

PORT COMMISSION MEETING – August 24, 2005

The Port of Port Townsend Commission met in regular session at the Tri-Area Community Center in Chimacum, WA.

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

Absent: Operations Manager – Radon

I. CALL TO ORDER

The meeting was called to order at 7:01 PM.

II. APPROVAL OF AGENDA

Upon motion of Commissioner Sokol, the Agenda was unanimously approved with the following additions: Jack Westerman, County Assessor (before consent agenda);

V. Old Business:

B. Intergovernmental Meeting

C. Washington Public Ports Association Committee Chairs Meeting

VI. New Business:

A. Land Survey for Aero Museum and FBO

B. Sperry Lease

C. Limited Tax General Obligations (LTGO) Bonds

Change in agenda: At this point in the meeting, Jefferson County Assessor Jack Westerman presented information to the Port Commission on this year's Port property tax levy vs. the Port's maximum levy capacity. Mr. Westerman discussed new construction figures, citing \$36.5 million in the City in 2005; he also discussed growth management and timber sale taxes. The total County assessed value is close to \$3.6 billion. The Commissioners, Mr. Taylor and Mr. Crockett took part in discussion of tax figures with Mr. Westerman.

III. CONSENT AGENDA

A. Approval of Minutes – 8/10/05

B. Approval of Warrants

#32870 through #32894 in the amount of \$29,297.72

#32895 through #32897 in the amount of \$13,483.02

#32898 through #32943 in the amount of \$54,128.41

C. Resolution No. 448-05 – Authorizing the Sale of Abandoned Vessel

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

IV. PUBLIC COMMENTS (Not related to agenda)

Port Commission Candidate Gary Rossow asked for an update on the boat ramps at Hadlock and Mats Mats. Mr. Crockett responded that the Hadlock ramp is "dead" because of the UGA issue and zoning issues with the Northwest School of Wooden Boat Building. He also discussed the availability of the grant funding in the future.

Additionally, Mr. Crockett said the Mats Mats ramp improvement has been delayed by environmental issues with the Army Corps of Engineers, and estimated costs are therefore rising. As a result, the matter will have to be re-assessed as part of the 2006 budget.

V. OLD BUSINESS

A. JCIA Update

Commissioner Beck asked where things stand with the airport project. Mr. Pivarnik discussed the FAA grant approval, the question of re-bidding, and the storm water detention pond. Engineers have resolved the storm water detention issue, and the project will move forward this year. Staff recommendation is to proceed with the \$1.8 million project. Discussion followed.

Commissioner Sokol made a motion that the Port not rescind the resolution awarding the contract to the low bidder, and proceed with the project as awarded to Seton Construction upon receipt of the grant money, and it passed unanimously.

Mr. Pivarnik reported the portable t-hangar relocation is proceeding with 4 of the 6 tenants. They are being given a ten-year lease and Mr. Pivarnik says the October 1 deadline stands. Insurance and deposit matters are specified in their new lease. The other two tenants' attorney is communicating on their issues with the Port's attorney.

Mr. Pivarnik said the Port is still awaiting FAA approval for change in vertical structure locations and Form 7460. Commissioner Sokol commended Mr. Pivarnik on his dealings with the affected hangar tenants.

Mr. Crockett stated the political sign (which a citizen had complained about) near the airport property was in fact on private property.

Mr. Taylor discussed the Project Control Form and the figures contained therein.

Commissioner Beck made a motion to approve the Project Control Form as submitted, and the motion passed unanimously.

B. Intergovernmental Meeting Update

Mr. Crockett pointed out that the next Intergovernmental Meeting is September 13, 2005. He is gathering topics for the meeting. The last meeting was in June. Discussion followed and topics mentioned included the PUD and sewer system provision, UGA & GMA, and Airport growth projects. Other possible topics include Point Hudson changes, and water issues.

C. Washington Public Ports Association (WPPA) Legislative Meeting

Mr. Crockett will be at SeaTac on Friday (August 26) for the purpose of the WPPA Committee Chairs to develop topics for support or contention in the upcoming legislative session. Any new topics to propose for legislation will also be discussed. Mr. Crockett plans to bring up the use of grant monies and how they are divided between state agencies and port entities. Commissioner Sokol suggested this topic might be appropriate for the Sept. 13th meeting also. Discussion followed.

VI. NEW BUSINESS

A. Land Survey for Aero Museum and FBO

Commissioner Beck requested details on obtaining a land survey for the new Aero Museum and the FBO at the Airport. He recommended the Port obtain one, and Mr. Pivarnik described the unique policy of the Airport to charge by the footprint of the buildings. He states there will be ancillary footage used by the Museum and the FBO, and the policy needs to be revised and a survey obtained. He will order a complete land survey of JClA.

B. Sperry Lease

Commissioner Beck questioned the Sperry lease issue. Mr. Pivarnik said there are three different leases on the buildings at the heart of the Boat Haven. All are different in rates and structure, and they are facing renegotiations on all. Mr. Crockett said it would be nice to have one lease instead of three. But this takes away future flexibility for buyout or moving buildings. Discussion followed and Commissioner Beck said the leases need to be brought to the current market rate and resolved.

C. LTGO Bonds

Mr. Taylor explained the cancellation in the workshop scheduled for this date was due to the Hood Canal Bridge closure. He went on to explain fiscal approaches to handling new debt needed to fund capital projects, bond ratings, and related financial matters. Handouts summarized the figures for upcoming projects. Almost \$5 million is needed for projects, and the Port can bond up to a maximum capacity of just over \$5 million from a new LTGO Bond refund transaction. Commissioner Sokol and Mr. Crockett discussed the anticipated increases in revenue for the Port's near future. Mr. Taylor said the Port needs to do a lot of work toward a decision on how to finance future projects such as Point Hudson (next year). Discussion followed, and Mr. Taylor recommended the Port begin the process now of a new bond issue to take advantage of low interest rates, rather than waiting until the first of the year. Clair

Candler and Kathy McKenna remarked on the RV presence at Point Hudson and the IRS position on the bond issuance, respectively.

VII. STAFF COMMENTS

Mr. Pivarnik reported he has been working with Dave Peterson on a grant for the Quincy Street Dock project. The City will be the lead agency for that. He will be having a committee meeting for one last look on design issues for the Point Hudson marina project and will get some input from others on how it should look. Finally, on the hospital building, the project is proceeding and the City will not require a pre-app. They are looking over the plans for code issues but demo permit is in place and things are moving forward.

Mr. Crockett was contacted by a reporter about the Quincy Street Dock project. Mr. Crockett's conservative word of caution is that there is significant cost in maintaining the dock after restoration, but he supports the project. Mr. Crockett also says a man named Richard launched at Quilcene and fell. He suffered no significant injuries but the ramp area needs attention and he wanted to make that known.

No executive session would be needed tonight.

VIII. PUBLIC COMMENTS

IX. COMMISSIONER COMMENTS

Commissioner Sokol remarked on proposed EDC bylaw changes. Mr. Crockett indicated the dues are nominal, but if they want \$1,000 or more there should be a formal contract. Discussion followed.

Commissioner Beck said he was quite pleased with the direction of the Quincy Street Dock project.

X. NEXT MEETING: Wednesday, September 14, 2005 at 1:00 PM in the Point Hudson Marina Room with a workshop proceeding at 9:30 AM.

XI. EXECUTIVE SESSION (if needed)

Not needed.

XII. ADJOURNMENT

The regular meeting was adjourned at 8:44 PM.

Recorder: D. Kilburn

ATTEST:

Secretary

President

Vice President