

PORT COMMISSION MEETING – December 28, 2005

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

Present: Commissioners – Beck, Pirner, Sokol
Executive Director – Crockett
Deputy Director – Pivarnik
Director of Marine Facilities – Radon
Auditor – Taylor
Absent: Attorney – Harris

I. CALL TO ORDER

The meeting was called to order at 10:00AM.

II. APPROVAL OF AGENDA

The following items were added to the agenda:

Old Business Item D. EDC Service Contract

New Business Item B. Peninsula College- four year program

Item C. Month to Month Lease - NW Maritime Center

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

III. CONSENT AGENDA

A. Approval of Minutes – 12/14/05

B. Approval of Warrants

#33604 through #33624 in the amount of \$ 26,873.62

#33625 through #33629 in the amount of \$ 15,437.69

#33630 through #33630 in the amount of \$ 5,000.00

#33631 through #33677 in the amount of \$ 37,099.93

C. Resolution No. 458-05 – Authorizing Sale of Abandoned Vessel

D. Write-off Register

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

IV. PUBLIC COMMENTS (Not related to agenda)

V. OLD BUSINESS

A. PT Bicycle Association

Mr. Crockett indicated that staff recommends not accommodating PTBA due to interference with busy boating weekend and other considerations. Commissioner Sokol expresses concerns over traffic control with 200 bicycles and their support people. Discussion followed. Dave McCulloch from the Association spoke from the seats about how the ride is run, with no mass start or end. He explained it would be nice to have a place in town to end so they could use restaurants and visit shops in the downtown. PTBA talked to the City and Police Dept. They spoke to Pete Henke and he didn't feel it would interfere with his parking needs. Overflow parking is available in skate park area if needed. The Association would put sandwich boards on Monroe to direct cars to proper parking. Pt. Hudson is a nice facility and part of PT's character, he stressed, and this event could be a "positive for the Port". They can place a Sani-Kan. Mr. Crockett explained it's a sensitive issue because of B&B and other private uses in the area, bicyclists knocking on their door etc. Dave's response was that repeat riders come back from all over and know PT. Commissioner Sokol pointed out that when the Port does things like Airport Days it is sponsored, has a signed agreement, insurance and they cover their event. Dave responded the Association has an insurance policy and take out event insurance per rider and could name the Port for coverage, with \$2MM liability. Commission President Beck indicated we're talking about 200 people, and he would like to see a plan for number of Sani-Kans and traffic control etc. It's a revenue-creating activity for community, but needs a plan that speaks to these concerns. Mr. Crockett then questioned what the Port is going to charge for facility use for this event? Commissioner Sokol spoke about grounds cleanup, any damage or repair...we need to recoup the cost. Dave then indicated they incur no fees at Park 'n Ride, and don't face as many issues, so they may return there. Mr. Crockett said this should be put back on the agenda for Jan. 11.

B. Port Townsend Industrial Park

Mr. Pivarnik expects an appraisal of the Industrial Park assets by Jan. 11 meeting. He indicated they have good tenants, but many need leases and have expired leases. Key tenants have leases that need to be honored by the Port. Mr. Crockett suggested the Port add this as topic to workshop on Jan. 11. State laws apply to us in terms of leasehold tax being applied. The Port needs to work out details of lease modifications. Eight tenants don't have any agreement at this time. Zoning from City says that area needs to emphasize marine-related business. Discussion followed. Mr. Crockett indicated the need to inspect the buildings' condition too. Commissioner Pirner questioned how we handle the leasehold tax. Mr. Crockett responded that we need to look at that issue and work it out. Mr. Pivarnik added we'll know more when we get an appraisal, and that existing leases are thorough. Mr. Taylor then commented that if we have to absorb all of the leasehold tax it would be about \$18K/year on current rents. Discussion followed.

Commissioner Sokol then indicated it is important to have this property under the Port's holdings. The Port needs to keep the tenants who are there. It might be good to offer month-to-month agreements that cover contingencies.

Mr. Pivarnik added we need to sit down and discuss matters with tenants, and get a feel for their future plans. This item will be followed up at the Jan. 11 meeting.

C. FAA / Army Corp of Engineers Airport Update

Mr. Crockett reported that 2 weeks ago he and Mr. Pivarnik were in Renton at FAA. There has been some intercession by FAA with Corp of Engineers. Arranging an on-site visit with all parties may be next, to try to get this project moving again. The holidays and Hurricane Katrina interfered with the timetable and we need to get things moving forward again. FAA says the grant money is still there but we need to start by August. Seton Construction estimates the project will take about 90 days to complete.

Commission President Beck questioned how long the contract is good for and Mr. Pivarnik said it would have to be reviewed in 2006. If there's a gross difference in costs we may need to revise and re-bid. FAA forms are done, the septic portion is being held off because of rainy weather. Commissioner Sokol asked if the wetland area is actually wet, and Mr. Crockett indicated it is.

D. EDC Service Contract

Mr. Crockett said a draft agreement for a consultant to EDC has been drawn up, to do an inventory countywide of industrial and commercial lands and uses. There are some questions on costs on Page 7, and some concerns about the Port's cost portion. The Port doesn't really get a deliverable. Discussion followed and it was decided this matter should be brought back to the agenda on Jan. 11 for an update.

VI. NEW BUSINESS

A. Election of Pro Tem Secretary

Commissioner Pirner's term ends Dec. 31, 2005. Mr. Taylor said the second portion of LTGO Bond Issue (the \$1.9MM refunding) requires signature of Port Secretary, and it closes on Jan. 3, 2006. We elect officers Jan. 11. So we need a short-term, Pro Tem Secretary of the Port for the purpose of signing documents for the closing of the final portion.

Upon motion by Commissioner Pirner, it was passed unanimously to elect Commissioner Sokol as Pro Tem Secretary for the term Jan 1 to Jan 11, 2006.

B. Peninsula College- four year program

Mr. Crockett said Peninsula College is seeking to establish 4-year programs such as a 4-yr Bachelor of Applied Science and Applied Mgmt. They want a letter of support to go forward with their application for accreditation. Staff drafted a letter, which Commission President Beck can sign for Port.

Commission President Beck pointed out that enrollment is high, more than they can handle. If the school is qualified, he has no problem endorsing it to become a 4-yr. College and expand. He stated he is a great believer in this, and it's a great opportunity for local folks to attend. Mr. Crockett indicated they have a time frame and they need to get their packet to Olympia by mid January.

Upon motion of Commissioner Pirner, the Commission approved the letter of support from the Port for the College.

C. Month to Month Lease -NW Maritime Center

Mr. Pivarnik indicated the Maritime Center, Wooden Boat Foundation and Adventuress are joining forces and they have no office space. Artful Dodger space is available and they would like to work out a lease at market rate. A month-to-month lease can be done until the Port has more suitable space available. Sound Experience wants PT to be their home office. Leasehold tax will be collected until NW Maritime Center obtains exempt status from Washington State Department of Revenue.

Upon motion by Commissioner Pirner, the Commission unanimously voted to approve The NW Maritime Center lease for space across from moorage office on a month-to-month basis at \$322.00 per month + L.E.T.

VII. STAFF COMMENTS

Mr. Taylor said Secretary of State Office archive grant request was not funded. There were a record number of applications for a record amount of funds. Mr. Taylor read their letter. Discussion followed.

Mr. Radon commented Seattle Boat Show guest tickets have been distributed; scheduling of staff for booth is being completed; Jan. 6 start date to Fri. 13th or Sat. 14th. All literature is in hand. We received Dept. of Ecology grant money to reimburse the Port for spill trailer cost and outfitting. \$20,000 trailer acquired by Port for responding to spills. Replacement of inventory will fall to Port. We have to maintain it.

Mr. Pivarnik said Hospital Building cabling is done, fire alarm wiring going in today, drywall going up. Schedule calls for a March 15 Phase I completion date, May 15 Phase 2 complete in concept. RV publications that we should advertise in: negotiated to put Woodall's rating in Trailer Life. Pt. Hudson RV and Marina is only facility rated by Woodall's in PT. Ads should work well for us.

Mr. Crockett took several moments to thank Commissioner Pirner for his nine years of service to the Port Commission.

VIII. PUBLIC COMMENTS

Gloria Bram on PTBA use of Pt. Hudson recommended the Port consider a refundable deposit instead of a fixed fee for cleanup. Biodegradable paints could be used for striping and the Port should check costs. On PT Industrial Park she felt it was a good idea for the Commission to be looking into regaining ownership and use of its property. She felt the Port should set aside some of the revenue it generates from that for upgrading of the Boat Haven. On approval of support for the 4-yr. college, when the mill is no longer viable, she believes it could become a resident campus.

IX. COMMISSIONER COMMENTS

Commissioner Sokol said WPPA Environmental Policy Commission meeting place for next year (Sept.) could be Port Townsend during the Wooden Boat Festival. Meeting space is available. It could increase attendance at the Festival. Some may stay overnight but it's a 1-day conference. He went on to say that this has been the most amazing ten years sitting alongside Conrad Pirner. Choosing him to fill the seat was one of best decisions. Improvements during Conrad Pirner's tenure have been significant. He commended Pirner on his years of service and his commitment to the success of the Port. He remarked about Commissioner Pirner's two standout traits: his being dedicated to long range improvements, and great sense of humor. He gave sincere thanks.

Commissioner Pirner responded that along with fellow commissioners, we've done some bad things and some good things. (He named numerous projects accomplished) He pointed out the 147% revenue increase in past 10 years.

Commissioner Beck commended Conrad Pirner as an outstanding commissioner; he enjoyed working with him, made great gains, commended him for finding rates and prices—saying he was great with numbers. "We've had some exciting times, some hard times, but generally you've done a fantastic job. Occasional arguments are alright too." Standing ovation followed. Commissioner Beck wished Mr. Pirner good luck for future projects and thanked him very much.

Commissioner Pirner thanked everyone for their thanks and praises and cooperation.

X. NEXT MEETING:

REGULAR MEETING: Wednesday, January 11, 2006 at 1:00 PM in the Marina Room at Point Hudson, with workshop preceding at 9:30 AM.

XI. EXECUTIVE SESSION

None

XII. ADJOURNMENT

The regular meeting was adjourned at 11:30AM.

Recorder: D. Kilburn

ATTEST:

President

Secretary

Vice President