

PORT COMMISSION MEETING– July 11, 2012

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

Present: Commissioners – Erickson, Tucker, Thompson
Deputy Director – Pivarnik
Planning Analyst - Toews
Attorney Harris - Goodstein Law Group
Minutes – Nelson

Excused: Executive Director - Crockett

I. CALL TO ORDER/PLEDGE OF ALLEGIANCE:

Commissioner Erickson called the meeting to order at 1:00 PM.

II. APPROVAL OF AGENDA:

The agenda was amended by adding to Old Business, Item D–Parking Permits on Port Property.

Commissioner Erickson moved to approve the Agenda as amended.

Commissioner Tucker seconded the motion.

Motion carried by unanimous vote.

III. CONSENT AGENDA:

- A. Approval of Meeting Minutes – June 27, 2012
- B. Resolution No. 577-12 – Appointing the Auditing Officer
Resolution No. 578-12 – Appointing Investment Officers
- C. Write-off Register
- D. Operations Reports – June 2012

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) (1:34):

Connie Gallant commented on an article in today's Port Townsend Leader regarding Coast Seafoods withdrawal of their offer to purchase Port property. She explained that Quilcene residents who attended the last Port Commission meeting attended to express their concerns and opinions and were not vilifying Coast Seafoods.

V. OLD BUSINESS:

A. Quilcene Land Sale and Coast Seafoods Letter (4:55):

Mr. Pivarnik informed that the Port received a letter recently from Coast Seafoods who decided to step back and rescind their offer on the land purchase in Quilcene. Coast did not expect the public outcry from the community and wishes to remain a good neighbor.

In regards to the canceled July 19 meeting in Quilcene, Mr. Pivarnik and Mr. Crockett both believe a conversation with the Quilcene community should still take place, and they recommend holding one of the August Commission Regular Meetings in Quilcene where the community could voice their opinions and concerns at that meeting.

Commissioner Erickson asked Linda Herzog, of Quilcene, if she would like to speak on this. Ms. Herzog believes the Port is making a very bad move by canceling the Quilcene Community Meeting. She believes the Port Commission and staff should come to Quilcene and explain what the Port does, who the Port is and how decisions and policies are formed. She believes that the Coast decision came about due to lack of information between the Port and the Quilcene community. She would like the Port to hold the meeting and clear up the misinformation and to explain the Port's role.

Commissioner Erickson recommends for the Port to go ahead and hold the July 19, 2012 Quilcene meeting.

Commissioner Thompson is in favor as well. He added that maintaining the Quilcene facilities costs the Port a lot of money and the Port should get community input on what they want.

Ms. Herzog clarified that she would also like the Port at that meeting to inform of anything affecting the Quilcene community, the history of the Port's role in Quilcene, etc.

Commissioner Erickson would like to discuss the Port's mission, what the Port does and has done in the past in Quilcene, and how the Port works to improve economic development and commerce. He would also like to hear from the Quilcene citizens.

Commissioner Thompson would like staff to present a brief history of the Port's Quilcene expenses.

Connie Gallant, of Quilcene, would like the Coast Seafoods lease discussed at the meeting.

(Ms. Herzog presented to the Port Commission a letter signed by Quilcene residents requesting the July 19, 2012 meeting.)

B. Coast Seafoods Lease (20:39):

Mr. Pivarnik explained Coast Seafoods holds three separate leases with the Port and Penn Cove holds one (both companies under parent company of Pacific Shellfish). Three of the leases are long term until 2023. In 2008, Penn Cove began their lease of the upper tier land. In January of 2012, staff met with Coast staff where they requested to increase the size of their land lease. At the February 8, 2012 Commission meeting the lease was discussed in detail. After that meeting, the parent company (Pacific Shellfish) called to see if they could also lease the top tier of land. They agreed to include in their lease the wording that they would accommodate parking during the shrimping season. In this same conversation, they discussed the possibility of the Port selling this land to Coast. Since the decision has been made against purchasing the land, the lease Mr. Pivarnik is presenting is a 5-year lease, with a 5-year option.

Commissioner Tucker moved to formalize lease with Coast Seafoods.

Commissioner Thompson seconded the motion.

Commissioner Erickson voted against the lease.

Motion passed, with two in favor and one against.

C. Passenger Ferry Update (POF) (24:10):

Mr. Toews explained per the FTA's request, the Port has resubmitted documents on Title 6 Civil Rights and Disadvantaged Business. Funds cannot be released until all FTA requirements are met. Staff awaits feedback from them. Port staff is less optimistic about the funding situation. Staff originally believed that previous landside improvements made to the Point Hudson Marina could be applied towards the Port's match. Now staff is finding out that the improvements would have had to comply with Federal procurement standards. The total grant amount is for \$1.6M, with \$1.304M from the FTA and the remaining \$326K in a match by the Port. Mr. Toews explained that once qualified landside improvements have been applied towards the Port match it is looking like the Port might end up needing to come up with around \$200K in cash for the match balance. The FTA is also asking for a Business Plan, which Mr. Toews plans to submit to them next week. Staff also plans on meeting with City and County managers to discuss the status of the project and the possibility of financial support.

Mr. Pivarnik added that the Port should meet with the community to see if they are still onboard with the ferry.

D. Parking Permits on Port Property (41:57):

Commissioner Thompson moved to direct staff to initiate a policy requiring permits for parking on Port properties.

Mr. Pivarnik explained he had come up with a plan and presented it at a meeting with the Port Townsend Moorage Tenants Union before and they told him this was a bad idea so the plan idea was dropped.

Commissioner Erickson asked Mr. Pivarnik to dig up that earlier proposal. He added though that requiring permits is a slippery slope, as enforcement is a huge task.

Commissioner Tucker seconded the motion.

Motion carried by unanimous vote.

VI. NEW BUSINESS:

A. 2012 Budget Workshop (50:06):

Mr. Pivarnik reported staff is scheduling a 2013 Budget Workshop on July 25, 2012 from 3:00 – 4:30, to begin formulation of the budget.

B. Approval of Warrants (51:43):

Commissioner Tucker read the warrants, as presented:

Warrant #049141 through #049171 in the amount of \$39,616.05 for Payroll

Warrant #049172 through #049180 in the amount of \$62,090.88 for Payroll Benefits

Warrant #049181 through #049242 in the amount of \$174,393.08 for Accounts Payable

Commissioner Tucker moved to approve the warrants as presented.

Commissioner Thompson seconded the motion.

Motion carried by unanimous vote.

VII. STAFF COMMENTS (52:44):

Commissioner Erickson added there will be an Executive Session held on a legal matter, pursuant to RCW 42.30.110 (i), duration approximately ten minutes with no action.

Attorney Harris informed that the Caicos/Dave Berry suit was tossed out by the courts on Friday.

Mr. Toews informed that he and Mr. Crockett would attend Monday's City Council meeting as they are taking up a number of components in the Kah Tai settlement proposal.

Mr. Pivarnik said he is negotiating with Sunrise Coffee to move into the space formally occupied by Mobus Solarmotive, predicated of changes to the City code. He asks if there are any objections from the Commission.

Commissioner Thompson asked if they would pay prevailing rates. Mr. Pivarnik responded affirmative. He also informed that he currently has two marine trades businesses who are interested in renting the space that Sunrise Coffee currently occupies.

Mr. Pivarnik asked for Commission input on the future of the vacated building at 333 Benedict Street. Would they like to turn it in to Commission offices and a Commission meeting space or rent it out?

Ms. Nelson reported that the public can now view the entire Commission packets in full on the Port website. She also informed that she is submitting meeting information to our local radio station, KPTZ 91.9. The calendar is read live three times a day.

VIII. PUBLIC COMMENTS (58:44):

Rick Petrykowski asked if Commercial Basin repairs are still in the works.

Mr. Pivarnik responded by reporting the 5-year Hydraulic Permit from Fish & Wildlife expired last week. The renewal is in the hands of Fish & Wildlife and if they can't reissue the permit on time, the project will have to be delayed until after the next fish window, but it is still in the works.

Mr. Pivarnik informed that the demolition of the old Travelift pier is scheduled to begin around the 15th of August.

Mr. Petrykowski questioned Mr. Toews regarding what type of customers would be targeted for ferry use and he expressed the need of a passenger shelter for customers to wait in, especially during stormy months.

IX. COMMISSIONER COMMENTS (1:03:38):

Commissioner Thompson directed a question to the other Commissioners asking if they are interested in seeing a maintenance cost report from the City on Union Wharf and City Dock. He would like very much to see these records.

Commissioner Tucker asked Commissioner Erickson why he changed his support of the Coast Lease and voted nay? Commissioner Erickson responded that he wanted to make sure the public was aware of the lease. Commissioner Tucker recollected that in past meetings the Commission unanimously approved the lease in theory, however a motion had not been presented.

X. NEXT MEETING: Next regular meeting including a Public Hearing on the Surplus of the Port's Kah Tai property will be held Wednesday, July 25, 2012 at 1:00 PM, with a public workshop preceding at 3:00 PM in the Port Administration Building Conference Room, 375 Hudson St, Port Townsend.

XI. EXECUTIVE SESSION: The regular session recessed into Executive Session at 2:07 PM for a legal issue, pursuant to RCW 42.30.110 (i), duration approximately ten minutes, with no action.

XII. RECONVENING AND ADJOURNMENT OF REGULAR MEETING:

The regular meeting reconvened and adjourned at 2:17 PM there being no further business to come before the Commission.

ATTEST:

Leif W. Erickson, President

David H. Thompson, Secretary

Stephen R. Tucker, Vice President