

PORT COMMISSION MEETING – January 12, 2005

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

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

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 with the following additions under Old Business:

- A. Marina Wait List Policy
- D. Quilcene Electrical System

III. ELECTION OF OFFICERS:

Commissioner Pirner moved to elect the current slate of officers: Commissioner Beck as President, Commissioner Sokol as Vice President, and Commissioner Pirner as Secretary. The motion carried by a unanimous vote.

IV. CONSENT AGENDA:

- A. Approval of Minutes – December 29, 2004
- B. Approval of Warrants:
 - #31542 through #31566 in the amount of \$31,209.59
 - #31567 through #31573 in the amount of \$18,857.75
 - #31574 through #31620 in the amount of \$32,457.97
 - #31621 through #31628 in the amount of \$20,643.71
 - #30859 as a VOID
- C. Resolution No. 435-05 – Authorizing Warrant Cancellation
- D. Write-off Register

Upon motion of Commissioner Sokol, the Consent Agenda was unanimously approved.

V. PUBLIC COMMENTS (NOT RELATED TO AGENDA):

Mary McQuillen was present to speak of the historical and cultural significance of the Port's proposed site for the bridge repair project. She reiterated her family's support of this endeavor.

VI. RECESS TO A MEETING OF THE INDUSTRIAL DEVELOPMENT CORPORATION

The Commission recessed into a meeting of the Industrial Development Corporation at 1:14 PM and reconvened at 1:20 PM.

Mr. Crockett explained that the annual meeting of the IDC is a requirement for those districts also formed as industrial development corporations. The IDC has authority to act as a pass-through organization for bonding.

VII. OLD BUSINESS:

- A. Marina Wait List Policy

Mr. Radon distributed Staff's recommended wait list policy, which incorporated changes as suggested at this morning's workshop.

Gary Rosso reviewed that he had instigated these changes after recognizing certain inefficiencies in the existing policy. These recommendations to the Port Commission were based on his belief in a need for a more flexible policy. He said that on a first come first served basis, the new policy would offer both new and existing tenants access to boat slips that meets their current requirements. All of his recommendations are contained in the product. The Commissioners thanked Gary Rosso for his assistance in the policy's development.

Ed Barcott asked to review the document under discussion and inquired whether his 30 years of tenancy gave him any seniority. Staff assured him that long-term tenants in good standing would be given priority.

Commissioner Pirner moved to approve the new Waiting List Policy dated January 12, 2005 as written, effective January 1, 2005. The motion carried by a unanimous vote.

B. Brion Toss Lease Expansion

Mr. Pivarnik noted that Brion Toss would like to act on his long-standing desire to expand. As the adjacent cabinetmaker has recently vacated his space, Staff proposed a five-year lease for the combined space at the appraised fair market value, to which Mr. Toss has already agreed. Staff recommended the Commission approve the lease as written.

Commissioner Sokol moved to approve the lease as written. The motion carried by a unanimous vote.

C. Hood Canal Bridge Update

Mr. Crockett reviewed the Port's progress on submitting a very detailed Letter of Interest to become the site for the Hood Canal Reconstruction Yard. Eighteen proposals had been submitted before the January 10 deadline. He gave the Commission a list of other sites provided by DOT. While he has heard conflicting dates for a decision on the matter, we will try to keep the public informed. Staff recognized support from the Mill for producing the proposal.

Commissioner Sokol noted that whether or not the Port receives the project, it should feel good about the work done. Commissioner Beck also thanked all involved, as he recalled the hardships when the bridge was down previously. Staff agreed to keep the Commission apprised.

D. Quilcene Electrical System

Commissioner Beck expressed concern about the functioning of lights overlooking the Quilcene marina. Staff explained that we have been relying on lights discarded by Puget Sound Energy, which can be problematical to maintain due to the variety of types and ages. Mr. Pivarnik noted that ten functional pedestals that have been retired from Point Hudson are in the process of being provided in exchange for the marina operator's implementing a flat utility rate so as to avoid the cost of metering individual slips.

VIII. New Business

A. Operations Report – Year End / Month of December 2004

Mr. Radon reported the Boat Haven nightly guest total as approximately 200 ahead of 2003. Ramp fees are also up over the previous year. Waiting list numbers have not changed significantly. The 60/70-ton boatyard operations set records. The 300-ton finished with just over 100, up from 88. Storage numbers at the end of December were 120, 20-25 boats more than last year. For 2005, the 300-ton might prove to be the busiest January. All 16 JCIA Port hangars are full, with a waitlist of 13. Noting this renewed interest, Mr. Crockett suggested it might be advantageous for the Port to offer hangar rentals.

Keith and Linda Swisher agreed that there is always a desire for hangar rentals. There are also regular inquiries from those desiring to retire in the area if they can locate hangar space.

The Point Hudson report reflects nightly moorage is down slightly for the year. December was down 20 or so boats. It was noted that this fits with July-September downward trend in local transient accommodations. The RV transients remained strong overall, up 114% and 137% over year-to-date and December 2003 totals. Despite one negative comment from an RV club that the recent rate increase was a bit too high, group reservations for all major 2005 holiday weeks are already fully booked. Marina reservations are also very strong.

B. Tsunami Update

Noting the increased interest after the disaster in the Indian Ocean, Mr. Crockett reviewed what is being done to educate tenants. A brochure was shown, containing a local map of the potential Inundation Zone, should we experience a significant tsunami from the Juan de Fuca Subduction Zone. These are being distributed directly to tenants and are available in the Port offices. The Commission recently received an update of NOAA's alert procedures. Their remotely controlled siren and loudspeakers issue warnings that trigger the Port's emergency procedures. The Port has requested another siren for Point Hudson but NOAA has other locations yet to receive one. Standard Tsunami Hazard street signs have been placed at various places. A series of smaller, round evacuation route signs have yet to be installed by the City.

IX. Staff Comments:

Mr. Harris:

He has submitted a new proposal for his legal services.

Mr. Taylor:

As authorized last October, a new travel lift was ordered in November and it should arrive in the first part of February. A deposit of \$50K was paid with the balance due upon delivery. While we have the cash, he has applied to the State Treasurer's office for financing through the Local Option Capital Asset program, whose next quarterly issues will be in March. On the next agenda would be some documentation on which he will need Commissioners signatures.

He continues to talk with consultants about advanced refinancing of 1996 revenue bonds, hoping to achieve a \$200K present value savings. The market has not yet been favorable. They are looking into combining funding needed in Point Hudson with this bond refunding. Another suggestion was that the Port use its General Obligation debt capacity for the Point Hudson renovation to obtain a better interest rate, though the Port's ability to raise the guaranteeing taxes is limited.

Mr. Radon:

Four parties have expressed interest in purchasing the Port's 60-ton lift. He noted the economy of timing of the dismantling of the 60-ton lift with the delivery of the new lift, given the outside equipment and expertise needed for both, and how that could drive an earlier decision on the sale.

Staff continues to encourage boat owners to obtain liability coverage. This policy change has involved a lot of staff time, working hard on tenant's behalf. Moorage termination notices were given to the last 18 individuals who had not indicated intent to comply, which resulted in five more policies coming in. While the Port would send a policy renewal reminder in the future, tenants would be responsible for complying by the specified date without Port reminders.

He provided site maps for the booth for the Seattle Boat Show which starts this weekend and provided copies of the final staffing schedule.

Mr. Pivarnik:

Two major leases are under negotiation. For the fixed-based operator (FBO) at JCIA, permitting is going forward with the intent of breaking ground by July. There have also been a lot of discussions with the owners of The Landfall Restaurant and others about their rebuilding and expansion plans.

Mr. Crockett:

Yesterday, he and Mr. Radon had met with Sally Toteff, the DOE Permitting Assistance Chief for this region for a briefing on the Point Hudson project and the DOT bridge replacement project as well as the Mats Mats and Port Hadlock boat ramp projects. A joint meeting of permit agencies is needed in the next month or so for a dredge management plan.

X. PUBLIC COMMENT:

Mary McQuillen:

Mary gave her thoughts on the proposed Port Townsend site for the Hood Canal Bridge Rehabilitation project.

Gloria Bram:

She asked if it would be possible to read into minutes the names of all government and private agencies that supported the application for the bridge construction project. She suggested an additional revenue opportunity might be long-term storage of vessels on Port-owned property at JCIA. Staff responded that the need for trailering and off-loading vessels without a lift at the airport would be a barrier.

Linda Swisher:

At their last meeting, the Pilots Association had voted to proceed with the “Forever Flying” Pilot’s Memorial at JCIA. She circulated a photo of the rock donated by M&E that Old Mill Granite and Marble has agreed to work on. She displayed a drawing of a bi-plane that would be rendered in relief on a larger oval plaque at the top, with smaller individual medallions placed below. Suggestions, ideas or assistance from the Port would be accepted. Listing the number of years each pilot has been flying was suggested, as was buying your own plaque before you die.

XI. COMMISSIONER COMMENTS:

Commissioner Sokol:

Jefferson County now has a land bank team, which includes the Port, the City, County, EDC and CTED – the first such in the state. Apparently, funds for assistance would be available through CTED but would need to be requested by the BOCC. This might be an item for discussion on either the Joint Growth Steering Committee or the Intergovernmental Meetings. Everything but the Landfall project seems to be in the urban waterfront civic district. This might need to be addressed in the urban waterfront plan.

At today’s workshop there were three young men present who want to build a building that is travel lift accessible. When asked if they would like to locate at Point Hudson, they indicated they instead wanted to be in Boat Haven. The majority of marine-oriented business and industries prefer to be located in the Boat Haven – “where the action is.”

Commissioner Beck:

More latitude on Point Hudson zoning is needed to satisfy constituents if we want to create more revenue.

XII. NEXT MEETING:

Wednesday, January 26, 2005 at 7:00 PM at the Tri-Area Community Center, Chimacum, Washington.

XIII. ADJOURNMENT:

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

ATTEST:

President

Secretary

Vice President