

**JEFFERSON COUNTY
BOARD OF COUNTY COMMISSIONERS**

REGULAR AGENDA REQUEST

TO: Board of County Commissioners
Philip Morley, County Administrator

FROM: Al Scalf, DCD Director

DATE: May 10, 2010

SUBJECT: JOINT ECONOMIC DEVELOPMENT PLANNING AGREEMENT

STATEMENT OF ISSUE:

This Agenda Request introduces a proposed Joint Economic Development Planning Agreement between Jefferson County, the City of Port Townsend and the Port of Port Townsend. No action is requested at this time, as the County would take action following ratification of the Agreement by the City and Port.

ANALYSIS/STRATEGIC GOALS:

On February 16, 2010 the County entered into a Memorandum of Understanding (MOU) with the City and the Port. This MOU outlined tasks and timelines to prepare a Joint Economic Development Planning Agreement to further economic development opportunities for our community.

Since February, representatives from the three jurisdictions including County Commissioner David Sullivan, Mayor Michelle Sandoval, and Port Commissioner John Collins met together with staff of Team Jefferson, our designated Associate Development Organization, to develop the proposed Joint Economic Development Planning Agreement.

The proposed Joint Economic Development Planning Agreement represents a significant step forward in inter-jurisdictional cooperation by the three governments to forge a shared economic development strategy to benefit all the citizens of Jefferson County.

The Joint Economic Development Planning Agreement describes the roles and responsibilities of all parties, objectives for the economic development planning process, desired outcomes of the planning process and outlines the role of a professional economist. The enclosed proposed Agreement includes a process flowchart as Exhibit A, and an economist consultant scope of services as Exhibit B.

Objectives and outcomes of the Joint Economic Development Planning Agreement include, among others,

- Identify industry sectors most likely to generate business, employment and income growth;
- Analyze our region's strengths, weaknesses, opportunities and threats to economic development;
- Specific implementation actions to facilitate the growth of the targeted industry sectors, including the respective roles and responsibilities for the County, City, Port and others;
- An action plan to support the private sector in realizing the shared economic development strategy;

- Creation of a rapid response and business retention team to assist existing and prospective businesses;
- A mechanism to track our success in implementing the shared strategy, and to respond to new and emerging conditions.

An elected working group comprised of the Chair of the Board of County Commissioners, the Mayor of Port Townsend, and the President of the Port Commission will oversee the planning process. An inter-local staff team including senior management from the three jurisdictions and Team Jefferson will perform the work with assistance from an economist. In addition, Team Jefferson will facilitate critically important involvement and input from the county's business communities.

The proposed Joint Economic Development Planning Agreement and the work that it would commit us to is consistent with the vision statement of Jefferson County's adopted Strategic Plan:

"We envision Jefferson County as a balanced, sustainable community with economic opportunities for income potential that allows personal independence Where post secondary educational opportunities exist and are tied to the local economy. Where the community accepts that a certain level of growth and development are healthy and necessary to maintain our quality of life. Where the enjoyment of a rural lifestyle is allowed without the necessity of urban services. Where growth is encouraged where appropriate infrastructure exists or is planned to exist, thus enabling urban and rural lifestyles to coexist. Where the community is engaged with their elected leadership to accept responsibility for contributing to the solutions of community problems."

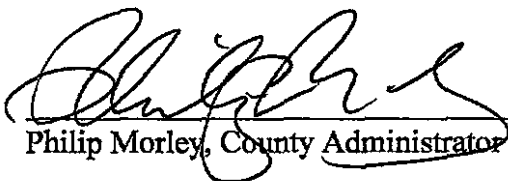
FISCAL IMPACT:

The adopted 2010 County budget provides funding for the staff support to this economic planning process. The cost for the professional economist will be shared between all parties, of which the County's portion will be \$10,600.

RECOMMENDATION:

These documents are for review only. Any comments should be directed to the County Administrator or the Director of Community Development. Final action on the proposed Joint Economic Development Planning Agreement will be via a regular agenda request to be brought forward once the Port and the City have adopted the Agreement.

REVIEWED BY:


Philip Morley, County Administrator

5/6/10

Date

JOINT ECONOMIC DEVELOPMENT PLANNING AGREEMENT

This three-party Joint Economic Development Planning Agreement (“Joint Planning Agreement,” “JPA” or “this Agreement”) is entered into as of May ___, 2010, by and between Jefferson County, a political subdivision of the State of Washington, having offices for the transaction of business at 1820 Jefferson Street, Port Townsend, Washington 98368 (the “County”), the City of Port Townsend, a municipal corporation of the State of Washington, having offices for the transaction of business at 250 Madison Street, Port Townsend, Washington 98368 (the “City”), and the Port of Port Townsend, a special purpose district of the State of Washington, having offices for the transaction of business at 375 Hudson Street, Port Townsend, Washington 98368 (the “Port”), jointly referred to hereinafter as the “parties.”

- A. On February 16, 2010, the parties entered into a three-party Memorandum of Understanding (MoU) in which they committed to collaboratively negotiate and approve an agreement for Joint Economic Development Planning and Implementation.
- B. The MoU affirmed the parties’ intent to address three substantive topics within a subsequent Joint Economic Development Planning Agreement:
1. Data collection and analysis;
 2. Development of a common economic development vision (hereinafter “Economic Development Direction Statement”); and
 3. Development of coordinated and complimentary economic development goals, policies and implementation actions (hereinafter “Joint Economic Development Strategy”).
- C. In March and April of 2010, County, City and Port staffs met regularly to develop a set of suggested objectives and a proposed process for Joint Economic Development Planning, consistent with the terms of the earlier MoU.
- D. On April 8, April 23, and April 30, 2010, the Chair of the Jefferson County Board of Commissioners, the Mayor of Port Townsend, and the President of the Port Commission met with the staffs of the parties to review and discuss the proposed objectives of, and process for, the planning effort, and directed the staffs of the parties to prepare a draft agreement to memorialize the understanding between the parties.
- E. The parties are committed to effectively collaborating to develop a strategy for sustainable countywide economic development that is consistent with the Growth Management Act (GMA), the Countywide Planning Policies (CPPs) for Jefferson County, and which will serve as a guiding document for periodic updates to locally adopted comprehensive and capital improvement plans.
- F. To promote intergovernmental collaboration regarding economic development, and to promote productive relations between the parties, the parties enter into this Joint Economic Development Planning Agreement to guide the preparation and implementation of a coordinated economic development strategy.

NOW, THEREFORE, for and in consideration of the mutual obligations hereinafter set forth, the parties agree as follows:

1. Joint Economic Development Planning Objectives. The Joint Economic Development Planning Process authorized by this Agreement will seek to achieve the following objectives:

A. To clearly identify the industry sectors most likely to generate local business, employment, and income growth over the coming decades.

B. To identify which industry sectors should be the specific strategic focus and responsibility of the County, City and Port, respectively. In assigning individual or shared responsibility for certain industry sectors, the parties agree to give consideration to the following:

(1) Ensuring that the identified industry sectors are consistent with the economic, environmental and social values of the community; and

(2) Ensuring a coordinated and complimentary geographic distribution of identified sectors and uses.

C. To identify the particular land use and infrastructure needs of the targeted industry sectors, as well as current deficiencies.

D. To identify and achieve agreement as to the specific implementation actions to be undertaken by each of the parties and others to facilitate the growth of targeted industry sectors. Such actions may include, but shall not necessarily be limited to the following:

(1) Policy and regulatory amendments that will reduce or eliminate barriers to desired forms of economic development (e.g., changes in zoning, use classifications, and specific development standards), while maintaining compliance with the GMA (Chapter 36.70A RCW);

(2) Discrete capital infrastructure improvements that will directly support targeted industry sectors and clusters (e.g., broadband improvement projects); and

(3) Specific steps to improve the available “soft” infrastructure within the community (e.g., policy and regulatory changes or capital improvements that will encourage the provision of more affordable housing and high quality public schools; means to encourage local lenders to make financing available for desired industry sectors).

E. Development of an action plan to strengthen the county’s Associate Development Organization (ADO) and its capacity to support the private sector in implementing and shaping future revisions to the Joint Economic Development Strategy; such an action plan could include strategies to strengthen and sustain the ADO as a viable organization to provide assistance, training and outreach to specific businesses and industry sectors, as well as assistance in stimulating existing and targeted sectors through grant writing, research and development.

2. Desired Joint Planning Process Outcomes. In addition to the potential policy and regulatory amendments, capital improvements and other implementation measures identified as planning objectives in §1, supra, the parties intend that the planning process will help to build a long-term institutional culture of County, City and Port economic development collaboration and coordination. The parties agree to discuss techniques to foster a long-term culture of inter-jurisdictional cooperation that may include, but shall not necessarily be limited to the following:

A. Creation of a “rapid response and business retention” team to assist existing and prospective businesses identify potential site locations, available infrastructure, and permitting requirements;

B. Periodic Joint Economic Development Strategy updates conducted by the county’s Associate Development Organization (ADO);

C. Annual “economic summits” jointly hosted by the County, City and Port to share ideas about how to improve and develop local business, infrastructure, the local workforce, and the health and well-being of the community; and

D. Formalization of a process to systematically review and, if necessary, revise the Joint Economic Development Strategy in advance of the periodic comprehensive plan and development regulation updates required under RCW 36.70A.130.

3. Joint Economic Development Planning Process. The parties agree to undertake the preparation, review and adoption of a Joint Economic Development Strategy by following the planning process delineated in Exhibit “A,” which is attached hereto and incorporated herein by this reference.

4. Consultant Assistance.

A. *Data Collection, Analysis & Recommendations.* The parties agree to contract with a qualified economic consultant to objectively and impartially provide the following services in preparing the Joint Economic Development Strategy:

(1) Collection and analysis of available relevant economic data;

(2) Analysis of the regional and local market position of Jefferson County, the City of Port Townsend and the Port of Port Townsend, building off existing studies and information;

(3) Identification of economic data gaps and updates to information where critically necessary to ensure sound economic development strategy recommendations;

(4) Preparation of a Strengths, Weaknesses, Opportunities and Threats (SWOT) Analysis of the local economy;

(5) Preparation of an “Existing Conditions” report summarizing the data and global, regional and local trends;

(6) Preparation of Key Findings and Recommendations including existing or future industry sectors most likely to generate local business, employment, and income growth to inform the preparation of the

Draft Economic Development Direction Statement and Coordinated Economic Development Strategy;

(7) Presentation of the Analysis, Findings and Recommendations at public meetings; and

(8) Providing support, information, and critical feedback to the staffs of the parties (the "Inter-Local Staff Team") in the preparation of the Joint Economic Development Strategy.

B. *Consultant Scope of Services.* The parties agree that the Scope of Services set forth in Exhibit "B," which is attached hereto and incorporated herein by this reference, shall guide the consultant, and may be revised with the approval of the parties.

C. *Budget & Apportionment of Costs.* The parties agree to share in the funding of the consultant services specifically outlined in Exhibit "B," up to a total cost not to exceed \$31,800. Costs shall be apportioned between the parties as follows: Jefferson County 33.3%; City of Port Townsend 33.3%; and Port of Port Townsend 33.3%. The County shall be responsible for contracting with the economic consultant. The County shall make payments due the consultant consistent with the terms of the consultant contract, and shall provide billing statements to the City and Port consistent with the cost apportionment provisions set forth above, with payment due the County by the City and Port within thirty (30) days of receipt of statements.

5. Key Roles & Responsibilities. The parties agree that a clear delineation of the roles and responsibilities of the parties is necessary in order to guide the intergovernmental interactions and ensure the development of useful, high quality work products that serve the public interest. To this end, the entities, elected bodies and committees set forth in the process flowchart depicted in Exhibit "A" shall have the following roles and responsibilities under this Agreement:

A. *Elected Working Group.* Comprised of the Chair of the Board of County Commissioners, the Mayor of Port Townsend, and the President of the Port Commission, the Elected Working Group shall be responsible for overseeing the planning process adopted under this Agreement and shall also:

(1) Review and consider the work products prepared by the consultant, along with input received during Focus Group Sessions, and provide direction to Team Jefferson in developing the Draft Economic Development Direction Statement;

(2) Provide direction to the Inter-Local Staff Team in developing the draft Joint Economic Development Strategy;

(3) Review and approve all draft work products prior to public distribution; and

(4) Meet as deemed necessary and appropriate to supervise progress under this Agreement, discuss the current economic environment, and to exchange information and ideas regarding new economic opportunities and challenges as they arise.

B. *Inter-Local Staff Team.* Comprised of the County Administrator, City Manager, the Port Executive Director, the Executive Director of Team Jefferson, and their respective staffs, the Inter-Local Staff Team shall:

- (1) Manage and support the work of the consultant;
- (2) Collaborate with Team Jefferson to develop a Draft Economic Development Direction Statement;
- (3) Develop the draft Coordinated Economic Development Strategy;
- (4) Keep the Elected Working Group apprised of progress in implementing this Agreement; and
- (5) Organize and staff all public meetings.

C. *Team Jefferson.* Team Jefferson will support the Joint Planning Process by undertaking the following responsibilities:

- (1) Working with both the Elected Working Group and the Inter-Local Staff Team to define and facilitate the involvement of the local business community in the process;
- (2) Formulating a recommended list of local business interests to be invited by the Elected Working Group to participate in Economic Development Focus Group Sessions;
- (3) Moderating and facilitating the Economic Development Focus Group Sessions in order to: a) inform participants as to the key findings and recommendations of the consultant; b) present the results of the Team Jefferson Business Sector Sessions; c) solicit group feedback as to the opportunities for, and barriers to, local economic development; d) formulate a Draft Economic Development Direction Statement factoring both the consultant's findings and recommendations and Focus Group feedback; e) review and provide critical feedback on the draft Joint Economic Development Strategy prior to its wider public release; and
- 4) Providing additional facilitation support and public meeting moderation as deemed necessary by the Elected Working Group.

D. *Joint Growth Management Steering Committee (JGMSC)* - The JGMSC will serve as a public forum in which to present and provide information to the public regarding key deliverables prepared under the JPA, and to accept informal public comment. The JGMSC is not intended to be the exclusive public forum and sounding board under the planning process described in this Agreement.

6. Joint Workshops & Hearings. Following preparation of the draft Joint Economic Development Strategy, the parties agree to conduct a several joint sessions involving the Board of Commissioners, City Council and the Port Commission to review, discuss, accept formal public testimony, revise and adopt the Strategy. These joint sessions may take, but shall not necessarily be limited to, the following forms:

A. One (1) or more Workshops to review, discuss and ask questions about the draft Joint Economic Development Strategy, as well as accept questions and comments from the public;

B. At least one (1) Public Hearing to receive formal public comment and direct changes to the Strategy; and

C. At least one (1) Public Meeting to review changes and approve the Joint Economic Development Strategy.

7. Timelines and Tasks. The parties agree to exercise good faith and best efforts to comply with the following list of assignments and deadlines leading to the preparation and adoption of the Joint Economic Development Strategy:

September 3, 2010: Completion of consultant data review, analysis and key recommendations.

November 19, 2010: Completion of draft Economic Development Direction Statement.

February 28, 2011: Completion of draft Joint Economic Development Strategy.

March - April 2011: Joint public meetings, workshops and hearings conducted.

May 2011: Joint Economic Development Strategy adopted.

The parties agree to extend the foregoing deadlines from time to time as is reasonably necessary and for good cause.

8. Effect. This Joint Economic Development Planning Agreement shall be binding upon the parties and the parties shall be held responsible to the agreed upon deadlines.

9. Term. This Agreement shall continue in full force and effect until the timelines and tasks set forth in Exhibit "A" are met and a Joint Economic Development Strategy is adopted by the parties.

10. Modification. This Agreement may be modified by further written agreement upon mutual acceptance by the parties.

11. Hold Harmless. Each party to this Agreement shall defend, indemnify and hold the other party, its appointed and elected officers and employees, harmless from claims, actions, injuries, damages, losses or suits including attorney fees, arising or alleged to have arisen directly or indirectly out of or in consequence of the performance of this Agreement to the extent caused by the fault or negligence of the indemnitor, its appointed or elected officials, employees, officers, agents assigns, volunteers or representatives.

12. Dispute Resolution. The parties agree that any dispute arising out of this Agreement shall first be submitted for non-binding mediation. The County, City and Port shall jointly designate one person mutually acceptable to all three parties to serve as mediator. The costs of mediation shall be allocated equally between the parties.

13. Applicable Law and Venue. This Agreement shall be construed and interpreted in accordance with the laws of the State of Washington. In the event that a dispute cannot be resolved through the use of mediation, such dispute shall be litigated in the Superior Court of Jefferson County, Washington.

14. Non-Discrimination. The parties shall not discriminate in any manner related to this Agreement on the basis of race, color, national origin, sex, religion, age, marital status or disability in employment or provision of services.

15. Severability. If any provision of this Agreement or its application to any person or circumstance is held invalid, the remainder of the provisions and the application of the provisions to other persons or circumstances shall not be affected if such remainder would then continue to serve the purposes and objectives of all parties.

16. Entire Agreement. This Agreement constitutes the entire Agreement between the parties concerning Joint Economic Development Planning. Any modifications to this Agreement shall be in writing and shall be signed by each party.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed effective the date and year first mentioned hereinabove.

JEFFERSON COUNTY

David Sullivan, Chair of the Board of Commissioners

Attest:

Erin Lundgren, Deputy Clerk of the Board of Commissioners

Approved as to Form:

David Alvarez, Deputy Prosecuting Attorney

THE CITY OF PORT TOWNSEND

By: _____
Michelle Sandoval, Mayor

Attest:

Pamela Kolacy, City Clerk

Approved as to Form:

John Watts, City Attorney

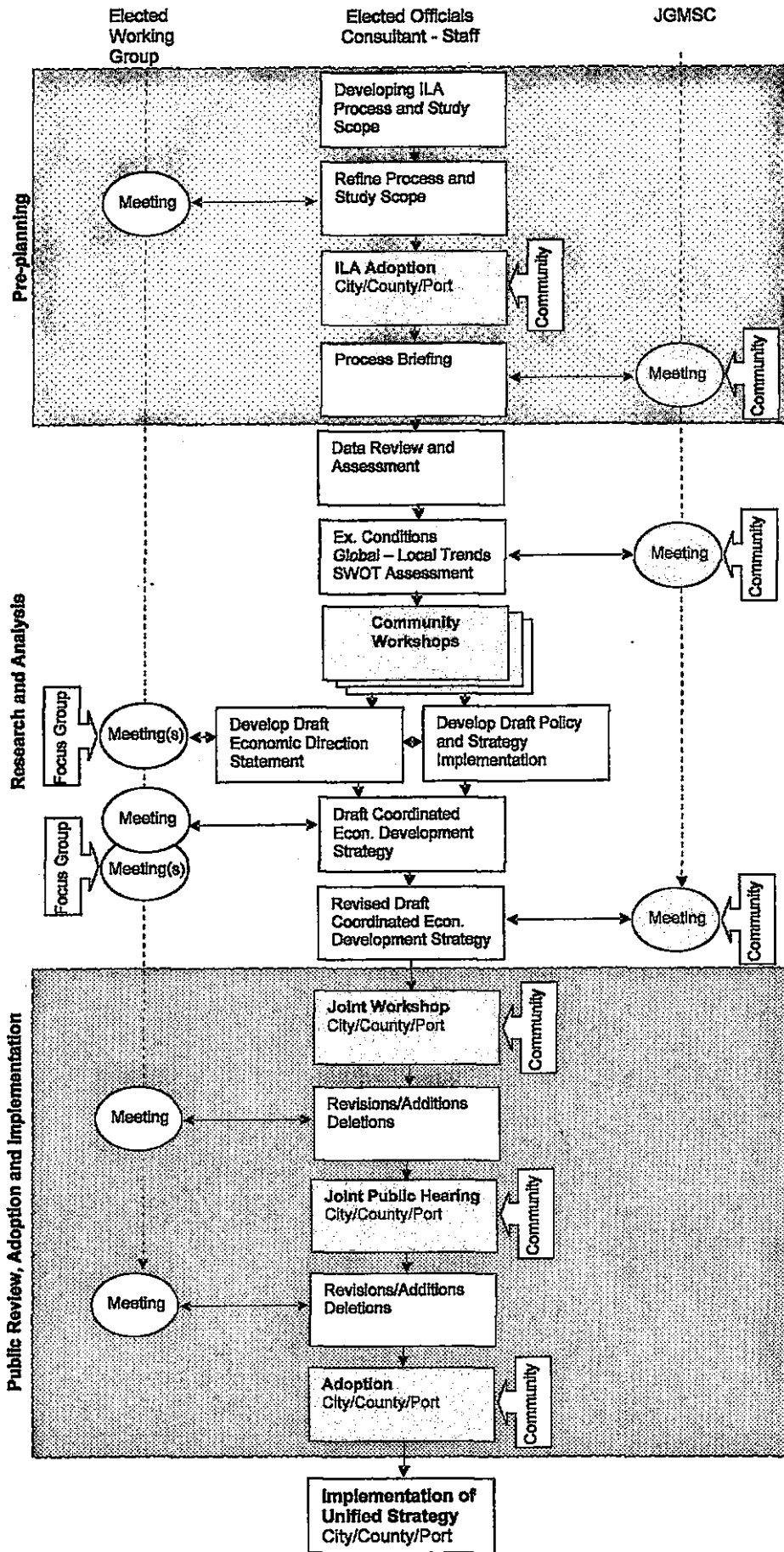
PORT OF PORT TOWNSEND

John N. Collins, Port Commission President

Approved as to Form:

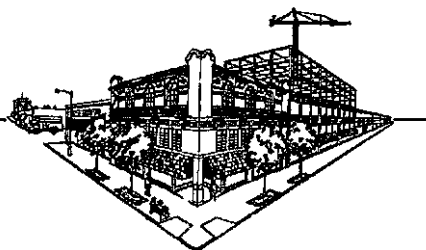
Carolyn Lake, Port Attorney

Draft Process Flowchart



E. D. Hovee & Company, LLC

Economic and Development Services



PROPOSAL MEMORANDUM

To: Al Scalf, Jefferson County
Rick Sepler, City of Port Townsend
Eric Toews, Cascadia Planning / Port of Port Townsend

From: Eric Hovee

Subject: Joint Economic Development Planning – Proposal for Consultant Services

Date: April 28, 2010

This memorandum is intended to provide an updated proposal to provide economic consulting services for Joint Economic Development Planning on behalf of the Jefferson County, the City of Port Townsend, and Port of Port Townsend. Pursuant to a February 10, 2010 Memorandum of Understanding (MOU) between the County, City and Port, substantive subjects of joint economic development planning are anticipated to cover:

- Data collection and analysis
- Development of a common economic development vision
- Development of coordinated and complementary economic development policies based on market demand

This proposal is focused on providing consulting assistance covering the first of these items – focused on data collection, analysis and resulting recommendations in conjunction with a proposed Joint Economic Development Planning Agreement which will serve to further the February MOU. It is our understanding that preparation of the common vision and policies will be conducted through a planning process involving an elected working group, inter-local staff team, Team Jefferson, and Joint Growth Management Steering Committee (JGMSC)

PROJECT BACKGROUND & UNDERSTANDING

In recent years, considerable economic development planning has been conducted for public jurisdictions and economic development organizations in Jefferson County:

- In 2002, Paul Sommers prepared a Jefferson County economic assessment – covering demographic and employment trends, interview and survey findings, potential approaches and recommendations for economic development in Jefferson County.
- In 2007, E. D. Hovee & Company, LLC (Consultant) conducted preliminary work toward a countywide industrial and commercial land inventory, infrastructure assets and economic development analysis – with key products including a business survey, alternative employment and land demand scenarios and commercial and industrial lands inventory analysis.

The purpose of this update is not to duplicate existing data or conduct a complete quantitative update, but rather to build from these prior analyses. A need that has emerged since the 2002 and 2007 reports is to take into account effects of the economic recession and ensuing economic recovery.

While readily available data will be used to inform this discussion, it is understood that this updated assessment should be qualitative as well as quantitative in nature. In effect, a key purpose intent is to also provide an outside consulting perspective regarding how the economic landscape has changed and may continue to change over the next 1-2 decades.

SCOPE OF SERVICES

Suggested for consideration with this updated proposal is a seven-point scope of services to be performed by the E. D. Hovee & Company, LLC (as Consultant):

A. Economic Data Collection & Analysis. The purpose of this initial task will be to compile and analyze economic data identified by the County, City and Port as important to preparing a Joint Economic Development Strategy.

At the outset, Consultant will review previously completed analyses – including the Sommers and E. D. Hovee reports noted above together with other documents as may be provided by the public agency participants. This will include documentation of current planning and economic development priorities for the County, City and Port – including rural subareas of the County as may be discussed with the Inter-Local Staff Team.

Anticipated is a start-up meeting with representatives of the County, City and Port. Purposes would be to discuss project objectives, key issues to be addressed, anticipated public involvement, and key changes in land use and economic development by jurisdiction and planning area experienced since 2006-07.

The Consultant anticipates updating a limited set of key readily available economic indicators for the time period since the last completed 2007 economic analysis, including updates for:

- Population and households
- Labor force and unemployment
- Covered employment and payrolls by industry sector
- Income by source
- Other readily available data items as may be determined by the Consultant and Inter-Local Staff Team.

With this update, Consultant may also summarize findings regarding industrial and commercial property sales and rents – based on data as may be provided by the County, City and Port. Attention also will be given to national forecasts of, as for: employment by industry sector (covering both gaining and declining sectors); and changing demographics of the population (including aging of population and anticipated slowing of labor force growth).

B. Regional/Local Position of County/City/Port. This second task involves an analysis of the regional and local market position of Jefferson County, the City of Port Townsend, and the Port of Port Townsend. This preliminary assessment will draw from existing studies and information – including Task A economic data collection and analysis.

Assessing current and prospective regional and local market position will involve an overview scan to identify and assess key implications of the economic downturn and early phase recovery. Consideration will also be given to longer-term implications including potential post-recovery structural shifts that may be anticipated over the next 10-20 years.

Discussion may include analysis of economic implications of issues such as restructuring of financial markets, patterns of changing global competitive advantage, and opportunities related to an emerging green development and business ethic. Implications of these observed and emerging trends will be considered at three scales of geography – a global and U.S. macro scale, regionally for the Pacific Northwest, and locally for the County, City and Port..

C. Economic Data Gaps & Update Needs. This task will involve Consultant identification of economic data gaps and further updates to information where critically necessary to ensure sound economic development strategy recommendations. While the Consultant will not be responsible for added data collection that may be recommended (beyond what is covered by Task A), recommendations will address anticipated means and options for accomplishing any added critical data compilation.

D. SWOT Assessment. The Consultant will prepare a strengths, weaknesses, opportunities and threats (SWOT) assessment of the local economy. This assessment will be focused on findings specific to the City, unincorporated county and Port. As appropriate, the SWOT will also address elements of data collection and analysis as outlined by the current MOU related to:

- Industrial and commercial lands

- Infrastructure needs and limitations,
- Industrial/commercial property sales and rents (as information is available)
- Economic sectors most likely to experience future growth
- Identification of geographic areas of the County most likely to attract and support specific economic sectors

The strengths and weaknesses portion of the assessment will reflect recent trends and current conditions. Opportunities and threats will be forward looking, over a 10-20 year time horizon.

E. Existing Conditions Report. Upon complete of Tasks A-D, Consultant will prepare an Existing Conditions Report summarizing the results of the data analysis including review of global, regional and local trends. At a minimum, this draft report strategy can be expected to cover the following topics:

- Executive summary
(suitable for separate distribution as a stand-alone document)
- Economic indicator review
(covering key data points and observations from prior work and current update)
- Economic data gaps & update needs
(including options for data compilation)
- SWOT assessment
(providing findings specific to County, City, and Port plus multi-jurisdiction synopsis)

Consultant will submit a draft of this Existing Conditions Report, followed by a final document addressing questions and comments received.

F. Key Findings & Recommendations. Subsequent to submittal and review of the Existing Conditions Report, Consultant will prepare a separate report summarizing key findings and recommendations to inform the resulting preparation of a Draft Economic Development Direction Statement and Coordinated Economic Development Strategy.

Findings and recommendations will be specific to each of the County, City and Port jurisdictions as participants to the Joint Economic Development Planning Agreement. As with the Existing Conditions Report, Consultant will submit a draft memo report of Key Findings and Recommendations, followed by a final document addressing questions and comments received.

G. Public Meeting Presentations. Over the course of this project, Consultant is available to participate in 1-2 meetings with the Joint Growth Management Steering Committee (JGMSC) and in one public presentation. Scheduling and format of these presentations will be as determined mutually by the Inter-Local Staff Team and Consultant.

Subsequent Phase Services. If requested by participants in the Joint Economic Development Planning Agreement, Consultant would be available to provide subsequent phase services on a basis as mutually agreed. Such services could include but are not limited to additional economic data research, land inventory updating and/or analysis, preparation of more

detailed implementation work programs, added strategy drafts (including final documentation), and/or participation in added on-site meetings / presentations.

BUDGET & SCHEDULE

Consultant E. D. Hovee & Company, LLC proposes to complete the scope of services as outlined by this proposal for a professional fee of \$26,250 including reimbursable expenses (as for travel and data). Anticipated budget allocation by task is estimated as shown by the following chart.

Project Task	Budget	Comments
A. Economic Data Collection & Analysis	\$5,960	Includes start-up meeting (@ 1/2 travel cost)
B. Regional/Local Position of County/City/Port	\$2,980	Includes review of current planning documents
C. Economic Data Gaps & Updates	\$1,320	Best practices assessment
D. SWOT Assessment of Local Economy	\$2,460	Findings specific to County/City/Port
E. Existing Conditions Report	\$4,030	Covering work tasks A-D (draft & final)
F. Key Findings & Recommendations	\$1,580	Memo report (draft & final)
G. Public Meeting Presentations	\$6,120	Three trips w/preparation & presentation materials
Subtotal Professional Services	\$24,450	
Expenses (travel, data, miscellaneous)	\$1,800	Includes 3.5 on-site trips (one shared w/Port Townsend)
Total Project Budget	\$26,250	

This budget assumes that all draft and final project deliverables will be submitted in electronic (word, pdf) formats, suitable for reproduction and distribution at the discretion of the County, City and Port. Consultant reserves the right to reallocate professional services costs between task line items, subject to the overall project maximum noted above. Invoice are typically submitted on a monthly basis for services rendered and expenses incurred during the prior month. Payment terms are net 30 days.

Subsequent phase services, if requested, could be provided on a time and materials basis or subject to a not to exceed amended work scope and budget. Consultant participation in additional meetings or presentation, if desired, can be provided at an estimated per trip expense of \$1,850 including time and travel expense.

Anticipated schedule for completion of Consultant prepared documentation is September 3, 2010. This schedule is predicated on contract authorization by May 10, 2010. Meeting scheduling is as mutually agreed between the parties.

NEXT STEPS

This updated proposal for consulting services is subject to revision based on questions and suggestions received. Consultant E. D. Hovee & Company, LLC would enjoy working with Team Jefferson in moving toward a joint economic development strategy responsive to current market dynamics and community priorities in the months ahead.