

## PORT COMMISSION MEETING – February 9, 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  
Auditor – Taylor  
Attorney – Winters

Absent: Operations Manager – Radon

### 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:**

#### V. Old Business:

- A. Fuel Operation at JCIA
- B. Revenue Bond Refunding
- C. Breakwater Repair Contract

#### VI. New Business:

- D. Metro Parks District
- E. Puget Sound Express Lease

### III. CONSENT AGENDA:

- A. Approval of Minutes – January 26, 2005
- B. Approval of Warrants:
  - #31712 through #31713 in the amount of \$74,526.86
  - #31714 through #31738 in the amount of \$31,640.49
  - #31739 through #31747 in the amount of \$264,365.08
  - #31748 through #31809 in the amount of \$26,912.51
- C. Resolution No. 440-05 – Check #31546 as a VOID
- D. Resolution No. 441-05 – Authorizing the Sale of Abandoned Vessels

**Upon motion of Commissioner Pirner, the Consent Agenda was unanimously approved, with a correction to Consent Agenda Item B. Approval of Warrants. The last warrant number should be 31711 instead of 31171.**

### IV. PUBLIC COMMENTS (NOT RELATED TO AGENDA): None

### V. OLD BUSINESS:

#### A. Fuel Operation at JCIA

Mr. Crockett reviewed that the proposed fixed-based operator has proposed taking over the fuel operation at the airport. Although previous experience demands caution about entering into another arrangement with a private operator, if the Commission supports the idea, the Port Attorney would assist in writing a stricter lease. Staff does not believe this operation should be part of the business that could be sold if the business is sold, but would instead revert to the Port's control. Mr. Pivarnik proposed sending a 30-day request for bids with criteria being: a single person unassignable lease with a minimum flowage fee of \$.10/gallon and a cap of no more than \$.40/gallon (cap on profit) and a requirement for a capital investment plan.

Commissioner Beck inquired about the possibility for requiring a bond for the fuel operation. Ms. Winters proposed that a shorter term, such as a 5-year lease, would allow the Port to renegotiate the terms. Mr. Pivarnik noted that as this

would not be a standard boilerplate lease, it would need to be negotiated between each parties' attorney. There was support for preparing a request for proposals, as well as concern about writing a 50-year lease on the fuel operation. In order to ensure a fixed-based operator's commitment to the JCIA, there was interest in tying the fuel concession to a land lease at the airport.

**Commissioner Sokol moved to authorize Port Staff to move forward with an RFP for a fixed-based operator/fuel operator, taking into consideration concerns discussed at the workshop and Commission meeting. The motion carried by a unanimous vote.**

B. Revenue Bond Refunding

Mr. Taylor reviewed the Port's efforts in refunding its 1996 revenue bond. With the preliminary work completed, recent rates would suggest a rate of approximately 4.15% over the remaining 12-year period, which would give the Port a present value savings of \$272K after costs. Alan Dashen, the Port's financial advisor, recommends the Port proceed if the rates do not go up dramatically over the next thirty days..

Commissioner Beck urged there be an opportunity to market these bonds locally. There was Staff support and no Commission objection. When final approval of the bonds is needed, a special meeting might need to be called.

C. Breakwater Repair Contract & Project Control Form

Mr. Crockett reminded that at the last meeting, the Commission had approved a resolution to declare breakwater repair as an emergency, and to begin soliciting construction bids. While two of three bids requested have been received, the critical need, a two-week extension from the Department of Fish and Wildlife and an estimated cost of below \$200K, should allow this work to be handled through the Small Works Roster. Although most of the work is out of water, permitting agencies have provided quick permit approval. Mr. Taylor noted the contract is not to exceed \$88,050, including Washington State Sales Tax.

**Commissioner Sokol moved to approve moving forward with a contract not to exceed \$88,050, and Project Control Form for \$92,000. The motion carried by a unanimous vote.**

VI. New Business

A. Operations Report – Year End / Month of January 2005

Mr. Pivarnik reported that January was a very good month, with improvements in most areas. The 70-ton and 300-ton haulouts are up considerably, while the RV nights show the only slight downward trend, probably due to weather. The new 75-ton travel lift should be assembled and running by the end of March. Mr. Crockett noted there are 13 on the waiting list for rental hangar space at JCIA.

B. Wooden Boat Foundation (WBF) Lease

Mr. Pivarnik reported that the Commission received last April's WBF lease. He provided history of the leased space and the reorganization within the Foundation. The foundation has since cleared material and boats off Port land for which they were not previously being charged. Having had discussions with the WBF President and individual Board members, he proposed a package that includes a five-year lease on the Cupola House and a two-year lease for the boat shop/storage unit behind the former Pygmy building. Mr. Crockett asked how this would be affected if the Landfall project were to necessitate moving that storage building to behind the Cupola house. Mr. Pivarnik said that the layout and the lease would accommodate this change and suspend the rent during the transition.

**Commissioner Pirner moved to authorize the Executive Director to sign two leases with the Wooden Boat Foundation; a five-year lease for the Cupola House (\$1,271.50) and a two-year lease for the storage building (\$480). The motion carried by a unanimous vote.**

C. Extension for Landfall Restaurant Option

Mr. Crockett noted that the lease gives the Harrimans until the end of March to exercise their option of requesting a seven-year lease renewal. As certain permitting processes are not on schedule, they have requested a 90-day extension on the option, which would, if granted, not alter the end date of the renewed lease.

**Commissioner Beck moved to grant an extension for 90-days in order for permits to be issued, which would require The Landfall owners to sign by the end of June 2005. The motion carried by a unanimous vote.**

D. Metro Parks District

Mr. Crockett reported on his having accepted an invitation to participate on a Metro Parks District task force. He felt it was important for the Port to be involved, given the Port's ownership of the Kah Tai property, operating boat ramps, marinas, Ft. Worden Beach, the jetty walkway, various picnic grounds and trails.

Ms. Winters—speaking as a member of the YMCA Board—explained that the idea is to do more background research and then provide a recommendation on whether there should be a vote on the ballot this year or next. Mr. Crockett noted some of the advantages of joining together and added his personal opinion that there should be a single funding/governing authority for the County's many parks. He offered to be the Port's representative, on a voluntary basis.

**Commissioner Sokol moved to authorize the Executive Director to represent the Port on the Metro Parks District Task Force. The motion carried by a unanimous vote.**

E. Puget Sound Express Lease

Mr. Pivarnik reviewed that PS Express has expressed interest in expanding their operations into the (old) Pygmy Building and making improvements, to which he had agreed, provided they are insured. Their plan is to create a workroom by the garage doors, a waiting room in the center, and offices in the back and, in the back left corner, a kitchen where they can cater/prepare meals for their cruises. Because of the trial nature of the Victoria runs, they are asking for a one-year lease with three one-year options. Staff would return a lease to the Commission on February 23.

**Commissioner Sokol moved to authorize Staff to continue working with Puget Sound Express on a lease for the Pygmy Building. The motion carried by a unanimous vote.**

VII. Staff Comments:

Mr. Taylor:

Reported that the Washington Department of Transportation (WSDOT) Aviation Division grant for security gates, which the Commission had expressed support and match money for at the last meeting was not approved. WSDOT has suggested that federal funding might be available for such security issues. He would submit new grant requests again when new funding comes available the first of July.

Mr. Pivarnik:

The maintenance crew is again pressure washing Point Hudson roofs.

The FAA permitting is still in process, hopefully completing wetlands delineations by the end of the month, after which the Port could move forward with hangar development.

The Hadlock ramp has been surveyed and appraisal work with Shorett-Kidder progresses.

The beach trail is going through City permitting right now.

Mr. Crockett:

He and Commissioner Beck would attend a Peninsula Development Association's quarterly meeting at the John Wayne Marina.

He had received an email from County Administrator regarding CIF Board membership and confirmed that Commissioner Pirner was interested in staying on as the Port's representative. A meeting would be arranged in the next few weeks. Staff briefly explained how the restroom infrastructure with Puget Sound Express and Landfall would be addressed.

Mr. Radon is in Longbeach attending a Tsunami summit. The Port hopes to soon receive a second siren. While the Port has posted its signs, the City has yet to put up the Tsunami evacuation route signs. The UW reports that models indicate the potential for 40-ft. waves resulting from a Puget Sound fault.

He had attended an IAC grant workshop and reported that letters of intent need to be received by the first week of March. He cautioned that the funds available are extremely limited, nationally, but plans to meet with Staff to investigate what grants the Port might pursue.

Staff also attended a meeting in Tacoma to review development on the Thea Foss Waterway project.

VIII. PUBLIC COMMENT:

Tamara Conway:

Thanked the Port for the new dock carts. The only trouble is that people do not return them to the environmental centers.

IX. COMMISSIONER COMMENTS:

Commissioner Sokol:

He would like to have a Commissioner-only Executive Session today on a personnel matter.

Commissioner Beck:

He suggested there be some future discussion about building T-hangars or box hangars for the airport. Mr. Crockett suggested contacting Stan Allison at the State aviation division regarding builders familiar with 16-bay hangar construction. It was reminded that we would not know where we might put such a structure until the wetlands delineation is completed.

X. NEXT MEETING:

Wednesday, February 23, 2005 at 7:00 PM at the Tri-Area Community Center, Chimacum, Washington.

XI. EXECUTIVE SESSION:

At 2:00 PM, the Commission recessed into a Commissioner-only Executive Session for 15 minutes to discuss a personnel issue, with no expected decision.

XII. ADJOURNMENT:

The meeting was adjourned at 2:15 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