

## PORT COMMISSION REGULAR BUSINESS MEETING – Wednesday, March 10, 2021

The Port of Port Townsend Commission met for a regular business session via Zoom online.

Present via Zoom online video: Commissioners Hanke, Petranek and Putney  
Executive Director Berg  
Deputy Director Toews  
Finance Director Berg  
Port Engineer Love  
Port Recorder Erickson  
Port Attorney Woolson

- I. CALL TO ORDER (00:00:01)  
Commissioner Hanke called the meeting to order at 1:00 p.m.
- II. APPROVAL OF AGENDA (00:00:20)  
**Commissioner Putney moved to approve the Agenda as presented and Commissioner Petranek seconded the motion. The agenda was approved by unanimous vote.**
- III. PUBLIC COMMENTS (00:00:50) *there were no public comments.*
- IV. CONSENT AGENDA (00:01:04)
  - A. Approval of Business Meeting Minutes from February 24, 2021.
  - B. Approval & Ratification of Warrants  
Warrants #063465 through #063472 in the amount of \$33,704.94 and Electronic Payment in the amount of \$137,160.14 for Payroll & Benefits. Warrants #063473 through #063531 in the amount of \$117,198.32 for Accounts Payable. Warrant # 063271 in the amount of \$46.57 is declared void.
  - C. Skookum Educational Programs, Inc. Lease.  
**Commissioner Putney moved to approve the Consent Agenda as presented and Commissioner Petranek seconded the motion. The Consent Agenda was approved by unanimous vote.**
- V. SECOND READING ~ none
- VI. FIRST READING ~ none
- VII. REGULAR BUSINESS (00:02:30)
  - A. Associate Development Organization (ADO) designation for Jefferson County, 2021-23.  
Executive Director Berg said that having discussed detail on this at the workshop today, the reason for this discussion was to get the direction on the Port Commission's vision for the Port's role in County-wide economic development and specifically what to do about Associate Development Organization (ADO) designation and how to work with the City, County, and PUD and potentially EDC Team Jefferson<sup>1</sup> (EDC TJ) to fulfill that vision.  
**Commissioner Hanke moved to direct the Executive Director to draft a letter to Jefferson County formally requesting the ADO designation for the 2021-2023 biennium. Commissioner Putney seconded the motion for the purpose of continuing the discussion.**  
Commissioner Putney said he thought an economic development organization needs to be responsive to the entire county, and the current ADO has been city-centric, leaving mid- and south-county largely out of the picture and opportunities missed.  
Commissioner Petranek said this commission had been aware and wanting the ADO role to be better functioning, and this year there had been a change in the ADO cabinet with the four administrators (Port, City, County, and PUD) working with the EDC TJ to provide some guidance. She mentioned the Port's fiscal responsibility and that this will not be an inexpensive venture for the Port – a minimum of \$100,000/year is estimated in new direct costs. She reminded the Commission that they need to have a consensus on the ideal model for next steps to include in its letter to the county.  
Commissioner Hanke commented that the cost didn't concern him, as he felt the Port could absorb that expense. He was concerned about workload but said he had faith in staff being able to handle this, and that the different proposals could be amalgamated into a plan that works. He thought that the Port could move this project forward and would rather step in and take over now and then work on specifics of how to make the ADO function properly.  
Commissioner Putney understood the desire to have everything enumerated but agreed that the Port should take the opportunity now, that it missed two years ago because we weren't ready. He went on to say that Executive Director Berg has experience in Economic Development, and since EDC TJ has offered to support the transition and the Port has the collaboration of the other government entities on the ICG to help, this is an excellent time to take on this responsibility. He

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<sup>1</sup> Economic Development Council for Jefferson County is called EDC Team Jefferson

mentioned that he would soon be off the Commission and he wasn't sure how he would go about influencing the current ADO board as a citizen.

Commissioner Petranek said the Port has wide latitude for economic development beyond what we're doing whether we are the designated ADO or not, and that although the Port of Walla Walla is a stellar example of what could be done, our Port is very different. One of her biggest concerns is the bandwidth of Port staff; they have a lot on their plate right now with Quilcene planning, boatyard planning, jetty replacement, etc. She said she would like to see the core infrastructure in place before taking on any new responsibility; and she reiterated that the \$100,000 is not in the current budget. She said she wanted more time to allow the public to weigh in on this idea and work with the ICG on a shared economic vision while working with the current ADO (EDC TJ) as it is.

Commissioner Putney said that the Port had already been working with EDC TJ, and nothing that had been tried worked. He said he was concerned that if the Port doesn't work on economic development now, that it may cease to exist when sea-level rise catches up with us.

Commissioner Hanke asked Port staff to weigh in on what they thought about the Port taking on the role of ADO.

Executive Director Berg shared an MIT model on the limits of growth and said that Jefferson County and the collaborative process we're imagining may be a model of a different way of doing business in the future. He applauded what Walla Walla is doing but said this community's future is different. He felt that this was an inflection point with shifting leadership that offers an opportunity to tie Jefferson County's collaborative economic resiliency with development for the future. He said there was a lot to consider, and the Port would need to step up to make this work—that it would take investment of all staff.

Deputy Director Toews said he was wary of adding additional commitments when the Port has taken on quite a lot already; and that there is a need for a common vision among the various governments in Jefferson County to ensure we're all pulling in the same direction. He conjectured that some of the tension experienced over the years is related to the different role and purpose that these governments serve; the Port serves as an engine of economic development and as a special purpose government. He speculated that as land and shoreline use authorities, the County and City are both listening to their constituents and trying to implement the Growth Management Act, which creates some tension because whatever the ADO does must be consistent with what the county and city have codified.

Finance Director Berg said she agreed with everything that had been said so far—it's a great opportunity for the Port, and although the Port of Walla Walla was a good example what can be done as an ADO, she was concerned because Walla Walla is very different economically and culturally from Jefferson County. She worried that the Port might be the exception regarding public records requests. She said this would be mission supported, but that it felt a bit rushed. She was concerned about expense creep for the two new positions, which require support services, equipment, offices, etc. She agreed that Executive Director Berg is and has been doing a great job in his first year, but she thought a little more planning would continue to support that success and thus ideal. Ms. Berg also wondered if the 2-year designation were flexible.

Commissioner Hanke referred to the two presentations at the workshop (from Port Attorney Chmelik; and from Executive Director Reay of the Port of Walla Walla) and to the proposals in the packet (from Executive Director Berg; and from Ben Bauermeister of EDC Team Jefferson) and asked if there were a hybrid the Port could adopt. He asked if it would be possible to take what Ben laid out in his proposal and incorporate that into what the Port would do as designated ADO. He said that he felt the Port's government oversight as ADO would be a good change, while at the same time the Port could address Commissioner Petranek's concerns of starting from scratch by using the EDC Team Jefferson suggestions.

Executive Director Berg said that it would not be ideal to have the Port act as designated ADO with a contract to EDC TJ to fulfill the ADO responsibilities. He said that Dept. of Commerce ADO designation is a two-year contract. He reminded Commission that under either scenario there will be a contract with deliverables; currently EDC TJ is overseen by the County Commissioners, and in the past it was overseen by the County, City and Port, and that in stepping back from that, the oversight has not been as clear. He thought that either scenario would result in a similar contract with specific deliverables; the reason for the Port to pursue ADO designation would be to preserve the ability to change the model sooner than a biennium from now.

Commissioner Petranek moved to table the motion to the next meeting and allow the opportunity to discuss this motion. Motion was not seconded and therefore denied.

**A vote was taken on the earlier motion to direct the Executive Director to draft a letter to Jefferson County formally requesting the ADO designation for the 2021-2023 biennium. Motion carried 2 to 1.**

Commissioner Petranek said she would like to use our good momentum with the collaborative ICG to work on this so that everyone is on the same page before we take the helm.

Commissioner Putney mentioned the county's hard deadline and felt that as a Commission, if there is a problem that is chronically in need of repair, they need to step in and help fix it.

Commissioner Hanke said he wanted to respect the other commissioners and their process.

Executive Director Berg said that the County Commission would have a hard time wrestling with this idea, and a unified proposal from the Port and EDC Team Jefferson would be fundamentally more powerful and helpful.

Commissioner Hanke asked if they could attempt to bridge the difference of opinion about when to apply for the designation and work out a plan before we apply for the designation.

Executive Director Berg said that whatever they decided, the plan has to be filled out enough that the county would understand and sign off on the designation and the plan. He reminded Commission that the model proposed by EDC TJ was developed in collaboration with the four government administrators and would be a reboot that tries to fulfill the need as it's articulated now and in the future.

Commissioner Hanke felt that stepping into the role of designated ADO, could possibly mean overseeing EDC TJ, or dissolving it, if needed; however, it is not necessary to start over.

Commissioner Petranek felt that EDC TJ should remain designated ADO and the Port should give more input and direct involvement than it has in the past, with a list of deliverables tied to the financial support we give.

Commissioner Putney suggested that the Port use the outline and direction that EDC TJ has been operating under, adopt their plan as an interim strategy with Port as the ADO, then move in the direction that works better as time goes on.

Executive Director Berg asked what would happen if the County gets the Port's letter requesting ADO designation, but decides to maintain the EDC TJ as ADO? He said that the Port Commission and staff could continue to work on the model, but the main question today was of ADO designation.

Commissioner Putney said he would support anyone doing viable economic support in the county, and adopt the ADO, if the four governments worked together to guide the Economic Development.

Commissioner Hanke thought that bringing the ADO in house would simplify things and asked how much do we want to have a role in ED in the county? He said that marine trades is the Port's biggest economic engine and its main priority; does the Port want do more in agriculture in south county? He didn't think that the Port would stretch to do more without the ADO designation.

Commissioner Petranek said that the EDC is making a proposal that they want to do more and be more engaged, and she saw this as an opportunity to expand in cooperation with and oversight by the 4 government entities. She wanted more time for input from the community and to work with the City, County, and PUD, to come up with a plan and deliverables first, then work with the EDC Team Jefferson on getting them done, and then possibly work towards becoming the designated ADO.

Executive Director Berg suggested delaying the sending of the letter to March 25, which would give the Commission time to think about the Port's role as designated ADO, and allow Port staff to draft a letter, and work with EDC TJ and the other government administrators on models that could work. He said he could then present this draft to the Commission for discussion and possible adoption.

**Commissioner Petranek moved to delay mailing the letter to March 25<sup>th</sup>. Commissioner Hanke seconded the motion; motion was approved unanimously.**

#### VIII. STAFF COMMENTS (01:26:50)

Executive Director Berg began with a brief update on the Nomura building by thanking the Commission for their action on the consent agenda. Port staff is excited to get the Skookum lease signed, and be able to report back to the State Auditor's Office that the lease that began in 1995 has been addressed. He said that future next steps are rental agreements in the coming weeks with the NW School of Wooden Boats and Gathering Place to rent portions of the Nomura building not being used by Skookum, Inc. He reported that Port Maintenance staff were currently working on building the demising walls to divide Skookum's portion of the downstairs from the rest of the building. He said an alternate egress will be built for the upstairs before it can be rented.

Deputy Director Toews commented that the Port is currently operating under a General Boatyard permit for stormwater that is expiring on 7/31/2021. The Department of Ecology is writing new 5-year permit beginning 8/1/21. The comment phase for this new permit is through 4/16/21 with a permit expected to be reissued by mid-June; the Port will be participating in every means possible in this

comment period. There are several changes to the proposed new permit that will affect us and other shipyards around the Puget Sound, and 3 of note are: (1) Ecology proposes eliminating seasonal average benchmark for copper and adding an additional sampling month, (2) dramatically modifying the benchmark for copper from 147 to 15 micrograms/liter in stormwater runoff and (3) turbidity is going to be added to the standard.

Commissioner Hanke asked what the copper benchmark is for our drinking water.

Port Engineer Love said that the drinking water standard is set at a higher limit for copper. He went on to say that the Port is making improvements to our stormwater treatment system, with a pre-settling tank being installed now. He explained that the Port hopes stormwater levels of copper and turbidity will drop after adding the pre-settling tank to the filtration system. He said he will have a better idea about if we can meet this new standard after water quality testing.

Deputy Director Toews added that the first meeting of the Boat Haven stakeholder group will be the next day which starts the process of Boat Haven Planning.

Finance Director Berg commented that she was finishing up the January Financial Report and hoped to also have the February report for the next Commission meeting. She said that in the next couple of weeks she'd begin working on the annual report for 2020. She reported that the Port hopes that Molo have the online reservation (including some really important tweaks) available this week, and that staff were discussing what to do next if that doesn't occur.

Port Engineer Love commented that Port Maintenance crew had installed a couple of kayak racks at Boat Haven and Point Hudson, and one to come at Quilcene. He said that in addition to the work being done at the Nomura building mentioned by Executive Director Berg, work was also in progress on the office space in the building adjacent to the Point Hudson moorage office. He reported that he had a good meeting the previous Friday on the Point Hudson Jetty project with both the City Planning Office and then also the State Department of Fish & Wildlife. He believes the discussion was well received and he didn't see any hurdles in terms of process. He said that they threw out a few good ideas that were also well received. He's working on details of construction, staging, timing, coordination, etc. He said that they were in the process of getting federal permits and after that would move to the local permit process, which all precedes the Port's funding agreement with the EDA.

IX. COMMISSIONER COMMENTS (01:39:15)

Commissioner Petranek commented that Port Engineer Love had given a presentation online for the Marine Resources Committee (MRC) meeting on 3/2/21 and had good engagement with community members via Zoom. She said she planned to attend the North Hood Canal Chamber of Commerce meeting the following Monday (3/15/21)—Frank Redmond has taken the lead in getting this group revitalized; they would like the Port to attend one of their meetings to explain the Quilcene planning process when it's ready. She stated that the day before (3/9/21) she had participated in another KPTZ 91.3 "Working Waterfront" radio interview that took place walking the Boat Haven Yard, and that interview will play next week.

Commissioner Putney commented that he would attend the City Council meeting on Monday (3/15/21) on behalf of KPTZ to discuss the possibility of the KPTZ radio tower going up at Sather Park – a relay tower that is required for emergency broadcasting. He said that he continued to work on Broadband issues.

Commissioner Hanke commented that he wondered when the Port would move off the emergency order and open its doors again. He said he thought today's discussion about the Port becoming the designated ADO was a good one; he felt that it is a big thing to take on he looked forward to further discussion at the Commission meeting on March 24.

X. NEXT REGULAR BUSINESS MEETING (01:43:45)


Next Regular Business Meeting: Wednesday, March 24, 2021 at 5:30 p.m., via Zoom

XI. EXECUTIVE SESSION (01:13:00) - None

XII. ADJOURNMENT

Meeting was adjourned at 2:44 p.m., there being no further business before the Commission.

ATTEST:

  
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 William W. Putney III, Secretary

  
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 Peter W. Hanke, President

  
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 Pamela A. Petranek, Vice President