

PORT COMMISSION MEETING – May 11, 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
Attorney – Winters

Absent: Auditor – Taylor

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
 - E: Reid-Middleton's Contract – JCIA Project
- VI. New Business
 - C: Asbestos Removal from the Point Hudson Hospital Building

III. CONSENT AGENDA:

- A. Approval of Minutes – April 27, 2005
- B. Approval of Warrants:
 - #32226 through #32251 in the amount of \$28,938.29
 - #32252 through #32259 in the amount of \$47,766.96
 - #32260 through #32321 in the amount of \$47,142.86

Upon motion of Commissioner Pirner, the Consent Agenda was unanimously approved as written.

IV. PUBLIC COMMENTS (Not Related to Agenda): None

V. OLD BUSINESS:

- A. Renting of the Point Hudson Hospital Building to the Sea Quest Academy

Mr. Crockett explained that on legal advice, Staff had recommended the Commission discuss whether or not to consider the proposal by Sea Quest Academy.

Commissioner Sokol moved to terminate conversations with Sea Quest Academy on the use of the hospital building, the reason being that other uses are already being considered. The motion carried by a unanimous vote.
- B. Lease for Port Townsend Aircraft Services

Mr. Pivarnik reported that Mr. Shandre would like to proceed with his request to become a fixed-based operator even though the fuel concession would not be included (as it is off the table for now). He distributed the Port's proposal for a 30-year lease for a 5K sq./ft. pad at the market rate of \$.48/sq.ft./yr. with two ten-year options. The lease also contains the option to lease additional space (up to 5 years from commencement of the first lease) for expansion behind their building. Staff recommended the Commission authorize it to proceed with executing a lease with Mr. Shandre. Staff indicated that the contract would not require additional parking, since the area next to the Spruce Goose is available and more space will open up with the removal of the T-hangers.

Commissioner Beck moved to authorize the Executive Director to sign a 30-year lease for a 5K sq./ft. pad with Port Townsend Aircraft Services, LLC at the market rate of \$.48/sq.ft./yr. with two ten-year options and giving the option to lease additional space (up to 5 years from commencement of the first lease) for expansion behind their building. The motion carried by a unanimous vote.

C. Industrial Land Bank

Mr. Crockett reported that he and Ms. Winters had discussed Eric Toews' memorandum posing five recommendations. Staff recommended the Commission authorize the Executive Director to add a cover letter to this document to the BOCC and EDC (with a copy to the City and possibly the Joint Growth Management Steering Committee), stating that the Commission and Staff concur with the enclosed memo's recommendations. Mr. Sokol suggested that the letter clarifying the Port's position should also include what the Port feels is appropriate County planning and what a potential site owner would want to be involved with, the industries to be targeted (in working with the County), and what the Port's responsibilities would be as a property owner.

Commissioner Beck moved to authorize the Executive Director to forward the memorandum on the topic of Industrial Land Banks with the cover letter with changes as described. The motion carried by a unanimous vote.

D. Airport Hangar Layout

Mr. Pivarnik reported that the project is about two weeks behind due to environmental issues related to stormwater, including the FAA's requiring a stormwater assessment relative to the new, DOE 2000 standards. A reclassification of the wetlands and the subsequent reduction of the buffer zone resulted in the addition of two more hangars. Staff is proceeding with a full buildout and hopes to have more information to the Commission in the next week or so. While Staff believes this layout reflects the highest and best and safest use, they would like the Commission's formal approval.

Commission Sokol moved to adopt the hangar layout as shown on the Reid-Middleton plan dated April 2005, File #23-06-009. The motion carried by a unanimous vote.

E. Reid Middleton Contract

Staff asked for approval of the final contract amount of \$208,801.00 for engineering and construction management. Mr. Pivarnik noted that the FAA would be paying roughly \$120K of this amount.

Commissioner Beck moved to authorize the Executive Director to approve the contract for approximately \$208K with Reid Middleton for engineering and construction management services. The motion carried by a unanimous vote.

VI. NEW BUSINESS:

A. Operations Report – Month of April 2005

Mr. Radon noted that despite a strong April, there has been a slight, seasonal drop in monthly guests. He attributed the nightly guest total to decent weather and haulout activity. Ramp fees are tracking close to last year. April's numbers are down a small amount from last year's, but the year-to-date figures for all hoist activities combined were up 10%. All three lineal foot storage components remain consistently ahead of last year's billable numbers. Staff has received a lot of calls and bookings are running about a month ahead, indicating a busy season well into June. Point Hudson Transient Moorage had a strong April, with cumulative totals of 593 compared to 308 last year; 121% of last April and year to date at 124% of last year.

RV Transients are about the same as last year and bookings are strong. Earlier concerns about business slowing because of the increased cost of fuel have not been realized. He did observe that the clientele seems to be a smaller circle of

(Puget Sound-based) locals and not so many who are traveling to Alaska or the Islands.

Mr. Crockett mentioned that winter-overs ended, but next season Staff might extend these a month or a month and a half longer. There was Commission support for this.

Commissioner Pirner pointed out that on an April 19 visit, the shipyard was full whereas the operations report reflects 52% occupied. Mr. Radon explained how the boatyard and shipyard space is used interchangeably to maximize the available area.

B. Professional Services Contract for Cascadia Planning

Mr. Crockett noted that, just as Eric Toews helped with the Industrial Land Bank and overlay issues, Staff recommends another contract with Mr. Toews – not to exceed \$5,000 – for other issues where his planning expertise is needed and appreciated.

Commissioner Beck moved to authorize the Executive Director to execute a up to a \$5,000 contract with Cascadia Planning. During discussion it was clarified that work with the Landfall restaurant redevelopment is separate from the work Mr. Toews is doing with the Port. **The motion carried by a unanimous vote.**

C. Asbestos Removal from the Point Hudson Hospital Building

Mr. Pivarnik noted that Richard Berg had been contracted to do architectural studies to retrofit the hospital building for Port offices and consulted with Northwest Asbestos Consultants to assess the asbestos problem. Both recommended that if the Port were to intend to occupy the building, the small amount of asbestos (some in pipe insulation and some in floor tiles) should be removed at an estimated cost of \$8–10K. Mr. Crockett asked the Commission to authorize up to \$10K to address the asbestos in the building.

Commissioner Sokol moved to authorize the Executive Director to spend up to \$10K for asbestos removal in the Point Hudson Hospital Building. The motion carried by a unanimous vote.

VII. STAFF COMMENTS:

Mr. Harris:

Spoke regarding a letter from Paul Anderson, Attorney for United Trollers' Fund, who is objecting to the Port's requirement to be named as an additional insured on liability coverage for fishing vessels. The objection is the difficulties it might cause in an indemnification situation in the event both Port and vessel are sued. For example, even though the fishing vessel owner guarantees the crew safe ingress and egress to the boat, the crew may also sue the owner if that egress leads to a faulty dock not maintained by them. Mr. Harris made a case for single coverage but added we should keep open the option of having this additional insurance coverage, because of the potential liability. While he does not believe Mr. Anderson's request is reasonable, Mr. Harris said he would like to confirm what other insurance companies are doing before responding. Staff agreed to provide the Commission with a copy of Mr. Anderson's letter. Mr. Harris would also talk with Staff further.

Mr. Radon:

Laura Ferguson, of the Ajax Café is requesting permission to use the Lower Hadlock dock in the upcoming Second Annual Lowest Hadlock Dingy Festival, September 25th. They desired to expand hours a bit, starting at 12:00 PM and going to dusk. He had said in his response that the Port would require \$1M in liability coverage, limiting the number of people allowed on float, and that they supply advance signage up on the road notifying of the scheduled ramp closure. He provided the Commission with a copy of the request and wished to confirm there was Commission support. There was no Commissioner objection to Staff proceeding with authorizing such use.

Mr. Pivarnik:

Relayed a request from Fire District #6 Asst. Chief, Ted Kozinski, for permission to hold a hose training at the airport on May 25th. Staff would request FAA approval of such exercise. There being no Commission objection, Staff would proceed.

The Port will celebrate its Opening Day this weekend with a booth at the Maritime Center from 1–3:00, and will offer information about the marina project, and hold a drawing. At 2:00, they will serve cake large enough for 150. Commissioner Sokol added that at Monday's Chamber meeting, Brion Toss had invited others to attend his open house at Brion Toss Rigging.

Mr. Pivarnik is also working with the Pete Gillis regarding his request to lease space in the Port's maintenance/storage building at Point Hudson in which to operate a combination boat brokerage business and convenience store.

Mr. Crockett:

He had received an email forwarded from Landau Associates reporting that preliminary data for volatiles and metals were below the pertinent screening levels; other results are pending. So far, so good, on the dredge samples. It would be 2-3 weeks before the official sample results would be received. A clean report would permit a deep-water disposal off Protection Island rather than shipping the dredge material to Eastern Washington.

There would be a reconvening of this morning's public workshop after this meeting, to continue discussions of the City's Draft Shoreline Master Program, which, in fact, specifically calls out convenience store as a prohibited item at Point Hudson.

VIII. PUBLIC COMMENT:

Tamer Kirac:

Apologizing for having arrived late, he inquired about any decision regarding the land bank issue. Mr. Crockett responded that the Commission had just instructed him to attach cover letter to the recommendation indicating the Port's decision to not support the project with \$25K at this time.

Pete Gillis:

Noted that it is his primary intention to start a boat brokerage, which could easily operate in the space discussed earlier. Port Staff noted they had been surprised by the City's restrictions and at first glance were supportive.

IX. COMMISSIONER COMMENTS:

Commissioner Beck:

It was a fantastic shrimping season.

Commissioner Sokol:

He would be out of town Friday, Monday and again Tuesday–Friday for WPPA Spring Meeting. Mr. Crockett reminded him that the Rhody Parade is Saturday.

X. NEXT MEETING:

Wednesday, May 25, 2005 at 7:00 PM in the Tri-Area Community Center, Chimacum, Washington.

XI. EXECUTIVE SESSION: None

XII. ADJOURNMENT:

The meeting was adjourned at 1:45 PM, there being no further business to come before the Commission.

ATTEST:

President

Secretary

Vice President