

PORT COMMISSION MEETING – July 25, 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
Auditor – Taylor
Senior Accountant/Recorder – Hawley
Absent: Marine Facilities Director – Radon
Attorney – Harris

I. CALL TO ORDER

The meeting was called to order at 6:30 PM.

II. APPROVAL OF AGENDA

The Revised agenda was changed to add under Old Business – Item C – Payment Plan for Airport Infrastructure. **Upon motion of Commissioner Beck, the revised agenda, as amended was unanimously approved.**

After the briefing of the Fire District, Commissioner Beck suggested that the topic be placed under Old Business so that there could be formal acceptance.

III. CONSENT AGENDA

A. Approval of Minutes – 7/11/07

B. Approval of Warrants

#37356 through #37388 in the amount of \$36,379.14

#37389 through #37395 in the amount of \$88,622.25

#37396 through #37470 in the amount of \$409,775.05

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

IV. PUBLIC COMMENTS (Not related to agenda)

None

V. East Jefferson Fire & Rescue Proposal:

Commissioner Sokol stated that East Jefferson Fire and Rescue Chief Mike Mingee was present along with the Fire District Commissioners and some staff members, and that he would present a proposal for a new administration building at the Jefferson County International Airport.

Chief Mingee introduced the Fire and Rescue Commissioners and staff. He stated that the proposal was a joint venture for construction of a steel building to be used as a public safety facility at the airport and which would be staffed 24/7. He informed that a great many details needed resolution and that the next step was to formalize the concept between the two entities.

Mr. Pivarnik reminded that the Port owned an easement on Four Corners Road and that the Public Utility District #1 had a second well located near the proposed building site so that infrastructure was already in place. He stated that the property seemed to be an ideal location for a public facility and was situated within the 3-minute response time to the center of the runway, which was an FAA requirement.

Mr. Crockett stated that the current fire station was not manned on a 24/7 basis as the new one would be. He advised that Jefferson County also would be included in the proposed project development.

Discussion followed regarding FAA involvement, County zoning, project scope, accessibility to Kala Point, Cape George and Ocean Grove, the 3 minute time interval to the runway center, that the facility could be multi-use with the possibility of additional space for US Customs and an emergency management center.

Commissioner Beck inquired if the facility would be used for training.

Chief Mingee stated that the Fire District currently owned a 7 acre site on Jacob Miller Road, next to the County Landfill where training exercises took place. He advised that smoke used in training exercises would be a problem at the airport.

As a point of interest, Chief Mingee stated he had talked with the Operations Manager of Airlift Northwest, a medical air transport for most of Western Washington, northern Oregon and the State of Alaska. He said that they are active on the Olympic Peninsula because medical services are limited. The Fire and Rescue District used their services on an almost

daily basis, Chief Minge explained. They were interested in locating a site on the Olympic Peninsula to station their helicopters. He stated that a helipad would be a wise addition to the site. He advised that the project timeline was for 12/31/09 completion.

Commissioner Beck inquired as to the amount of money for the project.

Chief Minge responded that the footprint was for 10,000 to 12,000 square feet and that construction costs, at present, for a steel building was \$145.00 a square foot, he estimated that the proposed project would cost \$1.5 million for a shell and build out inside.

Commissioner Sokol remarked that much of the infrastructure was already in place.

Commissioner Thompson asked if the facility would be within range of the proposed airport sewage system.

Mr. Pivarnik informed that no it would not and that it would require a separate septic system.

Commissioner Beck expressed enthusiasm for the project and thought it was the ideal, centrally located area.

Discussion followed regarding an on site stormwater filtration explaining that since the area had so much gravel there should be no problem with standing water or wetlands, that a boundary line adjustment might be required and that the property should be brought into the Essential Public Facility zoning at the airport.

Mr. Crockett advised that the Fire District had access to a grant writer which was important since neither the Fire District nor the Port had the ability to just fund a project of this magnitude and that a large percentage of the funding would be grant driven.

Chief Minge informed of the various grants that might be available for the project. He further envisioned the Port taking the lead in the project management. He advised that before any monetary costs could be estimated a preliminary design had to be developed.

Commissioner Sokol suggested that with a timeline of 12/31/09 the project needed to get started.

Commissioner Beck felt we should move forward.

Commissioner Thompson said he could see no negative aspects about the project.

Mr. Crockett reminded that the Commission had already directed Staff to move forward with the project discussions and suggested coming back to the Commission on a monthly basis with updates and feedback.

Commissioner Beck suggested that the topic of the Eastern Jefferson Fire and Rescue Administration Headquarters be placed under Old Business so that there would be a formal acceptance of the proposed project for the record.

Mr. Taylor suggested that before anything took place, Mr. Harris draft an Interlocal Agreement between the two agencies and in which a lead agency would be named.

Chief Minge stated that the Fire District would draft an Interlocal Agreement and have it ready for the next Commission meeting on August 8th and in the meantime, they would put out proposals for designers, etc.

VI. OLD BUSINESS

A. Project Control Form – PTBH Coast Guard Dock Replacement

Mr. Taylor reminded that the project was included in the 2007 Capital Budget at a cost of \$350,000 and that at the June 13th meeting the Commission had approved the construction contract for Caicos Corporation. At the July 11th meeting, one of the project change orders had been approved which moved the one bid item that was originally included the Hudson Point Renovation Project for piling replacement for the Coast Guard dock from the Hudson Point project to the Boat Haven project. He wanted to formalize the entire project into the project control form as presented. The current project cost estimate, with a 5% contingency, was \$360,000.

Commissioner Beck made a motion to approve the Port of Port Townsend Project Control Form for the PTBH Coast Guard Dock Replacement as presented in the total amount of \$360,000.

There were no public comments.

Motion carried by unanimous vote.

B. Change Orders – Seton Construction Contract – JCIA

Mr. Pivarnik stated that there were two change orders for Seton Construction. One in the amount of \$46,000 was for fire flow to allow Seton to run fire flow across the taxiways and grass tiedown area. He reminded that the expense would be recouped from the hangar developers. The second change order (for which he did not have a finalized price) would be for Seton to do the ditch cleaning work. He reminded that the State had given the Port a grant to clean all the ditches at the airport. The amount, he stated, would be around \$50,000. He informed that Seton would clean out the entire 5,000 feet of ditch and would also hydro ax the trees on the Highway 19 side of the airport.

Mr. Taylor informed that he had suggested bringing the second change order tonight so that the DOT grant, (which technically expired on June 30th as it was on the biennium). The grant, he informed, had been applied for two years ago and it looked like we would lose it because it had been tied to the FAA project, however the DOT had decided to let the Port carry it over until 9/15/07.

Discussion followed regarding the grant, the FAA project and the grant match.

Commissioner Beck made a motion to accept the Fire Flow Change Order for Seton Construction, as presented, in the amount of \$46,303.63 and W.S.S.T.

There were no public comments

Motion carried by unanimous vote.

Commissioner Sokol made a motion to accept the Change Order effecting the cleaning of the bioswales and storm water ditches utilizing the \$43,735 D.O.T. Grant plus the committed \$5,000 matching fund plus the potential of up to \$5,000 of the Port Director's discretionary spending budget.

****Please see vote below**

Mr. Crockett advised on the extent of the project.

Commissioner Beck remarked that the project needed to be done.

Commissioner Sokol remarked that the Port was lucky that the D.O.T had extended the grant deadline.

Commissioner Sokol asked if there were any public comments.

Gloria Bram asked if part of the clean out would include mulching the scotch broom.

****Motion carried by unanimous vote.**

C. Payment Plan for Airport Infrastructure

Mr. Pivarnik informed that Friday, July 27, 2007 was the deadline for the hangar leases to be signed and development fees paid by the developers. One developer had asked him if the fees could be paid in three equal installments instead of all at once, up front, and with no interest for the 60 days.

Discussion followed regarding how the developers had known the procedures from the beginning, the payment schedule, the fact that the Port had not yet paid for all the costs, and that if the contractors did not meet the payment schedule they would forfeit their hangar pad(s).

Commissioner Thompson expressed concerns because he believed the contractors had been aware of the rules up front and were now attempting to change those rules.

Commissioner Sokol made a motion that the Port allow the JCIA Hangar Pad contractors who are going to sign up Friday, July 27, 2007, to make 3 equal, interest free, payments on consecutive months starting July 27, 2007 and then August 27, and September 27, and a non-refundable deposit which would be paid off prior to start of construction,

The Motion was amended: that the payment would be a valid payment.

The Motion was additionally amended: and subject to resolution of interest question by the Port Attorney.

***Please see below for vote**

Commissioner Sokol asked for public comment.

Gloria Bram suggested that language be inserted into the contract that would state that the contractors would forfeit their rights if their check was NSF.

Forrest Rambo inquired as to how the hangar lottery was conducted and if the developers were aware of the number of pads they might get.

Commissioner Sokol provided background regarding the lottery.

Frank Benskin expressed concern about not charging interest and suggested that the Port Attorney be asked whether that would be an extension of credit by a public agency.

****Motion on the floor carried by unanimous vote.**

D. Approval of Fire And Rescue Administrative Building – as requested by Commissioner Beck.

Commissioner Sokol stated that this would reaffirm the Commission intent to work with the Fire District.

Commissioner Beck stated that he wanted to make the item a part of the permanent record and to move forward with the project.

Commissioner Beck made a motion that Port Staff be directed to draft an Interagency Agreement and to move forward with the joint project with the East Jefferson County Fire and Rescue District for the Administration headquarters

****See below for vote.**

Mr. Crockett stated that progress reports would be brought back to the Commission on a regular basis.

Commissioner Sokol asked if there was public comment on the motion.

Forrest Rambo suggested that the Port investigate a couple of pieces of property located on Four Corners Road for purchase for the fire station.

Explanation was given that the station had to be in a timeline of three minutes to the center of the runway and that the property under discussion was located in that three-minute avenue.

John Collins asked if the neighbors in the vicinity would be consulted regarding this additional use of the airport property since helicopters were fairly noisy.

Mr. Crockett informed that helicopters were already coming and going at the airport and there were still a great many details to be resolved before the project began.

Commissioner Sokol stated that if a Comp Plan amendment was required or a rezone then there would be adequate due process to notify all the surrounding neighbors.

Gloria Bram asked if the property on which the facility was planned was located on Highway 19 or the Highway 20 side.

Mr. Crockett informed that it was located between the two highways.

Forrest Rambo wanted to know if it would trigger a revision to the Airport Master Plan as he did not remember the proposed project being in the master plan.

Mr. Pivarnik informed that yes, the concept was in the Airport Master Plan

**** The motion on the floor carried by unanimous vote.**

VII. NEW BUSINESS

A. Armory Building Electrical System

Mr. Crockett informed that tenants occupying the Sail Loft Building (the old armory building on far side of the Hudson Point Marina and in which four tenants, The Boat Shop, Brion Toss, The Sail Loft and Carol Hasse shared space), had reported an electrical “brown out”. Port Maintenance staff had been unable to determine the exact cause of the problem. Puget Sound Energy was also called and initially said that all was okay on the building exterior and that the problem was inside. However, later it was determined that there was an exterior electrical problem which PSE fixed. He continued by stating that Hanson Electric also was called in to assess the building and had determined that there were a number of potentially serious electrical problems and violations on the interior of the building. Staff’s recommendation, he said, was for the Commission to give approval for Staff to hire an electrical engineer to survey the building, similar to what took place at the Shanghai Restaurant building, and develop an electrical plan for replacement of the electrical panels and to make sure that service to that point met code and was proper for the types of service used. He stated that it would then be the responsibility of the tenant to bring the power from the panels to their businesses. He estimated that the Port’s cost would be between \$35,000 to \$45,000 but would not have definite costs until the design was completed. He speculated that the cost to the tenants would also

be expensive. He suggested that a meeting with the tenants be called for as soon as possible to communicate the problem to them and how best to resolve all the issues.

Discussion followed which included the issues and violations noted by Hanson of the tenants electrical systems and how the situation was serious enough to warrant proceeding on resolution of the problems as quickly as was possible.

Mr. Crockett additionally informed that two or three bids would be sought from electricians on the small works roster and that they prepare an electrical design. He conceptualized that the tenants would probably want to hire their own electrician to provide a design tailored to their individual business needs. The other option, he informed, was to call the State Electrical Inspector and have that person inspect the businesses but he was sure that in that scenario the businesses would be ‘red-tagged’ thereby closing them down.

Commissioner Beck stated that since the Port had been made aware of the hazard it had best move forward and therefore:

Commissioner Beck made a motion to direct the Executive Director to proceed in investigating and resolving the electrical problems at the Hudson Point Armory Building.

****Please see below for vote.**

There was no other Commissioner discussion.

Commissioner Sokol asked for public comment on the motion:

Gloria Bram asked if the estimated \$35,000 - \$45,000 included individual meters for the tenants or had those been provided previously?

Mr. Pivarnik stated that individual meters would be provided and that each business would have its own electrical panel which had not been done previously. Right now, he stated, the electrical charges were prorated amongst the tenants.

Discussion followed regarding that meters, due to the expense, would be provided for on an “as needed” basis in the future.

Forrest Rambo asked if there was a possibility of getting Federal assistance to aid in cost recovery for updating the system.

Discussion followed regarding that Federal assistance had not been provided for pre-existing creosote or asbestos problems.

Mr. Rambo inquired that since the major power drop for that building was on the north end of Jefferson Street would it trigger an upgrading of the system to a mini sub-station.

Mr. Crockett responded that a new transformer had been installed as part of the Marina upgrade.

Frank Benskin inquired as to the power amperage.

Mr. Crockett informed that the electrician would determine that.

Forrest Rambo asked that in light of the decision regarding the airport hangar developers would there be an opportunity for the Hudson Point tenants to have the electrical improvements installed at the same time as the Port and then have payment for those upgrades spread over a 90 day time period.

Commissioner Sokol informed that all tenant leasehold improvements were required to be paid for by the tenants.

Mr. Crockett stated that since the Port was required to pay prevailing wages, which amounted to approximately 30% more, the cost to the tenants would increase and that they would find it less expensive to hire their own electricians.

John Collins inquired if the paneling to the Cupola House had been upgraded or was it in a similar situation.

Mr. Pivarnik informed that it had been upgraded four years ago.

****Motion on the floor carried by unanimous vote.**

B. Professional Services Contract – Clark Land Office

Mr. Pivarnik informed on the professional services contract for Clark Land Office and reminded that the two items, permitting and surveying, had been pulled from the PND Contract for the A-B Dock/Commercial Dock Renovation with the intention that the Port would contract for those services individually enabling the Port to have

more control. One of the important elements, he stated, was that a graphic study of Boat Haven was done as well as a complete upland survey, which would allow the Port to move forward on the Binding Site Plan that had been discussed for a number of years. Although Clark would invoice separately for the upland vs. in water work, the contract covers both of those at an estimated cost of \$50,000 for a one year time period.

Mr. Taylor informed that the Commission had already approved (at the March 14, 2007 meeting) \$25,000 to Clark Land Survey.

Commissioner Sokol clarified that, therefore, there was already a contract in place with Clark Land Office and that we were increasing it by approximately \$25,000. He also provided background by stating that this was originally part of the PND engineering bid on the Boat Haven renovation project and that the Port had cut costs considerably by contracting that portion out.

Commissioner Sokol made a motion to adopt the Professionals Services Agreement for surveying services with Clark Land Office as presented and in the amount of \$50,000 as stated.

There were no Commissioner comments.

There were no public comments.

Motion carried by unanimous vote.

C. Hudson Point Road Paving Contract

Mr. Crockett informed that the Port had gone to bid for the paving project at Hudson Point. A bid received from Lakeside Industries was for \$85,893.78 and a bid from another company was expected. He stated that the expectation was to have the streets repaved before the September Wooden Boat Festival. At the last Commission Meeting, discussion had taken place regarding the water runoff on Jackson Street and that the City of Port Townsend was going to help in the design of a stormwater system and therefore expedite the required City Stormwater permit. The City, Mr. Crockett advised, had not planned to pave Water Street past the Maritime Center property down to the Landfall Restaurant and on down to the Marina this year and so the Port was going to proceed with that as part of the overall project. An agreement with the City would establish that the Port would be reimbursed by the City for their share of the costs of the Water Street section. He explained that the project would include patching and smoothing out the center strip on Jefferson Street where the street had been dug up for utility work. He additionally informed that the proposed project did not include widening of Jefferson Street. That part of the project would be postponed to a later date when pushing the curbs back 2 to 3 feet would be done and which would allow easier access for RVs and delivery vehicles. Staff recommended, in order to get the project moving, that the Commission approve acceptance of the amount not to exceed the amount specified in the Lakeside Industries bid and that if the second bid came in at a lower price then that bid would be accepted instead.

Commissioner Sokol inquired whether sales tax was included in the quoted dollar amount.

Mr. Taylor informed that paving public roads in Washington State was not subject to sales tax. Sales tax on the cost of the asphalt had already been included in the proposed dollar amount

Commissioner Sokol made a motion to authorize the Executive Director to sign a contract for Hudson Point Road paving to the lowest responsive and responsible bidder in an amount not to exceed \$86,000.

****Please see below for vote**

Discussion followed regarding if the proposed project could be completed in time for the Wooden Boat Festival and how important all in attendance felt that time line to be.

Commissioner Sokol asked for public comment on the motion.

John Collins inquired if the proposed paving would be permanent or a temporary "fix".

Mr. Crockett informed that it would be permanent on Jackson Street, (which runs in front of the Landfall Restaurant, Pete Hanke and the Sail Loft Building), the section on Water Street which belongs to the City may be a temporary one in that when the Maritime Center project got underway other paving options would be reviewed.

Discussion followed to include the 150 foot portion of Water Street owned by the City, that the Maritime Center and the Port split ownership of Water Street down to the marina and that it will be the Maritime Center's responsibility to address future re-paving and that both City and Port Staff had been working on the project for the past two months..

****Motion carried by unanimous vote.**

VIII. STAFF COMMENTS

Mr. Pivarnik provided photographs of the newly purchased water system scrubber that was purchased using funding obtained from a Jefferson County .08 Infrastructure Grant for aquaculture at Quilcene Bay at a cost of \$55,000.

He stated that the JCIA project was still targeted for completion September 1, 2007. The compaction had gone well.

Mr. Crockett informed that he had been briefed by the Commander of Indian Island on a project at Indian Island that would involve the installation of a permanent, anchored flexible barrier at the 500-exclusion zone, which would prevent a boat from ramming or punching through the barrier to hit a boat that is at the Indian Island Pier. The idea, he stated, was to prevent a possible US Cole incident from happening here. The barrier will be installed at the 500-foot perimeter and would be made in such a way that if a boat attempted to ram or punch through the barrier would collapse around the boat effectively capturing it. A 600-foot gate at one end and another, smaller, gate at the other end would allow Native fishing to take place when no Navy vessels were present. Project completion should be within the next 6 to 8 months, he stated.

John Collins inquired as to whether there would be lights on the barrier to warn of its existence during night navigation.

Yes, there would be lights, stated Mr. Crockett.

Mr. Crockett informed that Paul Sorenson had briefed senior staff regarding the A-B Dock and Commercial Dock Renovation. The first data received indicated that a full 85% of the permanent moorage was occupied by residents of Jefferson County. About half of the remaining moorage was occupied by residents from Clallam or Kitsap with the remainder scattered throughout the area. Mr. Sorenson, stated Mr. Crockett, would present the data at the next Advisory Committee meeting to be held August 1, 2007.

IX. PUBLIC COMMENTS:

Forrest Rambo requested an update on the Best Management Practices video.

Mr. Pivarnik informed that filming had taken place the week of July 9th, that the shots needed had been completed, the script had been approved but no completion date was yet available.

Mr. Rambo stated that he had made a public records request for the Port Marketing Plan and had been informed that the Port did not have one. He stated that to his recollection that some type of market analysis had been performed when the heavy haul-out was conceptualized.

Discussion followed which included the analysis that had been done prior to building the 300 ton lift, and that the Port currently advertised in several magazines and also participated in the annual Seattle Boat Show and at the Fish Expo.

Gloria Bram, inquired as to the progress that had been made in making sure that all the businesses that worked within the Port had proper documentation regarding City Business Licenses and State UBI numbers.

Discussion followed to include that every company that does business within the City limits was required to have a City Business License and to pay City B&O taxes as well as collect sales tax and remit to the State, but that it was not believed that it was a Port function to act as an enforcement agent for the City. Resolution of business license and other issues had been resolved through the process for adoption of the Contractor Rules and Regulations.

Frank Benskin explained that although each business was required to have a City of Port Townsend Business License if doing business within the City that many companies fell below the annual revenue threshold of \$20,000 and therefore did not have to pay City B&O taxes.

X. COMMISSIONER COMMENTS

Commissioner Beck informed on the WIRA meeting that he attended. He asked for an update on the Quilcene Septic System.

Mr. Crockett informed that we were still awaiting the permit

XI. NEXT MEETING: will be held Wednesday, August 8, 2007, at 1:00 PM. Public Workshop at 9:30 AM, Quilcene Bay Yacht Club, 1511 Linger Longer Road, Quilcene, WA.

XIII: ADJOURNMENT:

The regular meeting adjourned at 8:30 PM there being no further business to come before the Commission.

ATTEST:

President

Secretary

Vice President