

PORT COMMISSION MEETING – January 28, 2004

The Port of Port Townsend Commission met in regular session at the Tri-Area Community Center, Chimacum, WA.

Present: Commissioners – Beck, Pirner and Sokol
Executive Director – Crockett
Auditor – Taylor
Facilities Manager – Pivarnik
Attorney – Harris

Absent: Operations Manager – Radon

I. CALL TO ORDER: The meeting was called to order at 7:00 PM.

II. SPECIAL PRESENTATION:

The Commission recognized Linda Swisher for her significant volunteer contributions to the Jefferson County International Airport as President of the Jefferson County Pilots Association and as a member of the Airport Master Plan advisory committee.

III. APPROVAL OF AGENDA:

Upon motion of Commissioner Sokol, the Agenda was unanimously approved with the following changes:

Items added:

- V. Old Business
- D. Point Hudson Planning

Items revised:

- VI. New Business
- D. Senate Bill 6438 and Senate Bill 6513

IV. CONSENT AGENDA:

- A. Approval of Minutes – January 14, 2004
- B. Approval of Warrants:
 - #29468 through #29490 in the amount of \$26,827.36
 - #29491 through #29495 in the amount of \$26,874.04
 - #29496 through #29515 in the amount of \$30,373.75
 - #29516 through #29554 in the amount of \$21,727.87
- C. Resolution No. 411-04 – Authorizing Sale of Abandoned Vessel

Upon motion of Commissioner Sokol, the Consent Agenda was unanimously approved. Commissioner Pirner asked to clarify that there is a penalty for a second offense of vessel abandonment related to the *Westernwind*, which Mr. Taylor confirmed.

V. PUBLIC COMMENTS (not related to Agenda): None

VI. OLD BUSINESS:

- A. 2004 Capital and Equipment Budget

Mr. Crockett reminded the Commission that the budgets as presented were the result of several workshops and budget discussions at regular meetings. Staff recommends they be adopted.

Commissioner Sokol moved to adopt the Capital and Equipment Budgets for 2004 as presented, with the addition of an estimate for paving the Quilcene Marina Parking Lot. The motion carried by a unanimous vote.

- B. Update on Airport County Comp Plan Amendment

Mr. Crockett briefed the Commissioners on Airport Comprehensive Plan Amendments that have been discussed among Staff, the Port's Attorney and Eric Toews, land use planner. Except for minor typographical changes to the Uniform Development Code table and modifications to the Comprehensive Plan, the changes are the same as briefed to the community open house in mid-January.

Staff would ensure that the Commissioners receive a copy of the exact wording to be submitted.

C. Update on Point Hudson Main Building Electrical Work

As authorized by the Commission, an emergency electrical service upgrade has been completed for the Point main building and adjacent businesses and restaurants. The State Electrical inspector has red tagged the building and given the Port 15 days to fix remaining interior violations, although with no immediate danger, an extension was granted to April 1. The two affected tenants have received notice of these infractions and have met with Hanson Electric to review cost estimates for the necessary improvements (\$5K for Otter Crossing, \$10K for Shanghai, and \$7K for the Port's Marina Room). Staff noted that since there is no precedence for the Port covering electrical upgrades, these businesses would be seeking other bids. It was noted that these leases are also up for renewal as of April 1st.

Discussion ensued about the significant capital expenditures anticipated for these buildings and concern about negotiating a long-term lease without a commitment to make leasehold improvements. Suggestions were to consider a 3-5 year lease or a one-year lease with a one or two-year lease option, understanding that this initial electrical work be completed before any lease is negotiated. Staff agreed to continue to keep the Commission apprised on this issue.

D. Point Hudson Planning

Mr. Crockett updated the Commission on the status of City's CZM grant application since last discussed by Port and City Staff at the January Port workshop. The Port has not yet received a Planning Director's opinion on approved uses at Point Hudson. The City and Port Staff have not had a meeting to discuss the use of CZM planning funds, but the City has solicited the Port's feedback on a draft scope of work from a planning consultant. Commissioners were then given the Executive Director's response, which Staff plans to review with City Staff at a meeting Friday. The Commission agreed the scope is confusing and does not reflect the Port's understanding. The City has agreed to incorporate the Port's comments into the Preliminary Scope and acknowledged that the City and Port need to agree before authorizing any work with the facilitator.

The Commission suggested the that Executive Director refer the City to the Port's earlier communication, which suggests finishing the Shoreline Master Plan (SMP) and, based on the SMP update, update the municipal code and the City Urban Waterfront Plan. There were also suggestions for revising the scope to ensure all Jefferson County citizens are considered in the list of stakeholders. There was interest in better understanding the City's process of hiring a facilitator.

VII. NEW BUSINESS:

A. Presentation of Port's New Website

Mr. Pivarnik reviewed the first phase of improvements designed to make the Port's website more interactive. It will include information about the Port's scope of responsibilities, maps and information about various locations, minutes, newsletters, plans, and calendar of events. The next phase would include links to marine trades. Staff will send a press release regarding the February 5 launch date to WPPA, the *Peninsula Daily News* and *The Leader*.

B. Building Construction in the Boat Haven

Mr. Pivarnik solicited Commission input on a formal request by local contractor Shawn Needam to construct a building in the Boat Haven in which he would store construction equipment while leasing three-quarters to marine trades for businesses upstairs and boat storage below. Port Staff has not yet done due diligence on this individual. It was pointed out that this ground lease would return the Port .07-.10 cents per foot versus .30 per foot for upland vessel storage. While there was recognition of the need for covered workspace, Staff and the Commission expressed concerns about the difficulty of siting such a facility in boatyard space and permitting the storage of construction equipment whose use is

not water-dependant. Without information about the market demand from marine trades, the Commission did not feel it was the right time to pursue this offer. Staff noted that any building on a long-term lease would need to accommodate a 70-ton or larger Travelift.

C. Draft Year End 2003 Financial Update

Mr. Taylor reported that preliminary year-end financials show revenues about \$50K behind budget. Staff was able to keep operating expenses \$15.6K under budget, so income from operations is down about \$33.4K. Net income was down \$67.4K from projections. There was a \$95K increase in permanent moorage over last year and monthly guest moorage dropped by \$48K. These changes were partially the result of policy changes and make it challenging to do year-to-year comparisons. Nightly guest revenue was about \$23K under budget and \$13K behind 2002. Workyard revenues were off budget by \$30K and down \$34K from the previous year. Similarly, the total shipyard operation was off budget by about \$19K and \$12K behind 2002. The marine trades 3% surcharge policy needs to be addressed, as their contribution dropped \$40K despite the volume of work occurring in the shipyard. Point Hudson exceeded budget by \$19K and the airport is up about \$18K over budget, in large part due to fuel sales.

Commissioner Sokol commended Port Staff for a tremendous job of budgeting in a challenging economic year.

D. Senate Bills 6438 and 6513

Mr. Crockett reviewed legislation on which the Washington Public Ports Association (WPPA) is asking for comment. Senate Bill 6438 relates to vessel registration enforcement that would mandate all marinas to require proof of registration as a condition for leasing moorage space. The marina must inform patrons of this and report at the end of each month all unregistered vessels leasing moorage space. Port Staff and the Commission felt that while it is reasonable to expect registration of vessels, it is unfair to force marinas into an enforcement role without any funding. Staff suggested that the Port could comply by printing the law on the form that asks for registration number. Under the current draft language, the Port could possibly be fined for every vessel that it does not report.

Senate Bill 6513 would amend current RCWs 79A.60.010 and 79A.25.080 to state that the Parks and Recreation Commission must establish by rule a program to provide required boating safety education, which would include training on the spread of aquatic invasive species. This boater education legislation was modeled after the State of Oregon's. Washington is the fourth highest state per capita for boating deaths. The Commission felt that this legislation, while not well written, is inevitable.

VIII. STAFF COMMENTS:

Mr. Pivarnik:

He and Mr. Crockett attended a State IAC grant seminar and believe the Port might be in a position in 2006 to receive funds. A letter of intent is due Monday, with a full application due by the first of March, for 2005 funding.

Scott Wilson of Port Townsend Rotary is ready to work with the Port on a Rotary trail at Point Hudson. A planning meeting would be held February 4 at 1:00 PM.

Mr. Crockett:

At this year's Seattle Boat Show, the Port received 532 entries for free haulout drawing, compared with 388 last year. Winners were Nick Bartlett of Blaine (300-ton haulout), Verna Combs of Lake Bay (60/70-ton haulout), Bruce Miller of Mercer Island (two nights moorage at Point Hudson), and Katie McCullom of Tacoma (two nights at Boat Haven).

The Audubon Society has asked for the Port's help in creating a nesting opportunity for the Purple Martin. The ideal setting would be by the cell tower on the spit behind New Day Fisheries in the Boat Haven. There was no objection by the Commission.

IX. PUBLIC COMMENT:

Gloria Bram:

She asked several questions about the Capital and Equipment Budget, which were answered by Mr. Taylor. He noted the capital project list is a guideline and that any projects would have to come back to the Commission for approval.

She also asked when the Airport Advisory Committee would get involved in Comp Plan amendments. Staff noted the committee was formed for the purpose of providing comment on the Airport Master Plan, which is now complete. Mr. Crockett said it is valid to ask the Commission whether there is a need for the continuation of the committee to discuss airport issues. The County's sub-area planning process might be a future opportunity for Port involvement. The Commission noted that comments and recommendations could be made during regular meetings.

She finds it interesting that while SB6438 says the "marina *must*" do various activities, it says, "the Department of Revenue *may*."

Clair Candler:

Suggested that Port annual events be posted on the website. Port Staff concurred and suggested adding Yacht Club notices as well.

X. COMMISSIONER COMMENTS:

Commissioner Sokol:

Kiwanis have again solicited Port Commissioners to participate in the Stars of Tomorrow program by making a financial contribution.

Commissioners received a copy of his e-mail communication to City Manager Timmons voicing his personal frustrations over the loss of Santa Maria Shipping and making suggestions for City and Port cooperation regarding street vacations, storm water, and Point Hudson.

Commissioner Beck:

In the future, there will be more companies looking to site in the County and he would like to see a better system of communication so that economic opportunities are not lost. This might be a discussion item for an Intergovernmental Meeting.

Commissioner Pirner:

Concurs with comments by other Commissioners.

XI. NEXT MEETING:

Wednesday, February 11, 2004 at 1:00 PM at the Point Hudson Marina Room, Port Townsend, WA. A workshop would begin at 9:30 AM.

XII. EXECUTIVE SESSION:

At 9:05 PM, the Commission recessed into Executive Session for 10 minutes to discuss a real estate issue, with a possible decision.

XIII MEETING RECONVENED:

Commission President Pirner reconvened the regular meeting at 9:24 PM. Direction was given to Staff to inform Jefferson County Hangar Association, due to impasse on lease negotiations, that the Port is ready to begin the arbitration process.

XII. ADJOURNMENT:

The meeting was adjourned at 9:26 PM, there being no further business to come before the Commission

ATTEST:

President

Secretary

Vice President