

PORT COMMISSION MEETING – April 11, 2007

The Port of Port Townsend Commission met in regular session in the Commission Chambers, Hudson Point Administration Building, 375 Hudson St, Port Townsend, WA.

Present: Commissioners – Beck, Sokol, Thompson
Executive Director – Crockett
Deputy Director – Pivarnik
Marine Facilities Director - Radon
Auditor – Taylor
Senior Accountant/Recorder – Hawley
Attorney – Harris

I. CALL TO ORDER

The meeting was called to order at 1:00 PM.

II. APPROVAL OF AGENDA

The Agenda was changed to reflect the addition to Old Business of: Item C – Meeting Time Change and Item D – Security Position Description.

Upon motion of Commissioner Beck, the revised agenda was unanimously approved.

III. CONSENT AGENDA

- A. Approval of Minutes – 3/28/07
- B. Approval of Warrants
#36561 through #36589 in the amount of \$35,575.45
#36590 through #36597 in the amount of \$43,312.53
#36598 through #36667 in the amount of \$577,832.05
- C. Resolution No.486-07 – Authorizing Sale of Abandoned Vessels

Upon motion of Commissioner Beck, the Consent Agenda was unanimously approved as presented.

IV. PUBLIC COMMENTS (Not related to agenda)

Forrest Rambo suggested that the purpose in the introductory portion of the Contractor's Rules and Regulations, (which had been discussed during the public workshop held in the morning) should be separated from the authority and definitions part of the document thereby, in his opinion, making the document flow more easily.

V. OLD BUSINESS

A. JCIA Preconstruction Meeting Update

Mr. Crockett informed that the meeting held April 10, 2007 at JCIA with representatives from the FAA, Seton Construction, Lakeside Industries and Reid Middleton concerning the \$1.6 FAA Grant for the Taxilane/Hangar Project went very well. He stated that Seton Construction would begin work within the next two weeks as soon as remaining administrative paperwork was resolved between Reid Middleton and the FAA. In the meantime, he stated, orange plastic construction fencing would be positioned to delineate the wetlands. Mr. Crockett expressed gratitude to both Seton Construction and Lakeside Industries for holding their 2005 bids while project mitigation issues were resolved with the Army Corp. of Engineers.

Mr. Pivarnik stated that an interceptor trench would be dug for the entire project length in order to alleviate and divert some of the existing groundwater and direct it to the new project detention pond.

Discussion followed regarding the drainage tiles that had been installed in the 1930's and which would be removed, that construction surveys would take place during the project but that most of the area had already been surveyed and that the PUD power line which services the PUD well house would be re-routed.

B. Boat Haven Renovation Advisory Committee Update – Meeting #1

Mr. Crockett briefed the Commission on the first Boat Haven Renovation Advisory Committee Meeting held Thursday, April 5, 2007. He informed that the meeting had been well attended by all but two of the 13 members. Minutes of the meeting had been taken and when complete would be kept, along with all correspondence and committee information in a three ring binder which would be made available to the general public as well as Committee Members. He advised that the next meeting was scheduled for May 30, 2007 and it was anticipated that by that time, PND would have survey data available for Committee review. Mr. Crockett explained that some of the ideas expressed were "here and now" the attempt was to broaden the thinking realm of the Marina needs 10, 15, 20 to 25 years in the future. He stated that Paul

Sorenson, with the aid of a power point presentation, had shown the state of the boating industry in the Puget Sound and the Northwest at large. Mr. Crockett further informed that a public open house would be held this summer when concept designs, etc were ready.

C. Meeting Time Change

Commissioner Sokol reminded that discussion regarding this topic had taken place earlier in the year. He proposed that the start time of the second monthly Port Commission Meeting be changed from 7:00 PM to 6:30 PM.

Commissioner Sokol made a motion that Port Staff draft a Resolution to change the meeting time from 7:00 PM to 6:30 PM for the second monthly Port meeting. Motion carried by unanimous vote.

Mr. Crockett suggested that the Resolution be made part of the Consent Agenda for the next meeting and that the change take place for the May evening meeting so that the newspapers could be notified and that the website updated.

Commissioner Sokol inquired if there was any public comment regarding the proposed meeting start time change. There was none.

D. Security Position Description

Mr. Crockett reminded that the 2007 Budget included two security positions and that the positions had not yet been filled. He stated that Staff had drafted job descriptions and requested Commission direction before sending them to the Teamsters Union for review. He briefed that a theft, which involved Caicos Corporation, had occurred earlier in the week at Hudson Point. Currently, Security Services provided a drive through of Boat Haven and Hudson Point three times nightly.

Mr. Pivarnik informed that the positions would be unarmed and would report any suspicious activity to the local police.

Discussion took place regarding the types of experience required or expected.

Mr. Crockett additionally informed that currently in review were a number of different security camera systems. He stated that the security staff would be responsible for monitoring those cameras as well as other duties.

Discussion followed regarding whether the airport would be included, and if the job description would need to be modified to include the airport; that as a governmental entity, preference would be given to Veterans; that no security would be 100% foolproof; and, finally, that the positions were for nighttime hours.

Commissioner Sokol directed, since the Commission was in agreement, that Port Staff forward the security position job descriptions to the Union for review.

VI. NEW BUSINESS

A. Operations Report – Month of March 2007

Mr. Radon reported that permanent moorage was fairly static compared to the same period in 2006. He related that there were fewer monthly guests, which was by design as it was now the heavy spring season with a lot of lift activity. He relayed that six or seven large vessels were scheduled for the 300 ton during the next week, and all those scheduled actually took place, would mark it has one of the busiest weeks on record. He informed that nightly guests were down slightly from 239 in March 2006 to 226 this year, but that, with 719 nightly guests for the first three months, this year was still ahead of last year's figure for the same time period, which had a total of 558. Mr. Radon continued by stating that ramp fees were running ahead of last year in both daily and annual and he attributed that to a fairly good run of winter Blackmouth. He remarked that the Fuel Dock facility was well stocked with a supply of halibut fishing gear and was ready for halibut season.

Commissioner Sokol inquired about the change on the 25 ft wait list from two in 2006 to fifteen this year.

Mr. Radon clarified that because of the closure of the Hudson Point Marina for reconstruction, approximately twenty permanent tenants had been moved to the Boat Haven and that since most of those boats were in the 28 foot, or less, size, it meant that fewer of those size slips were available.

Mr. Radon commented that in the boat yard, the overall outs and overall movement was ahead of 2006 in cumulative totals. He informed that Yard bookings were very strong and were being scheduled 2 ½ weeks in advance.

He informed that there were a few less boats in the Boat Yard and speculated that the rate increase at January 1st might be part of the reason. On the positive side, he noted, a few non-active boat projects had been moved out of the Yard on boat trailers, and the resulting extra space was welcome at present.

Regarding Hudson Point, as the Marina was still closed, he stated, there were no moorage figures to report. He informed that probably due to inclement weather, the number of nightly RVs was down slightly to 247 for March 2007, compared to 274 for the same period in 2006.

B. Lease Negotiations with T's Restaurant

Mr. Crockett reminded that discussion had taken place during several meetings regarding the fact that due to rehab of the Administration building and new showers and laundry facility at Hudson Point, the old Nurses Quarters building had been closed. Renovation work on the building had been started to stabilize the exterior, which was badly weathered. Three restaurants and a couple of marine trades businesses had approached Staff to discuss the possibility of leasing the building. He informed that Staff recommended formal lease negotiations proceed with the owners of T's Restaurant, Gary and Nancy Tocatlian and sought Commission approval.

Mr. Pivarnik remarked that currently the Nurses Quarters building was a non-producing asset for the Port. He anticipated that Mr. and Mrs. Tocatlian had the vision to make it a great destination restaurant.

Mr. Crockett informed that the community had expressed itself loud and clear in that it wanted to see as many of the old structures preserved as was possible. He stated that the rehab of the building's exterior would include weatherproofing, replacement of a few windows, running proper electricity to the building and assurance that the roof was sound. Mr. and Mrs. Tocatlian had agreed to make all interior improvements within structural limits.

Discussion followed regarding the sub-structure which was built on creosote piles, ways in which to reduce the creosote vapor smell and that rehab would include a sub-floor.

Gary Tocatlian, owner of T's Restaurant, thanked the Commission for allowing he and his wife the opportunity to be part of the revitalization of the Port and Hudson Point. He stated that the proposed restaurant theme was going to be quite different from the current T's Restaurant, and would have a more casual, comfortable, relaxed ambiance. Creatively, they were thinking along the lines of a Victorian seaport theme along with a nautical and beach cottage scheme where someone could come in right from their boat. They were going to offer a complete bar service, lunch and dinner and perhaps a Sunday brunch.

Mr. Crockett stated that a firm, project completion timeline had not yet been determined.

Commissioner Thompson remarked that there would be a plethora of restaurants at Hudson Point.

Mr. Crockett informed that the City of Port Townsend Shoreline Master Program update authorized up to 11,000 square feet of restaurants at Hudson Point and that the addition would be within those limits. He stated that the new owner of the Otter Crossing Café had expressed a positive attitude about the proposed restaurant and suggested that a synergy, a restaurant district was being created which, in her opinion, would attract more visitors to the area.

Commissioner Beck made a motion to direct Staff to begin serious negotiation with Gary and Nancy Tocatlian on the lease of the Nurses Quarters building at Hudson Point and to direct Staff to continue with the exterior renovations. Motion carried by unanimous vote.

Commissioner Sokol noted that the cost of renovation of the building was included in the 2007 Capital Budget.

Gloria Bram wondered about the possibility of including a small convenience store at that location.

Mr. Crockett informed that a convenience store was not planned for that location but that space was still available elsewhere if someone wanted to pursue that idea.

Forrest Rambo questioned whether the building lease availability had been advertised in the local newspapers or had people heard about the building through word of mouth.

Discussion followed regarding how the building had been empty for some time and that that the rehabilitation and leasing of it had been discussed in public session several times and that, as with the office spaces, people asked to rent the spaces.

VII. STAFF COMMENTS

Mr. Radon stated that the new fuel dock operation had now been under Port management for almost a full month and that business was increasing on a daily basis. He stated that additional moorage staff had been hired and that the process was underway for the summer temporary hires at Boat Haven and Hudson Point.

Mr. Radon informed that the Department of Ecology (DOE) had adopted some new fuel regulations under the Governor's Zero Spill criteria and stated that the Port was well equipped to handle those regulations at the Fuel Dock. However, he stated, there was concern over the new requirements for the cross dock components; one with Pete Hanke, fueling the Glacier Spirit and the other the Coast Guard Cutter, Osprey, which, he stated, both take fuel directly from a truck from Pettit Oil. He informed that we occasionally have cross-dock fueling at the ship work pier, mostly for large vessels, which were going back into the water. He stated that Staff had been working with the DOE on a case-by-case basis on those projects because they did not fit under the Class 4 Fuel Dock Operation that the Port currently operated at Boat Haven and Quilcene.

Discussion followed which included details of the regulations that dealt with fueling in the Yards and how we have not had any fueling incidents.

On another topic, Mr. Radon informed that work was proceeding with Peter Wiant, of Wiant Productions, for the video production of the Marina and Work/Ship Yards BMPs. Although problems still existed and needed to be sorted out, Mr. Radon informed that the process was going well. He stated that with the advent of better weather, outside filming of actual demonstrations would be possible.

Mr. Pivarnik stated that the bids were coming in for the Quilcene Septic System and that project cost was estimated at \$100,000. It was, he stated, a difficult project and not many contractors would be able to handle the project.

Mr. Pivarnik stated that the system would service the entire Linger Longer Road area, it was more a sewage treatment system as much as it was a septic system.

On another topic, he informed that Topper was the successful bidder for the Hadlock Floats. The new floats were environmentally sensitive as the entire top was grated. June 1st was the deadline for completion of the project.

Mr. Crockett reminded that no pile removal or replacement was being done as that would have required extensive permitting.

Commissioner Thompson inquired as to whether there was a possibility of obtaining Jefferson County Infrastructure monies since the Quilcene Septic had become more of a community project.

Discussion followed regarding Jefferson County's low interest loan program and how some money would be recouped (the exact amount was still to be determined) from Coast Seafoods since all three of their buildings would be hooked up to the new septic system and how since the South County community does not currently have shower facilities elsewhere that the economic development tie would be a strong component in a PIF .08 Infrastructure Grant.

Mr. Crockett informed that he and Mr. Pivarnik would be out of the office most of the week of April 16th in order to attend the annual FAA Conference at SeaTac.

He related that the Jackson Street improvements had begun. The asphalt, he noted, had been dug up and that a trench for the water and sewer line was in the process of being dug. He noted that the businesses were still open and that signage relating that fact had been made.

He informed that the PIF Committee meeting was scheduled to meet on April 25th, and that Neil Warner would present the power point presentation to them regarding the Quilcene Water Intake project.

Mr. Crockett informed that the Jefferson County Historic Society had requested that one, or all, of the Commissioners attend an awards ceremony on April 22, 2007 at the Rose Theatre

where a presentation would be made in honor of the renovation of the former Hospital Building at Hudson Point.

Commissioner Beck stated that he thought there should be more than one commissioner present.

Discussion followed.

VIII. PUBLIC COMMENTS

Gary Russo stated that he had questions regarding the Boat Haven Advisory Committee which included the number of people on the Committee, who nominated them, the charter and the end point.

Mr. Crockett provided history and information regarding the Committee and the Renovation.

Discussion followed regarding the phases of the Boat Haven Renovation, the project start date which would, if all permitting went well, be 2010.

Mr. Russo offered an observation that the justification used at budget time to substantially increase rates, especially on larger boats, was part an equity issue but also, partly, to begin to accumulate funds for the Boat Haven Renovation which, in his understanding of the process, was going to take place in Phase 3 of the Marina expansion and which might be years away. Mr. Crockett informed that, at present, the small boat owner was the one paying more per square foot of in water than the larger boat owner. Mr. Crockett stated that the only truly equitable rate charge would be to adopt a square footage moorage rate, which many Marinas were now using.

Commissioner Sokol reminded that all revenues over the CPI were going into a reserve fund for the Marina Renovation and that even though it was not a large sum of money it was currently invested and earning interest.

Steve Tucker questioned whether Benedict Spit had been discussed. He stated that he remembered that the removal of the Spit had been offered as a possible scenario during the Comp Plan discussion which took place four years ago.

Discussion followed to included the inclusion or exclusion of the Benedict Spit from the Boat Haven Renovation Project, pluses and minus, the asset of the Coast Guard location within our Marina and permitting issues which would result if the Spit were removed and cost estimates.

IX. COMMISSIONER COMMENTS:

Commissioner Beck remarked that it was good to see action started on the Quilcene Septic System.

X. NEXT MEETING will be held Wednesday, April 25, 2007 at 7:00 PM, in the Port Commission Chambers, 375 Hudson St, Port Townsend, WA 98368.

XI. EXECUTIVE SESSION

The regular meeting adjourned into executive session at 2:12 PM for discussion regarding a personnel matter, duration of fifteen minutes with no anticipated action. The executive session was extended at 2:28 PM for an additional fifteen minutes. The regular meeting reconvened at 2:46 PM.

XII: ADJOURNMENT:

The regular meeting adjourned at 2:46 PM there being no further business to come before the Commission.

ATTEST:

President

Secretary

Vice President