

PORT COMMISSION REGULAR BUSINESS MEETING – Wednesday, September 27, 2023

The Port of Port Townsend Commission met for a regular business session at the Point Hudson Pavilion Building, 355 Hudson Street, Port Townsend, and also online via Zoom.

Present: Commissioners Petranek, Hanke and Hasse
Executive Director Eron Berg
Deputy Director Eric Toews
Director of Finance and Administration Abigail Berg
Director of Capital Projects and Port Engineer Matt Klontz
Recorder Joanna Sanders
Via Zoom: Attorney Seth Woolsen

I. CALL TO ORDER & PLEDGE OF ALLEGIANCE (Rec. 00:00:00)
Commissioner Petranek called the meeting to order at 5:30 p.m.

II. APPROVAL OF AGENDA (Rec. 00:00:57)
The agenda was approved by unanimous consent.

III. PUBLIC COMMENTS – GENERAL (Rec. 00:01:15)

Eric Taylor provided written comments with concerns about the airport land lease rates.

Dan Gatchet provided written comments in support of constructing an RV campground in Quilcene.

Mark Knudsen provided written comments in support of the proposed Quilcene RV campground.

Tom Ehrlichman provided written comment speaking in support of Resolution 797-23 and for developing a steering committee for the Short Farm. He made suggestions for transparency, downstream water quality, and recognizing air, noise, and light impacts.

Public Comment:

Eric Taylor, President of A Hangar Condo spoke of concern about the increase in land lease rates.

Mark Knudsen spoke in support of developing the underutilized land into an RV camping area in Quilcene.

Ann Ricker agreed with Mark Knudsen's remarks and expressed appreciation for the Port's efforts.

Gary Lanthrum, H Hangar group, spoke about the market rate adjustments and his interest in seeing an updated rate survey. He is happy about the Port's improvements to date.

Pete Langley distributed written comments on the topic of the Recompete Act funds. He supports the Port's proposal for JCIA and shipyard projects.

Chris Bakken of SEA Marine spoke of their gratitude for accomplishing their new lease.

Mike Payne, Director of the PT Aero Museum spoke of the unreasonableness of the lease rate increase of 35% for the non-profit museum.

Geoff Pentz, boat owner and airplane owner, echoed the concerns, noting if residents received a property tax bill increase of 35%-60%, the room would be filled.

IV. CONSENT AGENDA (Rec. 00:30:05)

A. Approval of Workshop & Business Meeting Minutes from September 13, 2023, and Special Meeting Minutes of August 11 and August 15, 2023

B. Approval & Ratification of Warrants

Warrant #067429 through 067431 and Electronic Payment in the total amount of \$129,640.25

Warrant #067432 through #067482 in the amount of \$135,165.20

C. Authorize the Executive Director to execute the lease with Shannon Partners LLC and SEA Green Partners LLC.

D. Authorize the Port's Executive Director to enter into an agreement with Reid Middleton, Inc. for the professional engineering design services for the Herb Beck Marina Boat Ramp Replacement project.

The Consent Agenda was approved as written by unanimous consent. One concern related to changes made to the SEA Marine lease term sheet since its review by the Commission.

V. SECOND READING ~ none

VI. FIRST READING~ none

VII. REGULAR BUSINESS (Rec. 00:33:41)

A. Authorize Staff to Proceed with Design, Permitting and Construction of the Herb Beck Marina RV Campground (Rec. 00:06:04)

Executive Director Eron Berg and Deputy Director Eric Toews solicited Commission input following the concerns relayed at the community meeting. This project is an opportunity to deliver additional benefits to the community.

Public Comment: Anne Ricker said the public's concern is over paving the grass and taking up open space. Any efforts to clear up confusion would be appreciated.

Commissioners were supportive of the partnership with the PUD as well as improving public access. It was noted that Phil Andrus suggested opening some of the areas to tent camping as well as open space areas.

Unanimous approval of motion to authorize staff to proceed with design, permitting and construction of the Herb Beck Marina RV Campground.

B. Resolution 797-23 Adopting Objectives to Guide the Short Farm Planning Process; Adopting a Farm Planning Process and Schedule; and, establishing a Steering Committee to Develop the Farm Plan (Rec: 00:47:44)

Deputy Director Eric Toews gave the staff report on the resolution, including a timeline. The farm steering committee was modified at the request of the Commission to have a position for Jefferson Land Works Collaborative (NOSC, PT Food Coop, Conservation District, WSU, NODC). Friday, November 10 would be the deadline for applications and then the Commission would affirm the selection at the following meeting.

Commissioners: There was discussion and questions about Commission involvement/participation at the October 18 community meeting. Public comment should be anticipated, especially related to the involvement by the University of Washington.

Unanimous approval of motion to approve Resolution 797-23 Adopting Objectives to Guide the Short Farm Planning Process; Adopting a Farm Planning Process and Schedule; and Establishing a Steering Committee to Develop the Farm Plan.

C. 1st Draft of 2024 Budget with Capital Improvement Program (CIP) and Proposed Rates (Rec. 01:20:40)

Director of Finance and Administration Abigail Berg gave the budget briefing from the detailed informational memorandum provided in the agenda packet on issues, goals, and assumptions along with review of the 1st draft of the budget. The next draft would include the departmental budgets as well as the cashflow that will follow the CIP. Reviewing the Capital Improvement Program, Director of Capital Projects and Port Engineer Matt Klontz reviewed project cost estimates noting the significant increase of the Five-year CIP of \$48 million in the 2022 budget versus \$138 million in the 2023 budget, adding a parallel taxiway, Boat Haven breakwater and stormwater treatment program, the sea-level rise project, and unplanned or emergency projects.

Commissioners: Comments were made about the increase in projects and the staffing needed to manage those projects. Regarding the airport lease rate increases, discussion centered on whether the airport terminal project could be postponed, new opportunities explored more self-sustainability, and/or if an informal airport market rate study/comparison could be conducted to better inform tenants. There was a concern about the 10-year trend of spending and the need to keep expenses closer to the 5.3% projected increase in revenues so that expenses do not out-pace revenues over time.. The Point Hudson rate card does not include an increase in event facility rate increase. Another rate that did not change was covered storage in the Yard. Staff explained why these were not increased and noted that a scheduled Coast Guard training is expected to

generate revenue in Spring 2024. This additional revenue will be added to the 2nd draft and the Port would also work on marketing for the Pavilion.

At 7:47 p.m., Commissioner Hanke left the meeting.

D. Point Hudson Jetty Project Update (Rec. 02:18:00)

Director of Capital Projects and Port Engineer Matt Klontz reported that Orion has mobilized to the site. Activities include shoring on the west side of the south breakwater. Unless the north jetty impact hammers were needed to drive sheet piles for shoring to dig out obstructions and the project schedule has been delayed. The in-water work is scheduled to end January 7-8. Once the et piles are in, the contractor would begin excavating the breakwater.

VIII. STAFF COMMENTS (Rec. 02:40:42)

Executive Director Eron Berg reminded that the Boatyard Barbeque is tomorrow. A committee will soon interview applicants for the Finance Director position.

IX. COMMISSIONER COMMENTS (Rec. 02:27:55)

Commissioner Hasse reported on a busy week of discussions with moorage tenants and as well as about Short's Farm. She will attend an NODC meeting tomorrow evening and will relay concerns she is hearing about the Recompete funding. She asked whether an airport eco-industrial park might be a better fit. Eron Berg led a discussion of Recompete funding.

Commissioner Petranek commented that the Recompete grant was discussed at the September 21 Intergovernmental Collaborative Group meeting. EDC Team Jefferson is holding a great business workshop series by Douglas Hammel on October 16. The Mystic Seaport Marine Coastal and Ocean Studies Program would tour the Boatyard on October 2 with KPTZ's Chris Bricker accompanying.

X. NEXT PUBLIC WORKSHOP & REGULAR BUSINESS MEETING (Rec. 01:28:40)

Next Meetings: Public Workshop and Regular Business Meeting: Wednesday, October 11, 2023, at Pavilion Building and via Zoom, with Public Workshop at 9:30 a.m. and Regular Business Meeting at 1:00 p.m.

XI. EXECUTIVE SESSION. There was none.

XII. ADJOURNMENT (Rec. 02:30:18)

The meeting adjourned at 8:15 p.m., there being no further business before the Commission.

ATTEST:



Peter W. Hanke, Secretary



Pamela A. Petranek, President



Carol L. Hasse, Vice President