

PORT COMMISSION MEETING – September 10, 2003

The Port of Port Townsend Commission met in regular session at the Point Hudson Marina Room, Port Townsend, WA.

Present: Commissioners – Beck, Pirner and Sokol
Executive Director – Crockett
Auditor – Taylor
Operations Manager – Radon
Attorney – Harris

Absent: Facilities Manager – Pivarnik

I. CALL TO ORDER: The meeting was called to order at 1:00 PM.

II. APPROVAL OF AGENDA:

Upon motion of Commissioner Pirner, the Agenda was unanimously approved as amended as follows:

Items added:

- V. Old Business
 - C. Community Investment Fund
- VI. New Business
 - B. Wooden Boat Festival Review

III. CONSENT AGENDA:

- A. Approval of Minutes – August 27, 2003
- B. Approval of Warrants:
 - #28668 through #28695 in the amount of \$29,035.03
 - #28696 through #28702 in the amount of \$33,833.22
 - #28703 through #28758 in the amount of \$97,331.80

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

IV. PUBLIC COMMENTS (not related to Agenda):

John McDuff, Quilcene:

Referring to the Port's Comprehensive Scheme, he noted that the Quilcene launch facility currently has problems once or twice a year with congestion. Recognizing that there is an effort to further promote economic development activities in Quilcene, he asked about the cost-effectiveness of putting in a 108-ft. long concrete launch ramp north of Coast Seafood. He noted that there is plenty of boat/trailer parking in the old gravel pit area. The Commission acknowledged receiving an email describing this idea and suggested that he might get with Staff to discuss the feasibility. Mr. Crockett said that the living tidelands the ramp would cover would present a challenge to permitting.

Michelle McConnell:

As a coordinator for the Jefferson County Marine Resources Committee and a project manager on the Eelgrass Protection Zone Project, she thanked the Commission for their input on the project. She apologized for misinterpreting the Port's support for the project, which led to an unintended misrepresentation in the newspaper. The MRC received a very favorable response from the public at the information booth during the Wooden Boat Festival and through volunteers on the docks. She explained the signs and outreach materials used during the festival and gave the Commissioners the project brochures. In summarizing the results of this trial for the next MRC meeting, she asked to receive any comments or concerns, so that she could include them in her report. In the future, the MRC would like to continue to have discussions with the Port about this project as well as about the related issue of mooring buoys. Mr. Radon said the Port would be happy to keep brochures in the Port's moorage offices.

Gloria Bram:

She thanked Mr. Crockett for bringing up her friend's concern regarding parking in Point Hudson. She noted that her friend was actually parked in a small V-shaped gravel area, beyond the concrete bumpers and the logs that separate the RV parking. Mr. Crockett said that when the Rotary/Port water walk trail is done, it would be ADA accessible and up to code, but until then Staff would try to make minor improvements to the accessibility to that area.

Gail Oldroyd, Commanders Beach House:

She said there was a wonderful write-up about the bed and breakfast in the Vancouver, BC newspaper. With the Comprehensive Plan now done, she asked about progress toward long-term leases for tenants, noting that while they are interested in making long-term improvements to their business, it is difficult to convince lending institutions to give you a loan without a corresponding lease. Mr. Crockett noted that the Comprehensive Scheme would not be adopted until about Thanksgiving. However, the next round of negotiations are to occur by April 1, 2004, and in the upcoming budget cycle he might propose that there be a menu offering tenants month-to-month, one-year, or scaleable, long-term leases. He acknowledged having received some plans from this business. While he would be happy to begin discussing the possibilities, he would not be able to commit to anything until the Comprehensive Scheme is formally adopted.

V. OLD BUSINESS:

A. Comprehensive Scheme Update

Mr. Crockett circulated a copy of the current draft that has been edited and which also includes the EIS report based on the first-round of comments. They expect to print the report in about ten days, after which the Port would submit it to all the various agencies and post it on the website, kicking off another 30-day comment period for the public and agencies. He reviewed that all comments must be written in a letter format, not email. Once the comment period is complete, the plan would then be modified as needed, after which the Port would schedule a formal public hearing. Following that hearing, the Commissioners can choose to revise or adopt the plan.

B. Marine Advisory Committee Update

Mr. Crockett shared the talking points he used during a recent meeting with two marine trades and one moorage patron. After meeting among themselves, these parties would call to arrange another meeting with Port Staff to discuss their ideas related to structure, expectations, and scope. They might also come to the October public workshop and talk about a direction they see this going. This group said they would be interested in having 5-7 members and would likely want the Port Commission to formally recognize the committee through a Port resolution and expect the Port's support where needed, especially in providing information. The Port's desire to avoid duplicating its current efforts (in terms of holding workshops, etc.) and that the group select its own committee members was relayed to these individuals. Although the topic of establishing such a committee might be discussed at a future workshop, it is unlikely it would be formalized before the first of the year.

Commissioner Beck said the Pilots Association is a good example of how to operate such an advisory committee. Mr. Crockett indicated that these individuals did not believe this same structure could apply due to the variety of businesses represented.

C. Community Investment Fund

Mr. Crockett reminded that Commissioner Pirner is on the Community Investment Fund committee. He explained that this .08% Rural Distressed Counties fund, which now totals about \$400K for Jefferson County, is to be used for infrastructure improvements to support new or existing businesses in economic development. Although the BOCC is the deciding body, no money has yet been expended from this fund. Now that a formal application is available, he asked for Commission guidance on whether to resubmit the project proposal to utilize these funds for infrastructure in the Boat Haven (electrical, stormwater,

etc. needs, to which no response has yet been received) or to consider a new application for infrastructure (water, heat, sewer) improvements to current and/or future buildings on the Jackson Street side of Point Hudson. Rough cost estimates of \$90K were given to the Commission, with Mr. Crockett noting that some costs (such as City permits) might have been underestimated. He explained some of the needed improvements to that site and suggested that a \$100K request for improvements to Point Hudson could have an immediate payback for the businesses.

Commissioner Sokol moved to direct Port Staff to prepare an application to submit to the County for the 0.08% infrastructure funds. During discussion of the motion, Commissioner Beck said he supports making changes to improve the firefighting capabilities at Point Hudson. Mr. Crockett also talked about water metering needs. Commissioner Pirner pointed out that the Committee might come back with a grant and/or loan combination. **The motion carried by unanimous vote.**

VI. NEW BUSINESS:

A. Operations Report – Month of August 2003

Mr. Radon submitted a revised report correcting an error in the 2002 nightly guest total. While it was a good month, with over 1000 nightly guests, the Port was still down 161 boats in August, continuing the summer's trend. Commissioner Pirner noted that last year the west and center docks at Point Hudson were out of commission, which sent guest boaters to the Boat Haven. Guest activity for the 40-45 foot slips was steady whereas activity in the 25-35 and 50-ft slips was down. Ramp fees (daily and annual passes) continue to bring in good revenue. Haulouts in the 60-70 ton matched last August, but year-to-date the Port is down by 35-40 vessels with the average boat length between 36 and 37 feet. There were two haulouts in the 300-ton lift in August, compared to five last year. August storage numbers are consistent with last year and year-to-date, off-Port property storage is up about 15% (37 boats compared to 32). Point Hudson transient moorage is 115% of last August and 98% of year-to-date (based on assumptions from the first quarter of the previous operator's records). RV revenues continue to be strong. As summer activity winds down, Staff is beginning to talk with RV and moorage guests about spaces for wintering over.

Commissioner Pirner commented that for August alone, transient RV and moorage at Boat Haven and Point Hudson totaled 3,513 guest nights, making the Port the largest tourist establishment in town. In response to a question about when the roads in Point Hudson would be widened to accommodate RVs, Staff said a benefit of replacing the old water main is that there would be new pavement. The City has previously said it would take a substantial shoreline permit to repave the streets in Point Hudson. Staff recognized the road limitations and said they believe expanding toward the Cupola house up to two feet might be possible.

B. Wooden Boat Festival Review

Mr. Crockett reported that the Port had a booth at this year's Wooden Boat Festival, which the Foundation considered a banner year. Mr. Radon reviewed a financial accounting of the Foundation's use of Port facilities for festival guests and activities, including their pricing structure for accommodations based on no-net loss of revenue to the Port. Space in the marina was maximized, with the highest number of boats in the festival's history – about 137. He noted that the report does not yet reflect the additional charge for a fourth night in the 27 RV sites. The total charges to the Foundation are \$10K. He also showed a report of Port in-kind support to the Foundation for which the Port, as a formal festival sponsor, receives festival advertising (valued at \$6K). Mr. Crockett noted that in a few weeks Staff would have a festival wrap-up meeting with the Foundation to discuss improvements for 2004. Due to the increasing needs and complicated negotiations for the festival, Staff believes it might be easier to negotiate one price for use of the entire facility.

Gloria Bram said that the photo in today's paper seemed to show a few boats in

the anchor free zone. Since the Port also turned away about 30 boats, she asked about the possibility of incorporating some sort of a rope float such as is used in Lake Washington where boats could tie up. Staff noted it would be difficult to do here because of the tide, but mooring buoys are planned by the Northwest Maritime Center, which should provide some direction for boaters. Many of the festival boats are small boats and cannot anchor too far out. The navigational channels must also be regarded. Along with the new mooring buoys, another suggestion to the Marine Resources Committee and the City is if these mooring buoys prove to be popular, consider placing a few more buoys each year.

VII. STAFF COMMENTS:

Mr. Harris:

At bankruptcy proceedings he and Mr. Crockett attended last week regarding The Landfall, the court already had an order allowing Tony Harriman to take repossession and confirm the abandonment of the restaurant by the current owners, which Mr. Harriman did do through the festival weekend. The Port needs to renegotiate the lease, which is currently in default.

Mr. Taylor:

There was a good budget workshop this morning. The next workshop, which was not reflected on the agenda, is scheduled at 5:00 on September 24, just prior to the Port's regular meeting.

The large vessel *Westward Wind*, which was impounded for nonpayment, has now been paid in full just prior to being auctioned.

It is likely fuel prices would be rising at the airport again – possibly by another 9 cents.

Mr. Radon:

The Port received a letter from the Olympic Region Clean Air Agency requesting a list of all tenants doing business on Port property. He believes the agency has been lagging behind in their air quality regulations and are just beginning to take responsibility for enforcing the RCWs. Staff said they might choose to put a notice in the next billing. Mark Jochem suggested that the Port also request the specific RCWs with which businesses are required to comply.

Mr. Crockett:

Last night, he briefed the City Shoreline Master Program committee on the Boat Haven and Point Hudson properties, having previously briefed them on Kah Tai. Tomorrow he will brief the Jefferson County Historical Society on Point Hudson.

The Port received a letter from the U.S. Department of Transportation Federal Aviation Administration, Airports Division, Northwest Mountain Region, Seattle Airport Office. He read the letter, which notified the Port of the requirement that every County, City and town must adopt Comprehensive Plan policies and development regulations that will discourage the siting of incompatible use adjacent to public airports. It also states that it is the Port's responsibility to ensure that those jurisdictions are aware and taking proper steps. This is timely because we are in the midst of negotiations with the County on how to protect the airport.

He solicited articles from Commissioner Sokol and Staff for the next Port newsletter.

He will attend a Washington Public Ports Association Conference in Moses Lake next Thursday/Friday.

The Port has granted a request to use the Port administrative offices' flagpole for a September 11 ceremony.

Carol Hasse of Port Townsend Sails is celebrating 25 years in business at a reception at 5:00 PM today.

VIII. PUBLIC COMMENT:

Mary McQuillen:

In 1962, her father held a dedication at Point Hudson for the canoe still situated at Point Hudson. Last year, Port Townsend hosted 13 canoes, bringing nearly 300 people. This year, there were 33 canoes (including some oceangoing canoes from Canada). She thanked the Port for providing a site at Point Hudson for some of the 800 campers traveling with the canoes and the nearly 1000 people who were fed here. She noted that the Wooden Boat Foundation helped by providing an anchor for the boats. The goal of fundraising throughout the year is to help young people participate in the canoe journey as an alcohol- and drug-free experience. She explained the tradition began with a decision by the grandmothers at the time that this is the only way to heal troubles caused by drugs and alcohol. They believed it is not through institutions but through tradition that healing takes place, but they encourage the participation of institutions. She is grateful for the help and wonderful hosting by the Port each time these canoes return to these waters. It was her privilege to welcome the canoes to the beaches on Port property. Next year, the journey will take the canoes toward Victoria and the San Juan Island on their way to Canada, but in 2005 the Elwhas are sponsoring the journey, which will bring them back to this area. She presented a photo calendar of the canoe journey through Port Townsend.

William Miller:

He presented a letter in response to a recent proposal to relocate Port administrative offices to the motel building at Point Hudson. He believes using the facility as transient accommodations would be a better use and would be more supportive of a Port goal that Point Hudson be financially self-supporting. He suggested the Port develop and offer an appropriate lease with a long enough term that would encourage local investment and operation of the motel. Commissioner Sokol noted that as this area is a manufacturing zone, the Port is prohibited from operating a motel there by the City Municipal Code.

Tamara Conway:

She is puzzled why the Port would want to have offices in the motel when it currently has administrative offices in the Boat Haven. Mr. Crockett noted there have been only initial discussions about the Port using a portion of the building and renting the remainder of the space to other businesses, which would generate revenue. The Port could also generate revenue by leasing its current facilities. He explained that the cost of mitigating creosote issues remains uncertain. Maintenance staff suggested seeing if renovating the facility might mitigate the problem, at which point the Port would also have an estimated cost per square foot figure to consider for doing the same in other buildings. Staff explained problems with operating the current structure as a motel in its current condition because it does not meet fire and safety codes. Ms. Conway said it has been confusing why this option was being explored. Commissioners explained that with the exception of the moorage and yard offices, which would need to remain in their present location, there would be efficiencies to consolidating staff in one location.

IX. COMMISSIONER COMMENTS:

Commissioner Beck:

He provided an advertisement from the old Linger Longer Lodge.

X. NEXT MEETING:

Wednesday, September 24, 2003 at 7:00 PM at the Tri-Area Community Center, Chimacum, WA. A Budget Workshop would begin at 5:00 PM – A decision will be made next week on whether the Workshop is needed.

XI. EXECUTIVE SESSION:

At 2:43 PM the Commission recessed into Executive Session for 15 minutes to discuss real estate and legal issues, with no decisions expected.

XII. ADJOURNMENT:

The meeting was adjourned at 3:00 PM, there being no further business to come before the Commission.

ATTEST:

President

Secretary

Vice President