

**PORT OF POULSBO
MEETING AGENDA OF
May 5, 2011**

1. OPEN MEETING

2. OPEN MEETING TO PUBLIC COMMENTS (LIMIT 3 MINUTES)

3. COMMISSIONER COMMENTS

4. CONSENT AGENDA ITEMS

(Next Res. 2011-08)

All matters listed within the Consent Agenda have been distributed to each member of the commission for reading and study, are considered to be routine and will be enacted by one motion of the commission with no separate discussion. If separate discussion is desired, that item may be removed from the Consent Agenda and placed on the Regular Agenda by a Commission member or by citizen request.

- A. Approve meeting minutes of April 21, 2011, Special Meeting Minutes April 28, 2011, & All Ports Meeting Minutes.
- B. Warrants: 10757-10787, P10362, & P10363-P10366, & P10355-P10361, ACH 4/29/11 & 5/06/11 in the amount of \$59,540.26.

5. OLD BUSINESS ITEMS

- A. Armory Parking Lot Project – Port Manager
- B. West Poulsbo (DNR) property – Scott Pascoe

6. NEW BUSINESS ITEMS

- A. Items for public comments/motions/discussions
- B. Accountants Report – Carol Tripp/ Accountant/ Staff Auditor
- C. Managers/Maintenance Report – Port Manager

7. OPEN TO PUBLIC COMMENTS: (LIMIT 3 MINUTES EACH)

8. COMMISSIONER COMMENTS

9. ADJOURN MEETING

PORT OF POULSBO
BOARD MEETING MINUTES
MAY 5, 2011
7:00PM

ATTENDEES: COMMISSIONER BOCKUS; COMMISSIONER GILBERT; COMMISSIONER DECARLO; PORT ATTORNEY GREG NORBUT; PORT MAINTENANCE TECHNICIAN, BRAD MILLER; PORT ACCOUNTANT AND AUDITOR, CAROL TRIPP; PORT SECRETARY, ANDREA NIX.

PUBLIC ATTENDEE: SCOTT PASCOE, CONSERVATION DIRECTOR, GREATER PENINSULA CONSERVANCY.

1. Meeting Chairman, Commissioner Bockus called the meeting to order at 7:00pm.
2. No Public Comments.
3. Commissioner Comments.

Commissioner DeCarlo: I went to the City Council meeting. Not much concerning the Port at this meeting, except that we do have the joint meeting with them on May 18th.

4. Commissioner Bockus introduced the Consent Agenda Items; Commissioners approved Consent Agenda Items A & B.
5. Old Business:

A. Armory Parking Lot -

Carol Tripp: Carry Weaver faxed me the correspondence on the Armory parking lot, and I spoke with her this morning. She had left a message for Mike to contact the office to find out what the next step is, and how long it could take.

Commissioner Bockus: All of our permits are in. Anything about the setback?

Carol Tripp: Not yet.

B. West Poulsbo (DNR) Property -

Scott Pascoe: On April 28th we had a meeting and looked at options for retaining the West Poulsbo DNR plan and signing the option you have for a lease-hold agreement to another government agency, specifically, the Port of Silverdale. I'm presenting tonight what came out of the Port of Silverdale meeting last night, where all three Commissioners signed a resolution to accept the lease from the Port of Poulsbo.

What you have before you is the resolution that is signed by the Commissioners from the Port of Silverdale and an assignment of the lease.

Phil Best, attorney for the Port of Silverdale, sent Greg Norbut an email with the attachments that are before you. The best possible outcome would be that the Port sign the leasehold agreement and sign the assignment of the lease over to the Port of Silverdale tonight. From there I would go to the DNR, for approval. That is probably a two-week process. If you need more time, there is an extension to May 16th, on the basis that the language has been changed with substitutions eliminating any residual obligation or liability for the Port of Poulsbo. If you will need more time, what we'd like to see at this meeting is at least a resolution on the Port's part to move forward with the action.

Commissioner Bockus: I thought we had decided to opt out of the whole transaction, and I suggested that you go to the Port of Silverdale.

Scott Pascoe: I followed up with that. Once you sign the leasehold agreement and the assignment it comes straight over to Port of Silverdale.

Commissioner Bockus: I had a discussion this afternoon with Mr. Norbut, and there are some questions that have arisen.

Greg Norbut: I did receive a correspondence from Phil Best. He advised that he'd been in contact with the Port Commissioners for the Port of Silverdale and also with the DNR to inquire about the assignment. My recollection of our last meeting was that we discussed the potential assignment but that we did not want to be involved with it. After talking to Mr. Best I reviewed the lease, itself. The lease has a prohibition against assignments unless it's expressly authorized by the Department of Natural Resources. Included with the message I received from Mr. Best was an email from Doug McClendon of the DNR, which suggested the Port needed to agree to assign the lease to the Port of Silverdale. If so inclined, the Commissioners could handle that by way of a resolution. In terms of timing, before the Port can legally assign this we have to have a written authorization from the DNR. At this point you could approve the lease subject to the approval of the DNR. I would not sign the assignment. You could establish a resolution that will state you will move forward with an assignment, signing it after the DNR has approved.

Commissioner Gilbert: Isn't there something that says that we can't buy outside of our Port district? I thought that came up a couple of months ago.

Greg Norbut: It is going to make it difficult to make a deal on anything other than a cash basis. We know that given that the land is not within the Port district, we can't enforce contracts with regard to that parcel if we were to acquire it.

Commissioner Gilbert: It is the same for Silverdale.

Greg Norbut: That is correct. I think the assignment can be facilitated based on my research and the case log that I have with me tonight. There is no advantage to the Port to do it.

Commissioner Gilbert: Is there a disadvantage?

Greg Norbut: No disadvantage, either. There was expressed concern about why the Port would want to get involved with anything where there was no advantage. I can specifically tell you that you would be acting as a conduit for the purposes of passing the title through to an entity like the Greater Peninsula Conservancy. I think it is clear that the Port of Silverdale is not doing it for the benefit of the Port of Silverdale, itself, but for the Conservancy.

Commissioner Gilbert: If we do this, and the State is not known for moving rapidly, we would be under no obligation to the State nor to the Port of Silverdale regarding this property, in any way that we are aware of at this point, providing they take care of all costs?

Greg Norbut: In my judgment we would have no exposure in terms of liability in any way, and that's because of the terms of the lease and the restrictive nature of the lease.

Commissioner Bockus: Once it's accepted by DNR. But if we were to sign it now, and then it's not accepted, then we are stuck with that 50-year lease.

Greg Norbut: That is entirely accurate. That's why the keyword here, in the lease itself, is "prior" written consent required from the DNR. It's very important that that happen first.

Commissioner DeCarlo: So, we could go ahead and make a resolution to approve the assignment provided we have written consent.

Commissioner Gilbert: And can we make it clear to the DNR that if they reject this assignment then we refuse to take the property, after we have signed?

Greg Norbut: No. That is why it is critical to have the written approval from DNR before signing the lease. Interestingly, with regard to the assignment, Mr. Best provided me his proposed assignment. It provides for the assignment and substitution parties. That would absolve the Port of Poulsbo, in my judgment. In other words, I think the form of the assignment is a good form.

Commissioner Gilbert: If the DNR says no, and we are stuck with the property, and the best thing at that point would be to purchase the property, could we then turn around and sell this property to either the Port of Silverdale or the Greater Peninsula Conservancy?

Greg Norbut: My impression is, yes, but the problem is that the evaluation that we have right now is not substantiated with comp values. It's a rather subject determination of market value, and as a consequence if you were to sell it to a third party, the Port would be well advised to get an independent appraisal.

Commissioner DeCarlo: The State paid the DNR approx. \$876,000 and they are using that money for school district related uses. The way I understood it is, if we do not do it soon, then they would do another appraisal and the price would keep going up. The \$30,000 is a current appraisal that the DNR is giving us. An independent appraisal would be \$800,000.

Commissioner Gilbert: The appraisal value, as it stood a year ago, was around \$875,000, and the only reason we are getting it for \$30,000 is because another State agency is paying the difference.

Commissioner DeCarlo: That's the money DNR used for the schools.

Commissioner Gilbert: So, right now market value is still in the range of \$876,000.

Greg Norbut: My suggestion is that we couldn't sell it to the Port of Silverdale or the GPC because we can't sell it to them for 30,000. Article 8, Section 7, of the State Constitution specifically provides that we can only sell property as a surplus, so we have to make a finding that it's a surplus, and we can only sell it for fair market value, or it is an unconstitutional gifting of property for private purposes.

Commissioner DeCarlo: So we could buy the property for \$876,000 and bypass the restrictive covenants.

Commissioner Gilbert: What do you recommend we do at this time?

Greg Norbut: I draw no conclusions as to the propriety of doing the assignment or not, based upon the fact that I see no benefit to the Port. On the other hand we have no detriment, either. I think it's up to you, the Commissioners, as to whether you want to accommodate the Port of Silverdale and the Greater Peninsula Conservancy.

Scott Pascoe: Can I clarify that the GPC is not looking for ownership of the property? We may put a conservation easement on it, but that is in addition to the deed restriction, dictating what uses are prohibited on the land. Our intention is to facilitate this piece of land going toward public benefit. We didn't go to Port of Silverdale to try and get them to transfer it over to our ownership. Long-term, fifty years from now, that piece of property is going to be very important for what it is restricted for, which is wildlife habitat, trails, open space and recreation for the community.

Commissioner DeCarlo: If we just turn the whole thing down, someone else will just have to through the whole thing again. And the State may take their money back.

Greg Norbut: As Mr. Pascoe said, this would be a move to facilitate the ownership by the Port of Silverdale. There is an incentive to deal with other Port districts.

Commissioner DeCarlo: So, how would we do it?

Greg Norbut: First we would contact the appropriate personnel with the DNR, obtain consent to the assignment, then we would sign the lease, and then we would sign the assignment, and then wash our hands of it and have no further involvement.

Commissioner Gilbert: Mr. Pascoe, is the Port of Silverdale aware of the problems with the road onto the property?

Scott Pascoe: We did a preliminary commitment of title insurance and they had no problems with the access. They looked at that critically. In addition, they looked at the deed restriction that go with the purchase to see if there was any variation between it and the lease, and with those documents in hand, they have had the opportunity to review them and had no reservation with the property.

Commissioner Gilbert: What are the Port of Silverdale's plans for the property in 20 years?

Scott Pascoe: I can't speak for the Port. We had hoped to have a Commissioner here at this meeting, but none of the three could attend.

Commissioner Bockus: If we were to do anything at all, I think we would have to entertain a resolution strictly stating that we would agree to the assignment to the Port of Silverdale on the approval of DNR. We are not going to sign anything until the DNR specifically says that the Port of Poulsbo can assign this property to the Port of Silverdale.

Commissioner Gilbert: It would have to stipulate in a letter to the DNR that if they don't agree to the assignment, that we are not going ahead.

Commissioner DeCarlo: I make a motion to entertain a resolution that we will proceed with the assignment provided we receive a letter from the DNR stating that they approve of the assignment.

All Commissioners Agreed. Motion passed.

Greg Norbut: I will draft the resolution. I suggest that once we have word back from the DNR that a formal written resolution be prepared, as well, and I will take care of that. It would be prudent to give them a copy of the proposed assignment so that they can say whether the form is appropriate. The assignment specifically says that it releases the Port of Poulsbo. May 16th is our deadline.

Scott Pascoe: There is a substitution clause that absolves the Port of any liability, and that is something the DNR will look at. It is an adjustment to the leasehold agreement.

6. New Business:

A. No Public Comments.

B. Accountant's Report –

Carol Tripp: I have no new items to report.

C. Manager's Maintenance Report –

Brad Miller: 1. We had a water break, which we were able to take care of quickly, in pipes to the bathrooms on the Port's property. It did raise some questions about how the pipes are connected there, and those relate to Kirk's meeting with the insurance adjustor from Enduris. The questions involve the vault in the ground that houses our water meter, pressure reduction valve and backflow preventer. That is elevated several inches above the pavement, and Richard thinks the ground is still settling. The sediment around there has dropped down around that vault. It's possibly why this line has broken three or four times over the last six or seven years. The issue is the height of the vault, and we need to reconstruct it so that we can bring it down level, to eliminate trip hazards. If we are going to do that, we may consider entering into an agreement with the City to reconstruct our water system, because the City has problems with their shut-off valve, and the rest of the components are not arranged in an ideal way. The connection to the bathhouse is straight out of the meter, and the pressure reduction valve comes next, then the backflow preventer. It could also be a reason why it keeps blowing out. How it should be is: meter, pressure reduction valve, and then everything else that goes to the bathhouse and the guest moorage. It would have to be coordinated with the City, because they would have to shut off water to a large section of town to account for the bathrooms. We've talked about it with one of their maintenance men, and he was going to approach his supervisor. We've talked to Carol about budgeting it for 2012. So this is just preliminary information for you. 2. We have fixed the last of the water breaks from this past winter. 3. We had an unfortunate event where someone rolled their new engine down our ramp on D dock, and we have already received our replacement grid, and will install it and bill the appropriate parties responsible for the damage. We may not have to completely shut the ramp down. We will remove one panel at a time. 3. Today we began installing the new wifi, which will be password protected. 4. There has been more planning on the C dock ramp project. I provided you with some info. You'll see the Hydraulic Project Approval, which we received as part of our JARPA application for permits from federal, state and local government agencies. The permits allow us to do the required maintenance. The Army Corp of Engineers allows us to replace 18 piles, per year, within the fish window. This applies only in the State of Washington. Also, regarding replacement

piers, any pier or float that is wider than 6ft must be covered 50% with grid to let light pass through. This prohibits using a slab of concrete. Shane agreed that we could get in trouble with the State by putting one in. Also, changing the footprint is not allowed. By shortening the float we would maintain our footprint and accomplish our goal. It could end up pushing the kayak float approximately 18 feet waterward.

Commissioner DeCarlo: Will we lose a slip?

Brad Miller: We are going to move two. The first finger will be relocated to the end of A dock. Shane came to discuss how we want to reconfigure the docks, and we had spoken to Thompson Pile Drivers about materials to use. They suggested a wood frame with polymer tubs. Shane agreed. The wood frame, compared to the concrete slab, weighs less while supporting the same weight.

Video Presentation -

Brad Miller: This is a float that Shane's Company, CHE, designed for the Port of Anacortes where they had a no-doubt grounding threat. The wood is Alaskan Yellow Cedar. It is a good choice for life in the seawater. There are other options like the treated timber we use for our wailers. The maintenance is no different. The decking is similar to Treks but better. He called it HDPE, or something. It is another form of that kind of material. There are landing feet to keep the floats from touching the ground, which is mandated by the State. You can build a float like this to any specs. This is the direction Shane is heading, unless otherwise directed.

Commissioner DeCarlo: Are the feet galvanized steel?

Brad Miller: Yes. Another plus to a wood frame versus concrete is that it is a lot easier to repair than concrete.

Commissioner Bockus: What is the life expectancy?

Brad Miller: It would be about the same as the concrete slab, twenty-plus years if maintained properly. One of the questions that came up is how do we attach this float to our existing floats. We came up with the solution of a soft connection with a single transition plate.

Commissioner DeCarlo: What are the floats made of?

Brad Miller: Polyethylene. It's the same material they make whitewater kayaks out of. There would be one transition plate on C dock and one on the kayak float, which drafts 20 in, about the same as the new float would, so we may be able to do a hard connection there.

Commissioner Bockus: The seabed there is relatively level.

Carol Tripp: This is going to need substantial engineering. We got a quote from Shane for all the engineering for the float and also for the connecting of the ramp.

Brad Miller: There are three tasks that they identified: the Engineering Analysis, the float Procurement Package, and the Gangway Shore-Mount Engineering Plan.

Carol Tripp: The quote is for \$10,900.

Brad Miller: Mounting the ramp is the other issue we have. The problem is lack of space to mount the ramp without having to make modifications. This existing ramp is four feet wide on the outside diameter. The new ramp is 5'2" wide, or 62". The transformer is ten inches from the concrete on one side and only fifteen inches from the edge of the existing ramp's handrails on the other side. The certified electrician that we went to at Westsound to see about code regarding transformers said you have to maintain 3.5' when you have 480 volt, which we do. That is the clearance necessary on the access side, and the access panel must be able to swing open 90 degrees. It probably won't work to put the new ramp in the same spot and adhere to code.

Carol Tripp: Would it make more sense to move the transformer?

Brad Miller: We'd probable only have to move it one of its own lengths over.

Commissioner DeCarlo: There may be a need to add wire. An electrician could come in and determine how far we could move it.

Commissioner Bockus: Shane would do that as engineer.

Brad Miller: If it is determined that the ramp will not fit without moving the transformer.

Commissioner DeCarlo: You should ask the electrician, Tony, to look at it to see how much wire is available.

Commissioner Bockus: So where are we now?

Carol Tripp: Shane finishes his work here, and then he draws the plans. Then we send out for quotes.

Brad Miller: Once we have design parameters for the float, then we can go out for quotes on that float. We will have to determine what materials we want to use, Alaskan Yellow Cedar, treated timber, etc.. Price will be a consideration.

Commissioner DeCarlo; I make a motion that we ask our engineer to work on our replacement ramp and pay him up to the amount of his estimate, \$10,900.

All Commissioner Agreed; Motion Passed.

7. No Public comments
8. Commissioner Comments:


Commissioner Gilbert: We got new pump-outs. Did we use our resources for a pump-out boat for that?

Carol Tripp: No. Actually I've been speaking with Allen, from Washington Parks and Rec, and he has sent an email, which states that they have funds available for a boat, floating restroom etc. His department only deals with grants for pump-outs, floating restrooms, etc to improve water quality in Puget Sound.

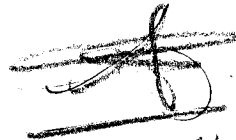
PORT OF POULSBO BOARD MEETING FOR MAY 5, 2011 ADJOURNED AT 8:30PM



COMMISSIONER BOCKUS



COMMISSIONER GILBERT



Andrea Nix
Port Secretary

COMMISSIONER DECARLO



PORT OF POULSBO

PAYMENT VOUCHER

Post Office Box 732
Poulsbo, WA 98370

Kitsap County, WA May 20, 2011

We, the undersigned Board of Commissioners of the Port of Poulsbo, Kitsap County, Washington do hereby certify that the merchandise or services hereinafter specified have been received and that the vouchers listed below are approved for payment in the amount of \$23,813.03 and from the General Fund, this 20th day of May 2011.

Antonio DeCarlo, Commissioner

ATTEST:

Glenn E. Gilbert, Commissioner

Andrea Nix, Recording Secretary

Arnold Bockus, Commissioner

Voucher #	Claimant	Amount
10788	Ace Galvanizing, Inc	211.99
10789	Associated Petroleum Products, Inc.	2,019.66
10790	Associated Petroleum Products, Inc.	1.09
10791	Bank of America	1,508.98
10792	Cabela's Mktg & Brand Mgmt Inc	774.84
10793	Cass/Cade Distributing, Inc.	181.91
10794	CHS, Inc/Cenex	103.44
10795	Coast to Coast Hardware	191.33
10796	Ferguson Enterprises, Inc.	56.87
10797	Grating Pacific LLC	1,772.35
10798	Home Depot	317.88
10799	Office Depot Credit Plan	200.06
10800	Peachtree Business Products	156.00
10801	Regence Blueshield	10,470.26
10802	Seattle Injector Co	132.64
10803	Kitsap Sun	48.50
10804	Verizon Wireless	45.44
10805	CenturyLink	489.18
10806	Puget Sound Energy	1,885.59
10807	WA State Dept of Revenue	2,667.11
10808	Dan Hudson	195.48
10809	Harrell Smith	152.44
10810	John Bartlett	204.99
10811	Donald J. Dazey	25.00
TOTAL		\$23,813.03

I, the undersigned, do hereby certify under penalty of perjury that the materials have been furnished, the services rendered, the labor performed, or the expense incurred as described herein and that the claim is a just, due and unpaid obligation against the Port of Poulsbo and that I am authorized to authenticate and certify to said claim.

Port Auditor

PORT OF POULSBO

PAYMENT VOUCHER

Post Office Box 732
Poulsbo, WA 98370

Kitsap County, WA May 13, 2011

We, the undersigned Board of Commissioners of the Port of Poulsbo, Kitsap County, Washington do hereby certify that the merchandise or services hereinafter specified have been received and that the vouchers listed below are approved for payment in the amount of \$1,897.32 and from the General Fund, this 13th day of May 2011.

Antonio DeCarlo, Commissioner

ATTEST:

Glenn E. Gilbert, Commissioner

Andrea Nix, Recording Secretary

Arnold Bockus, Commissioner

Voucher #	Claimant	Amount
ACH 05/13/11	US Treasury/Financial Agent	\$1,897.32
	TOTAL	\$1,897.32

I, the undersigned, do hereby certify under penalty of perjury that the materials have been furnished, the services rendered, the labor performed, or the expense incurred as described herein and that the claim is a just, due and unpaid obligation against the Port of Poulsbo and that I am authorized to authenticate and certify to said claim.

Port Auditor

~~~ ACH ~~~

PORT OF POULSBO


PAYMENT VOUCHER

Post Office Box 732  
Poulsbo, WA 98370

Kitsap County, WA May 13, 2011

We, the undersigned Board of Commissioners of the Port of Poulsbo, Kitsap County, Washington do hereby certify that the merchandise or services hereinafter specified have been received and that the vouchers listed below are approved for payment in the amount of \$7,191.11 and from the General Fund, this 13th day of May 2011.

Antonio DeCarlo, Commissioner

  
Glenn E. Gilbert, Commissioner

  
Arnold Bockus, Commissioner

ATTEST:

  
Andrea Nix, Recording Secretary

| Voucher # | Claimant         | Amount            |
|-----------|------------------|-------------------|
| P10367    | Richard Stice    | \$1,483.84        |
| P10368    | Brad Miller      | \$1,205.76        |
| P10369    | Jannese Petersen | \$1,043.96        |
| P10370    | Carol Tripp      | \$1,660.77        |
| P10371    | Melanie Winnett  | \$1,105.80        |
| P10372    | Charles Schmidt  | \$418.63          |
| P10373    | Jonathan Davis   | \$272.35          |
| TOTAL     |                  | <b>\$7,191.11</b> |

I, the undersigned, do hereby certify under penalty of perjury that the materials have been furnished, the services rendered, the labor performed, or the expense incurred as described herein and that the claim is a just, due and unpaid obligation against the Port of Poulsbo and that I am authorized to authenticate and certify to said claim.

  
Port Auditor

~~~DIRECT DEPOSIT ADVICES~~~

**Port of Poulsbo
Summary of Financial Statements
For the Four Months Ending April 30, 2011**

ASSETS, LIABILITIES, EQUITY

| | | |
|--------------------------|--|-------------------------------|
| Cost of Capital Assets | | \$ 2,225,908.86 |
| Current Assets | | <u>2,105,331.69</u> |
| TOTAL ASSETS | | <u>\$ 4,331,240.55</u> |
| | | |
| Current Liabilities | | <u>\$ 46,216.05</u> |
| TOTAL LIABILITIES | | <u>\$ 46,216.05</u> |
| | | |
| TOTAL EQUITY | | <u>\$ 4,285,024.50</u> |

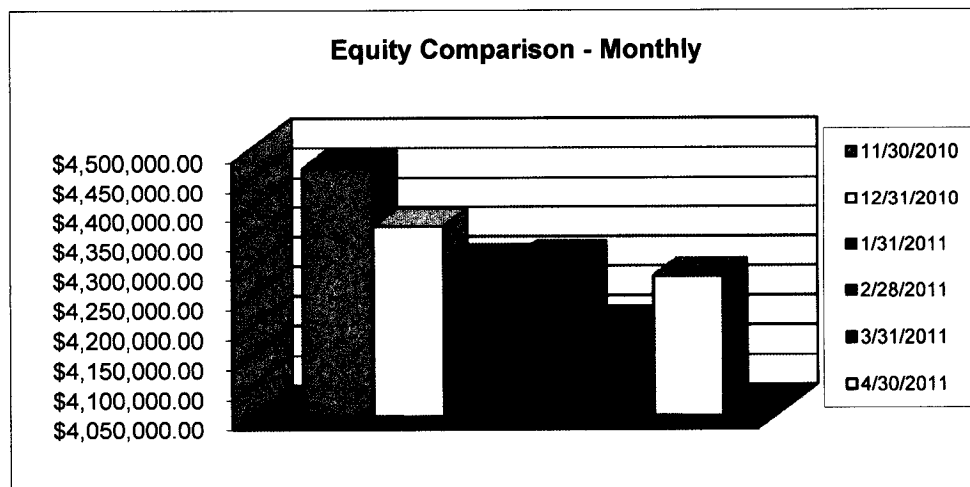
| | April | Year To Date |
|------------------------------|----------------------|-----------------------|
| INCOME & EXPENSES | | |
| Moorage & Other Receipts | 138,890.42 | 338,507.95 |
| Net Fuel Sales | 2,341.99 | 2,997.40 |
| TOTAL RECEIPTS | <u>\$ 141,232.41</u> | <u>\$ 341,505.35</u> |
| | | |
| Operating Expenses | 60,081.07 | 425,154.06 |
| NET GAIN/LOSS | <u>\$ 81,151.34</u> | <u>\$ (83,648.71)</u> |

CAPITAL IMPROVEMENTS

| | | |
|--|------|------|
| | \$ - | \$ - |
|--|------|------|

Balances of Assets Accts
April 30, 2011

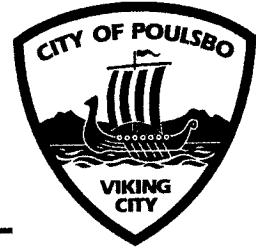
| | | |
|---|--|-------------------------------|
| General Fund | | \$ 111,817.78 |
| General Investment Fund | | 1,898,549.48 |
| Liberty Park Fund | | 16,840.18 |
| Park Investment Fund | | 21,999.24 |
| Remaining Fund Balances
and other current assets | | <u>\$ 56,125.01</u> |
| | | <u>\$ 2,105,331.69</u> |



CAPITAL ASSETS ARE BASED ON HISTORICAL COSTS AND DO NOT REPRESENT THE CURRENT FAIR MARKET VALUE OR REPLACEMENT COST.

City of Poulsbo

Engineering Division-Memorandum



To: City Council Members
From: Michael Bateman, Senior Engineering Technician
Subject: City Property at Wharf
Date: May 12, 2011

In April the Port approached the Mayor regarding wharf repairs recently completed by the Port, and City ownership of a portion of said wharf (a strip approximately 4' wide along southeast edge of Viking House/Xenos building). See attached letter from Norbut Law Firm.

The Mayor tasked the Engineering Department to investigate and report back – the following is what was discovered.

It was found that quite a bit of downtown property had been deeded to the City of Poulsbo by the Kitsap County Cooperative Association in about 1959. This includes the property to the south of the Viking House that now belongs to the Port (see attached figure – blue shaded property). Per a 1947 agreement between the City and the Cooperative, this property was dedicated to the City with the proviso that the City construct an earth fill and bulkhead on the property.

Separately, in 1955 the Rindall's and Ness's deeded to the City a portion of the next property to the North on which their warehouse was located (now the Viking House/Xenos building). This property dedication consisted of the property surrounding but not including the warehouse (see attached figure, red shaded property).

As per the Port correspondence, in 1994 the City deeded to the Port the property that had been deeded to the City by the Kitsap County Cooperative Association in 1959 – the next property to the South of Viking House (blue shaded on attachment). This was done in consideration of the Port reconstructing the now failing bulkhead, the value of the repairs needed to the bulkhead being approximately the value of the property being dedicated to the Port (according to the deed and agreement).

Note that as mentioned above, this property included most of the wharf, but did not include the 4' strip adjacent to the Viking House/Xenos building as that portion of the wharf was contained in a separate property – the one dedicated to the city by Rindall & Ness in 1955.

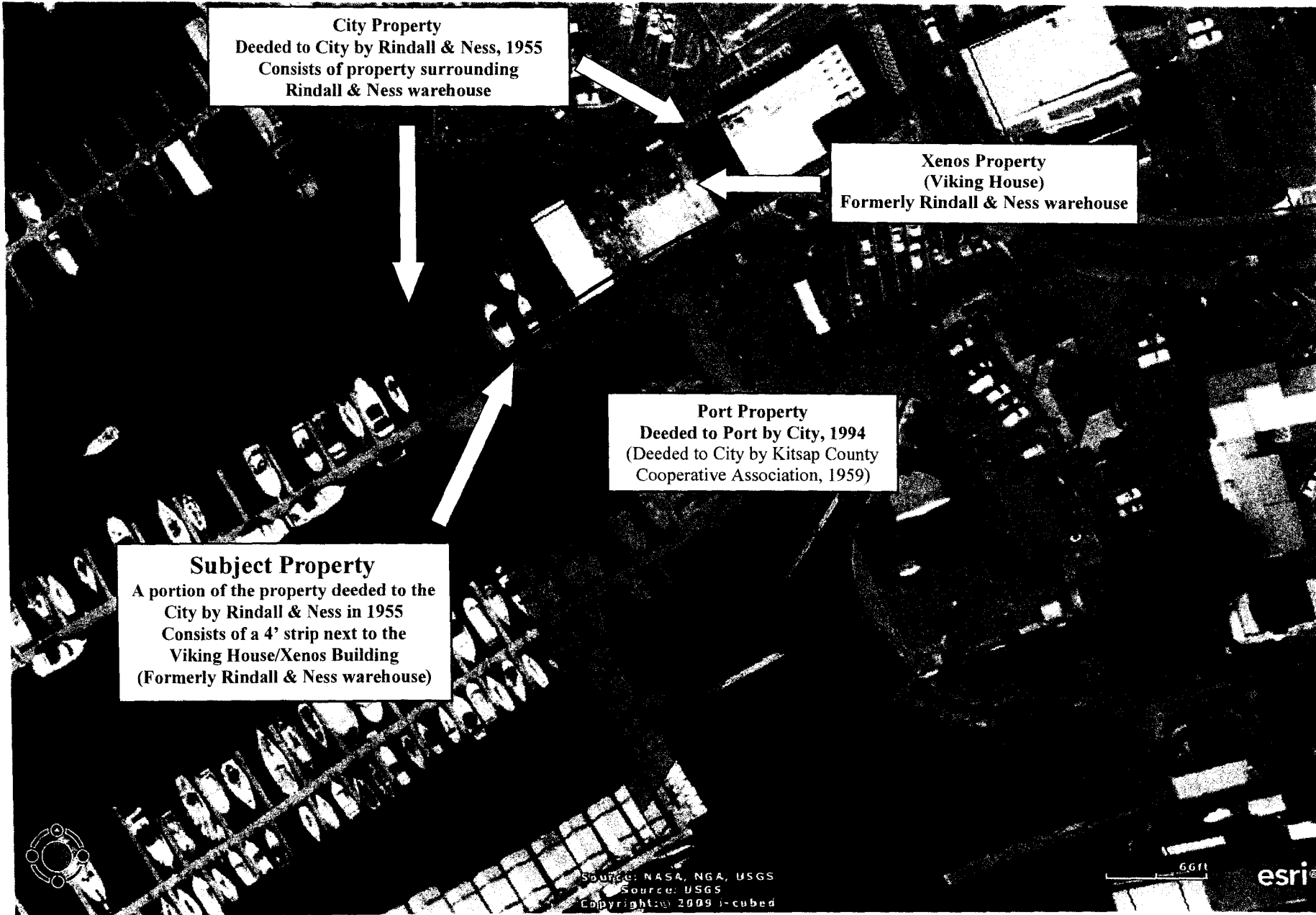
After researching the history of the subject properties and consulting with the Public Works Department, Planning Department and Finance Department it is the determination of the Engineering Department that it sees no reason why the 4' wide strip adjacent to the Viking House/Xenos Building could not be deeded to the Port if the Council so desires.

The Engineering Department does recommend retention of the remaining portion of the property (everything except the 4' strip).

Subsequent to presentation of this issue at Public Works Committee on May 11 and on request of the committee, both Greg Norbut and John Xenos were contacted May 12 to determine what contributions were made to the recent wharf repairs. It turns out that Mr. Xenos did not contribute to the recent wharf repairs completed by the Port. Mr. Xenos did say that his father Manny Xenos did contribute to the wharf and bulkhead repairs completed by the Port in approximately 1995.

Mr. Xenos related that he didn't have an interest in the 4' strip of wharf in question, and felt that it was more appropriate for the Port to accept the property and the associated maintenance/liability burden.

Copies of the deeds and agreements related to the properties are available for inspection if desired.



City Property
Deeded to City by Rindall & Ness, 1955
Consists of property surrounding
Rindall & Ness warehouse

**Xenos Property
(Viking House)**
Formerly Rindall & Ness warehouse

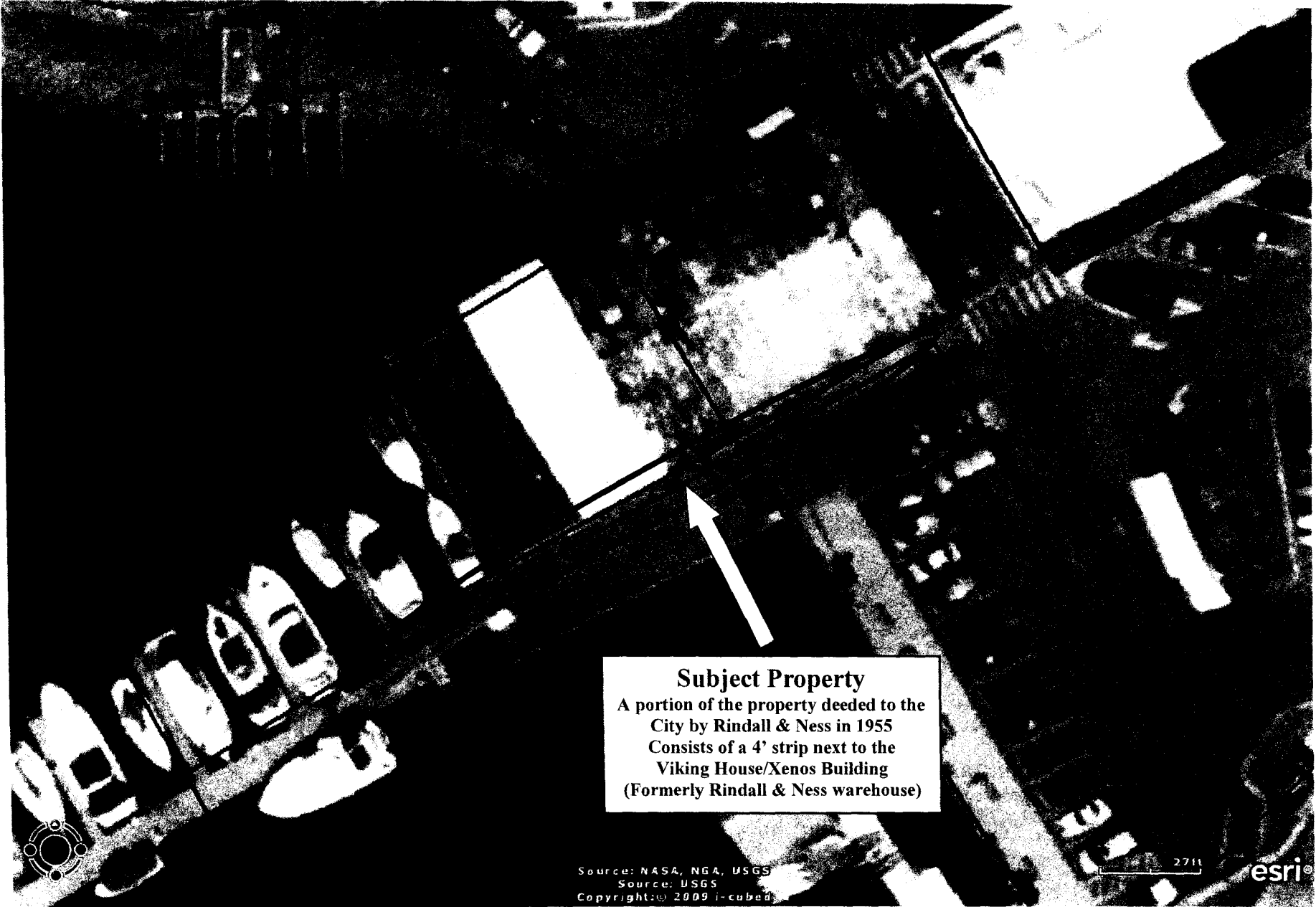
Port Property
Deeded to Port by City, 1994
(Deeded to City by Kitsap County
Cooperative Association, 1959)

Subject Property
A portion of the property deeded to the
City by Rindall & Ness in 1955
Consists of a 4' strip next to the
Viking House/Xenos Building
(Formerly Rindall & Ness warehouse)

Source: NASA, NGA, USGS
Source: USGS
Copyright © 2009 i-cubed

6.6ft

esri®



Subject Property

A portion of the property deeded to the
City by Rindall & Ness in 1955
Consists of a 4' strip next to the
Viking House/Xenos Building
(Formerly Rindall & Ness warehouse)

Source: NASA, NGA, USGS
Source: USGS
Copyright: 2009 i-cubed

2711

esri®

**THE
Norbut**

Law Firm, PLLC

♦
GREGORY P. NORBUT

Attorney

♦
18890 Eighth Avenue
Poulsbo, WA 98370

♦
(360) 779-5338
Fax: (360) 779-5640

April 20, 2011

Mayor Becky Erickson
City of Poulsbo
PO Box 98
Poulsbo, WA 98370

Re: Port of Poulsbo

The Honorable Mayor Becky Erickson:

Thank you for meeting with me on April 14, 2011 to discuss the Port of Poulsbo's Wharf property next to the Viking House. The purpose of this correspondence is to provide you with a memorandum of our discussion.

First, I noted for you that the City conveyed title to the wharf, south of the Viking House, in 1994. A copy of the Deed is enclosed for your perusal. Prior to the conveyance the City commissioned a survey with ADA Engineering. I have also enclosed a copy of that survey for your review.

Notably, the deed left a 3.9 foot strip between the south wall of the Viking House and the property that was transferred to the Port. I have highlighted the 3.9 foot strip on the survey for you.

The Port has maintained the area conveyed to them by the City. They also received contribution from the owners of the Viking House, who have mistakenly believed the 3.9 foot strip was theirs. Recently, it was determined on the basis of the enclosed survey that the City owns the 3.9 foot strip to the Port.

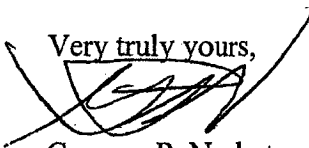
The Port has made substantial repairs to the wharf and the 3.9 foot strip and would like the City to pay for a pro-rata share of the expense which is over \$16,000. Alternatively, the Port would like the City to convey the 3.9 foot strip.

Mayor Becky Erickson
April 20, 2011
Page 2

Please review our proposal and let us know how the City would like to deal with this matter. In the event the City chooses to transfer the 3.9 foot strip to the Port, I would be happy to assist the City in the preparation of a deed and corresponding documentation.

In conclusion, if you have any questions with regard to what is submitted herein, please contact me.

Very truly yours,



Gregory P. Norbut
Attorney at Law

GPN:cf

Enclosures

DEED: FEE SUBJECT TO CONDITIONS SUBSEQUENT

WHEREAS, the City of Poulsbo, Washington (hereinafter referred to as "Grantor") is the owner of certain waterfront property located adjacent to the Port of Poulsbo (hereinafter referred to as "Grantee") and currently used for parking, pedestrian use and waterfront access by the citizens of the Grantor, and

A.F. #: 9501030254

WHEREAS, the bulkhead which provides support to the property as it abuts Liberty Bay is falling and the cost of repair and renovation is estimated to be approximately \$250,000, and

REEL 0843 FR 2681

WHEREAS, the Grantor has caused an independent appraisal to be prepared in which the appraiser gives his opinion that the public property has a fair market value of approximately \$250,000, and

WHEREAS, the Grantor and Grantee wish to enter into an agreement transferring the ownership of the property to the Grantee subject to certain conditions subsequent as set forth herein guaranteeing access to the property to the public, return of the property to the Grantor in the event that the property ceases to be used for public purposes as limited herein and the undertaking of the Grantee to commence and complete renovation of the bulkhead in a timely manner, NOW, THEREFORE,

A.F. #: 9501030254
REEL 0843 FR 2681

The Grantor, the City of Poulsbo, Washington an optional code city, for and in consideration of the promises and undertakings of the Grantee as set forth in the conditions included herein does hereby convey and quit claim to the Grantee, Port of Poulsbo, a municipal corporation of the State of Washington, the real estate described on Exhibit A attached hereto and incorporated herein by this reference as if set forth in full, situated in the City of Poulsbo, County of Kitsap, State of Washington. This conveyance is subject to the following conditions and, upon the violation or failure to satisfy either or both conditions, the Grantor reserves the power of termination described below. The conditions subsequent for this grant are:

1. The Grantee, the Port of Poulsbo, shall commence within 24 months of the date of execution of this Deed the repair and renovation of the current bulkhead. Such repair and renovation shall be timely, pursued to completion and shall comply with all requirements of local, state and federal law. The engineering of the bulkhead and its construction shall comply with standard engineering and construction practice. The Grantee shall indemnify and hold harmless the Grantor, its officers, agents and employees from any and all claim, risk or liability relating to such renovations to the extent that the Grantor shall be held harmless from such claims, including the reasonable cost of defense by counsel of the Grantor's choosing.

2. The property shall be held by the Grantee solely for public use including, but not limited, to parking and other attendant uses. The Grantee shall maintain pedestrian access to or along the property for the purpose of viewing and/or accessing Liberty Bay provided, however, that the Grantee may limit such access to such places or at such times as are consistent

FILED IN KITSAP COUNTY
JAN 24 1995 4:14 PM
CLERK: RILEY AUDITOR

09/15/94
WSS171894.1X/PRO060.222/D0060.90000

NO.
KITSAP COUNTY //
TRANSACTION EXCISE TAX

PAID JAN 3 1995

AMOUNT *7000*
COUNTY TREASURER
BY *[Signature]*

with maintenance of security on Grantee property. Any attempt to convey the fee, an easement or other interest in the property including any written leasehold interest to a party other than the City of Poulsbo, excepting only easements to the State of Washington or other properly franchised utility company shall be deemed a violation of this condition.

POWER OF TERMINATION

Upon violation of either or both conditions, this Deed may be voided by the Grantor by the mailing of a written notice of the exercise of its power of termination to the Grantee, specifying the basis therefore. Such written notice shall be effective upon the date of receipt by the Grantee, or in the event of dispute as to the date of receipt, the date such notice is deposited, postage paid in the U.S. mails. Exercise of this power of termination shall not require reentry. Forbearance or the decision of the Grantor to delay, postpone or otherwise defer exercise of this power shall not impair the Grantor's ability to exercise such power.

The Grantor expressly reserves a surface and subsurface utility easement on and across the tract for all lawful utility purposes, to itself and its franchisees.

DATED this 26th day of September, 1994.

CITY OF POULSBO/~~GRANTEE~~
GRANTOR

Richard A. Mitchum
Mayor Richard A. Mitchusson

ATTEST/AUTHENTICATED:

Karol Jones
Karol Jones, City Clerk

APPROVED AS TO FORM:

W Scott Snyder
W. Scott Snyder
Office of the City Attorney

PORT OF POULSBO/~~GRANTOR~~
GRANTEE

R. D. Mills
Howard R. Lura
Richard De Carlo
By: _____
Its: COMMISSIONERS, PORT OF
POULSBO.

A. F. #: 9501030254
REEL 0843 FR 2682

STATE OF WASHINGTON)
)
COUNTY OF Kitsap) ss.

I certify that I know or have satisfactory evidence that Richard A. Mitchusson is the person who appeared before me, and said person acknowledged that he was authorized to execute the instrument and acknowledged it as Mayor of the City of Poulsbo to be the free and voluntary act and deed of such party for the uses and purposes mentioned in this instrument.

DATED: 9-26-94

A. F. #: 9501030254
REEL 0843 FR 2683

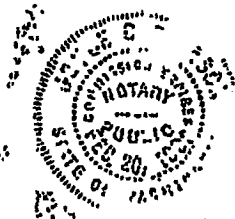


Stacy A. Nordberg
(Signature)
Stacy A. Nordberg
(Print Name)
NOTARY PUBLIC
My appointment expires: 10-12-97

STATE OF WASHINGTON)
)
COUNTY OF Kitsap) ss.

I certify that I know or have satisfactory evidence that RICHARD D MILLS LOWELL A SWENNEVEEN AUTOMATIC DEFENSE is the person who appeared before me, and said person acknowledged that he/she was authorized to execute the instrument and acknowledged it as COMMISSIONERS of the Port of Poulsbo to be the free and voluntary act and deed of such party for the uses and purposes mentioned in this instrument.

DATED: September 21, 1994



Joyce C. Pierson
(Signature)
Joyce C. Pierson
(Print Name)
NOTARY PUBLIC
My appointment expires: 2-28-96

EXHIBIT A

A. F. #: 9501030254

NOVEMBER 14, 1994
DESCRIPTION FOR CITY OF POULSBRO
JOB NUMBER 94-1886

REEL 0843 FR 2684

A portion of Government Lot 3, Section 23, Township 26 North, Range 1 East, W.M., Kitsap County, Washington, more particularly described as follows;

Beginning at the initial point of the Amended Plat of Elason Addition to Poulsbo as recorded in Volume 4 of Plats, Page 97, records of Kitsap County; thence South 69°03'30" West 25.00 feet to the Westerly right-of-way of Front Street; thence along said right-of-way South 20°56'30" East 25.74 feet to the most Northerly corner of Lot 7 of said Plat; thence leaving said right-of-way, South 61°35'30" West 132.93 feet along the Northerly line of said Lot 7 to the True Point of Beginning; thence leaving said line, South 27°32'16" East 102.44 feet; thence North 80°42'29" East 58.06 feet to the most Northerly corner of a boat ramp; thence along the Northeasterly line of said boat ramp, South 54°50'26" East 14.50 feet to the most Easterly corner thereof; thence leaving said line South 14°35'56" West 13.97 feet to an angle point of a concrete retaining wall; thence South 23°25'17" West 8.32 feet along the face of said concrete retaining wall; thence leaving said concrete retaining wall on a line which is parallel and 6 feet Southeasterly of the Southeasterly edge of said boat ramp, South 33°32'57" West 311.64 feet, more or less, to the Inner Harbor Line; thence along said Inner Harbor Line North 28°18'17" West 296.30 feet, more or less; thence leaving said Inner Harbor Line, North 61°35'30" East 230.83 feet, more or less to the True Point of Beginning.

Consisting of approximately 56,700 Square Feet or 1.30 Acres.

property owners since some owners have signed non-oppositions to improvements and some owners have not.

MOTION: Endresen/Walgren. Move that the city form a committee of twelve people -- three to be City Councilmembers (Walgren, Winters and Rudolph) who will be non-voting members, one to be a resident east of Viking Avenue within the city limits, one to be a resident of the city limits west of Viking Avenue, one to be a county resident north of Lindvig, one to be a resident south of the city limits in the county, two business owners on Viking Avenue who do not own the property, two property owners on Viking Avenue and one representative from the Olhava property -- and that these representatives be chosen by a group of their peers from their location or from their classification at a town meeting at a date to be set by the City Council, that their charge will be to meet to bring their ideas for a Request for Statement of Qualifications for a consultant that the city will put out to bid for that qualification and that the committee will review and make recommendations to the City Council on a consultant for the Master Plan.

DISCUSSION: Mayor and Council discussed the number of people proposed to be on the committee - nine voting members and three non-voting Councilmembers, the Mayor will not be on the committee and Councilmember Rudolph will lead the committee.

CALL FOR THE QUESTION: Motion carried. Yes: Bruce, Endresen, McGinty, Walgren; No: Diehl; Absent: Rudolph, Winters.

7. MAJOR BUSINESS ITEMS (Continued)

a. Port of Poulsbo Request to Purchase Property

Dick Mills, Commissioner with the Port of Poulsbo, explained that two years ago he spoke to Council regarding the Port's desire to purchase a piece of property next to the old Port office, launching ramp and Xenos' property (there is a wharf on the property which has been condemned). Mills stated that the Port would repair the bulkhead in exchange for the title to the property. Mayor Mitchusson, Council and Mills discussed: (1) an appraisal on the property is being prepared; (2) the city would retain easements on the property for ingress, egress and utility lines; (3) the city currently owns the property and leases it to the Port; (4) the Port wants to purchase the property because they are having difficulty finding someone to fund the repair of the bulkhead if the Port doesn't own the property; (5) the Port is in a position to get a bond and pay back the bond without taxation to the community; (6) the plans for the improvements are complete; (7) the repair would be done in the winter; (8) the parking area would have to be closed off during the repair; and (9) city staff needs to make sure that the property is not included in the LID in that area. Mayor Mitchusson stated that as soon as he receives the appraisal from Mills he will schedule the subject on the Council agenda.

b. Port of Poulsbo Property Quit Claim Authorization

MOTION: McGinty/Winters. Move to authorize the Mayor to sign the "Deed: Fee Subject to Conditions Subsequent" conveying and quit claiming the property identified in Exhibit A to the deed to the Port of Poulsbo. Motion carried unanimously.

c. Redfern Conditional Use Permit Time Extension Request For Construction and Stump Removal - Approval

MOTION: Walgren/Bruce. Move to approve the request by Dr. Rencher for a 12-month extension to begin construction (to March 9, 1996) and a 6-month extension to remove the stumps (to March 9, 1995) on property located at the northwest corner of Caldart and Hostmark in the city of Poulsbo, Planning File #10-6-92-1. All other conditions are to remain in full force and effect. Motion carried unanimously.

8. COUNCILMEMBER COMMENTS

- a. Councilmember Diehl stated that he would like Council to be brought up to date on all pending SEPAs by September 21, 1994.
- b. Councilmember Walgren asked that Council also be brought up to date on all pending shoreline permits.

Councilmember Walgren stated that the next general meeting of the Kitsap Visitor and Convention Bureau is September 23, 1994. Walgren stated that she has a difficult time attending the meetings due to her work schedule. Councilmember Diehl was asked to go with Walgren and become the new Council liaison.

Councilmember Walgren stated that there will be a public hearing on the County Comprehensive Plan September 19, 1994 at the Kitsap County Fairgrounds at 7:00 p.m.

Councilmember Walgren stated that she enjoyed the cartoon regarding Viking Avenue on the editorial page of the Herald today.

Councilmember Walgren stated that an employee of Bainbridge Disposal had spoken with her regarding the city's policy of picking up garbage on holidays and suggested that Council look at revising the policy. Walgren reported that Bainbridge Disposal does not work on holidays, however, the recycling people have to work because the city provides regular curbside recycling. Mayor/Council discussion included: 1) the expense of paying employees time and a half for working holidays; 2) the mix of residential and commercial customers; 3) commercial businesses cannot wait an extra day for garbage pickup; 4) the possibility of realigning the residential pickups; 5) the city does not have the manpower to double up and get back on schedule when a day is missed; 6) the possibility of looking into taking off just the major holidays of Thanksgiving and Christmas; and 6) the solid waste employees do a wonderful job.

- c. Councilmember Winters asked Council if they would like to discuss the questions Planning Director Berry sent to Councilmembers for clarification on the West Poulsbo Master Plan or if they would like to leave it up to the