

## PORT COMMISSION MEETING – February 23, 2005

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  
Deputy Director – Pivarnik  
Operations Manager – Radon  
Auditor – Taylor  
Attorney – Harris

### I. CALL TO ORDER:

The meeting was called to order at 7:00 PM.

### II. APPROVAL OF AGENDA:

**Upon motion of Commissioner Sokol, the Agenda was unanimously approved with the following addition, and minor reordering of items:**

VI. New Business:  
C. Airport Fuel Operation

### III. CONSENT AGENDA:

- A. Approval of Minutes – February 9, 2005
- B. Approval of Warrants:
  - #31810 through #31812 in the amount of \$23,768.92
  - #31813 through #31834 in the amount of \$28,303.17
  - #31835 through #31880 in the amount of \$39,587.37
  - #31881 through #31883 in the amount of \$13,289.92
- C. Puget Sound Express Lease

**Upon motion of Commissioner Pirner, the Consent Agenda was unanimously approved as corrected removing the Puget Sound Express Lease.**

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

### V. OLD BUSINESS:

#### A. Jefferson Transit / Airport

Mr. Crockett reviewed that Staff of the Port and Transit have looked at several Port property options and noted that the agenda packet included an email from architect Randy Cook. Carla Meier, Jefferson Transit Maintenance and Facility Administrator was present to provide a brief history of the expansion project. TCF architecture has been working with them on creating preliminary design criteria and site selection matrix, which includes Port properties. Once the consultant makes its recommendation, Jefferson Transit Authority Board would pick the ultimate site. Jefferson Transit has scheduled a public meeting on March 3 at 7:00 PM at Blue Heron. Mr. Crockett reminded that if the Port agrees to sell property the Port must get an appraisal. He mentioned the Port's potential exploration of purchasing the fire district property on Highway 19 in order to then sell to Transit. The existing infrastructure on the Highway 20 site was also reviewed. Noting that it would make sense to co-locate essential public facilities, he proposed this be a topic for the next Commission workshop. Port Staff would also meet with the architect and ensure any questions are answered.

#### B. Landfall Restaurant Project Update

Mr. Crockett noted that Port Staff and the Harrimans met in a pre-application meeting for demolition. The Harrimans have requested the Port's commitment to moving forward with a re-scoped project. While issues with Shoreline Master

Plan are being worked through, the Harrimans are still working within the 1,500 square foot limit in the Port Townsend Municipal Code, the calculation or application of which the City has been unable to explain. Staff recommended the Commission commit to partner with and supply the Harriman's with a Letter of Intent to a long-term lease to assist in their financing process.

The Harriman's commented that this is their livelihood and they want to build something for which the City and Port are proud. They feel 1,500 sq. feet is not economically feasible. Since recent newspaper coverage, they have received many comments of support.

Commissioner Sokol mentioned that the current buildings are not historic and the Port's transient community is interested in the idea of a restaurant/pub in the Point Hudson vicinity. While such a use is authorized in the Shoreline Master Program, the City code is silent on this use.

**Commissioner Sokol moved to direct Port Staff to work with the Harrimans and pursue this project providing them with a letter of intent to lease the property (ground lease) for the extended period to be determined. The motion carried by a unanimous vote.**

VI. NEW BUSINESS:

A. Galmukoff Marine – Change of Lease Structure to 5-Year Option format

Mr. Pivarnik reviewed Mike Galmukoff's contributions as a valuable tenant with a valuable building as well as the Port's recent actions to consolidate his seven separate leases. He has asked the Commission to consider restructuring the current 33-year lease to include five-year renewal options. While Mike still has zeal for the business, has good, stable employees, and wants to continue to provide service, he would like some options in the event his son does not choose to assume ownership in the future. He then reviewed other recent building improvements and electrical upgrades. Mr. Crockett also noted that the Port intends to provide Galmukoff with materials needed to paint the facility.

**Commissioner Beck moved to authorize the Executive Director to restructure the Galmukoff lease with a five-year review option. The motion carried by a unanimous vote.**

V. OLD BUSINESS: (Continued)

C. Point Whitney Dock

Mr. Crockett reviewed communications with Brad Sele of Fish and Wildlife's Point Whitney Shellfish Lab about their pier and launch ramp. Since the Port does not have any facilities south of Quilcene, there had previously been discussions about partnering to apply for an IAC grant for refurbishing the pier and ramp, the application deadline for which is the end of May. Although a partnership with Fish and Wildlife would stand a better chance of getting the grant, if successful, the Port would have to supply half the matching funds. He expressed concern about setting aside such an amount when the Port's many existing commitments might also need cash infusions as they progress.

**Prior to the Port deciding whether or not to partner on a pier renovation project, Commissioner Beck moved to authorize the Executive Director to work with Fish and Wildlife on obtaining an estimate on dock replacement. The motion carried by a unanimous vote.**

D. Industrial Land Bank / Airport

Mr. Crockett reviewed that on May 23, 2002, the Port Commission had signed a letter to the BOCC about designating Port properties as Industrial Land Banks. When the subject came up in a recent meeting of the Board of County Commissioners (BOCC), he sensed some reluctance to act on this, even though Deputy Prosecutor Alvarez had reminded that under the Growth Management Act process, the sunset of 2007 is not far off. Mr. Crockett recommended sending another letter to the BOCC (copying other entities) expressing willingness to

partner with the County and offering the property adjacent to the airport as one of two possible industrial land bank sites.

**Commissioner Pirner moved to direct the Executive Director to write a letter to the BOCC expressing willingness to partner with the County and offering the airport's adjacent property as one of the possible two industrial land bank sites.** During discussion of the motion, the Commission also suggested including in the letter that the land does not have to be in private ownership and discouraging a request for an extension was suggested at the last Joint Growth Management Steering Committee meeting. **The motion carried by a unanimous vote.**

E. Update on Revenue Refunding Bonds – 2005

Mr. Taylor reminded that the packet contained a complete summary of this topic. Under the current schedule the bonds would be marketed the day after the Port gives that instruction to its financial advisor in a telephone conference on March 8 or 9. He noted the Commission would formally approve the resolution the next day at the Commission meeting.

Commissioners reaffirmed their support for Staff to go forward with the bond sale, provided the market remains favorable.

F. Goodwin Aviation – Lease for Airport Kiosk

Mr. Pivarnik reviewed the request by Steve Goodwin to have a formal lease for the shelter/kiosk he constructed. While he does not object to the public using the enclosed bench, he would retain control over what is posted. He is presently paying \$30 a year sign rate for other signage, so Port Staff is proposing to increase this to a total of \$130 a year to include this kiosk/sign, with Steve Goodwin retaining ownership of the structure. A suggestion was that the lease include maintenance of the stepping stones to prevent tripping. There being no Commission objection, Staff would return with a lease at the next meeting.

VI. NEW BUSINESS: (Continued)

B. PUD Well at the Airport

Mr. Crockett relayed the PUD's request for permission to drill another well and to construct a small treatment building. The proposal to add a "well field" near the newly constructed well raises some uncertainty about how much would be impacted. The Commission suggested finding out if they are planning to drill in the footprint of the existing well protection zone. While there was support of the concept, the Commission agreed more clarification is needed.

C. Airport Fuel Operation

Mr. Pivarnik reviewed that the Port is seeking proposals to run the fuel operation. Consistent with the desire to link the fuel operation to a full-service business entity, he added that a follow-up letter would outline the requirements discussed at the last meeting – that the operator be able to make a capital business investment in the airport, have the ability to bond one tanker load of fuel for about \$25K, that they would pay the Port a \$0.10/gallon flowage fee, and that there would be a limit on profits of \$0.40/gallon. The agreement would be negotiated with a single individual or company who would then forfeit the contract if they were to sell more than 30% of the business. Interested parties would have two to three weeks to respond. This plan and these conditions have already been cleared with the proposed fixed-based operator. This would be advertised in the two local newspapers, the *Daily Journal of Commerce*, and possibly the *Seattle Times* as well as a posted notice at the fuel facility.

Some discussion ensued about an option to have another formula such as a percentage rather than a flat figure and an annual review of this arrangement. There was no direction from the Commission on this matter.

**Commissioner Pirner moved to direct Port Staff to advertise as well as offer to Tommy Wacker and the new FBO operator the ability to compete on this proposal. The motion carried by a unanimous vote.**

VII. STAFF COMMENTS:

Mr. Radon:

The new 75-ton lift has gone on line, with its very useful remote control features. The yard office is busy with bookings.

He attended the Tsunami Summit in Long Beach. Mr. Crockett suggested Mr. Radon meet with the City about their need to post their emergency evacuation route signs.

Mr. Pivarnik:

Today, Staff participated in a conference call with the FAA, Landau Associates, and Reid Middleton, the outcome of which was to complete the contract for an environmental study at the airport to delineate the wetland. There would also be another 30-day review to ensure there were no tribal villages near the airport. Staff believes they can still meet the FAA May 1<sup>st</sup> grant deadlines, so the hangar construction can proceed.

Mr. Crockett:

As expected there has been an appeal of the County Comprehensive Plan amendments.

Having recently appeared on public access television he suggested a workshop discussion about possibly televising Commission meetings.

The Port of Port Angeles will be holding a hearing on February 28 to propose a moorage rate adjustment.

The final reconstruction figures on the breakwater have arrived. General Construction in Poulsbo did a great job and came in \$26K under budget.

VIII. PUBLIC COMMENT:

Linda Swisher:

This weekend, she and Keith would be attending the Northwest Aviation Tradeshow in Puyallup. The Jefferson County Pilots Association would have a breakfast meeting Saturday morning with Aircraft Owners and Pilots Association (AOPA). There would likely be a lot of discussion on protecting small airports.

Nancy Dorgan:

Having seen the PUD's legal notice for a building permit to put in a well at the airport, she reported on her inquiries to the state that indicate the PUD is a long way from taking any water.

Gloria Bram:

She thanked the Port for its support of the Landfall expansion, which will help its participation in the Blues and Jazz festivals and provide the ADA access it currently lacks.

IX. COMMISSIONER COMMENTS:

Commissioner Pirner:

He reported on his attendance at the Public Infrastructure Fund Board meeting. The 2005 balance was \$834,529, with \$418K having been committed. In 2003, they received \$127,165 and \$145,550 in 2004. It looks like the County would bond the funds. The next meeting is March 1<sup>st</sup>. Mr. Crockett noted that it must be spent on infrastructure to expand economic development.

Commissioner Sokol:

There was an interesting picture and article in the *Peninsula Daily News* today with Rosemary Sikes of Admiralty Audubon that acknowledged the Port.

March 1 is the next Joint Growth Management Steering Committee Meeting from 10-12, with April 19 being the next scheduled after that, also from 10 am to Noon.

Commissioner Beck:

He attended a recent farm network meeting by WSU, where the discussion focused on economic development. In addition to the local market, we are 2.5 hrs from a market of 5 million people. People are calling every week looking for 5,

10, 20 acres of agricultural land. He displayed a map showing economic ranking based on production and noted that while Jefferson County was ranked 35<sup>th</sup>, it produces \$6.6 million worth of agricultural products per year.

X. NEXT MEETING:

Wednesday, March 9, 2005 at 1:00 PM in the Point Hudson Marina Room, Port Townsend, Washington, with a workshop beginning at 9:30 AM.

XI. EXECUTIVE SESSION: None

XII. ADJOURNMENT:

The meeting was adjourned at 9:00 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