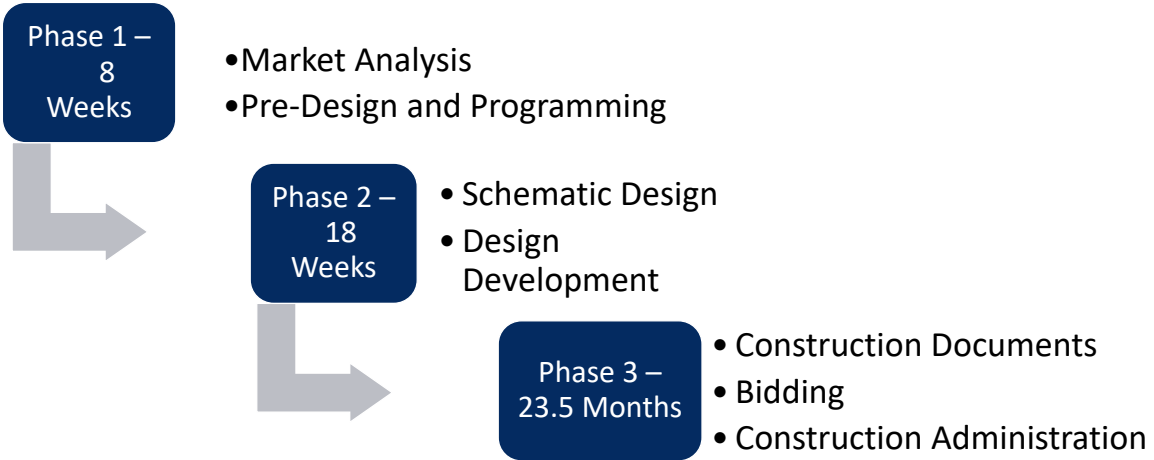
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# Scope of Work / Timeline

## Waterfront Center Architectural Contract

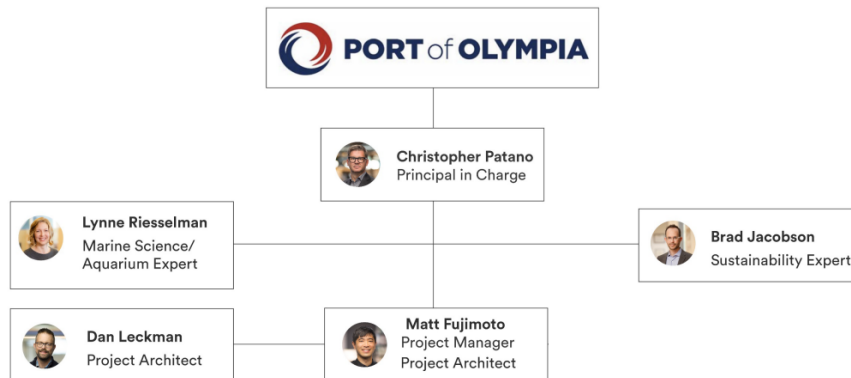


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# Port / EHDD Team



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## Specialty Services

- Cushman Wakefield - Real Estate Market Analysis
- Moffatt Nichol - Civil Engineering
- Groundswell - Landscape Architecture
- Haley & Aldrich - Geotechnical Engineering
- DCW Cost Management - Cost Estimating
- PAE Engineering
  - Technology Design Service / Building Performance / Energy Code
- EHDD - LEED Documentation and Administration

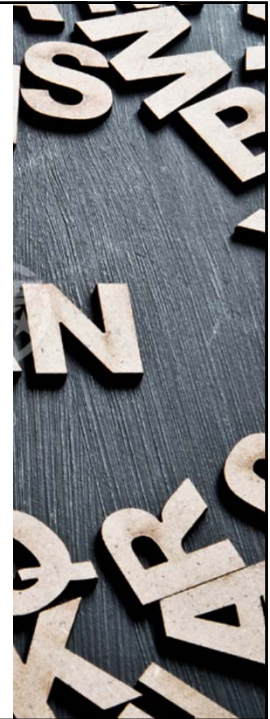
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## Phase 1

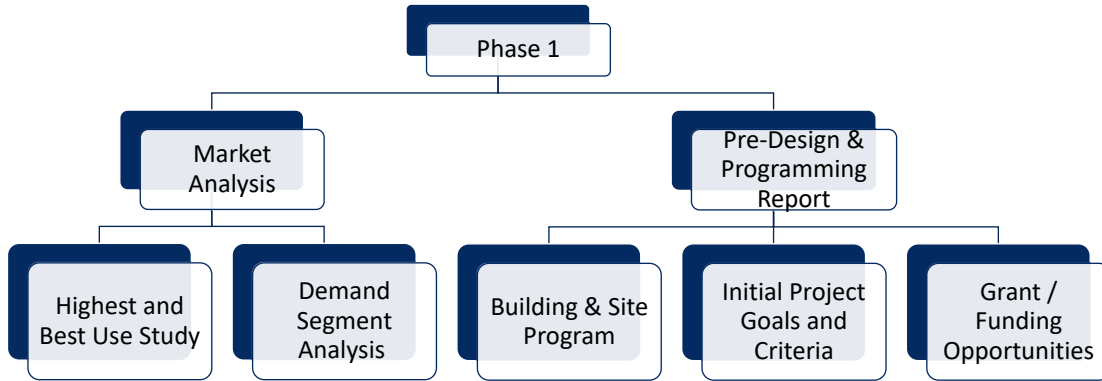
Pre-Design /  
Programing



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# Phase 1

*Deliverables*



25



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# Example Schedule

*Phase 1 - Pre-Design / Programing*

Phase 2A (8 Weeks)		Week 1	Week 2	Week 3	Week 4	Week 5	Week 6	Week 7	Week 8
(1)	Kick off Meeting	X							
(8)	Project Meeting (weekly)	X	X	X	X	X	X	X	X
(1)	Sustainability Charrette		X						
(1)	Technical Review 1						X		
(4)	Commission Design Meeting	X		X		X		X	
(2)	Community Meeting				X				X

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# EHDD Contract Summary

## Phase 1 Fee Structure

Phase 1 – Pre-Design / Programming	Amount
Building Architectural	\$65,000
Landscape Architectural	\$26,582
Market Analysis	\$37,400
<b>Total</b>	<b>\$128,982</b>

27

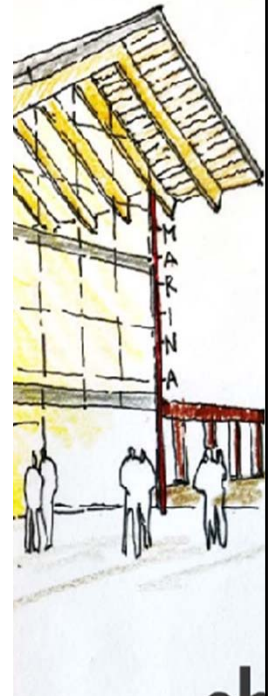


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## Phase 2

Schematic Design  
and  
Design  
Development



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## Schematic Design

### *Deliverables*

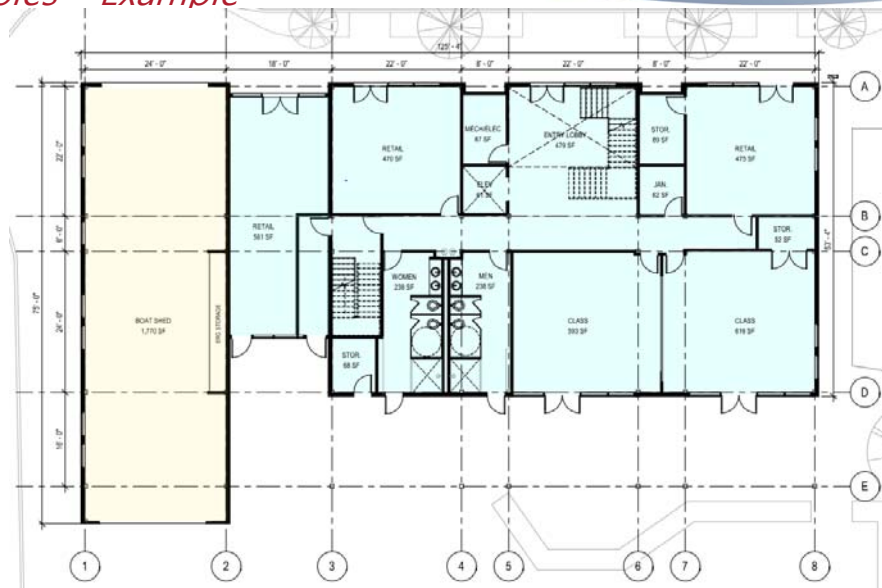
- 100% Schematic Design
- 4 Project renderings
- Report summarizing all sustainable design criteria
- Content for and conduct Public Open Houses
- Draft geotechnical engineering design report
- Probable construction costs during 100% Schematic Design

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### *Deliverables - Example*



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## Example Schedule

### *Phase 2A - Schematic Design*

Phase 2A (8 Weeks)		Week 1	Week 2	Week 3	Week 4	Week 5	Week 6	Week 7	Week 8
(1)	Kick off Meeting	X							
(8)	Project Meeting (weekly)	X	X	X	X	X	X	X	X
(1)	Sustainability Charrette		X						
(1)	Technical Review 1						X		
(4)	Commission Design Meeting	X		X		X		X	
(2)	Community Meeting				X				X

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## Design Development

### *Deliverables*

- LEED credit review and document preparation
- 100% Design Development Drawings
- As needed technical expertise in form of memorandums
- Final geotechnical engineering design report
- Probable construction costs during 100% Design Development
- Grant writing

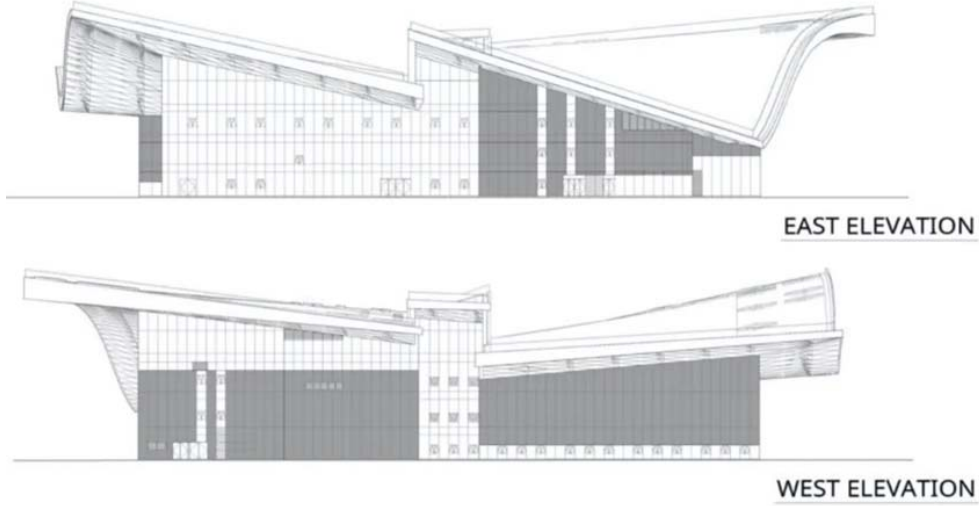
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*Deliverables - Example*



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**Example Schedule**  
*Phase 2B - Design Development*

Phase 2B (10 Weeks)		Week 1	Week 2	Week 3	Week 4	Week 5	Week 6	Week 7	Week 8	Week 9	Week 10
(5)	Project Meeting (bi-weekly)	X		X		X		X		X	
(4)	Group Design Meetings		X		X		X		X		
(1)	Technical Review 2					X					
(1)	Community Meeting			X							

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# EHDD Contract Summary

## Phase 2 Fee Structure

Phase 2A – Schematic Design	Amount	Phase 2B – Design Development	Amount
Building Architectural	\$120,000	Building Architectural	\$190,000
Structural Engineering	\$33,000	Structural Engineering	\$44,000
MEP Engineering	\$40,700	MEP Engineering	\$73,700
Landscape Architectural	\$22,886	Civil Engineering	\$21,505
Geotechnical Engineering	\$123,200	Landscape Architectural	\$25,713
Cost Estimating	\$11,550	Geotechnical Engineering	\$72,600
Technology Design Service	\$6,600	Cost Estimating	\$10,395
LEED Documentation	\$4,070	Technology Design Service	\$12,100
Building/Envelope Analysis	\$42,350	LEED Documentation	\$2,035
<b>Total</b>	<b>\$404,356</b>	Building/Envelope Analysis	\$37,950
		<b>Total</b>	<b>\$493,298</b>

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## Break for Project Funding

- Grants
- Appropriations
- Private investment
- Partnerships
- Bonds




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**Phase 3**

**Construction Documents, Bidding, and Construction Administration**

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## Construction Documents

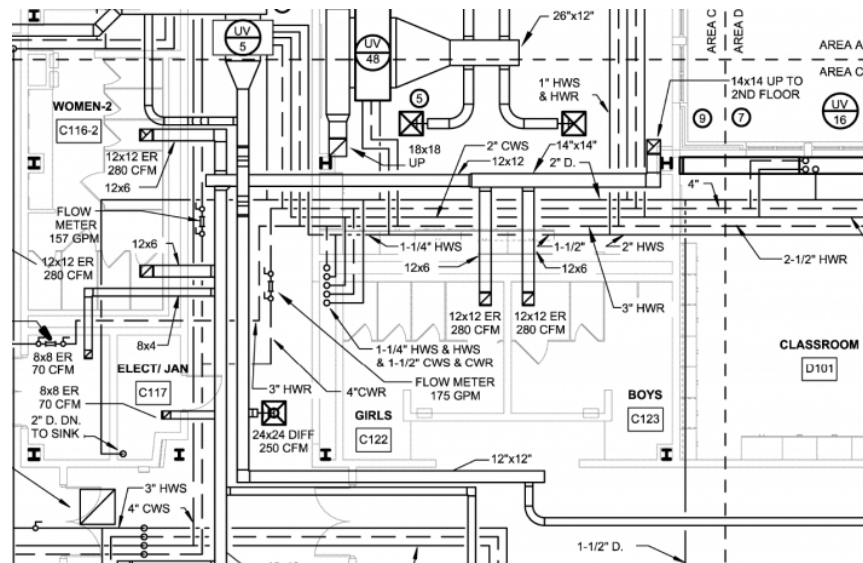
*Deliverables*

- 90% Construction Document Drawings (Permit Set)
- 100% Construction Document Drawings (Bid Set)
  - Incorporated feedback from authority having jurisdiction
  - Full specifications
  - Cost estimate

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## Deliverables - Example



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## Bidding Deliverables

- Assist General Contractor with bid conference
- Respond to Bid Requests for Information (RFIs)
- Conformed set incorporated addenda from standard bid process

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## Construction Administration

### *Deliverables*

- Site visits and reports
- Submittal review
- Review and respond to Requests for Information (RFIs)
- Review and respond to contractors Punchlist/Backcheck
- Record drawings

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## EHDD Contract Summary

### *Phase 3 Fee Structure*

Phase 3A – Construction Documents		Amount	Phase 3B – Bid & Construction Administration		Amount
Building Architectural		\$310,000	Building Architectural		\$297,000
Structural Engineering		\$58,300	Structural Engineering		\$49,500
MEP Engineering		\$140,800	MEP Engineering		\$115,500
Landscape Architectural		\$44,935	Landscape Architectural		\$34,375
Geotechnical Engineering		\$22,000	Cost Estimating		\$18,865
Cost Estimating		\$10,395	Technology Design Service		\$19,800
Technology Design Service		\$24,200	LEED Documentation		\$2,035
LEED Documentation		\$2,035	MEP LEED Documentation		\$41,800
Building/Envelope Analysis		\$20,900	<b>Total</b>		<b>\$578,875</b>
<b>Total</b>		<b>\$633,565</b>			

42



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## EHDD Contract Recap

### *Phase 1-3 Fee Structure*

Phase	Amount	Estimated Duration
Pre-Design / Programing	\$128,982	8 Weeks
Schematic Design	\$404,356	8 Weeks
Design Development	\$493,298	10 Weeks
Construction Documents	\$633,565	18 Weeks
Bidding & Construction Admin	\$578,875	76 Weeks
<b>Total</b>	<b>\$2,239,076</b>	<b>118 Weeks</b>

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## Next Steps

### *Future Commission Action Requested in August 2024*

Commission Action Options:

1. Approve Port contract through Construction Administration (Phase 1-3) for a not-to-exceed amount of **\$2,239,076**.
2. Approve Port contract through Design Development (Phase 1-2) for a not-to-exceed amount of **\$1,026,636**.
  - *Result: Waterfront Center design can move forward in stages through Design Development. Commission approval will be required for a phase 3 amendment.*
3. Take no Action
  - *Result: Waterfront Center design is postponed or cancelled which may result in loss of state capital appropriation funds.*

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# Questions and Comments

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PORT OF OLYMPIA  
**DESTINATION WATERFRONT DEVELOPMENT VISION**  
COMMISSION MEETING  
May 16, 2022

**Introduction  
& Public  
Outreach  
Plan**

Public Input  
Summary

Zoning & Sea  
Level Rise

Development  
Site Plan

Next  
Steps



On May 21, 2021, CERB approved a **\$50,000** grant to the Port for this Destination Waterfront Development Vision to serve as a marketing tool for investors



This was a follow up to **VISION 2050** plan (an 18-month study in 2018)

- Building community awareness of the Port
- Align investments with community priorities
- Strengthen partnerships
- Establish a shared vision for Port focus and impact





**The Port Peninsula will develop as a Destination Waterfront  
that offers diverse first-rate amenities and spaces  
for both active and passive recreation,  
ensuring connectivity  
to the Water, nearshore and existing downtown core.**

**ADVISORY GROUP MEMBERS:**

**LEONARD BAUER** City of Olympia

**PATTY BELMONTE** Hands on Children's Museum

**JEFF BOWE** Experience Olympia & Beyond

**MICHAEL CADE** Thurston County EDC

**TODD CUTTS** Olympia Downtown Alliance

**RAY PETERS** Squaxin Island Tribe

**LISA DENNIS-PEREZ** Lott Cleanwater Alliance

**DREW PHILLIPS** FORMA Construction

**MYRON HOTINGER** Swantown Marina Liveaboard (EXCUSED)

**NOREEN LIGHT** Swantown Marina Live Abroad (EXCUSED)

**PARIS MCCLUSKY** South Sound Estuarium

**MARC DAILY** Thurston Regional Planning Council (TRPC)

**DAVID SCHAFFERT** Thurston Chamber of Commerce

**KYLE RADANOVIC & SABRINA SMITH** Anthony's Restaurant

**DR. TIM STOKES** South Puget Sound Community College

**RICHARD WOLF** East Bay Neighborhood Association

**CHUCK FOWLER** South Sound Maritime Heritage Association (SSMHA)

## **ADDITIONAL ADVISORY GROUP MEMBERS:**

**NICK KERRY** KGY Radio Station

**AUSTIN ROGNLIN** Rognlin's Olympia Marine Center

**GRETCHEN VAN DUSEN** Olympia Area Rowing (OAR)

**SUE PATNUDE** Deschutes Estuary Restoration Team (DERT)

**JOEL CARLSON** Sierra Club

**EDDIE & BECKY MILLER** Swantown Marina Liveaboard

**DEB PATTIN** Port Of Olympia Citizens Advisory Committee (POCAC)

**BOB VAN SCHOORL** Olympia Yacht Club

**STACEY WATERMAN-HOEY** Arbutus Folk School

**RICHARD WELLS & BOB BUTTS** South Sound Sailing Society

## SELECT STAKEHOLDER'S INTERVIEWS:

**DAVID PAUL** Arbutus Folk School

**LISA IVERSON** Olympia Area Rowing Association (OAR)

**DAVE WASSON** Batdorf & Bronson Coffee Roasters

**HELEN WHEATLEY** Vision 2050 Member

**CAROL RILEY** Harbor Days Representative

**HELEN WHEATLEY** Sierra Club



# PROJECT SCHEDULE

	YEAR	2020								2021							
		MONTH	Sep		Oct		Nov		Dec		Jan		Feb		Mar		
			1-2	3-4	1-2	3-4	1-2	3-4	1-2	3-4	1-2	3-4	1-2	3-4	1-2	3-4	
INFORMATION GATHERING & STAKEHOLDER OUTREACH	<b>1. Information Gathering &amp; Stakeholder Outreach</b>																
	Gather Existing Documents & Review with Port Staff																
	Vision 2050 Plan: Review with Port Staff																
	Admin/Marina Office Building: Review Work to-Date																
	RV Resort: Review Work to-Date																
	Hotel Feasibility Studies: Review Work to-Date																
	Summary of Olympia Comp. Plan & Land Use Code																
	Tour Site with Port Staff																
	Help Port in identifying Stakeholder Steering Committee																
	Base map & model for Destination Development Plan																
	Internal (Port staff) Stakeholder Meetings (6)																
	Stakeholder Steering Committee Meetings (6)																
Public Outreach Meetings (3)																	
Port of Olympia Project Website Updates																	
DEVELOPMENT PLAN (60%)	<b>2. Base Drawings for Destination Development Plan (60%)</b>																
	Potential development parcels shown on plan																
	Public Park opportunities & esplanade improvements																
	Sea Level Rise study info incorporated																
	Connectivity: Linkage Opportunities to Downtown Oly																
	District-wide sustainability goals identified																
	Downtown Strategy input incorporated																
	Presentation documents for Public Outreach #1																
	Document all public feedback from Outreach #1																
DEVELOPMENT PLAN (90%)	<b>3. Updates to Destination Development Plan (90%)</b>																
	Incorporate all feedback to-date into updated plan																
	Update district-wide sustainability options																
	Identify and document infrastructure improvements																
	Update response to sea level rise																
	Update development plan																
	Enlarged plans of key elements																
	Survey #1																
	Updated documents for Public Outreach #2																
	Document all public feedback from Outreach #2																
Public Outreach Meeting #3																	
Survey #2																	
FINAL PLAN (100%)	<b>4. Final Development Plan (100%) &amp; Presentation</b>																
	Advisory Group Meeting - New members																
	Incorporate all feedback to-date into final plan																
	Present final development plan to Advisory Group																
	Present final development plan at Outreach #4																
Present final development plan to Commissioners																	



The Port of Olympia invites you to participate in our final Public Outreach Opportunity

## DESTINATION WATERFRONT DEVELOPMENT PLAN

A continuation of the Port 2050 Vision Plan

Wednesday  
January 20  
5:30 PM - 6:30 PM

- Remote Meeting link can be found below

**Attend a brief presentation to learn more about the Waterfront Destination Development Plan public outreach summary, underlying assumptions, and aesthetics, followed with opportunities for questions and feedback.**

To be added to the email list for future notices and updates, email Amos at [amos@tasolympia.com](mailto:amos@tasolympia.com).



INCREASING IMPACT ON THE DECISION 

	INFORM	CONSULT	INVOLVE	COLLABORATE	EMPOWER
PUBLIC PARTICIPATION GOAL	To provide the public with balanced and objective information to assist them in understanding the problem, alternatives, opportunities and/or solutions.	To obtain public feedback on analysis, alternatives and/or decisions.	To work directly with the public throughout the process to ensure that public concerns and aspirations are consistently understood and considered	To partner with the public in each aspect of the decision including the development of alternatives and the identification of the preferred solution.	To place final decision making in the hands of the public.
PROMISE TO THE PUBLIC	We will keep you informed.	We will keep you informed, listen to and acknowledge concerns and aspirations, and provide feedback on how public input influenced the decision. We will seek your feedback on drafts and proposals.	We will work with you to ensure that your concerns and aspirations are directly reflected in the alternatives developed and provide feedback on how public input influenced the decision.	We will work together with you to formulate solutions and incorporate your advice and recommendations into the decisions to maximum extent possible.	We will implement what you decide.



## PUBLIC OUTREACH SUMMARY

Social Media Reach:

**11,871**

Public Meeting Participants:

**468**

Number of Email contacts:

**3,156**

(as of March 8, 2021)

The Port of Olympia invites you to participate  
in our first Public Outreach Opportunity

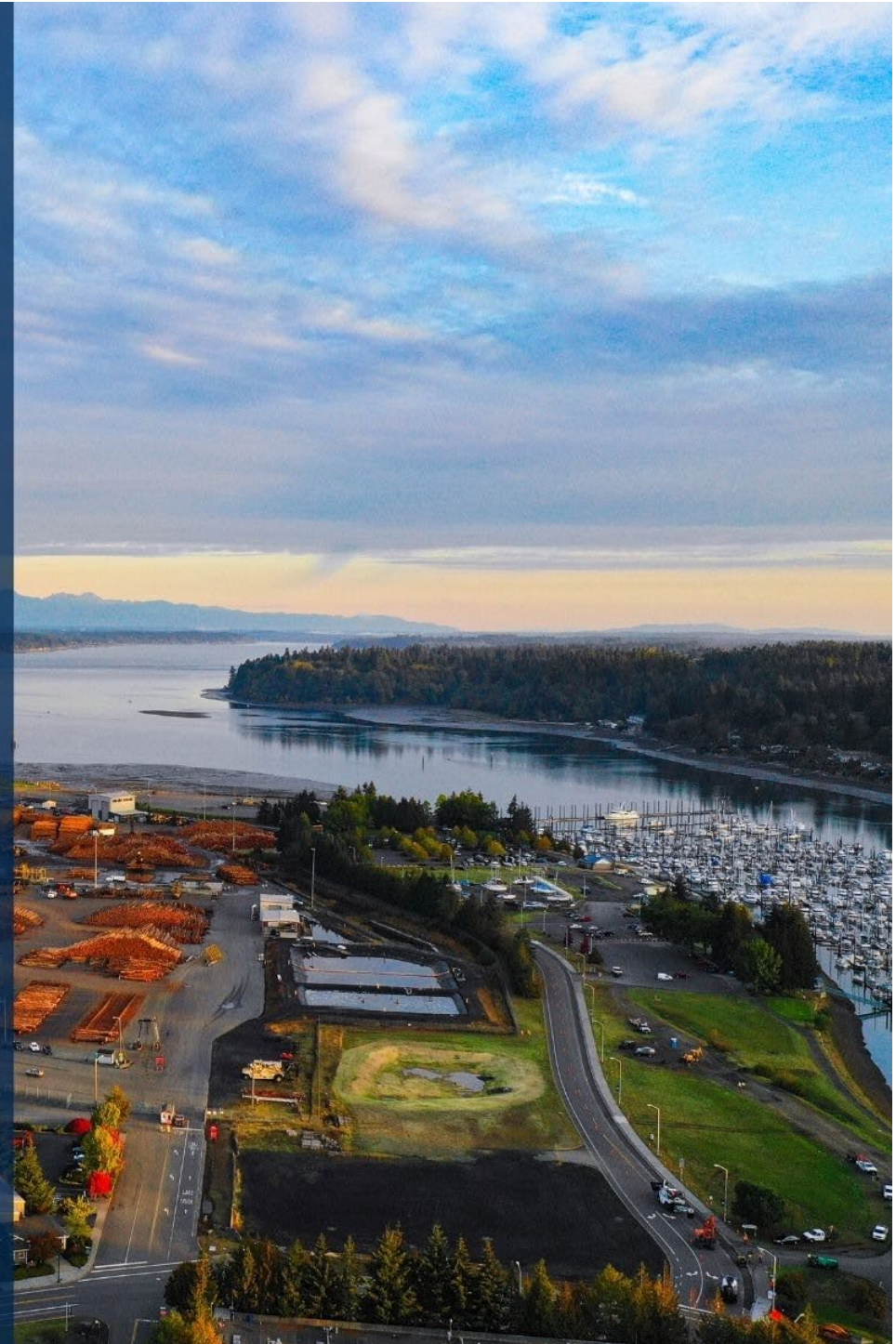
### **WATERFRONT DESTINATION DEVELOPMENT PLAN**

A continuation of the Port 2050 Vision Plan

Wednesday  
November 18th  
5:30 PM - 6:30 PM } Remote Meeting

**Attend a brief presentation to learn  
more about the Waterfront Destination  
Development Plan, followed up with  
opportunities for questions and  
feedback**

Please RSVP to Amos at [amos@tasolympia.com](mailto:amos@tasolympia.com) to be  
added to our email list for future notices and updates





**Public Outreach Meetings:**

Nov. 18 | Dec. 16 | Jan. 20 | Mar 4

**Advisory Board Meetings:**

Oct. 14 | Nov. 10 | Dec. 8 | Jan. 13

Feb. 10 | Feb. 24

**Select Stakeholder Meetings:**

Nov. 12 | (additional) Dec. 7-11

**Commission Meetings:**

Nov.16 | Jan 19 | Feb. 16 | Mar. 8

### 2020 OCTOBER

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
27	28	29	30	1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

### 2021 JANUARY

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
27	28	29	30	31	1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31	1	2	3	4	5	6

### 2020 NOVEMBER

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	1	2	3	4	5

### 2021 FEBRUARY

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
31	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	1	2	3	4	5	6

### 2020 DECEMBER

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
29	30	1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31	1	2

### 2021 MARCH

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
28	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31	1	2	3



Introduction & Public Outreach Plan

**Public Input Summary**

Zoning & Sea Level Rise

Development Site Plan

Next Steps

## PUBLIC OUTREACH SUMMARY

Survey #1

Number of Respondents:

# 442

(10 questions)

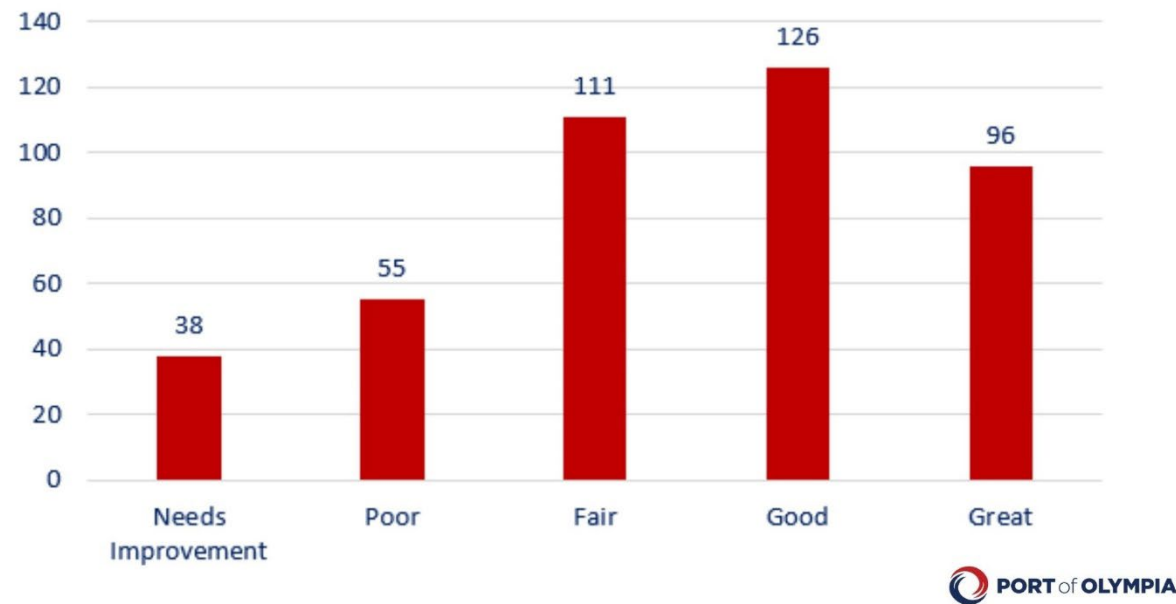
Survey #2

Number of Respondents:

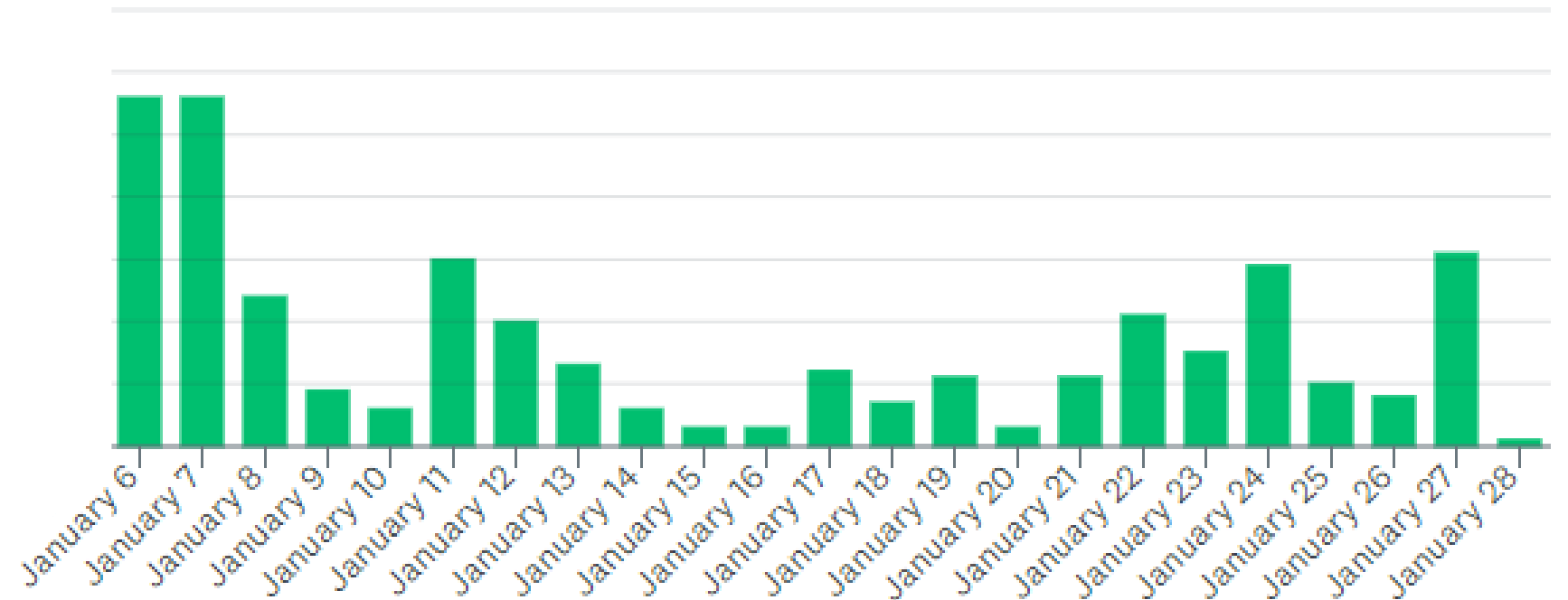
# 385

(9 questions)

Overall Outreach Experience Rating



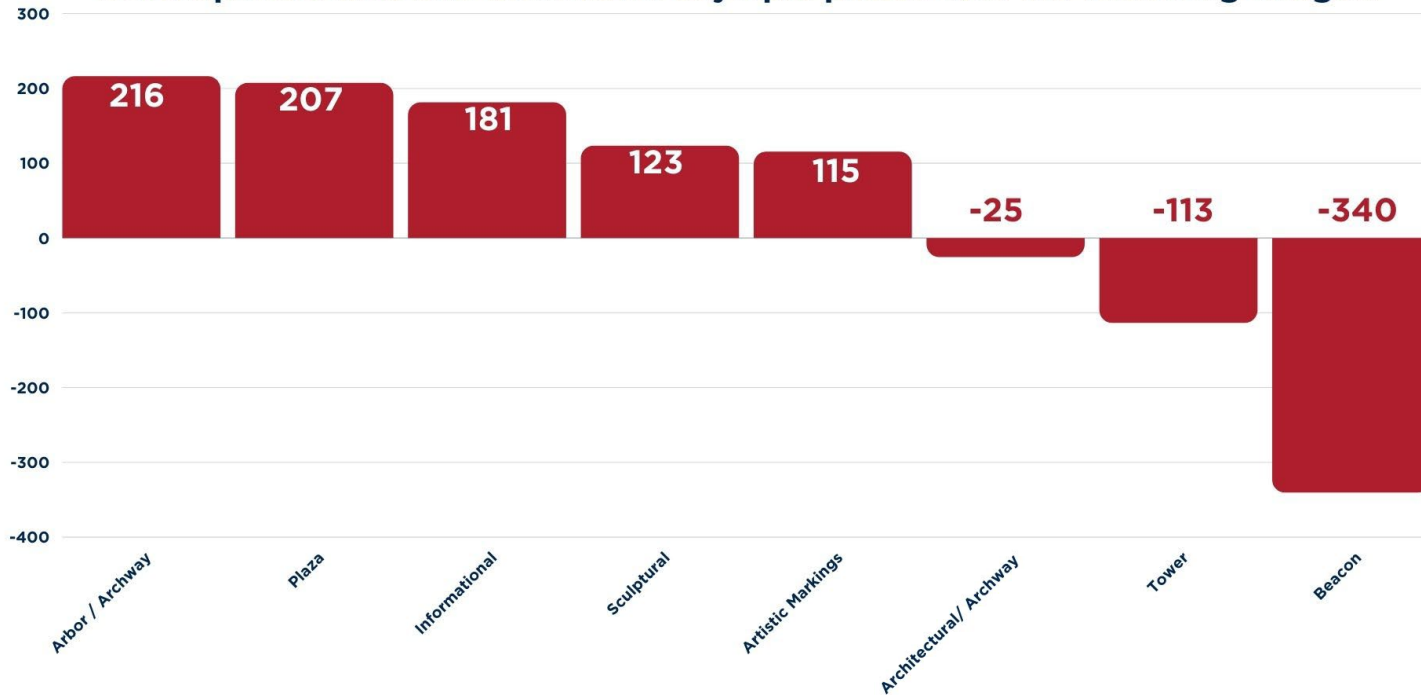
December 21 - January 28



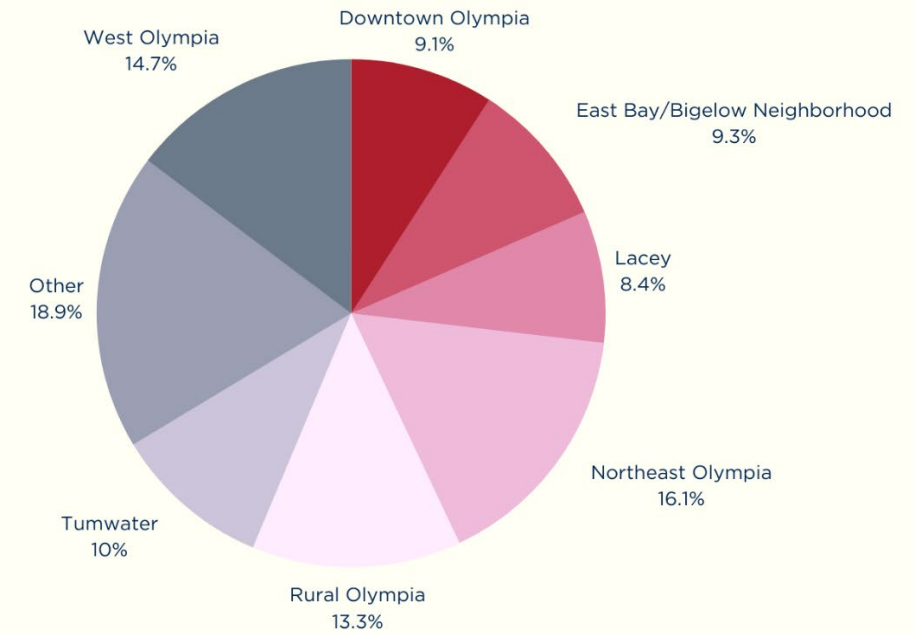
(234 new participants)

# COMMUNITY FEEDBACK – ONLINE SURVEYS (2 TOTAL)

**Q9 Regarding potential gateway or connectors between the waterfront development area and downtown Olympia please rate the following images.**



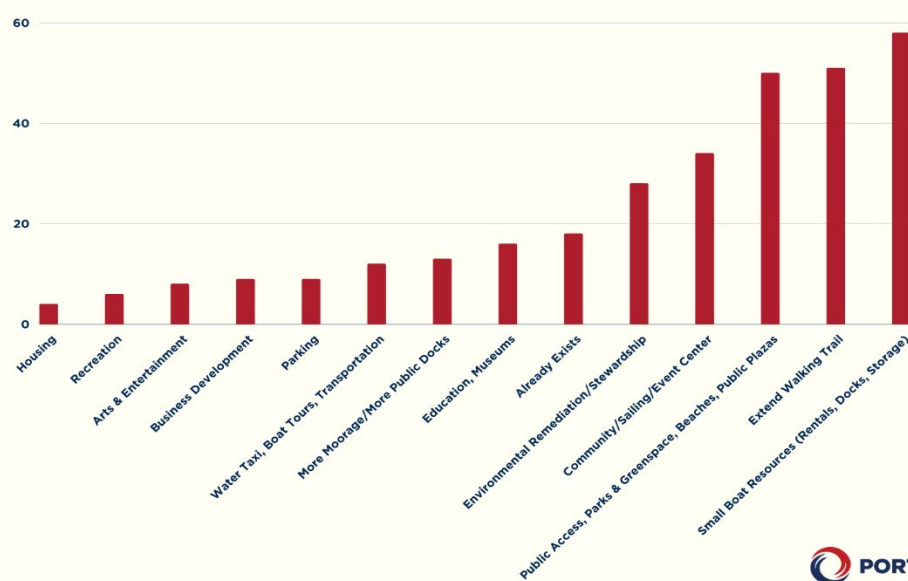
**Respondent Location**



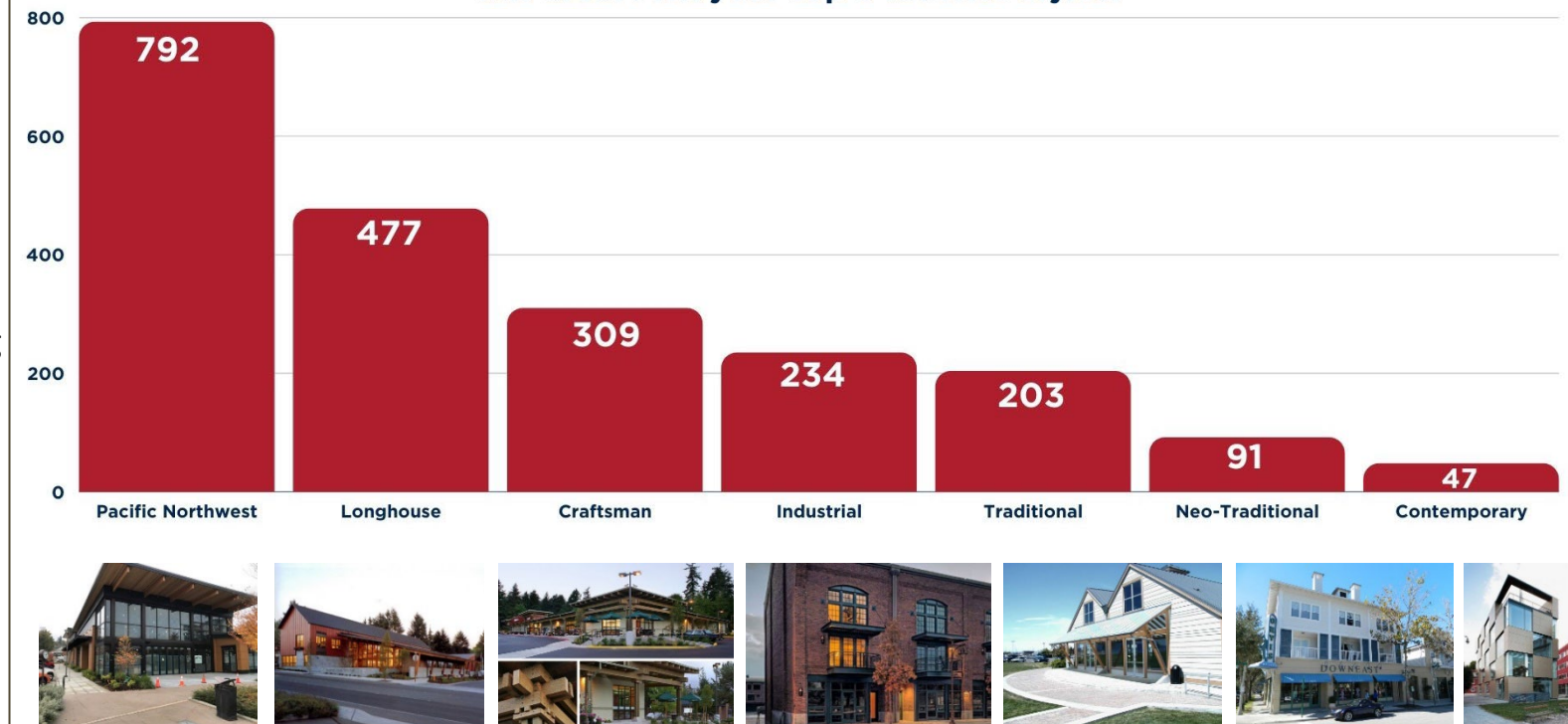
Question 5 Takeaways:

- Small Boat Resources
- Extend Walking Trail
- Incorporate public access, parks, greenspace, plazas
- Community/sailing / event center
- Consider Environmental Remediation/ Stewardship

**Ways Plan Can Provide Public Access to Water**



**Q6 Rank in order of preference, the style of architecture that would be best suited for this area. Pick your top 3 favorite styles.**





## **PROCESS:**

- Additional Meetings added to project schedule
- Longer outreach process – extra time added to project schedule for community input
- Ensure environmental & financial sustainability

## **TRANSPARENCY:**

- Project webpage established with meetings, presentations, and data
- Access to past public outreach material
- Document community comments and incorporate as attachment
- Documented summary of Survey Results as reference tool moving forward

## **TOP FEATURES SUGGESTED:**

- Boating Center
- Light Industrial
- Address Sea Level Rise
- Retain some existing public amenities
- Mixed use / Housing
- View Preservation





Introduction  
& Public  
Outreach  
Plan

Public Input  
Summary

**Zoning & Sea  
Level Rise**

Development  
Site Plan

Next  
Steps



## WASHINGTON STATE CONSTITUTION:

The Washington State Constitution establishes a general policy **that taxes and other public funds may be spent only for public purposes**

(Article VII – Section 1 – Amendment 14)

No county, city, town or other municipal corporation shall hereafter give any money, or property, or loan its money, or credit to or **in aid of any individual, association, company, or corporation, except for the necessary support of the poor and infirm**, or become directly or indirectly the owner of any stock in or bonds of any association, company or corporation. (Emphasis added)

(Article VIII – Section 7)

**Cannot be gifted**. Provision added empowering the Legislature to authorize **uses of port district funds** for industrial development, trade promotion and promotional hosting, **as a “public purpose, and shall not be deemed a gift...”**.

(Article VIII – Section 8 Amendment 45)

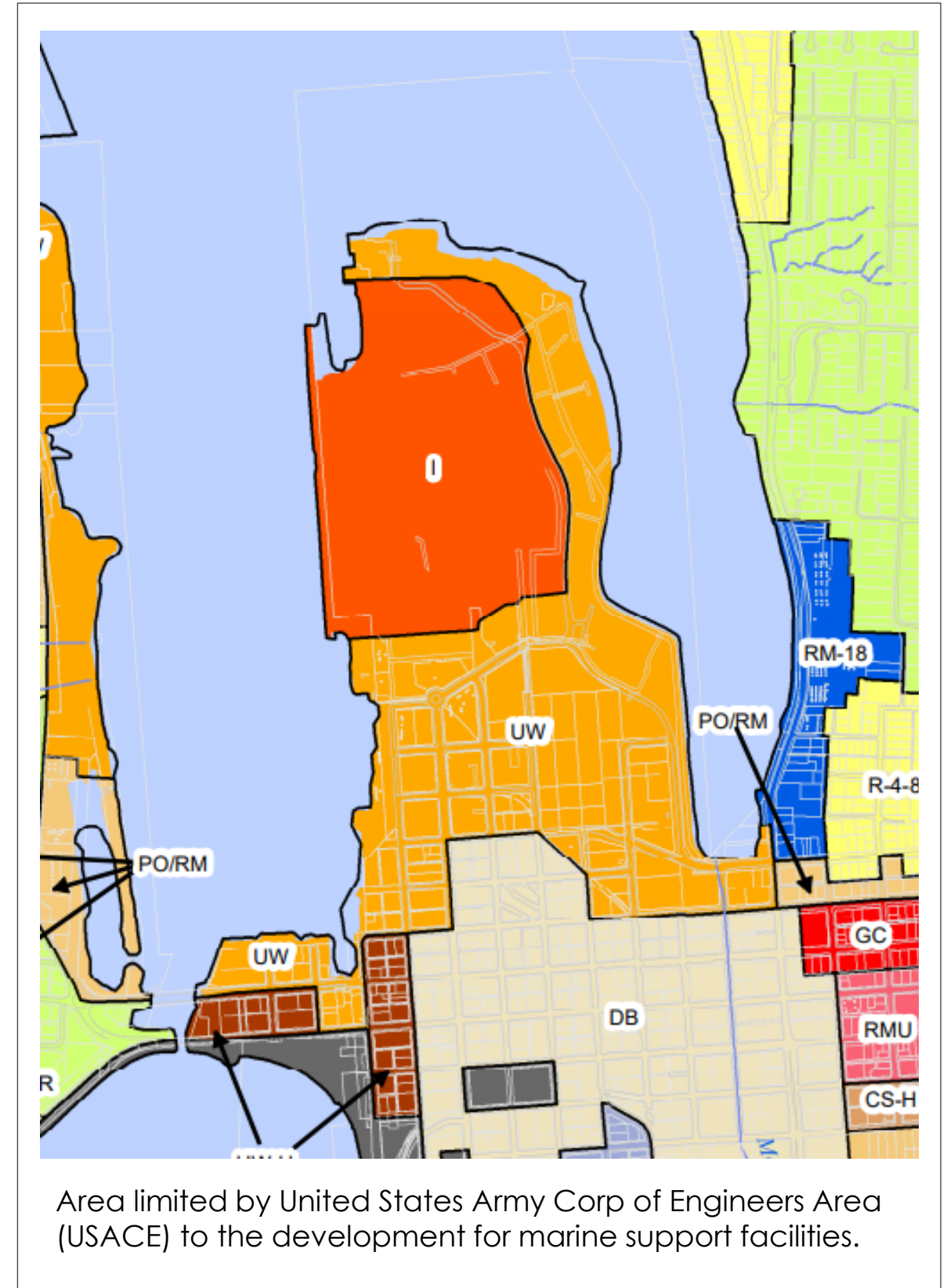
Authorize districts to, among other things, **“construct, condemn, purchase, acquire, add to, maintain, conduct, and operate . . . improvements relating to industrial and manufacturing activities** within the district[.]”

(RCW 53.08.020)

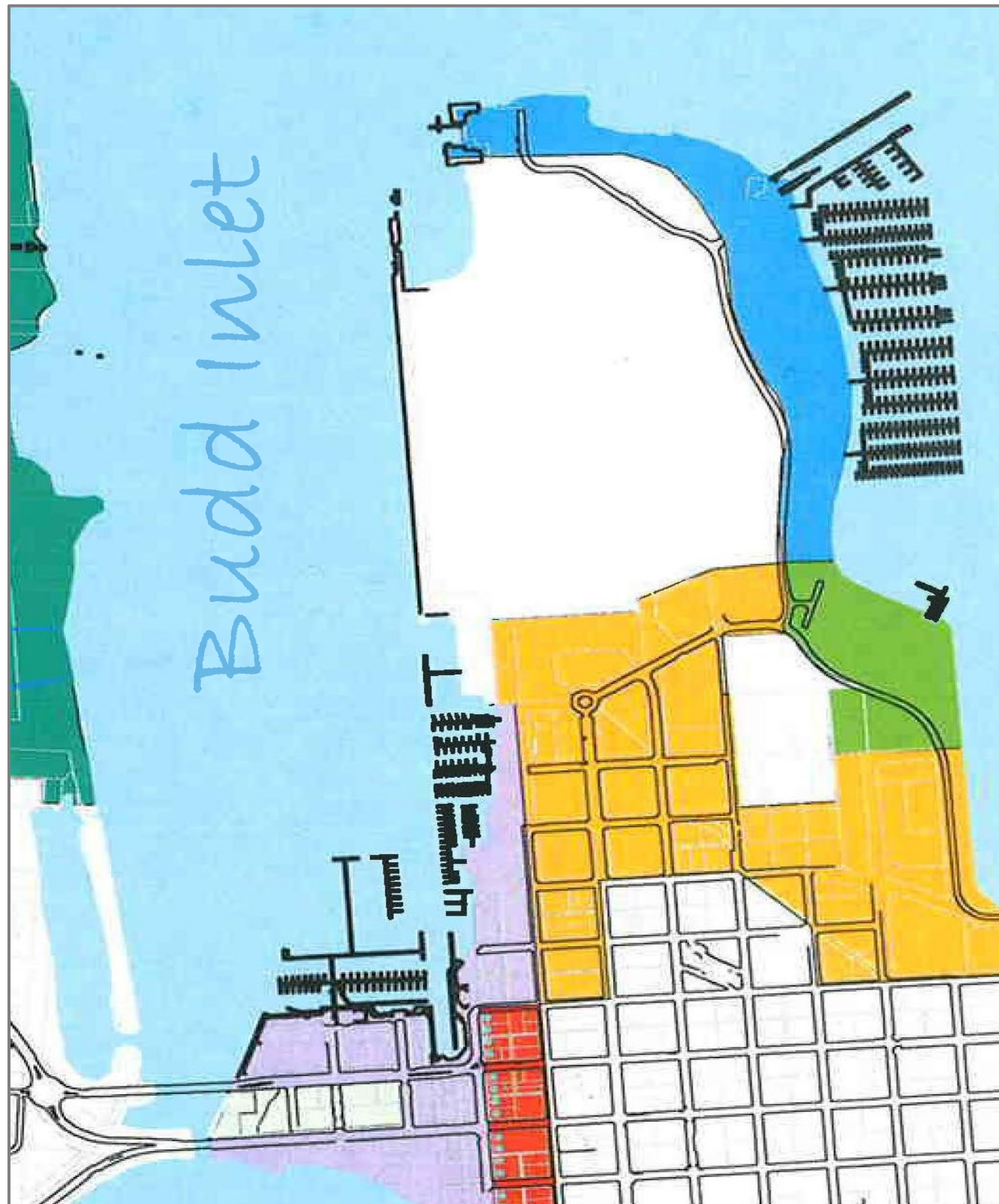
## ZONING: URBAN WATERFRONT (UW)

### PERMITTED USES:




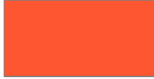




<b>Drinking Establishments</b>	<b>Apartments, Mixed Use</b>
<b>Restaurants</b>	<b>Bed &amp; Breakfast, Hotel</b>
<b>Light Industry</b>	Laundry Services, <b>Personal Services</b>
<b>Piers, Wharves, Landings</b>	Various Temporary Uses
<b>Industrial Printing, Publishing</b>	<b>Warehousing, Welding/Fabrication</b>
<b>Boarding House, Group Homes</b>	Recycling Facilities, Radio/ TV
<b>Wholesale Sales</b>	<b>Retirement Homes, Retail</b>
<b>Banks, Office</b>	School, Service Station
<b>Art Galleries, Auditoriums</b>	<b>Sewage Treatment Facilities</b>
<b>Boat Clubs, Boat Storage,</b>	<b>Rental Stores, Public Facilities</b>
<b>Commercial Recreation</b>	Place of Worship
<b>Health &amp; Fitness</b>	<b>Commercial Parking Facility</b>
<b>Marinas, Parks, Playgrounds</b>	<b>Adult Day Care, Child Care</b>
Library, <b>Museums</b> , Theaters	<b>Conference Center</b>







## UW / UW-H HEIGHT LIMITS (see OMC 18.06.100)

 UW-35	 UW-42-65	 UW-45	 UW-45
 UW-40	 UW-H-35	 UW-65	 UW-65

Height measured in feet

## ALLOWABLE HEIGHTS

UW: 40' , 45' & 65'

## REQUIRED SETBACKS

UW: None

## ALLOWABLE COVERAGE

UW: 60% between shoreline & street  
100% everywhere else



## SHORELINE MASTER PROGRAM REQUIREMENTS

Max Height: 40' (25' within 75' of OHWM)

Setbacks: 100' shoreline setback &  
50' vegetation conservation area

## PARKING REQUIRED FOR EACH USE:

Residential 1.5 stalls / unit

### (WITHIN EXEMPT PARKING AREA)

\*Retail 3.5/1000sf to 4.5/ 1000sf

*\*New commercial under 3,000sf gross leasable area are exempt*

Light Industrial 1/ 2 employees

Restaurant / Bar 10/ 1,000sf

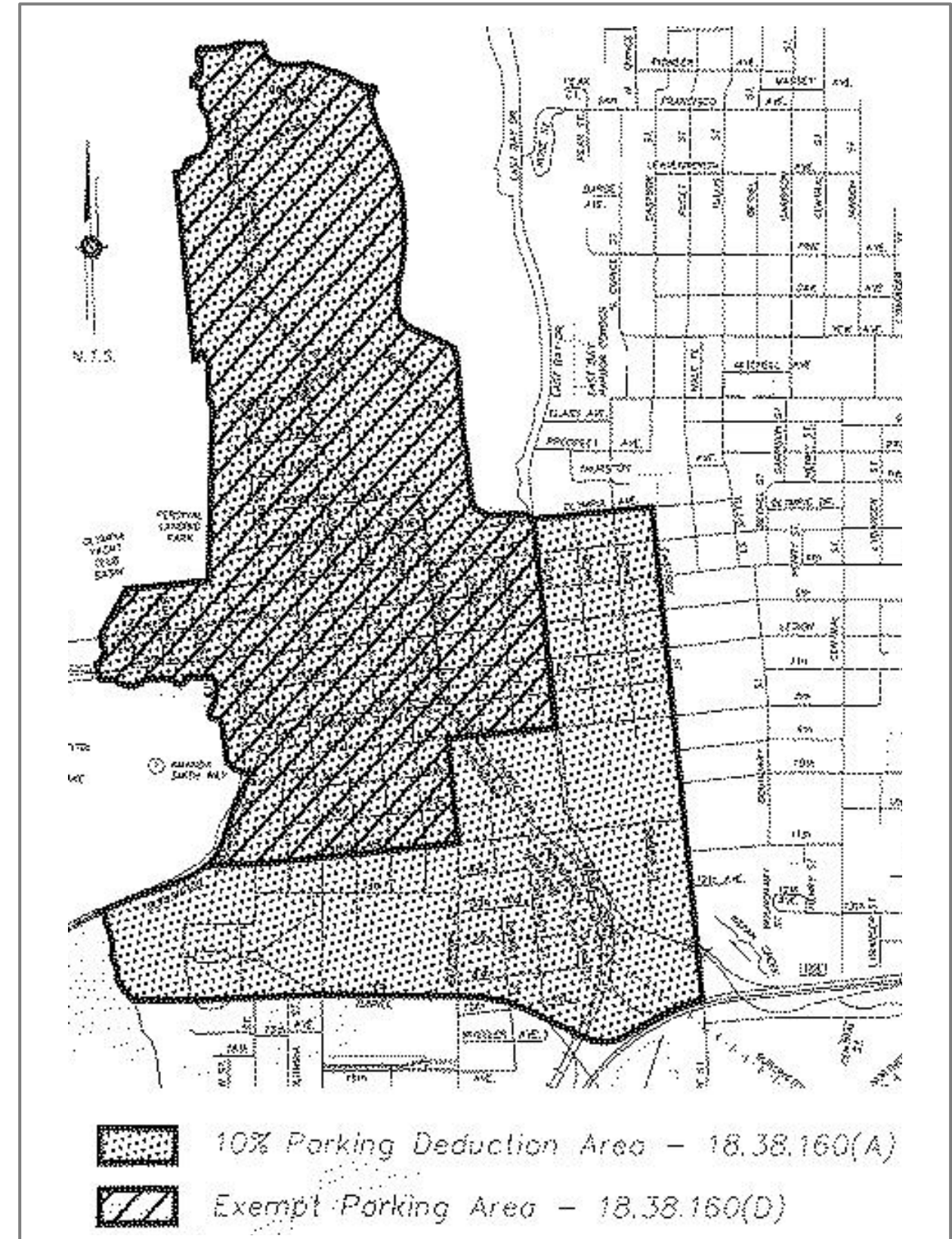
Fitness Center 4/ 1,000 sf

Office/ Business 1/250sf down to 1/400sf

Hotel 1/ room + 1/manager suite

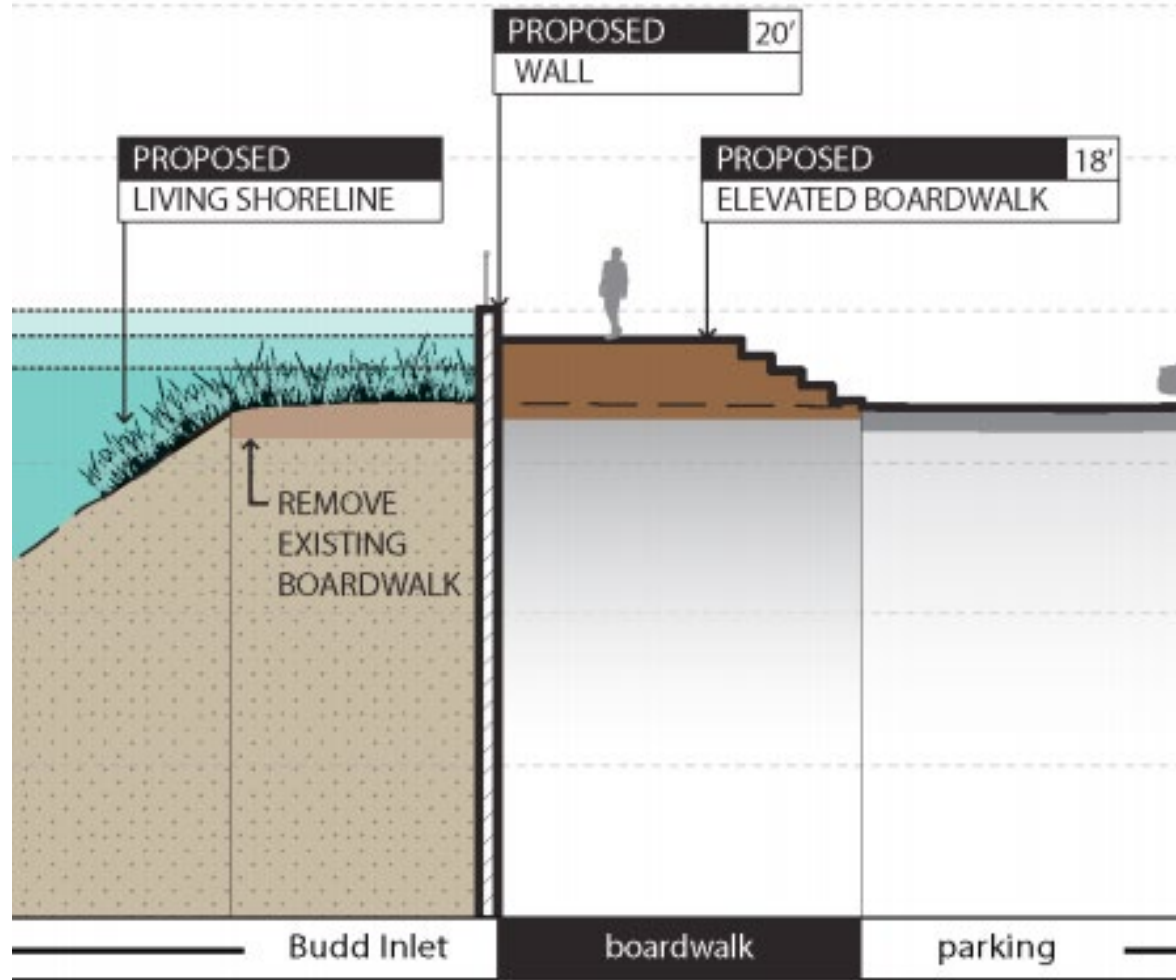
Museum 1/300sf or 3.3/ 1000sf

Child Care 1/ staff + 1/10 children





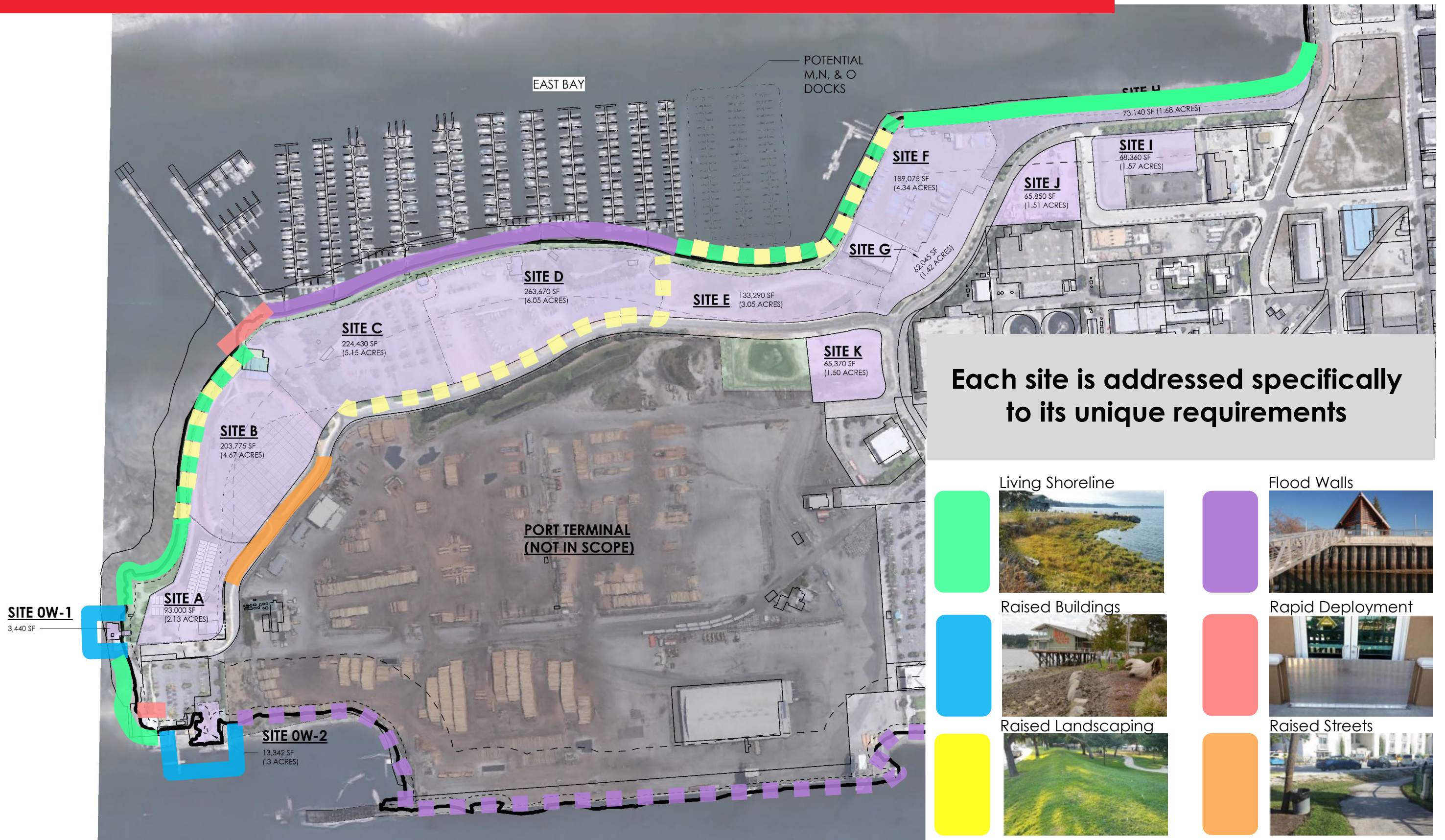
# SEA LEVEL RISE MEASURES



\*Examples from internet



# SEA LEVEL RISE – ADDRESS THROUGH PROPER DESIGN







Introduction  
& Public  
Outreach  
Plan

Public Input  
Summary

Zoning & Sea  
Level Rise

**Development  
Site Plan**

Next  
Steps



# DEVELOPMENT SITE PLAN – CURRENT SCOPE



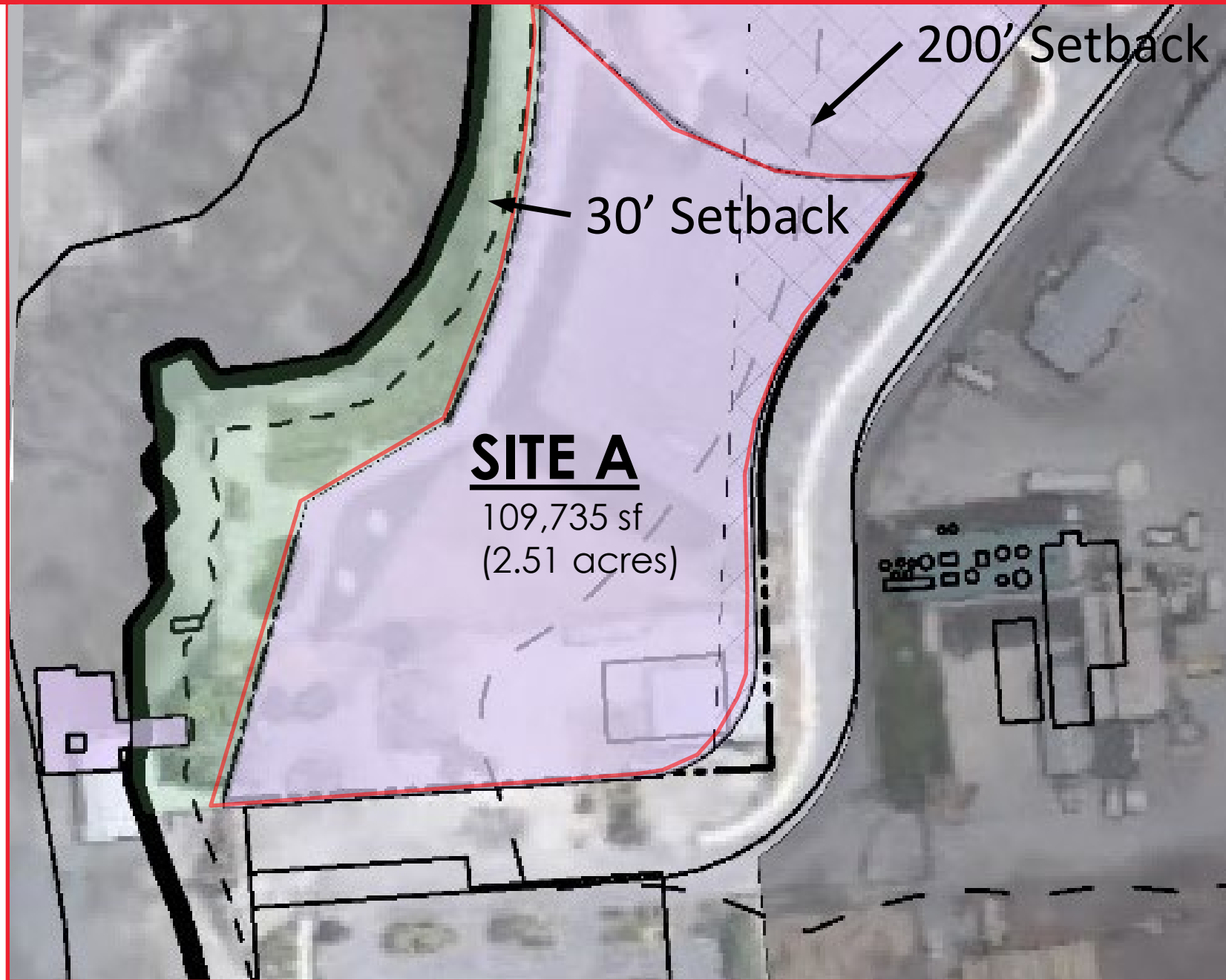


# DEVELOPMENT SITE PLAN – LINKAGES





# DEVELOPMENT SITE PLAN – LINKAGES



## Site A:

**Area:**  
109,735 sf (2.51 acres)

**Current Use:**  
Parking / Office Building / Undeveloped

**Potential Uses:**  
Hotel / Mixed Use / Cultural Center

**Zone:**  
Urban Waterfront (UW)  
Industrial (I) \*partial

**Allowable Height:**  
UW-40 = 40'-0"  
25' within 75' of Ordinary High-Water Mark (OHWM)

**Building Setback:**  
None

**Shoreline Setback**  
100' & 50' Vegetation Conservation Area

**Allowable Coverage:**  
60%

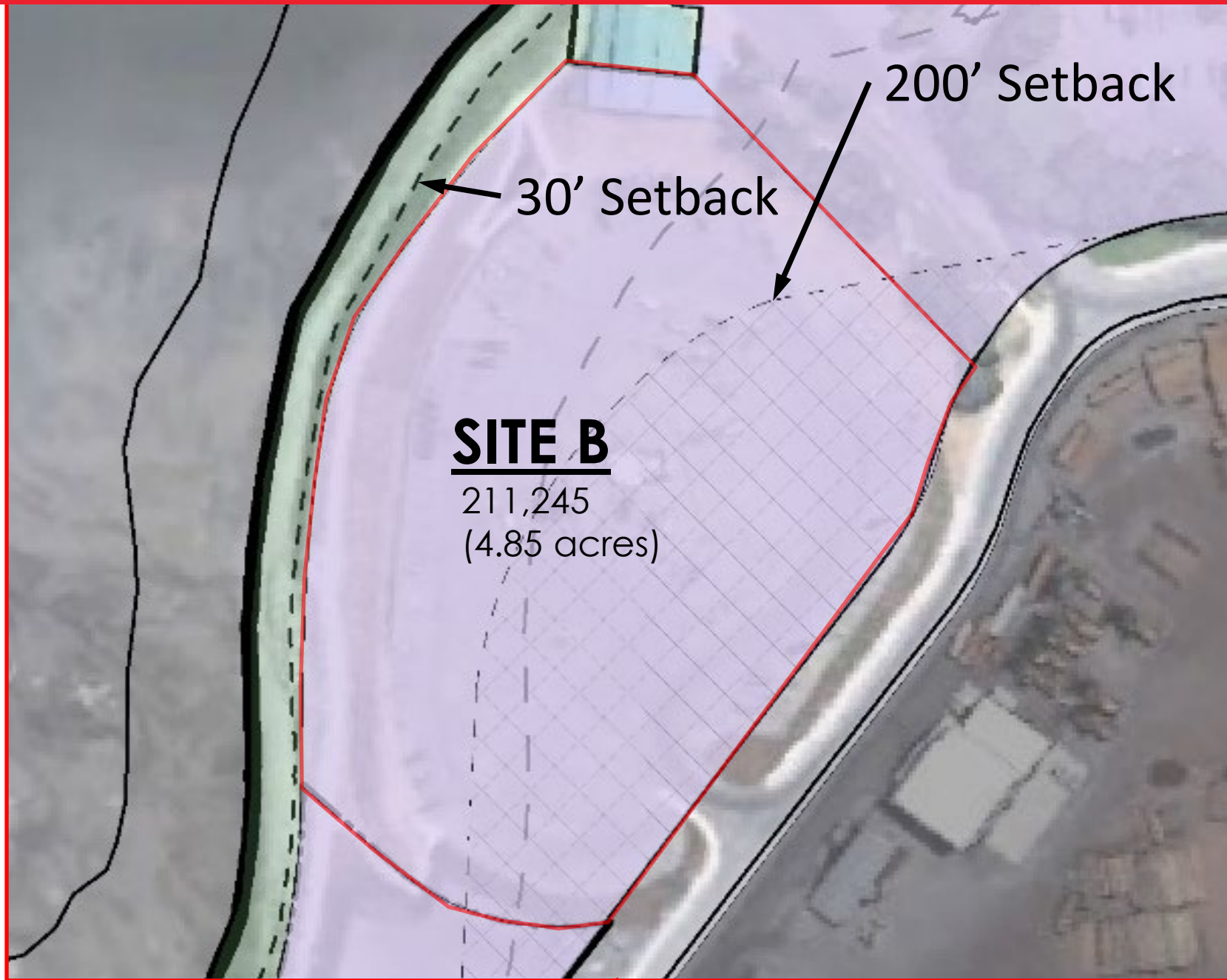


## POTENTIAL USES





# DEVELOPMENT SITE PLAN – LINKAGES



## Site B:

**Area:**  
211,245 sf (4.85 acres)

**Current Use:**  
Cascade Pole Site/Parking/Antenna

**Potential Uses:**  
Existing to Remain - Parking

**Zone:**  
Urban Waterfront (UW)  
Industrial (I) \*partial

**Allowable Height:**  
UW-40 = 40'-0"  
25' within 75' of Ordinary High-Water Mark (OHWM)

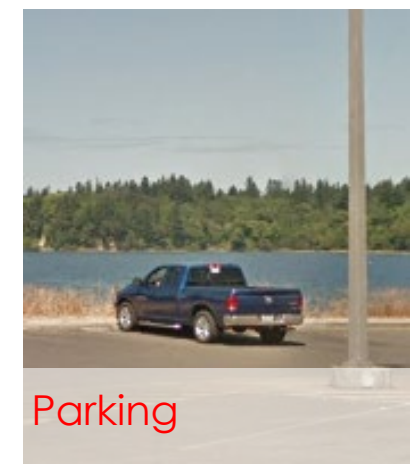
**Building Setback:**  
None

**Shoreline Setback**  
100' & 50' Vegetation Conservation Area

**Allowable Coverage:**  
60%

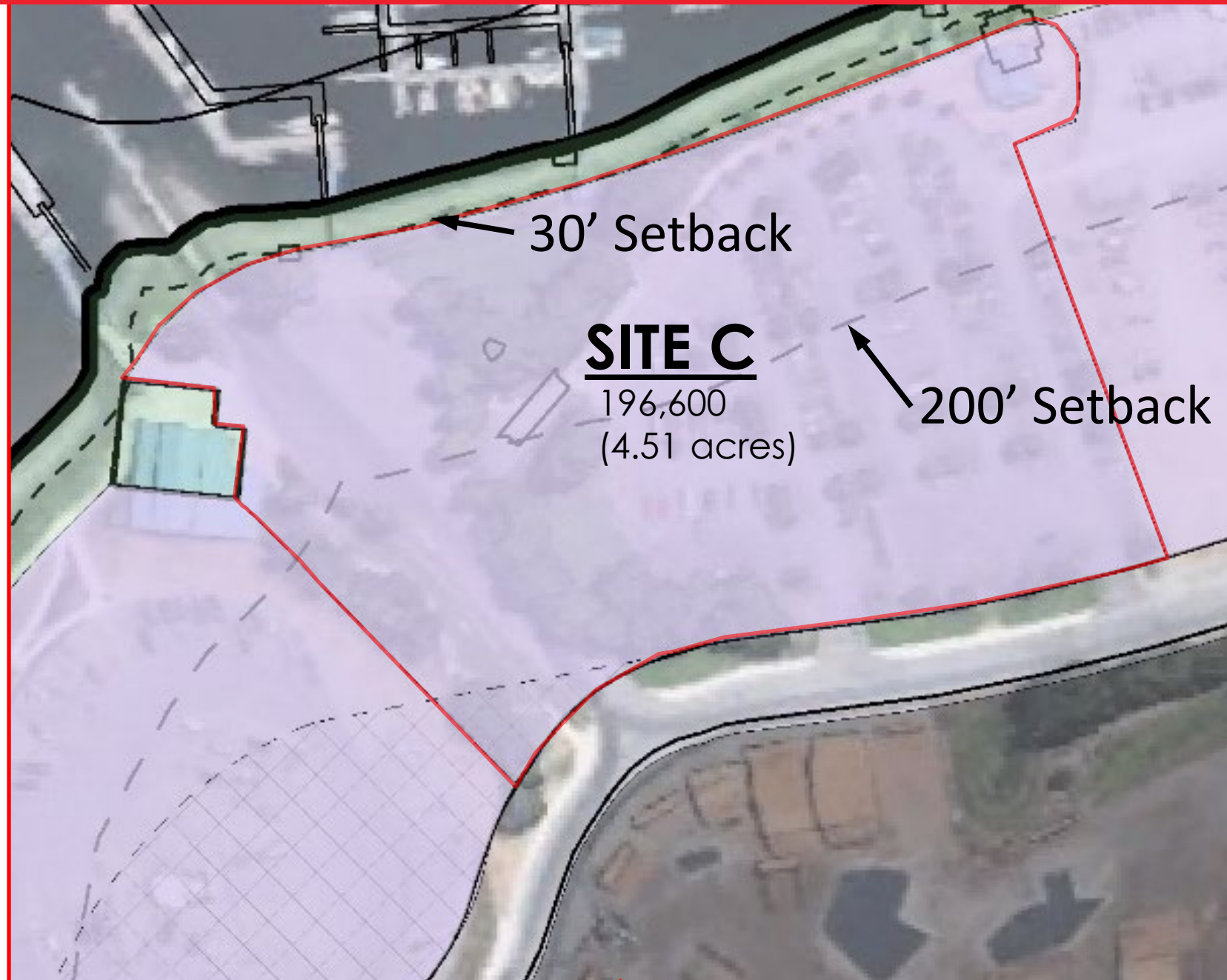


## POTENTIAL USES





# DEVELOPMENT SITE PLAN – LINKAGES



## Site C:

**Area:**  
196,600 sf (4.51 acres)

**Current Use:**  
OAR Building/ Boat Launch/ Parking

**Potential Uses:**  
Existing to remain

**Zone:**  
Urban Waterfront (UW)

**Allowable Height:**  
UW-40 = 40'-0"  
25' within 75' of Ordinary High-Water Mark (OHWM)

**Building Setback:**  
None

**Shoreline Setback**  
100' & 50' Vegetation Conservation Area

**Allowable Coverage:**  
60%

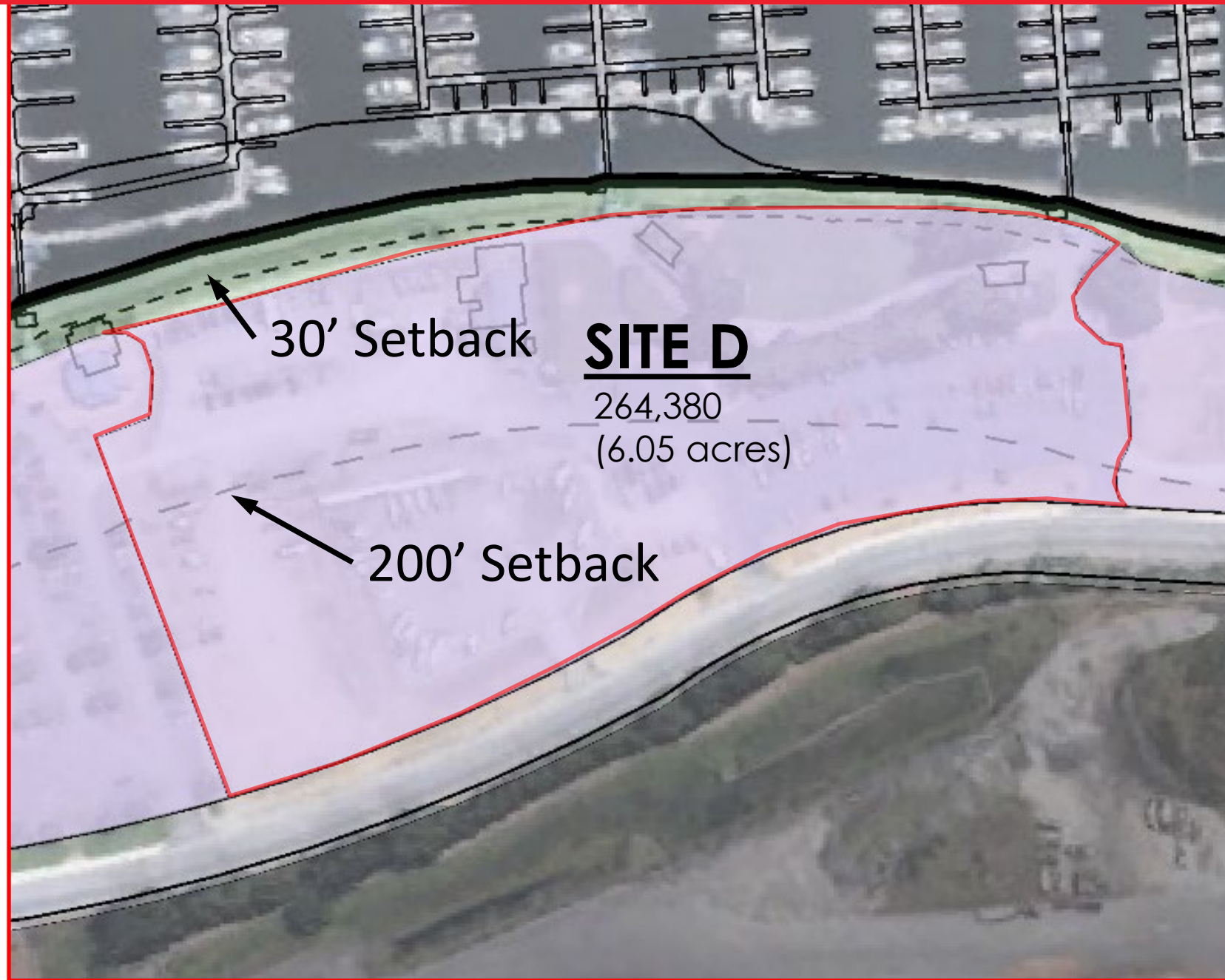


## POTENTIAL USES





# DEVELOPMENT SITE PLAN – LINKAGES



## Site D:

**Area:**  
263,380 sf (6.05 acres)

**Current Use:**  
Marina Office/Parking/ Dry Storage/  
Undeveloped

**Potential Uses:**  
Admin Building/ Mixed use/ Light Industrial

**Zone:**  
Urban Waterfront (UW)

**Allowable Height:**  
UW-40 = 40'-0"  
25' within 75' of Ordinary High-Water Mark  
(OHWM)

**Building Setback:**  
None

**Shoreline Setback**  
100' & 50' Vegetation Conservation Area

**Allowable Coverage:**  
60%

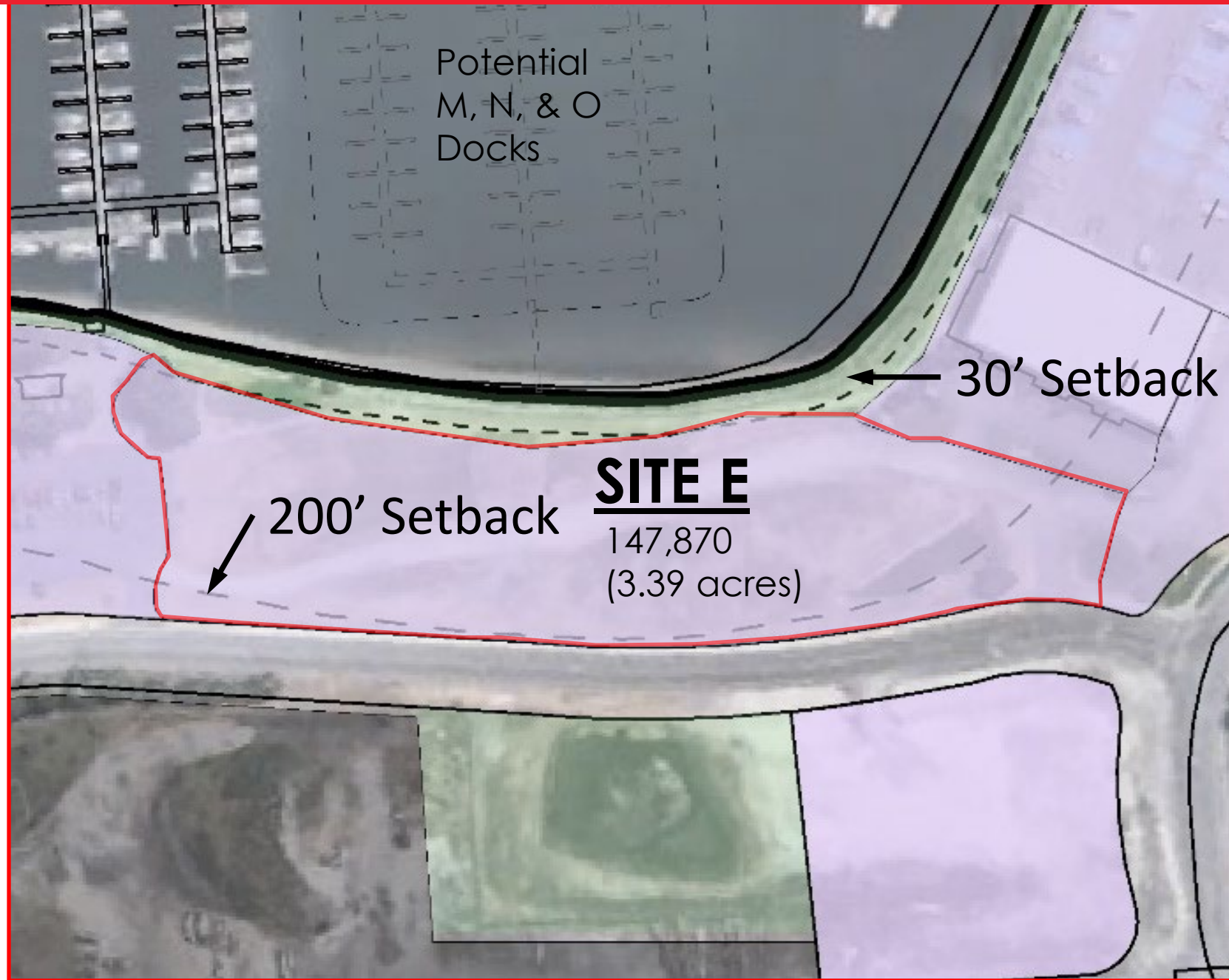


## POTENTIAL USES





# DEVELOPMENT SITE PLAN – LINKAGES



## Site E:

**Area:**  
147,870 sf (3.39 acres)

**Current Use:**  
Undeveloped

**Proposed Use:**  
RV Resort

**Potential Uses:**  
Mixed Use/ Light Industrial/ Small Watercraft Launch

**Zone:**  
Urban Waterfront (UW)

**Allowable Height:**  
UW-40 = 40'-0"  
25' within 75' of Ordinary High-Water Mark (OHWM)

**Building Setback:**  
None

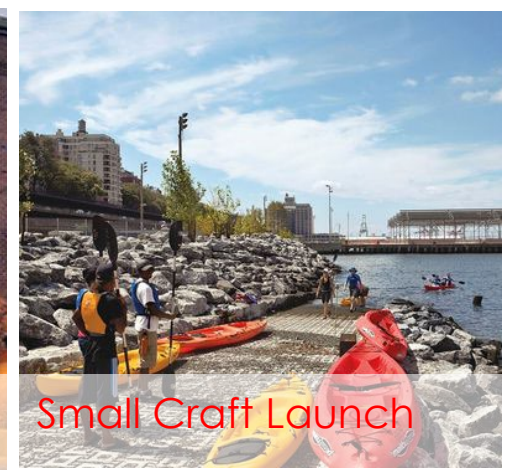
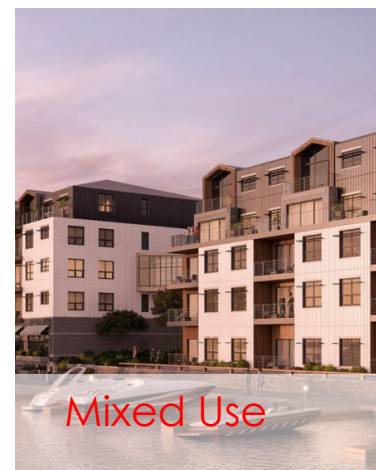
**Shoreline Setback**  
100' & 50' Vegetation Conservation Area

**Allowable Coverage:**  
60%



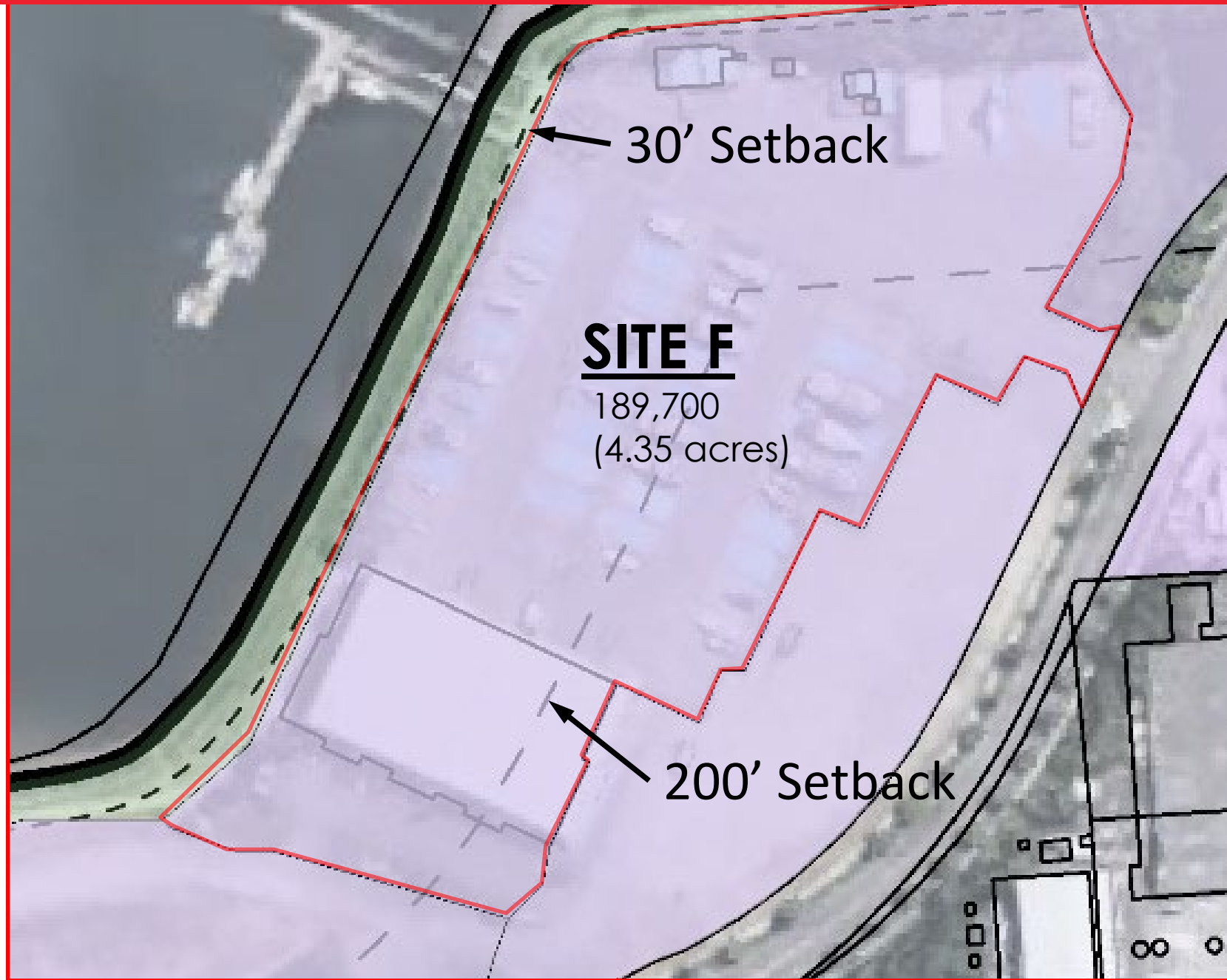
### PROPOSED USE |

### POTENTIAL USES





# DEVELOPMENT SITE PLAN – LINKAGES



## Site F:

**Area:**  
189,700 sf (4.35 acres)

**Current Use:**  
Boatworks/Marine Supply/Warehouse

**Potential Uses:**  
Existing To remain

**Zone:**  
Urban Waterfront (UW)

**Allowable Height:**  
UW-40 = 40'-0"  
25' within 75' of Ordinary High-Water Mark (OHWM)

**Building Setback:**  
None

**Shoreline Setback**  
100' & 50' Vegetation Conservation Area

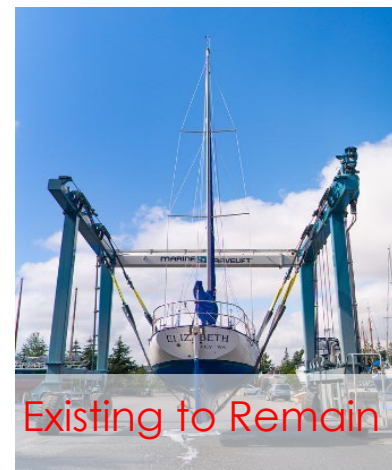
**Allowable Coverage:**  
60%



## POTENTIAL USES



Marine Supply



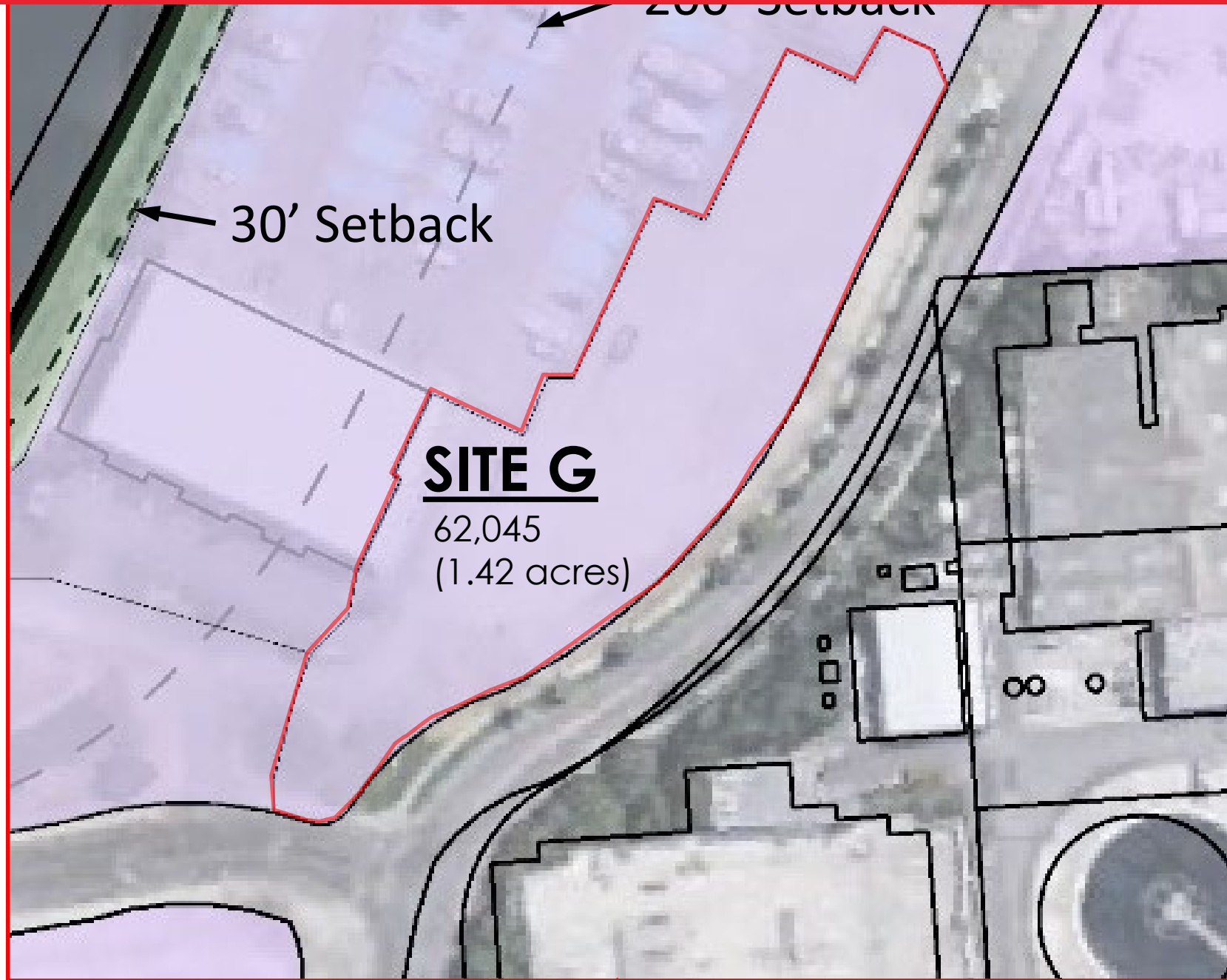
Existing to Remain



Boatworks



# DEVELOPMENT SITE PLAN – LINKAGES



## Site G:

**Area:**  
62,045 sf (1.42 acres)

**Current Use:**  
Undeveloped

**Potential Uses:**  
Dry Storage/ Light Industrial/ Mixed Use/  
Parking

**Zone:**  
Urban Waterfront (UW)

**Allowable Height:**  
UW-40 = 40'-0"  
25' within 75' of Ordinary High-Water Mark  
(OHWM)

**Building Setback:**  
None

**Shoreline Setback**  
100' & 50' Vegetation Conservation Area

**Allowable Coverage:**  
60%

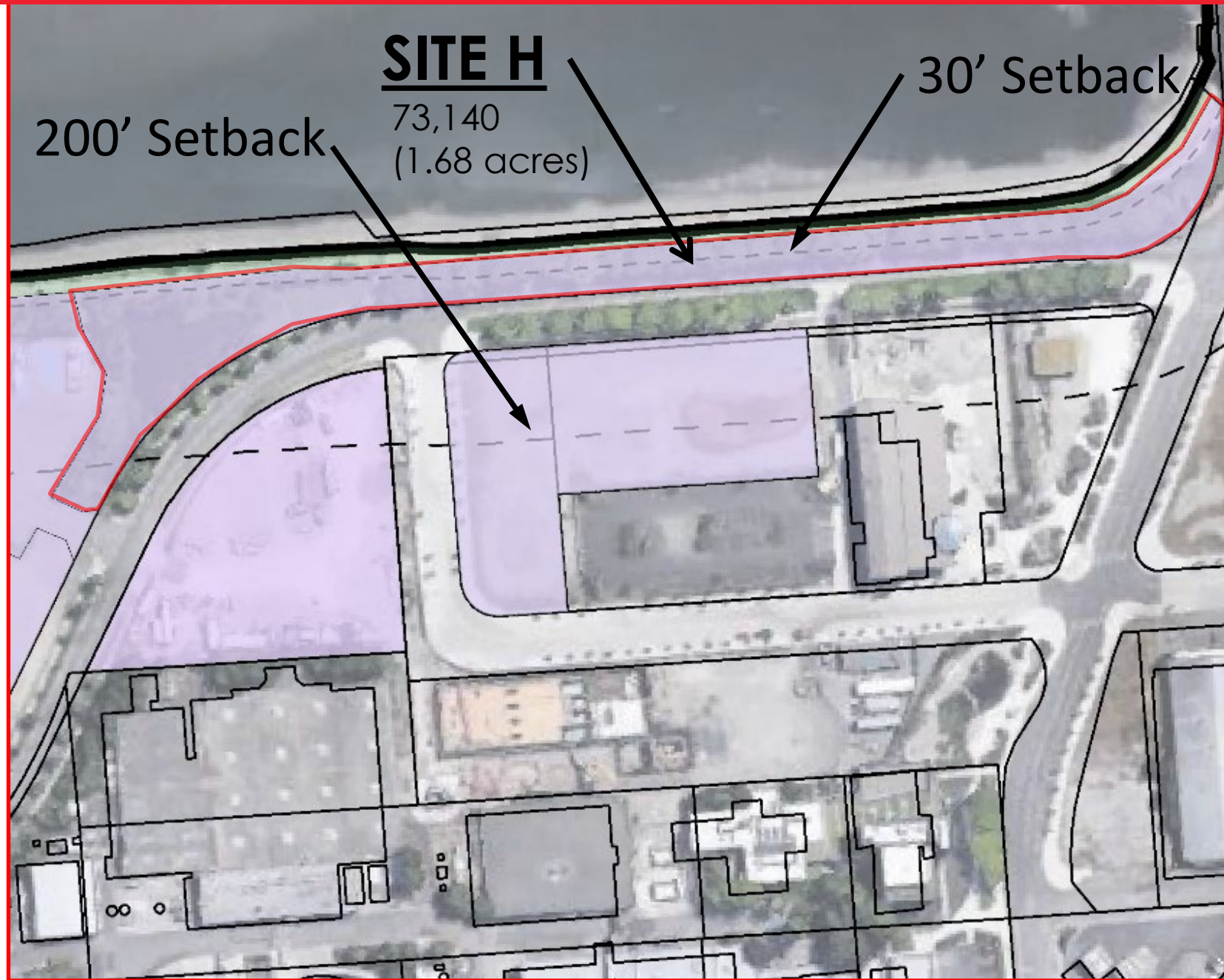


## POTENTIAL USES





# DEVELOPMENT SITE PLAN – LINKAGES



## Site H:

**Area:**  
73,140 sf (1.68 acres)

**Current Use:**  
Undeveloped

**Potential Uses:**  
Existing To remain / Linear Park / Shoreline Improvements

**Zone:**  
Urban Waterfront (UW)

**Allowable Height:**  
UW-40 = 40'-0"  
25' within 75' of Ordinary High Water Mark (OHWM)

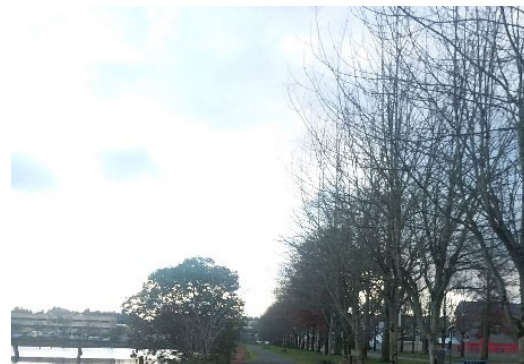
**Building Setback:**  
None

**Shoreline Setback**  
100' & 50' Vegetation Conservation Area

**Allowable Coverage:**  
60%



## POTENTIAL USES



Existing To Remain



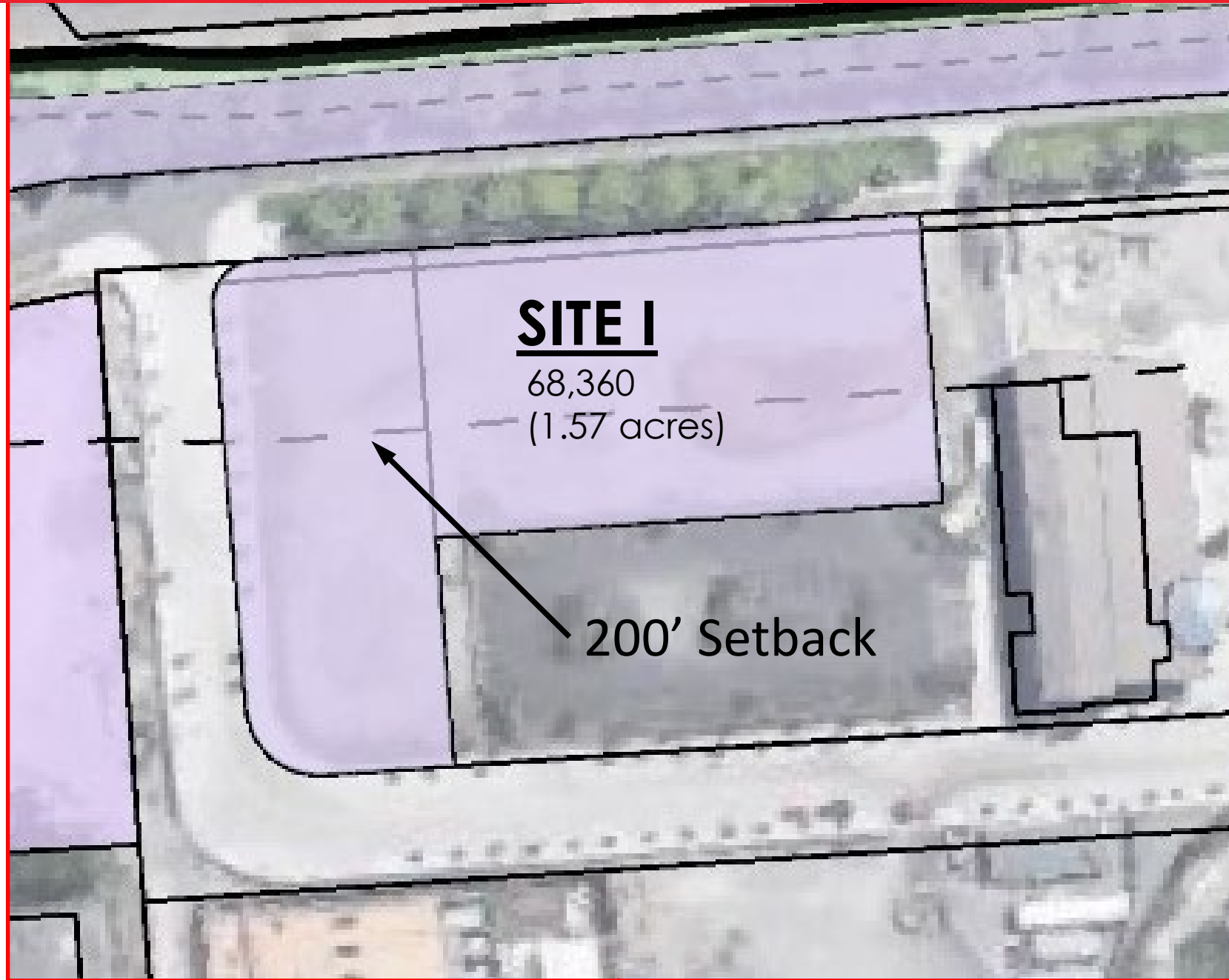
Linear Park



Shoreline Improvements



# DEVELOPMENT SITE PLAN – LINKAGES



## Site I:

**Area:**  
68,360 sf (1.57 acres)

**Current Use:**  
Undeveloped

**Potential Uses:**  
Mixed-Use/ Light Industrial/ HOCM  
Expansion

**Zone:**  
Urban Waterfront (UW)

**Allowable Height:**  
UW-40 = 40'-0"  
25' within 75' of Ordinary High-Water Mark  
(OHWM)

**Building Setback:**  
None

**Shoreline Setback**  
100' & 50' Vegetation Conservation Area

**Allowable Coverage:**  
60%



## POTENTIAL USES



HOCM Expansion



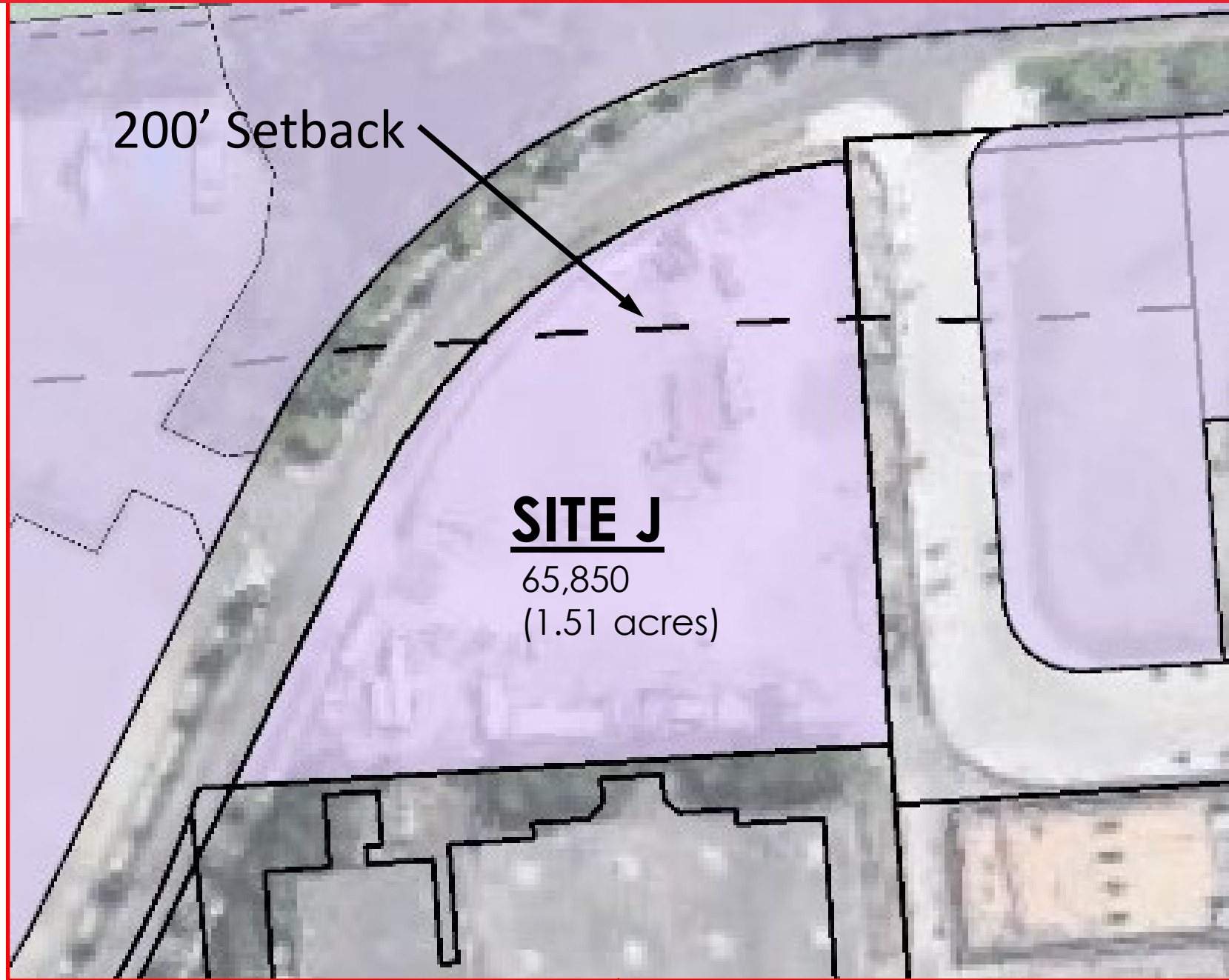
Mixed Use



Light Industrial



# DEVELOPMENT SITE PLAN – LINKAGES



## Site J:

**Area:**  
65,850 sf (1.51 acres)

**Current Use:**  
Undeveloped

**Potential Uses:**  
Mixed-Use/ Light Industrial/ LOTT Expansion,  
Dry Storage

**Zone:**  
Urban Waterfront (UW)

**Allowable Height:**  
UW-40 = 40'-0"  
25' within 75' of Ordinary High-Water Mark  
(OHWM)

**Building Setback:**  
None

**Shoreline Setback**  
100' & 50' Vegetation Conservation Area

**Allowable Coverage:**  
60%

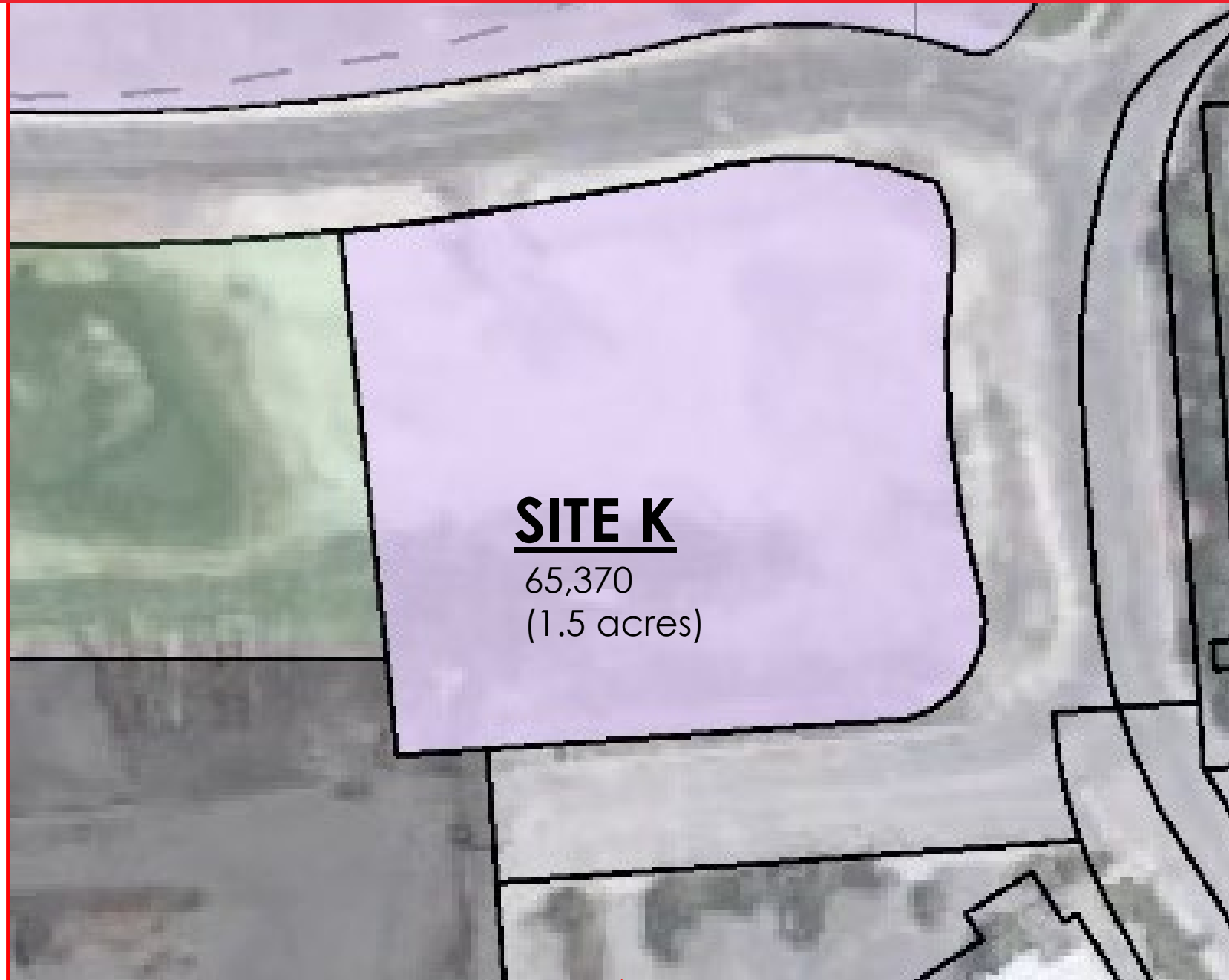


## PROBABLE USE



## POTENTIAL USES





## Site K:

**Area:**  
65,370 sf (1.5 acres)

**Current Use:**  
Undeveloped

**Potential Uses:**  
Mixed use/Light Industrial/Pedestrian  
Amenity/ Maintenance Shop

**Zone:**  
Urban Waterfront (UW)

**Allowable Height:**  
UW-40 = 40'-0"  
25' within 75' of Ordinary High-Water Mark  
(OHWM)

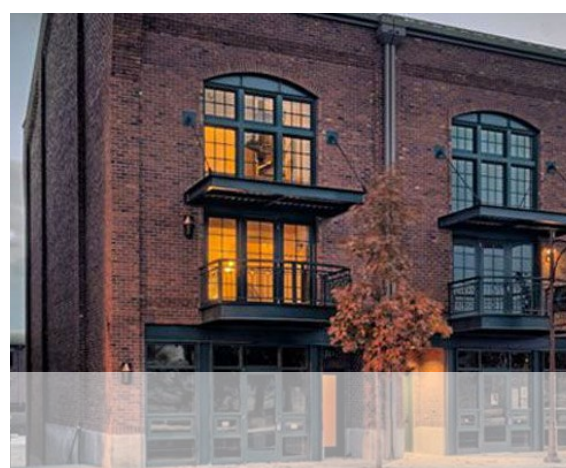
**Building Setback:**  
None

**Shoreline Setback**  
100' & 50' Vegetation Conservation Area

**Allowable Coverage:**  
60%



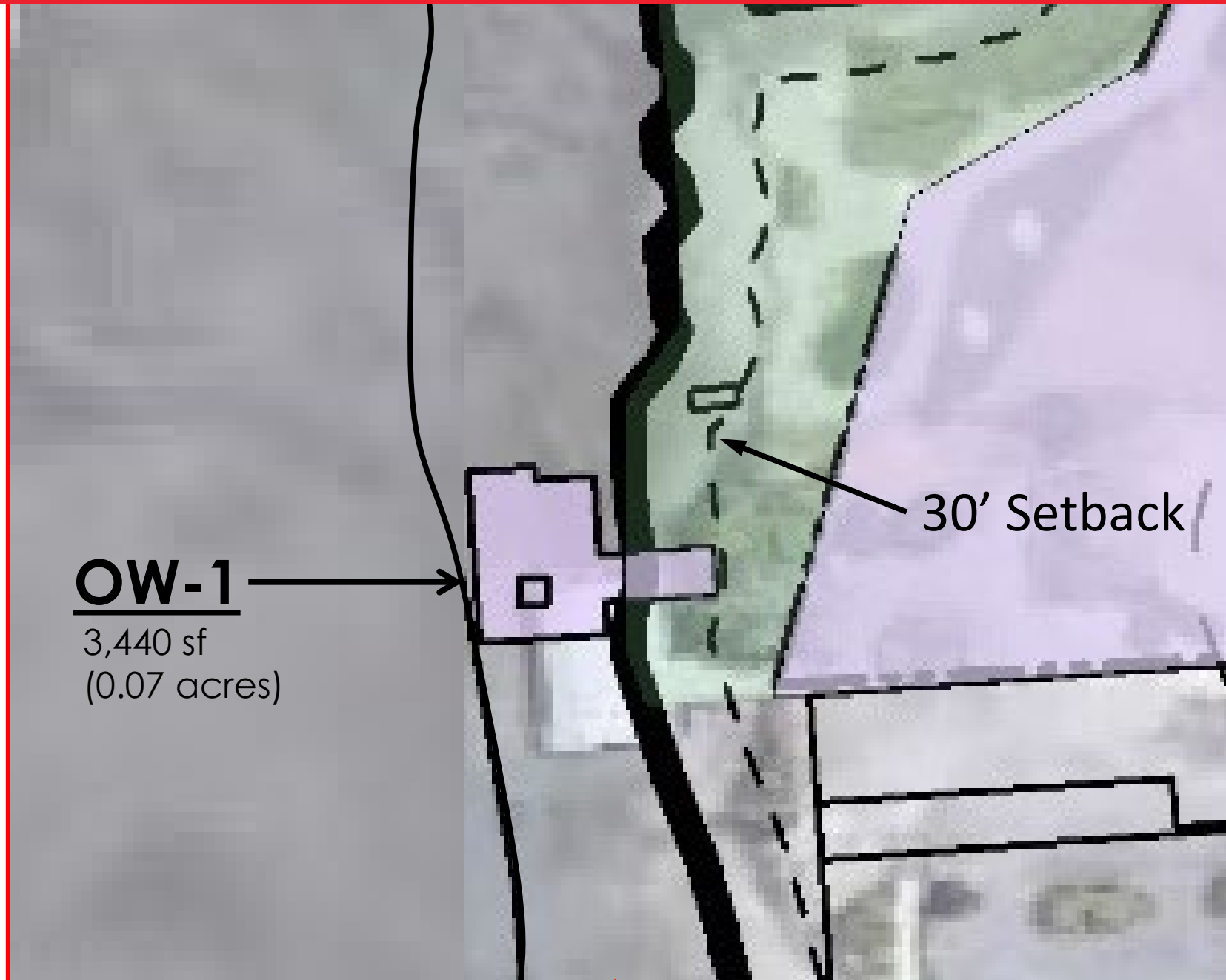
## POTENTIAL USES



Mixed Use



# DEVELOPMENT SITE PLAN – LINKAGES



## Site OW-1:

**Area:**  
3,440 sf (0.07 acres)

**Current Use:**  
KGY Radio Station

**Potential Uses:**  
Existing to remain/ Museum/ Cultural Center/ Combined Overwater Site

**Zone:**  
Urban Waterfront (UW)

**Allowable Height:**  
UW-40 = 40'-0"  
25' within 75' of Ordinary High-Water Mark (OHWM)

**Building Setback:**  
None

**Shoreline Setback**  
100' & 50' Vegetation Conservation Area

**Allowable Coverage:**  
60%



## POTENTIAL USES



Existing



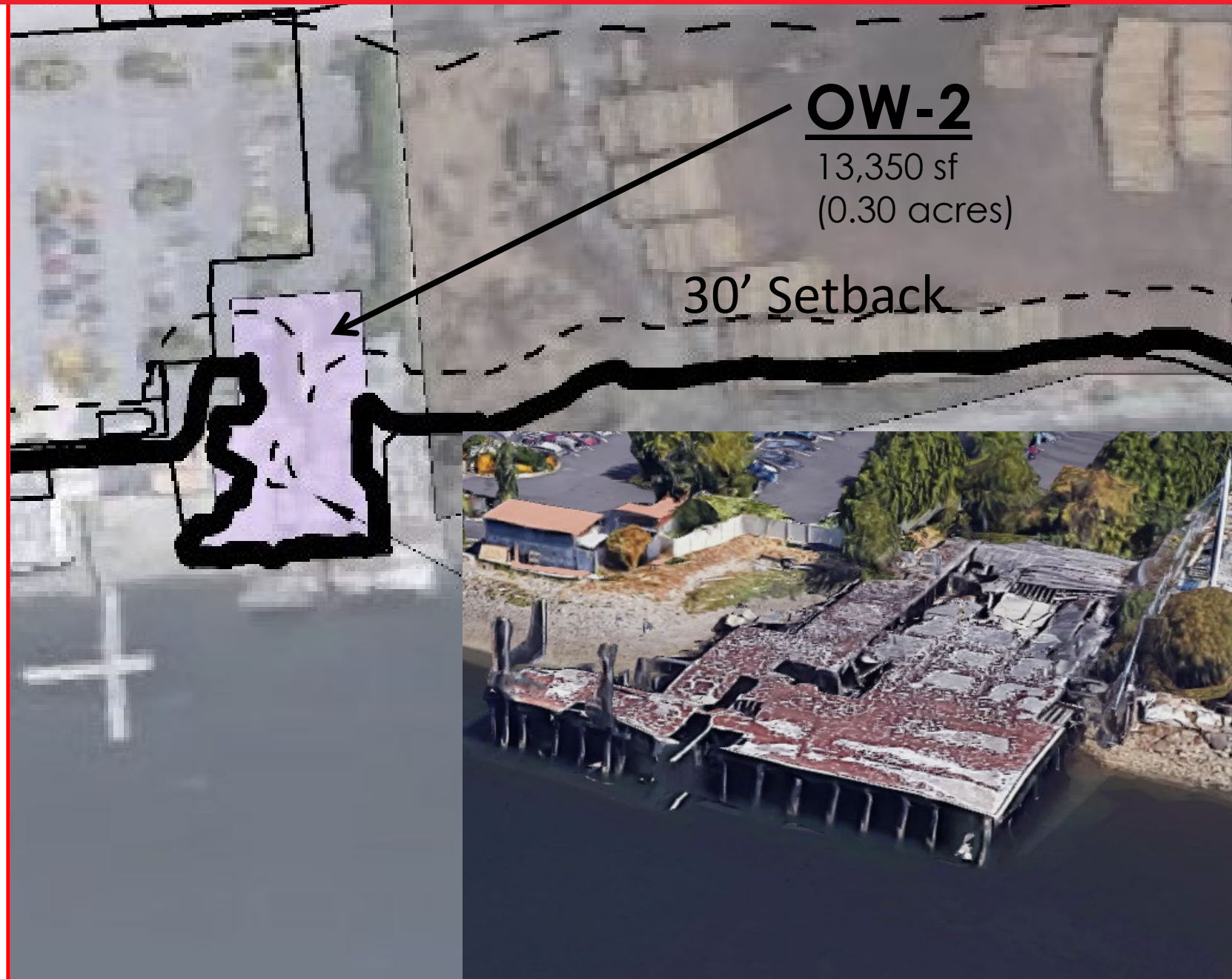
Museum



Cultural Center



# DEVELOPMENT SITE PLAN – LINKAGES



## Site OW-2:

**Area:**  
13,350 sf (0.30 acres)

**Current Use:**  
Abandoned Stalculp Marina

**Potential Uses:**  
Commercial, Boating Center, Cultural Center

**Zone:**  
Urban Waterfront (UW)  
Industrial (I)

**Allowable Height:**  
UW-40 = 40'-0"  
25' within 75' of Ordinary High-Water Mark (OHWM)

**Building Setback:**  
None

**Shoreline Setback**  
100' & 50' Vegetation Conservation Area

**Allowable Coverage:**  
60%



## POTENTIAL USES



Commercial



Sailing Center



Cultural Center





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"The statement and principles seem thoughtful and inclusive of many key community values. The outcome statement is ambitious but seems appropriate. From LOTT's perspective, it is good to see sea-level rise response incorporated in both the guiding principles and the outcome statement. The Community guiding principle is also appreciated – the emphasis on opportunities for learning fits well with the nearby East Bay district amenities (the public plaza, HOCCM, and the WET Science Center). Thanks for the opportunity to review."

*Lisa Dennis-Perez, LOTT*

"Having served on the Port Vision 2050 task force, I found this Advisory Group a natural follow-up to that work. When we included a Destination Waterfront in that plan, I had no idea that this group would follow along so quickly. I found this process collaborative, inclusive, and deliberative on the many issues needing consideration on a task this important to the entire community."

*Tim Stokes, SPSCC*

"Equitable economic development is rooted in community development. There is a once-in-a-generation opportunity presented in this plan to use the Port's resources to achieve the highest and best use on behalf of the entire community. We hope to see a bold, transformative plan that enhances community connection and region-wide, sustainable, small business development."

*Stacey Waterman-Hoey*

## MOVE FORWARD WITH CAPITAL FUNDING PLAN

### STUDY SITE SPECIFIC DEVELOPMENT

ADMIN BUILDING (Site D) ▶ Work has begun

HANDS ON CHILDREN'S MUSEUM (SITE I) ▶ Currently in design

RV RESORT (SITE E) ▶ Code amendment rejected;  
pursue alternate uses

PURSUE ADDITIONAL SITE DEVELOPMENT OPPORTUNITIES  
INCLUDING SITE A.





# DEVELOPMENT SITE PLAN – CURRENT SCOPE



Westman Mill  
Future  
development

Westman Mill  
& Townhomes



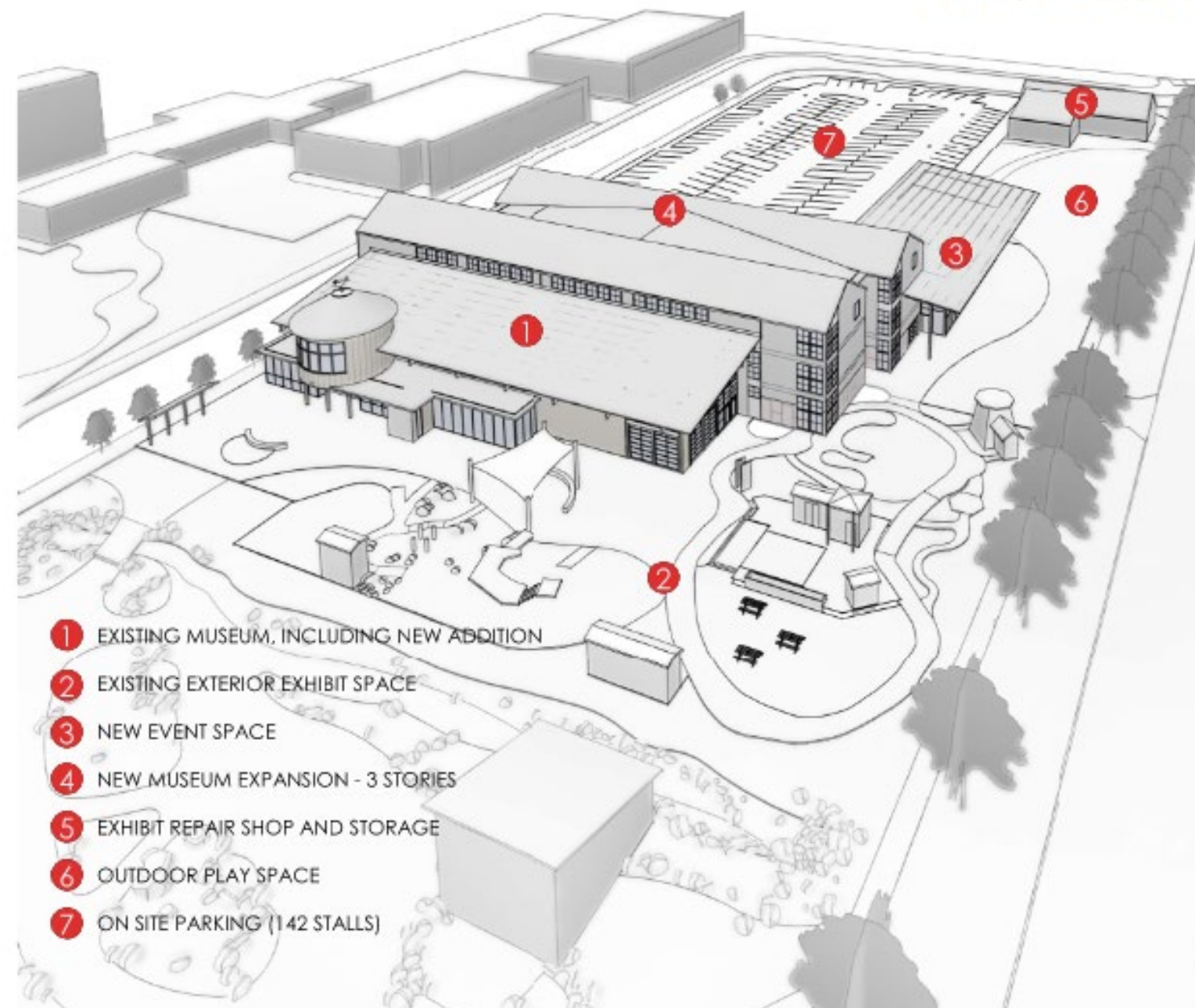
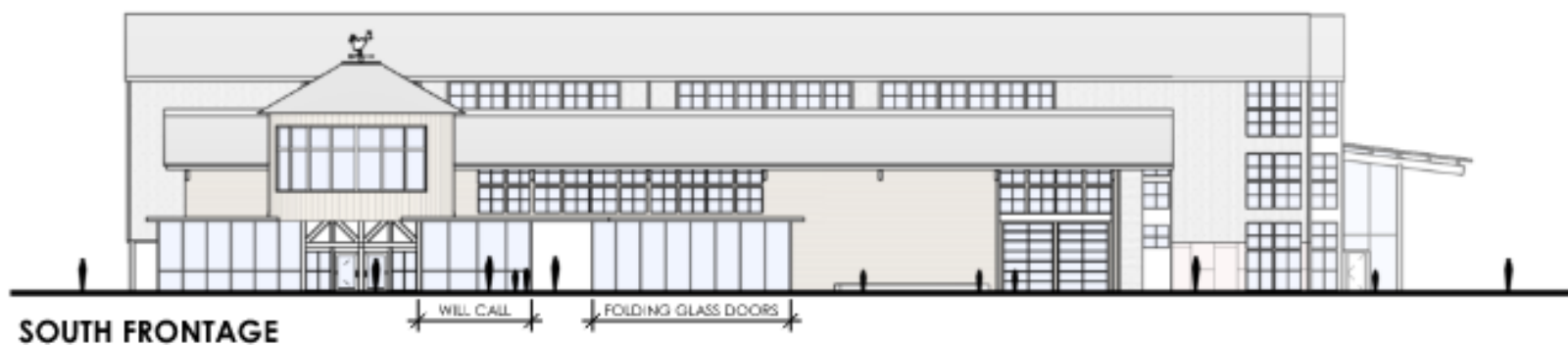
# PORT ADMINISTRATION BUILDING



- A** NEW ACCESS DRIVE ALIGNED WITH PUBLIC WATERFRONT ACCESS COURTYARD.
- B** NEW MIXED USE ADMINISTRATION BUILDING.  
2 FLOORS = 20,000 SF  
3 FLOORS = 27,000 SF
- C** NEW PUBLIC SHORELINE ACCESS COURTYARD WITH FOCAL ART / LANDMARK
- D** EXISTING RESTROOM AND SHOWER FACILITIES TO REMAIN.
- E** LOADING ZONE, SCHOOL BUSES, DELIVERIES
- F** 256 PARKING STALLS SHOWN AS DEVELOPED. INCREASED LANDSCAPE BUFFER PROVIDED BETWEEN STREET AND PARKING LOT. PARKING LOT LOCATED AWAY FROM WATER.
- G** UPDATE TO SHORELINE PEDESTRIAN TRAIL. POTENTIAL SHORELINE AMPHITHEATER FOR PUGET SOUND ESTUARIAN TEACHING SPACE.
- H** POTENTIAL NEW BUILDING, FUTURE PHASE.  
2 FLOORS = 20,000 SF  
3 FLOORS = 27,000 SF
- I** POTENTIAL NEW BUILDING, FUTURE PHASE.  
1 FLOOR = 10,000 SF  
2 FLOORS = 16,000 SF



# HANDS ON CHILDREN'S MUSEUM EXPANSION



- 1 EXISTING MUSEUM, INCLUDING NEW ADDITION
- 2 EXISTING EXTERIOR EXHIBIT SPACE
- 3 NEW EVENT SPACE
- 4 NEW MUSEUM EXPANSION - 3 STORIES
- 5 EXHIBIT REPAIR SHOP AND STORAGE
- 6 OUTDOOR PLAY SPACE
- 7 ON SITE PARKING (142 STALLS)



PORT OF OLYMPIA  
**DESTINATION WATERFRONT DEVELOPMENT VISION**  
COMMISSION MEETING  
May 16, 2022







Old Mill Office Building, Coeur d'Alene, ID

2024-1007

# Waterfront Center Design and Construction Services

Port of Olympia  
EHDD Architecture  
March 1, 2024

**ehdd.**





Lake Sammamish State Park Bathhouse, Issaquah, WA

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# Cover Letter

EHDD has an extensive portfolio of waterfront projects, workplace and marine facilities, and carbon-positive projects. We are committed to sustainable design and are ready to collaborate on the future development of the peninsula.

Sam Gibboney, Executive Director, The Port of Olympia  
606 Columbia St. NW, STE 300, Olympia, WA 98501  
Re: Request for Qualifications for Waterfront Center Architectural Design Services

Dear Sam Gibboney and Members of the Selection Committee:

Thank you for the opportunity to present our qualifications for the Port of Olympia Waterfront Center. The team presented here has recently completed designs for Waterfront Center projects for the Port of Friday Harbor and the Port of Silverdale, and we are currently working with the Port of Tacoma. As the lead designer for the Harbor House and Pavillions at Percival Landing, it is a thrilling prospect to work in Olympia again! Your community's vision resonates with EHDD's architectural values and is supported by our team's expertise with the complexities of waterfront projects in the Puget Sound region. Our team will bring award-winning design that features locally sourced materials, our experience working with Puget Sound ports, and industry-leading carbon-positive design and construction experience to the Port of Olympia Waterfront Center. Our work has been recognized with AIA Washington Civic Design Awards in 2021, 2022 and the Washington State APA Public Project of the Year in 2022.

## Creating a Premiere Waterfront Destination

Our team brings a highly specific and unique team of experts to your project. EHDD's portfolio includes waterfront centers, waterfront parks, working waterfronts, science and interpretive centers, marine science

institutes/estuaries, and waterfront retail. Our team has designed endearing public waterfront environments for the Port of Bellingham, City of Bainbridge Island, and, of course, Olympia's Percival Landing. EHDD has recently completed a Puget Sound Market Analysis with Cushman Wakefield for the Port of Tacoma Earley Business Center. Cushman Wakefield and EHDD will support the Port of Olympia in identifying the highest and best use for this and future phases of the peninsula development. EHDD and Cushman Wakefield will assist in structuring a vibrant mix of public and private opportunities over the next twenty-five years - implementing the Port of Olympia's 2050 Vision creating a comprehensive economically viable development of the peninsula.

## Experts in Shoreline Resilience

EHDD is working with the Port of Silverdale and the Port of Tacoma to define our region's waterfronts. We bring the region's foremost experts in shoreline and environmental permitting and development to the Port of Olympia. Haley Aldrich is the noted go-to consultant for any project along the shoreline in Puget Sound. They will guide the permitting and entitlement process while bringing the latest science and best practices in resilience and strategies for sea-level rise. Moffatt Nichol will lead the in-water work and ensure that all permits and environmental regulations are met. Targeted sea-level rise, tsunami preparedness, stormwater, shoreline, and environmental strategies are critical for a successful project.

## Innovators on Carbon Positive Projects

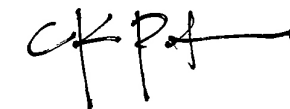
EHDD pioneered the concept of net-zero energy design more than 15 years ago and continues to lead the industry in Climate Positive design.

In 2020, EHDD created the Early Phase Integrated Carbon (EPIC) Assessment tool, a free, open-source web application that helps design teams determine the most effective strategies for carbon emissions reductions in the early stages of a project. EPIC has quickly become the standard bearer in the industry for early-stage whole-life carbon assessment, helping designers and clients understand how early design decisions will impact a building's embodied and operational carbon.

A testament to our deep commitment to sustainable design, EHDD has completed 39 Certified LEED Platinum and Gold projects, and our work has been recognized by 7 AIA Committee on the Environment (COTE) Awards and 7 Livable Building Awards from the UC Berkeley Center for the Built Environment, more than any other firm in the US.

We would be honored to collaborate with you in imagining the future Port of Olympia Waterfront Center and are excited about the possibilities ahead.

Sincerely,



Christopher Patano, AIA  
Principal  
christopher.patano@ehdd.com  
(206) 948-2103





# Previous Projects/ References

Boudin at the Warf, San Francisco, CA



# Percival Landing

Olympia, WA

Year: 2012

Size: Pavilions: 144-576 SF Bathhouse: 2,000 sf

Client: City of Olympia

Reference:

Kip Summers

OPARD

360.570.5834

EHDD (previously as Patano+Hafermann) worked with the City of Olympia Department of Parks and Recreation and the Harbor House—which serves the local marina and provides a popular public room that is utilized for meetings, weddings, and community events—on a significant renovation of Percival Landing on Olympia's waterfront. Percival Landing is the city's front porch on the Puget Sound and one of the most popular outdoor facilities for local residents. EHDD designed four pavilions along the waterfront promenade; the pavilions are located at street ends. These structures with exposed timber framing, metal, and translucent roofing create sheltered outdoor gathering places that serve to frame and orient visitors to views of the Puget Sound.





# Western Yacht Harbor

Seattle, WA

Building Details

Size: 2,000 sf

Completion: 2019

The new Western Yacht Harbor is an office building and marina that was rebuilt after a fire. The modern wood and glass box sits on top of the former marina roof structure. The project utilized locally sourced wood in the form of dowel laminated timber (DLT) panels and features operable sliding glass doors and a roof deck with unobstructed views of the western shore of Lake Union and the surrounding neighborhood. The open office space is filled with natural light and supported by a utility core with all necessary services. Western Yacht Harbor is the second DLT project in the United States.





# Exploratorium

San Francisco, CA

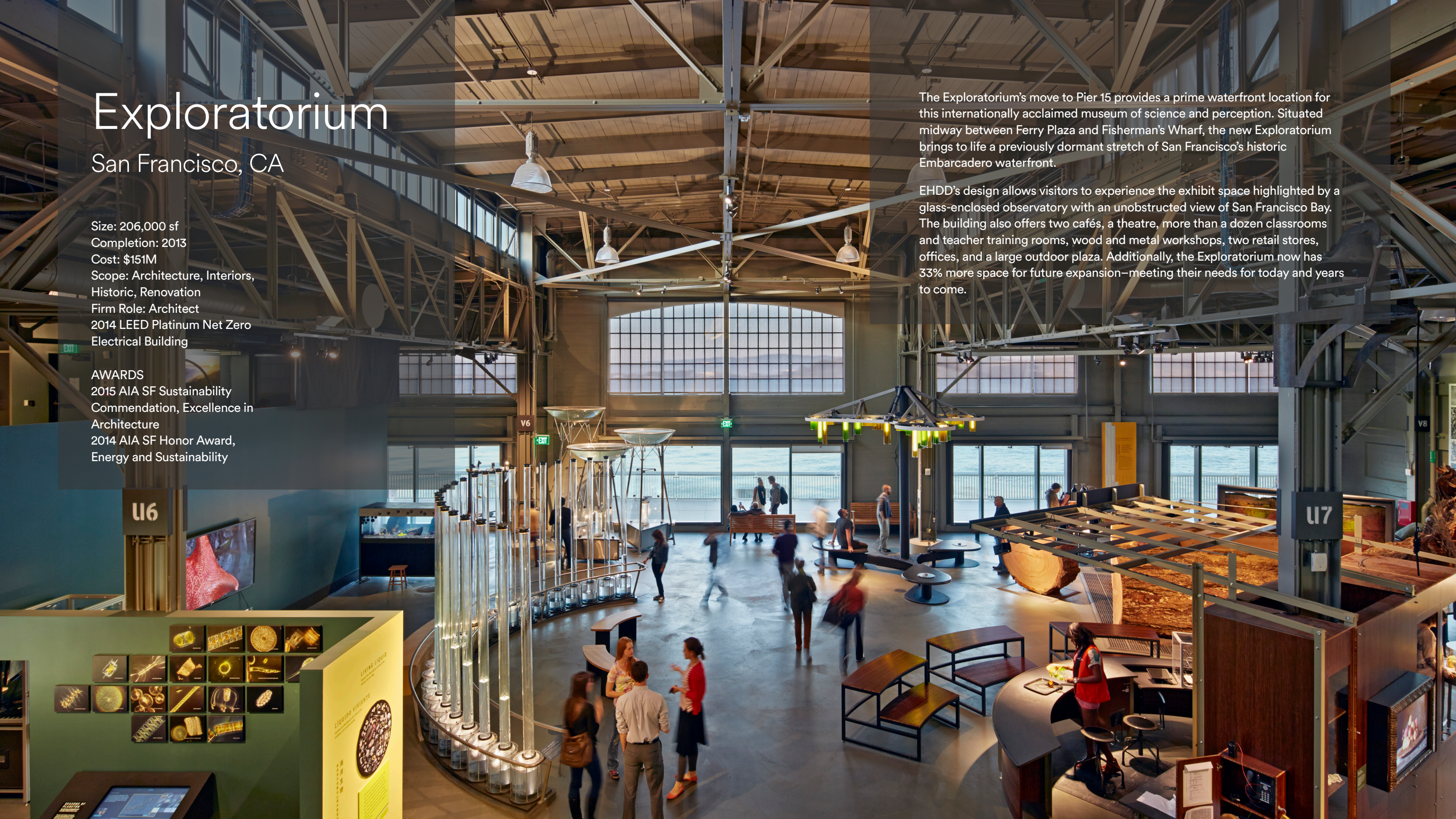
Size: 206,000 sf  
Completion: 2013  
Cost: \$151M  
Scope: Architecture, Interiors,  
Historic, Renovation  
Firm Role: Architect  
2014 LEED Platinum Net Zero  
Electrical Building

## AWARDS

2015 AIA SF Sustainability  
Commendation, Excellence in  
Architecture  
2014 AIA SF Honor Award,  
Energy and Sustainability

The Exploratorium's move to Pier 15 provides a prime waterfront location for this internationally acclaimed museum of science and perception. Situated midway between Ferry Plaza and Fisherman's Wharf, the new Exploratorium brings to life a previously dormant stretch of San Francisco's historic Embarcadero waterfront.

EHDD's design allows visitors to experience the exhibit space highlighted by a glass-enclosed observatory with an unobstructed view of San Francisco Bay. The building also offers two cafés, a theatre, more than a dozen classrooms and teacher training rooms, wood and metal workshops, two retail stores, offices, and a large outdoor plaza. Additionally, the Exploratorium now has 33% more space for future expansion—meeting their needs for today and years to come.





# Friday Harbor Maritime Center

Friday Harbor, WA

Size: 15,000 sf  
Cost: \$7.5M  
Completion: N/A

EHDD is designing a new Marine Technical Center on the shoreline of Jensen Marina, just west of Friday Harbor on San Juan Island, Washington. The two-story waterfront building houses a mix of light industrial and office spaces in support of Port tenants and future development.





# Port of Tacoma Earley Business Center

Tacoma, WA

Client: Port of Tacoma

Est. Cost: \$250,000 Master Plan, \$233,000 Building 2024

Replacement, \$40,800 Environmental and Regulatory Support

Size: 80 acres (33 acres submerged, 47 acres upland area)

Completion: Est. Aug 2024

Reference:

David R. Myers Architect, CSI, NCARB

Engineering Project Manager

Port of Tacoma

O: 253.428.8612 | C: 253.405.5593

[www.portoftacoma.com](http://www.portoftacoma.com)

This project includes master planning and site development for the Earley Business Center in conjunction with design and construction of an approximately 100,000 square foot ship and boat building facility and 10,000 square feet of office space. EHDD provides site planning, building design, remediation, permitting, cost estimating, and construction support. Key projects elements were resiliency, sea-level rise, tsunami refuge strategies, site based geothermal power plant, building electrification, and public shoreline park space.





# Point Defiance Zoo and Aquarium

Tacoma, WA

Facility Type: Aquarium  
Size: 32,000 sf  
Cost: \$33M  
Start/Completion: 2014-2018  
Architectural Fees: \$1.6M

Reference:  
John Houck  
Deputy Director (retired), Point  
Defiance Zoo & Aquarium  
253-208-8526  
jandjhouck@wavecable.com

The new Aquarium at Point Defiance Zoo & Aquarium (PDZA) in Tacoma, Washington, celebrates the oceans' wonder and our shared responsibility to protect them. The new 34,000 sf building replaces PDZA's existing North Pacific Aquarium and expands the collection. In addition to the existing native Puget Sound species, the aquarium introduces a kelp forest and a 250,000-gallon warm water Baja Bay tank housing scalloped hammerhead sharks and sea turtles.





# Port of Silverdale Waterfront Center

Silverdale, WA

Size: 12,000 sf  
Cost: \$10.2M  
Completion: N/A

Reference:  
Reference: Caleb Reese, Commissioner  
Port of Silverdale  
(360) 369-0017  
[caleb.portofsilverdale@wavecable.com](mailto:caleb.portofsilverdale@wavecable.com)

EHDD is leading this ongoing project that is currently in Schematic Design and targeting completion in 2024. In the pre-design phase, our team solicited input from a diverse set of stakeholders, in an inclusive community process tailored to meet Silverdale's needs. This included presentations to Port of Silverdale Commission.





# Hudson River Estuarium

New York, NY

Currently in design, the Hudson River Park Estuarium will be a roughly 10,000 gsf educational and research center devoted to the Hudson River, which is the fifth largest estuary in the United States. Conceived of as a small nature center, not a large public aquarium, the new building will create a new home for the Hudson River Park Trust's Wet Lab, currently operating in an unheated warehouse on one of the Hudson River Piers. Visitors to the new facility will find interpretive science exhibits as well as an interactive classroom that can be used by students from all over the city and region.





# Terminal 5 Berth Modernization

Seattle, WA

EHDD designed three buildings for the Terminal 5 development including a new electrical sub-station for the terminal and two Operations Buildings onsite to support the expanded cargo capacity. EHDD utilized prefabricated building systems for the Operations Buildings. The insulated building wall and roof components were fabricated off-site and delivered ready-to-be-installed, greatly reducing the construction duration of the project.

Construction Value: \$190M  
Completion: Ongoing  
Firms: EHDD, Moffatt & Nichol

Reference:  
Joanna Hingle, P.E., S.E  
Assistant Director of Engineering – Design Services,  
Port of Seattle,  
(206) 787-3211  
hingle.j@portseattle.org





# Waterfront District Master Plan

Bellingham, WA

Client: Port of Bellingham &  
Bellingham Parks and Recreation

Bellingham's Waterfront District is a 237-acre post-industrial waterfront that was formerly a Georgia Pacific pulp and tissue mill. This 15-year planning effort engaged the Port, the city, and many stakeholders to create a vibrant, mixed-use neighborhood with new parks and trails along the Puget Sound, affording breathtaking views of the San Juan Islands. Redevelopment of the Waterfront District is a "once in a century" opportunity intended to restore public access along the shoreline and convert the upland area closest to the Central Business District. Other portions of the site will be remediated and marketed for shipping, marine trades, and light industrial uses. Completed by Chris Jones prior to founding Groundswell.





# Fraser Mills Presentation Centre

Coquitlam, BC, Canada

Client: Beedie Living

Area: 13,000 sqft

Completion: 2023

As a showcase for innovative mass timber systems, the Presentation Centre at Fraser Mills uses cutting-edge engineering, computational design and an experienced team of carpenters to create a welcoming space for the larger development. Structurally, the project is expressed with a sweeping, ruled roof surface that runs through each of the 26 unique glulam frames. These frames span up to 70ft between short, cantilevered glulam columns and a pair of up to 33ft high splayed columns. A complex geometry results from the unique angle of each frame, requiring softwares such as Rhino, Grasshopper & Karamba to rationalize the geometry into something which could be manufactured out of simple plywood and sawn purlins.







Team  
Organization  
and Technical  
Expertise



# Why EHDD?

## Experience and Excellence in the Design of Parks, Waterfront Centers, and Marine Science Centers/Estuariums

The Port of Olympia's 2050 Vision Plan aligns with our waterfront experience and is reinforced by the strength of our team. EHDD brings a unique portfolio of waterfront projects on sites around Puget Sound as well as up and down the west coast. We are working with the team members listed in this proposal on waterfront projects that feature resiliency, sea-level rise, tsunami analysis, and that deal with the myriad of complex shoreline permitting requirements and working with state regulatory agencies. EHDD and Cushman Wakefield recently completed a Market Analysis of Puget Sound Maritime Related Properties that identifies highest and best uses for the Port of Tacoma; we bring this to the Port of Olympia. An important part of that work was to define and design a geothermal system for waterfront buildings, establish an all-electric building system specification, and set the development on a carbon positive path. Our team will help the Port of Olympia craft and execute the goals identified in the 2050 Vision Plan.

EHDD's Marine Science/Estuarium/Aquarium experience and our relationships with key figures in that industry can identify potential partners ideal for creating a vibrant peninsula. EHDD's experience with workplace design, especially post-COVID, is cutting edge. Our commitment to locally sourced materials aligns with the historic relationship between the timber industry and the Port of Olympia. Telling that story through architecture is a value add for the overall development and leverages relationships with the local timber industry. Our experience with working maritime terminals, designing in-water structures, and manufacturing facilities reinforces the economic development plan for the peninsula and strengthens the ties between Percival Landing, Percival Plaza, the Marina, and Downtown. Our team will deliver all of these aspects to the Port of Olympia, and our expertise will help establish a vision for this and future phases.

▼ EHDD's portfolio is a unique fit for the needs outlined by the Port of Olympia Waterfront Center. In addition to our extensive current port experience, we have also designed and built the projects pictured here.



Harbor House, Historic Boardwalk, Park and Interpretive Content, Percival Landing, Olympia, WA



Waterfront Center, Port of Silverdale, Silverdale, WA (in design)



Mass Timber Office, Western Yacht Harbor, Seattle, WA



Point Defiance Aquarium, Tacoma, WA



Wayfinding and Identification Graphics, Greg Cuoio Park, Lacey, WA



Waterfront Marketplace, Fisherman's Wharf, San Francisco, CA



Juanita Beach Park Bathhouse, Kirkland, WA



Outdoor Green Open Space and Interpretive Field Station, Presidio Tunnel Tops, San Francisco, CA



Hudson River Estuarium, New York City (in design)



Art Exhibits, San Francisco Museum of Modern Art, Berkeley Art Center, CA



Brewery, Whitefish, MT



Commercial Mixed-Use Developments, Boulder, CO



# We create transformative places of belonging and impact.

Honored with more than 200 awards for design and environmental stewardship, EHDD has committed to Climate Positive Plans for 100% of its upcoming projects.

We've been a national leader in sustainable design since our founding more than 75 years ago – it's our passion and mission. We pioneered the Net Zero Energy concept over 15 years ago in response to climate change. Today, we are leading the industry toward a carbon-neutral future. Our portfolio is outpacing the AIA 2030 Challenge, seeking a fully carbon-neutral built environment by 2030 with Net Zero Energy, Passive House, Livable Building, and LEED® certified projects.

## Innovative and Unique Features:

### Locally Sourced Wood and Modular Building Construction

EHDD utilizes pragmatic building forms, locally sourced materials, and smart structural solutions to construct our public buildings for clients in Washington State. Our emphasis on carbon-positive structures and low-energy solutions results in elegant buildings that are durable and affordable to maintain. This approach aligns with the history of the Port of Olympia, and it's long standing relationship with the timber industry. We have built 10 public and port projects in Washington with Structurally Insulated Panels (SIPs) that are factory fabricated and delivered to the site to be assembled. We are also designing and constructing Mass Timber buildings with similar advantages, including modular construction with durable materials. Public works projects—from visitor centers and park pavillions to marina office buildings and marine operations centers—have limited budgets that need to be met, while at the same time creating inspiring, beautiful architecture. These constraints inspire our team at EHDD, and we will bring our expertise to the Port of Olympia.

The infographic features a central image of a modern building with a wooden facade and large windows. The background is a light blue gradient. Various statistics and award logos are arranged around the building. The statistics include: 11 Net Zero Certified & Emerging Projects (with a 'ZERO' logo), 7 AIA COTE Top Ten (with a red circle logo), 39+ LEED Platinum and Gold Certified Projects (with a green laurel wreath logo), 77 Years in Business (with a black circle logo), 6 Livable Building Awards UC Berkeley Center for the Built Environment (with a blue fan logo), 90+ Staff in Seattle and San Francisco (with an orange map of the US), AIA Washington Civic Design Awards Honor Award 2022 - Juanita Beach Bathhouse, Merit Award 2021 - Goldendale Observatory State Park, Merit Award 2018 - Lake Sammamish State Park Bathhouse (with the AIA logo), and METROPOLIS PLANET POSITIVE AWARDS 2022 WINNER For EHDD's EPIC tool (with a blue circle logo).

**11** Net Zero Certified & Emerging Projects

**7** AIA COTE Top Ten

**39+** LEED Platinum and Gold Certified Projects

**77** Years in Business

**6** Livable Building Awards UC Berkeley Center for the Built Environment

**90+** Staff in Seattle and San Francisco

**AIA** Washington Civic Design Awards Honor Award 2022 - Juanita Beach Bathhouse Merit Award 2021 - Goldendale Observatory State Park Merit Award 2018 - Lake Sammamish State Park Bathhouse

**METROPOLIS PLANET POSITIVE AWARDS 2022 WINNER** For EHDD's EPIC tool

# Outline of the Basic Work Plan

## Discover/Analyze, Explore/Synthesize, Align/Document

As a highly-collaborative office, we will work closely with you to craft an efficient, effective work plan tailored to the Port of Olympia's needs and milestones. Knowing more about the number of potential sites, the condition assessment of the existing facilities, and similar background information will help us better understand the tasks required and the time we should allocate for each. With our current knowledge, we anticipate a work plan roughly as follows:



## Phase 1 Concept Phase + Programming:

**Goal:** Validate the concept and programming completed to date. Build upon the work completed while finding opportunities for innovation.

**Deliverables:** Concept studies, Detailed Project Program, Systems Basis of Design, Opinion of Probable Construction Cost, and Renderings

Programming is the foundation of our project process. It is a time for discovery and unearthing the unique potential and character of the project and giving voice to the community's collective aspirations. The process builds consensus and enthusiasm, while the program document provides focus and clarity on project needs and guides decision-making throughout the project. The project concept visualizations are crafted to speak to the project's unique story and promise, providing compelling fundraising support material.

An ethos of innovation and adaptability will be woven into the programming process. Creating a building that answers the need for flexibility well into the future requires that critical stakeholders have agency in defining the design vision and priorities. This process will help us create a highly functional building; it is equally important to develop key tactics such as daylighting, while finding opportunities for the integration with the site and building that support wellness and create accessible, equitable public spaces along the shoreline.

Drawing on our experience working with port projects with multiple stakeholders, we propose a three-step programming process that gathers and synthesizes all the information and input necessary to complete an effective Detailed Project Program (DPP), establish a realistic budget for the project, and create clear criteria and input for site selection.

## 1 Step One: Discover/ Analyze

### Review and integrate studies and work to-date

This deep dive into prior work provides opportunities to identify information gaps and next steps for data gathering, including building-specific studies. An intensive review of Port of Olympia and Washington State sustainability standards, goals, and areas of interest will be conducted in this period. Building from these goals, we then assess unique opportunities of the site and program to build an integrative approach to sustainable design.

### Project Kickoff

We will facilitate a Project Kickoff, a partnering session, where the design team and Port of Olympia Waterfront Center stakeholders identify success metrics for both the project process and findings. This is an invitation for "big picture" thinking and aspirational goal setting.

### Stakeholder Engagement and Visioning

Conduct inclusive charrettes and information-gathering sessions, engaging a wide range of Port of Olympia stakeholders to identify the full range of considerations – functional, aspirational, tactical, and visionary – that need to be integrated to produce a high-functioning facility. Early visioning sessions help develop a common language, a shared investment, and help facilitate decision-making throughout the design process.

### Site and Building Assessments

Review building condition assessments and study options for reuse of the existing buildings and grounds. Work with the Port to understand and develop key criteria for site selection, including cost, entitlements, environmental constraints, schedule, location, and other potential considerations. Analyze environmental, zoning, planning, transportation, and other relevant physical data on the sites under consideration. Clarify project site requirements such as site circulation, critical utility infrastructure, quality exterior gathering spaces, views, and



transportation access. Conduct preliminary test-fits to reveal unique opportunities or challenges that exist on each site.

### Develop Draft Program and Adjacencies

Integrate physical and cultural investigations to develop an initial draft space program for review and refinement. Identify and record laboratory planning concepts and equipment needs. Clarify interior space needs versus exterior logistics and storage needs.

### Initial Design, Site, and Program Options

At the end of this step, the design team will identify high-level values and priorities driving the project, and opportunities and challenges for the project program, design, and sites.

### Sustainability Charrette and Resource Management Workshop

Conduct a workshop examining the project's water use, waste, air quality, materials, energy, carbon footprint. Assist with development of OCEAN Tool report and synthesize the analysis using EHDD's EPIC Tool.

### Code and Agency Analysis

Analyze construction rating, egress, and access requirements

### Occupancy Separations

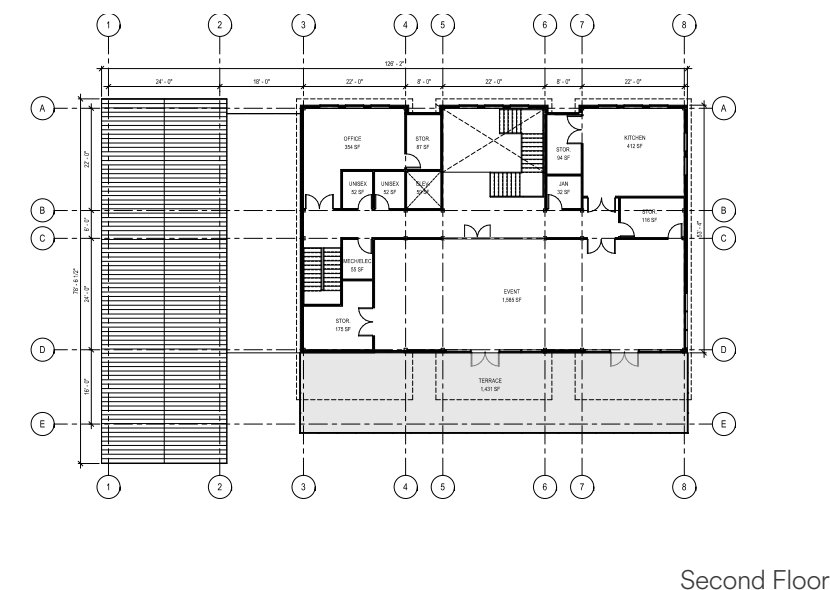
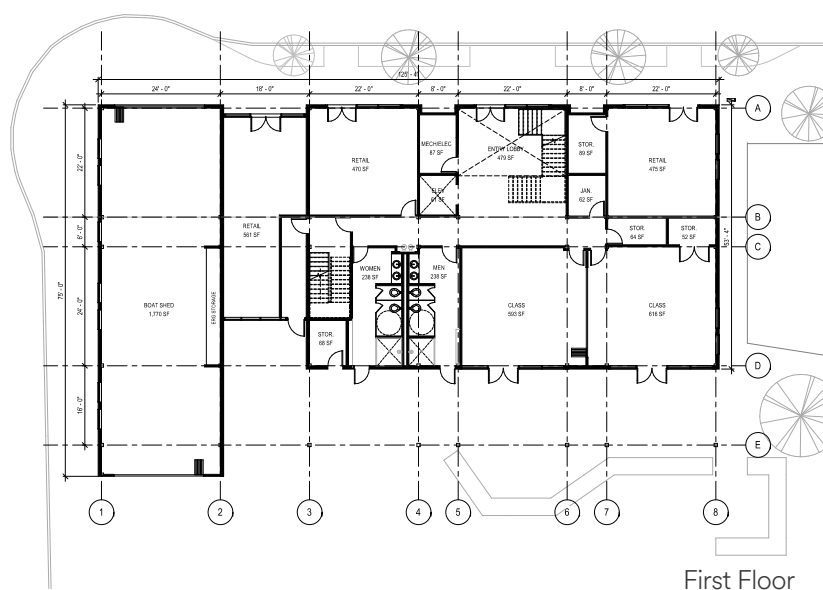
Understand site constraints and property line adjacencies

## 2 Step Two: Explore/ Synthesize

### Test Fits and Concept Design Options

We utilize test fits and concept design options to visualize and reconfirm the program. This work can include virtual and physical mock-ups to determine appropriate room dimensions, quantities, and adjacencies in the building, as well as daylighting analyses, height and massing studies, and site circulation on each of the potential building sites. Conceptual ideas are represented in diagrams, site plans, plans, and 3D study

Port of Silverdale Waterfront



models. The emerging character and potential of the building spaces and the site begin to inform each other, giving rise to clear benefits and drawbacks of each site for the building's specific needs.

### System and Sustainability Options

Review systems options with an emphasis on flexibility for the future, sustainability, and low long-term operational costs. As a research-driven and mission-driven practice, EHDD leads the pack in terms of sustainability. Sustainable buildings are not only high-performing, they are beloved and stand the test of time. EHDD uses integrative system design to leverage our consultant team's expertise to explore a range of sustainable opportunities early in the design process. We have developed an in-house carbon assessment tool, called EPIC, to inform the potential and impact of early design decisions. We will develop an integrated cost and energy model to optimize both concurrently to determine if net-zero energy is a feasible goal for this project.

### Adjust Program based on Preferred Design and System Options

Refine project program based on test fit/concept explorations and sustainability/performance scenarios.

### Reconcile Program to Budget

Before final documentation, we recommend a period to reconcile the preferred program and concept designs to the budget. It is essential to do this before renderings and finishing touches are initiated to ensure efficient workflow.

### Site Selection based on Integrated Site/Building Test Fits

As a foundational milestone for this project, we will provide thoughtful analysis of a range of factors framed within the context of the project goals and vision to ensure that you have all the tools and context you need to select the site.

## 3 Step Three: Align/Document

### Craft program, concept design documents, and narratives

The DPP will be a comprehensive narrative and graphic documentation of the process and work completed by the design team and the Port's stakeholders. The program document will serve as both a guide for the design phases and as a chronicle of decisions made and the process that led to them.





Western Yacht Harbor Office Building

### Produce renderings and visualizations

The renderings and other supporting graphics bring the project to life for stakeholders and, if needed, potential donors. Each image tells the story of the project and highlights the unique potential of this program and place in a way that sparks excitement and anticipation.

## Phase 2 Design + Construction:

**Goal:** Finalize Detailed Project Program. Develop building and site design. Obtain all permits and approvals, and support Owner through construction and occupancy.

**Deliverables:** Documents for all disciplines for final permit drawings, specifications, details, and coordinated BIM

To finalize all systems and material decisions and to complete fully coordinated documents, we follow a rigorous in-house QA/QC review. The work plan is structured to include ongoing coordination for design continuity and allowing time for reviews and backcheck before issuing pricing sets and permit drawings.

### Schematic Design

During schematic design, we explore, together with you, the possibilities generated by the site and program to resolve the design challenges. We will meet with you and appropriate stakeholders regularly, preparing multiple options with appropriate visualizations to allow everyone to engage in the process. We establish the major building systems to meet your performance criteria and budget. We develop a strategy for LEED that reflects the values of your community.

### Design Development

During design development, we will flesh out the richness and character of the design with you, to ensure that we create an environment that will feel like home to your community. In consultation with key port stakeholders, we will develop and coordinate our building systems to ensure that we deliver a building that fits your building operations and management goals.

### Construction Documents

We pride ourselves on the quality of our construction documents. Our details represent our accumulated expertise and decades of experience, even as we push and test the frontiers of sustainability and appropriate

building technology. Our building systems and technologies are coordinated across all our consultants, using 3D BIM models, to ensure high building performance and a smooth construction process. Our former clients and the contractors we have worked with are our best advocates in this regard.

### Construction Administration

We provide construction administration services led by members of the design team who have been through the entire design process with you. They are supported by dedicated technical staff who have decades of experience in building technology. The result is that you get the building that you expect, at the highest standards of the building industry.

## High-performance, Low-energy Design for Human Comfort and Well-being

EHDD pioneered the first net-zero energy building over 15 years ago, with 11 net-zero certified/emerging buildings since. We focus on all aspects of building performance and user well-being to develop integrated systems where the whole is much greater than the sum of its parts. “Layers of Design” is a phrase we use to describe how we conceptualize and refine each layer – structure, enclosure, cooling, lighting, technology, etc. – to conceive systems that work together as a healthy organism.

## Long Life, Loose Fit Approach

EHDD's team demonstrates expertise in the programming and design of waterfront centers and supporting structures, both landside and in-water. Designing for a public entity requires a long life, loose fit approach that allows facilities to serve the public's changing needs. This approach ensures adaptable buildings and systems. These strategies include open, flexible volumes, less emphasis on finish, more emphasis on the integrity of building systems, moveable walls, and flexible mechanical, electrical, and technology systems.

## Quality Control

EHDD is highly regarded in the industry for technical expertise on complex projects. Perhaps the best testimony of all is that EHDD's reputation has led to decades of repeat business from satisfied clients. This reputation is based on generating high-quality construction documents that reflect creative and functional designs. Such high-quality construction documents are becoming rarer and rarer as design firms stretch to meet the contemporary construction industry's fast-paced, tight budgets and competitive bid environments. To maintain the high-standards, EHDD has for construction documents, EHDD utilizes a quality assurance program. The program creates standards for how design progresses through the office, outlines document standards, tracks progress and performance, schedules document reviews, ensures adequate staffing to maintain the schedule, trains staff, and leverages the experience of the most knowledgeable people at the firm to ensure that documents are consistently high quality.

## Schedule Control

For each project we do, EHDD develops detailed timelines based on significant milestones that account for all stakeholders' key touchpoints. Depending on the approvals process, the entitlement process is generally very protracted and often sporadically requires quick response times. Our cooperative team has seen many projects through contentious and complicated entitlements and can help craft an appropriate schedule based on your strategy. Additionally, we schedule periodic project reviews to confirm that projects meet benchmark resolutions.

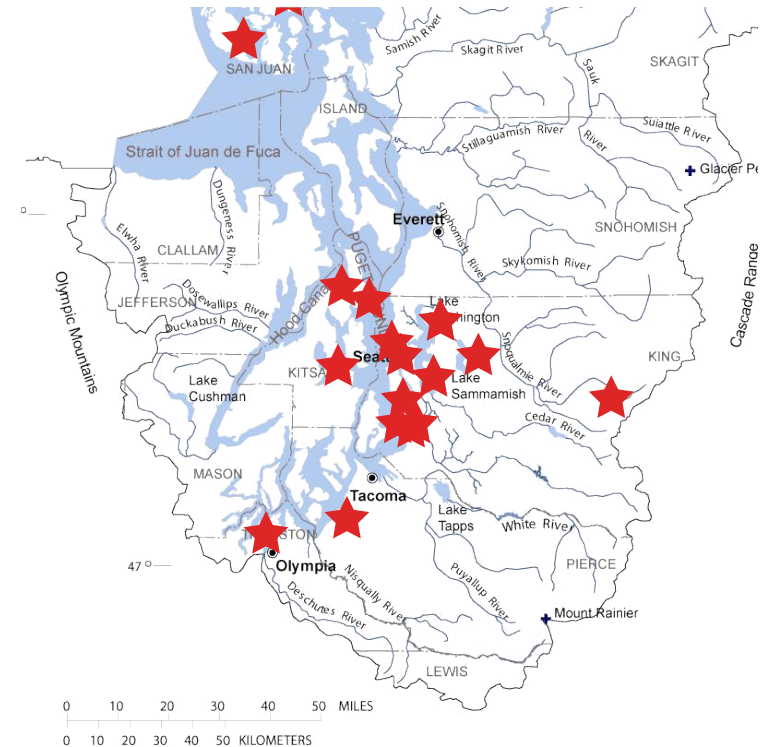
## Cost Management

Budget control starts with understanding a client's overall budget and priorities. We often begin with a cost model following concept design to know how early decisions affect the budget. Subsequently, we track costs through regular cost estimates by an outside cost consultant. We recommend one estimate at the end of each design phase (Schematic Design through Design Development), with two in the Construction Documents phase. We work with a wide cross-section of estimators familiar with the quality of our design. We also highly value the input of practical preconstruction work offered by contractors.

The key to aligning a project with both budget and the Owner program during the design phases is to consider both of these critical concerns during every significant decision, rather than waiting until the scheduled end-of-phase cost estimates. This requires a collaborative process between architect, client, and contractor or construction manager. We welcome integrated project delivery processes that incorporate Target Value Design methods that allow continuous cost estimating and value analysis throughout the design process.

To aid this alignment exercise, EHDD works with our consultants to generate a list of cost reduction ideas, and we weigh these against the project values as defined by the campus stakeholders. This step in the process is common for projects that draw their aspirations from a broad group of stakeholders, and many projects end up more robust after the group works together to distill their priorities. Entering the schematic design phase with a set of aspirations matched to the project budget will enable your project to stay on budget in the long run and steer clear of schedule disruptions.

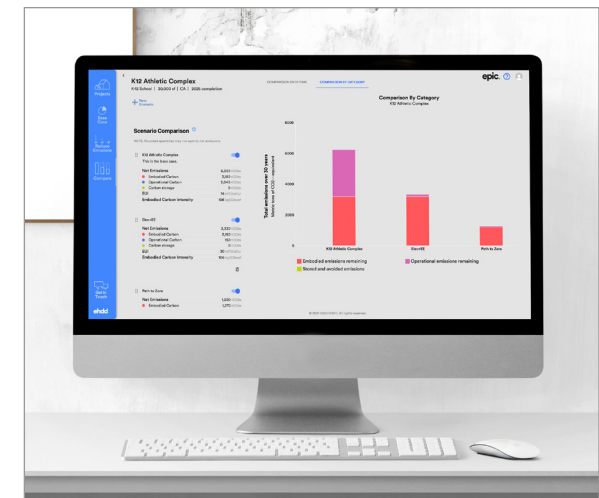
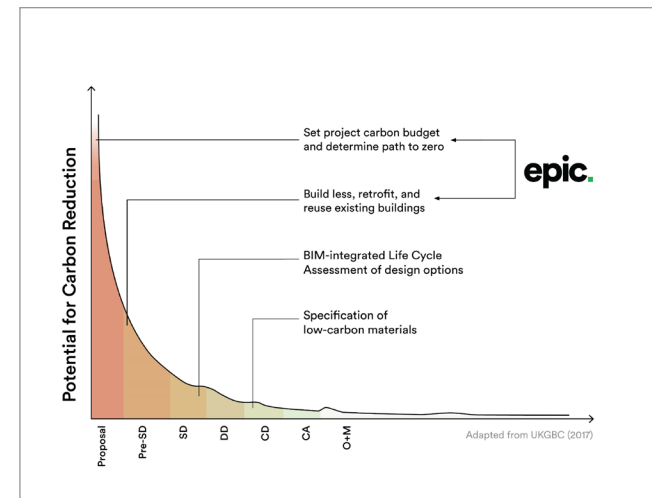
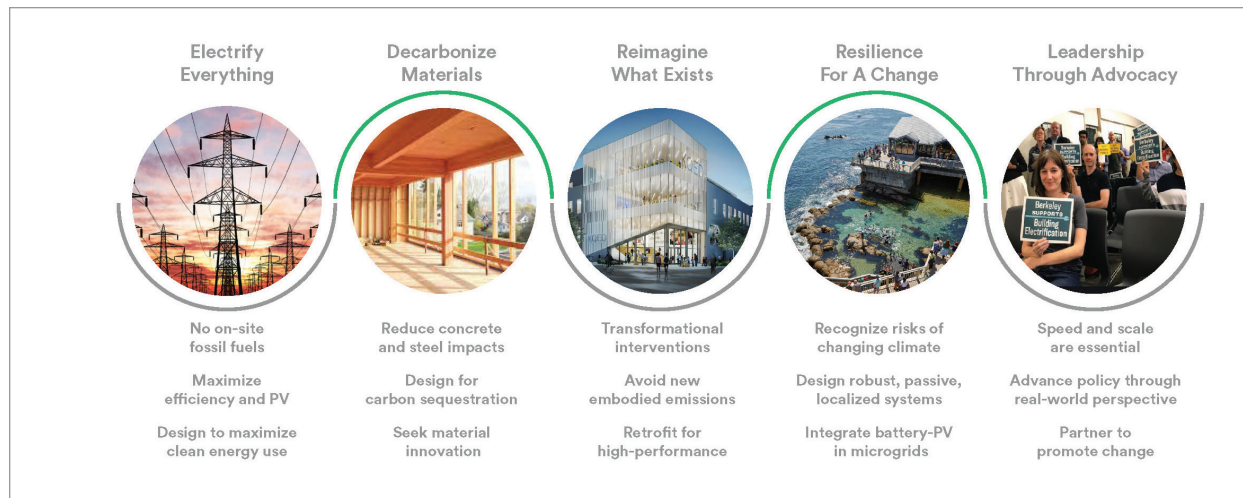
We are a West Coast firm with Port and Waterfront Park projects throughout the Puget Sound.





# Climate Positive Planning and Design

Designing resilient waterfront developments to urgently address the built environment's global climate impact



## ENGAGING PEOPLE, PLACE, AND PLANET

EHDD consistently charts a path for the industry to follow toward a Climate Positive future. Our leadership and expertise builds significantly from learning through working with leading academic clients including climate and materials scientists over the past 25 years to understand the linkages between our choices as architects and climate change.

We worked with Professor PK Mehta at UC Berkeley to incorporate high-volume fly ash as a replacement for cement in the concrete in our renovation of Wurster Hall in the 1990's. Working with Professor Chris Field and his colleagues on the design of the Carnegie Institution's Department of Global Ecology at Stanford, we pioneered what it is means to design a building with a climate-first filter, including operating and embodied carbon emissions.

## EHDD'S EPIC TOOL

The Early Phase Integrated Carbon (EPIC) assessment is a free, whole-life carbon tool built by EHDD to support climate-positive design decisions in early project phases when data is scarce but the potential for emissions reduction is high.



## DEMOCRATIZING DECARBONIZATION

To scale decarbonization in the built environment, we need action by on every building. EPIC is easy to use, and its methodology is transparent. Bridging between a complex data model and a simple user experience, EPIC illustrated that every project has a pathway to lower carbon emissions.

# Project Team

## EHDD

EHDD is a firm that is driven by ideas. We pride ourselves in forward-thinking design that lasts for generations. With offices in Seattle and San Francisco, our firm has deep expertise in transformative waterfront projects. We are dedicated to creating lasting, sustainable spaces and places. Founded in 1946, EHDD has a 77-year history steeped in embracing our clients vision and designing to express their unique values. Our firm of 90, including five partners and three principals, continues a legacy of working with clients throughout the Pacific Northwest. The team and personnel listed here will service the Port of Olympia out of our Seattle office. Our teams unique combination of waterfront and maritime project experience allows us to support the Port of Olympia through the complex, layered local and state shoreline permitting processes. We have represented numerous ports as they develop projects with public funds, and we understand how to support these efforts while upholding the key mission of the port and its stewardship of public dollars.

## Haley & Aldrich

Haley & Aldrich, Inc. is a geotechnical and environmental engineering firm that has provided high-quality consulting services in support of port, public, and private development projects for over 65 years, including in-water, waterfront, and upland developments and redevelopments. Their port-related projects include the full range of geotechnical engineering services for piers; upland facilities; bulkheads; high-capacity piling; pavement; berth deepening; and dredging and dredged slope stability, including seismic effects and constructability issues. Haley & Aldrich provides environmental permitting services related to the Joint Aquatic Resource Project Application (JARPA), Endangered Species Act (ESA), National Environmental Policy Act (NEPA), State Environmental Policy Act (SEPA), Clean Water Act, Model Toxics Control Act (MTCA), and a variety of other state and local government requirements. Their permitting work includes ESA biological assessments, wetland and ordinary high water mark surveys, critical areas report preparation, GIS data collection and analysis, and

other support for regulatory review. Haley & Aldrich provides these services from Pacific Northwest offices in Vancouver, Portland, Tacoma, and Seattle, and can also draw from 800 engineers, scientists, and constructors in 35 other offices nationwide.

## Struture Craft

StructureCraft is an award-winning team of structural consulting engineers + builders that design in all materials and build in timber. Since our start in 1998, we have become a world leader in wood construction, designing and erecting projects from North America to China.

Located in Abbotsford, Vancouver, Seattle, and Trento (Italy), our diverse team of 200+ includes professional engineers, 3D designers, drafters, and project managers in the office, and a skilled crew of carpenters in the shop and on site. With 26 years of experience, we have acted as the structural engineer and builder for over 5 million sqft of structures, including many of North America's most significant mass timber projects.

## Blanca

Blanca Lighting Consulting is a WMBE certified, women owned consulting studio based in Seattle, WA with a national and international practice. We have been in the lighting design industry for over two decades and are committed to be our client's advocate as we deliver innovative, efficient and affordable lighting design solutions that meet visual needs and create enjoyable places for people. Our core interest is to design civic and community centered environments.

## Moffat Nicol

Moffatt & Nichol is a leading U.S. based global infrastructure consultant specializing in planning and designing facilities that shape coastlines, harbors, and rivers as well as transportation systems associated with goods movement. Our practice has expanded to support the larger demands of the maritime industry globally, and our staff resources have grown to over 850 professionals, of whom more than 80 percent are specialists in maritime transportation and port-related work. In fact, Engineering News-

Record ranked Moffatt & Nichol #1 in Ports and Harbors in 2022. Our Seattle office was established in 1999 and our Federal Way office in 2020, and we have utilized Moffatt & Nichol's firm-wide resources to complete a broad range of projects for the Port of Tacoma and many other Pacific Northwest clients. We also have solid relationships with local and national firms that allow us to quickly supplement the capabilities of our established team should that be necessary.

## Groundswell

Established in 2018, Groundswell Studio is a landscape architecture, urban design and planning firm specializing in crafting unique civic spaces that celebrate people, place and culture. Groundswell has led the context-sensitive site design for some of the region's most cherished landscapes and understand the unique needs for urban spaces and the importance of considering initial cost as well as ongoing maintenance of projects well into the future. Groundswell has worked with public and private clients throughout the West on complex urban projects that mutually satisfy regulatory requirements, community need and owner expectations. They take pride in their reputation as a service-oriented firm that provides excellence in design, management, collaboration, and technical documentation.

## Cushman Wakefield

Cushman & Wakefield's Valuation & Advisory (V&A) practice is comprised of 500+ professionals across the Americas who provide clients with accurate, reliable valuations that guide intelligent debt and equity decisions in real-time.- Range of services provided by respondent, including the extent of investment advisory, consulting, and other services. Our Valuation & Advisory expertise spans single-asset appraisals to complex real estate advisory and business valuations. We specialize in multiple asset classes requiring specific experience and technical knowledge. Exceptional research analytics, future-looking technology and highly credentialed professionals support our wide range of services.



Christopher Patano, AIA, DBIA

PRINCIPAL IN CHARGE

**Registration:**

WA No. 8425  
ID No. 984385

**Education:**

University of Pennsylvania, Master of Architecture II  
University of Idaho, Bachelor of Architecture

Christopher has over 26 years of experience and leads EHDD's Pacific Northwest practice through the Seattle office. Christopher has served as the Principal-In-Charge for public clients throughout the Puget Sound region for nearly two decades, emphasizing design-build and integrated project delivery.

**RELEVANT EXPERIENCE**

Port of Tacoma Earley Business Center, Tacoma, WA

Port of Silverdale Waterfront Center, Silverdale, WA

Juanita Beach Park Bathhouse, Kirkland, WA

Percival Landing Harbor House and Picnic Shelters, Olympia, WA

Port of Seattle - Smith Cove Cruise Ship Terminal, Pier 91, Seattle, WA

Bainbridge Island Waterfront Park, Bainbridge Island, WA

Jensen Boat Yard Business Incubator Building, Friday Harbor, WA

Lake Sammamish State Park Bathhouse, Issaquah, WA

Terminal 5 Modernization, Seattle, WA

Greg Cuoio Park, Lacey, WA



Patricia Heye, AIA, LEED, AP  
BD+C, IIDA

PROJECT MANAGER

**Registration:**

CA No. C37395  
NM No. 21015001

**Education:**

Cornell University, Master of Arts, Design, Concentration in Sustainability  
California Polytechnic State University, San Luis Obispo, Bachelor of Architecture

As a licensed architect with over six years of professional experience, Patricia has worked on many different project types including higher education facilities, non-profits, interior office and event space renovations, high-end residences, and museums.

**RELEVANT EXPERIENCE**

Port of Silverdale Waterfront Center

AIA Headquarters, American Institute of Architects, Washington, D.C

SFFD Union Hall, San Francisco Fire Fighters Union, San Francisco, CA \*

B23 Science & Technology Center, Cañada College, San Mateo  
Community College District, Redwood City, CA\*



Daniel Leckmen, RA

PROJECT ARCHITECT

**Registration:**

CA No. 10900  
NM No. 005472

**Education:**

University of Oregon, Bachelor of Architecture

Daniel is a Project Manager at EHDD who had been practicing architecture for over 18 years. Daniel brings a deep understanding of technical detailing, building materials/systems, and construction document production to all his projects. Daniel has extensive experience working with the Port of Seattle and several public jurisdictions.

**RELEVANT EXPERIENCE**

T-5 Berth Modernization, Maritime Support Building, Seattle, WA

Port of Silverdale Waterfront Center,  
Port of Silverdale, WA

Bainbridge Island Waterfront Park, Bainbridge Island, WA

Port of Seattle - Sea-Tac International Airport Alternative Utility Facility (AUF), WA





**ehdd.**

**Matt Fujimoto**, NOMA, AIA,  
NCARB

PROJECT ARCHITECT

**Registration:**

WA No. 13017

**Education:**

University of Washington, Bachelor of Arts,  
Architectural Studies

Carnegie Mellon University, Architecture Pre-  
College

Matt is an architect and teaching artist, a University of Washington (UW) Architecture PT lecturer, a UW National Organization of Minority Architecture (NOMA) Students chapter adviser, a NOMA|nw Project Pipeline Chair, a Seattle Creative Advantage architect approved to teach in Seattle Public Schools, a Seattle Chinatown International Special Review District Board mayoral appointee and elected chair, a National Endowment for the Humanities: Landmarks of American History and Culture participant, and a UW Youth & teen Programs instructor serving K12 students since 2012.

**RELEVANT EXPERIENCE**

Port of Tacoma, Earley Business Center, Tacoma, WA

Marin Academy Master Plan, Marin, CA

UC Santa Cruz Kresge College Renewal Project, Santa Cruz, CA

University of Washington Department of Architecture Design Studio  
Instructor



**ehdd.**

**Lynne Riesselman**, AIA, LEED,  
AP BD+C

MARINE SCIENCE/AQUARIUM EXPERT

**Registration:**

CA No. C33749

**Education:**

Carnegie Mellon University, Bachelor of  
Architecture

Lynne Riesselman joined EHDD as a designer in July 2008, excited to work on projects that would have a lasting impact on the greater public. An architect with 13 years of experience, she loves problem solving and rising to unique design challenges. Throughout her career, she has worked on a wide variety of projects, ranging from museums and aquariums to educational projects and restaurants.

**RELEVANT EXPERIENCE**

Presidio Tunnel Tops Youth Campus San Francisco, CA

California Science Center, Los Angeles, CA

Monterey Bay Aquarium, Monterey, CA

Seattle Aquarium Concept Planning and Design, Seattle, WA

Kansas City Zoo Aquarium, Kansas City, MO



**ehdd.**

**Brad Jacobson**, FAIA,  
LEED® AP BD+C, DBIA

SUSTAINABILITY EXPERT

**Registration:**

CA No. C31387

**Education:**

University of Pennsylvania, Master of  
Architecture

Stanford University, Bachelor of Arts in Urban  
Studies with honors

Brad designs for the future. An industry leader in sustainable architecture, he is skilled at synthesizing diverse perspectives to craft technically rigorous, high-performance solutions that are energy-efficient, budget-driven, and create exceptional occupant satisfaction.

**RELEVANT EXPERIENCE**

The David and Lucile Packard Foundation, Los Altos, CA

Nevada State College Carbon Neutral Master Plan, Henderson,  
NV

University of California, Davis, Teaching and Learning Complex,  
Davis, CA

The Grove Foundation Offices, Los Altos, CA

First Street Green Mixed-Use Office Development, Los Altos, CA



moffatt & nichol

## Younes Nouri, PE

COASTAL ENGINEER

### Registration:

Engineering (Civil) -  
WA No. 21032861

### Education:

Johns Hopkins University, PhD, Coastal Engineering

University of Ottawa & Canadian Hydraulics Center  
MASc, Coastal Engineering

University of Tehran BS, Civil Engineering

Dr. Younes Nouri offers in-depth knowledge and experience with analysis and numerical modeling of waves, tidal flow, sediment transport, tsunami waves, and propwash analysis drawing from 15 years of professional and academic experience in the coastal engineering field. Dr. Nouri has been collaborating with clients to develop sustainable waterfront projects.

### RELEVANT EXPERIENCE

Northwest Seaport Alliance (NWSA), Seattle Area, WA

Climate Hazard Assessment Metro Parks Tacoma, WA

Envision Our Waterfront, Sea Level Rise Resiliency

US Navy, Naval Base Kitsap, Bremerton, WA

Maintenance Dredge Permit Support, West Bay Development Group,  
Olympia, WA

West Bay Yards Development – Shoreline Enhancement Design



## Scott F. Biethan, MAI, CRE, FRICS

SENIOR MANAGING DIRECTOR | PUBLIC PORT  
ADVISORY AND VALUATIONS

### Education:

Michigan State University Business School

Mr. Biethan is currently the Senior Managing Director and Seattle lead in the Valuation and Advisory practice for Cushman and Wakefield of Washington. He has over 35 years of experience in providing consulting and valuation services.

### RELEVANT EXPERIENCE

Private client litigation matter-Portfolio of approximately 40 assets (office, industrial and retail) in Alaska that required a fair division of assets analysis for a partnership dissolution.

Portfolio assignment for several casinos in Singapore and Macau.

Valuation and portfolio oversight for the Caesars Entertainment portfolio.

Semi-public client consulting Analysis-Variety of properties that were potentially going to be used for a right-of-way taking. Analysis of the effect of partial and full property acquisitions on commercial and residential properties.



## Chris Jones, PLA

LANDSCAPE ARCHITECT

### Registration:

Landscape Architect,  
State of Washington,  
#1371

### Education:

Bachelor of Landscape Architecture,  
Washington  
State University, 2001

Chris Jones is the founder of Groundswell. His 20+ years of experience include planning and site design at all scales, including signature waterfronts, parks and open space, museum projects, higher education, and private development, garnering many awards and commendations for the artful integration of architecture, place and culture. Chris brings design vision, acute listening and an acute understanding of the technical requirements needed for successful concept plans.

### RELEVANT EXPERIENCE

Aberdeen Riverfront Master Plan - Aberdeen, WA\*

Academy Square Master Plan - Lebanon, OR\*

Asian Art Museum - Seattle, WA\*

Anchorage Museum of History and Art - Anchorage, AK\*

Bainbridge Island Town Square - Bainbridge Island, WA

Bainbridge Island Performing Arts Center - Bainbridge Island, WA

Brookside School Story Garden at Cranbrook - Bloomfield Hills, MI\*



**HALEY  
ALDRICH**

**Douglas D. Lindquist, P.E.,  
G.E., LEED AP**

PRINCIPAL GEOTECHNICAL ENGINEER

**Registration:**

2002/WA: Professional Civil Engineer (Reg. No. 38350)

2006/CA: Professional Geotechnical Engineer (Reg. No. 2722)

2006: LEED Accredited Professional

Transportation Worker Identification Credential

**Education:**

M.S., Civil (Geotechnical) Engineering, University of Washington

Guest Researcher, Swedish Geotechnical Institute, Linköping, Sweden

B.S., Civil Engineering, University of Washington

Award-winning geotechnical and earthquake engineer and recognized expert in seismic design for buildings and waterfront structures. Voting Member of the ASCE 61 code committee for Seismic Design of Piers and Wharves. Helps find the right balance between cost and risk so industrial site owners can make smart decisions related to infrastructure.

**RELEVANT EXPERIENCE**

Pier 91 Carnitech Building and Utility Vaults, Port of Seattle, Washington

Port of Seattle Smith Cove Cruise Ship Terminal Building, Seattle, Washington

Port of Seattle Terminal 18 Buildings, Seattle, Washington

Port of Seattle Terminal 46 Cruise Terminal Development and Support, Seattle, Washington



**StructureCraft**

**Lucas Epp, P.Eng., P.E.**

STRUCTURAL ENGINEER

**Education:**

M.S., Civil (Geotechnical) Engineering, University of Washington

Guest Researcher, Swedish Geotechnical Institute, Linköping, Sweden

B.S., Civil Engineering, University of Washington

Lucas Epp is a structural engineer with more than 17 years of experience working in Canada, the UK, and New Zealand. During his studies at UBC, he spent several years working for StructureCraft, where he was responsible for modelling several large-scale timber projects including the Richmond Speed Skating Oval timber roof structure. Following a desire to explore abroad, Lucas moved to London, UK to work with Buro Happold for 5 years.

**RELEVANT EXPERIENCE**

Taiyuan Botanical Garden Domes, China – Three timber gridshell domes, the largest with a span of 300 ft.

Tianfu Agricultural Expo, China – 800,000 sf. series of 5 vaults achieving clear spans of more than 375ft and heights of 150ft.

T3 Office Minneapolis, T3 Office Atlanta – Lead Engineer 7-storey, 180,000sqft NLT Tall Wood in Minneapolis, MN / Michael Green Architecture

Idaho Central Credit Union Arena, Idaho – 70,000 sf. free-form timber roof structure with long-span hybrid timber & steel trusses up to 142’ clear span.



**blanca**

**Lucrecia Blanco, Assoc. IALD,  
LEED GA, IES, CSBA**

STUDIO LEAD

**Education:**

Master of Fine Arts, University of Illinois, Urbana, IL

Bachelor of Fine Arts, Universidad del Salvador, Buenos Aires, Argentina

Lucrecia has been practicing architectural lighting for nearly two decades. Her background of theater lighting design informs her architectural lighting choices, adding a visual impact and dynamic nature to our projects. In the built environment, she thrives on team collaborations to find practical solutions to design problems. Along with leading Blanca Lighting, she teaches lighting design at the School of Built Environments at the University of Washington.

**RELEVANT EXPERIENCE**

Life Sciences Building, University of Washington. Perkins&Will

Center for Population Health. University of Washington. Miller Hull Partnership

School of Medicine 3.1 and 3.2 University of Washington. Perkins&Will

Town Hall Seattle. BuildingWork

Fire Station 22. Weinstein A+U

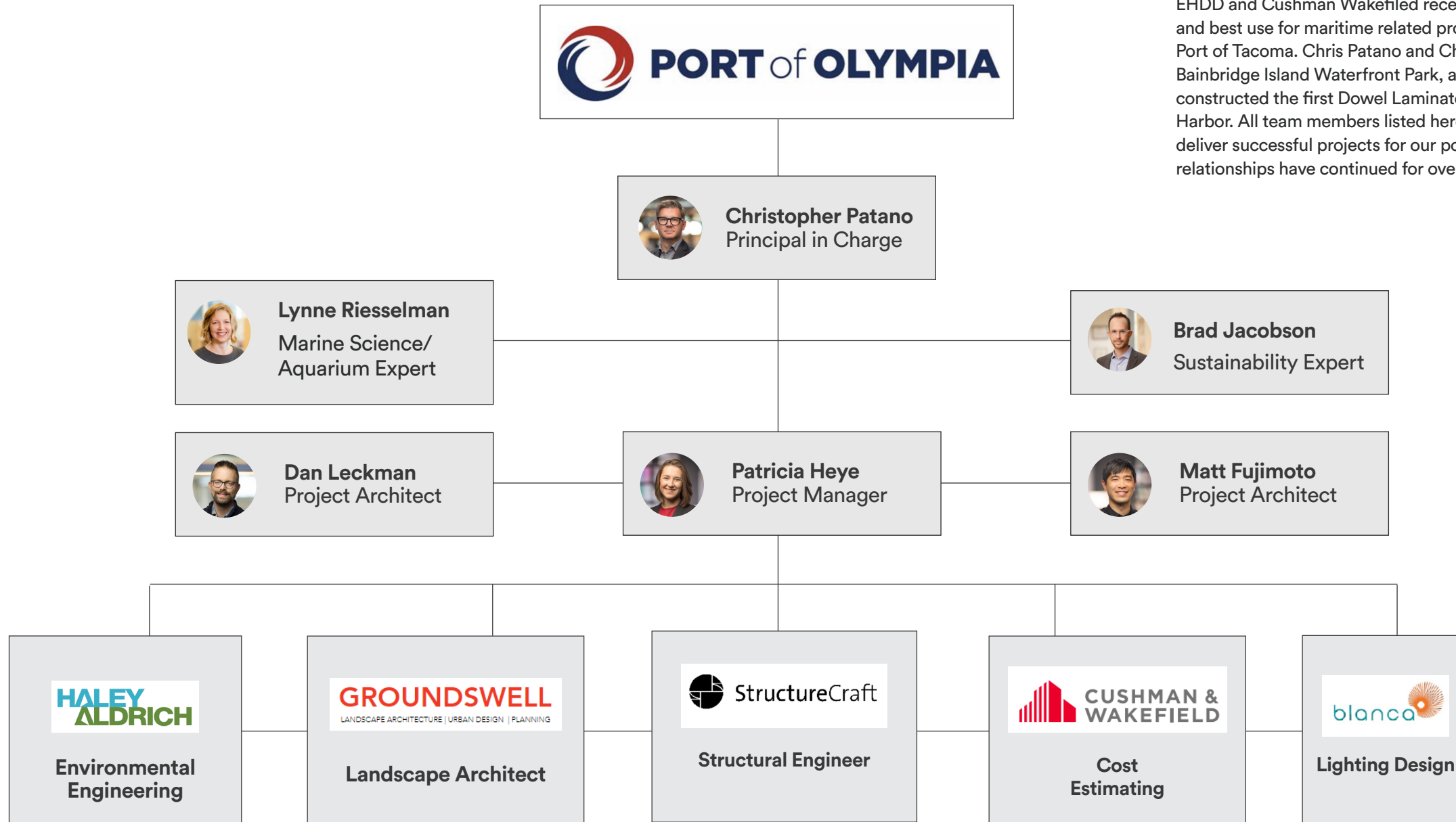
Kingsgate Library. SKL Architects

Jackson Park Village (Seattle Housing Authority). GGLO

# Organizational Chart

## Partnership Strength

EHDD, Hailey Aldrich, and Moffat Nichol are working together on waterfront projects for the Port of Tacoma, Port of Seattle, and the Port of Humboldt Bay. EHDD and Cushman Wakefiled recently completed a Market Analysis of highest and best use for maritime related properties at the Earley Business Center for the Port of Tacoma. Chris Patano and Chris Jones successfully delivered the City of Bainbridge Island Waterfront Park, and EHDD and StructureCraft designed and constructed the first Dowel Laminated Timber building in Seattle at Western Yacht Harbor. All team members listed here have collaborated and worked together to deliver successful projects for our port clients around Puget Sound, and some relationships have continued for over twenty years.







Juanita Beach Bathhouse, Kirkland, WA

Understanding/  
Adherence  
to Proposal  
Requirements



## Understanding of the Proposed Plan

This diagram illustrates our team's commitment to create connections between the new Waterfront Center, the existing Market Center, Percival Plaza, and all the way down to Olympia's front porch, Percival Landing. On the east side of the peninsula, we want to reinforce the important connection on Marine Drive between the future Waterfront Center and the expanding Hands On Children's Museum.

We envision knitting the peninsula together with a combination of pedestrian pathways, bicycle paths, greenways, boardwalks, promenades, public open spaces and compelling activities, such as the marina, potential future marine science and interpretive experiences, retail and spaces for nonprofits and marine related industries. We also see the potential of reinforcing the industrial and economic backbone of the port's historic timber exporting terminal with supporting green industries. The right mix of public, green-industrial, recreational, and interpretive and art based experiences will make the peninsula an iconic destination in the Puget Sound region.



Legal Action:  
Disclosure of any current or recent (within past five years) legal action in progress or taken against the firm or individuals.  
(Submittal Form 2)

No

Disclosure:  
List of all business transactions and relations within the past five years that may create or be perceived to create a conflict of interest.  
(Submittal Form 2)

No



**SUBMITTERS SHALL COMPLETE AND SIGN THE FORM BELOW**

We acknowledge that all Addenda ( ) through ( ) have been examined as part of the Proposal documents.

Company Name:	Esherick Homsey Dodge and Davis		
Address:	Pier 55 1101 Alaskan Way, Suite 203	City/State/Zip Code:	Seattle, WA 98101
Original Signature:	Authorized Representative / Title (Please Print): Christopher Patano, Principal		
E-mail:	c.patano@ehdd.com	Phone:	206-734-3870
		Fax:	



**BUSINESS ENTERPRISE QUESTIONNAIRE**

**Please complete the following information:**

Is your firm a:

- Women Business Enterprise (WBE)?  Yes
- Minority Business Enterprise (MBE)?  Yes
- Disadvantaged Business Enterprise (DBE)?  Yes
- Small Business Enterprise (SBE)?  Yes
- Veteran-Owned Business (VOB)?  Yes
- Do you have a certification number?  Yes

If yes, please provide certification number and state or entity that issued the number below:

Certificate No.: \_\_\_\_\_ State or Entity Issued: \_\_\_\_\_



May 10, 2024

To:  
Port of Olympia  
606 Columbia St. NW, Suite 300  
Olympia, WA 98501  
attn: James Sommer

From:  
EHDD Architecture  
1101 Alaskan Way Ste 203  
Seattle, WA 98101

**Re: Port of Olympia Waterfront Center**

Dear James,

EHDD Architecture provides the enclosed draft exhibits.

Please note that fee information reflects the Washington State A/E Fee Guidelines and Percentages. We have identified a \$20 million in construction cost at 7.25 percent for basic services. We have also organized our fee spreadsheet to align with Washington State's definition of Basic Services and Additional Services.

Both Chris Patano and myself are available to answer any questions.

Sincerely,  
Matt Fujimoto



# Port of Olympia Waterfront Center

## FINAL Project Description and EHDD Scope of Services

June 10<sup>th</sup> 2024

### FINAL Project Description

#### PORT OF OLYMPIA WATERFRONT CENTER PHASE 1

A continuation of the *Port 2025 Vision Plan*, The Port of Olympia’s *Waterfront Destination Development Plan*’s Outcome Statement states:

*The Port Peninsula will develop as a Destination Waterfront that offers diverse first-rate amenities and spaces for both active and passive recreation, ensuring connectivity to the Water, nearshore and existing downtown core.*

The Port of Olympia Waterfront Center is identified as a site development opportunity by the *Development Plan*. It is comprised of a new mixed use administration building, new public shoreline access, and updates to the site’s shoreline pedestrian trail.

The new mixed use administration building will include 8,500sf of ground floor facilities including spaces for *Harbor Operations* and *Harbor Patrol*, facilities to support *Port Commission* meetings, facilities to support outdoor events, and tenant spaces.

A second story will include 8,500sf of Port Administration offices.

A third story will include 6,000sf of upper floor commercial/restaurant space or event space including rooftop public amenities that connect to significant contexts in the vicinity including the Capitol Dome, the Olympic Mountains, and Mount Rainier known by its original name in native language Twulshootseed, as the mountain called təqʷuʔmə - Mount Tacoma (or Mount Tahoma).

The Project’s budget is estimated at

New Mixed Use Administration Building	\$17,500,000
Site / Shoreline Work	\$2,500,000

A narrative of the project phases follows. A project “pause” can occur at the end of schematic design or design development.

The Project will cover the entire scope as described in Exhibit A. The Project will be completed into two tasks, Task 1 and Task 2. Task 2 work will be renegotiated following the completion of Task 1.

Task 1 will include the following and will help develop and inform services assumed under Task 2:

- Pre-Design / Programming (estimated 6-week duration)
- Schematic Design (estimated 8-week duration)
- Design Development (estimated 10-week duration)
- Construction Documentation (estimated 18-week duration)

Task 2 will include:

- Bidding (estimated 4-week duration)
- Construction Administration (estimated 18-month duration)

The Port and Consultant may rely on the Initial Information contained herein. Both parties, however, recognize that if the Initial Information materially changes or if the project is suspended for six months or more, the Port and the Consultant shall appropriately adjust the Consultant's services, schedule for the Consultant's services, and the Consultant's compensation. The Port shall adjust the Port's budget for the Cost of the Work and the Port's anticipated design and construction milestones, as necessary, to accommodate material changes in the Initial Information.

## **FINAL EHDD Scope of Services**

### **PORT OF OLYMPIA WATERFRONT CENTER PHASE 1**

#### **PRE-DESIGN / PROGRAMMING (6 weeks)**

- Meetings / Presentations
- One (1) kick-off meeting with Port of Olympia
- Two (2) programming sessions with Port of Olympia staff
- Two (2) Commission/Advisory group design meetings
- One (1) Community meeting
- Six (6) weekly Project Management meetings

#### **Deliverables**

- Pre-design/Programming Report: narrative summaries of project/site analysis, initial project goals and criteria, building/site program, and initial input on design opportunities, system/sustainability strategies as applicable.
- Block plan diagrams, square footage/program relationships. Overall building and site development square footage goals.

#### **Included Scope**

- Coordination of design consultants
- Coordination with owner's consultants
- Review existing documentation
- Develop building/site program

#### **SCHEMATIC DESIGN (8 weeks)**

- Meetings / Presentations
- One (1) Kick off meeting with Port of Olympia representatives and design team
- One (1) Sustainability charrette
- Eight (8) weekly Project Management meetings

- Two (2) community meetings
- Four (4) Commission/Advisory group design meetings [may be paired with Project Management meetings]
- One (1) technical review (SD) with Port of Olympia

Deliverables

- Design Concept exhibits and representations
- 50% Schematic Design drawing set and initial narrative
- 100% Schematic Design drawing set and narrative, cost estimate, TOC Specifications
- 4 project renderings

Included Scope

- Coordination of design consultants
- Coordination with owner's consultants
- Cost estimate review

## **DESIGN DEVELOPMENT (10 weeks)**

- Meetings / Presentations
- Five (5) bi-weekly Project Management meetings
- Four (4) Client group design meetings [may be paired with Project Management meetings]
- One (1) community meeting
- One (1) technical review (DD) with Port of Olympia

Deliverables

- 100% Design Development drawing set and updated narratives, outline specifications, cost estimate

Included Scope

- Coordination of design consultants
- Coordination with owner's consultants
- Cost estimate review
- LEED credit review

## **90% and 100% CONSTRUCTION DOCUMENTS (18 weeks)**

- Meetings / Presentations
- Nine (9) bi-weekly Project Management meetings
- Two (2) Client group design meetings [may be paired with Project Management meetings]
- One (1) technical review (50% CD) with Port of Olympia
- One (1) technical review (90% CD) with Port of Olympia

Deliverables

- 50% Construction Document drawing set and full specifications, cost estimate
- 90% Construction Document drawing set and full specifications, cost estimate
  - This submission intended to be submitted as Permit Set
- 100% Construction Document drawing set and full specifications, cost estimate
  - This submission intended to be Bid Set

Included Scope

- Coordination of design consultants
- Coordination with owner's consultants
- Cost estimate review

## **BIDDING (4 weeks)**

### Meetings

- Attend one (1) Pre-Bid meeting/site walk

### Included Scope

- Assist General Contractor with bid conference
- Respond to Bid Requests for Information (RFIs)
- Conformed set incorporating addenda from standard bid process only

## **CONSTRUCTION ADMINISTRATION (18 months)**

### Meetings

- One EHDD Construction Administration staff member to attend seventy-eight (78) weekly Owner/Architect/Contractor (OAC) meetings on-site or by conference call
- Included Scope
- Site visits and reports
- Submittal review
- Review and respond to Requests for Information (RFIs)
- Review and respond to contractor's Punchlist/Backcheck

## **ENTITLEMENTS / APPROVALS / COMMUNITY ENGAGEMENT**

Attendance at the following meetings is included in the base fee. Assembly of existing materials into a presentation for each of the meetings is included. Any additional meetings or requested materials specific to entitlements will be billed on a Time and Materials not-to-exceed basis.

- [Discuss community engagement strategies. Presentations or Engagement?]
- [Discuss entitlements / AHJ meetings, etc]
- Pre-Application Meeting with AHJ (City of Olympia)
- Meeting with Fire Department to discuss project and requirements
- Building Permit Intake Meeting with AHJ
- Respond to AHJ comments and corrections to Building Permit Submittal

## **FFE BASIC SERVICES**

This scope of work shall include: A complete set of code-compliant Furniture "Fit Plans" and Outline Specifications, in coordination with the project team management and stakeholders, for public **or negotiated** bid, reflective of the "Basis of Design" product selections available to multiple bidders or client's selected dealer and manufacturer. This scope of work shall include:

- Preparation of coded furniture plans in PDF sheet and dwg formats for use in procurement (Plan Exhibits)
- Microsoft Excel Spreadsheet Schedules including item description, manufacturer, model, number, dimensions, finish selections from manufacturer's standard offerings, plan location and quantity, reference images of each furniture items and finish in digital format. (Specification Exhibits)
- Order swatch samples in duplicate for the coordination of base building materials palette and finish specifications (FFE samples)



- Provide support during the Bid and Negotiation Phase – respond to bidders requests for clarifications when submitted, review vender bids for conformance with design intent and performance, review substitution requests for conformance with design intent and performance.

#### The Furniture Specifications and Furniture Fit Plans

- I. Furniture Package - A: Port of Olympia Administration Offices
- II. Public Lobby
- III. Marina Offices

Client will compile, manage, modify and prepare the “front end” Division One specification section for the Furniture Procurement Process and any additional supporting procurement documentation required beyond the Design Team’s reference exhibits and documents.

Client Contracts and Procurement Team will be responsible for development, coordination, advertising and issuing the Furniture Bid package, including above referenced procurement exhibits developed by the Design Building Team and will act as the primary contact to all Furniture bidders.

#### FFE Exclusions

- The electrical and AV/IT coordination required for new furniture scope will be directed by EHDD and documented by the AV/IT installer/vendor.
- Owner provided FFE are not considered part of this procurement scope but will be reflected in space planning determinations, as necessary.
- Construction Observation and final punch list efforts will be conducted as needed on a T&M basis. Furniture vendor and installer are responsible for field verification of dimensions and infrastructure suitability prior to installation.
- Mockups and coordination of on-site FFE for testing are the responsibility of the furniture dealer and not considered part of this scope.
- AV and lighting design and/or orientations are not part of this scope.
- Additional OFM and State of Washington submittals and approvals are not considered part of this scope.
- Access, life safety, and fire egress outside of each classroom are not part of this project. If egress loads require alternative means of egress from the room not currently available, EHDD will notify the Owner and an additional service for analysis and documentation can be provided.
- Existing furniture reuse and surveys of existing furniture are not part of this project.
- Specification sheet for individual groupings and finish options including a 3D image to describe systems furniture configuration(s) are considered an additional service
- Typical coordination deliverables will be comprised of documentation drafts with supplemental information or graphics as required to convey design intent and achieve client direction. Formal presentations and stakeholder engagement materials are considered an additional service.
- Cost estimating or FFE pricing or establishing budgets for furniture.

## EXCLUSIONS

The following services are not included in the proposal, but can be provided as an additional service:

- Design work for any scope beyond the original RFP description.
- Fast-track design services
  - Interpretive Design Coordination and Project Management
- Utility services coordination
- Energy Incentive Program Assistance
- Offsite storm drainage or municipal utility upgrades
- Services in response to reviews by agencies other than the governmental authority having jurisdiction (such as reviews by funding agencies, prospective owners, etc.)
- Separate bid packages
- Building commissioning
- Revision of Contract Documents due to submittals
- Record Drawings (contractor will provide Owner with as-built information)
- Conformed Drawings
- Wayfinding, graphics, branding, and donor signage. EHDD will provide design and documentation for code required signage
- Site tours, including preparation and notes
- BIM Modeling over LOD 200 - Digital modeling will be used by the design team only as a means of coordinating work amongst the design team and producing deliverable documents. The model will not be altered or adjusted for the Owner's use
- Post-occupancy diagnostics and troubleshooting of systems and usage anomalies
- Renderings, fundraising or donor materials, models, mock-ups, and professional photography
- Any required additional rounds of agency review comments beyond the first two rounds not due to EHDD's fault or negligence, or any changes requested to previously approved documents, along with any associated meetings, are considered additional services
- Revising previously approved work
- Providing additional professional services made necessary to affect a material change of Project Program requested by the Client
- Providing additional professional services made necessary through schedule delays beyond the EHDD'S control
- Graphic support for stakeholder presentation and project fundraising

**FINAL Project Boundary Map**  
PORT OF OLYMPIA WATERFRONT CENTER PHASE 1



**From:** [Julian Rondello/USA](#)  
**To:** [Matt Fujimoto](#); [Christopher Patano](#)  
**Cc:** [PACNW.VABIDS](#); [Scott Biethan/USA](#)  
**Subject:** RE: Port of Olympia Scope and Fee development  
**Date:** Wednesday, May 1, 2024 2:11:01 PM  
**Attachments:** [image003.png](#)  
[image005.png](#)

---

Hi Matt and Chris,

We propose the following specific scope to support Phase 1 of this project.

The scope to complete the Market Analysis Report will include:

- Attendance of up to 5 meetings with EHDD and/or Port of Olympia
- Identification of legal interest analyzed
- Description of the subject property and surrounding area
- Local and regional competitive market analysis
- Market participant interview
- Review and analysis Port of Olympia Strategic Plan
- Highest and Best Use Study
- Demand segment analysis
- Conclusions, findings and recommendations

The Market Analysis will be communicated in a report summarizing and describing the findings. To complete this scope of work we propose a total fee of \$34,000, with draft completion expected within 8 weeks.

For additional services outside of the Market Analysis, we would bill on an hourly basis at the following Public Agency Rates:

Principal Appraisers \$375/hour  
Project Associates \$255/hour

Happy to chat more or add anything you think is missing.

Kindly,  
Julian

**Julian Rondello, MAI**  
Senior Director  
Valuation & Advisory  
601 Union Street, Suite 1100  
Seattle, WA 98101 | USA



## EXHIBIT A: SCOPE OF SERVICES

### Port of Olympia Waterfront Center Design and Construction Services

May 9, 2024

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#### PROJECT BACKGROUND

The Port of Olympia (Port) is planning on developing a waterfront center near Swantown Marina as an element of the Destination Waterfront Development Vision. The Waterfront Center would help address the need to replace the marina office, establish a long-term space for the administration offices, offer public space and bring Marine/Maritime related organizations to the Peninsula. This scope and fee include effort to support early planning for the Port's proposed Waterfront Design Center.

#### SCOPE OF WORK

##### Task 1.0: Project Management and Quality Control

*Project Management.* M&N will provide the required level of contracting, oversight, accounting, invoicing, and clerical support to manage the Project. Matt Perry will serve as Project Manager and as the Port's principal contact with M&N for the duration of the project.

Project management includes time for early team coordination and meetings.

All work will be performed consistent with M&N's corporate Quality Manual. QA/QC will include checking and reviewing M&N's work for consistency with that of other members of the team to deliver a coordinated set of construction documents. Typical QA/QC tasks include but are not limited to integrity checks, plan checks, and constructability checks.

##### Task 2.0: Technical Expertise and Strategy for Early Planning

The M&N Team will provide technical expertise on an as needed basis for the level of effort as described below and in the attached fee. Expertise could include:

- Input on early Swantown Marina plans
- Input on existing sea level rise mitigation plans and early sites considered for Budd Inlet dredge material placement sites.
- Input for shoreline-related public access, waterfront trails/promenades, etc.
- Early strategy considerations for environmental review and permitting of the center.

*Deliverables:*

- *Draft and Final emails and short memorandums (no longer than a few pages)*

#### ASSUMPTIONS AND LIMITATIONS

- Work is anticipated to include only high level planning and strategy support as described in this scope of services. If the scope of the project expands beyond this (including the need for more detailed expertise), environmental review, and permitting, then additional scope and fee will be required.
- Field work or modelling is not anticipated at this time. Additional scope and fee may be required if surveys, assessments, or studies outside of the tasks described in this proposal are requested.

#### Fee

Estimated not to exceed \$19,550.



Moffatt & Nichol Fee Proposal Detail  
Waterfront Center Design and Construction Services

9/11/2024

Subconsultant Markup: 10%  
Other Direct Costs Markup 10%

Project Number:  
Project Manager:  
Project Director:

I. STAFF-HOUR BUDGET		LABOR CLASSIFICATIONS & CONTRACT RATES										Project Controls	Word Processor	General Clerical	STAFF-HOUR	LABOR COST																																																																																																																																		
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V. PROJECT SUMMARY	
Total M&N Labor Cost	\$19,550
Total Subconsultant Cost:	
Total Other Direct Costs:	
Mark-up on Subconsultants:	
Mark-up on ODCs:	
<b>Total Project Estimate</b>	<b>\$19,550</b>

# GROUNDSWELL

May 2, 2024

Christopher Patano  
Partner  
EHDD  
1101 Alaskan Way – Pier 55, Suite 203  
Seattle, WA 98101

RE: Olympia Waterfront Center Phase 1 – Landscape Architectural Scope of Work

Dear Chris,

We appreciate the opportunity to submit the following proposal for providing landscape architectural services for the Olympia Waterfront Center. We understand this effort, and respective team roles, includes the following:

1. The project includes a 20,000 s.f., mixed use, administration building for the Port of Olympia. The project site area is approximately 1.5 acres with site improvements that include:
  - a. New access drive.
  - b. 260 l.f. +/- of new waterfront trail.
  - c. Reconfigured parking lot.
  - d. Rooftop amenity space.
  - e. Loading zone on north side of proposed buildings.
  - f. Public courtyard at ground level.
  - g. Amphitheatre for small concerts.
2. Groundswell's role will be to provide the following:
  - Groundswell, in collaboration with the design team, will document surface improvements including pedestrian paving, planting, site walls, outdoor amenity spaces, grading, irrigation, and site furnishings for areas within our scope.
  - Tree removal and protection plans.
3. The team's civil engineer will be responsible for the following:
  - Document all subsurface utilities, roadway, vehicular improvements, and any work within the public right-of-way. We will collaborate with the civil engineer for road, parking, and site design, as well as above ground storm water quality features that may be included in our scope. The City of Olympia may require a civil engineer's stamp on all final grading plans. Therefore, we propose to transfer our detailed grading documents following the completion of Design Development to the civil engineer for final construction documentation.
  - All erosion and sedimentation control documentation.
4. The team's structural engineer will document structural information for all walls greater than 4' in height and will document reinforcing for light pole foundations. The structural engineer will be available to review structural components of Groundswell's details and will provide signed and stamped structural calculations and redlines for details including but not limited to: custom guardrails and handrails, custom bench supports, joist and structural

## GROUNDSWELL

- support member spacing and sizing for decks, fencing systems and structural footings, flagpoles, anchors and supports for other elements.
5. The team's electrical engineer will document all electrical services and vaults. Groundswell will work with the team's electrical engineer, our exterior lighting consultant and The Port to select site fixtures which we will locate in the landscape layout plans.
  6. The team's cost estimating consultant will provide statements of probable costs. Groundswell will review and evaluate the estimates for work within our scope.
  7. EHDD will contract directly with a consulting arborist. The consulting arborist will be available to support Groundswell for the duration of the project.
  8. Moffatt and Nichol and Haley and Aldrich will be responsible for any work below OHW.
  9. EHDD will be responsible for providing us with the following:
    - Activities and fees necessary to obtain permits. Groundswell will assist the team by providing support drawings for inclusion in the permit applications. We assume permit drawings will be derivatives of our working plans.
    - A detailed site survey in AutoCAD format, suitable for construction documentation, will be available for our use.
    - Arborist's tree inventory and assessment.
    - Geotechnical Report of the project site.
    - Complete Division One specifications.
    - Project specification template.
    - Management of the submittal and RFI process.

### **SCOPE OF WORK:**

#### **Task 1: Pre-Design/Programming (8 Weeks)**

1. Attend one (1) kickoff meeting with EHDD to review project parameters, discuss the clients requested program, gather available materials, identify additional information needed, discuss scope, budget, schedule, and establish project timetable and deliverables.
2. Attend one (1) site visit to review and photograph existing conditions.
3. Review survey, geotechnical, traffic analysis reports, master plans, budget information, code requirements and other project background material.
4. Develop a summary of relevant Code/Zoning requirements specific to site improvements.
5. Develop initial tree preservation and protection parameters to help guide site programming efforts.
6. Assist in developing the building and site program in collaboration with EHDD, the client, and design team.
7. Develop two (2) alternative site plans with sketches, sections/elevations, precedent imagery, and material/planting image boards, to describe concepts.
8. Attend one (1) meeting with client and design team to present alternative concepts, via videoconference.
9. Develop content for and conduct Public Open House #1 with Stakeholders and City staff, in Olympia. Open House #1 will include workgroup sessions and a presentation of the Site Analysis, precedent imagery and ideas for a potential site program to solicit input from the community.
10. Refine alternatives to one (1) preferred site plan based on client and community input.
11. Attend one (1) design team meeting, via video conference.
12. Finalize building and site program for inclusion in the final programming document.
13. Provide one (1) rendered site plan for inclusion in the final programming document.



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14. Attend one (1) meeting with client and design team to present preferred Master Site Plan, via videoconference.
15. Develop a written Site Design Programming Narrative identifying landscape design concepts.

### **Task 2: Schematic Design (10 Weeks)**

1. Attend Schematic Design kickoff meeting with client and design team to discuss scope, budget and schedule.
2. Attend bi-weekly meetings with design team to review design efforts and to coordinate our work.
3. Attend one (1) eco-charrette.
4. Provide a written report summarizing all sustainable design criteria which apply to our portion of the work. The report will identify which Sustainable Design Criteria must be met to achieve the Sustainable Design Objective.
5. Attend monthly meetings with client to review design efforts.
6. Develop content for and conduct Public Open House #2 with Stakeholders and City staff, in Olympia. Open House #2 will include a presentation of the preferred alternative to solicit input from the community.
7. Develop and submit 50% Schematic Design. Deliverables include:
  - a. Site Plan/Materials Plan
  - b. Sections/Elevations
  - c. Grading Concept Plan
  - d. Image boards describing proposed design concepts and materials
  - e. Site plan renderings
8. Respond to comments and incorporate this information into the 100% Schematic Design.
9. Develop and submit 100% Schematic Design. Deliverables include:
  - a. Site Plan/Materials Plan
  - b. Sections/Elevations
  - c. Grading Concept Plan
  - d. Image boards describing proposed design concepts and materials.
  - e. Site Plan Rendering
  - f. Draft Specifications
10. Review 100% Schematic Design Cost Estimate prepared by others.
11. Develop content for and conduct Public Open House #3 with Stakeholders and City staff, in Olympia. Open House #3 will include a presentation of the Schematic Design to solicit input from the community.

### **Task 3: Design Development (13 Weeks)**

1. Meet with client and design team to review the Schematic Design Documents and discuss construction budget, design development goals and project schedule.
2. Attend bi-weekly meetings with design team to review design efforts and to coordinate our work.
3. Attend monthly meetings with client to review design efforts.
4. Advance site design and incorporate feedback from, EHDD, Port of Olympia, and City of Olympia into the preferred site plan.
5. Develop plans, diagrams and narratives for Technical Pre-App Submittal.

## GROUNDSWELL

6. Attend Pre-Application Meeting with City of Olympia.
7. Assist in the advancement of LEED strategies.
8. Assist in preparing LEED documentation relevant to Groundswell's scope of work. The LEED sections that Groundswell will be responsible for assisting with will include:
  - a. Bicycle Facilities
  - b. Open Space
  - c. Outdoor Water Use Reduction
  - d. Protect or Restore Habitat
9. Develop and submit 100% Design Development Drawings. Deliverables include:
  - a. Tree Protection Plan
  - b. Layout Plans
  - c. Materials Plan
  - d. Grading Plans
  - e. Soil Preparation Plan
  - f. Irrigation Conceptual Zone Plans (includes point of connection, mainline routing, and irrigation valve locations)
  - g. Planting Area Plans noting plant types (e.g., tree, shrub, and groundcover), not specific plant species.
  - h. Site Details
  - i. Specifications
10. Review 100% DD Cost Estimate.

### **Task 4: Construction Documents (18 Weeks)**

1. Attend Contract Documentation kickoff meeting with EHDD and design team to discuss scope, budget and schedule. Obtain approval to proceed with Contract Documents.
2. Attend bi-weekly meetings with design team to review design efforts and to coordinate our work.
3. Attend monthly meetings with client to review design efforts.
4. Respond to client comments and incorporate this information into the Contract Documents.
5. Assist team in preparing LEED documentation package relevant to Groundswell's scope of work.
6. Advance and submit 90% Construction Documents. Deliverables include:
  - a. Tree Protection Plan
  - b. Site Layout Plans
  - c. Site Materials Plan
  - d. Grading Plans
  - e. Soil Preparation Plan
  - f. Irrigation Plan and Details
  - g. Planting Plan and Details
  - h. Site Construction Details
  - i. Specifications
7. Review cost estimates developed by others at 90% submittal.
8. Incorporate client review comments following 90% submittal.
9. Advance and submit 100% Construction Documents. Deliverables include:

# GROUNDSWELL

- a. Tree Protection Plan
- b. Site Layout Plan
- c. Site Materials Plan
- d. Grading Plans
- e. Soil Preparation Plan
- f. Irrigation Plan and Details
- g. Planting Plan and Details
- h. Site Details
- i. Specifications

## **Task 5: Bidding and Permitting (16 Weeks)**

1. Submit 100% and final stamped and signed documents to EHDD as required for permitting.
2. Respond to permit comments. We assume there will be no more than two rounds of comments.
3. Revise drawings and resubmit to the permit center.
4. Produce Bid Set documents.
5. Attend pre-bid conference.
6. Prepare addenda during bid period as necessary.
7. Assist in review of bids.

## **Task 6: Construction Administration (18 Months)**

1. Develop "For Construction" set of Construction Documents.
2. Attend pre-construction meeting.
3. Review product submittals and shop drawings; respond to requests for information, produce change orders and clarification drawings as needed.
4. Attend eight (8) project meetings and Construction Observation site visits at the following milestones:
  - a. Review of rough grading.
  - b. Review of hardscape layout.
  - c. Perform one nursery visit at milestones to review and tag plant material.
  - d. Review irrigation mainline layout, open mainline trenching and pressure testing.
  - e. Review of finish grading.
  - f. Review tree and/or plant material layout.
  - g. Review irrigation coverage.
  - h. Review final plant material placement, mulch and irrigation.
5. Attend final acceptance walk-through to review completion of the punch list.
6. Attend warranty walk-through and develop a warranty list.

## **Task 7: Project Close Out**

1. Prepare record drawings for all work within our scope based on contractor provided record (or as-built) drawings in AutoCAD format.

## **Fees**

We propose the following fees:

# GROUNDSWELL

Task 1: Pre-Design/Programming	\$14,165.00
Task 2: Schematic Design	\$20,805.00
Task 3: Design Development	\$23,375.00
Task 4: Construction Documents	\$40,850.00
Task 5: Bidding/Permitting	\$5,680.00
Task 6: Construction Administration	\$22,770.00
<u>Task 7: Project Close Out</u>	<u>\$2,800.00</u>
<b>Total:</b>	<b>\$130,445.00</b>
Estimated Expenses:	\$10,000.00

We propose to bill monthly on a percentage of completion per phase. Expenses are additional and will be billed at 1.1 times our cost.

## Assumptions

1. Our proposal is based on the above scope of work, the attached limit of work 'Exhibit A', and a \$17.5M budget for the building and \$2.5M for Site/Shoreline Improvements.
2. Design and documentation will be in AutoCAD and based upon Groundswell standards. If BIM/Revit model updates are required, additional scope and fees will be required.
3. This scope of work is scheduled to be completed by December 2026. If the project extends substantially beyond the scheduled date, additional scope and fees will be re-evaluated.
4. This proposal assumes the project will be documented and constructed in one phase.
5. The project team cost estimator will develop landscape and site improvements quantity take offs and unit pricing. This information will be provided to Groundswell for review as noted in the scope above. Groundswell will evaluate quantities and unit cost and provide comments to client.
6. Groundswell will attend all meetings outlined in the original scope of work. Meetings beyond those noted will be additional services and will be billed as time and materials.
7. Groundswell will document all tree removal and protection. Other disciplines will document the demolition of structures, paving and site utilities within their respective scopes of work.
8. The following items are excluded from this scope of work and would need to be scoped separately if added to the project:
  - a. Waterfeatures
  - b. In water work
  - c. Intersection improvements at Marine Drive.
9. This scope assumes EHDD will document site signage, trash and recycling enclosures.
10. Revisions to the construction documents, due to client comments, which occur after 50% Construction Documents will require additional services.
11. This scope assumes there will be no work below OHW (Ordinary High Water).
12. This scope of work assumes Right-of-Way Improvements are limited to one new curb cut and does not include pedestrian or street tree improvements along Marine Drive. Similarly, it's assumed a separate ROW permit package will not be required.
13. Placement of dredged material will be designed and documented by Moffatt|Nichol and Haley and Aldrich.
14. Our proposal does not include Design Review Services or Entitlements.



## GROUNDSWELL

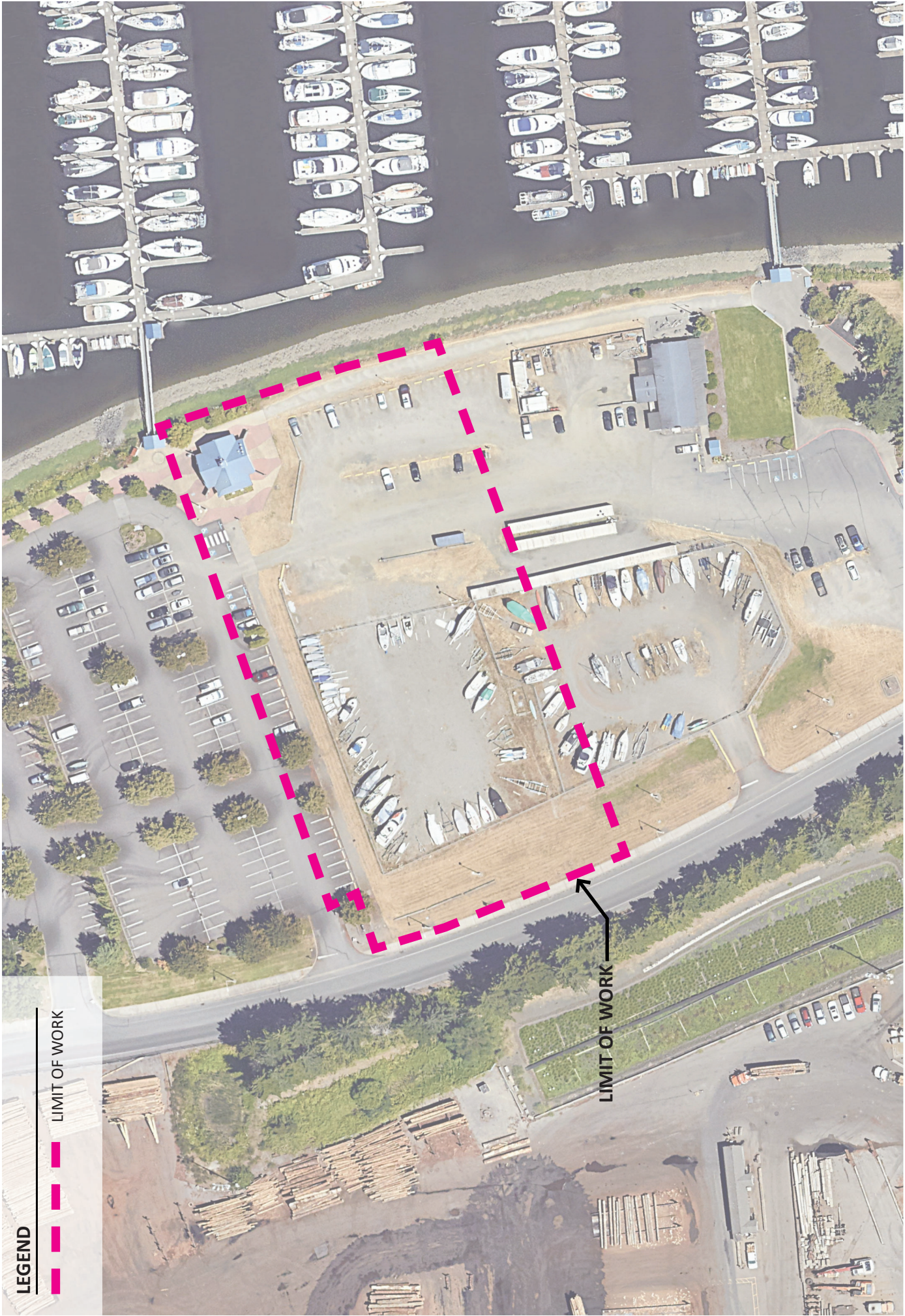
Please contact me if you have any questions, require clarification, or if we can be of further assistance. We look forward to working with you.

Sincerely,

A handwritten signature in black ink, appearing to read "Chris Jones". The signature is fluid and cursive, with a large initial "C" and a long horizontal stroke at the end.

Chris Jones  
Principal-in-Charge  
[chris@groundswell.studio](mailto:chris@groundswell.studio)





**LEGEND**

— LIMIT OF WORK

**EXHIBIT A - LIMIT OF WORK**

Olympia Waterfront Center  
NOT TO SCALE | 29 APRIL 2024





StructureCraft

Creative Structural Engineering | Specialized Construction



# PORT OF OLYMPIA WATERFRONT CENTER, PHASE 1

STRUCTURAL ENGINEERING SERVICES PROPOSAL

May 7, 2024



May 7, 2024

**EHDD**

1101 Alaskan Way – Pier 55, Suite 203  
Seattle, WA 98101

Attention: Christopher Patano, Partner

**RE: Port of Olympia Waterfront Center, Phase 1 | Proposal for Structural Engineering Services**

Dear Christopher,

We are pleased to offer our structural engineer of record services for Phase 1 of the new Port of Olympia Waterfront Center in Olympia, WA. This is an incredible project, and we are thrilled to be considered as your structural consultant.

The scope of this proposal includes full structural engineering consulting services for Pre-Design/Programming, Schematic Design (SD), Design Development (DD), Construction Documents and Permitting (CD), and Construction Administration (CA) for both Engineer of Record services and our typical Engineer-Build arrangement as described below.

As you know, StructureCraft brings the most value when we can serve as both the structural engineer and the timber subcontractor. Compared to other materials, this Engineer-Build/Design-Build approach is a game-changer with timber structures. The lessons we have learned, over our 26-year history, from building the structures we engineer translates to many advantages including:

- **Avoiding delays due to value engineering the structure.** The Design Team will always be advised on the timber cost so the design can accommodate along the way. We can also lock-in costs at Design Development or early in Construction Documents to mitigate risks for cost increases.
- We can **overlap typical consulting design with fabrication-level engineering** to allow early material procurement, which saves on the overall project schedule and cost.
- We can make **decisions on structural schemes with ALL variables in mind:** material volume, supplier options, material lead time, erection speed (e.g. number of picks), and carbon (including transportation). We can include all these variables because we are Engineer-Builders, and we typically engage with the architect, owner, and contractor in more detail with parametric modeling (e.g. through our in-house software Branch), so we can all clearly and quickly understand how **modifications to the structure affect cost, carbon, and constructability.**



If we are engaged for Engineer-Build services (e.g. hired on as the timber subcontractor by the general contractor), there is an overall reduction in our structural engineering consulting fee given we can start procuring materials and generating shop drawings during Construction Documents. We can also decrease our fee for Construction Administration because site observations and shop drawing reviews would be limited to concrete and steel only (timber components are covered within our construction contract). To help highlight the differences, **scope or fees in green are for the Engineer-Build engagement.**

Regardless of how we are engaged (Engineer or Engineer-Build), I would like to emphasize our commitment to working with EHDD and the client to design a beautiful, efficient, and buildable community building that meets the architectural vision, community needs, and budget. StructureCraft has successfully designed and built many community and office buildings across the globe, and we would value the opportunity to leverage this experience for this project.

Sincerely,



Leif Johnson, PE, SE, LEED AP  
Structural Engineering Director  
[ljohnson@structurecraft.com](mailto:ljohnson@structurecraft.com)  
206-818-8235  
**StructureCraft**

Idaho Central Credit Union Arena | Moscow, ID





## 1.0 PROJECT DESCRIPTION

The new Waterfront Center, located near Swantown Marina at 1022 Marine Dr NE in Olympia, WA, is envisioned as an approximately 20,000 sqft 2-3 story building containing office and public space. The building is anticipated to replace the existing marina office, establish a long-term administrative office space, offer public space to the community, and bring marine organizations to the peninsula. The current construction budget for the structure is assumed to be approximately \$17.5M.

The structure will respond to the high sustainability and community-focused goals set by the client and is expected to contain unique design features that will engage public use and strengthen the area’s waterfront presence.

## 2.0 SCHEDULE

StructureCraft’s understanding of the design/construction phase durations are as follows:

Phase	Duration
Pre-Design / Programming	4 weeks
Schematic Design	8 weeks
Design Development	10 weeks
Construction Documents / Permitting	18 weeks
Construction Administration	12 months

## 3.0 SCOPE OF SERVICES

StructureCraft’s scope of services and deliverables for the phase described above are detailed below:

(Note: green text indicates services included with the Engineer-Build option)

### 3.1 Pre-Design / Programming

#### Services

- Establish design criteria and identify applicable code requirements.
- Attend kick-off meeting with East Bay Regional Parks Department (EBRPD) in person.
- Assist the Owner with identifying funding options through grants or similar revenue sources.

#### Deliverables

- Preliminary Basis of Design document to help define the project program.

### 3.2 Schematic Design

#### Services

- Preliminary structural engineering, and examination of structural and material alternatives.
- Explore options for the foundations, ground-level slab, and gravity structure, including optimal column grid and integration of MEP, considering aesthetics, constructability, economy, and function.
- Assist with sustainability charette(s)
- Establish design criteria and identify applicable code requirements.



- Assist in determining pre-engineered and/or performance-specified structural elements (e.g. curtainwall, light gauge framing, etc.).
- Attend meetings, maximum of 5 in-person in Seattle, and remotely for remainder of SD as required.
- Preliminary construction project management, estimating, and scheduling services to assist the project team.

#### Deliverables

- Scheme / grid studies as required.
- 50% Schematic Design drawing set and initial Basis of Design Narrative with material quantities for cost estimating.
- 100% Schematic Design drawing set and Basis of Design Narrative with material quantities for cost estimating.
- Structural outline specifications.
- Target budget for engineer-build of timber superstructure.

### 3.3 Design Development

#### Services

- Further development of selected structural scheme.
- Preliminary BIM and 3D modeling of superstructure (Revit).
- Preliminary estimating and scheduling services to assist the project team, including feedback on price variance, constructability, and logistics.
- Develop requirements for pre-engineered and/or performance-specified structural elements.
- Advance foundation design for early permit and bid packages.
- Attend meetings, maximum of 10 in-person in Seattle, and remotely for remainder of DD as required.

#### Deliverables

- 100% DD drawings.
- Basis of Design Narrative with material quantities for cost estimating (including timber if not Engineer-Build)
- Preliminary structural specifications.
- Early permit and bid package for foundation design at 100% DD.
- Updated budget for engineer-build of timber/steel superstructure at 50%DD, including detailed variance analysis from prior budgets.
- Fixed price for engineer-build of timber/steel superstructure at 100% DD or 50% CD (to be confirmed).

### 3.4 Construction Documents / Permitting

#### Services

- Further develop of structural design documentation for CD level.
- 3D modeling of structure, full BIM in Revit.
- Attend meetings, maximum 10 in-person in Seattle, and remotely for remainder of CDs as required.
- Preparation of drawings and engineering calculations for Building Permit sealed by P.E. registered in Washington.
- Consult with Building Officials and assist in obtaining structural permits.

#### Deliverables

- 50% Construction Document drawing set and full specifications
- 90% Construction Document drawing set and full specifications
  - This submission intended to be submitted as Permit Set
- 100% Construction Document drawing set and full specifications
  - This submission intended to be Bid Set



### 3.5 Construction Administration

#### Services

- Review and preparation of RFI responses / addenda during bidding phases.
- Field review of structural work, including written reports and required follow-up.
- Shop drawing submittal reviews.
- Review contractor submittals.
- Respond to contractor's Requests for Information.
- Assist in reviewing Change Orders related to the structural work.
- Review third-party testing and inspection reports.
- Visit the site at intervals appropriate with the progress of construction to observe the progress of structural work, assumed an average of one site visit per month – 10 visits maximum.

#### Deliverables

- Contractor submittal review comments/approvals.
- Responses to contractor's Requests for Information.
- Reports detailing observations made during site visits.

## 4.0 QUALIFICATIONS

- See Appendix A – StructureCraft Terms of Engagement.
- It is assumed that the client will engage third party testing agencies for Special Inspection requirements.
- The anticipated schedule/duration for the above Structural Engineering Services is per Section 2.0 above.
- We have assumed weekly or bi-weekly (remote) design meetings through design.
- Professional liability insurance coverage of \$5 million.
- StructureCraft proposal is valid for 30 days from the date specified herein.

## 5.0 EXCLUSIONS

#### Design-Related Exclusions

- Non-structural/secondary components and their attachments to the primary structure.
- All forms of sound, mold, and water-intrusion protection.
- Design of deep foundations or ground improvement.
- Tenant-related design services.
- Other exclusions per Appendix A.

#### Construction-Related Exclusions

- Design of temporary Means and Methods of construction.
- Evaluation of the structure to support temporary loads imposed by construction equipment and storage of materials.
- Analysis and/or review of construction sequencing.
- Design of "field fixes" to remedy fabrication or construction errors made by the Contractor.
- Any and all aspects of construction site safety.
- Verification of the quality of work of the contractor.
- As-built (e.g. "Record Drawings") documentation of the primary structure.
- Full-time on-site representation.
- Other exclusions per Appendix A.





## 6.0 FEES

Our proposed fee for the Scope of Work noted above is as follows, in U.S. Dollars.

Phase	Engineer Only	Engineer-Builder
Pre-Design/Schematic Design	\$30,000	\$30,000
Design Development	\$40,000	\$40,000
Construction Documents/Permitting	\$53,000	\$38,000
Construction Administration	\$45,000	\$30,000
<b>Total:</b>	<b>\$168,000</b>	<b>\$138,000</b>

Terms of engagement, including reimbursable expenses, are in Appendix A. Payment terms net 30 days.

## 7.0 ATTACHMENTS

The following attachments are included as part of this proposal:

- **Appendix A** – StructureCraft Engineering Terms of Engagement (2024)

## 8.0 AGREEMENT

We will proceed with these Structural Engineering services following receipt of a signed copy of this agreement. We look forward to a great working relationship with you on this project. Please contact us with any questions.

\_\_\_\_\_  
Leif Johnson, Structural Engineering Director  
**StructureCraft**

2024-05-07

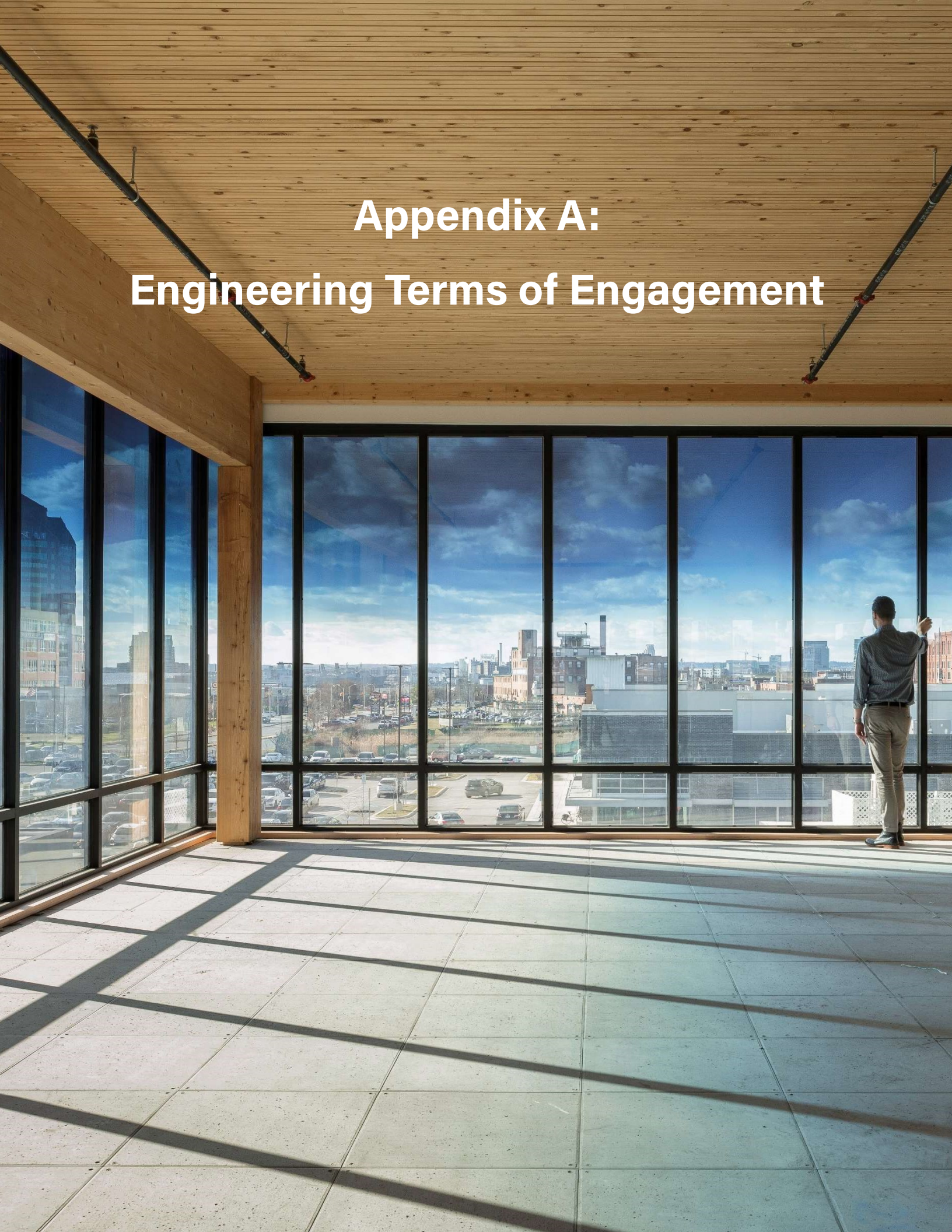
\_\_\_\_\_  
Date

\_\_\_\_\_  
Christopher Patano, Partner  
**EHDD**

\_\_\_\_\_  
Date



# Appendix A: Engineering Terms of Engagement







## Appendix A - StructureCraft Engineering Terms of Engagement (2024)

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These terms form part of our proposal for structural engineering services:

1. Schedule of hourly rates (USD):

Principal	\$400.00/hour	Senior Draftsman/PM	\$160.00/hour
Senior Engineer	\$260.00/hour	Draftsman	\$125.00/hour
Engineer	\$185.00/hour	Administrative Assistant	\$ 60.00/hour

Rates are subject to revision at the beginning of each year. Rates for a Principal /Director are increased by 50% for litigation work. Additional services including re-design, scope increase, etc. will be charged at the above hourly rates, unless noted otherwise. Additional services will only be performed following written approval (i.e. Change Order) by the Client.

2. Reimbursable expenses will typically be charged at cost. Supporting documentation is provided upon request.
  - a) Vehicle use and other travel related expenses including tolls.
  - b) Air travel (economy class), accommodation, meals, and parking expenses.
  - c) Reproduction of drawings, documents and reports.
  - d) Courier charges.
  - e) Any other proper expenses paid out by StructureCraft on the Client's behalf and not specifically named as being covered by the normal fee.
3. Applicable taxes are additional to all rates.
4. Proposals quoted are valid for one (1) month from the date of the proposal unless otherwise noted, and thereafter are subject to renegotiation.
5. Terms net 30 days, interest charge of 1.5% per month on all overdue accounts. If payment remains past due 60 days from the date of the invoice, then StructureCraft shall have the right to suspend all work, without prejudice, and all reasonable suspension costs shall be paid by the Client. Payment in full must be received for all invoices prior to issuing the final schedules at completion of our work.
6. All documents and designs prepared by StructureCraft for the project shall remain the property of StructureCraft. Following full payment for design and construction of the project, StructureCraft grants to the owner the right to use the information contained in such documents and designs for responsible purposes related only to the project.
7. StructureCraft maintains Professional Liability Insurance coverage on all their projects. The total amount of all claims the Client may have against the StructureCraft under this engagement, including but not limited to claims for negligence, negligent misrepresentation and breach of contract, shall be strictly limited to the amount of any professional liability insurance the StructureCraft may have available at the time such claims are made.

For the purpose of the limitation of liability provisions contained in the Agreement of the parties herein, the Client expressly agrees that it has entered into this Agreement with StructureCraft, both on its own behalf and as agent on behalf of its employees and principals.

The Client expressly agrees that StructureCraft's employees and principals shall have no personal liability to the Client in respect of a claim, whether in contract, tort and/or any other cause of action in law. Accordingly, the Client expressly agrees that it will bring no proceedings and take no action in any court of law against any of StructureCraft's employees or principals in their personal capacity.

8. StructureCraft shall not be responsible for:
  - a) the failure of another contractor, retained by the Client, to perform the work required in the Project in accordance with the applicable contract documents.
  - b) any damage to subsurface structures and utilities which were not identified and located by the Client.
  - c) any Project decisions made by the Client if the decisions were made without the advice of StructureCraft or contrary to or inconsistent with StructureCraft's advice
  - d) any consequential loss, injury or damages suffered by the Client, including but not limited to loss of use, earnings and business interruption



- e) the unauthorized distribution of any confidential document or report prepared by or on behalf of StructureCraft for the exclusive use of the Client.
9. Where applicable, field services recommended for the Project are the minimum necessary, in the sole discretion of the Consultant, to observe whether the work of a contractor retained by the Client is being carried out in general conformity with the intent of the Services. Any reduction from the level of services recommended will result in StructureCraft providing qualified certifications for the work.
10. Unless specifically included, the design and detailing of all secondary components are excluded from the scope of work in contract between StructureCraft and the Client, including, but not limited to the following:
- a) Architectural components such as guard and hand rails, flag posts, canopies, ceilings, etc.
  - b) Site work elements exterior to the base building such as landscaping components, lamp standards, pools, signs, and civil work.
  - c) Cladding, window mullions, glazing and store fronts, custom glazing supports.
  - d) Skylights and glass canopies.
  - e) Support and anchorage for mechanical/electrical/plumbing (MEP), audio/visual (AV) systems, and solar panels
  - f) Glass block including attachments.
  - g) Elevator and escalator system components
  - h) Architectural precast and precast cladding.
  - i) Window washing equipment and attachments.
  - j) Interior and exterior light gauge steel stud walls.
  - k) Roofing material.
  - l) Architectural brick veneer.
  - m) Parking slab membrane.
  - n) Pre-engineered buildings
  - o) Pre-engineered open web joists
  - p) Fabricator-designed structural steel or mass timber members and connections
  - q) Proprietary engineered structural systems
  - r) Structural precast concrete and connections
  - s) Structural fabric materials and connections
  - t) Pre-engineered stairs, grating , fences, gates, bollards
  - u) Building maintenance systems
  - v) When loading and connection information is made available in the normal sequence of design, StructureCraft will provide structural engineering design services related to the design and coordination of the primary structural frame to support these additional non-structural building components.

These components shall be designed by independent Specialty Structural Engineers, registered with the governing body having jurisdiction and retained by the Contractor, who will seal all related shop drawings, review the components in the field and provide all required sealed letters to the authorities having jurisdiction.

11. Supply of Record Drawings is outside the scope of services, unless contractually agreed to in the fee proposal. If Record Drawings are contractually arranged, then the drawings will include officially issued site sketches and reference only to field review comments and RFI responses.
12. If the Project, at any point, is delayed for more than three (3) months, or if the project program, schedule or complexity changes significantly, StructureCraft reserves the right to renegotiate the fees.





HALEY & ALDRICH, INC.  
3131 Elliott Avenue  
Suite 600  
Seattle, WA 98121  
206.324.9530

10 May 2024  
File No. 0210473-000

ehdd  
1101 Alaskan Way - Pier 55, Suite 203  
Seattle, Washington 98101

Attention: Christopher Patano, AIA, DBIA

Subject: Revised Proposal for Port of Olympia Waterfront Center

Dear Christopher:

Haley & Aldrich, Inc. (Haley & Aldrich) is pleased to submit this revised proposal for the Port of Olympia Waterfront Center project. This proposal presents our scope of services and estimated costs to provide geotechnical engineering design and environmental permitting support services, which are presented in the following sections. As requested by ehdd, we revised our previous proposal provided on 1 May. This revised proposal is structured by project phase. We used the following four project phases: schematic design, design development, construction documentation, and construction administration.

## **Geotechnical Engineering Design Services**

This section is organized by project phase. We further divided our scope of geotechnical design services into a total of six tasks. The tasks are described below for each of the project phases.

### **SCHEMATIC DESIGN PHASE**

During schematic design, Haley & Aldrich will participate in meetings, conduct a site visit, plan and perform a subsurface investigation, and prepare a draft geotechnical engineering design report. These tasks are described below. Note that these tasks may overlap with the pre-design/programming phase in ehdd's scope.

#### **Task SD-G1. Meetings and Site Visit**

We believe that team coordination is integral to a successful project, and we can provide the most value by being actively involved as the design develops. We have planned and budgeted for our involvement in the meetings summarized in Table 1. We also assumed one site visit by the geotechnical design team.

<b>Meeting Description</b>	<b>Type/Location</b>	<b>Number of Meetings</b>	<b>Duration (Hours)</b>	<b>Number of Haley &amp; Aldrich Staff</b>
Kickoff meeting with Port	Virtual	1	2	3
Project management meetings	Virtual	8	1	2
Client group design meetings	Virtual	4	2	2
Technical review meeting	Virtual	1	2	3

### **Task SD-G2. Subsurface Investigation**

Our proposed subsurface investigation program includes the following subsurface explorations:

- Two mud-rotary borings drilled to depths of 60 feet each.
- One cone penetration test (CPT) with shear wave velocity measurements performed to a depth of up to 200 feet.
- One CPT with shear wave velocity measurements performed to a depth of up to 100 feet.

We plan to subcontract the drilling of geotechnical borings to Holt Services or Holocene Drilling. CPT explorations will be performed by ConeTec. Utility locating services will be performed by Linescape LLC or Applied Professional Services.

A Haley & Aldrich field representative will be on site full-time while drilling the soil borings to collect soil samples and classify them in the field. We will prepare soil exploration logs for each boring that will be included in our report.

After drilling, we will take the soil samples to our in-house Seattle geotechnical soils laboratory for index property testing. Index testing typically consists of water content, grain size distribution, and Atterberg limits testing. If soft fine-grained soils are encountered during drilling, we may collect relatively undisturbed samples using Shelby tubes. The relatively undisturbed samples may be used for additional advanced tests, such as one-dimensional consolidation testing. Our laboratory is certified by the American Association of State Highway and Transportation Officials (AASHTO), and we can coordinate with our laboratory team daily on the schedule and results.

Laboratory testing will also include two corrosion suite tests performed at our subconsultant's laboratory which specializes in corrosion testing. The test suite will include testing for pH, sulfate, chloride, and electrical resistivity.

### **Assumptions**

We make the following assumptions for the subsurface explorations:

- We will be given ready access to the work locations and appropriate rights of entry.
- Locations are accessible during regular working hours (8 a.m. to 5 p.m.).

- Locations are accessible to regular truck drill and CPT rigs.
- We will be given maps showing locations of underground utilities on the private property.
- We will use the free public local utility locating service (811 Call Before You Dig) to mark identified underground utilities on public property.
- We will also use a private utility locator to locate conductible utilities on private property, using ground penetrating radar.
- After coring through pavement, if any, we may air vacuum each exploration to approximately 5+ feet deep to further protect against hitting a shallow utility, if detailed utility information is not available to us.
- The holes will be patched using asphalt cold patches for borings drilled in asphalt or concrete pavement.
- No site restoration will be required other than typical cleanup and patching.
- The soil cuttings and groundwater are assumed to be uncontaminated. Haley & Aldrich and our subcontractors are not responsible for performing analytical testing. Our subcontractor will remove drilling spoils from the site at the end of drilling and dispose of them appropriately.
- For cost estimating purposes, we have assumed the following number of laboratory tests: 26 water content, 12 grain size analyses, eight Atterberg Limits, three Shelby tube extrusions, two consolidation tests, three unconsolidated undrained triaxial tests, and two cyclic direct shear tests.

**Limitations of Utility Locates.** We are required by Washington State Law to call a Utility Location Center (811) before performing subsurface explorations. This “One-Call System” prompts multiple utility owners to clear exploration locations in the public right-of-way. Location of utilities on private property is the responsibility of the property owner or facility operator. Haley & Aldrich conducts research for private properties, including hiring a private firm that uses specialized equipment to locate conducting underground utilities and reviewing plans provided by the owner and city utility maps available online. Such services by the Consultant or its Subconsultant will be performed in a manner consistent with the ordinary standard of professional care. The Client acknowledges that such research may not identify all utilities, such as plastic water and gas lines, plastic or tile sewer lines, concrete or plastic drain lines, or fiber optic lines, and that the information upon which Haley & Aldrich reasonably relies may contain errors or be incomplete. Haley & Aldrich cannot be held responsible for damages, including consequential damages, related to striking underground utilities that are not shown on plans or made of a conducting material or that could not be reasonably detected.

### **Task SD-G3. Engineering and Reporting**

We will be the geotechnical engineer-of-record for the project. During schematic design, we will prepare a draft geotechnical engineering design report with detailed design and construction recommendations for use by the civil and structural engineers. The draft report will include:

- Boring and CPT logs and records of other nearby relevant explorations indicating soil conditions and water levels encountered;
- Site and exploration location plan;

- Descriptions of subsurface soil and groundwater conditions;
- Results of laboratory tests;
- Site class determination and seismic parameters for a code-based seismic hazard;
- Liquefaction assessment, including susceptibility, liquefaction initiation, and effects (e.g., settlement and lateral spreading);
- Assessment of other geologic hazards;
- Site preparation recommendations;
- Discussion of ground improvement and foundation alternatives;
- Foundation design recommendations for shallow foundations, including load capacities, settlement estimates, and stiffness parameters of foundation subgrade;
- Foundation design recommendations for deep foundations, if required, including axial pile capacities, lateral pile capacities, considerations associated with downdrag loads, and lateral analysis input parameters;
- Pavement recommendations for parking lots;
- Geotechnical criteria for reuse of on-site soil and earthwork, including backfill compaction and reuse of site soils and crushed concrete for backfill; and
- Construction considerations.

We will interact with the structural engineer to focus our report on the specifics of the development and to provide the team with the key geotechnical information even before the report is finalized. We have included additional time for discussions with the structural engineers related to recommendations and parameters for foundation design.

### *Assumptions*

We make the following assumptions in connection with engineering and reporting:

- No site-specific site response analysis will be required.
- Ground improvement design is not included. Ground improvement is typically performed using design-build contracting because of the unique means and methods used by each ground improvement contractor.

## **DESIGN DEVELOPMENT PHASE**

### **Task DD-G4. Design Team Coordination and Final Report**

During the design development phase, Haley & Aldrich will coordinate with ehdd and the structural engineer regarding the recommendations in our draft report. We assumed 20 staff hours for design team coordination. Based on design team input, Haley & Aldrich will revise our recommendations, as necessary, and finalize the geotechnical engineering design report.



## CONSTRUCTION DOCUMENTATION PHASE

### Task CD-G5. Post-Report Services

During the construction documentation phase, Haley & Aldrich will continue to meet with the design team as needed to address geotechnical questions that arise throughout design and permitting. Under this task, we will also review ground improvement design that may be needed, and review the project plans and specifications to confirm that the geotechnical engineering recommendations have been properly interpreted. We have included a total of 44 staff hours for this task.

## CONSTRUCTION ADMINISTRATION PHASE

### Task CA-G6. Construction Observation Services

During construction, Haley & Aldrich will perform the following tasks:

- Review contractor submittals;
- Observe subgrade for shallow foundations and soil conditions for reuse as structural fill on a limited basis;
- Observe deep-foundation installations on a full-time basis, if the building is supported on deep foundations;
- Attend meetings as needed; and
- Provide geotechnical engineering support that may arise during construction.

For this project, we expect that soil compaction testing will be done by others. For this task, we assumed a field representative will be on site full time during earthwork (55 hours). We also included engineering and meeting time as follows:

- Principal - 2 hours;
- Senior Technical Expert/Program Manager - 4 hours; and
- Project Engineer - 8 hours.

## Environmental Permitting Support

We have divided our scope of environmental permitting support services into the schematic design, design development, and construction documentation phases.

## SCHEMATIC DESIGN PHASE

During schematic design, Haley & Aldrich will participate in meetings and conduct a site visit. These tasks are described below.

### **Task SD-E1. Meetings and Communication**

This task includes time for two key technical staff to meet and communicate with permit reviewers and the project team to inform the schematic design process; assumed to be 2 hours for each of the two staff throughout the schematic design phase.

#### *Assumptions*

- The pre-application meeting will be attended virtually.
- The pre-application meeting is estimated to be approximately 1 hour.
- No other meetings are expected to be in person.

### **Task SD-E2. Site Visit**

This task includes one 6-hour site visit for two staff to conduct reconnaissance of sensitive habitats/critical areas and delineate the Ordinary High-Water Mark (OHWM), if required. OHWM will be mapped using a Global Positioning System (GPS) device. This includes cost for one vehicle's mileage, field supplies, and a GPS device.

#### *Assumptions*

- No wetlands occur on site. If wetlands do occur on site, a contract amendment will be required.

## **DESIGN DEVELOPMENT PHASE**

During design development, Haley & Aldrich will participate in meetings and prepare and submit a complete shoreline permit application. These tasks are described below.

### **Task DD-E3. Meetings and Communication**

This task includes time for two key technical staff to meet and communicate with permit reviewers and the project team to inform the design development process; assumed to be 2 hours for two staff throughout the design development phase. This also includes preparation and attendance for one staff member in a pre-application meeting with the City of Olympia.

#### *Assumptions*

- All meetings will be attended virtually.

### **Task DD-E4. City of Olympia Shoreline Permit Application**

This task includes labor and expenses for preparation of one shoreline permit application, per the City of Olympia Municipal Code (OMC) for lands within 200 feet of the OHWM or otherwise stated within the

Shoreline Master Program Regulations (Chapter 18.20 of the OMC). We will work with the project team to inform designs to fit within the applicable shoreline code and OMC 18.32 Critical Areas Regulations.

#### *Assumptions*

- The project will be designed to avoid the need for a shoreline variance. If this is unachievable and a shoreline variance is sought, then we would need a contract amendment to support this effort.
- This task is assumed to require a Habitat Assessment per OMC 18.32.
- Design specifications will be provided to Haley & Aldrich permitting team as they become available. Permit and review efficiency opportunities will be identified during the design phase to better communicate with City reviewers.
- Permit fees are not included.

#### **Task DD-E5. SEPA Checklist**

This task includes preparation of one State Environmental Protection Act (SEPA) Checklist as applicable per the OMC for lands within 200 feet of the OHWM or otherwise stated within the Shoreline Master Program Regulations (Chapter 18.20 of the OMC).

#### *Assumptions*

- A SEPA Checklist will be required under the OMC.
- Permit fees are not included.

#### **CONSTRUCTION DOCUMENTATION PHASE**

During construction documentation, Haley & Aldrich will participate in meetings and prepare and submit a complete Stormwater Pollution Prevention Plan (SWPPP) application. These tasks are described below.

#### **Task CD-E6. Meetings and Communication**

This task includes time for two key technical staff to meet and communicate with permit reviewers and the project team to inform the design development process; assumed to be 2 hours for two staff throughout the construction documentation phase.

#### **Task CD-E7. Section 401 – SWPPP**

This task includes preparation of a SWPPP as needed under the Washington Department of Ecology's Construction Stormwater General Permit (CSGP) requirements.

*Assumptions*

- Application for coverage under the CSGP is not included. At the time of this letter, it is assumed that another entity within the project team will be responsible for submittal and obtaining coverage under the CSGP. However, if requested, we can add these services to our scope.
- Estimates do not include time to prepare a Temporary Erosion and Sediment Control plan nor a Spill Prevention, Control, and Countermeasures plan. While these plans may be required by the CSGP, it is assumed that another entity within the project team will be responsible for developing these plans. However, if requested, we can add these services to our scope.
- Haley & Aldrich is not responsible for conducting or submitting Discharge Monitoring Reports associated with the CSGP. If requested, Haley & Aldrich may be able to provide a Certified Erosion and Sediment Control Lead to support construction monitoring. Costs associated with this additional scope are not currently included.
- Permit expiration is 31 December 2025. It is assumed that the conditions within the current CSGP will be carried through this project’s lifetime and are not subject to changes from the permit reissuance. If changes are required, additional time may be subject to change order.
- Permit fees are not included.

**Cost Estimate**

Cost estimates for the scope of services described in this proposal are provided in Table 2. Our services will be performed on a time and expense basis using the attached rate schedule.

<b>Table 2. Cost Estimate</b>	
<b>Schematic Design Tasks</b>	<b>Cost Estimate</b>
<b>Geotechnical Engineering Design Services Tasks</b>	
Task SD-G1: Meetings and Site Visit	\$17,000
Task SD-G2: Subsurface Investigation	\$62,000
Task SD-G3: Engineering and Reporting	\$56,000
<b>Environmental Permitting Support Tasks</b>	
Task SD-E1: Meetings and Communication	\$1,500
Task SD-E2: Site Visit	\$3,500
<b>Schematic Design Total</b>	<b>\$140,000</b>
<b>Design Development Tasks</b>	
<b>Geotechnical Engineering Design Services Task</b>	
Task DD-G4: Design Team Coordination and Final Report	\$21,000
<b>Environmental Permitting Support Tasks</b>	
Task DD-E3: Meetings and Communication	\$2,000
Task DD-E4: City of Olympia Shoreline Permit Application	\$10,000
Task DD-E5: SEPA Checklist	\$5,000
<b>Design Development Total</b>	<b>\$38,000</b>



<b>Table 2. Cost Estimate</b>	
<b>Construction Documentation Tasks</b>	
<b>Geotechnical Engineering Design Services Task</b>	
Task CD-G5: Post-Report Services	\$12,000
<b>Environmental Permitting Support Tasks</b>	
Task CD-E6: Meetings and Communication	\$2,000
Task CD-E7: Section 401 - SWPPP	\$6,000
<b>Construction Documentation Total</b>	<b>\$20,000</b>
<b>Construction Administration Task</b>	
<b>Geotechnical Engineering Design Services Task</b>	
Task CA-G6: Construction Observation Services (weekly cost)	\$13,000/week
<b>Construction Administration Total</b>	<b>\$13,000/week</b>

## Schedule

We provide an estimated schedule for the subsurface investigation, preliminary geotechnical assessment reporting, and final design analysis and reporting below.

- We estimate that utility locates and air knifing (or water vacuuming) each exploration location to a depth of approximately 5 feet or more will take one day to complete.
- We estimate that CPT explorations will take one to two days to complete and that we can mobilize a CPT rig to the site in about 2 to 4 weeks after scheduling the explorations.
- We estimate that the geotechnical borings will take 2 days to complete and that we can mobilize a CPT truck and drill rig to the site in about 4 to 8 weeks after scheduling the explorations.
- After the explorations are complete, we can complete the geotechnical laboratory index testing in 2 to 3 weeks, followed by the final design engineering report 2 to 4 weeks after that. Advanced laboratory testing would increase the time by approximately 2 to 4 weeks.
- We estimate the shoreline permit application and SEPA documentation can be submitted within 3 months of the pre-application meeting with the City.
- We estimate the SWPPP will take 1 month to draft and will be completed late in the design documentation development process.

## Closing

The scope of services outlined above will be billed on a time and expense basis at the end of each month in accordance with the attached schedule of fees. Our services will be performed in accordance with the standard of care of our profession. If project requirements change, requiring additional work, we will notify you and seek your approval for an addendum to the authorized fee.

Please acknowledge your acceptance of our services by attaching this scope of services to a contract for our signature. We propose to perform our service under future mutually agreed to terms and conditions.

This proposal is valid for 60 days from the date of this letter. If acceptance and authorization to proceed are not received within that period, we reserve the right to modify the cost, schedule for completion, and scope of services.

We appreciate the opportunity to submit this proposal and look forward to our association with you on this project.

Sincerely yours,  
**HALEY & ALDRICH, INC.**



Douglas D. Lindquist, P.E., LEED AP  
Principal Geotechnical Engineer



Carsten Becker, P.E.  
Program Manager, Geotechnical Engineer

**Attachments:**

Fee Schedule Port of Olympia Waterfront Center - 2024

[https://haleyaldrich.sharepoint.com/sites/PortofOlympia/Shared Documents/0210473.Port of Olympia Waterfront Center/ProjectManagement/Proposal/2024\\_0510\\_HAI\\_PortOfOly\\_WaterfrontCtr\\_Proposal\\_F.docx](https://haleyaldrich.sharepoint.com/sites/PortofOlympia/Shared Documents/0210473.Port of Olympia Waterfront Center/ProjectManagement/Proposal/2024_0510_HAI_PortOfOly_WaterfrontCtr_Proposal_F.docx)

**FEES FOR SERVICES**

Fees for services will be based on the time worked on the project by staff personnel plus reimbursable expenses. The fee will be computed as follows.

1. Labor related fees will be computed based on personnel billing rates in effect at the time the services are performed. Personnel billing rates are subject to revision on, or about, 1 January and 1 July of each year. The hourly rates are fully inclusive of fringe benefits, burden, and fee. Current rates are provided in the table below.

<i>Classification</i>	<i>Hourly Rate</i>
<i>Project Support</i>	<i>\$118</i>
<i>Technician</i>	<i>\$118</i>
<i>Project Technician</i>	<i>\$130</i>
<i>Senior Technician</i>	<i>\$142</i>
<i>Project Controls</i>	<i>\$143</i>
<i>Staff Professional 1</i>	<i>\$155</i>
<i>Staff Professional 2</i>	<i>\$172</i>
<i>Project Professional</i>	<i>\$191</i>
<i>Technical Specialist</i>	<i>\$200</i>
<i>Project Manager / Senior Technical Specialist</i>	<i>\$219</i>
<i>Senior Project Manager / Technical Expert</i>	<i>\$262</i>
<i>Program Manager / Senior Technical Expert</i>	<i>\$335</i>
<i>Principal</i>	<i>\$355</i>
<i>Senior Principal</i>	<i>\$375</i>

2. Pre-trial conferences, depositions, and expert testimony will be billed at one and one-half (1.5) times the rates quoted above.
3. Second and Third Shift, Weekend, and Holiday hours will be billed at \$40/hour premium. Second and Third Shifts are those starting between 4 PM and 4 AM.
4. Field visits will be billed at 4-hour minimum; night shifts will be billed at 8-hour minimum. Cancellation of scheduled night shift within 24 hours will be charged the full 8 hours.
5. Direct non-salary expenses will be billed at our cost plus ten (10) percent, except for employee vehicle use which will be billed at IRS allowed mileage rates.
6. Subcontractors will be billed at our cost plus ten (10) percent.
7. Equipment and laboratory testing will be billed at rates listed in the attached Equipment and Laboratory Rate Schedules, as applicable.

**EQUIPMENT RATE SCHEDULE**

<b>AIR MONITORING EQUIPMENT</b>	<b>Daily</b>	<b>Weekly</b>	<b>Monthly</b>
<i>Drager/Rae Sampling Kit (tubes not included)</i>	\$10	\$40	\$120
<i>Dust Monitor</i>	\$100	\$400	\$1,200
<i>Four-Gas Meter</i>	\$43	\$172	\$516
<i>Photoionization Detector - 10.6 or 11.7 eV</i>	\$70	\$280	\$840
<b>FIELD TESTING</b>	<b>Daily</b>	<b>Weekly</b>	<b>Monthly</b>
<i>Double Ring Infiltrometer</i>	\$250	---	---
<i>Field Supplies</i>	\$28	\$112	\$448
<i>Guelph Permeameter</i>	\$150	---	---
<i>Inclinometer Readings</i>	\$250	---	---
<i>Sand Cone Field Density Kit</i>	\$75	\$225	\$725
<i>pH Meter</i>	\$15	\$60	\$180
<i>Pile Load Testing (per test)</i>	\$1,500	---	---
<i>Plate Load Tester (per day)</i>	\$50	---	---
<i>Pit Box Test (per day)</i>	\$400	---	---
<i>Slug Test Kit (per day)</i>	\$350	---	---
<i>Wood Pile Load Testing (per test)</i>	\$250	---	---
<b>SAMPLING EQUIPMENT</b>	<b>Daily</b>	<b>Weekly</b>	<b>Monthly</b>
<i>Groundwater Sampling Bundle with Bladder Pump</i>	\$315	\$1,000	\$3,000
<i>Groundwater Sampling Bundle with Peristaltic Pump</i>	\$250	\$750	\$2,100
<i>Groundwater Sampling Bundle with Grundfos Pump</i>	\$350	\$1,100	\$3,100
<i>Rotohammer Drill</i>	\$100	\$400	---
<i>Soil Sampling or Tank Pull Equipment Bundle</i>	\$150	\$350	\$1,050
<i>Soil Vapor Sampling Bundle</i>	\$400	\$1,400	\$2,600
<i>Turbidity Meter</i>	\$20	\$80	\$240
<i>YSI Meter with Flow Cell</i>	\$100	\$400	\$1,200
<b>WATER LEVEL METERS AND INTERFACE PROBES</b>	<b>Daily</b>	<b>Weekly</b>	<b>Monthly</b>
<i>Barologger</i>	\$10	\$40	\$120
<i>Levelogger</i>	\$25	\$100	\$300
<i>Oil/Water Interface Probe</i>	\$50	\$200	\$600
<i>Water Level Indicator</i>	\$20	\$80	\$240
<b>GEOTECHNICAL INSTRUMENTATION</b>	<b>Daily</b>	<b>Weekly</b>	<b>Monthly</b>
<i>Cone Penetrometer</i>	\$15	\$60	\$180
<i>Crack Monitors - Electronic Datalogger</i>	---	\$120	\$360
<i>Dynamic Cone Penetrometer</i>	\$150	---	---
<i>Electronic Readout Box</i>	\$25	\$100	\$300
<i>Geokon LC-2 Single Channel Logger</i>	---	\$80	\$240
<i>Geokon - CR 800 Vibrating Wire Datalogger with Modem</i>	---	\$100	\$300
<i>Geokon GK 401 Vibrating Wire Readout Box</i>	\$50	\$100	\$300
<i>In-Place Inclinometer Rental</i>	---	---	\$1,250
<i>Modem</i>	---	---	\$250
<i>Nuclear Density Gauge</i>	\$100	\$300	\$900



**EQUIPMENT RATE SCHEDULE (continued)**

<b>GEOTECHNICAL INSTRUMENTATION (continued)</b>	<b>Daily</b>	<b>Weekly</b>	<b>Monthly</b>
Power System - Battery	\$5	\$20	\$60
Power System - Solar	\$15	\$60	\$180
Seismograph - Manual	\$75	\$225	\$725
Seismograph - Remote Units	\$100	\$275	\$825
Tiltmeter	---	\$150	\$450
Vibration and Sound Monitoring Station	\$125	\$325	\$925
VDV Web Service	---	---	\$200
<b>UAS DATA ACQUISITION &amp; PROCESSING</b>	<b>Daily</b>	<b>Weekly</b>	<b>Monthly</b>
UAS Digital Imagery Equipment	---	\$200	\$800
UAS Digital Imagery w/Ground Control Package (UAS + GNSS)	---	\$300	\$1,200
UAS Hyperspectral Equipment	---	\$300	\$1,200
UAS Hyperspectral w/Ground Control Package (UAS w/HS + GNSS)	---	\$400	\$1,600
<b>LiDAR SCANNING &amp; PROCESSING</b>	<b>Daily</b>	<b>Weekly</b>	<b>Monthly</b>
LiDAR Scanning Equipment (Terrestrial & Aerial)	---	\$400	\$1,600
LiDAR Equipment w/Ground Control Package (LiDAR + GNSS)	---	\$500	\$2,000
<b>MISCELLANEOUS</b>	<b>Daily</b>	<b>Weekly</b>	<b>Monthly</b>
Camera - Digital	\$10		
Decontamination Kit (each)	\$50	---	---
Field Truck (including fuel)	\$95	\$380	\$1,140
Generator	\$50	\$200	\$600
GeoTech Sample Jars 16 oz. (per box)	\$10	---	---
GPS Unit	\$150	\$600	\$1,800
Harness with Restraint Lanyard	\$40	\$160	\$480
Motorola CP200d Radio (pair)	---	\$35	\$140
Personal Protective Equipment - Level C (per person)	\$45	---	---
R/V Catalyst - 26 Ft Sampling Vessel	\$600	---	---
Research Nets	\$60	---	---
Sampling Tubing (roll)	\$20	---	---
Saximeter II	\$35	\$140	\$420
Sound Level Meter	\$50	\$200	\$600
Tool Trailer	\$300	---	---

**LABORATORY RATE SCHEDULE**

<b>SOIL CLASSIFICATION AND INDEX TESTS</b>	<b>Unit Price</b>
<i>Atterberg Limits - 1 Point</i>	\$125
<i>Atterberg Limits - 3 Point</i>	\$180
<i>Grain Size - Hydrometer and Sieve Analysis</i>	\$300
<i>Grain Size - 200 Wash</i>	\$100
<i>Grain Size- Sieve Analysis (Standard Sample)</i>	\$125
<i>Grain Size - Sieve Analysis (Bulk Sample)</i>	\$150
<i>Grain Size - Hydrometer</i>	\$175
<i>Water Content</i>	\$25
<i>Organic Content</i>	\$75
<i>Specific Gravity</i>	\$125
<i>Visual Classification</i>	\$15
<b>SOIL MOISTURE-DENSITY TESTS</b>	<b>Unit Price</b>
<i>Bulk Density</i>	\$100
<i>California Bearing Ratio (CBR)</i>	\$650
<i>Proctor - 1 Point</i>	\$120
<i>Proctor - 4 Point</i>	\$250
<i>Proctor - 4 Point (Cohesive Soil)</i>	\$300
<b>SOIL CONSOLIDATION AND STRENGTH TESTS</b>	<b>Unit Price</b>
<i>Consolidation - Constant Rate of Strain (CRS)</i>	\$650
<i>Consolidation - Incremental</i>	\$500
<i>Unconfined Compression</i>	\$100
<i>Direct Simple Shear (DSS)</i>	\$300
<i>Cyclic Direct Simple Shear (CDSS)</i>	\$650
<i>Triaxial Compression - Isotropic Consolidation</i>	\$500
<i>Triaxial Compression - Ko/anisotropic Consolidation</i>	\$800
<i>Triaxial Compression - Unconsolidated</i>	\$300
<b>SURCHARGE RATES</b>	<b>Unit Price</b>
<i>Atterberg Limits Dry Prep</i>	\$15
<i>Atterberg Limits Organic Classification</i>	\$40
<i>Sample Preparation</i>	\$120
<i>Triaxial High Pressure (over 100 psi)</i>	\$100
<i>Tube Cut (per cut)</i>	\$25
<i>Tube Extrusion</i>	\$100

*Additional H&A Laboratory analyses, pricing, and rush rates available upon request.*

# Proposal



**Date:** May 7, 2024  
**Project:** Port of Olympia Waterfront Center  
**To:** EHDD  
1101 Alaksa Way  
Seattle, WA, ZIP 98101  
**Type of Services:** Mechanical, Electrical, and Plumbing Engineering

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## Project Summary

The Tilden Environmental Center project is a new 20,000 SF mixed-use building located at the Port of Olympia. The building program has yet to be fully defined but will likely consist of office space, public services, and retail.

Approximate construction cost: \$17,500,000 total; \$875/sf

LEED® NC v4.1 Certification Silver Level is a project requirement.

## Project Assumptions

1. This fee proposal is based on the RFP issued February 22<sup>nd</sup>, 2024 and follow up email correspondence with EHDD dated April 24<sup>th</sup>, 2024.
2. The delivery method used as the basis of this proposal is GC/CM. PAE will be contracted through the Architect who is contracted with the owner. PAE will be the Engineer of Record for the "Scope of Design Work" and will provide "Deliverables and Scope of Services" as described in this proposal. The general contractor will be brought on early in the design to assist with cost certainty, constructability, and coordination of systems. A contingency will be carried by the owner appropriate to the industry standard of care.
3. The Owner, Architect, and other Design Consultants will provide all pertinent information in a timely manner prior to project milestones.
4. The Architect will provide a Revit model that includes floor plans, life safety plans that indicate rated assemblies, egress paths, and reflected ceiling plans. Architectural plans and elevations will show the exact location and mounting height for all visible MEPT equipment and devices. Architectural plans will show all user equipment that requires MEPT connections.
5. The project will have a lighting consultant involved in the design. PAE will collaborate with the lighting consultant to engineer an electrical system that supports the design provided by the lighting consultant. PAE assumes:
  - a. The lighting consultant will provide a code-compliant interior and exterior lighting design, lighting control design intent, complete lighting fixture layouts in Revit, normal power interior and exterior lighting calculations, luminaire schedule, luminaire product cut sheets, CSI specification division 26 50 00 Luminaires, and CSI specification division 26 50 93 Lighting Sequence of operations.
  - b. PAE will engineer and specify power systems to support the lighting consultant's design intent, code requirements and owner preferences/standards/guidelines.
  - c. PAE will specify exit signs and document locations per layouts shown on the architect's life safety drawings.
  - d. PAE will provide emergency lighting calculations and lighting energy code compliance documentation based on luminaire wattage and lighting layouts provided by the lighting consultant.



- e. PAE will provide lighting layouts, luminaire selection, lighting calculations, and lighting controls for the following back-of-house (BOH) spaces.
6. Project structural engineer shall assist PAE by defining seismic criteria and designing seismic approach for mechanical/electrical equipment. The structural Revit model will be available prior to completion of the Design Development phase.
7. Civil Engineer will extend all utilities within 5' of the building. PAE will design to 5' outside of the building except as specifically identified.
8. Utility distribution will be brought to the public right-of-way in close vicinity to the building for connection to telecommunications site utilities provided by others.
9. The project civil engineer will provide the design and be the engineer of record for any underground foundation drainage system (if required) for the project and issue the work as a "P" drawing if the local jurisdiction requires plumbing contractors to install the work.
10. A Landscape Architect and/or the Civil Engineer will be responsible for designing landscape irrigation systems.
11. An acoustical consultant will establish acoustical criteria and review the MEP documents for acoustical performance. The acoustical consultant shall provide ambient noise levels, determine the sound rating requirements for perimeter wall assemblies, and provide recommendations for mechanical / vibration isolation and other acoustical control measures.
12. No food/coffee service is included in the program.
13. Value Engineering Changes: The fees provided in this proposal can accommodate most changes to the design of the MEP systems due to the Value Engineering (VE) process through the end of the Design Development phase. However, VE design changes made at any time during the project, which require significant engineering and/or coordination re-work (i.e. engineering and/or coordination work previously completed is no longer valid, or useful, due to the changes) will be identified and an additional service proposal will be presented for approval.
14. Design of expansion joints, pipe guides, related supports, braces, and anchorages to building structure to absorb forces generated by seismic movement, or thermal expansion and contraction of piping will be performed by a professional engineer registered in the State having jurisdiction. The contractor will hire the professional engineer to perform these services. PAE will perform preliminary calculations to coordinate anticipated expansion joints.
15. The following deadlines are expected:
  - a. Pre-Design Report (Programming Phase)
  - b. 50% Schematic Design
  - c. 100% Schematic Design
  - d. 50% Design Development
  - e. 100% Design Development
  - f. 50% Construction Document Progress
  - g. 90% Construction Document Progress / Building and MEP Permit
  - h. 100% Construction Document
  - i. Note: If deadlines are added beyond those listed above or the Building and MEP Permit intake is required prior to 90 percent CD to support the overall project schedule, an additional service will be submitted to accommodate added deadlines and/or work delivered out of sequence.
16. The commissioning agent will provide all documentation and services as required by the local energy code, and authority having jurisdiction, including completed permit forms.





17. As part of the Shop Drawing process, the general contractor and sub-contractors will be responsible to provide detailed coordination of systems with the other trades (i.e., BIM LOD 400). PAE will participate in coordination if spatial conflicts arise where building system elements will not physically fit within the space allocated. Upon completion of the project the client may request the general contractor to provide a BIM LOD 500 file, which incorporates as-built conditions.
18. At the beginning of the Construction Administration phase and prior to fabrication and installation of MEP system, General Contractor and MEP sub-contractors will prepare and submit product information and shop drawings for MEP systems to the design team for review and comments. For each design discipline, documents will be submitted at one time and in single submittal package. Multiple submittal reviews for each design discipline are outside of the base scope of work and may be subject to additional fees.

## PAE Scope of Design Work

### **SUSTAINABLE DESIGN**

1. Attend sustainable design charrette.
2. Establish performance goals for building energy and water use.
3. Recommend mechanical and electrical systems that surpass energy codes.
4. Recommend plumbing systems that reduce water and sewer usage.

### **MECHANICAL SYSTEMS**

1. Heating, ventilation, and air conditioning.

### **PLUMBING SYSTEMS**

1. Plumbing: sanitary, storm sewers, domestic hot and cold water, and fixture selection. Gas, if included in the project.
2. Fire protection: performance documents for sprinkler systems.

### **ELECTRICAL SYSTEMS**

1. Site electrical: permanent building and site power.
2. Power: service distribution, branch panels, and connections to mechanical equipment.
3. Lighting: power and controls for lighting design provided by the architectural lighting consultant and BOH spaces designed by PAE.
4. Emergency power and distribution system.
5. Fire Alarm System: performance documents for the fire alarm system (i.e. performance specifications, major equipment space allocation, final design, and device layout provided in a deferred submittal by the FA Contractor).
6. Special systems: metering, controls, UPS, lightning protection, and EV chargers.
7. Performance documents for electrical distribution system Arc Flash Hazard Analysis and emergency system Selective Coordination Study.

### **TECHNOLOGY SYSTEMS**

1. Telecommunications: data & voice to support wired and wireless building communication systems.
2. Security: Access Control System (ACS), video surveillance, and intrusion detection.



## PAE Deliverables and Scope of Services

### **35% SCHEMATIC DESIGN PHASE**

1. Attend design meetings with the architect, owner, and other consultants.
2. Identify and review building codes, design standards, and owner project requirements.
3. Conduct preliminary studies and analysis for the selection of systems and their space requirements.
4. Make recommendations for efficient systems based on past project experience and prior studies.
5. Conduct a preliminary review with authorities to ascertain utility services.
6. Coordinate and document the project's WSEC prescriptive compliance path.
7. Coordinate with design team members.
8. Provide deliverables for the Schematic Design phase:
  - a. Mechanical and electrical system space requirements.
  - b. Schematic Basis of Design (BOD) narrative, including owner's project requirements and preliminary prescriptive WSEC compliance path.
  - c. Simple one-line diagrams and sketches to define project system components.
  - d. Review of system construction cost estimates prepared by others.

### **65% DESIGN DEVELOPMENT PHASE**

1. Attend design meetings with the architect, owner, and other consultants.
2. Select one system from those studied during the Schematic Design phase.
3. Develop system space requirements.
4. Conduct preliminary energy code analysis.
5. Develop system calculations.
6. Coordinate with design team members.
7. Provide deliverables for the Design Development phase:
  - a. Drawings and narratives to define project system components. Drawings shall include equipment locations and main routings, details and diagrams.
  - b. Preliminary specifications.
  - c. Review of system construction cost estimates prepared by others.

### **100% CONSTRUCTION DOCUMENTS PHASE**

1. Attend design meetings with the architect, owner, and other consultants.
2. Finalize design calculations.
3. Finalize utility coordination.
4. Provide deliverables for the Construction Documents Phase:
  - a. Working drawings in cooperation with project team necessary for permit and contract documents.
  - b. Project specifications necessary for permit and contract documents.
  - c. Energy code compliance forms for the building envelope, mechanical systems and lighting:



- 1) Compliance will be demonstrated via the Prescriptive Building Envelope Option. Demonstration of compliance by methods such as the Component Performance Building Envelope option, Total Building Performance option, or others will be an Additional Service.

#### **BIDDING PHASE**

1. Review bids.
2. Review substitution request forms.
3. Provide design clarifications and addenda material.

#### **CONSTRUCTION ADMINISTRATION PHASE**

1. Perform onsite observations (mechanical: 3 visits / electrical: 3 visits). Additional visits requested will be billed at our standard hourly rates. Attendance at weekly job meetings is not included; however, PAE will attend specific meetings where our support to resolve specific mechanical and electrical issues as required.
2. Assist in construction coordination for system elements of the project.
3. Review system shop drawings.
4. Provide design clarifications where necessary.
5. Respond to RFIs.
6. Review record drawings prepared by the contractor.
7. Review operation and maintenance instructions prepared by the contractor.
8. Conduct final observation for each discipline and prepare final observation report. Follow-up visits to recheck or verify contractor-corrected items from the final observation report will be billed at our standard hourly rates.

## **Building Information Modeling (BIM) and Coordination**

PAE's final deliverables will include the contract drawings, not the BIM file. If the general contractor would like to use the BIM file for their purposes, a standard release form will need to be signed.

The BIM Level of Development (LOD) for the design phases will follow AIA standards as follows:

1. Concept and Programming Phase – BIM not provided.
2. Schematic Design – BIM not provided.
3. Design Development – AIA Standard G202-2013 BIM LOD 100.
4. Construction Documents – AIA Standard G202-2013 BIM LOD 200.

The contract drawings will be prepared in Revit. The model elements will be graphically represented as generic objects with enough detail to communicate size, shape, location, and orientation of all equipment and appurtenances.

PAE will coordinate building systems with other disciplines based on the traditional Engineer of Record (EOR) "Standard of Care". The EOR's standard of care for the coordination of mechanical and electrical systems with structural, architectural and other discipline's system elements is such that everything must "fit" within the spaces allocated (i.e. plenums, shafts, mechanical and electrical rooms, etc.). However, the EOR is not responsible for resolving every clash detected by programs such as Navisworks.



If BIM 360 or another live BIM collaboration method is utilized on a project, it is understood that portions of the work may not be coordinated at intermediate milestones due to the concurrent development of the architectural work with the MEPLT work up to the deadline. It is anticipated that the architectural floor plans will have minimal updates during the Construction Document phase and are frozen for a significant duration before any formal permit or construction deliverable.

As part of the Shop Drawing process, the general contractor and sub-contractors will be responsible to provide detailed coordination of service routing with the other trades (i.e. BIM LOD 400) prior to the start of construction and fabrication. If spatial conflicts arise where building system elements will not physically fit within the space allocated, the EOR will be notified and lead the resolution of the issue. Upon completion of the project, the client may request the general contractor to provide a BIM LOD 500 file, which incorporates as-built conditions.

## Building Performance Analysis Services (Fees Provided Separately)

These services are considered an essential part of the design process to provide the analysis and, ultimately, the information needed to make the best choices for the delivery of a project that meets and balances the client's project construction budget with their energy, water, and carbon conservation goals.

Our focus in the early phases of design is to take a leading role in workshops to clearly communicate the relative merits of environmental conservation strategies and indoor environmental quality. We will work with the project team to establish specific measurable goals. Once these are established, we will map a path for achieving them that will allow key design decisions to be informed based on their ability to achieve the project goals.

The following points provide a summary of our scope for this project:

- Leadership in the establishment of sustainable design goals and benchmarks for the project and ongoing review of performance against those goals.
- Design analysis and guidance for energy use to optimize the building, including calculations of energy from HVAC systems, lighting, renewable energy systems, and other building equipment.
- Design recommendations for passive systems, including aperture sizes and controls, shading, thermal mass, and glazing proportions.
- Energy performance analysis to meet targets for applicable third-party sustainability rating systems.
- Design analysis and guidance for water usage to reduce the use of potable water in the building within the constraints of the project.
- Design recommendations for creating comfortable, healthy, and productive indoor environments.

The detailed scope of work for these sustainability components are provided as follows:

### **Energy Study and Modeling**

Includes calculations to estimate cost savings from energy reduction measures for the purposes of comparing the benefit of energy efficiency measures.

1. Attend design meetings with the architect, owner, and other consultants.
2. Make recommendations to produce a design that reduces building energy use to meet the project goals.





3. Develop, with the project team, a list of Energy Conservation Measures (ECMs) to be evaluated. Coinciding with the design process, provide simulations of the building's anticipated energy savings with 8 to 10 ECMs. These ECMs shall address HVAC, lighting and building envelope options. The energy model will be used throughout schematic design and design development to inform design decisions.
4. Attend a meeting to review the energy analysis report and discuss the ECMs that are most appropriate for the project.
5. Report out on energy use, energy cost, and operational emissions.
6. Incorporate client comments on the preliminary energy analysis report, and revise and resubmit the final energy analysis report.
7. Verify that all accepted ECMs have been incorporated into the construction documents.

### **Envelope Optimization**

Includes building envelope analysis and design guidance in the areas of daylight, thermal comfort, visual comfort, energy impacts and HVAC design integration.

1. Building envelope consulting supported with analysis that provides:
  - a. Design opportunities to simultaneously improve natural light and manage visual comfort.
  - b. Develop envelope performance criteria necessary to achieve energy objectives as well as to reduce HVAC component size in different space types and/or substitute HVAC solutions for passive design and natural ventilation solutions where appropriate.
  - c. Preliminary solutions to envelope issues relating to thermal comfort.
  - d. External shading proportions, preliminary glazing performance criteria and preliminary insulation and envelope mass requirements.
  - e. Estimate energy savings that could be realized through façade strategies improving indoor environmental quality metrics.

### **Natural Ventilation/Passive Cooling Analysis**

For spaces exploring the option of natural ventilation, PAE will evaluate local weather data and provide a report describing comfort with respect to the current ASHRAE Std. 55 criteria and outline preliminary estimates on expected comfort. Coordinate with the architect to evaluate best practices and rules of thumb for building configuration to support natural ventilation strategies.

1. Attend design meetings with the architect, owner, and other consultants to discuss passive cooling and natural ventilation strategies.
2. Provide simulations of one typical space type to be analyzed. The model will include anticipated loads for each zone (loads include people, computers, and lighting as well as the daylighting impact on lighting loads). The modeling process will analyze the passive cooling system to verify room inlet and outlet openings, room comfort, and the passive cooling system effect on energy consumption.

### **Water Cycle Analysis**

Includes analysis of the complete water cycle for the project and make recommendations on potential water conservation measures. Strategies to be evaluated include low flow fixtures, no flow fixtures, gray water collection and re-use, black water treatment, and rainwater collection and re-use.



1. Investigate water and rainwater reclamation system options for non-potable water use and present the design concepts to the team.
2. Provide preliminary calculations for water savings.
3. Deliver concept sketches of the water conservation measures.
4. Provide preliminary coordination of size and location for the rainwater tank with the architect and civil engineer.

### **On-Site Energy Production Analysis**

PAE will evaluate potential on-site energy alternatives such as photovoltaics (PV's), solar thermal, and wind energy. Included in the analysis will be potential renewable energy design alternatives such as photovoltaic systems, wind and other potential site-specific systems.

1. Analyze the site to determine appropriate system location and orientation.
2. Calculate the PV or solar thermal system's estimated energy production potential based on typical meteorological year data obtained from the National Renewable Energy Laboratory (NREL).
3. Provide an early net zero energy analysis based on preliminary energy use and production evaluations.
4. Provide preliminary sizing of the PV to meet the project performance goals.
5. Provide preliminary first cost and payback estimates.

### **Life Cycle Cost Analysis**

PAE will champion and organize a life cycle analysis process in collaboration with the project team to assist in determining which building systems and design strategies are most appropriate for this project. We will rely on the general contractor to provide cost estimates for each alternate under consideration.

1. This may include one of the following:
  - a. Perform an initial Energy Life Cycle Cost Analysis (ELCCA) for this project.
  - b. Analyze future emissions scenarios.
  - c. Analysis impacts of climate change on the project.
2. Attend meetings with the architect and owner to discuss energy saving strategies for the project.
3. Schematic Design
  - a. Prepare and submit the Work Plan outline the goals of the analysis.
  - b. Provide a computer model of the building's anticipated energy savings with up to eight Energy Conservation Measures (ECMs). These ECMs shall cover HVAC, lighting, and building envelope options.
  - c. Calculate expected impacts of future scenarios on the project performance.
  - d. Provide a report that summarizes the results of the future scenarios analysis.
  - e. Modify the report based on review comments.

### **High Performance Building Analysis Summary Deliverables**

Deliverables will include the following reports to inform project goals and design direction:

1. High Performance Building Memo – Provides benchmark information and identifies the owner's project requirements for future guidance and reference.
2. Façade Optimization Report - Looks at how to balance the needs of low energy systems and comfort expectations with the architectural proportions and performance of the façade. The façade optimization



report also includes integration with natural ventilation concepts and mechanical system selection and sizing.

3. Energy & Emissions Report – Provides pathways to achieve the energy and emissions reduction target. Envelope performance, lighting, HVAC systems and user plug loads will be modelled and estimated to align energy reduction outcomes with the project budget. Energy will be measured in terms of CO<sub>2e</sub>, energy cost and EUI.
4. Water Cycle Report - A water and wastewater efficiency study that communicates steps that could be taken to achieve various water and wastewater reduction targets and will help inform key design decisions concerning building systems to align water reduction outcomes with the project budget.
5. Life Cycle Cost Analysis Report – The various energy and water conservation measures selected for more detailed financial analysis will be included with first, operating and life cycle cost (i.e., quantitative information) along with qualitative attributes, which will impact system selections such as comfort, acoustics, and aesthetics.
6. High Performance Building Analysis Report – This is a compilation of all the previous memos and reports issued for a comprehensive summary of the analysis, recommendations and decisions.

## LEED Certification Support (Fee Provided Separately)

### LEED Assumptions

1. LEED NC v4 is the certification standard.
2. The architect or a separate consultant will be the LEED certification champion.

### LEED Tracking and Documentation

1. Attend LEED credit review and strategy meetings.
2. Track the progress of mechanical/electrical design elements in relation to the USGBC LEED rating system.
3. Prepare mechanical/electrical documentation for the formal LEED application. We have included design and documentation for the following Prerequisites and Credits:
  - a. WE Prerequisite – Indoor Water Use Reduction
  - b. WE Prerequisite – Building Level Water Metering
  - c. WE Credit – Indoor Water Use Reduction
  - d. WE Credit – Water Metering
  - e. EA Prerequisite – Minimum Energy Performance
  - f. EA Prerequisite – Building Level Energy Metering
  - g. EA Prerequisite – Fundamental Refrigerant Management
  - h. EA Credit – Optimize Energy Performance
  - i. EA Credit – Advanced Energy Metering
  - j. EA Credit – Enhanced Refrigerant Management
  - k. EQ Prerequisite – Minimum Indoor Air Quality Performance
  - l. EQ Credit – Enhanced Indoor Air Quality Strategies
  - m. EQ Credit – Thermal Comfort



NOTE: There is no guarantee all the credits identified above will be achieved. Credits not listed above are not included in our scope of work.

## Envelope Energy Code Analysis (Fee Provided Separately)

Provide a preliminary building envelope U-factor calculation to analyze compliance with the prescriptive Building Envelope Requirements of the 2021 Washington State Energy Code (WSEC) using the component performance path. The calculations are anticipated to be iterative but will not include any mechanical system trade-offs or modeling. Architect will provide PAE with the assembly details, glazing selections, NFRC reports, slab edge details, and all envelope take offs for each option. This scope includes the following:

- a. SD: Review of envelope design and comments on how to comply with envelope requirements.
- b. DD: Analysis of compliance based on envelope design (up to three glazing and wall type variations).
- c. Permit: Final Target UA calculations for compliance (up to two glazing and wall type variations), completed WSEC forms and responding to permit comments.

## Additional Services (Fee Provided Separately)

### **RECORD DRAWINGS**

1. Provide a record set of electronic floor plan drawings based on contractor markups in accordance with the owner's record drawing standards.

### **VALUE ENGINEERING PARTICIPATION**

1. Review value engineering options recommended by a third-party reviewer or contractor during the SD and DD phases.
2. Meet with third party value engineering company or contractor to share ideas.
3. Incorporate accepted value engineering ideas into the project documents.
4. Value engineering changes after the DD phase will be negotiated as a separate additional service at that time.

### **CONSTRUCTABILITY REVIEW PARTICIPATION**

1. Review constructability comments provided by a third-party reviewer or contractor.
2. Meet with the team to discuss constructability comments.
3. Incorporate accepted constructability comments into the project documents.

### **COST ESTIMATE RECONCILIATION**

1. Review contractor cost estimates for the mechanical and electrical systems.
2. Meet with the GC/CM to reconcile the estimates of a third-party estimating firm with the estimate by the contractor.

### **COMMISSIONING SUPPORT**

1. Provide commissioning support services as described below for the commissioning of the following equipment and systems:
  - a. Heating, ventilation and air conditioning





- b. Domestic water pumping
  - c. Sump pumps
  - d. Sewage ejectors
  - e. Domestic water heating
  - f. Plumbing fixtures
  - g. Lighting
2. Respond to commissioning agent's review of the BOD and design documents prior to mid-construction-documents phase.
  3. Incorporate commissioning agent's review comments into responses to Contractor submittals related to commissioned equipment and systems.
  4. Review commissioning plan prepared by commissioning agent.
  5. Review commissioning specifications prepared by commissioning agent and incorporate into contract documents.
  6. Attend commissioning kickoff meeting.
  7. Respond to commissioning agent's questions during the commissioning process.
  8. Review commissioning agent's recommendations for modifications to the design of the commissioned equipment and systems.
  9. Attend construction-phase meetings with the commissioning agent, contractor, owner and other consultants as required to resolve design-related issues. Weekly construction meetings are not included.
  10. Review and comment on systems manual prepared by the commissioning agent.
  11. Review and comment on commissioning report prepared by commissioning agent.

## Excluded Services

This proposal does not encompass the following items:

1. Architectural lighting design.
2. Daylighting modeling.
3. Design services (civil) for utility connections beyond 5 feet of the building, except as specifically identified.
4. Acoustical analysis.
5. Whole Building Energy Code compliance modeling.
6. Energy incentive program assistance.
7. Alternate designs for cost/value comparisons after the SD phase.
8. Construction cost estimates for systems.
9. Multiple bid packages.
10. Commissioning.
11. Record drawings.
12. Onsite observation performed at the end of the warranty period.
13. Post-occupancy energy simulation model calibration.
14. Operational IT network (servers, routers, network switches, wireless access points, etc.).
15. Wi-Fi heat map / predictive analysis.
16. Emergency Responder Radio Communications System (ERRCS).



- 17. Public Carrier Cellular Broadcast Distribution Systems.
- 18. Audiovisual, Public Address, and Sound Masking Systems
- 19. Mass Notifications/Emergency Communications Systems.
- 20. Physical Security/Risk Analysis.

## Fees and Reimbursable Expenses

PAE will be compensated for the MEP Engineering services on a lump sum fee basis, excluding reimbursables, as shown in the following table.

### MEP Engineering Service Fees

Phase	Total
Schematic Design	\$61,000
Design Development	\$67,000
Construction Documents	\$104,000
Bidding	\$7,000
Construction Administration	\$98,000
<b>Total</b>	<b>\$337,000</b>

### Technology Design Service Fees

Phase	Total
Schematic Design	\$10,000
Design Development	\$11,000
Construction Documents	\$18,000
Bidding	\$1,000
Construction Administration	\$17,000
<b>Total</b>	<b>\$57,000</b>

### Building Performance Analysis Fees

Phase	Total
Schematic Design	\$38,000
Design Development	\$27,000
Construction Documents	\$8,000
Bidding	\$0
Construction Administration	\$0
<b>Total</b>	<b>\$73,000</b>



**Envelope Energy Code Analysis Fees**

<b>Phase</b>	<b>Total</b>
Schematic Design	\$3,500
Design Development	\$4,500
Construction Documents	\$11,000
<b>Total</b>	<b>\$19,000</b>

<b>Additional Services</b>	<b>Fees</b>
LEED Documentation and Modeling	\$38,000
Record Drawings	\$8,000
Value Engineering Participation	\$12,000
Constructability Review Participation	\$10,000
Cost Estimate Reconciliation	\$6,000
Commissioning Support	\$18,000

Fees will be billed monthly in proportion to the services performed. Fees shall be paid within 30 days of billing. Fees not paid when due may be assessed 1 percent interest per month from the billing date.

Reimbursable expenses will be billed at cost plus 10 percent. They include markup printing and reproduction costs; delivery services; extended travel costs, including transportation, food, and lodging; local travel costs, including taxi, parking, and mileage. It is assumed that all milestone printings will be provided by a reprographics firm hired by the architect, or owner and are not included.

PAE will be compensated for pre-approved extended travel costs (i.e. travel time, meeting time, and site visit time) on an hourly basis, per PAE’s current standard hourly fee schedule (copy attached).

**Project Schedule**

Following is an estimated schedule for the proposed project. Delays beyond this time-period could affect the project fee. Fees would be renegotiated prior to the services being performed.

<b>Phase</b>	<b>Start</b>	<b>Completion</b>	<b>Duration (Weeks)</b>
Programming	May 2024	June 2024	8
Schematic Design	July 2024	September 2024	10
Design Development	September 2024	December 2024	13
Construction Documents	January 2025	April 2025	18
Bidding	May 2025	May 2025	4
Construction Administration	June 2025		78

Note: Project holds or delays more than 2 months may be subject to an additional service due to inefficiencies in staffing and engineering design process.



Permit Submittal Note: An early permit submittal (i.e. anything earlier than about 95% CD) will require the MEP engineering to advance well ahead of the architectural design to satisfy the level of completeness required by the code reviewers. Therefore, any re-work of design and engineering required due to design changes after the permit submittal will require an additional service to cover this work.

## Standard Terms and Conditions

Any contract made between the parties relating to this work will include the Standard form of Agreement between Architect and Owner, similar to AIA B-101 2017, and Standard Form of Agreement between Architect and Subconsultant, similar to AIA C-401 2017. This proposal is contingent upon our review and acceptance of the Standard Terms and Conditions within these Agreements.

Proposed by:

Accepted by:

Allan Montpelier, P.E.  
PAE

\_\_\_\_\_  
Chris Patano, AIA, DBIA  
EHDD

Date \_\_\_\_\_

MS/AJM





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May 7, 2024

Matt Fujimoto  
**EHDD Architecture**  
1101 Alaskan Way, Suite 203  
Seattle, WA 98101

**RE: Waterfront Center Phase 1**

**FP-WA-2024-0389**

Dear Matt Fujimoto,

Thank you for inviting our team to submit a proposal for Cost Consulting services on this project.

My understanding of the scope of services to be provided is incorporated into the attached assumptions as detailed in Schedule 1. The proposed fees in Schedule 2 assume these terms & conditions will be in effect for the provision of our services, and we reserve the right to adjust our fee should these be changed, or should we be required to execute a different contract between us.

I look forward to the opportunity of assisting you on this particular project. If you have any questions regarding these fees or the scope of our services, please do not hesitate to contact me. If you are in agreement with the scope, fees, and contract terms, please sign as indicated, retain a copy, and return the signed copy.

Sincerely,

A handwritten signature in black ink, appearing to read "TD", with a long horizontal flourish extending to the right.

Trish Drew, CPE, LEED AP  
Managing Director

## SCHEDULE 1

### DCW COST MANAGEMENT, LLC's Basic Services

#### Project Description:

We understand that the project comprises cost planning for the Waterfront Center Phase 1 located at the Port of Olympia in WA. The cost study scope of work includes costing the Schematic Design, Design Development, and Construction Documents.

The intended design package consists of the development of multiple sites (A-J) to include parking, an administrative building, and potential linkages & gateways. Some sites might be turned into mixed use administrative, civic spaces, pedestrian amenities, and/or cultural spaces.

#### Detailed Scope of Work:

##### **Task 1 100% Schematic Design**

- Prepare an opinion of probable construction costs during this stage including all elements as necessary for a complete cost estimate. The cost estimate will be prepared in Uniformat II component format.
- This stage includes a maximum of four additive/deductive bid alternates.
- Prepare a single revision to the opinion of probable construction cost after review and commentary by the team. Further revision requests are not included and may require additional fee.
- Up to three team and client meetings are included during this phase.

##### **Task 2 100% Design Development**

- Prepare an opinion of probable construction costs during this stage including all elements as necessary for a complete cost estimate. The cost estimate will be prepared in Uniformat II component format.
- This stage includes a maximum of three additive/deductive bid alternates.
- Prepare a single revision to the opinion of probable construction cost after review and commentary by the team. Further revision requests are not included and may require additional fee.
- Up to three team and client meetings are included during this phase.

##### **Task 3 50% Construction Documents**

- Prepare an opinion of probable construction costs during this stage including all elements as necessary for a complete cost estimate. The cost estimate will be prepared in Uniformat II component format.
- This stage includes a maximum of two additive/deductive bid alternates.
- Prepare a single revision to the opinion of probable construction cost after review and commentary by the team. Further revision requests are not included and may require additional fee.
- Up to three team and client meetings are included during this phase.

**Task 4 90% Construction Documents**

- Prepare an opinion of probable construction costs during this stage including all elements as necessary for a complete cost estimate. The cost estimate will be prepared in Unifomat II component format.
- Prepare a single revision to the opinion of probable construction cost after review and commentary by the team. Further revision requests are not included and may require additional fee.
- Up to three team and client meetings are included during this phase.

**Task 5 100% Construction Documents**

- Prepare an opinion of probable construction costs during this stage including all elements as necessary for a complete cost estimate. The cost estimate will be prepared in Unifomat II component format.
- Prepare a single revision to the opinion of probable construction cost after review and commentary by the team. Further revision requests are not included and may require additional fee.
- Up to three team and client meetings are included during this phase.

**SCHEDULE 2**  
**Fee Schedule**

**Fee Breakdown**

	HRS	RATE	SUM
Task 1 100% Schematic Design	60	\$175	\$10,500.00
Task 2 100% Design Development	54	\$175	\$9,450.00
Task 3 50% Construction Documents	54	\$175	\$9,450.00
Task 4 90% Construction Documents	48	\$175	\$8,400.00
Task 5 100% Construction Documents	50	\$175	\$8,750.00
<b>SUM Total</b>	<b>266</b>		<b>\$46,550.00</b>

The services in the scope of work (Attachment 1) will be performed on an **Hourly Basis NTE (not to exceed)** the amount of **\$46,550**.

The fees are valid for ninety days from the date of this proposal. Should any of the above tasks be deleted from our scope of services, we reserve the right to adjust the above fees, to reflect possible resultant changes to the scope of the remaining service.

The fee assumes that drawings, specifications, and reports required for the performance of our work will be provided electronically, at no cost to DCW Cost Management, LLC. Should you require printed copies of our opinions of probable construction cost, this fee assumes that we will provide a maximum of six copies of each report.

**(end of page)**



**SCHEDULE 3**

**DCW COST MANAGEMENT, LLC Current Hourly Rate Schedule**

All other services not detailed above, including additional estimates, further revisions to completed estimates, use of different estimating formats, additional meeting attendance, value engineering, reconciliation with cost estimates prepared by other parties beyond that specifically included above, or bidding and construction phase services will be considered additional services. Unless otherwise agreed prior to the work being carried out, our fees for any additional services will be based on time expended at our normal billing rates prevailing at the time the work is carried out. Currently, these hourly rates are:

	<b><u>Bill Rate</u></b>
Directors	\$185.00
Specialists	\$175.00- \$185.00
Cost Estimators*	\$165.00 - \$175.00
Clerical	\$110.00
Deposition and Trial	Additional 50%

\*Primary work performed by Cost Estimators

**Confirmation of Agreement:** This letter correctly sets out the scope and fees to be provided by DCW Cost Management, LLC for the proposed project.

DCW COST MANAGEMENT, LLC.

Client: EHDD Architecture

*DATE: 5/7/2024*

*DATE:*

*By: Trish Drew*

*By: Matt Fujimoto*

*Its: Managing Director*

*Its: Architect*




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June 10<sup>th</sup> 2024

# FINAL Fee Spreadsheet

## PORT OF OLYMPIA WATERFRONT CENTER PHASE 1

### EHDD Fee Proposal

Basic Services							
SERVICE	Firm Name	Programming/Pre-Des	SD	DD	CD	Bid & CA	Totals
Architectural Design Services	EHDD	\$65,000	\$120,000	\$190,000	\$310,000	\$297,000	\$982,000
Structural Engineering	StructureCraft		\$33,000	\$44,000	\$58,300	\$49,500	\$184,800
MEP Engineering	PAE Engineering		\$40,700	\$73,700	\$140,800	\$115,500	\$370,700
<b>Total Fees by Phase</b>		<b>\$65,000</b>	<b>\$193,700</b>	<b>\$307,700</b>	<b>\$509,100</b>	<b>\$462,000</b>	<b>\$1,537,500</b>
Requested Specialty Services							
SERVICE	Firm Name	Programming/Pre-Des	SD	DD	CD	Bid & CA	Totals
Real Estate	Cushman Wakefield	\$37,400					\$37,400
Civil Engineering	Moffat Nichol			\$21,505			\$21,505
Landscape Architecture	Groundswell	\$26,582	\$22,886	\$25,713	\$44,935	\$34,375	\$154,490
Geotechnical Engineering	Haley & Aldrich		\$123,200	\$72,600	\$22,000		\$217,800
Cost Estimating	DCW Cost Management		\$11,550	\$10,395	\$10,395	\$18,865	\$51,205
Technology Design Service Fees	PAE Engineering		\$6,600	\$12,100	\$24,200	\$19,800	\$62,700
LEED Documentation and Administration	EHDD		\$4,070	\$2,035	\$2,035	\$2,035	\$10,175
Building Performance Analysis	PAE Engineering		\$38,500	\$33,000	\$8,800		\$80,300
Envelope Energy Code Analysis	PAE Engineering		\$3,850	\$4,950	\$12,100		\$20,900
MEP Add Service LEED Documentation and Modeling	PAE Engineering					\$41,800	\$41,800
Grant Writing	Haley & Aldrich			\$3,300			\$3,300
<b>Total Fees by Phase</b>		<b>\$63,982</b>	<b>\$210,656</b>	<b>\$185,598</b>	<b>\$124,465</b>	<b>\$116,875</b>	<b>\$701,575</b>
Additional Scope							
SERVICE	Firm Name	Pre-Design	SD	DD	CD	Bid & CA	Totals
MEP Add Service Record Drawings	PAE Engineering					\$8,800	\$8,800
MEP Add Service Value Engineering Participation	PAE Engineering					\$13,200	\$13,200
MEP Add Service Constructability Review Participation	PAE Engineering					\$11,000	\$11,000
MEP Add Service Cost Estimate Reconciliation	PAE Engineering					\$6,600	\$6,600
MEP Add Service Commissioning Support	PAE Engineering					\$19,800	\$19,800
<b>Total Fees by Phase</b>		<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$59,400</b>	<b>\$59,400</b>
<b>Total A/E Design Fees</b>							<b>\$2,298,475</b>
	EHDD						\$15,000
	Groundswell						\$11,000
<b>Estimated Reimbursable Expenses</b>							<b>\$26,000</b>
<b>Grand Total A/E Fees</b>							<b>\$2,324,475</b>

**CURRENT BILLING RATE SCHEDULE**

Effective June 1, 2024

## 1. Architectural Services will be billed at the following hourly rates:

Principal	\$ 330 - \$ 380 per hour
Vice President of Construction	\$ 330 per hour
Director of Interior Design	\$ 330 per hour
Director of Climate Strategy	\$ 330 per hour
Senior Project Manager/Architect IV	\$ 250 per hour
Project Manager/Architect III	\$ 230 per hour
Architect II	\$ 205 per hour
Architect I	\$ 180 per hour
Designer IV	\$ 210 per hour
Designer III	\$ 180 per hour
Designer II	\$ 160 per hour
Designer I	\$ 140 per hour
Interior Designer IV	\$ 250 per hour
Interior Designer III	\$ 230 per hour
Interior Designer II	\$ 205 per hour
Interior Designer I	\$ 185 per hour
Graphic Designer	\$ 170 per hour
Contracts Manager	\$ 190 per hour
Construction Administrator	\$ 130 per hour
Project Assistant	\$ 115 per hour
Intern	\$ 110 per hour

2. Reimbursable and consultant costs shall be billed at cost plus 10% and include the following:
- Cost of printing or duplication of drawings, CADD plotting, specifications, reports and cost estimates;
  - Lodging, subsistence, and out-of-pocket expenses for authorized travel in connection with the work;
  - Airfare, car rental, and local travel when applicable at mileage rates per current IRS guidelines, plus tolls and parking fees;
  - Postage, express mail, messenger and delivery charges;
  - Cost of models, special renderings, photography, special process printing, special printed reports or publications;
  - Fees for consultants retained with approval of the client.

Our invoices for the above will be billed monthly and are due upon presentment. Unpaid amounts accrue interest at the maximum legal rate from the 45<sup>th</sup> day following the date of the invoice.

The billing rates shown above are for the time spent on the project. The rates are subject to annual increase averaging 5%.

# **Guidelines for Determining Architect/Engineer Fees for Public Works Building Projects (effective July 1, 2015)**

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When budgeting for state capital projects, the estimated value of the Architectural/Engineering (A/E) Basic Services fee (Exhibit A) can be determined by using these fee guidelines. The guidelines are divided into three levels determined by the type and complexity of the building. They are used in the preparation of capital budget requests for Washington State public works building projects under the jurisdiction of the Department of Enterprise Services, universities, natural resource agencies, and the Department of Transportation. A/E Basic Services are defined in this document.

The payment of A/E fees represents some of the most important dollars spent on a project. These funds are an investment affecting both the quality and successful completion of a project. Recognizing this, calculation of a fee structure to obtain quality design at a reasonable cost presents a challenge. There are pros and cons associated with any system used to set fees, and there is great variation in the types and complexity of state construction projects.

These fee guidelines originally were the outcome of a study coordinated by the Office of Financial Management (OFM) to review other fee guidelines and identify approaches used by other states. The study included state agencies, the Washington Council of the American Institute of Architects, American Council of Engineering Companies of Washington, and state universities. State agencies documented examples within state government where the existing fee system posed problems, and they proposed changes that would improve the state system. Higher education agencies provided evaluations of the scope, magnitude, and methods used to establish fees for design services at peer institutions. Updates to the fee guidelines also have considered issues raised by the design community.

## **Use of the Guidelines**

These fee guidelines should be used in preparing capital budget requests to determine the maximum amount that may be payable for A/E basic service fees in fixed price agreements and percent of construction cost agreements. The guidelines define the standard basic services (based on the definition of basic services) that should be included in each design phase of state public works projects for the typical design/bid/build process. They also provide further definition of what are considered reimbursable expenses, extra and other services.

Agencies may choose to pay design consultant fees or allow extra and other charges in a manner other than described in these guidelines, and any additional cost (above the level provided by the guidelines) may be paid from other agency resources.

## **Percent Fee Compensation**

The standard fee schedule has been prepared to establish a basis for determining the scope and cost of design services and to focus the attention of agencies on the quality, capability, and prior performance of the firms being selected for public works projects.

The fee schedule is used to prepare capital budget requests. The actual contracts for basic services payable to the A/E shall be a negotiated fixed amount or percentage of the maximum allowable construction cost of the project not including fees; licenses; permits; sales taxes; contingencies; and change orders caused by A/E errors or omissions, or change orders which do not require design consultant services. Based on the specific circumstances of each project, the final negotiated fee may be above or below the guidelines shown on the schedule. In addition to the basic services fee, allowances will be negotiated for services not covered in the basic services contract.



## Maximum Allowable Construction Cost

The Maximum Allowable Construction Cost (MACC) is defined as the total sum available to the general contractor for construction purposes, including all alternates. The MACC excludes Washington state sales tax, professional fees, project contingency funds, or other charges that may not be under the scope of the general contractor. The budget for A/E basic services is based on the MACC plus construction contingency as reflected in the Capital Budgeting System (CBS) and the updated cost estimating form (C-100). The negotiated fee for A/E basic services should be based on the MACC only as shown in Exhibit A – A/E Fee Schedule.

## Remodel Design

A/E costs and effort may vary greatly between individual remodeling projects of the same dollar amount. Consequently, each project will be analyzed on an individual basis. As a general rule, the fee will be based upon the building type classification. When program changes are significant or if warranted by other conditions, fees noted under those schedules **may** be increased by *up to three percent* for basic services. Factors to be considered include:

- Age and character of the building
- Availability and accuracy of existing plans and specifications
- Extent and type of program revisions
- Requirement to maintain the building's existing character
- Extent of mechanical and electrical involvement

Phased construction in occupied buildings may substantially affect the construction schedule. More field observation and coordination may require consideration of additional fees beyond the basic services contract amount.

## Fee Modifications

It is recognized that there may be considerable variance between projects of a similar size and type that may necessitate modification of the A/E fee schedule. Examples of special circumstances that may necessitate such modifications include:

- Unusual site conditions
- Unique problems requiring specialized or extensive consulting services
- Renovations required by additions to an existing structure
- Unusually slow or fast development schedule (fast track, design build, GC/CM)
- Contractor design (fire protection systems)
- Large portions of work outside the control of the prime architect (wetlands mitigation)

Other circumstances where a fee modification may be appropriate include the following:

### Repetitive Design

Where all or part of a project is a site adaptation of a previous design, the basic services fee shall be negotiated, recognizing the reduced level of services. This usually reduces the program analysis, design, and bidding document preparation costs to an amount necessary to update the documents for site work, code revisions, etc. Reductions must be considered on a case-by-case basis.

### Equipment and Substantially Reduced Work Requirements

Where a project involves a substantial amount of expensive equipment that may be relatively easy to accommodate, fees should be reduced accordingly. Likewise, any contract or modification to a contract where work requirements are substantially less than indicated by the application of a percentage fee need to be addressed separately. Projects with disproportionate elements of high cost, such as earth moving, may be relatively easy to design and fees should be reduced accordingly.

### Prototype Design

The initial design of a prototype facility, such as a housing unit at an institution, may warrant a full design fee based on the previous development of the prototype. However, the fee for A/E basic services for all additional replications of the prototype constructed at the same time or at other locations in the future shall be calculated at 40 percent of full fees.

### Policy Regarding Geographic Location of Consultant

It is the state's policy to obtain the highest quality design services for a fair and equitable payment to the design firm. The state recognizes that the investment for quality design services is directly related to a well-organized construction process and maximum functionality of the completed project. With this in mind, proposals for design services will be accepted from all firms wishing to work for the state, and evaluated based on the firm's capability, competency, and experience in successfully completing similar projects.

The fee structure should be appropriate for each project, regardless of the location of the consultant. The basic services fee includes all travel costs associated with the performance of basic services within a 50-mile radius of the project. General expenses for the cost of travel and per diem between 50 and 350 miles shall be based on state rates and may be reimbursable to the extent they are reasonable and negotiated within the A/E agreement. Travel expenses beyond 350 miles for both the agency and consultants must be justified in writing when submitting a budget request to OFM.

### Basic Services Fee Breakdown

The following is a guide for splitting the A/E fee into approximate percentages for each phase of work. Although it is not intended to be absolute, significant deviations should be closely reviewed. The intent of the guidelines is to ensure that design requirements progress in an orderly manner and that essential planning and system development occur when most beneficial to the project. Essential elements of the work should be completed and approved prior to initiating succeeding design phases. For a more detailed explanation of activities normally included in each phase, see the A/E Basic Services section.

The basic fee categories are described below:

Percent of Basic Services Fee	
Schematic Design	18
Design Development	20
Construction Document	31
Bidding	2
Construction	27
Project	2

## A/E Basic Services

A/E Basic Design Services consist of the services described in the following pages and are included on the Capital Project Cost Estimate within CBS. These design services include normal architectural, structural, civil, mechanical, and electrical engineering services.

### Schematic Design Services (18 Percent)

In the Schematic Design phase, the A/E provides those services necessary to prepare Schematic design documents consisting of drawings and other documents illustrating the general scope, scale, and relationship of project components for approval by the agency. Design should be conceptual in character, based on the requirements developed during the predesign phase, approved by the agency, or program requirements provided by the agency and reviewed and agreed upon by the A/E.

Schematic design includes the following:

<b>Project Administration</b>	Services related to schematic design administrative functions including consultation, meetings and correspondence, and progress design review conferences.
<b>Disciplines Coordination</b>	Coordination between the architectural work and engineering work and other involved consultants for the project. When specialty consultants are used, additional coordination beyond basic services <b>may</b> be required and negotiated for appropriate phases of the work.
<b>Document Checking</b>	Review and coordination of project documents.
<b>Consulting Permitting Authority</b>	Consultations, research of critical applicable regulations, preparation of written and graphic explanatory materials. The services apply to applicable laws, statutes, regulations, and codes.
<b>Data Coordination User Agency</b>	Review and coordination of data furnished for the project by the agency.
<b>Architectural Design</b>	Services responding to scope of work (program/predesign) requirements and consisting of preparation of conceptual site and building plans, schematic sections and elevations, preliminary selection of building systems and materials, development of approximate dimensions, areas and volumes.
<b>Structural Design</b>	Services consisting of recommendations regarding basic structural material and systems, analysis, and development of conceptual design solutions.
<b>Mechanical Design</b>	Services consisting of consideration of alternate materials, systems and equipment, and development of conceptual design solutions for energy sources/conservation, heating, ventilating and air conditioning (HVAC), plumbing, fire protection, and general space requirements.
<b>Electrical Design</b>	Services consisting of consideration of alternate systems, recommendations regarding basic electrical materials, systems and equipment, analysis, and development of conceptual design solutions for power service and distribution, lighting, communication raceways, fire detection and alarms, and general space requirements.
<b>Civil/Site Design</b>	Services consisting of site planning including layout of site features, building position, preliminary grading, location of paving for walkways, driveways and parking, and fencing locations. Also included are the normal connections required to service the building such as water, drainage, and sanitary systems, if applicable.

## Guidelines for Determining Architect/Engineering Fees for Public Works Building Projects

<b>Specifications</b>	Services consisting of preparation for agency's approval of proposed development of architectural outline specifications, and coordination of outline specifications of other disciplines.
<b>Materials Research</b>	Services consisting of identification of potential of architectural materials, systems, and equipment.
<b>Scheduling</b>	Services consisting of reviewing and updating previously established project schedules or initial development of schedules for decision-making, design, and documentation.
<b>Cost Estimating</b>	Services consisting of development of a probable construction cost from quantity surveys and unit costs of building elements for the project. Parametric costs shall reflect the level of design elements presented in the schematic design documents, plus appropriate design contingencies to encompass unidentified scope ultimately included in the program. Assist user agency with analyzing scope, schedule, and budget options to stay within the MACC.
<b>Presentations</b>	Services consisting of appropriate presentation(s) of schematic design documents by the A/E to agency representatives.

### Design Development Services (20 Percent)

In the Design Development Phase, the A/E shall provide those services necessary to prepare from the approved schematic design documents, the design development documents consisting of drawings and other documents to fix and describe the size and character of the entire project for approval by the agency. Consideration shall be given to availability of materials, equipment and labor, construction sequencing and scheduling, economic analysis of construction and operations, user safety and maintenance requirements, and energy conservation.

Design development includes the following:

<b>Project Administration</b>	Services consisting of design development administrative functions including consultation, meetings and correspondence, and progress design review conferences with user agency.
<b>Disciplines Coordination</b>	Coordination of the architectural work and the work of engineering with other involved consultants for the project.
<b>Document Checking</b>	Review and coordination of documents prepared for the project.
<b>Permitting Authority Consulting</b>	Consultations, research of critical applicable regulations, preparation of written and graphic explanatory materials. The services apply to applicable laws, statutes, regulations, and codes. Assist in obtaining approval from approving agencies as required.
<b>User Agency Data Coordination</b>	Review and coordination of data furnished for the project by the agency.
<b>Architectural Design</b>	Services consisting of continued development and expansion of architectural schematic design documents to establish the final scope, relationships, forms, size, and appearance of the project through plans, sections and elevations, typical construction details, three-dimensional sketches, materials selections, and equipment layouts.



## Guidelines for Determining Architect/Engineering Fees for Public Works Building Projects

<b>Structural Design</b>	Services consisting of continued development of the specific structural system(s) and schematic design documents in sufficient detail to establish basic structural system and dimensions, structural design criteria, foundation design criteria, preliminary sizing of major structural components, critical coordination clearances, and outline specifications or materials lists.
<b>Mechanical Design</b>	Services consisting of continued development and expansion of mechanical schematic design documents and development of outline specifications or materials lists to establish approximate equipment sizes and capacities, preliminary equipment layouts, required space for equipment, chases and clearances, acoustical and vibration control, visual impacts, and energy conservation measures.
<b>Electrical Design</b>	Services consisting of continued development and expansion of electrical schematic design documents and development of outline specifications or materials lists to establish criteria for lighting, electrical and communication raceways, approximate sizes and capacities of major components, preliminary equipment layouts, required space for equipment, chases, and clearances.
<b>Civil/Site Design</b>	Services consisting of continued development of civil/site schematic design documents and development of outline specifications required for the project that are normally prepared by the architect. See the Extra Services section for detailed civil design services beyond basic services.
<b>Specifications</b>	Services consisting of preparation for the agency's approval of proposed General and Supplementary Conditions of the Contract for construction, development of architectural outline specifications, coordination of outline specifications of other disciplines, and production of design manual including design criteria, and outline specifications of materials lists.
<b>Scheduling</b>	Services consisting of reviewing and updating previously established schedules for the project.
<b>Cost Estimating</b>	Services consisting of development of a probable construction cost from quantity surveys and unit costs of building elements for the project. Parametric costs reflect the level of design elements presented in the design development documents, plus appropriate design contingencies to encompass unidentified scope ultimately included in the program. Assist user agency with analyzing scope, schedule and budget options to stay within the MACC.
<b>Presentations</b>	Services consisting of appropriate presentation(s) of design development documents by the A/E to agency representatives.

### Construction Document Services (31 Percent)

In the construction documents phase, the A/E shall provide the services necessary to prepare for approval by the agency – from the approved design development documents; construction documents consisting of drawings, specifications, and other documents describing the requirements for construction of the project; and bidding and contracting for the construction of the project.

<b>Project Administration</b>	Services consisting of construction documents, administrative functions (including consultation, meetings and correspondence), and progress design review conferences.
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**Guidelines for Determining Architect/Engineering Fees for Public Works Building Projects**

<b>Disciplines Coordination</b>	Coordination of the architectural work, with the work of engineering, and with other involved consultants for the project.
<b>Document Checking</b>	Review and coordination of documents prepared for the project.
<b>Permitting Authority Consulting</b>	Consultations, research of critical applicable regulations, preparation of written and graphic explanatory materials. The services apply to applicable laws, statutes, regulations, and codes. Assist in obtaining approval from approving agencies as required.
<b>User Agency Data Coordination</b>	Review and coordination of data furnished for the project by the agency.
<b>Architectural Design</b>	Services consisting of preparation of drawings based on approved design development documents setting forth in detail the architectural construction requirements for the project.
<b>Structural Design</b>	Services consisting of preparation of final structural engineering calculations, drawings, and specifications based on approved design development documentation, which details structural construction requirements for project.
<b>Mechanical Design</b>	Services consisting of preparation of final mechanical engineering calculation, drawings and specifications based on approved design development documentation, setting forth in detail the mechanical construction requirements for the project.
<b>Electrical Design</b>	Services consisting of preparation of final electrical engineering calculation, drawing and specifications based on approved design development documentation, setting forth in detail the electrical construction requirements for the project.
<b>Civil/Site Design</b>	Services consisting of preparation of final civil/site design drawings and specifications based on approved design development documentation required for the project, which are normally prepared by the architect. See the Extra Services section for detailed civil design services beyond basic services.
<b>Specifications</b>	Services consisting of activities of development and preparation of bidding documents, Conditions of the Contract, architectural specifications, coordination of specifications prepared by other disciplines, and compilation of the project manual.
<b>Cost Estimating</b>	Services consisting of development of a probable construction cost from quantity surveys and unit costs of building elements for the project. Parametric costs shall reflect the level of design elements presented in the Construction documents plus appropriate design contingencies to encompass unidentified scope ultimately included in the program. Assist user agency with analyzing scope, schedule, and budget options to stay within the MACC.
<b>Scheduling</b>	Services consisting of reviewing and updating previously established schedules for the project.
<b>User Agency Assistance</b>	Provide necessary information to user agency for the preparation of OFM requirements for release of allotments including preparation of cost statistics.

## Bidding Phase (2 Percent)

In the Bidding Phase, the A/E, following the agency's approval of the Construction Documents and the most recent statement of probable construction cost, shall provide those services necessary for the A/E to assist the agency in obtaining bids and in awarding and preparing contracts for construction. In the case of phased construction, the agency may authorize bidding of portions of the work.

<b>Project Administration</b>	Services consisting of bidding administrative functions.
<b>Disciplines Coordination</b>	Coordination between the architectural work and the work of engineering and other involved consultants for the project.
<b>Bidding Materials</b>	Services consisting of organizing, coordinating, and handling Bidding documents for reproduction, distribution and retrieval, receipt, and return of document deposits.
<b>Addenda</b>	Services consisting of preparation and distribution of Addenda as may be required during bidding and including supplementary drawings, specifications, instructions, and notice(s) of changes in the bidding schedule and procedure.
<b>Bidding</b>	Services consisting of participation in pre-bid conferences, responses to questions from bidders, and clarification or interpretations of the bidding documents, attendance at bid opening, and documentation and distribution of bidding results.
<b>Analysis of Substitutions</b>	Services consisting of consideration, analysis, comparisons, and recommendations relative to substitutions proposed by bidders prior to receipt of bids.
<b>Bid Evaluation</b>	Services consisting of validation of bids, participation in review of bids and alternates, evaluation of bids, and recommendation on award of contract.
<b>Contract Agreements</b>	Assist using agency in notification of contract award, assistance in preparation of construction contract agreements when required, preparation and distribution of sets of contract documents for execution of the contract, receipt, distribution and processing, for agency approval, of required certificates of insurance, bonds and similar documents, and preparation and distribution to contractor(s) on behalf of the agency, of notice(s) to proceed with the work.

## Construction Contract Administration Phase (27 Percent)

In the Construction Contract Administration phase, the A/E shall provide services necessary for the administration of the construction contract as set forth in the General Conditions of the Contract for Construction.

<b>Project Administration</b>	Services consisting of construction contract administrative functions including consultation, conferences, communications, and progress reports.
<b>Disciplines Coordination Document Checking</b>	Coordination between the architectural work and the work of engineering and other involved consultants for the project. Reviewing and checking of documents (required submittals) prepared for the project.
<b>Permitting Authority Consulting</b>	Services relating to applicable laws, statutes, regulations and codes of regulating entities relating to the agency's interests during construction of the project.

**Guidelines for Determining Architect/Engineering Fees for Public Works Building Projects**

<b>Construction Administration</b>	Services consisting of processing of submittals, including receipt, review of and appropriate action on shop drawings, product data, samples, and other submittals required by the contract documents. Distribution of submittals to agency, contractor, and field representatives as required. Maintenance of master file of submittals and related communications.
<b>Construction Field Observation</b>	Services consisting of visits to the site at intervals appropriate to the stage of construction or as otherwise agreed to become generally familiar with the progress and quality of the work and to determine in general if the work is proceeding in accordance with the contract documents, and preparing related reports and communications. A/E to chair project meetings.
<b>Project Representation</b>	Services consisting of assisting the agency in selection of full- or part-time project representative(s).
<b>Documents</b>	Services consisting of preparation, reproduction, and distribution of clarification documents and interpretations in response to requests for clarification by contractors or the user agency. Maintenance of records and coordination of communications relative to requests for clarification or information (RFI). Preparation, reproduction and distribution of drawings and specifications to describe work to be added, deleted or modified, review of proposals, review and recommend changes in time for substantial completion, assisting in the preparation of modifications of the contracts and coordination of communications, approvals, notifications, and record-keeping relative to changes in the work. Additional fees for changes to the scope of a project shall be negotiated.
<b>Scheduling</b>	Services consisting of monitoring the progress of the contractors relative to established schedules and making status reports to the user agency.
<b>Cost Accounting</b>	Services consisting of maintenance of records of payments on account of the contract and all changes thereto, evaluation of applications for payment and certification thereof, and review and evaluation of cost data submitted by the contractors for work performed.

**Project Closeout (2 Percent)**

<b>Project Closeout</b>	Services initiated upon notice from the contractor that the work is sufficiently complete, in accordance with the contract documents, to permit occupancy or utilization for the use for which it is intended, and consisting of a detailed inspection for conformity of the work to the contract documents, issuance of certificate of substantial completion, issuance of a list of remaining work required (punch list), final inspections, receipt and transmittal of warranties, affidavits, receipts, releases and waivers of lien or bonds, permits, and issuance of final certificate for payment.
<b>Record Documents (As-Builts)</b>	Receive and review the contractors marked up field records. Supply the record documents to user agency. (Transferring the contractor's record of field changes to the original record drawings may be authorized by the owner as an additional service.)
<b>Operations and Maintenance Manuals</b>	Services consisting of processing, reviewing, commenting on, taking appropriate action, and transmitting Operations and Maintenance Manuals provided by the contractor to user agency.
<b>Warranty Period</b>	Continued assistance to investigate contract problems that arise during the warranty period.



## A/E Extra Services/Reimbursables and Other Services

**The majority of projects should be completed within the structure of the basic fee schedule.**

However, some projects will be more complex and require a range of Extra Services/Reimbursables and Other Services, which will be negotiated for specific tasks. These services typically require specialist expertise and may not neatly fall within one phase of service or another. As projects become more complex, they demand a variety of special studies and services. Extra Services/Reimbursables are services generally provided by the same A/E providing the basic services, and Other Services are those services generally provided by additional specialty consultants, either as subs to the prime A/E or as independent consultants directly contracted with the agency.

Extra services are not intended as an adjustment to basic services and should reflect actual anticipated cost. The following provides a guideline for evaluating the pricing of Extra and Other services, and establishing the eligibility of reimbursable expenses.

### A. Pricing Consultants and Subconsultant Personnel

<b>Multiplier</b>	Negotiated rate within a range of 2 to 3.2 times employee direct base salary (not including fringe benefits, taxes, retirement contributions, or profit sharing).
<b>Employees of Firm</b>	Negotiated rate not to exceed a maximum of \$150 per hour.
<b>Principal of Firm</b>	A Principal is defined as a partner of a partnership, a stockholder of a corporation, or a duly authorized officer. The negotiated rate is not to exceed \$200 per hour.
<b>Special Consulting Services</b>	When special consulting services not normally associated with traditional project design are necessary, the fee may be outside of the above guidelines (such as expert witness or special investigations).
<b>Service Charge on Sub-Consultant</b>	Ten percent service charge may be added to work incorporated by addenda to the original agreement.

### B. A/E Extra Services/Reimbursable Expenses

When drafting the A/E agreement, the Project Manager should review the following list in determining eligible reimbursable items. It is not all inclusive or exclusive and should only be used as a guide.

<b>Alternative Cost Studies</b>	Additional costing beyond the parametric estimates required in basic services as requested by the agency.
<b>Energy Life Cycle Cost Analysis (ELCCA)</b>	All projects over 25,000 square feet are required by Chapter 39.35 RCW to be analyzed for the cost of energy consumption and operation during its entire economic life.
<b>Life Cycle Cost Analysis (LCCA)</b>	All projects valued over \$5,000,000 or projects constructing new building space over 5,000 square feet are required to perform a life cycle cost analysis to evaluate the total cost of ownership for the building or building system. Agencies will utilize the Life Cycle Cost Tool (LCCT) which standardizes rates and methodology to perform the analysis.
<b>Commissioning and Training</b>	Cost to the A/E of assembly, tabulation, and indexing of all shop drawings and submittals on all equipment, controls, systems, and participating in an independent commissioning of the project and providing initial operator training on the maintenance of systems.

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<b>Enhanced Commissioning</b>	A longer post occupancy phase, commonly referred to as enhanced commissioning, may be necessary to achieve the long-term desired performance of a new building or system. This work generally includes monitoring energy performance after construction, additional training to facility staff, and system adjustments to ensure the building continues to operate as originally designed.
<b>On-Site Representative</b>	On-site observation beyond the periodic site visits required under basic services for construction field observation.
<b>Thermal Scans</b>	Cost of an examination of a structure for thermal loss on existing facilities to be remodeled.
<b>Value Engineering Participation and Implementation</b>	Cost to the A/E for participation in the value engineering study and implementation of the accepted ideas that generate during the study.
<b>Travel and Per Diem</b>	Customary and approved costs to A/E during the course of basic and additional services (based on state rates and limited to between 50 and 350 miles).
<b>Renderings, Presentations, and Models</b>	Cost for special presentations, renderings, and models required for the project.
<b>Document Reproduction</b>	Additional cost of printing and mailing bidding and construction documents.
<b>Advertising</b>	Cost of required advertisements and placing bidding documents in plan centers announcing the bidding of the project.
<b>Constructability Review Participation and Implementation</b>	Cost to the A/E for participation in the constructability review and implementation of the accepted changes.
<b>Leadership in Energy and Environmental Design</b>	Cost of providing services for negotiation, documentation, and associated services required for sustainable design project certificates with the U.S. Green Building Council.
<b>Separate Bid Packages</b>	Cost to the A/E for preparation of separate bid packages typically used in GC/CM type projects.
<b>Professional Liability Insurance</b>	Where coverage is required in excess of \$1 million, reimbursement of excess premium costs will be considered as a reimbursable cost.

C. A/E Other Services

<b>Consultant Selection Cost</b>	Additional costs for private sector members of a selection committee if required (Chapter 39.80 RCW).
<b>Specialty Consultants</b>	<p>Cost of only those additional consultant services beyond A/E services provided under basic services. Specialty consultants include, but are not limited to:</p> <ul style="list-style-type: none"> <li>• Acoustical Consultant</li> <li>• Civil Engineering additional services may include: <ul style="list-style-type: none"> <li>◆ Studies, reports, and calculations required to determine adequacy of existing systems or those required for permit review such as drainage, fire protection, or sewer</li> <li>◆ Storm drainage design and connections</li> <li>◆ Design or study of issues for "sensitive areas" such as wetlands, steep slopes, or flood plains</li> <li>◆ Water supply connections to wells, treatment systems, storage, and off-site main extensions</li> <li>◆ Sanitary sewer design and infrastructure</li> <li>◆ Road and pavement improvements</li> <li>◆ Storm water quality and quantity computations, reports, design and details</li> <li>◆ Temporary erosion and sediment control reports and drawings</li> <li>◆ Special studies and reports for other agencies</li> </ul> </li> <li>• Communications Consultant</li> <li>• Cost Estimating Consultant</li> <li>• Electronic/Audio Visual Consultant</li> <li>• Elevator Consultant</li> <li>• Hazardous Material Consultant</li> <li>• Hospital/Laboratory Consultant Interior</li> <li>• Design Consultant Indoor Air Quality</li> <li>• Consultant Kitchen Consultant</li> <li>• Landscape Consultant</li> <li>• Quality Control Consultant Security Consultant</li> </ul>
<b>Geotechnical Investigation</b>	Cost of subsurface testing and evaluation.
<b>Commissioning</b>	Cost of an independent commissioning of the project.
<b>HVAC Balancing</b>	Cost to balance systems.
<b>Site Survey</b>	Cost of conducting a survey independent from design A/E.
<b>Testing</b>	Cost of a technician's services in acquiring and testing samples of materials used in the project as required in the state building code.
<b>Energy LCCA Review</b>	Fee to be paid for review of the energy life cycle cost analysis.
<b>Value Engineering</b>	Cost for performing the required value engineering study on a project by an independent multi-disciplined team.

## Guidelines for Determining Architect/Engineering Fees for Public Works Building Projects

<b>Constructability Review/Plan Check</b>	Cost for an independent consultant or contractor to review bid documents and determine if a project can be built as designed.
<b>Graphics</b>	Cost of special graphic and signage design.
<b>Design/Code Plan Check</b>	Cost of an independent plan check if not available within the local jurisdiction.
<b>Other</b>	Costs for requested documents, fax expenses, and special mail service when requested by owner.

### D. Non-Eligible Expenses

- Consultants hired at A/E's option to perform basic services required by contract.
- Postage and handling of submittals, bid documents, correspondence, etc.
- Telephone expenses (local calls and line service).
- Copies of documents used by the A/E to perform normal services and not provided to owner.



## A/E Fee Schedule - Building Types

<b><u>Schedule A</u></b>	<b><u>Schedule B</u></b>	<b><u>Schedule C</u></b>
<p><b>Facilities with more than average design difficulty:</b></p> <ul style="list-style-type: none"> <li>Art galleries</li> <li>Auditoriums (with stage)</li> <li>Communications buildings</li> <li>Courthouses</li> <li>Detention/correctional facilities, maximum</li> <li>Exposition buildings</li> <li>Extended care facilities</li> <li>Fish hatcheries</li> <li>Heating and power plants</li> <li>Hospitals</li> <li>Laboratories (research)</li> <li>Medical office facilities and clinics</li> <li>Mental institutions</li> <li>Museums</li> <li>Observatories</li> <li>Research facilities</li> <li>Sewer treatment plants</li> <li>Special schools</li> <li>Theaters and similar facilities</li> <li>Veterinary hospitals</li> <li>Water treatment plants</li> </ul>	<p><b>Facilities with average difficulty:</b></p> <ul style="list-style-type: none"> <li>Apartment buildings</li> <li>Archive building</li> <li>Armories</li> <li>Auditoriums (without stage)</li> <li>College classroom facilities</li> <li>Computer rooms</li> <li>Convention facilities</li> <li>Day care families</li> <li>Detention/correctional facilities, minimum and medium</li> <li>Dining halls/institutes</li> <li>Dormitories</li> <li>Fire and police stations</li> <li>Gymnasiums</li> <li>Laundry and cleaning facilities</li> <li>Libraries</li> <li>Neighborhood centers and similar recreation facilities</li> <li>Nursing homes</li> <li>Office buildings</li> <li>Recreational building</li> <li>Residences</li> <li>Schools (primary and secondary)</li> <li>Science labs (teaching)</li> <li>Stadiums, multi-purpose</li> <li>Storage facilities, cold</li> <li>Transportation terminals</li> <li>Vocational schools</li> </ul>	<p><b>Projects with less than average design difficulty:</b></p> <ul style="list-style-type: none"> <li>Civil and utility projects</li> <li>Emergency generator facilities</li> <li>Farm structures</li> <li>Greenhouses</li> <li>Guard towers</li> <li>Industrial buildings without special facilities</li> <li>Parking structures and garages</li> <li>Printing plants</li> <li>Prototype facilities (for any replication of previously designed facility)</li> <li>Service garages</li> <li>Shop and maintenance facilities</li> <li>Simple loft-type structures (without special equipment)</li> <li>Stadiums, grandstand type</li> <li>Warehouses</li> </ul>

**EXHIBIT A**  
**A/E FEE SCHEDULE**

<b>MACC</b>	<b>Sch A</b>	<b>Sch B</b>	<b>Sch C</b>	<b>MACC</b>	<b>Sch A</b>	<b>Sch B</b>	<b>Sch C</b>
\$100,000				\$4,100,000	10.40%	8.99%	7.59%
\$200,000				\$4,200,000	10.37%	8.97%	7.57%
\$300,000				\$4,300,000	10.34%	8.94%	7.54%
\$400,000	Basic Services fee amount to be negotiated for projects with a MACC less than \$1,000,000			\$4,400,000	10.32%	8.92%	7.52%
\$500,000				\$4,500,000	10.29%	8.90%	7.50%
\$600,000				\$4,600,000	10.27%	8.87%	7.48%
\$700,000				\$4,700,000	10.24%	8.85%	7.46%
\$800,000				\$4,800,000	10.22%	8.83%	7.44%
\$900,000				\$4,900,000	10.20%	8.81%	7.42%
\$1,000,000	11.75%	10.30%	8.85%	\$5,000,000	10.17%	8.79%	7.40%
\$1,100,000	11.67%	10.22%	8.77%	\$5,100,000	10.15%	8.77%	7.38%
\$1,200,000	11.60%	10.15%	8.70%	\$5,200,000	10.13%	8.75%	7.36%
\$1,300,000	11.53%	10.08%	8.63%	\$5,300,000	10.11%	8.73%	7.35%
\$1,400,000	11.46%	10.01%	8.56%	\$5,400,000	10.09%	8.71%	7.33%
\$1,500,000	11.40%	9.95%	8.50%	\$5,500,000	10.06%	8.69%	7.31%
\$1,600,000	11.34%	9.89%	8.45%	\$5,600,000	10.04%	8.67%	7.29%
\$1,700,000	11.29%	9.84%	8.39%	\$5,700,000	10.02%	8.65%	7.28%
\$1,800,000	11.23%	9.79%	8.34%	\$5,800,000	10.00%	8.63%	7.26%
\$1,900,000	11.18%	9.74%	8.29%	\$5,900,000	9.98%	8.61%	7.24%
\$2,000,000	11.13%	9.69%	8.25%	\$6,000,000	9.96%	8.60%	7.23%
\$2,100,000	11.09%	9.65%	8.20%	\$6,100,000	9.94%	8.58%	7.21%
\$2,200,000	11.04%	9.60%	8.16%	\$6,200,000	9.93%	8.56%	7.20%
\$2,300,000	11.00%	9.56%	8.12%	\$6,300,000	9.91%	8.54%	7.18%
\$2,400,000	10.96%	9.52%	8.08%	\$6,400,000	9.89%	8.53%	7.17%
\$2,500,000	10.92%	9.48%	8.05%	\$6,500,000	9.87%	8.51%	7.15%
\$2,600,000	10.88%	9.44%	8.01%	\$6,600,000	9.85%	8.49%	7.14%
\$2,700,000	10.84%	9.41%	7.98%	\$6,700,000	9.83%	8.48%	7.12%
\$2,800,000	10.80%	9.37%	7.94%	\$6,800,000	9.82%	8.46%	7.11%
\$2,900,000	10.76%	9.34%	7.91%	\$6,900,000	9.80%	8.45%	7.09%
\$3,000,000	10.73%	9.30%	7.88%	\$7,000,000	9.78%	8.43%	7.08%
\$3,100,000	10.70%	9.27%	7.85%	\$7,100,000	9.77%	8.42%	7.07%
\$3,200,000	10.66%	9.24%	7.82%	\$7,200,000	9.75%	8.40%	7.05%
\$3,300,000	10.63%	9.21%	7.79%	\$7,300,000	9.73%	8.39%	7.04%
\$3,400,000	10.60%	9.18%	7.76%	\$7,400,000	9.72%	8.37%	7.03%
\$3,500,000	10.57%	9.15%	7.74%	\$7,500,000	9.70%	8.36%	7.01%
\$3,600,000	10.54%	9.12%	7.71%	\$7,600,000	9.68%	8.34%	7.00%
\$3,700,000	10.51%	9.10%	7.68%	\$7,700,000	9.67%	8.33%	6.99%
\$3,800,000	10.48%	9.07%	7.66%	\$7,800,000	9.65%	8.31%	6.97%
\$3,900,000	10.45%	9.04%	7.63%	\$7,900,000	9.64%	8.30%	6.96%
\$4,000,000	10.42%	9.02%	7.61%	\$8,000,000	9.62%	8.29%	6.95%

MACC	Sch A	Sch B	Sch C	MACC	Sch A	Sch B	Sch C
\$8,100,000	9.61%	8.27%	6.94%	\$12,100,000	9.11%	7.83%	6.55%
\$8,200,000	9.59%	8.26%	6.93%	\$12,200,000	9.10%	7.82%	6.54%
\$8,300,000	9.58%	8.25%	6.91%	\$12,300,000	9.09%	7.81%	6.53%
\$8,400,000	9.56%	8.23%	6.90%	\$12,400,000	9.08%	7.80%	6.52%
\$8,500,000	9.55%	8.22%	6.89%	\$12,500,000	9.07%	7.79%	6.52%
\$8,600,000	9.53%	8.21%	6.88%	\$12,600,000	9.06%	7.78%	6.51%
\$8,700,000	9.52%	8.19%	6.87%	\$12,700,000	9.05%	7.77%	6.50%
\$8,800,000	9.51%	8.18%	6.86%	\$12,800,000	9.04%	7.76%	6.49%
\$8,900,000	9.49%	8.17%	6.85%	\$12,900,000	9.03%	7.76%	6.49%
\$9,000,000	9.48%	8.16%	6.84%	\$13,000,000	9.02%	7.75%	6.48%
\$9,100,000	9.46%	8.14%	6.83%	\$13,100,000	9.01%	7.74%	6.47%
\$9,200,000	9.45%	8.13%	6.81%	\$13,200,000	9.00%	7.73%	6.46%
\$9,300,000	9.44%	8.12%	6.80%	\$13,300,000	8.99%	7.72%	6.46%
\$9,400,000	9.42%	8.11%	6.79%	\$13,400,000	8.98%	7.71%	6.45%
\$9,500,000	9.41%	8.10%	6.78%	\$13,500,000	8.97%	7.70%	6.44%
\$9,600,000	9.40%	8.09%	6.77%	\$13,600,000	8.96%	7.70%	6.43%
\$9,700,000	9.39%	8.07%	6.76%	\$13,700,000	8.95%	7.69%	6.43%
\$9,800,000	9.37%	8.06%	6.75%	\$13,800,000	8.94%	7.68%	6.42%
\$9,900,000	9.36%	8.05%	6.74%	\$13,900,000	8.93%	7.67%	6.41%
\$10,000,000	9.35%	8.04%	6.73%	\$14,000,000	8.92%	7.66%	6.40%
\$10,100,000	9.33%	8.03%	6.72%	\$14,100,000	8.91%	7.65%	6.40%
\$10,200,000	9.32%	8.02%	6.71%	\$14,200,000	8.90%	7.65%	6.39%
\$10,300,000	9.31%	8.01%	6.70%	\$14,300,000	8.89%	7.64%	6.38%
\$10,400,000	9.30%	8.00%	6.70%	\$14,400,000	8.88%	7.63%	6.38%
\$10,500,000	9.29%	7.99%	6.69%	\$14,500,000	8.88%	7.62%	6.37%
\$10,600,000	9.27%	7.98%	6.68%	\$14,600,000	8.87%	7.61%	6.36%
\$10,700,000	9.26%	7.97%	6.67%	\$14,700,000	8.86%	7.61%	6.36%
\$10,800,000	9.25%	7.95%	6.66%	\$14,800,000	8.85%	7.60%	6.35%
\$10,900,000	9.24%	7.94%	6.65%	\$14,900,000	8.84%	7.59%	6.34%
\$11,000,000	9.23%	7.93%	6.64%	\$15,000,000	8.83%	7.58%	6.34%
\$11,100,000	9.22%	7.92%	6.63%	\$15,100,000	8.82%	7.58%	6.33%
\$11,200,000	9.21%	7.91%	6.62%	\$15,200,000	8.81%	7.57%	6.32%
\$11,300,000	9.19%	7.90%	6.61%	\$15,300,000	8.81%	7.56%	6.32%
\$11,400,000	9.18%	7.89%	6.61%	\$15,400,000	8.80%	7.55%	6.31%
\$11,500,000	9.17%	7.88%	6.60%	\$15,500,000	8.79%	7.55%	6.30%
\$11,600,000	9.16%	7.87%	6.59%	\$15,600,000	8.78%	7.54%	6.30%
\$11,700,000	9.15%	7.87%	6.58%	\$15,700,000	8.77%	7.53%	6.29%
\$11,800,000	9.14%	7.86%	6.57%	\$15,800,000	8.76%	7.52%	6.29%
\$11,900,000	9.13%	7.85%	6.56%	\$15,900,000	8.76%	7.52%	6.28%
\$12,000,000	9.12%	7.84%	6.56%	\$16,000,000	8.75%	7.51%	6.27%

MACC	Sch A	Sch B	Sch C	MACC	Sch A	Sch B	Sch C
\$16,100,000	8.74%	7.50%	6.27%	\$20,100,000	8.45%	7.25%	6.05%
\$16,200,000	8.73%	7.50%	6.26%	\$20,200,000	8.44%	7.24%	6.04%
\$16,300,000	8.72%	7.49%	6.26%	\$20,300,000	8.43%	7.24%	6.04%
\$16,400,000	8.71%	7.48%	6.25%	\$20,400,000	8.43%	7.23%	6.03%
\$16,500,000	8.71%	7.48%	6.24%	\$20,500,000	8.42%	7.23%	6.03%
\$16,600,000	8.70%	7.47%	6.24%	\$20,600,000	8.41%	7.22%	6.03%
\$16,700,000	8.69%	7.46%	6.23%	\$20,700,000	8.41%	7.21%	6.02%
\$16,800,000	8.68%	7.45%	6.23%	\$20,800,000	8.40%	7.21%	6.02%
\$16,900,000	8.68%	7.45%	6.22%	\$20,900,000	8.39%	7.20%	6.01%
\$17,000,000	8.67%	7.44%	6.21%	\$21,000,000	8.39%	7.20%	6.01%
\$17,100,000	8.66%	7.43%	6.21%	\$21,100,000	8.38%	7.19%	6.00%
\$17,200,000	8.65%	7.43%	6.20%	\$21,200,000	8.38%	7.19%	6.00%
\$17,300,000	8.64%	7.42%	6.20%	\$21,300,000	8.37%	7.18%	5.99%
\$17,400,000	8.64%	7.41%	6.19%	\$21,400,000	8.36%	7.18%	5.99%
\$17,500,000	8.63%	7.41%	6.19%	\$21,500,000	8.36%	7.17%	5.98%
\$17,600,000	8.62%	7.40%	6.18%	\$21,600,000	8.35%	7.16%	5.98%
\$17,700,000	8.61%	7.39%	6.17%	\$21,700,000	8.34%	7.16%	5.97%
\$17,800,000	8.61%	7.39%	6.17%	\$21,800,000	8.34%	7.15%	5.97%
\$17,900,000	8.60%	7.38%	6.16%	\$21,900,000	8.33%	7.15%	5.96%
\$18,000,000	8.59%	7.38%	6.16%	\$22,000,000	8.33%	7.14%	5.96%
\$18,100,000	8.59%	7.37%	6.15%	\$22,100,000	8.32%	7.14%	5.96%
\$18,200,000	8.58%	7.36%	6.15%	\$22,200,000	8.31%	7.13%	5.95%
\$18,300,000	8.57%	7.36%	6.14%	\$22,300,000	8.31%	7.13%	5.95%
\$18,400,000	8.56%	7.35%	6.14%	\$22,400,000	8.30%	7.12%	5.94%
\$18,500,000	8.56%	7.34%	6.13%	\$22,500,000	8.30%	7.12%	5.94%
\$18,600,000	8.55%	7.34%	6.13%	\$22,600,000	8.29%	7.11%	5.93%
\$18,700,000	8.54%	7.33%	6.12%	\$22,700,000	8.28%	7.11%	5.93%
\$18,800,000	8.54%	7.33%	6.12%	\$22,800,000	8.28%	7.10%	5.93%
\$18,900,000	8.53%	7.32%	6.11%	\$22,900,000	8.27%	7.10%	5.92%
\$19,000,000	8.52%	7.31%	6.10%	\$23,000,000	8.27%	7.09%	5.92%
\$19,100,000	8.51%	7.31%	6.10%	\$23,100,000	8.26%	7.09%	5.91%
\$19,200,000	8.51%	7.30%	6.09%	\$23,200,000	8.26%	7.08%	5.91%
\$19,300,000	8.50%	7.30%	6.09%	\$23,300,000	8.25%	7.08%	5.90%
\$19,400,000	8.49%	7.29%	6.08%	\$23,400,000	8.24%	7.07%	5.90%
\$19,500,000	8.49%	7.28%	6.08%	\$23,500,000	8.24%	7.07%	5.90%
\$19,600,000	8.48%	7.28%	6.07%	\$23,600,000	8.23%	7.06%	5.89%
\$19,700,000	8.47%	7.27%	6.07%	\$23,700,000	8.23%	7.06%	5.89%
\$19,800,000	8.47%	7.27%	6.06%	\$23,800,000	8.22%	7.05%	5.88%
\$19,900,000	8.46%	7.26%	6.06%	\$23,900,000	8.22%	7.05%	5.88%
\$20,000,000	8.45%	7.25%	6.05%	\$24,000,000	8.21%	7.04%	5.87%



MACC	Sch A	Sch B	Sch C	MACC	Sch A	Sch B	Sch C
\$24,100,000	8.20%	7.04%	5.87%	\$28,000,000	8.00%	6.86%	5.72%
\$24,200,000	8.20%	7.03%	5.87%	\$29,000,000	7.96%	6.82%	5.69%
\$24,300,000	8.19%	7.03%	5.86%	\$30,000,000	7.91%	6.78%	5.66%
\$24,400,000	8.19%	7.02%	5.86%	\$31,000,000	7.86%	6.74%	5.62%
\$24,500,000	8.18%	7.02%	5.85%	\$32,000,000	7.82%	6.71%	5.59%
\$24,600,000	8.18%	7.01%	5.85%	\$33,000,000	7.78%	6.67%	5.56%
\$24,700,000	8.17%	7.01%	5.85%	\$34,000,000	7.74%	6.64%	5.53%
\$24,800,000	8.17%	7.00%	5.84%	\$35,000,000	7.70%	6.60%	5.50%
\$24,900,000	8.16%	7.00%	5.84%	\$36,000,000	7.66%	6.57%	5.48%
\$25,000,000	8.16%	6.99%	5.83%	\$37,000,000	7.62%	6.54%	5.45%
\$25,100,000	8.15%	6.99%	5.83%	\$38,000,000	7.59%	6.51%	5.42%
\$25,200,000	8.14%	6.99%	5.83%	\$39,000,000	7.55%	6.47%	5.40%
\$25,300,000	8.14%	6.98%	5.82%	\$40,000,000	7.52%	6.45%	5.37%
\$25,400,000	8.13%	6.98%	5.82%	\$41,000,000	7.48%	6.42%	5.35%
\$25,500,000	8.13%	6.97%	5.82%	\$42,000,000	7.45%	6.39%	5.32%
\$25,600,000	8.12%	6.97%	5.81%	\$43,000,000	7.42%	6.36%	5.30%
\$25,700,000	8.12%	6.96%	5.81%	\$44,000,000	7.39%	6.33%	5.28%
\$25,800,000	8.11%	6.96%	5.80%	\$45,000,000	7.36%	6.31%	5.26%
\$25,900,000	8.11%	6.95%	5.80%	\$46,000,000	7.33%	6.28%	5.24%
\$26,000,000	8.10%	6.95%	5.80%	\$47,000,000	7.30%	6.26%	5.21%
\$26,100,000	8.10%	6.94%	5.79%	\$48,000,000	7.27%	6.23%	5.19%
\$26,200,000	8.09%	6.94%	5.79%	\$49,000,000	7.24%	6.21%	5.17%
\$26,300,000	8.09%	6.94%	5.78%	\$50,000,000	7.21%	6.18%	5.15%
\$26,400,000	8.08%	6.93%	5.78%	\$51,000,000	7.19%	6.16%	5.13%
\$26,500,000	8.08%	6.93%	5.78%	\$52,000,000	7.16%	6.14%	5.12%
\$26,600,000	8.07%	6.92%	5.77%	\$53,000,000	7.13%	6.12%	5.10%
\$26,700,000	8.07%	6.92%	5.77%	\$54,000,000	7.11%	6.09%	5.08%
\$26,800,000	8.06%	6.91%	5.77%	\$55,000,000	7.08%	6.07%	5.06%
\$26,900,000	8.06%	6.91%	5.76%	\$56,000,000	7.06%	6.05%	5.04%
\$27,000,000	8.05%	6.91%	5.76%	\$57,000,000	7.03%	6.03%	5.03%
				\$58,000,000	7.01%	6.01%	5.01%
				\$59,000,000	6.99%	5.99%	4.99%
				\$60,000,000	6.96%	5.97%	4.98%

**SCHEDULE A** =  $90 / (625 + (\text{MACC} / (5357/2418)) ^ 0.38)$

**SCHEDULE B** =  $(\text{SCHEDULE A} + \text{SCHEDULE C}) / 2$

**SCHEDULE C** =  $(9.03 / (57.3 + (\text{MACC} / (5357/2418))^0.25)) - 0.02$

**2012 Proposed  
Comprehensive Scheme  
of  
Harbor Improvements**



**Adopted November 28, 2011**

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## Introduction

The Port of Olympia has developed and improved facilities based on the extensive long-range planning conducted by the Port in 1994-95 labeled as the Port's *Comprehensive Plan*. Comprehensive plans are required of cities and counties which fall under the State of Washington's Growth Management Act (GMA) codified as RCW 36.70A. Ports, on the other hand, do not exercise land use authority as do cities and counties under the GMA. Instead, Ports are subject to the planning requirements and the adopted Comprehensive Plans of the cities and counties in which the Ports operate.

Instead of Comprehensive Plans with their GMA connotations, Ports are required to comply with RCW 53.20.010, which requires a *Comprehensive Scheme of Harbor Improvements*. Courts ruled the Port's bundle of budget and planning documents including the *Comprehensive Plan* document satisfy the requirement of a *Comprehensive Scheme of Harbor Improvements*.

During 2007, the Port updated Chapter 3 of the 1995 *Comprehensive Plan* entitled "Land Use Planning", and subsequently renamed that part of the document as the Port's "*Development Guidelines*." The Development Guidelines incorporated a small number of minor changes, primarily name changes. As part of this work, the Port conducted a State Environmental Policy Act (SEPA), with the result that the Port issued an Addendum to the original Final Environmental Impact Statement (FEIS) on August 5, 2008. The Port's Responsible Official determined that the 2008 update to the Port's use plans did not substantially change the analysis of impacts in the existing environmental documents for this project (WAC 197-11-706), and that the changes were within the scope and magnitude of impacts detailed in the FEIS and previous addendum.

The Port then undertook the process of re-organizing the Port's planning documents for clarity and to reduce the potential of public confusion brought about by the planning document's title of "Comprehensive Plan." The Port's SEPA Responsible Official determined that this re-organization is categorically exempt pursuant to WAC 197-11-800(14) (h), "All agency organization, reorganization, internal operational planning or coordination of plans or functions."

More recently, the Port made incorporated minor and administrative changes to the Development Guidelines. These changes included district name changes, consolidation of 3 districts into one and the movement of a boundary line approximately 100 yards. As part of this work, the Port conducted a State Environmental Impact Statement (FEIS) in September, 2011. The Port's Responsible Official Determined that the 2008 update to the Port's use plans did not substantially change the analysis of impacts in the existing environmental documents for this



project (WAC 197-11-706), and that the changes were within the scope and magnitude of impacts detailed in the FEIS and previous addendum.

The Port's Comprehensive Scheme of Harbor Improvements is a budget and financial planning and forecasting document for meeting the requirements of RCW 53.20.010, by placing before the public the actual plan and character of proposed improvements. It is neither a Comprehensive Plan, nor a Master Plan as defined by GMA. This streamlined Comprehensive Scheme of Harbor Improvement document consists of:

- **Tab 1 – District Maps.** Maps of the Port's land areas that depict the Port's Use Districts as described in the Port's Development Guidelines,
- **Tab 2 – 2012 Capital Investment Plan Project Information.** A description of the Port capital investment projects underway or starting in fiscal year 2012. This description typically includes a map depicting the project location within its corresponding Use District, and
- **Tab 3 – Potential Future Projects.** A description of those future projects which the Port has begun planning.

In addition to fulfillment of RCW 53.20.010, Ports also must comply with all other applicable laws of local jurisdictions, and State and Federal Governments.

The Port complies with SEPA's environmental review processes by:

1. Whenever changes occur to the Port's Development Guidelines, the Port conducts a SEPA review. Thereafter, all Port Projects undertaken within each District are consistent with this programmatic environmental review, and
2. Each improvement identified as a physical Project will undergo individualized SEPA review as soon as the "principle features of a proposal and its environmental impacts can be reasonably identified... and the environmental effects can be meaningfully evaluated." (WAC 197-11-055)

Resolution 2007-013 defines the Port's SEPA process.



**Tab 1 – District Maps**

### **Budd Inlet Properties**

The Port of Olympia properties in Budd Inlet include the properties as shown in Figure 1, below. Ten Districts exist within the area, including:

- |                             |                                    |
|-----------------------------|------------------------------------|
| 1. Market District          | 6. Marine (Ocean)Terminal District |
| 2. Swantown Boatworks       | 7. NorthPoint                      |
| 3. Central District         | 8. Tidelands District              |
| 4. EastBay District         | 9. WestBay (Tidelands)             |
| 5. Swantown Marina District |                                    |



**Figure 1. Budd Inlet/Olympia Properties.**



### Airport and NewMarket Industrial Campus Properties

The Port of Olympia properties in Tumwater, Washington include the properties as shown in Figure 2, below.



Figure 2. Olympia Regional Airport and NewMarket Industrial Properties.

The Port Development Guidelines contain the intended uses, design standards and other information for all the properties shown in figures 1 and 2.





**Tab 2 – 2012 Capital Investment Plan Project Information**

## Capital Plan Summary

### Capital Investment Plan 2012 Summary

Information presented here is budgetary data. For specific information about each project listed, see Appendix I (Page 86)

Projects highlighted in light blue are carryover projects.

	Total Project Costs	Spent to Oct 31, 2011	2012 Cost	Port Reserves	Grants	2008 Bonds	Comments
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#### 2011 New and Carryover Projects

##### Airport

1	Airport Master Plan Update	\$398,178	\$232,565	\$100,000	\$5,000	\$95,000	Carryover project
2	Engineering, Design and Construct Taxiway C & North Taxiway W	\$2,992,000		\$2,842,000	\$142,100	\$2,699,900	Will complete design and engineering work with summer construction.
3	Runway 8/26 Seal Coat	\$120,000	\$35,683	\$85,000	\$85,000		Carryover project
4	Safety Signage runway 17/35 replacement	\$225,000		\$225,000	\$11,250	\$213,750	Will complete design and engineering work with spring construction.
5	Gate 14 Entrance Repair	\$10,000		\$10,000	\$10,000		700 SF of asphalt pavement at Airport Gate 14
6	Terminal Siding Rehabilitation (asset	\$8,000		\$8,000	\$8,000		Replace as needed

		<b>Total Project Costs</b>	<b>Spent to Oct 31, 2011</b>	<b>2012 Cost</b>	<b>Port Reserves</b>	<b>Grants</b>	<b>2008 Bonds</b>	<b>Comments</b>
	preservation)							
7	7600 Terminal Street HVAC	\$10,000		\$10,000	\$10,000			Replace HVAC units
	Airport Office HVAC	\$10,000		\$10,000	\$10,000			Replace HVAC units
	Glacier FBO HVAC	\$10,000		\$10,000	\$10,000			Replace HVAC units
<b>Airport Total</b>		<b>\$3,783,178</b>	<b>\$268,248</b>	<b>\$3,300,000</b>	<b>\$291,350</b>	<b>\$3,008,650</b>	<b>\$0</b>	
<b>Marina</b>								
8	Marine Fueling Station	\$500,000		\$250,000	\$250,000			Design, plan, install, and operate marine fueling station
9	Launch Ramp Float Replacement	\$70,000		\$70,000	\$70,000			Replace 30 year old launch ramp with new floats
10	Marina Security Cameras (2)	\$20,000		\$20,000	\$20,000			Install 2 additional cameras; one at Port Plaza and another at the Marina to supplement security camera system
<b>Marina Total</b>		<b>\$590,000</b>		<b>\$340,000</b>	<b>\$340,000</b>	<b>\$0</b>	<b>\$0</b>	
<b>Marine Terminal</b>								
11	Maint Facility/Wash Rack area retrofit	\$10,000		\$10,000	\$10,000			Add a south wall to keep weather out



		<b>Total Project Costs</b>	<b>Spent to Oct 31, 2011</b>	<b>2012 Cost</b>	<b>Port Reserves</b>	<b>Grants</b>	<b>2008 Bonds</b>	<b>Comments</b>
12	ARRA Security grant - 09 Round	\$488,630		\$100,000		\$100,000		Completion of ARRA grant for digital network, video, access & alarm system
13	Terminal Pavement Rehabilitation	\$300,000		\$300,000	\$300,000			Repair pavement as required in the cargo yard
14	Major Equipment Repair	\$50,000		\$50,000	\$50,000			Equipment repairs to log loader fleet.
15	Bunks & Hi-Piler (For Longshore)	\$80,000		\$80,000	\$80,000			To increase capacity
16	Sweeper (Used)	\$30,000		\$30,000	\$30,000			To replace broom sweeper that expired and used in conjunction with regenerative air sweeper.
17	Longshore Hall - Engineering	\$40,000		\$40,000	\$40,000			Design & engineering for development of longshore hall
18	PSG Rd 10- Perimeter Lighting and Cameras	\$4,337,000		\$2,029,515		\$2,029,515		Multiple Homeland Security grants. The initial work received a single project designation. Increased grant money and scope of work causes the single project to be broken up into multiple projects for 2011 and beyond.
	PSG Rd 9- Infrastructure for Above			\$1,985,588	\$496,397	\$1,489,191		
	PSG Rd 10 - Mobile, telescopic Light w/generator			\$139,442		\$139,442		

		<b>Total Project Costs</b>	<b>Spent to Oct 31, 2011</b>	<b>2012 Cost</b>	<b>Port Reserves</b>	<b>Grants</b>	<b>2008 Bonds</b>	<b>Comments</b>
	PSG Rd 10 - Security Response Mobile Command Vehicle			\$43,305		\$43,305		
	PSG Rd 10 - Telescopic Boom Lift			\$206,187		\$206,187		
<b>Marine Terminal Total</b>		<b>\$5,335,630</b>		<b>\$5,014,037</b>	<b>\$1,006,397</b>	<b>\$4,007,640</b>	<b>\$0</b>	

**Properties**

19	Viewing Tower Roof Replacement	\$20,000		\$20,000	\$20,000			Complete a thorough survey of the Viewing Tower and renovate as required.
20	NMIC Warehouse Roof Replacement	\$18,000		\$18,000	\$18,000			Complete final assessment of the Warehouse roof and replace as required.
21	New Market Pedestrian Enhancements	\$186,000		\$186,000	\$25,000	\$161,000		Design and permit pedestrian enhancements along within NewMarket Center
22	Shell Station on State Ave. Roof Replacement	\$23,000		\$23,000	\$23,000			Complete final assessment of the Shell station roof and replace as required.
<b>Properties Total</b>		<b>\$247,000</b>		<b>\$247,000</b>	<b>\$86,000</b>	<b>\$161,000</b>	<b>\$0</b>	

		<b>Total Project Costs</b>	<b>Spent to Oct 31, 2011</b>	<b>2012 Cost</b>	<b>Port Reserves</b>	<b>Grants</b>	<b>2008 Bonds</b>	<b>Comments</b>
<b>Information Technology</b>								
22	Project Management Software	\$20,000		\$20,000	\$20,000			Select and implement software for port-wide management of project controls
24	Hardware Replacements	\$50,000		\$50,000	\$50,000			Deployment of Windows 7 to 10 PCs
25	Admin Software Upgrade & Implementation	\$10,000		\$10,000	\$10,000			Review and recommend a solution for Property Development to be fully integrated with Lotus Notes and Tracker.
<b>IT Total</b>		<b>\$80,000</b>		<b>\$80,000</b>	<b>\$80,000</b>	<b>\$0</b>	<b>\$0</b>	
<b>Environmental</b>								
26	Water Treatment Plant Replacement	\$3,500,000	\$1,890,999	\$200,000	\$100,000	\$100,000		Portions of construction closeout will carryover from 2011 due to slippage of construction schedule
27	Cascade Pole Plant O & M	\$670,000		\$670,000	\$670,000			Expenses related with the continued operation and maintenance of the new Cascade Pole Treatment Plant

		<b>Total Project Costs</b>	<b>Spent to Oct 31, 2011</b>	<b>2012 Cost</b>	<b>Port Reserves</b>	<b>Grants</b>	<b>2008 Bonds</b>	<b>Comments</b>
28	Restoration Project A/Mission Creek	\$30,000		\$30,000	\$30,000			Restoration project associated with the Port's consent decree in the Clean Water Act citizens' suit.
29	East Bay Environmental Remediation Study/Complete Agreed Order	\$325,500		\$325,500		\$162,750	\$162,750	Continue East Bay properties cleanup to ready them for redevelopment.
30	Marine Terminal Stormwater Permit Compliance/ Treatment System. Total project cost will be determined in 2012.	TBD		\$600,000	\$600,000			Implementation of Level 3 response required under the Port's Industrial Stormwater General Permit. Total Cost is for 2012 only. Total project costs will be determined in 2012.
31	Sediment & Source Control Investigation / Evaluation	\$2,005,000		\$2,005,000	\$1,002,500	\$1,002,500		Investigation of nature and extent of contamination in sediments.
32	Solid Waste Containment Areas	\$34,000		\$34,000	\$34,000			Locate, design and construct solid waste containment area
<b>Environmental Total</b>		<b>\$7,164,500</b>	<b>\$1,890,999</b>	<b>\$3,864,500</b>	<b>\$2,436,500</b>	<b>\$1,265,250</b>	<b>\$162,750</b>	



		Total Project Costs	Spent to Oct 31, 2011	2012 Cost	Port Reserves	Grants	2008 Bonds	Comments
<b>General</b>								
33	New Lawn Mower for Building & Grounds Maint	\$15,000		\$15,000	\$15,000			Replace Kubota F-2560 front deck riding lawn mower.
<b>Port Total</b>		<b>\$15,000</b>		<b>\$15,000</b>	<b>\$15,000</b>	<b>\$0</b>	<b>\$0</b>	
<b>2012 New &amp; Carryover Projects Total</b>		<b>\$17,215,308</b>	<b>\$2,159,247</b>	<b>\$12,860,537</b>	<b>\$4,255,247</b>	<b>\$8,442,540</b>	<b>\$162,750</b>	

Light Blue designates a carryover project

**Capital Investment Plan Summary Notes:**

1. Project sequencing must match available cash flows with one or more projects placed on hold until receiving grant reimbursements for working or completed projects.
2. Some portions of Environmental Projects may not fully comply with capital expenditure accounting procedures. However, the projects in their entirety have funding sources, either property tax collections or grants or General Fund, which closely match those of the other capital projects listed. The Port evaluates each project at completion as to capital, non-operating or operating expenditure once the project finishes. This process ensures proper accounting of Port assets and accurate public disclosure.
3. Commission approval to start a project will be consistent with Port policy.

## Capital Project Descriptions

### 2012 New and Carryover Capital Projects

#### Airport

##### 1. Project: Airport Master Plan Update

**Category:** Safety-Security-Regulatory-Emergency

**Description:** Consultant to continue with updating the Airport Master Plan/Airport Layout Plan process, in accordance with FAA procedures, that achieves the Washington Department of Fish and Wildlife goals of sensitive species habitat protection while maintaining the safety, efficiency, utility and long-term viability of the airport. This is a 2011 carryover project.

<b>Total Project Cost:</b>	\$398,178
<b>2012 Project Cost:</b>	\$100,000
FAA Grant Funds:	<u>\$95,000</u>
<b>Port Funds:</b>	<b>\$5,000</b>

##### Milestone Schedule Completion Dates:

a) Draft Layout Plan Drawing Set	January 2012
b) Draft Wildlife Mitigation Strategies	January 2012
c) Draft Master Plan Document	February 2012
d) Study Committee Review/Public Hearing	February 2012
e) FAA / Commission Approval	March 2012

##### 2. Project: Taxiway C and North W Rehabilitation Design & Construction

**Category:** Safety-Security-Regulatory-Emergency

**Description:** Design and construction of Taxiway C and North Taxiway W in accordance with the Federal Aviation Administration (FAA) Five Year Capital Improvement Plan. This project is part of the FAA mandated Airport Pavement Maintenance Plan. Initial design was started in 2011. For 2012, the Port will complete design and engineering work with summer construction.

In 2010, when the original cost projection for the 2011 budget for the Taxiway C & W project was selected, it was a rough estimate based on similar projects. In October 2011, after receiving an FAA grant for design, Reid Middleton put together an actual cost estimate for the project.

The Phase One grant for design and engineering was for \$150,000 for 2011. The FAA did not have all of the funds available for full design. The budget number for 2012 combines the 2012 Phase Two design and engineering for \$342,000 and construction for \$2,500,000 for a total 2,842,000 for 2012.

The \$2,842,000 reflects a number of technical changes to the original project including a change in alignment of the taxiway to parallel, addition of taxiway lighting and relocation of the airport wind rose.

We are currently soliciting an independent cost estimate in accordance with FAA requirements. When the project goes to bid, the grant will be awarded commensurate with the bid results.

**Total Project Cost:** \$2,992,000

**2012 Project Cost:** \$2,842,000 (FAA grant of \$2,699,900 with remainder paid by the Port)

**Milestone Schedule Completion Dates:**

- |                                      |              |
|--------------------------------------|--------------|
| a) Project Design/engineering        | March 2012   |
| b) Project Bid & Award               | April 2012   |
| c) Start Construction                | June 2012    |
| d) Project Completion and Acceptance | October 2012 |

**3. Project: Seal Coat Runway 8/26**

**Category:** Sustaining Revenue Operations

**Description:** Install asphalt seal coat to approximately 330,000 square feet of runway 08/26. Engineering & Design has been completed. The Runway 8/26 seal coat project Grant Application was submitted to WSDOT but did not make the cut for funding. Hence, the Port is funding the complete project as it is not eligible for any grant funds. The total project cost has increased from the initial \$80,000 in the 2011 Budget to \$120,000 in the 2012 Budget due to the inclusion of engineering fees associated with the project and true construction costs. This project has been bid and awarded and is being delayed until spring when appropriate seal coat weather returns. Costs to be expended in 2012 are estimated to be \$85,000 from the Port Reserves. No grant monies will be used for this project.

**Engineer's Estimate:**

a) Construction	\$80,000
b) Project Administration	<u>\$5,000</u>
<b>Total Project Cost:</b>	<b>\$85,000</b>

**Milestone Schedule:** Construction July 2012

**4. Project: Runway 17/35 Safety Signage Replacement**

**Category:** Safety-Security-Regulatory-Emergency

**Description:** As an FAA requirement, the Port will install four hold signs at the intersection of Runway 17/35 and Runway 8/26. In addition to the four hold signs, the project will require

underground electrical service connections to the signs. As it is an FAA requirement, the project is being funded by a 95% FAA grant.

**Engineer's Estimate:**

<b>Total Project Cost:</b>	\$ 225,000
FAA Grant Funds:	<u>\$ 213,500</u>
<b>Port Funds:</b>	<b>\$ 11,500</b>

<b>Milestone Schedule:</b>	Design/Engineering	February 2012
	Bid & Award	March 2012
	Begin Construction	April 2012
	Completion/Acceptance	July 2012

**5. Project: Gate 14 Entrance Repair**

**Category:** Sustaining Revenue Operations

**Description:** Grade and place approximately 700 SF of asphalt pavement at Airport Gate 14.

**Engineer's Estimate:** **\$10,000**

**Milestone Schedule:** Open order contract work in July 2012

**6. Project: Airport Terminal Siding Rehabilitation**

**Category:** Scheduled Facilities Restoration

**Description:** Replace as needed and weather treat Airport Terminal Siding to preserve asset

**Engineer's Estimate:** **\$8,000**

**Milestone Schedule:** Small Works contract in July 2012

**7. Project: Replacement of HVAC Units Three Airport Buildings**

**Category:** Scheduled Facilities Restoration

**Description:** Small works contract to replace HVAC units at the Airport Office, Glacier FBO and 7600 Terminal Street Office.

**Engineer's Estimate:** **\$30,000**

**Milestone Schedule:** Complete purchase by end of February 2012



## Swantown Marina and Boatworks

### 8. Project: Marine Fueling Station

**Category:** Revenue Creating Capital Investment

**Description:** Design, plan, install and operate a marine fueling station at Swantown Marina. This highly requested project would provide county boaters and visitors to Olympia, a deep-water, all weather state of the art marine fueling facility. Project would entail site selection, engineering, planning and construction of the fuel dock and support facilities.

#### Engineers Estimate:

a) Planning /Engineering/Permitting	\$100,000
b) Construction	<u>\$400,000</u>
<b>Total Estimated Project Cost:</b>	<b>\$500,000</b>

**2012 Project Cost:** **\$250,000**

#### Milestone Schedule:

a) Site Selection/Market Study	January-April 2012
b) Planning/Engineering	April-October 2012
c) Construction	November-March 2013

### 9. Project: Launch Ramp Float Replacements

**Category:** Sustaining Revenue Operations

**Description:** Replace the existing 30 year old launch ramp dock with new floats. The existing system is failing and sections of the concrete sidewalls have fallen off exposing bare Styrofoam to the environment. In addition, structural components are showing signs of wear and failure. Existing pilings and launch ramp transition ramp would remain in place and be reused as part of the new project. The ramp was originally funded by a recreation grant in 1982. It may be eligible for grant funding to rebuild. The intent is to apply for grant funding in July 2012 with approvals in September 2012.

#### Engineers Estimate:

a) Planning/ Engineering	\$ 5,000
b) Removal of Existing Floats, New Float Purchase/ Installation	<u>\$65,000</u>
<b>Total Estimated Project cost:</b>	<b>\$70,000</b>

**Milestone Schedule:**

- |                                    |                    |
|------------------------------------|--------------------|
| a) Planning/Engineering            | January-April 2012 |
| b) Float Construction              | May 2012           |
| c) Float Installation Construction | June 2012          |

**10. Project: Marina Security Cameras**

**Category:** Safety/Security

**Description:** This project is the installation of two additional security cameras to supplement the security camera system that was installed in 2011. One camera will be placed at the Port Plaza and an additional camera at Swantown Marina. Existing security system infrastructure would be utilized. Cost is for two additional cameras and installation.

**Engineers Estimate:**

- |   |                |
|---|----------------|
| a) Procure Cameras and Support Equipment          | \$13,000       |
| b) Install Cameras and Connect to Security System | <u>\$7,000</u> |

**Total Estimated Project Cost:** **\$20,000**

**Milestone Schedule:**

- |                                       |               |
|---------------------------------------|---------------|
| a) Equipment Purchase                 | February 2012 |
| b) Installation                       | March 2012    |
| c) Connect Cameras to Security System | April 2012    |

**Marine Terminal**

**11. Project: Maintenance Facility/Wash Rack Area Retrofit**

**Category:** Sustaining Revenue Operations

**Description:** Equipment maintenance is performed in the Marine Terminal Wash Rack. This retrofit of adding a south wall will assist in keeping the weather during the winter months from blowing through the facility to protect maintenance workers & equipment. The addition of an east wall will be explored as this is also where the cleanout area is. It may not be feasible.

**Total Project Cost** **\$10,000**

**Milestone Schedule: Evaluation March 2012, Installation June 20112**

**12. Project: ARRA Security Grant – 09**

**Category:** Safety-Security-Regulation-Emergency

**Description:** Completion of ARRA Grant from round 9. Project covers digital network, video, access & alarm system.

**2012 Total Project Cost:** \$488,630  
**Port Funds** 0

**Milestone Schedule:** Completed August 2012

### 13. Project: Terminal Pavement Rehabilitation

**Category:** Sustaining Revenue Operations

**Description:** In July 2010, a Marine Terminal Cargo Yard Pavement Evaluation was completed that identified recommendations to rehabilitate the pavement throughout the Marine Terminal. As complete rehabilitation under a single project is cost prohibitive, the Marine Terminal has developed a ten year program to rehabilitate incremental portions of the cargo yard.

**Engineer's Estimate:** \$300,000

**Milestone Schedule:** As required through the year.

### 14. Project: Major Equipment Repair

**Category:** Sustaining Revenue Operations

**Description:** This completes Commission authorized major equipment repairs to the log loader fleet.

**Engineer's Estimate:** \$50,000

**Milestone Schedule:** Complete end of March 2012

### 15. Project: Bunks & Hi-Piler

**Category:** Sustaining Revenue Operations

**Description:** Hi-Piler would be used when the Port is staging logs at berth 1 & 2, and will greatly improve the port's ability to efficiently use our limited staging area space. The bunks are used for loading log vessels. The camel system has necessitated a redesign of the bunks for safety. **Engineer's Estimate:** \$80,000

**Milestone Schedule:** March 2012

### 16. Project: Sweeper (Used)

**Category:** Sustaining Revenue Operations

**Description:** This is to be used in assisting in stormwater compliance. This is a replacement for our broom sweeper that expired and will be used in conjunction with our regenerative air sweeper to maintain the cargo yard. This sweeper can be utilized by other departments just as the equipment it is replacing was used by other departments.

**Engineer's Estimate:** \$30,000

**Milestone Schedule:** Q1 2012 purchase

**17. Project: Longshore Hall Replacement - Engineering**

**Category:** Scheduled Facilities Restoration

**Description:** Complete the design & engineering for the development of a longshore hall off of the Marine Terminal, but on Port property. This is a 2011 carryover project.

**Engineer's Estimate:** \$ 40,000

**Milestone Schedule:** December 2012

**18. Project: Terminal Security Upgrades**

**Category:** Safety-Security Regulatory Emergency

**Description:** Upgrades to the cargo yard and perimeter lights, emergency generators for all buildings and upgrades and expansion of the video surveillance system and data links. In addition, the following equipment purchases will be made: portable telescopic security command response vehicle, containerized data center, 125' telescopic man-lift, and emergency communication equipment. Due to delay in receiving grant funds, these elements are being carried over from 2011

**Engineers Estimate:**

a) Engineering & Construction Management	\$559,904
b) Grant Administration	\$93,317
c) Construction	<u>\$3,683,779</u>
<b>Total Project Cost</b>	<b>\$4,337,000</b>
<b>Port Funds</b>	<b>\$496,397</b>

**Milestone Schedule:**

a) Design	December 2011 – March 2013
b) Bid and Award	March 2012 – June 2012



- c) Construction June 2012 – March 2013
- d) Completion and Acceptance December 2013

## Properties

### 19. Project: Viewing Tower Renovation

**Category:** Safety-Security Regulatory Emergency

**Description:** Complete a thorough survey of the Viewing Tower and renovate as required.

**Engineer's Estimate:** \$ 20,000

**Milestone Schedule:** Work complete by June 2012.

### 20. Project: NMIC Warehouse Roof Replacement

**Category:** Revenue Creating Capital Investment

**Description:** Complete a final assessment of the Tumwater Warehouse Roof and replace as required. The roof is flat or shallow sloped with a tar base. It is 18+ years old and needs work. If we are to obtain a long-term lease with any new tenant, the work will need to be accomplished.

**Engineer's Estimate:** \$ 18,000

**Milestone Schedule:** Work complete by September 2012.

### 21. Project: New Market Pedestrian Enhancements

**Category:** Sustaining Revenue Maintenance

**Description:** This project will design and permit pedestrian enhancements within the New Market center along Terminal Street, New Market Street, 76<sup>th</sup> Avenue, and 78<sup>th</sup> Avenue. This project utilizes a Federal Highway Administration (FHWA) Surface Transportation Program (STP) grant. This is the design and engineering work for pedestrian improvements paid for by this grant with a Port match.

**Total Project Cost:** \$186,000  
Grant Funds \$161,000  
Port Funds **\$25,000**

**Milestone Schedule:** Design/Permitting December 2012

### 22. Project: Shell Station Roof Replacement (State Avenue)

**Category:** Sustaining Revenue Maintenance

**Description:** Complete a final assessment of the roof and replace as required. The Port entered into a long-term lease (5+ years) with the tenant and the roof needs an upgrade. This past year a life-cycle analysis was conducted on the building and the repairs were identified as being needed. Of all of the items due, the roof is the next major repair to be accomplished.

**Engineer's Estimate:** \$ 23,000

**Milestone Schedule:** Work complete by October 2012.

## **General – Administration**

### **23. Project: Project Management Software and Implementation**

**Category:** Scheduled Facilities Restoration

**Description:** Select & implement software for port-wide management of project controls; integrate with financial software. This is a 2011 carryover project.

**Total Project Cost:** \$20,000

**Milestone Schedule:** Complete by August 2012

### **24. Project: Hardware Replacement**

**Category:** Scheduled Facilities Restoration

**Description:** Deployment of 10 PCs using Windows 7. Upgrading to Windows 7 will require an upgrade to your current infrastructure as the requirements to run are much greater than most of our existing PCs. The upgrade will require hardware replacement, identification of a new, standard architecture. 10 Machines will be upgraded and tested by the IT Review team; the rest will be deployed in 2013. Upgrade older servers; network attached storage; and replacement of existing equipment that fails.

**Engineer's Estimate:** \$50,000

**Milestone Schedule:** Complete by December 2012

### **25. Project: Administration Software & Implementation**

**Category:** Scheduled Facilities Restoration

**Description:** Review and recommend a solution for Property Development to be fully integrated with Lotus Notes and the Tracker System. Currently the Property Development uses an outdated Access database that is a stand-alone system. Finding a Tracker system that integrates with Lotus Notes allows for the customer information to be entered in one database and can be more easily accessed by more people. In addition, we would like to analyze the upgrade of Master Contacts and Prospect Tracker to the .NET products. We currently have Master Contacts and Prospect Tracker. Both have an upgrade available and we would like to explore the new options and feasibility to upgrade.

**Engineer's Estimate:** **\$10,000**

**Milestone Schedule:** **Complete by December 2012**

## **Environmental**

### **26. Project: Cascade Pole Water Treatment Plant Replacement**

**Category:** Safety-Security-Regulatory-Emergency

**Description:** Replace the existing groundwater treatment plant at the Cascade Pole Site. The new plant is being constructed adjacent to the old plant, and construction should be complete by the end of calendar year 2011. The new plant will have a much simpler treatment process, completely housed inside a metal building with offices, supply rooms and new instrumentation and controls. Portions of the construction closeout will be carried over from 2011. The estimate of \$200,000 is based on the cost of testing, reporting, training, preparing of manuals and a finalizing of man power study. This cost was shifted into 2012 due to the slippage of the new plant construction schedule.

**Engineer's Estimate:** \$200,000  
Grant Funds \$100,000  
**Port Funds** **\$100,000**

**Milestone Schedule:** **Completion and acceptance February 2012**

### **27. Project: Cascade Pole Water Treatment Plant O&M**

**Category:** Safety-Security-Regulatory-Emergency

**Description:** Expenses related with the continued operation and maintenance of the new Cascade Pole groundwater treatment plant. Based on a detailed operational budget these costs will be slightly higher in the plant's first year of operation. The estimated cost for the operation and monitoring of the new treatment plant has a cost element, granular activated carbon that has the potential for huge cost swings. The median of the two extreme ends of the cost was used. This potentially added an extra \$100,000 to the estimated 2012 CPC site costs. The existing

treatment plant will be shut down, cleaned out and mothballed once the new plant is approved for operation.

**Engineer's Estimate:** **\$670,000 based on detailed operational budget**

**Milestone Schedule:** Ongoing, daily operation and maintenance throughout the year.

**28. Project: Mission Creek Restoration Project**

**Category:** Safety-Security-Regulatory-Emergency

**Description:** Restoration project to perform salmon habitat restoration work at the mouth of Mission Creek, within Priest Point Park. This project is associated with the Port's consent decree in the Clean Water Act citizens' suit brought by the Olympians for Public Accountability.

**Engineer's Estimate:** **\$30,000**

**Milestone Schedule:**

- |                               |                         |
|-------------------------------|-------------------------|
| a) Design/Engineering<br>2012 | December 2011- February |
| b) Permitting                 | February-April 2012     |
| c) Construction               | Fall 2012               |

**29. Project: East Bay Redevelopment/Cleanup**

**Category:** Safety-Security-Regulatory-Emergency

**Description:** Cleanup of East Bay properties to prepare them for redevelopment. The Department of Ecology recently required the Port to conduct additional sampling at the East Bay Redevelopment Site to help define the Site boundaries. The Port has completed that sampling and anticipates that all investigations and analyses will be complete and a remedy selected for the Site by summer of 2012. Final cleanup of the Site can begin shortly thereafter. The project and its funding are part of the 2008 bond.

**Engineer's Estimate:** **\$325,000**

**Milestone Schedule:**

- |  |               |
|--|---------------|
| a) Finalize Site Boundary                                    | November 2011 |
| b) Finalize RI/FS  | Summer 2012   |
| c) Negotiate Final Consent Decree<br>and Cleanup Action Plan | Fall 2012     |

**30. Project: Marine Terminal Stormwater Compliance/Treatment System**



**Category:** Safety-Security-Regulatory-Emergency

**Description:** Implementation of Level 3 response required under the Port's Industrial Stormwater General Permit. The project includes the evaluation of the current Marine Terminal Conveyance System and design and construction of a stormwater treatment system. Although the total project costs for the implementation of Level 3 treatment under the Industrial Stormwater General Permit are unknown, the Port has budgeted \$600,000 for the costs it anticipates will be incurred in 2012. The \$600,000 includes an evaluation of the current status of the stormwater conveyance system on the Marine Terminal, and development of treatment alternatives for the Port. It also includes the costs we anticipate will be incurred for compliance with the OPA consent decree and compliance with the Administrative Order Ecology issued to the Port related to the Industrial Permit.

**Engineer’s Estimate: Unknown**  
**2012 Costs**

**\$600,000**

**Milestone Schedule:**

**Pavement & Conveyance Improvements**

- |                              |                            |
|------------------------------|----------------------------|
| (a) Engineering Report       | July 2011 -December 2011   |
| (b) Conveyance System Design | December 2011 - March 2013 |
| (c) Bidding                  | April 2013 - June 2013     |
| (d) Construction             | July 2013 - September 2014 |

**Treatment System Improvements**

- |                             |                               |
|-----------------------------|-------------------------------|
| (a) Pilot System Testing    | July 2011 -December 2011      |
| (b) Engineering Report      | April 2012 – August 2012      |
| (c) Treatment System Design | September 2012 - June 2013    |
| (d) Bidding                 | July 2013 - September 2013    |
| (e) Construction            | October 2013 - September 2014 |

**31. Project: Budd Inlet Sediment and Source Control Investigation**

**Category:** Safety-Security-Regulatory-Emergency

**Description:** Investigation of nature and extent of contamination in sediments, and into potential sources of contaminants in the vicinity of the Port Peninsula in West and East Bays of Budd Inlet.

<b>Engineer’s Estimate:</b>		\$2,005,000
	Grant Funds	<u>\$1,002,500</u>
	<b>Port Funds</b>	<b>\$1,002,500</b>

**Milestone Schedule:**

- |  |                      |
|--|----------------------|
| (a) Field Investigations and Analyses    | Summer and Fall 2012 |
| (b) Remedial Investigation Report        | Spring 2013          |
| (c) Interim Action Alternatives Analysis | Fall-Winter 2013     |

**32. Project: Solid Waste Containment Areas**

**Category:** Safety-Security-Regulatory-Emergency

**Description:** Locate, design and construct solid waste containment area for stormwater catch basin and street sweeper waste. Thurston County is implementing new guidelines for stormwater catch basin and sweeper waste that require it to be placed in a contained structure pending

disposal. The county is concerned that storing the sweeper waste on the ground could cause contaminants to infiltrate into the ground.

**Engineer's Estimate:** **\$34,000**

**Milestone Schedule:** **Spring 2012**

### **General – Building and Grounds Maintenance**

#### **33. Project: Mower Replacement**

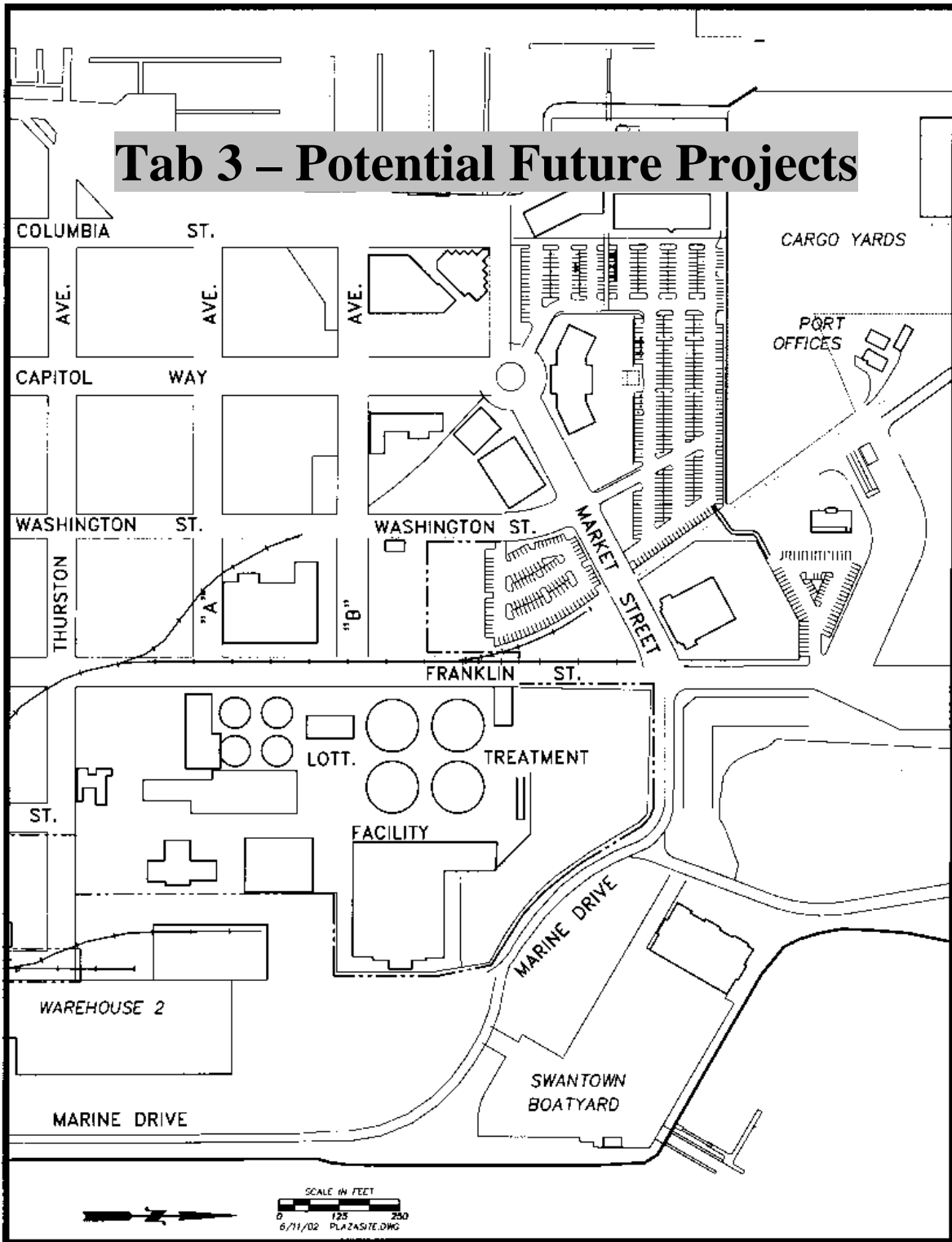
**Category:** Scheduled Facilities Restoration

**Description:** Replace the Kubota F-2560 Front Deck Riding Lawn Mower used to mow approximately 20 acres 8 months of the year, picking up leaves in the fall, and plowing snow in the winter.

**Engineer's Estimate:** **\$15,000**

**Milestone Schedule:** **Complete by March 2012**

# Tab 3 – Potential Future Projects



## **Introduction / Index**

The following potential future projects are under consideration or preliminary planning by the Port:

### **Budd Inlet Properties – Potential Future Projects**

1. Market District
  - a. Parking structure
  - b. Port Administrative Campus
2. Central District
  - a. Joint Maintenance Facility
3. Swantown Marina District
  - a. The South Marina Project (MNO Docks)
  - b. South Marina Maintenance Dredge Planning
4. Marine Terminal District
  - a. Completion of Berth Dredging
  - b. New Maintenance Facility
5. NorthPoint Development

### **Olympia Regional Airport Potential Future Projects**

1. Airport Area
  - a. General Aviation (GA)
  - b. Corporate Aviation
  - c. Light Industrial (Aviation & Non-Aviation)
  - d. Commercial Air Service
  - e. Other Airport Facilities
2. NewMarket District
  - a. NewMarket Stormwater Improvements



## Budd Inlet Properties – Potential Future Projects

### Market District

Currently the Port is planning additional parking to meet existing commitments and to enhance future development opportunities.

#### A. Parking

The parking structure project increases parking density in the district, currently identified by many as a critical need. The project is in design and preparing for site plan approval and vesting by the City of Olympia. Staff has engaged in discussions with potential partners for financing of the project to keep Port investment to absolute minimum. The structure would allow for fulfillment of existing contracts, a potential parking solution for the expanded parking at the Farmers Market and could support future development in the district. Interim parking solutions include advance development of the future Administrative Campus (see below) parking and other temporary solutions.



Market District Parking Garage Conceptual Location

The Port currently forecasts the need land acquisition in order to build the parking structure. A potential Port acquisition of all or a portion of adjacent property owned by the Department of Fish and Wildlife is under consideration. The development of additional parking will fulfill the Port's commitment to the existing Market Place tenant.

#### B. Port Administration Campus

This conceptual plan develops a 30,000 square foot office building north of Market Street between Franklin and Marine Drive. The building would house the Port staff and provide Commission facilities including Commission chambers. Approximately half of the building would be dedicated to Port use with the other half intended for commercial leased space or other public space. Additionally, a second building pad north of the primary pad shown above as well as a small park dedicated to memorialize the artesian heritage of the City have been conceptualized.



Admin Campus Conceptual Location

### **Central District**

This area is under consideration for the development of a joint maintenance facility for the terminal, marina and properties in the Olympia/Budd Inlet area.

### **Marina District**

The Port forecasts that the Marina District will see several major projects that have been in planning and preliminary engineering phases. These include:

#### ***A. The South Marina Project (MNO Docks)***

This major improvement will expand the availability of recreational moorage at Swantown Marina. This project will expand the marina south, adding three major moorage floats and 167 new slips, a guest moorage facility, parking area, public plaza and other amenities upland of the new floating structures. The project will also include various sidewalks and bank stabilization in erosion- damaged areas in the marina.



#### ***B. South Marina Maintenance Dredge Planning***

This project will restore the original depths in the East Bay area of the marina and provide continued utilization of the area for shallow draft pleasure craft.

### **Marine Terminal District**

#### ***A. Port Joint Maintenance Facility***

A long forecast project has been to replace the aged and degraded structures used for on-terminal maintenance activities of the Port. These structures, located at the north end of the fence which encloses the marine terminal, have long outlived their useful life spans and are in need of replacement. This project will develop a Port joint maintenance facility, supporting the Marine Terminal and other activities of the Port on the Budd Inlet properties, including the Marina and other real estate and general port activities. The facility is expected to be between 10,000 and 20,000 square feet and include offices, shops and maintenance bays large enough to handle the maintenance of terminal equipment. This project may be combined with the redevelopment of the pump and treat facility which is integral to the Cascade Pole cleanup site.

### **NorthPoint Development**

The NorthPoint redevelopment expands the renewal of the NorthPoint District begun in 2006 with the construction of Anthony's Hearthfire Restaurant. The forecasted redevelopment includes a shoreline-walking path and open areas, as well as commercial structures. Recently, the Port Commission voted to move forward with the NorthPoint redevelopment. Recruitment of additional development at NorthPoint will require either a City of Olympia approved lift station and infrastructure, or the Port can consider having each individual project install its own lift station.



### **Olympia Regional Airport Potential Future Projects**

#### **A. General Aviation (GA)**

The General Aviation areas of the Airport are intended to be used for facilities necessary to accommodate direct access to aircraft and connections to the taxiways and the runways. These facilities include service facilities and hangars for storage and servicing of aircraft. The Port forecasts that additional hangars for private and commercial aircraft will be needed to continue the modest growth of the airport over the immediate future. The Port would consider either building or leasing land to developers or corporate entities to build such facilities at the Regional Airport.

## **B. Corporate Aviation**

The Corporate Aviation area of the Airport is intended to be used to site facilities such as hangars and support facilities necessary to accommodate corporate aircraft. The Port forecasts that additional hangars for corporate aircraft will be needed to continue growth in this sector of the market at the airport in the future. The Port would consider either building or leasing land to developers or corporate entities to build such facilities at the Regional Airport.

## **C. Light Industrial (Aviation & Non-Aviation)**

Light industrial facilities include manufacturing or remanufacturing facilities that can utilize direct connections to the Airport runways. The Port forecasts increased demand for such facilities and would develop such facilities or lease the land to private or corporate parties to develop as the opportunity presents itself.

## **D. Commercial Air Service**

Commercial Air Service, such as scheduled commuter air service, or base facilities for charter carriers remain a priority goal of the Port. The Port has existing infrastructure that can support small schedule commercial air service, and the Port will conduct a study of future airport needs and facilities in 2009.

## **E. Other Airport Facilities**

Currently the Airport is developing and rehabilitating a number of facilities, including:

- i. Realign Taxiway Foxtrot. This project improves the operations of the ground circulation pattern by improving the intersection alignments of the taxiways.
- ii. Corporate District Road Access. This project facilitates private development within this area.
- iii. Rehabilitate Taxiway Charlie & N. Whiskey. As part of ongoing re-investment in Airport infrastructure, this forecasted project renews and extends the life of Taxiway Charlie and N. Whiskey.
- iv. Rehabilitate Two Taxilanes. Part of ongoing re-investment in Airport infrastructure, this project renews and extends the life of the taxilane pavement.
- v. SE GA Access Road. The development of this road facilitates the development of hangars and other airport support facilities in this area of the airport.
- vi. Washington State Patrol (WSP) Hangar Life Cycle Cost Evaluation. This hangar, currently occupied by the WSP, is well beyond useful life. This project evaluates the life cycle and reinvestment costs associated with this facility to assist in capital decision-making.
- vii. South Hangars Access Road. This project provides access to future hangars that may be developed as demand develops for additional aircraft storage areas.

## **NewMarket Potential Future Projects**

### **A. NewMarket Stormwater Improvements**

This project involves using a strategy that provides a return to the Port based on the highest and best use of land and keeps Kimmie Road open during high groundwater periods. Potential solutions involve an overflow conveyance system, fill of lands, or some combination. Estimate is maximum cost based on AHBL projections.



# Port of Everett Environmental Cleanup Program *Presented to Port of Olympia*

## Approach and Outcomes

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Erik Gerking, Director of Env. Programs  
October 17, 2022





# Discussion Overview

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- ✓ About the Port of Everett
- ✓ Environmental Cleanup Strategy
- ✓ Project Examples
- ✓ Lessons Learned

# About the Port of Everett

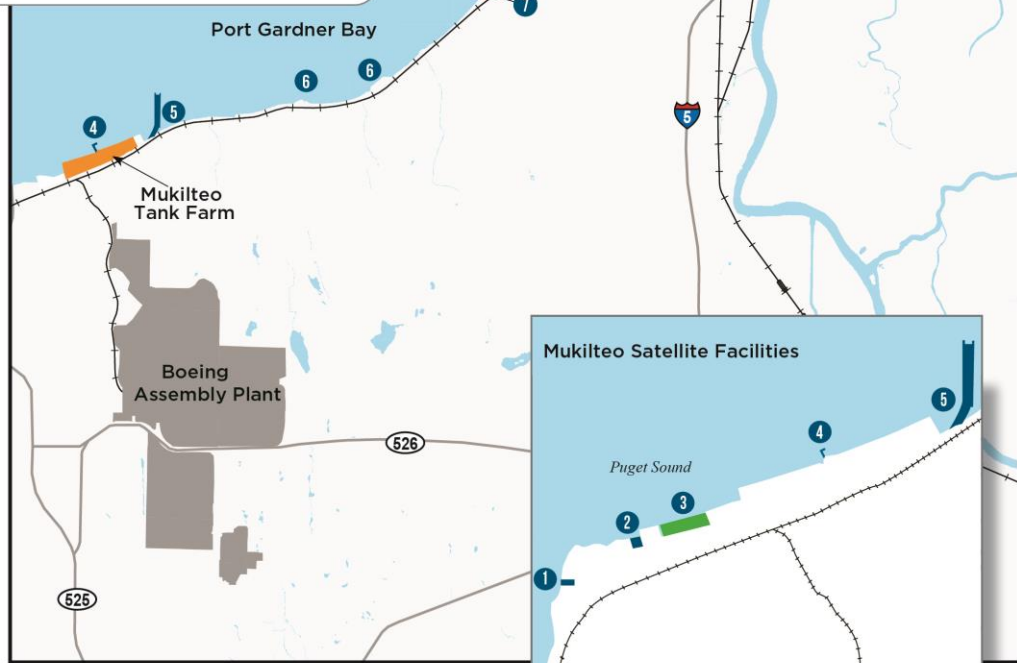
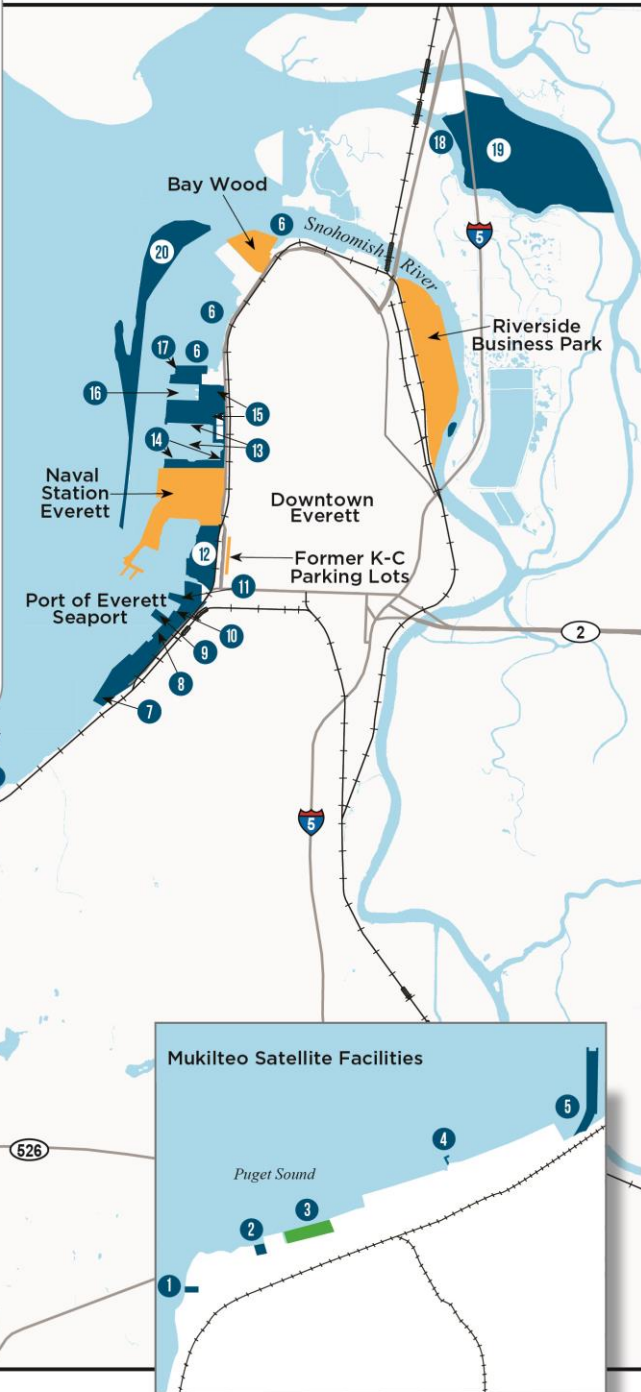
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- ✓ The Port District and boundaries formed in 1918; serves nearly 100,000 people
- ✓ Not countywide
- ✓ Governed by three elected commissioners
- ✓ Special Purpose District 'economic development'
- ✓ Supports 40,000 jobs in the region
- ✓ Contributes \$433M in state & local taxes
- ✓ Operate three lines of business; Seaport, Marina, Real Estate
- ✓ Homeport to Naval Station Everett
- ✓ Largest public marina on the West Coast
- ✓ Everett's customs district ranks 2<sup>nd</sup> in the state at \$21 BILLION in exports (including airplanes)
- ✓ 3<sup>rd</sup> largest container port in the state

# Port Properties & Facilities Map

1. LIGHTHOUSE PARK PROPERTY
  2. MUKILTEO PARKLET
  3. NOAA SITE
  4. MUKILTEO PUBLIC DOCK
  5. MT. BAKER TERMINAL
  6. TIDELANDS
  7. SOUTH TERMINAL
  8. PACIFIC TERMINAL
  9. PIER 1
  10. HEWITT WHARF
  11. PIER 3
  12. NORTON TERMINAL (FORMER K-C MILL SITE)
  13. SOUTH & CENTRAL MARINAS
  14. MARINA & PORT GARDNER LANDING
  15. WATERFRONT PLACE
  16. NORTH MARINA
  17. JETTY LANDING & BOAT LAUNCH
  18. UNION SLOUGH MITIGATION BANK
  19. BLUE HERON SLOUGH MITIGATION BANK
  20. JETTY ISLAND
- 
- CURRENT OWNERSHIP
  - SOLD FOR ECONOMIC DEVELOPMENT
  - FUTURE SITE ACQUISITIONS





# Strategic Plan

“The Port integrates Environmental Stewardship into all aspects of its operations..”

## VISION, MISSION, CORE VALUES

---

### VISION:

The Port's vision is to create quality jobs and support a healthy and attractive quality of life for District residents and businesses. We do this, in part, by investing in a balanced waterfront that improves the region's economy, commerce, community, environment, recreation and supporting high-functioning infrastructure.

### MISSION:

Enhancing maritime commerce, jobs and a healthy community

### CORE VALUES:

- ✓ Highest ethical standards
- ✓ Honor our commitment to our community
- ✓ High-performers that value the privilege of public service
- ✓ Embrace the richness of a diverse community
- ✓ Responsible stewards of community resources and the environment
- ✓ Dependent and supportive partner

*All values and practices institutionalized from the previous Port of Everett Strategic Plan should continue.*



# Environmental Stewardship Program Memberships



2007



2016

# **Comprehensive Cleanup Program**

---

# Port of Everett Leadership on Environmental Cleanup

---



DAVID  
SIMPSON  
DISTRICT 1



TOM  
STIGER  
DISTRICT 2



GLEN  
BACHMAN  
DISTRICT 3



LISA  
LEFEBBER  
EXECUTIVE DIRECTOR

“It is in the best interest of the community and the Port to turn these brownfield sites into economic assets, which is why we have taken an aggressive approach to our environmental cleanups. These cleanups don’t get less expensive or less complex.”





# Cleanup Program Approach and Goals

---

- ✔ Lead the cleanup projects
- ✔ Integrate economic and cleanup strategy
- ✔ Bring sites to closure effectively and efficiently
- ✔ Maintain good working relationship with cleanup partners/stakeholders – Strategic Partnership with Ecology and Tribes
- ✔ Cost Control  
(preserve and enhance cash flow)
  - ✔ *Effective use of legal & technical resources*
  - ✔ *Leverage funding strategies  
(e.g., grants/loans/PLP contributions)*





● Active Cleanup Projects

○ Completed Cleanup Projects

**Total Progress:**

- ✓ Upland cleanups are about 85% complete
- ✓ In-water cleanups are upcoming

Weyerhaeuser  
Everett East

Mill-A  
Kimberly-Clark  
East Waterway

14<sup>th</sup> Street VCP  
Everett Shipyard  
Phase 1 VCP  
ABW VCP  
Ameron-Hulbert  
West End  
TC Systems

Bay Wood



Restores healthy land and water from our City's mill town past; Port works in partnership with legacy parties to clean up sites



Puget Sound Initiative (2006) identified 215 acres to be cleaned up, all either complete or under cleanup action now



Facilitated more than \$33M in cleanup since early 2000s; \$25M at the destination waterfront



For every \$1 spent on environmental cleanup, \$7 in economic output is generated



In the next few years, the Port will double its environmental cleanup investment on the waterfront

# WHY CLEANUPS MATTER



# Lessons Learned

## How to win

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NEVER EVER GIVE UP!

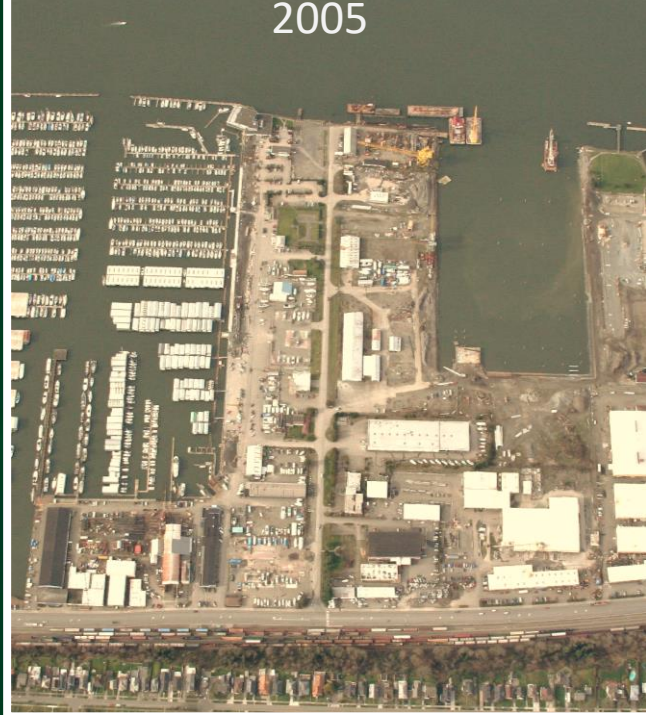


- Strategic organizational alignment (DNA) – think big:
  - Is the cleanup a priority for and is it integrated with the core vision and mission of the organization?
- Team sport: ***Everyone has a key role.*** Commission, CEO, Finance, Legislative, Business Leaders, Regulatory/Environmental, Communications, Planning/Permitting, Administrative, Consultants, Attorneys, etc.
- Combine cleanup with capital development to maximize/expedite environmental and economic returns to the community
- Partnerships: build trust through transparency and care for your partners interests
- Be patient, flexible, and opportunistic: strike while the iron is hot
- Be creative/innovative and have a good attitude: generate high value opportunities that you didn't know existed
- Communicate, communicate, communicate



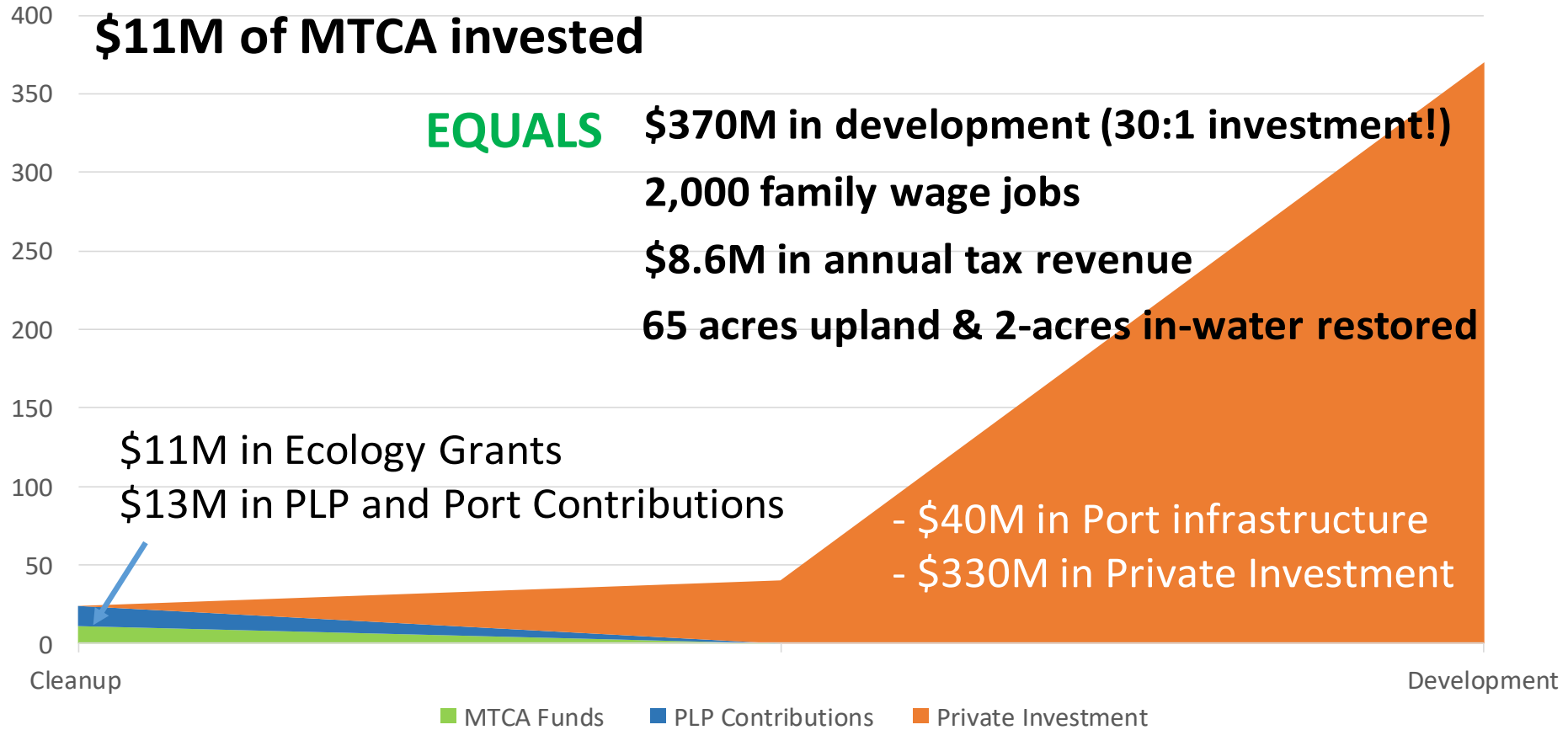
# Waterfront Place Cleanups **COMPLETE**

- ✔ *Between 2006 – 2015, completed innovative cleanup across 65-acre Waterfront Place*
- ✔ *Removed 150K+ tons of contaminated soil, remediated groundwater plumes, dredged contaminated soil, removed creosote structures/piling, etc.*
- ✔ *Destination waterfront; 1.5M sf, public/private investment*



**WPPA Environmental  
Project of the Year**

# Waterfront Place Central Cleanup & Development Investments





# Waterfront Place Cleanup Sites





# Vision: Everett Shipyard to Fisherman's Harbor

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# Everett Shipyard Site Cleanup

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## Project:

- ✔ Leveraged Funding Sources
  - MTCA RAG, PLP Settlement
- ✔ Accelerated Permitting
- ✔ Enhanced Project Delivery
  - Cross-functional team*
  - Engineering and Construction*

## Organization

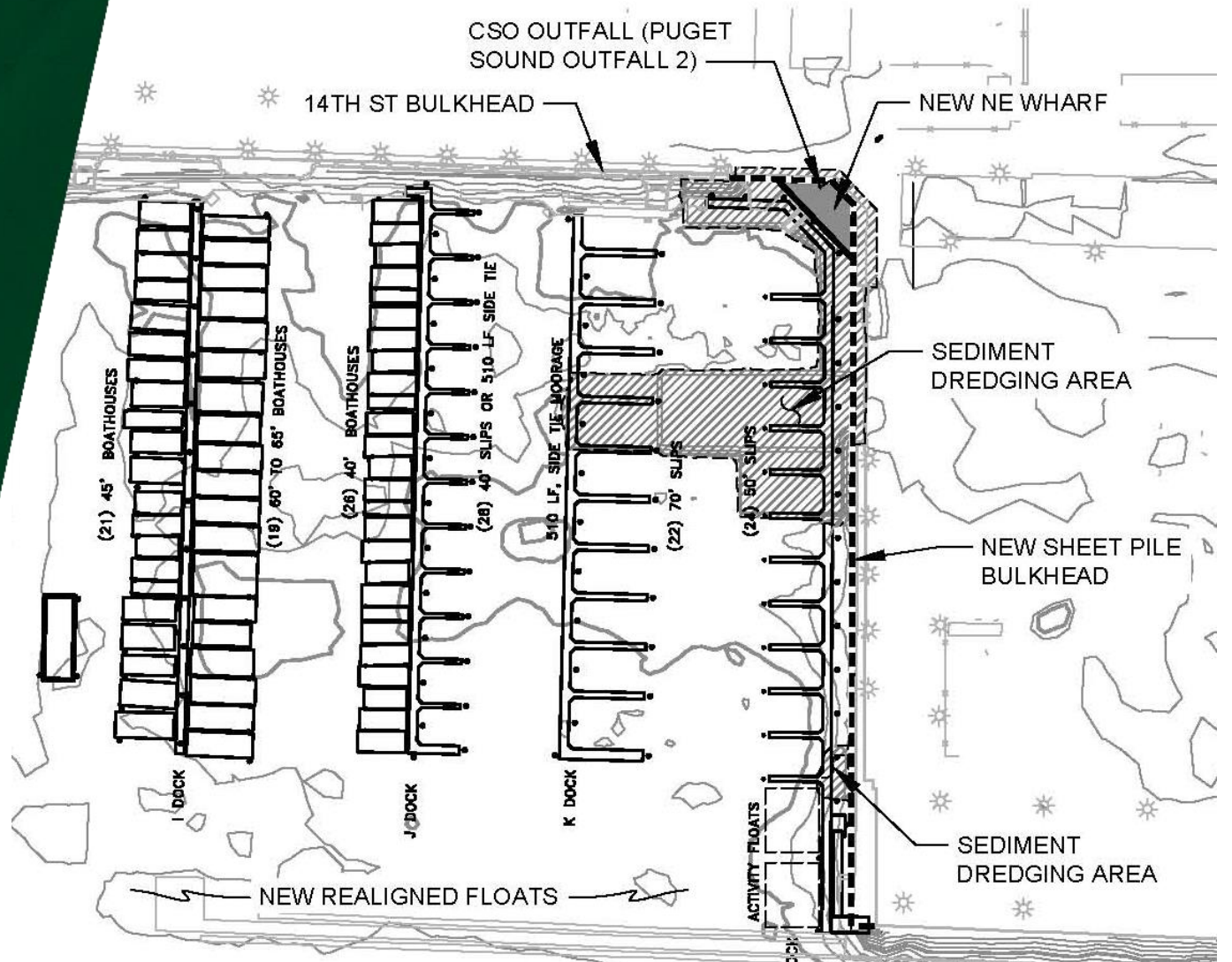
- ✔ Catalyzed decision making
- ✔ Enhanced team morale



# ESY Cleanup Permitting

## Permitting:

- Timeframe: Typical 18-month process, trimmed to 7 months complete in <math>\frac{1}{2}</math> the time
- Corps of Engineers issued a Nationwide 38 Permit and a Letter-of-Permission for infrastructure
- Conclusion: net environmental benefit of cleanup paid off





# ESY Cleanup Stormwater

## MTCA Element

Recent Port led Puget  
Sound Partnership  
water quality project  
with City of Everett

## Modular Wetland Systems

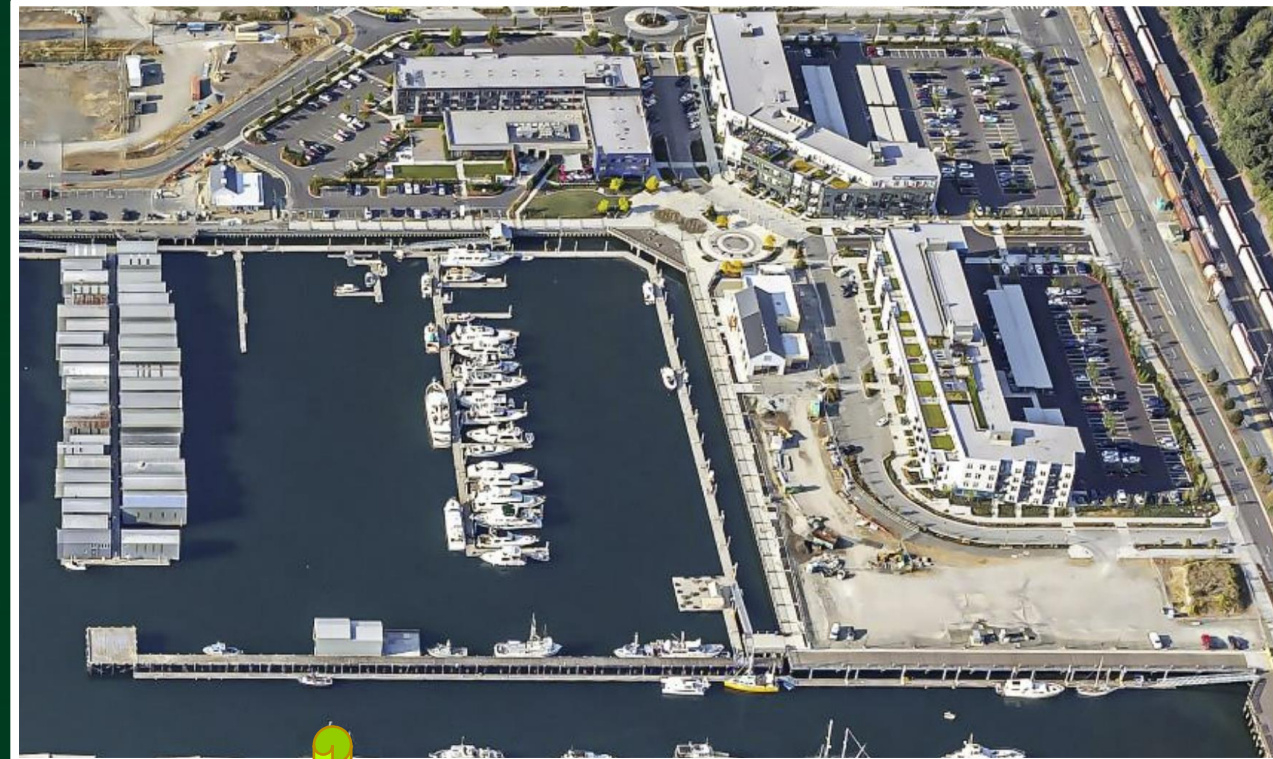




# Fisherman's Harbor Realized

2007

2022



ACEC **Gold** Award  
Sustainable Design



# Riverside Business Park **COMPLETE**

- ✓ 85-acre former Weyerhaeuser Mill B that operated from 1915-1980s; Port purchased the site in 1998
- ✓ Improvements included cleanup of legacy contamination, raising site out of flood plain, public infrastructure (roadways, utilities, trails, etc.)
- ✓ Light industrial users supporting regional services from aerospace supply chain to trucking & distribution
- ✓ Jobs Created:  
600 direct, and 2,400 indirect
- ✓ Funding: Port Partnered with Ecology on ASARCO bankruptcy settlement (10M set aside for this project)

1915



WPPA Award  
Job Generator of The Year  
2021



# Bay Wood Site

## COMPLETE

- ✓ Former sawmill site operated by Bay Wood until mid-1990s
- ✓ Port & Ecology completed the upland cleanup, shoreline cleanup & habitat restoration in 2021
- ✓ Permitting: Accelerated Local Permitting and buffer reduction
- ✓ Funding: Shoreline 90% MTCA RAG (\$2.5M)  
Private Investment \$30M
- ✓ Jobs: 300 direct, 1,000 indirect



ACEC  
Gold Award  
Sustainable Design  
2021

AAPA  
Environmental  
Improvement  
Award 2021

WPPA  
Environmental Project  
of the Year 2022



# Weyerhaeuser Mill-A Site **ACTIVE CLEANUP**

- ✔ Port working with Weyerhaeuser & Ecology to determine cleanup options for Weyerhaeuser's former Mill A site
- ✔ Encompasses Port's South & Pacific Terminal berths & surrounding bay
- ✔ Current and Future Site use considerations: Strategic Seaport designation and larger ships
- ✔ In-Water and Upland Cleanup Separated
- ✔ Funding:  
MTCA RAG / MTCA Loan  
Extended Grant Agreement (2022)





# Kimberly-Clark

## Nearing Completion

- ✓ 40-acre MTCA site; follows thorough upland cleanup action by K-C, a requirement of the 2019 Port's purchase
- ✓ Integrated cleanup & redevelopment to install environmental cap to cover any residual contamination & improve groundwater; doubles as terminal.
- ✓ Funding:  
\$200K: Integrated Planning Grant  
\$9M MTCA RAG Grant funding  
\$17.7M MRAD BUILD Grant
- ✓ Permitting:  
Formal MTCA action accelerated local permitting





# East Waterway

## **ACTIVE CLEANUP**

- ✔ *Developed in early 1900s; hub of industry being home to two major mills, shipyards, shipping and heavy industry*
- ✔ *Legacy pollution now being addressed by through Ecology's formal state cleanup process under Agreed Order*
- ✔ *Setting the stage for future site use investments integrated with cleanup*





# Blue Heron Slough & Tribal Partnership

## Nearing Completion

- ✓ 365 Acres intertidal marshland/wetland habitat restoration project/conservation bank
- ✓ Nine (9) miles of constructed channels, breaching agricultural dikes
- ✓ Benefits juvenile salmon, bull trout, waterfowl, wildlife, tribal interests, flood mitigation, water quality, etc.
- ✓ Project being done in partnership with private, public & tribal partners





# Partners and Friends





# Lessons Learned

## How to win

---

NEVER EVER GIVE UP!



- Strategic organizational alignment (DNA) – think big:
  - Is the cleanup a priority for and is it integrated with the core vision and mission of the organization?
- Team sport: ***Everyone has a key role.*** Commission, CEO, Finance, Legislative, Business Leaders, Regulatory/Environmental, Communications, Planning/Permitting, Administrative, Consultants, Attorneys, etc.
- Combine cleanup with capital development to maximize/expedite environmental and economic returns to the community
- Partnerships: build trust through transparency and care for your partners interests
- Be patient, flexible, and opportunistic: strike while the iron is hot
- Be creative/innovative and have a good attitude: generate high value opportunities that you didn't know existed
- Communicate, communicate, communicate



# Thank You

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## Q&A





## COVER MEMO

**Briefing Date/Time:** July 22, 2024

**Staff Contact/Title:** Warren Hendrickson, Director of Operations  
360.528-8050, [warrenh@portolympia.com](mailto:warrenh@portolympia.com)

**Subject:** Option to Ground Lease 5<sup>th</sup> Amendment –  
Panattoni/New Market Industrial Campus

**Purpose:**  Information Only  Decision Needed

### Overview:

- Advisory item – No action required
- Action item planned for August 12, 2024 Commission meeting

### Background:

On July 13, 2020, the Port entered into an Option to Ground Lease Agreement with Panattoni Development Company. There have been four amendments to date:

1. September 14, 2020: Acknowledged a potential Development Agreement with the City of Tumwater and adjusted the Due Diligence Period.
2. July 12, 2021: Extended the Option Term, Habitat Conservation Plan (HCP) Completion Date, Phase Plan Approval Period, and further adjusted the Due Diligence Period.
3. December 13, 2021: Extended the HCP Completion Date, further adjusted the Due Diligence Period, and set conditions for reimbursement of certain expenses incurred by the lessee that benefit the Port.
4. March 1, 2023: Extended the HCP Completion Date to August 31, 2024, further adjusted the due diligence period, and established expectations for the due date of the Good Faith Deposit Note, payable by Panattoni to the Port.

Significant delays continue to have been incurred by the City of Tumwater and the Port – working jointly – in reaching a Bush Prairie Habitat Conservation Plan mitigation agreement with the U.S. Fish and Wildlife Service (USFWS).

The Port and Panattoni therefore now wish to amend the Option Agreement to further extend the HCP Completion Date to February 28, 2025, and to further adjust the Due Diligence Period that accommodates the delayed HCP Completion Date.

**Documents Attached:**

- PowerPoint presentation
- Option to Ground Lease 5<sup>th</sup> Amendment DRAFT

**Summary & Financial Impact:**

- None

**Affected Parties:**

- Port of Olympia
- Panattoni Development Company

**Staff Recommendation:**

Approve the amendment as presented at the August 12, 2024 Commission meeting.






**PORT of OLYMPIA**  
Serving All of Thurston County

## Option to Ground Lease 5<sup>th</sup> Amendment Panattoni ~ NewMarket Industrial Campus

Warren Hendrickson  
Director of Operations  
July 22, 2024




1



## Today's Presentation

*Advisory Only – No Action Required*

- NewMarket Industrial Campus (NMIC)
- Habitat Conservation Plan-related
- Panattoni option to ground lease agreement amendment



2

## Background

### *Panattoni Development Option to Ground Lease Agreement*

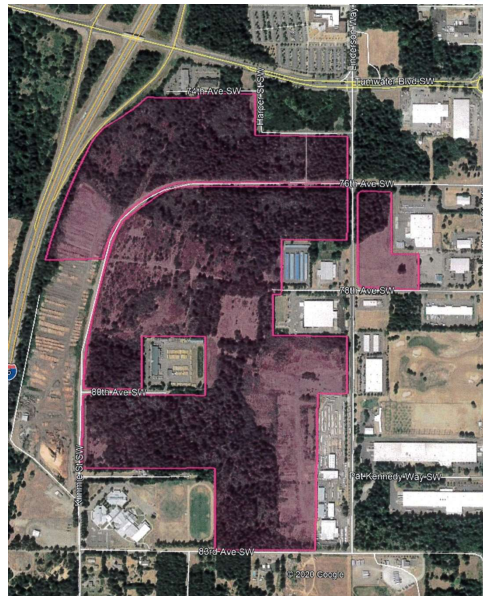
- Option to ground lease agreement between Port and Panattoni Development Company, Inc. executed July 13, 2020
  - Legal entity is SSECC PDC, LLC
- 199 acres in NMIC
- High quality business park
- Mixed use: commercial, business, and light industrial

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## Location



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## Background (cont'd)

### *Panattoni Development Option to Ground Lease Agreement*

- All but 29.27 acres subject to Bush Prairie Habitat Conservation Plan (HCP) approval by U.S. Fish and Wildlife Service (USFWS)
- Option agreement includes a due diligence period for developer to comprehensively evaluate feasibility of developing the optioned premises
- Individual NMIC parcels are expected to be developed over time
- Option term remains in effect until July 12, 2031

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## Background (cont'd)

### *Panattoni Development Option to Ground Lease Agreement*

- Completion of the HCP is a joint Port-City of Tumwater responsibility
- Initial option to ground lease agreement anticipated HCP completion within 24 months of lease execution (i.e., 2022)
- HCP final approval by USFWS has incurred significant delays
- Most recent option agreement amendment (Mar 2023) extended due diligence period and HCP completion date until August 31, 2024
- A further extension will be required

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## History

### *Port-Panattoni History (\*Commission Approved Items)*

- Jul 2020: \*Execution of option to ground lease agreement
- Oct 2020: \*Amendment 1 – Development agreement conditions
- Jul 2021: \*Amendment 2 – Subdivision application and extension of terms
- Jul 2021: \*Approval of Standard Lease Form
- Jan 2022: \*Amendment 3 – Extension of terms and expense reimbursement
- Feb 2022: Phase 1 & 2 Port Approvals – Subdivision and Lot 1 development
- Mar 2023: \*Amendment 4 – Extension of terms
- Dec 2023: \*Approval of amendment to Standard Lease Form

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## Option to Ground Lease

### *5<sup>th</sup> Amendment: Additional Six-Month Extension*

- Amendments #2, #3, and #4 each extended the HCP completion date
- Amendment #4 anticipated an HCP completion date no later than August 31, 2024
- New amendment #5 will extend the due diligence and HCP completion dates to February 28, 2025
  - Mirrors amendment #4 language except for date

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## Option to Ground Lease

### *5<sup>th</sup> Amendment*

- Commission approval of the Option to Ground Lease 5<sup>th</sup> Amendment is *not* Commission approval of a ground lease
- Effect of action: Extension of due diligence period to accommodate HCP completion
- All future amendments and ground leases under this option agreement will be subject to separate Commission actions at the appropriate time

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## Option to Ground Lease


### *5<sup>th</sup> Amendment*

- August 12, 2024 Commission Regular Meeting
  - Action item
  - Authorize the Executive Director to execute Option to Ground Lease 5<sup>th</sup> Amendment, extending the due diligence and HCP completion dates to February 28, 2025

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# Questions and Comments

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**FIFTH AMENDMENT  
TO  
OPTION TO GROUND LEASE AGREEMENT**

This FIFTH AMENDMENT TO OPTION TO GROUND LEASE AGREEMENT (“Amendment”) dated as of August 31, 2024 (the “**Effective Date**”) is made by and between the **PORT OF OLYMPIA**, a Washington municipal corporation (the “**Port**”) and **SSECC PDC, LLC**, a Delaware limited liability company (“**Developer**”). The Port and Developer entered into an Option to Ground Lease Agreement dated July 13, 2020, concerning approximately one hundred and ninety-nine (199) acres of land located in the New Market Industrial Campus in the City of Tumwater, Thurston County, Washington (the “**Option Agreement**”), which property is more particularly described in the Option Agreement (the “**Optioned Property**”). Any capitalized terms used but not defined herein shall have the meaning ascribed to them in the Option Agreement.

WHEREAS, the Option Agreement was amended by First Amendment dated September 14, 2020, to provide for terms and conditions to apply and negotiate a Development Agreement, and to adjust the Due Diligence Period to accommodate potential delays in obtaining a fully executed Development Agreement; and

WHEREAS, the Option Agreement was amended by Second Amendment dated July 12, 2021, to extend the Option Term, Habitat Plan Completion Date, and the Phase Plan form approval period, and to adjust the Due Diligence Period to further accommodate potential delays in completing the Habitat Plan; and

WHEREAS, the Option Agreement was amended by Third Amendment dated December 13, 2021, to extend the Habitat Plan Completion Date, to adjust the Due Diligence Period, as previously amended by the First and Second Amendments to the Option Agreement, to further accommodate potential delays in completing the Habitat Plan, and to set forth conditions by which the expenses for development studies that benefit the Port may be reimbursed; and

WHEREAS, the Option Agreement was amended by Fourth Amendment dated March 1, 2023, to extend the Habitat Plan Completion Date, to adjust the Due Diligence Period, as previously amended by the First, Second, and Third Amendments to the Option Agreement, to further accommodate potential delays in completing the Habitat Plan, and to clarify the timing for payment of the Good Faith Deposit Note; and

WHEREAS, the Port and Developer wish to amend the Option Agreement to extend the Habitat Plan Completion Date and to adjust the Due Diligence Period, as previously amended by the First, Second, Third, and Fourth Amendments to the Option Agreement, to further accommodate potential delays in completing the Habitat Plan,

NOW THEREFORE, the Parties agree as follows:

1. **Extension of Habitat Plan Completion Date.** The parties hereby agree that the Habitat Completion Date defined in Section 3.2 of the Option Agreement shall be extended to February 28, 2025.
  
2. **Extension of Due Diligence Period.** The parties hereby agree that the Due Diligence Period, as defined in Section 8.1 of the Option Agreement, and as previously amended by the First, Second, Third, and Fourth Amendments to the Option to Ground Lease Agreement, shall be adjusted to expire at 5:00 p.m. Pacific Standard Time on the date that is the later of: (i) ten (10) business days after a final action by the City of Tumwater City Council, and the expiration and resolution of any judicial or administrative appeals, with respect to the Development Agreement, or (ii) at the time the Good Faith Deposit becomes payable in accordance with Section 3 of this Amendment, which is fifteen days after notice from the Port that the Habitat Plan has been completed in accordance with the terms of the Option Agreement, which Habitat Plan Completion Date is expected to occur on or about February 28, 2025.
  
3. **Full Force and Effect.** The rest and remainder of the Option Agreement and any amendment thereto shall remain in full force and effect and is affirmed and ratified by the signature of the parties.

**PORT OF OLYMPIA**, a Washington  
municipal corporation

**SSECC PDC, LLC**, a Delaware limited  
liability company

By: Alexandra K. Smith  
 Title: Executive Director  
 Date: \_\_\_\_\_

By: \_\_\_\_\_  
 Its: \_\_\_\_\_  
 Date: \_\_\_\_\_

**Approved as to Form by Port of Olympia General Counsel**

By: \_\_\_\_\_  
 Chris Pierce-Wright

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



STATE OF WASHINGTON )  
 ) ss  
COUNTY OF THURSTON )

On this \_\_\_\_\_ day of \_\_\_\_\_, 2024, personally appeared before me Alexandra K. Smith, to me known to be the Executive Director at the Port of Olympia, the municipal corporation named in the within and foregoing **Fifth Amendment to Option to Ground Lease Agreement**, and acknowledged to me that she signed the same on its behalf, as she is so authorized to do, as her free and voluntary act and deed for the uses and purposes therein mentioned.

IN WITNESS WHEREOF, I have hereunto set my hand and seal the day and year first above written.

\_\_\_\_\_  
(Print Name) \_\_\_\_\_  
NOTARY PUBLIC in and for the State of Washington,  
residing at \_\_\_\_\_  
My commission expires: \_\_\_\_\_

STATE OF WASHINGTON )  
 ) ss  
COUNTY OF \_\_\_\_\_ )

On this \_\_\_\_\_ day of \_\_\_\_\_, 2024, personally appeared before me \_\_\_\_\_, to me known to be the \_\_\_\_\_ at the entity named in the within and foregoing **Fifth Amendment to Option to Ground Lease Agreement**, and acknowledged to me that he signed the same on its behalf, as he is so authorized to do, as his free and voluntary act and deed for the uses and purposes therein mentioned.

IN WITNESS WHEREOF, I have hereunto set my hand and seal the day and year first above written.

\_\_\_\_\_  
(Print Name) \_\_\_\_\_  
NOTARY PUBLIC in and for the State of Washington,  
residing at \_\_\_\_\_  
My commission expires: \_\_\_\_\_

**RATIFICATION**

This **Lease** shall be subject, as a condition subsequent, to ratification by the Port of Olympia Commission within thirty (30) days after the date set forth on Page 1. This Lease shall be effective and binding on the parties until such time (and thereafter if ratified), the Executive Director having the authority to sign this Lease and bind the Port to all of its material terms. If this Lease is not ratified, it shall terminate and be of no further force and effect.

The undersigned confirms that this Lease was ratified by the Port of Olympia Commission on \_\_\_\_\_, 2024.

Port of Olympia Commission

By: \_\_\_\_\_

Its: \_\_\_\_\_

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

STATE OF WASHINGTON )

) ss

COUNTY OF THURSTON )

On this \_\_\_\_\_ day of \_\_\_\_\_, 2024, personally appeared before me Bob Iyall, to me known to be the President of the Port of Olympia Commission, the municipal corporation named in the within and foregoing **Lease Agreement**, and acknowledged to me that he signed the same on its behalf, as he is so authorized to do, as his free and voluntary act and deed for the uses and purposes therein mentioned.

IN WITNESS WHEREOF, I have hereunto set my hand and seal the day and year first above written.

\_\_\_\_\_  
Print Name: \_\_\_\_\_  
NOTARY PUBLIC in and for the State of Washington,  
residing at \_\_\_\_\_  
My commission expires: \_\_\_\_\_

## COVER MEMO

**Briefing Date/Time:** July 22, 2024

**Staff Contact/Title:** Camille St. Onge, Director of Strategic Initiative & Commission Affairs, 564.669.3100  
[CamilleS@portolympia.com](mailto:CamilleS@portolympia.com)

**Subject:** Port of Olympia Citizens Advisory Committee

**Purpose:**  Information Only     Decision Needed

**Overview:**

- Review subcommittee options for the Port of Olympia Citizens Advisory Committee.
- Review proposed roles, expectations and operating rules into the resolution.

**Background:**

Today, we are providing you with a review of the POCAC policy work we have focused on over the last six months.

**January – July 2024 Policy Work Recap**

When the POCAC expanded to an up-to-17-member group, the Port determined that the structure would need to adapt as well. My position was created and includes liaising with the POCAC and I was tasked with proposing structure improvement.

Since the beginning of 2024, the POCAC members, the executive director and commissioners have been providing input, sharing concerns, giving feedback and weighing in on proposed structure improvements.

Best Practices	Local Expertise	Briefings	Draft Review	Public Presentations
<ul style="list-style-type: none"> <li>• Size</li> <li>• Effective meetings</li> <li>• Work plans</li> </ul>	<ul style="list-style-type: none"> <li>• Counterpart at City of Olympia</li> <li>• 12 committees</li> <li>• Approach</li> </ul>	<ul style="list-style-type: none"> <li>• Gathered feedback</li> <li>• Commission</li> <li>• Staff</li> <li>• POCAC members</li> </ul>	<ul style="list-style-type: none"> <li>• Incorporated commission feedback</li> <li>• Work group session with POCAC</li> </ul>	<ul style="list-style-type: none"> <li>• March Commission meeting</li> <li>• June work session</li> </ul>

**April POCAC Workshop**

In April, the POCAC participated in a workshop-style meeting where you provided feedback on improved roles, expectations, and operating rules. Some highlights from that workshop include:

- Create multiple subcommittees: Budd Inlet Environmental, Destination Waterfront, and Economic Development
- Ensure a main POCAC committee is maintained in addition to subcommittees
- Guidelines on representation to the media
- Conflict of interest language
- Including minority opinions in presentations to the Commission
- Document meeting minutes
- Using Robert's Rules of Order in subcommittee meetings
- Require Open Government Training for new members
- Publish agendas and post minutes online
- Developing work plans to guide subcommittees throughout the year

### **May POCAC Meeting**

The feedback and results of the April Workshop were reviewed at the May meeting. The group then planned out the approach and content to share at the June Commission Workshop.

### **June Commission Work Session**

At the June Commission Work Session, the POCAC had a productive discussion with commissioners. You shared a presentation on improving the Billy Frank Jr. Park and Trail and recommended improvements to the NorthPoint community event center. You also shared your subcommittee recommendations. The conversation was robust and they had an opportunity to learn about your expertise and passion for our community.

### **June POCAC Meeting**

At this special meeting, the group voted on several of the policy recommendations noted earlier in this email. Those policy recommendations have been included in the presentation materials going to the Commission for the July 22 Commission meeting along with the subcommittee recommendations you provided.

The POCAC anticipated forming a second subcommittee with Commission approval. In addition to Destination Waterfront, members self-identified who would make up a new Budd Inlet Environmental Cleanup and Restoration subcommittee.

### **July 22 Commission Meeting**



I have prepared a presentation and documents for the Commission meeting. For situational awareness, please note that commissioners have directed staff to provide multiple options whenever possible when presenting on a topic that requires a decision. You will see that I provide subcommittee options in the July 22, which will include:

- Resolution updates to include new roles, expectation and operating rules
- Subcommittee recommendations

I have attached the draft documents culminating six months of collaborative work. I anticipate the materials for the July 22 commission meeting will be finalized and distributed on Wednesday, July 17.

### **Documents Attached:**

- Commission presentation
- Draft resolution
- Draft roles and expectations
- Draft operating rules
- Existing POCAC rules

### **Options with Pros & Cons:**

At the July work session, the POCAC proposed three subcommittees to the Commission, option C below. Some feedback was shared during that work session, expressing concerns about an economic development subcommittee.

Staff have provided three options for the Commission to evaluate. Option A is the recommendation from the POCAC.

- **Option A:** Budd Inlet Environmental Cleanup and Revitalization, Destination Waterfront, and Economic Development.
- **Option B:** Budd Inlet Environmental Cleanup and Revitalization and Destination Waterfront.

### **Next Steps/Timeframe:**

- Incorporate feedback from the commission.
- Add to Aug. 12 Commission meeting consent calendar.




**PORT of OLYMPIA**  
Serving All of Thurston County

## Port of Olympia Citizens Advisory Committee

Camille St. Onge  
Director of Strategic Initiatives & Commission Affairs  
July 22, 2024




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### Today's Briefing

*Advisory Briefing, No Action*

- Policy update proposal
- Subcommittee proposal



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## Resolution and Operating Rules



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## 2024 Research and Feedback

Best Practices	Local Expertise	Briefings	Draft Review	Public Presentations
<ul style="list-style-type: none"> <li>• Size</li> <li>• Effective meetings</li> <li>• Work plans</li> </ul>	<ul style="list-style-type: none"> <li>• Counterpart at City of Olympia</li> <li>• 12 committees</li> <li>• Approach</li> </ul>	<ul style="list-style-type: none"> <li>• Gathered feedback</li> <li>• Commission</li> <li>• Staff</li> <li>• POCAC members</li> </ul>	<ul style="list-style-type: none"> <li>• Incorporated commission feedback</li> <li>• Work group session with POCAC</li> </ul>	<ul style="list-style-type: none"> <li>• March Commission meeting</li> <li>• June work session</li> </ul>



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## Update to Resolution

### Administrative changes

- Expands ways to meet with the Commission
  - Current: Joint meeting
  - Proposed: Joint, regular business, or work sessions
- Incorporates exhibits for roles, expectations and operating rules



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## Exhibit A

## Roles and Expectations

### Highlights

- Open Government Training
- Align work with strategic initiatives, and mission/vision
- Ethics: Conflict of interest language
- Staff liaisons



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## Exhibit B

# Operating Rules

## Highlights

- Add meeting minute requirement
- Defines process for minority opinions
- Includes subcommittee election process
- Provides meeting process for subcommittees
  - Officers, minutes, publishing agendas



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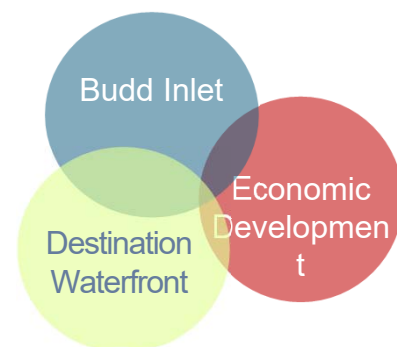
## POCAC Working Meeting

### April 2024

- Presentation on best practices
- Reviewed operating rules
- Break out groups
- Sticky-note, interactive voting

### May 2024

- Strategize Commission work session
- Tangible results: Destination Waterfront public space improvements
- Subcommittee recommendation



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## June Work Session

### Subcommittee discussion

- Budd Inlet Environmental Cleanup and Revitalization
- Destination Waterfront
- Economic Development

### Destination Waterfront Subcommittee

- Report and recommendations



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## Subcommittee Proposal

### A: Three subcommittees

- Budd Inlet environmental cleanup and revitalization
- Destination Waterfront
- Economic development

### B: Two subcommittees

- Budd Inlet environmental cleanup and revitalization
- Destination Waterfront

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## POCAC Chair

**Joel Hansen**

- Feedback and considerations from the committee

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## Questions and Comments





**PORT OF OLYMPIA COMMISSION  
RESOLUTION ~~2023~~2024-09XX**

**A RESOLUTION OF THE PORT OF OLYMPIA COMMISSION regarding the citizen advisory committee known as the Port of Olympia Citizens Advisory Committee (POCAC) and superseding Resolution 2022-15, 2021-06, 2019-03, ~~2019-10,~~ and 2023-09**

**WHEREAS**, the Port of Olympia desires to have a citizen advisory POCAC to advise the Port Commission on matters it may wish to assign to the citizen advisory POCAC from time-to-time; and

**WHEREAS**, this Resolution supersedes Port of Olympia Commission Resolution 2022-15, 2021-06, 2019-03 and 2019-10.

**NOW, THEREFORE, BE IT RESOLVED**, after due consideration it is the determination of the Port of Olympia Commission that:

1. The Port of Olympia Citizen Advisory Committee (POCAC):

The Port of Olympia Citizens Advisory Committee (POCAC) is a Committee of citizens selected through an application process as determined by the Port of Olympia Commission (“Port Commission”). The purpose of the POCAC is to provide advice to the Port Commission on tasks as assigned by the Port Commission. The POCAC is the successor of a former Committee referred to as the Planning Advisory Committee.

2. Composition:

The POCAC shall consist of up to 17 members, with no less than 9 members serving as selected by the Port Commission.

3. Duties:

The POCAC shall advise the Port Commission on matters assigned by the Port Commission. It shall forward written, unsolicited public input received by POCAC members to the Port’s Communication Manager who will determine how such unsolicited input shall be handled.

The Port shall supply an administrative assistant to publish the notice for scheduled meetings, assist the POCAC by scheduling meetings, and other duties as authorized by the Executive Director or designee and the POCAC.

The Executive Director or designee will serve as ex-officio, non-voting member of the POCAC. The Executive Director or designee will provide guidance when requested by the POCAC, and assign Port staff for expertise, if required.

4. Assignments:

The Port Commission will assign tasks to the POCAC, including the scope of any assignment.

The Port Commission will identify the type of work products to be delivered by the POCAC. More than one product type may be requested:

**Commented [CS1]:** For consideration, POCAC members suggested:  
"may choose to select the type of work product delivered by the POCAC. Work product examples include:

- a. **Report or White Paper:** This product will help to create an awareness of policy issues among the Port Commission, staff and the public and to encourage an exchange of information and analysis. It can also serve as an educational tool. The Port Commission may or may not take action or give further direction to the Executive Director upon receipt of this product. The Port Commission may also choose to produce a supplemental document providing comment on a POCAC report of white paper.
- b. **Policy recommendation:** This product will explain the need for a new policy or modification or amendment to an existing policy to better align Port practices with Port values and focus areas. If the Port Commission decides to take action on such a recommendation, direction would be given to the Executive Director and or legal counsel for further analysis and preparation of proposed policy language for Port Commission consideration.
- c. **Project recommendation:** This product would present a recommendation for implementation by the Port. Should the Port Commission choose to take action, direction would be given to the Executive Director to include in the Port's annual budget process.
- d. **Advice to Executive Director:** This product serves to provide analysis and suggestions on current Port operations. Should the Port Commission choose, this product would be forwarded to the Executive Director for consideration. The Executive Director would report back to the Port Commission within a reasonable timeframe on the feasibility of implementation of suggestions and recommendations.
- e. **Citizen Advisory Committee assignment planning documents and supporting products:** This product allows the POCAC to act on assignments received from the Port Commission and develop project plans to carry out their assignments and develop necessary materials and products in coordination with the Executive Director or designee. Cost of goods and products must be within the Port's annual budget and coordinated with Executive Director or designee.

5. Scheduled Meetings:

The POCAC will establish a meeting schedule consistent with the time necessary to complete a work plan and the assignment. The chair of the POCAC shall report periodically and no less than once a year to the Port Commission

6. Community Involvement:

The POCAC shall have the authority to solicit public involvement in many ways, consistent with work plans developed. The POCAC may request legal assistance through the Executive Director or designee with respect to a particular form of public involvement being considered.

Any matter referred to a POCAC Sub-Committee must ultimately be presented to the full POCAC for the POCAC's consideration and approval prior to forwarding any recommendation to the Port Commission.

All of the POCAC's scheduled meetings will be open to the public.

7. Officers and Sub-Committees:

The officers of the POCAC shall be a Chair and Vice Chair to preside and facilitate POCAC meetings and present special reports. The Chair and Vice Chair shall serve no more than two (2) consecutive one-year terms. The Chair and Vice Chair shall be elected by the POCAC members.

The Chairperson of the POCAC, or a designated representative of the POCAC, shall report to the Port Commission no less than once each year on POCAC activities. This report may be provided, in writing, or given verbally at a Joint POCAC/Port Commission meeting, a regular Commission business meeting or work session. The Chairperson of the POCAC shall determine the appropriate format for the report.

Each Sub-Committee will select a member to serve as a chair. The Sub-Committee Chair shall submit updates to the POCAC at regularly scheduled POCAC meeting and present the final report or presentation to the Port Commission.

8. Terms:

The POCAC members shall each serve no more than two (2) consecutive terms for a total of six (6) years. A full term is three-years. Each year the Port Commission shall appoint or reappoint persons to fill the expiring terms. At its discretion, the Port Commission will decide when it will fill a vacancy of an unexpired term. If four or more member's terms will expire simultaneously, the Port Commission has the discretion to establish a different schedule for the appointments or reappointments to prevent simultaneous expirations.

9. Selection of New Members:

The process to select new members will consist of press releases to local media advertising the vacancy, recruitment process, and posted on the Port's website. The interview team will consist of the Port Commission Vice President or Port Commissioner Designee, the Executive Director or designee, and the incoming Chair of the POCAC. Copies of each application will also be sent to all Port Commissioners for their review.

The Port may use automated tools, such as NEOGOV®, website application, or similar software, to intake and process applications for new POCAC members.

The interview team will interview and evaluate each applicant based on past volunteer activities, private/public work experience, experience or knowledge regarding the Port of Olympia, representation of the five (5) Port Commissioner Districts in Thurston County, and reason(s) for wanting to serve on the POCAC. In making recommendations for appointment, the interview team will strive to maintain at least two members of the POCAC from each of the five (5) Port Commissioner Districts in Thurston County. After completion of all applicant interviews, the Port Commissioner serving on the interview team will recommend the appointment of the new member(s) at a regularly scheduled Port Commission meeting.

10. Approval of Travel and Other Expenses:

The Port Commission will budget annually for unanticipated expenses and travel for POCAC members. The POCAC Chair shall request approval of travel and other expenses for POCAC members to the Executive Director or designee. All expenses shall be consistent with Port travel and reimbursement policies. Any amount over the annual budget will come back to the Port Commission for approval.

11. Roles, Expectations and Operating Rules:

Members of the POCAC and subcommittees shall adhere to the roles, expectations and operating rules as outlined in “Exhibit A and Exhibit B” of this resolution.

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**ADOPTED** by a majority of the members of the Port Commission for the Port of Olympia, a majority being present and voting on this Resolution at a regular Port Commission meeting on ~~November 27~~August 12, 2023, as attested to by the signatures below of the Port Commissioners physically present this ~~27<sup>th</sup>~~XX day of ~~November 2023~~August 2024.

**PORT OF OLYMPIA COMMISSION**

By: \_\_\_\_\_  
~~Bob Iyall~~Amy Evans Harding, President

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By: \_\_\_\_\_  
~~Joe Downing~~Jasmine Vasavada, Vice President

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By: \_\_\_\_\_  
~~Bob Iyall~~Sarah Tonge, Secretary

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Amy Harding

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Maggie Sanders

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# Port of Olympia Citizens Advisory Committee Rules of Operation

Approved by the Port Commission 12-13-2021  
Adopted by the POCAC 11-16-2021

## 1. General

The Port of Olympia Citizens Advisory Committee (POCAC) operates under the authority of Port Resolution 2021-06. A copy of the resolution is incorporated by reference as if fully set forth herein. If any conflict between any rules of the POCAC and the Resolution arises, the Resolution shall take precedence.

## 2. Meetings of the POCAC

### *a. Committee of the Whole*

Regular meetings of the POCAC are scheduled the 3<sup>rd</sup> Tuesday of every month at 6:00 p.m. at the Port of Olympia, Percival Plaza, 626 Columbia Street NW, Suite 1-B, Olympia, Washington, unless otherwise specified.

The agenda will be circulated to the membership five (5) calendar days preceding the meeting and shall be simultaneously published on the Port of Olympia website. Scheduled meetings of the POCAC shall not extend beyond two (2) hours without the consent of the members present. The Open Public Meetings Act Chapter 42.30 RCW applies to all meetings of the POCAC when operating as a Committee of the Whole.

### *b. Meetings of POCAC Sub-Committees*

POCAC Sub-Committees may meet at times and locations to be determined by consensus of the members of the sub-committee. In no case shall Sub-committees constitute a quorum, and the decisions and recommendations of the Sub-Committees shall not be binding on the POCAC. (See also Section 4 "Sub-Committees" below)

POCAC Sub-Committee meetings scheduled by the Sub-Committee Chair are not a meeting of the committee as a whole and therefore not subject to the public agency Open Public Meetings Act Chapter RCW 42.30.

### *c. Special meetings*

Special meetings may be set and conducted by the POCAC to accomplish specific tasks within the work plan or to meet schedules as agreed to by the POCAC. Special meetings may also be scheduled to facilitate POCAC activities such as open houses, and workshops as approved and/or directed by the Port Commission. The Chair may call a special meeting of the POCAC by notifying the Commission Coordinator of the proposed meeting date and business to be transacted. Notice of a requested special meeting under this provision must

be provided sufficiently in advance of the requested special meeting date to allow Port staff to provide required twenty-four (24) hour written notice of the meeting to POCAC members and to provide adequate public notice of the meeting and agenda, both of which are required under the Open Public Meetings Act. A special meeting is limited to the matters identified in the notice.

#### ***d. Quorums***

A meeting of the POCAC may be conducted with less than half of the currently serving committee members present. However, no actions of the POCAC shall be taken without a quorum of the then appointed members, for example, 5 members if there are only 9 members, 7 if there are 12 members who have been appointed.

In the event both the Chairperson and Vice Chairperson resign their office, the most immediate past Chairperson still serving on the POCAC presides until an election process is complete. In this interim period there is no Vice Chairperson.

Should the most immediate past Chairperson no longer be a member of the POCAC, the POCAC members shall select a current member to fill out the remaining term until the next election.

#### ***e. Public Comment***

The POCAC will designate a period for public comment at its regular meetings. Public comment shall follow the rules and procedures for public comment at Port Commission meetings as set forth in the Port Commission resolution specifying Rules Governing the Transaction of Port Commission Business as may then be in effect; except that provisions governing the use of electronic media during public comment shall not apply to POCAC meetings. Public comment received at POCAC meetings shall be limited to comment on those specific items listed on the monthly Agenda or assignments that the Port Commission has given to the POCAC. The Chair (or acting Chair) should direct any other public comment to the Port Commission or Port Staff via the communication avenues provided, i.e., Port Commission meetings, email, website, phone, etc.

The Port shall inform the POCAC of other public inquiries by providing the POCAC with any reports it prepares to summarize such inquiries.

A Port Commissioner or any Port Staff may ask any POCAC member to observe or participate in their meetings with other members of the public.

The POCAC Chairperson may include citizen presentations on POCAC agendas, provided the subject matter is related to items on the monthly Agenda or assignments that the Port Commission has given to the POCAC.

### **3. Officer Elections**

At the monthly September meeting of the POCAC, a Nominating Committee will be formed from the interested membership. Members of the Nominating Committee shall excuse themselves from standing for office as the Chairperson or Vice Chairperson. Between the September monthly meeting and the October monthly meeting, the members

of the Nominating Committee will poll all other POCAC members to ascertain their interest in being either Chairperson or Vice Chairperson. The Nominating Committee will then put forward a slate of interested Committee members who have served on the POCAC for a minimum of one year for the positions of Chairperson and Vice Chairperson. It is desirable to have more than one candidate for each office and nominations shall be accepted from the floor for any member. The POCAC will approve a ballot at the October monthly meeting and this ballot will be either:

- a.) created and sent out by U.S. mail by a designated Port of Olympia staff member to each Committee member allowing for two weeks for members to return their ballots to the Port staff member or,
- b.) created and sent out via e-mail by a designated Port of Olympia staff member to each Committee member allowing for two weeks to return the vote via e-mail to the Port staff member.

The Port staff member shall then forward the cast ballots to the Nominating Committee. The Nominating Committee will then count the ballots, and in the event of a need for a runoff or in case of a tie, a new ballot will be presented to the POCAC at the November monthly meeting. If there is no need for a runoff or an additional election, the Nominating Committee will announce the results of the vote at the November monthly meeting or the next available regularly scheduled monthly meeting.

The newly elected Chairperson and Vice Chairperson will assume their leadership positions at the January monthly meeting. The Vice Chairperson does not automatically assume the role of Chairperson the following year but rather serves to fill in if the Chairperson is absent, or to fill in for the remainder of the term if the Chairperson resigns. In the event the Chairperson resigns an election for a new Vice Chairperson will be conducted as described above unless there are less than three months remaining in the term of office year in which case the position may remain vacant. An elected term is 1 year. The Chair and Vice Chair shall serve no more than two (2) consecutive one-year terms.

## **4. Sub-Committees**

Sub-Committees may be established by the POCAC for the purpose of additional analysis and/or review required to accomplish the Port Commission assigned task(s). Any matter referred to a Sub-Committee must ultimately be presented to the full POCAC for consideration for approval prior to forwarding any recommendation to the Port Commission.

## **5. Decision Process**

### ***a. General***

To the extent possible, the POCAC intends to operate by the consensus of the membership, however, as a diverse group of citizens, it is recognized consensus may not always be achievable. The Port Commission values and welcomes the advice of each member of the POCAC and therefore would expect to hear the range of comments and advice from the majority, minority, or single individual in cases where there is no consensus.



### ***b. Call for a Vote***

When it is necessary to establish clear decisions by the membership to be relayed to the Port Commission as envisioned by the Resolution, a vote of the POCAC will be taken and reported to the Port Commission as such. A member may call for a vote, after being recognized by the Chairperson, by making a motion to call for a vote. The motion must be seconded by a second member of the POCAC.

## **6. Attendance**

The Port Commission values and appreciates citizens' willingness to volunteer, actively participate, and provide advice as a member of the POCAC. Participation in scheduled POCAC meetings (and participation in Sub-Committee meetings, if assigned), is important to stay current with, and actively contribute to, the POCAC's role of providing relevant advice to the Port Commission on the assigned tasks. Attendance at scheduled POCAC meetings, and POCAC Sub-Committee meetings if assigned, is expected. If a member does not attend at least 60% of the scheduled meetings or assigned Sub-Committee meetings during the course of a year (starting January 1, ending December 31) without advanced notification of absence to the Chair and Vice Chair, the person's membership on the POCAC will automatically be forfeited for the balance of member's term.

## **7. Reports to the Port Commission**

The Chairperson of the POCAC, or a designated representative of the POCAC, shall report to the Port Commission no less than twice each year on POCAC activities. This report may be provided in writing or given verbally at a Joint POCAC/Port Commission meeting. The Chairperson of the POCAC shall determine the appropriate format for the report.

Final POCAC product reports will be presented to the Port Commission in accordance with the Port of Olympia Commission Resolution, paragraph 4. Assignments.

## Port of Olympia Citizens Advisory Committee Roles & Expectations

The Port of Olympia Citizens Advisory Committee (POCAC) operates under the authority of Port Resolution 2021-06. A copy of the resolution is incorporated by reference as if fully set forth herein. If any conflict between any rules of the POCAC and the Resolution arises, the Resolution shall take precedence.

### 1 Overview of the Port of Olympia Citizens Advisory Committees

The Citizens Advisory Committee and its sub-committees, the Port of Olympia, offer a structured platform for dedicated community members to actively engage in the port's initiatives. These committees serve as a cornerstone for Citizens participation, enabling individuals to contribute insights, study pertinent matters, and craft recommendations within a focused, small group setting.

The fundamental objective of these committees is to furnish astute counsel, drawing from the diverse perspectives of our community to the Port Commission—the elected body responsible for shaping the port's policies.

Key responsibilities of the Port of Olympia Citizens Advisory Committees encompass in-depth examination of pivotal issues, solicitation and consideration of public input, independent research endeavors, and review of reports and proposals. These activities are designed to equip the committee with a comprehensive understanding, enabling them to deliberate, formulate, and present well-considered recommendations to the Port Commission promptly and effectively.

In alignment with industry best practices, members are encouraged to bring forth their expertise, engage in constructive discourse, and uphold the highest standards of integrity and transparency throughout their tenure. This collaborative approach ensures that the advisory committees serve as an invaluable conduit between the Port of Olympia and the community it proudly represents.

### 2 Advisory Committee Duties and Responsibilities

The Port of Olympia Board of Commissioners sets out the Citizens Advisory Committee's objectives, authority, composition and tenure, roles and responsibilities and reporting, administrative and governance arrangements.

The Advisory Committee's objective is to provide appropriate independent advice and recommendations to the Port of Olympia Commission on matters relevant to their committee work plan.

**2.1 Develop annual work plans:** The committee as a whole and its subcommittees are expected to propose annual work plans to the Port of Olympia Board of Commissioners for consideration, preferably by March 1 of each year. In developing the work plans, committees are to consider:

- Commission established or adopted goals and priorities, including the Port's Comprehensive Scheme of Harbor Improvements, Vision 2050, strategic plans, master plans, and budget.
- Resource availability: budget, staff support, committee member time and departmental work priorities.
- Committee member knowledge, interest, and expertise.

All work plans are formally reviewed and approved by the Commission after review by the Citizens Advisory Committee as a whole.

The Commission requests that plans be developed using the template provided by Port staff that includes:

- Outlining the past year's accomplishments and highlighting the top two proposed priorities.
- Respective department director or staff liaison addressing resource availability to accomplish the work items and relationship of the proposed items to planned departmental activities for the year.

During its review, the Commission may change or modify a committee's proposed work plan to reflect the Commission's priorities, available resources, and emerging issues. Once approved, the work plan serves as the basis for a committee's focus and effort during the year.

By adhering to these guidelines, committees ensure a strategic and collaborative approach to addressing key issues, aligning their efforts with the overarching goals and priorities of the Port of Olympia, and fostering effective communication and transparency within the advisory process.

## **2.2 Ethical Behavior and Community Representation**

**2.2.1 Conflict of Interest:** Advisory Committee members will not participate in providing advice or comments to the Commission, staff or other Committee members on any matter in which they have a financial interest. Additionally, Advisory Committee members will not participate in the making of any Commission contract in which they have a financial interest. If an Advisory Committee member has a conflict of interest, he/she will disclose such conflict to the other members of the Committee and file a written statement disclosing the conflict with the Executive Director or executive director designee.

**2.2.2 Official Port Communications:** Advisory committee members will not claim or imply that they are speaking on behalf of the Port unless they have been specifically approved to do so by the Port's Communications Department.

**2.2.3 Committee comments and communications:** Committee members will not include comments about individual members of the public or Port staff in general commentary or comments regarding committee work.

### 3 Coordination with Internal Staff

At the Port of Olympia, each advisory committee is paired with an assigned staff liaison. Additionally, the Port's Director of Strategic Initiatives and Commission Affairs is the primary liaison connecting the committees with the Port Commission and the Executive Director.

The term "liaison" is intentionally chosen to describe the role of staff members in relation to the committees, emphasizing their function as communicators and facilitators of collaboration.

Port of Olympia's staff liaisons carry out a range of responsibilities tailored to the needs of each committee, past practices, available time, and departmental resources. In general, the duties of a staff liaison include:

- Ensuring compliance with state laws regarding meeting notifications and recordkeeping.
- Serving as a vital communication conduit between the committee and Port administration, departments, and the Port Commission, as deemed necessary.
- Providing professional guidance, conducting issue analysis, and offering recommendations to assist the committee in its work.
- Assisting with research, report preparation, and correspondence in alignment with the committee's work plan approved by the Port Commission, while considering workload and availability.
- Ensuring that the mission and purpose of the advisory committee remain clear and are effectively communicated to the Port Commission in a timely manner following decisions.
- Supporting the committee in maintaining focus and progress towards its objectives.
- When requested by the committee or the Port Commission, presenting advisory committee recommendations to the Port Commission for consideration.
- Cultivating a positive and collaborative working relationship with the committee Chair and members.

It is important to note that the liaisons are seasoned professionals with significant responsibilities beyond their role as committee liaisons. Typically, they possess expertise in the same work area as the committee, bringing valuable insights and guidance to the advisory process. Importantly, liaisons do not work "for" or "at the direction of" the committee but collaborate closely with committee members to develop informed recommendations for the Port Commission's consideration.

### 4 Required Open Government Training

All Port of Olympia Citizens Advisory Committee members are required to receive Open Government Training within 90 days of appointment and a refresher training every four years. Each committee's staff liaison will work with new members to ensure they have access to training. Training is available on the Washington State Office of the Attorney General at: <https://www.atg.wa.gov/open-government-training>



## Port of Olympia Citizens Advisory Committee Operating Rules

The Port of Olympia Citizens Advisory Committee (POCAC) operates under the authority of Port Resolution 2021-06. A copy of the resolution is incorporated by reference as if fully set forth herein. If any conflict between any rules of the POCAC and the Resolution arises, the Resolution shall take precedence.

### I Meetings

**1.1 Meeting location:** All committee meetings will be held at a specified location at a Port of Olympia facility or using a virtual platform like Zoom or Microsoft Teams unless otherwise scheduled and noticed by the committee Chair or the committee's staff liaison on behalf of the Chair. In the case of an alternative meeting location, the staff liaison will notify in writing the committee members and any other pertinent Port staff. All meetings will be open to the public. Public notice consistent with Port of Olympia Resolutions and State law.

**1.2 Date and time:** Regular meetings will be held on a specified monthly day or date and time, unless amended by the committee. Special meetings, workshops, and community tours may be held at the committee's discretion by request of the Chair or by majority approval of the committee at a regular meeting. Regular meetings may be cancelled by request of the Chair or by majority approval of the committee at a regular or special meeting. A meeting may also be cancelled by the Chair upon notice from staff or committee members that no quorum is reasonably expected to be present or when there is no item on the agenda other than routine formalities, such as adoption of the minutes, provided that appropriate notice is given.

**1.3 Meeting notice and agenda:** The agenda will be circulated to the membership five (5) calendar days preceding the meeting and shall be simultaneously published on the Port of Olympia website. Scheduled meetings of the POCAC shall not extend beyond two (2) hours without the consent of the members present. While the Open Public Meetings Act Chapter 42.30 RCW does not apply to advisory committees, the Commission is exercising its ability to require all meetings of the POCAC follow the Open Public Meetings Act Chapter 42.30 RCW when operating as a Committee of the Whole.

At the conclusion of each meeting, any member may suggest item(s) to be added to an agenda for consideration at a subsequent meeting. A majority of members must concur with the suggestion for the item(s) to be added to a subsequent meeting agenda.

The meeting agenda will generally follow this format, with changes to the format the prerogative of the committee Chair:

#### AGENDA

##### I. Call to Order

- A. Attendance
  - B. Approval of Minutes
  - C. Announcements from Members and Port staff
  - D. Acceptance of Agenda
- II. Comments from the Public in Attendance
- III. The Business of the meeting
- IV. Other Business
- A. Future Agenda Items
  - B. Next Meeting
  - C. Other Topics

**1.4 Minutes:** Meeting minutes will be kept indicating the committee action or recommendation, indicating the individual votes on the agenda item. The Port of Olympia commission coordinator will keep minutes and distribute to the committee as a whole for review and approval. Once approved by committee or subcommittee members, minutes will be sent to the commission coordinator for posting to the Port website.

## 2 Committee Organization

**2.1 Membership:** Membership on the committee will be governed by the Port of Olympia Citizen Advisory Committee Resolution. The committee will immediately report any vacancies to the Port of Olympia Commission President, with a copy to the Executive Director or designee.

**2.2 Attendance:** Members are expected to attend committee meetings and fully participate in and contribute to the committee's work. If a member is absent for three consecutive meetings or 35% of meetings within a calendar year, whether excused or unexcused, the Committee Chair will notify and discuss the situation with the Port staff designee. The Commission may choose to revoke the committee member's appointment or accept their resignation.

**2.3 Duties of the Chair and Vice Chair:** The Chair or will preside over the meetings and will exercise all powers usually incident to the office, including coordination of meeting agendas with the Port's designated staff. The Chair retains full rights and responsibilities to participate in deliberations and votes of the committee.

The Vice Chair will, in the absence of the Chair, perform all duties of the Chair at the meeting. In the absence of the Chair and Vice Chair, members present may select a temporary Chair to preside at the meeting.

### 3 Committee Operations

**3.1 Quorum:** A simple majority of the committee members is required to be present at a meeting in order for the committee to conduct business and reach a decision. Meetings with less than a simple majority may be conducted; however, no official actions may be taken. If action is taken by a vote of the committee, it will consist of a simple majority of the quorum (members present).

**3.2 Robert's Rules of Order:** The committee process for taking action will generally be guided by the latest revised version of Robert's Rules of Order. However, a meeting need not become unduly cumbersome due to strict adherence to Robert's Rules.

**3.3 Work Plan and Reports:** The committee will provide an annual work plan within guidelines and in a format established by the Port of Olympia and a copy of any other appropriate reports to the Commission for review and approval. The Committee Chair will notify the Port of Olympia Commission if the Committee anticipates a change in timing or substance of an approved work plan item.

**3.4 Recommendations:** The committee may make recommendations and provide reports or presentations to the Commission, the Executive Director, Port staff, and other Port committees as outlined in the committee's annual work plan. The work product will indicate the committee's vote on the item. The Chair will determine who will present the committee's recommendation to the Commission in a public meeting.

**3.5 Majority and Minority Opinions:** A minority report may accompany any voted decision. Majority and minority opinions will be stated in the committee's minutes. When a recommendation from the committee is forwarded to the Port Commission, the vote tally and majority and minority opinions will be disclosed.

**3.6 Act as a Body:** The committee will act as a body. A member, when representing the committee, may speak or act for the committee in accordance with action previously taken by the committee. The Chair, or Chair's designee, will serve as official spokesperson of the committee.

**3.7 Port Administrative Guidelines:** The Port of Olympia committees will comply with State and Federal Discrimination laws, Washington state records management and disclosure laws.

**3.8 Email:** If a Port email address is provided, advisory committee members will use such email address for the conduct of their advisory committee business.

**3.9 Open Government Training:** Consistent with the Open Government Training Act, all committee members must complete basic training in public records and the Open Public Meetings Act within 90 days of being appointed or re-appointed

to a committee. Certificates of completion should be set to the commission coordinator.

## 4 Officer Elections

**4.1 Committee elections:** At the monthly September meeting of the POCAC, a Nominating Committee will be formed from the interested membership. Members of the Nominating Committee shall excuse themselves from standing for office as the Chairperson or Vice Chairperson.

Between the September monthly meeting and the October monthly meeting, the members of the Nominating Committee will poll all other POCAC members to ascertain their interest in being either Chairperson or Vice Chairperson. The Nominating Committee will then put forward a slate of interested Committee members who have served on the POCAC for a minimum of one year for the positions of Chairperson and Vice Chairperson. It is desirable to have more than one candidate for each office and nominations shall be accepted from the floor for any member. The POCAC will approve a ballot at the October monthly meeting and this ballot will be created and sent out via e-mail by a designated Port of Olympia staff member to each Committee member allowing for two weeks to return the vote via e-mail to the Port staff member.

The Port staff member shall then forward the cast ballots to the Nominating Committee. The Nominating Committee will then count the ballots, and in the event of a need for a runoff or in case of a tie, a new ballot will be presented to the POCAC at the November monthly meeting. If there is no need for a runoff or an additional election, the Nominating Committee will announce the results of the vote at the November monthly meeting or the next available regularly scheduled monthly meeting.

The newly elected Chairperson and Vice Chairperson will assume their leadership positions at the January monthly meeting. The Vice Chairperson does not automatically assume the role of Chairperson the following year but rather serves to fill in if the Chairperson is absent, or to fill in for the remainder of the term if the Chairperson resigns. In the event the Chairperson resigns an election for a new Vice Chairperson will be conducted as described above unless there are less than three months remaining in the term of office year in which case the position may remain vacant. An elected term is 1 year. The Chair and Vice Chair shall serve no more than two (2) consecutive one-year terms.



## 5 Subcommittees

**5.1:**POCAC Sub-Committees may meet at times determined by consensus of the members of the sub-committee and staff liaisons. Meetings will be held at the Port of Olympia, Percival Plaza, 626 Columbia Street NW, Suite 1-B, Olympia, Washington, unless otherwise specified.

In the case of an alternative meeting location, the staff liaison will notify in writing the committee members and any other pertinent Port staff. All meetings will be open to the public. Public notice consistent with Port of Olympia Resolutions and State law.

In no case shall Sub-committees constitute a quorum, and the decisions and recommendations of the Sub-Committees shall not be binding on the POCAC.

POCAC Sub-Committee meetings scheduled by the Sub-Committee Chair are not a meeting of the POCAC committee as a whole and therefore not subject to the public agency Open Public Meetings Act.

To the extent possible, Sub-Committees should operate by the consensus of the membership, however, as a diverse group of citizens, it is recognized consensus may not always be achievable and minority opinions should be included in products, recommendations and minutes. POCAC Sub-Committees are required to use the following processes to manage meetings:

- Develop annual work plans, in partnership with assigned staff liaisons and any input from Commissioners, for final approval by the full Port of Olympia Commission.
- Publish regular meeting times on the Port website.
- Publish agendas five days in advance of meetings.
- Include minority opinions in reports and recommendations made to the full POCAC and Commission and in meeting minutes.
- Publish meeting minutes on the Port website.
- Use Robert's Rules of Order to conduct meetings.
- Present recommendations to the full POCAC.
- Will not take public comment at meetings as the POCAC will be the body that takes public comment.
- Subcommittees may invite members of the public to join meetings for discussion and presentations.
- Committee members are to coordinate with the Port of Olympia Commission Coordinator for publishing materials online and include the staff liaison in emails to the commission coordinator.

**5.2 Subcommittee elections:** To ensure efficiency within the Port, subcommittees will establish a chair, vice-chair, and secretary every September. Members are

encouraged to work collaboratively and rotate these roles annually to ensure diversity and inclusion amongst the group. Officer election results should be included in meeting minutes and sent to the commission coordinator.

## 6 Staff Liaison

Port staff liaisons assigned by the Executive Director or designee will provide subject matter expertise to the committee. Staff will provide Port information, such as data, budget information, or reports the Port has previously developed, to the committee to inform their decisions and work collaboratively. Staff may provide alternatives and professional recommendations to the committee on various matters before the committee. Staff liaisons, as necessary, will provide tours of the Port infrastructures and properties to inform the committee's work.