

## PORT COMMISSION SPECIAL MEETING– March 20, 2018

The Port of Port Townsend Commission met in special session at the Port Townsend Yacht Club, 2503 Washington Street, Port Townsend, WA

Present: Commissioners – Tucker, Hanke and Putney  
Executive Director Gibboney  
Auditor Berg  
Director of Operations & Business Development Englin  
Director of Planning, In-house Counsel Toews  
Communications Coordinator Matej  
Attorney Goodstein  
Minutes – Nelson

### I. CALL TO ORDER/PLEDGE OF ALLEGIANCE:

Commissioner Tucker called the meeting to order at 1:00 p.m.

### II. APPROVAL OF AGENDA:

**Commissioner Hanke moved to approve the Agenda as presented.**

**Commissioner Putney seconded the motion.**

**Motion carried by unanimous vote.**

Commissioner Tucker discussed some of the main points of the Point Hudson Jetty project, beginning in 2014 with the original condition assessment, through 2017, when Mott MacDonald was retained to complete project engineering and creation of the bid packet, and permitting was completed. He discussed the importance of both Point Hudson and the Wooden Boat Festival to the community and the Port. He stated bid specs have always included the requirement that the contractor would provide a careful sequencing schedule and work that would protect the marina. Commissioner Tucker discussed the two alternative schedules proposed for the bid.

Commissioner Putney also provided comment.

### III. PUBLIC COMMENTS (Not related to agenda):

NW Maritime Center (NWMC) Director Jake Beattie read his letter to the Port Commissioners encouraging the Commission to make the decision to “take the summer options off the table”. Finally, the NWMC offered to donate net proceeds from this year’s Festival, which in recent years has ranged between \$80,000 and \$100,000.

Bertram Levy presented a NOAA weather chart and how winds could affect the project.

George Yount expressed appreciation to the NWMC for their donation offer, suggested financial help from the City and Main Street, and placing a retired Navy destroyer in the water for wave deflection.

Carol Hasse (Port Townsend Sails) encouraged the Commission to delay the project until September and urged them to reconsider the planned steel jetty for a rubble mound jetty.

Melinda Bryden discussed the Port’s finances and the Commission’s fiduciary responsibility to the entire community and go with less expensive option. In her opinion, the City and the NWMC are the prime financial beneficiaries of the Wooden Boat Festival and urged folks to contact the City and NWMC and ask each to donate \$150K to the project.

John Holbert, long-time customer of the marine trades, supports the community, has been a participant in the Wooden Boat Festival. He urges the commission to find a way to make this work.

Doug Lamy agreed with Ms. Hasse’s statement. City and County should help with cost. Expand marina.

Ron Hayes thanked NWMC for donation offer. Believes the City, Port and NWMC should all be involved financially and the need for all to work together, especially if the NWMC takes over Point Hudson in a lease arrangement.

Main Street Director Mari Mullen discussed the current 6-month long downtown construction project and the financial impact to the downtown businesses, who are counting on the summer to recover. She urges the Commission to delay until after the Festival.

Kris Nelson, owner of numerous downtown businesses urged the Commission to consider the financial impact to small businesses if jetty construction occurs during the summer months. She stated the current City construction project is hitting businesses hard and they are relying on summer income more so than usual.

Bob Downes commented on discrepancies in the minutes.

Ted Shoulberg echoed his support of Mr. Beattie and Ms. Hasse's statements.

Tom Aydelotte, owner of Doc's Marina Grill thanked the NWMC for donation and stated he would kick in \$20,000 towards the project.

Morgan Conrad suggested consideration of naming rights of the pier.

Chris Hanson, PT Dive Shop would like to see project delayed until after the Festival and stated he would make a financial contribution.

Gary Dutcher suggested ordering the steel now to avoid Trump's new steel tariff.

Jan Sprague suggested selling the two antique cannons that sit outside the stadium (proceeds to project cost).

Bill Curtsinger, Sunrise Coffee stated even though their business is not located downtown, they would also lose money if Wooden Boat Festival is canceled. Delay project to after Festival.

Chris Bakken, Sea Marine stated he would "pony up money" (\$4000-5000 range) if late start, and volunteered to coordinate fund raising.

Dan McRae stated he is a tenant and would contribute.

Ted Shoulberg suggested NWMC handle donations since they are a 501 3c and money is tax deductible.

Dennis Cartwright stated City should have interest in Point Hudson (clarified "financial interest").

Kaci Cronkhite (former Wooden Boat Festival director) expressed appreciation to "the spirit of the community" with their willingness to help, contributions, ideas, research and thanked everyone.

Tony Petrillo suggested Mr. Bakken integrate a "Kick Starter" campaign.

#### IV. POINT HUDSON SOUTH JETTY ALTERNATIVE BID SCHEDULES AND MARINA ACCESS PROVISIONS (0:59:00):

Mr. Toews briefed on the presented Bid Schedule options and discussed "time out" and marina access schedules:

Schedule "A" – begin project mid-July with a sequence plan to ensure work is done in a manner to protect marina from wave impact. Estimated cost \$3.67M. Mr. Toews reported the NWMC announced they would have to cancel the Festival if this option is chosen, or even included as an option in the bid packet, due to the inability to obtain insurance without wave protection.

Alternative-Variance to Schedule A – leaving seaward leg of south jetty in place during construction, possibly providing the wave attenuation the NWMC is seeking, or demolish and rebuild prior to Festival. Begin construction mid-July. Estimated \$200K cost in addition to Schedule "A" base cost.

Schedule B – start work after Wooden Boat Festival. Estimated cost \$4.04M. He discussed the effects of the steel tariff.

Commissioner Tucker stated his concern with a September start is that the bid may come in too high to afford the project. In his opinion, he thinks Wooden Boat Festival should have been planned for the Boat Haven location, but too late for that now. He added it would be fiscally irresponsible not to include the bid with the early start date. Commissioner Tucker stated the bid should include the alternate to Schedule "A" along with Schedule "B". He stated if construction is postponed until fall, it opens the project up to the worst storms of the year, which would cause probable construction delays, higher costs.

Commissioner Hanke stated he appreciates all the comments. Key is to repair infrastructure and preserve the Festival. In his opinion, the choices are to start after Wooden Boat Festival or delay for a year. He stated if delayed a year there could be about a 20% chance of losing the granted \$901K. He reported he has spoken with a number of people and his observations: not an option to jeopardize the Festival; the NWMC's concern of a 20% chance of wind event, which could damage the festival; pay a

higher price to lessen impact on community at large. He discussed impacts of loss of revenue to Port and community, increasing the bond, no guarantee of a July 15 start. Commissioner Hanke discussed a construction easement offer from NWMC. He offered, as Puget Sound Express business owner, to donate \$50,000 if construction to begin after Festival.

Commissioner Putney expressed appreciation of the collaboration seen today and the generous pledge from the NWMC. He encourages the public to patronize businesses making pledges. After hearing of all the generous offers, he stated he is leaning towards the late (September) project start. He recognizes that if bids come back too high, the project would have to be delayed at least a year, which could jeopardize the grant, and re-start the process of permits, engineering, staff time, etc.

Commissioner Tucker said he believes if project delayed and grants and permits are lost, it would be a horrible thing to overcome. He discussed the importance of having both early and late start dates in bid.

Commissioner Hanke asked Mr. Toews consequences of delaying project to 2019. Mr. Toews replied a request to RCO/USF&WL to extend grant would need resubmitting. However, grant extension not guaranteed. Regarding permits, none would be jeopardized by a one-year delay - we can apply for extensions. If grant not awarded, the Port would be out the \$901K remaining in the grant, and would need to refund monies spent to date of \$153K.

Commissioner Tucker said, as a public servant he is required to be mindful of spending taxpayer money, and will not take the risk of losing that money. He added he is only considering the alternate to Schedule "A".

Commissioner Hanke asked for clarifications from Mr. Toews if project is delayed. Mr. Toews stated the longer the project is delayed, the greater the risk of increased construction costs, plus the steel tariff.

Commissioner Hanke discussed costs of de-mobilization in Schedule A and Alternate A. He would like to go with the late start, believes it is most predictable, other than the weather.

Mr. Beattie stated after doing some quick math, Schedule A Alternate \$4.12, no donations, grant/bond, leaves a negative variance of \$220K.

Schedule B, \$4.29 with \$250K, easement benefit of \$100K (?), donations, leaves a negative variance of \$140K.

Mr. Beattie stated granting an easement from the NWMC is a possibility with the September start.

Attorney Goodstein stated if donations are definitive with later project start date, language will need to be added to the motion. Donation matters to be addressed at another meeting.

Commissioner Putney expressed his concerns with project decision, donations, Wooden Boat Festival start.

Mr. Toews advised, if going with Schedule B, to forego a decision today and note a special meeting within the next 48 hours to find a mechanism to bind donations within that time period and then to proceed with a decision knowing that we would have those monies available for Schedule B.

**Commissioner Tucker moved to call a Special Meeting in two days' time to decide on Schedule B.**

**Hearing no seconds, the motion died.**

**Commissioner Hanke moved to go out to bid for Schedule B only.**

**Commissioner Putney seconded the motion.**

Commissioner Tucker stated he believes this motion, bidding only Schedule B, is not fiducially responsible.

Commissioner Hanke reminded that if bids come in higher than what the Port can afford, the Commission can reject all bids.

**Motion carried with two for (Hanke and Putney) and one opposed (Tucker).**

V. PROCESS AND TIMELINE FOR NORTHWEST MARITIME CENTER PROPOSAL (1:45:21):

Director Gibboney stated per Revised Code of WA, prior to adjourning into Executive Session to discuss minimum price of lease of public property, issues need enumerating. She listed the factors the Commission may choose to consider in Executive Session,

including agreement term, leased area, consideration, existing and future debt profile, financing and bonding implications, A&G allocation, credit worthiness, capital improvements, parking, proposed users, ability to partner and governance structure. She recommended adjourning into Executive Session for discussion of how these issues would affect an acceptable minimum price, one-hour duration. Probable decision may include authorization for the Chair & ED to offer any counter proposals to the NWMC. After allowing time for them to reply, at a near-future Commission Meeting, reconvene into an Executive Session, then deliberation in open session of said counter, in a future meeting.

VI. STAFF COMMENTS:

VII. COMMISSIONER COMMENTS (1:51:27):

Commissioner Putney thanked the community for coming, their enthusiasm, participation, and for the potential donors.

Commissioner Tucker commented that he has been spending all of his time on this issue and reading and answering emails.

Commissioner Hanke stated the NWMC leasing deal has a lot of negotiating ahead. He then discussed the \$4M cost of the marina project for a small marina that does not bring in enough revenue to cover that expense. He expressed the need for community cooperation to figure out a solution for this to make sense.

VIII. NEXT PUBLIC WORKSHOP & REGULAR MEETING:

Wednesday, March 28, 2018. Workshop at 1:00 pm, meeting at 5:30 pm in the Commission Building, 333 Benedict Street, Port Townsend, WA.

IX. EXECUTIVE SESSION:

The regular session recessed into Executive Session at 3:02 pm, pursuant to RCW 42.30.110 (c), duration of one hour with probable action. At 4:02 pm, Ms. Nelson notified the crowd outside the Executive Session is extended for thirty more minutes.

X. RECONVENING AND ADJOURNMENT:

The meeting reconvened at 4:32 pm.

**Commissioner Tucker moved to have a counter offer made for two proposals; comprehensive and a phased one, with a date-certain, and have ready for April 11, 2018 meeting for Commission consideration.**


**Commissioner Putney seconded the motion.**

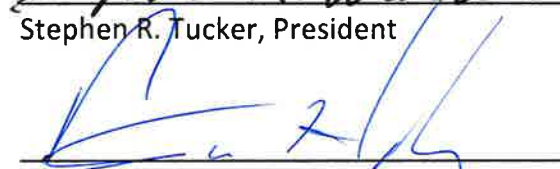
**Motion carried by unanimous vote.**

With no further business to come before the Commission, the meeting adjourned at 4:34 pm.

ATTEST:

  
\_\_\_\_\_  
William W. Putney, III, Secretary

  
\_\_\_\_\_  
Stephen R. Tucker, President

  
\_\_\_\_\_  
Peter W. Hanke, Vice President