

# CITY MANAGER WEEKLY UPDATE REPORT ~ KENT MYERS

May 22, 2009

With the positive outcome of the election on Tuesday, we are now moving forward with the creation of the new Metropolitan Park District. An interlocal agreement with the County is being drafted and should be on your agenda within the next 30 days for consideration. In the meantime, we do not plan on any immediate changes to the pool operations. However, we do plan on shutting the pool down for normal summer maintenance during the coming month. Also, once the election is certified on June 3, we will start tracking operational costs for future reimbursement by the District. One of the first orders of business for the new District will be considering options for borrowing funds to cover operational costs until tax proceeds are received next year.

This week the City, Port Authority and Economic Development Council had a very positive meeting with ACTI to discuss their future expansion plans. As stated in the attached letter from Lockheed Martin, they have some new opportunities to produce composites for their F-35 program. This is a long-term commitment that will create new job opportunities in the community. In order to meet Lockheed's production requirements, ACTI needs a new building and the Port Authority has agreed to work with them on this building. The City will need to work with ACTI to insure that adequate infrastructure is available including roadway improvements in the area.

The City was also involved in a meeting with the Port Authority, as well as the County, to discuss our NOAA proposal. This has been a real team effort and we propose to continue this team approach in developing a best and final offer to NOAA, which is due on June 4. At this week's meeting, John Calhoun provided the attached letter requesting additional assistance from the City. We discussed several possible areas where the City might participate in the project including assisting with about \$1 million in off-site infrastructure costs and waiver of certain City fees. A letter outlining these commitments will be prepared and submitted to the Port Authority in the next several days and you will receive a copy. Council approval will be required in order to formally commit to additional participation in this project.

This week City staff met with Jeff Lincoln, the new Harbor-Works Executive Director. He will start employment on June 1 and is gathering information so that he can have a solid work plan established for the first 60 days on the job. This work plan, along with a full update on the Rayonier project, will be presented in a public forum on June 9 from 6pm to 8pm at the Crabhouse. Please mark your calendar and try to join us for this forum.

As previously mentioned to the Council, the Peninsula Daily News is preparing a story on recent suicide attempts on the new 8<sup>th</sup> Street Bridges. I spoke to both John Brewer and Paul Gottlieb this week and provided some information that may be included in this article. Ever since bridges were first constructed on 8<sup>th</sup> Street - nearly 100 years ago - this has been a location for suicide attempts. The implication that the City has somehow created new opportunities for suicide attempts with the reconstruction of the new bridges is simply not accurate. In any case, the article will likely generate a lot of interest in the community so I wanted to make sure that you were aware. The American Foundation for Suicide Prevention website is an excellent resource of information on the topic at: [www.afsp.org](http://www.afsp.org)

Have a great Holiday weekend. I hope to see you at the Festival!

***-Kent Myers***



May 20, 2009

City of Port Angeles Council  
Port of Port Angeles Commission  
Clallam Economic Development Council

Subject: Long Term Commitment to ACTI

Dear Community Leaders,

As you are aware, Angeles Composites Technologies Inc (ACTI) has teamed with Lockheed Martin as part of a U.S. Air Force Mentor-Protégé program sponsored by the Department of Defense. The Mentor-Protégé Program seeks to encourage prime contractors, like Lockheed Martin to develop the technical and business capabilities of small businesses. Contact awards are determined by the successes of the mentor-protégé team in achieving cost efficiencies, enhancing the protégé's technical capabilities, and increasing new business opportunities for prime contracts and subcontracts. Over the last several years our working relationship has grown with ACTI and we are approaching a point where we intend to increase our purchase orders to this Port Angeles Company.

To position itself for this additional workload, ACTI has informed us that they will be required to construct a 100,000 square foot building and supporting infrastructure to be geared up to accept future orders. The proposed site would be located on a 13 acre parcel that is adjacent to their present facility located on Port of Port Angeles leased property.

We would hope that you as community leaders will understand the future job creation and economic development that this planned workload would be expected to provide and will combine your financial resources to fund and construct the building that is required by ACTI.

Lockheed Martin, as a strategic customer of ACTI, will work closely with ACTI to create a vital Port Angeles economy by continuing to increase their capabilities and their expertise in advanced composite manufacturing under the auspices of the Air Force Mentor Protégé Program and our own mentoring initiatives. Lockheed Martin intends to provide ACTI procurement opportunities for F-35 Program hand lay composites components as well as advanced fiber placement work. Our intention to provide maximum contracting opportunity to ACTI is not just for the present but for many years to come.

Please let us know if there is any information you may require in support of building this facility. We look forward to working with ACTI to create long term growth in your community.

Sincerely,

Samuel E Evans  
Director, Small Business & Non Production Procurement  
Lockheed Martin Aeronautics Company  
Ft Worth, TX



May 20, 2009

Mayor Gary Braun  
City of Port Angeles  
321 East Fifth Street  
P. O. Box 1150  
Port Angeles, WA 98362

Dear Mayor Braun:

As you are aware, the community has been preparing a submittal to the National Oceanic & Atmospheric Administration (NOAA) to bring NOAA's Marine Operations Center - Pacific facilities to the City of Port Angeles. Because the property projected for the NOAA Operations Center will be owned by the Port, the Port has served as lead on this cooperative project.

Our proposal will be the largest development undertaking ever attempted by the Port. The purpose of the proposal is to facilitate a major economic development boost to the City of Port Angeles as well as the rest of the Port District.

The scale of this development could dramatically stretch the Port's financial capabilities to the point where the Port's ability to continue significant economic development over the foreseeable future will be challenged if the Port attempts to fund the project solely from our resources.

Throughout the NOAA proposal process the City has been an unwavering and significant partner in the process from the very beginning so many months ago. We would request that the City now extend its partnership to include becoming a financial partner in the NOAA tender.

Our specific proposal is that the City consider funding development segments which will be included in the upcoming submittal such as utility infrastructure, including roads, sewer, stormwater, water and electric services. We have met with City staff and had preliminary conversations and they have been very helpful in identifying the areas where the City can partner on this project. As the project has yet to be finalized and there are constant changes in design and engineering, we do not have a specific value of what these improvements may be. However, as we move forward with a Best and Final Offer we would like to know that the City is a committed partner in this endeavor.

Mayor Gary Braun

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It is our understanding that the City will receive various user fees from utilities constructed at the site, thus generating a return on the City's investment. That revenue, along with the financial impact of having a new NOAA facility in the City, should allow the City to see a fair return for its participation in the very near term.

We appreciate the effort and support we have received from the City thus far in this complicated process and look forward to a continued partnership.

With kindest regards,

PORT OF PORT ANGELES

A handwritten signature in cursive script that reads "John M. Calhoun". The signature is written in black ink and is positioned above the printed name.

John M. Calhoun

Port Commission President