

## PORT COMMISSION MEETING – April 14, 2004

The Port of Port Townsend Commission met in regular session at the Point Hudson Marina Room, Port Townsend, WA.

Present: Commissioners – Pirner and Sokol  
Executive Director – Crockett  
Auditor – Taylor  
Facilities Manager – Pivarnik  
Operations Manager – Radon  
Attorney – Winters

Absent: Commissioner Beck (Excused)

I. CALL TO ORDER: The meeting was called to order at 1:00 PM.

II. APPROVAL OF AGENDA:

Upon motion of Commissioner Sokol, the Agenda was unanimously approved as amended with the following additions to New Business:

- G. Marina Rate Methodology Study
- H. Kevin Harris Lease

III. CONSENT AGENDA:

- A. Approval of Minutes – March 24, 2004
- B. Approval of Warrants:
  - #29906 through #29931 in the amount of \$30,345.36
  - #29932 through #29940 in the amount of \$50,942.15
  - #29941 through #30027 in the amount of \$70,720.55
- C. Contract Renewal – Joanna Sanders
- D. Resolution No. 415-04 – Authorizing Sale of Abandoned Vessel  
Resolution No. 416-04 – Authorizing Sale of Abandoned Vessel

**Upon motion of Commissioner Sokol, the Consent Agenda was unanimously approved, as amended with the following addition:**

- E. Excuse Commissioner Beck's absence today due to illness.

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

V. OLD BUSINESS:

- A. Skateboard Park

Mr. Crockett solicited Commission comment by the deadline of April 22 on a proposed amendment to the Shoreline Master Program Appendix C – Subdistrict Boundaries within the Urban Waterfront Special District. The Port was notified as an interested party because of its past comments about moving the temporary skateboard park out of the Point Hudson marine trades' district into the civic district where a permanent skateboard park could be built. The Port contends that even though the skateboard park would not be allowed under the City's current marine industrial zoning, because the area is within 200 feet of the water, it is within the State Shoreline Master Program area of influence, for which there are restrictive guidelines. The Port felt that given that the City has not yet addressed the impact on parking the Northwest Maritime Center construction and Point Hudson marina improvements will have, a skateboard park would be an inappropriate use for that location. The Port has previously tried to partner with the City on alternate locations, including trading some of the Port's Kah Tai lagoon property.

Commissioners concurred with the abovementioned and asked the Executive Director to send these comments to the Department of Ecology Shorelands and Environmental Assistance Program. Commissioner Sokol noted that consistent with what the City has said about the Shoreline Master Program (SMP) trumping zoning, even with a re-designation, non-water related enjoyment uses like a skateboard park would be prohibited by the SMP.

B. Boater Liability Insurance

Mr. Crockett noted that Port Staff had received comments from several boaters expressing concerns about the new insurance requirement and in one case, it was suggested that the Port should help boaters by creating a list of agents that provide marine liability insurance. He also distributed an article reiterating the importance of requiring liability insurance. In doing research, Staff found that insurance providers are not difficult to find. At least one provider also confirmed that only a survey of the soundness of the hull and tanks is needed and not necessarily an out-of water-survey. There being no Commission objection, Staff agreed to confirm permission by the agencies to be listed before compiling a list of carriers available. The list would include the disclaimer that the list might not be current and does not constitute the Port's endorsement of a particular company.

Ms. Winters suggested also stating in the disclaimer that the Port is also not guaranteeing coverage would be provided. She also reminded Port Staff to have in place a process for monitoring compliance.

VI. NEW BUSINESS:

A. Operations Report – Month of March 2004

Mr. Radon reported that nightly guest totals in the Boat Haven were up over last year. Ramp fees through March of this year total \$3,100 compared to \$1,800 through this period last year. Hoist and yard operations also look good, which was attributed to good weather. Reservations also look good in both yards, with many advanced bookings. The 300-ton is running about normal for March. Lineal footage in the work yard and shipyard are also up. Long-term storage is running at more than double the number of boats of last year. There have been some concerns about a couple of the vessels in the long-term storage and there are derelict vessel deposits. The Point Hudson report reflects a slight drop in nightly guest moorage. RVs continue to be up significantly – 216 this March compared to 70 last year. Advanced bookings indicate that this trend would continue. Summer hours are beginning: as of April 1, the hoist has already moved to 6 days a week. Two seasonal employees will begin work at the end of April. Beginning next week, the Boat Haven moorage office moves to six days a week and, with summer help, this would extend to seven days and evening office hours.

Commissioner Pirner noted there was a 26% increase in overnight stays in the combined Boat Haven, Point Hudson and RVs.

B. Vessel Mix

In response to requests, Mr. Crockett noted that Staff has included in the agenda packet a report on the mix of vessels in the marina by type (glass, wood, steel, aluminum, cement), which they feel might be an indicator to track regularly and to share with the Marina Committee.

C. Resolution No. 417-04 – Surplus Port Real Property and Quitclaim Deed, Coast Seafood

Mr. Pivarnik noted that last fall, the Port had purchased property from Washington Department of Fish and Wildlife for the Quilcene Coast Oyster facility. An issue that arose during the lease negotiations with Coast Seafood was that their building encroaches on the Port's property by about 10 feet. Coast has agreed to pay for survey and title work and to pay market rate for their long-term lease in exchange for the Port cleaning up this property ownership issue. A public hearing to surplus property is not needed unless the value is more than \$50K, and this particular piece is probably worth about \$5K or less.

**Commissioner Sokol moved to approve Resolution 417-04 – declaring as surplus Port real property that 10 x 300 portion at the Quilcene marina which is identified in the attached drawings and valued at less than \$5,000 and authorize the Executive Director to quitclaim said property to Coast Seafood. The motion carried by a unanimous vote.**

D. Point Hudson Leases

Mr. Pivarnik reviewed his work with the Port attorney in modifying language in

Point Hudson leases to address infrastructure that does/does not exist, assigning of liability, and disclaimer of condition of buildings. While tenants have not yet seen this document, they have seen the spreadsheet that lists the terms of each lease, present and proposed rent, and other notes for each tenant. The Landfall has been the only tenant paying its own utilities. Most tenants have chosen not to take a long-term lease. With the Commission's concurrence, he would insert names and amounts into the new leases and execute them by the end of the month, to be effective as of May 1. He then reviewed changes in leases for individual tenants.

**Commissioner Sokol moved to authorize the Executive Director to execute the following leases with Point Hudson tenants effective May 1, 2004 using the new modified lease.**

**POINT HUDSON LEASES 2004**

Tenant	Term of Lease	Present Rent	Proposed Rent
1) Pygmy Kayak	10 Years	\$730.90	\$775.00
2) Galan Marrs	Month -to- Month	\$333.13	\$350.00
3) Brion Toss	5 Years	\$493.88	\$606.80
4) Port Townsend Sails	5 Years	\$1,345.22	\$1,465.60
Point Hudson Boatshop	5 Years	\$1,098.54	\$1,723.20
5) Wooden Boat Foundation*	Month -to- Month	\$1,463.37	\$1,463.37
6) Commanders Beach House*	Month -to- Month	\$1,578.96	\$1,578.96
Shanghai Restaurant*	5 Years	\$1,379.04	\$1,487.50
Otter Crossing Restaurant*	5 Years	\$848.64	\$1,039.20
7) David Wright	1 Year	\$200.00	\$200.00
Ole Kanestrom	Month -to- Month	\$183.56	\$200.00
Artful Dodger	1 Year	\$304.44	\$322.00
Reinstra - Duplex	Month -to- Month	\$900.00	\$1,100.00

\* Will be billed for water, storm water and sewer at City rates. In addition, garbage will now be tenants responsibility.

Notes:

- 1) Pygmy Kayak – Moving to Pavilion by July 2004, rent after move is \$900 + utilities
- 2) Galan Marrs – Will be leaving by summer
- 3) Brion Toss – Will be taking additional space by summer 2004
- 4) Port Townsend Sails – Will be taking additional space by summer 2004
- 5) Wooden Boat Foundation – Month-to-month until August 2004
- 6) Commander's Beach House – Month-to-month until November 2004
- 7) David Wright – Present lease good through 2005

**The motion carried by a unanimous vote.**

E. Quilcene Water System

Mr. Crockett reported having spoken with PUD Commissioner Wayne King at a recent meeting about the PUD's desire for the U.S. Forest Service to transfer water rights to the PUD for service to Quilcene. In order to foster economic/residential growth, Staff recommends the Commission write a letter of support for such a transfer.

**Commissioner Sokol moved to direct the Executive Director to coordinate with PUD Staff in drafting an appropriate letter of support for the PUD's efforts, to be signed by the Commissioners. The motion carried by a unanimous vote.**

F. Letter of Support for the WPPA Educational Foundation

Mr. Crockett showed a letter he drafted to legislators stating the Port's support for the 2005 appropriation of \$800,000 for the WPPA Educational Foundation. Commissioner Sokol explained that the fund provides opportunities for employees of smaller Ports to attend professional development and training opportunities.

**Commissioner Sokol moved to direct Staff to prepare letters to three legislative representatives urging their support of the WPPA Educational Foundation. The motion carried by a unanimous vote.**

G. Marina Rate Methodology Study

Commissioner Sokol noted that this item was added in response to today's workshop briefing by Paul Sorenson of BST Associates. This consultant works with a number of public and private marinas to structure equitable moorage rates.

**Commissioner Sokol moved to direct Staff to prepare a scope of work for Mr. Sorenson or another qualified consultant on the small works roster in order to model a change in moorage rates that would result in better equity. Commissioner Pirner suggested that a timeline be included so rates could be changed by April 1, 2005. The motion carried by a unanimous vote.**

H. Kevin Harris Lease

Mr. Pivarnik reviewed Mr. Harris' progress on the renovation of the Cannery building, as well as his desire to exercise his option to lease the Port's Quincy Street dock for Wednesday summer concerts. Although the City does not require assigned parking, Mr. Harris has also asked the Port for six parking places at Point Hudson since no parking is available downtown.

Staff and Commissioners expressed concern about tying up the property at Point Hudson in a 5-year lease when there are spaces available at the Haines Street Park and Ride. Staff noted the Port has rejected previous offers for parking. It was noted that the Port needs the flexibility to continue to provide parking for special events and stressed that any parking on Port property should be in support of Port tenants.

VII. STAFF COMMENTS:

Ms. Winters:

Her research had confirmed the intent of industrial land bank legislation and clarified that a development proposal is not required to do a land bank. You could instead go through the Comprehensive Plan amendment process and then bring in the businesses. She suggested working with the Port on a letter to the County.

Mr. Radon:

Staff hopes to bring forward at the next meeting a simplified version of the shipyard rates and discuss the implementation of Hadlock dock fees.

Mr. Pivarnik:

He noted that pressure washing the roofs at Point Hudson had made a significant improvement. Maintenance staff is considering constructing a pole building at the Boat Haven to provide a central maintenance facility and tool pool, saving the need to build a separate maintenance facility at Point Hudson.

Mr. Crockett:

The packets have arrived for the WPPA spring meeting in Vancouver.

He would be out Monday and Tuesday for a regional FAA conference and on Wednesday for a Marine Trades cluster group for Clallam and Jefferson.

Staff has installed a One-way Only sign on Jackson Street.

On April 30, the Port would host a statewide Marina Committee meeting at the Marina Room.

VIII. PUBLIC COMMENT:

Clair Candler:

The *Kalakala* might provide a good parking solution. He raised the issue of vessels grounding at the entrance to the Boat Haven marina. Staff noted there could be problems if vessels cut the corner.

Bill Dunaway:

He noted that a marina insurance specialist with the Universal Insurance Service wrote the distributed article.

IX. COMMISSIONER COMMENTS:

Commissioner Sokol:

Councilmember Medlicott suggested nominating Mr. Pivarnik to the LTAC Committee as the collector of LTAC funds. This seems to recognize the Port's significant contributions to these funds.

X. NEXT MEETING:

Wednesday, April 28, 2004 at 7:00 PM at the Tri-Area Community Center, Port Townsend, WA.

XI. EXECUTIVE SESSION – None

XII. ADJOURNMENT:

The meeting was adjourned at 2:30 PM, there being no further business to come before the Commission.

ATTEST:

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President

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Secretary

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Vice President