

## PORT COMMISSION MEETING– March 28, 2012

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

Present: Commissioners – Erickson, Tucker, Thompson  
Executive Director – Crockett  
Deputy Director – Pivarnik  
Auditor – Taylor  
Planning Analyst - Toews  
Attorney Lake - Goodstein Law Group  
Minutes - Nelson

### I. CALL TO ORDER/PLEDGE OF ALLEGIANCE:

Commissioner Erickson called the meeting to order at 6:30 PM.

### II. APPROVAL OF AGENDA:

The agenda was amended to reflect the addition to Old Business, Item D – Landfall Site and Item E – Termination of T’s Restaurant Lease.

**Commissioner Erickson moved to approve the Agenda as amended.**

**Commissioner Thompson seconded the motion.**

**Motion carried by unanimous vote.**

### III. CONSENT AGENDA (1:14):

- A. Approval of Meeting Minutes – March 14, 2012
- B. Approval of Public Workshop Minutes – March 14, 2012
- C. Write-off Register

**Commissioner Erickson moved to approve the Consent Agenda as presented.**

**Commissioner Tucker seconded the motion.**

**Motion carried by unanimous vote.**

### IV. PUBLIC COMMENTS (Not related to agenda) (1:38):

Rick Jahnke, discussed a 2001 draft/2004 final report on the Kah Tai by Department of Ecology that found no contaminants in the Kah Tai soil.

Diana Talley, Taku Marine, complimented yard and Boat Haven moorage staff on helping them accommodate a difficult customer.

### V. OLD BUSINESS:

#### A. Lease Extensions (9:06):

Mr. Pivarnik stated there are three leases to discuss. The first two have leases whose terms have expired. They are Taku Marine and Blue Moose Café. Each is asking for another 5-year lease term.

**Commissioner Thompson moved to extend the lease terms for Taku Marine and the Blue Moose Café to 5-year terms each.**

**Commissioner Tucker seconded the motion.**

**Motion carried by unanimous vote.**

Next, Mr. Pivarnik explained that per the lease agreement for Port Townsend Foundry, the two-year time period of renovations and reduced rent has expired and the Foundry’s lease rate, according to agreement, should now increase to market rate at an additional \$500/month + LHT. Pete. Langley had written a letter to Mr. Pivarnik, which was presented at the last Commission meeting asking for a new agreement.

Mr. Langley explained he spent approximately \$25K in renovations, and received about \$7K back from rent reductions. He would like the opportunity to make more improvements, including to the back building. He would like to put more cash and labor into renovations and extend the terms of agreement. He spoke about the positive outlook for the Foundry’s future and his partnership with the Nordso Boat Foundation, along with Nordso’s background.

Staff recommends producing another 2-year agreement with a \$250/month increase + LHT including renovations by Mr. Langley including Port and Foundry goals.

Commissioner Erickson is in favor of writing up a new agreement, with Port attorney review. He would like to see an itemized renovation list showing monetary values that would codify services for rent reduction. The Commission agreed for staff to move forward with an agreement and to bring back for Commission review.

#### B. Hangar C Paving (20:40):

Mr. Crockett reminded at the last Commission meeting the decision was made to move forward with the paving project located at Hangar C. In the meantime, the maintenance manager discovered Lakeside bid the wrong hangar. After rebidding on the correct hangar, the cost came out to \$22,583 + WSST, which is higher than the Executive Director is

allowed to authorize. Lakeside's bid calls for project completion by July 1, 2012. One of the hangar tenants, Dean Sanders, requests the project be postponed until fall because of drainage issues.

Sheri Suryan, another Hangar C tenant, expressed concerns about the possibility of rocks flying up from props and injuring one of the many Aero Museum volunteers who walk this area. She does not want to delay the paving and especially since this has been an issue for over two years. She said condo tenants are willing to work on drainage together to get the project moving.

**Commissioner Erickson moved to authorize staff to hire Lakeside for paving improvements at the cost of \$22,853 + WSST, with them completing the job by July 1, 2012, and for staff to work with hangar tenants on establishing a timeline to get the drainage work done.**

**Commissioner Thompson seconded the motion.**

**Motion carried by unanimous vote.**

C. 2012 Pacific Marine Expo (30:50):

Discussion was held on past participation in the Expo and the good results it has brought to the Port and marine trades businesses.

Commission and staff agreed to reserve space for a Port booth at the November 2012 Expo.

D. Landfall Restaurant Site (32:49):

Mr. Crockett discussed the original agreement with the Maritime Heritage Group. Rent for this site is to begin April 1, 2012 with construction to begin by October 1, 2012. Mr. Finnie proposed to staff to turn the site into a park-like setting with a gazebo, keeping it this way for two years until issues have been resolved including Northwest Maritime Center changes and the Fort Worden PDA, which should help guide him in a direction for this site that would fit with these decisions.

Staff recommends moving forward with rent due date of April 1, 2012 and construction start date to be renegotiated. Staff will meet with Mr. Finnie and ask for a plan that will create jobs and possibly renegotiate a construction start date.

E. Termination of T's Restaurant Lease (43:40):

Mr. Crockett explained that Attorney Tim Harris attended the bankruptcy hearing on March 21, 2012 where the judge granted Relief from Stay to the Port. He added that staff received two proposals for the space and in order to move forward the lease needs to be formally terminated.

**Commissioner Erickson moved to terminate the lease with the Tocatlians/T's Restaurant.**

**Commissioner Tucker seconded the motion.**

**Motion carried by unanimous vote.**

VI. NEW BUSINESS:

A. Approval of Warrants (45:08):

Commissioner Tucker read the warrants, as presented:

Electronic Debit to Union Bank in the amount of \$3,995.34 for Washington State Combined Excise Tax Return for February 2012

Warrant #048505 through #048531 in the amount of \$40,363.36 for Payroll

Warrant #048532 through #048535 in the amount of \$16,980.03 for Payroll Benefits

Warrant #048536 in the amount of \$16,000 for Accounts Payable

Warrant #048537 through #048574 in the amount of \$26,679.01 for Accounts Payable

**Commissioner Erickson moved to approve the warrants as presented.**

**Commissioner Thompson seconded the motion.**

**Motion carried by unanimous vote.**

VII. STAFF COMMENTS (46:37):

Mr. Taylor reported he mailed off the 2011 financial report to the State Auditor.

Mr. Pivarnik believes that construction on the Customs office will begin next week. GSA selected Hoch Construction of Port Angeles as the contractor and Hanson Networks to perform the security work. Staff is waiting on receipt of Letter to Proceed.

Mr. Toews reported he spoke with the City and County about the Joint Economic Strategy and requested reconvening monthly meetings, working towards the adoption of the plan by the end of the year. City staff hopes to reconvene in the summer, as staff is currently involved in a number of projects.

Mr. Toews also discussed the lease arrangement with Team Jefferson (TJ) and questions in TJ's uses of the leased building. An option was presented in revising their agreement that would reflect an increase in the Port paid fee to TJ and to charge actual rent payment

avoiding any conflicts. The Commission agreed for staff to draft a revised agreement with Team Jefferson for approval.

Mr. Crockett reminded of the Executive Session on two issues: litigation and real estate.

VIII. PUBLIC COMMENTS (55:30)

Rick Petrykowski, Taku Marine, asked a question on the Landfall site.

IX. COMMISSIONER COMMENTS:

None

X. NEXT MEETING/PUBLIC WORKSHOP: Next regular meeting will be held Wednesday, April 11, 2012 at 1:00 PM, with a Public Workshop preceding at 9:30 AM in the Port Commission Chambers, 375 Hudson St, Port Townsend.

XI. EXECUTIVE SESSION: The regular session recessed into Executive Session at 7:25 PM for litigation/potential litigation, pursuant to RCW 42.30.110 (i), and real estate, RCW 42.30.110 (c) duration approximately thirty minutes, with no action. At 7:56 PM, Ms. Nelson checked outside for any public waiting for the reconvening of the regular meeting. Finding no one, the Executive Session continued.

XII. REONVENING AND ADJOURNMENT OF REGULAR MEETING:

The regular meeting reconvened and adjourned at 7:57 PM there being no further business to come before the Commission.

ATTEST:

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David H. Thompson, Secretary

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Leif W. Erickson, President

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Stephen R. Tucker, Vice President