

PORT COMMISSION MEETING – December 22, 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
Facilities Manager – Pivarnik
Operations Manager – Radon
Attorney – Harris

I. CALL TO ORDER: The meeting was called to order at 9:00 AM.

II. ADMINISTRATION OF OATH OF OFFICE FOR COMMISSIONER BOB SOKOL:

County Auditor Donna Eldridge and Karen Cartmel, Deputy Auditor administered the Oath of Office to Commissioner District #1 Bob Sokol.

III. APPROVAL OF AGENDA:

Upon motion of Commissioner Pirner, the Agenda was unanimously approved with the following changes:

Items added:

- V. Old Business
- D. City/State Shoreline Master Plan Discussion

Items added:

- VI. New Business
- D. Direction on Hotel Request for Proposal for Point Hudson

IV. CONSENT AGENDA:

- A. Approval of Minutes – December 10, 2003
- B. Approval of Warrants:
 - #29301 through #29301 in the amount of \$1,330.40
 - #29302 through #29324 in the amount of \$26,710.83
 - #29325 through #29328 in the amount of \$25,667.10
 - #29329 through #29378 in the amount of \$175,925.54

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

V. PUBLIC COMMENTS (not related to Agenda): None

VI. OLD BUSINESS:

- A. Resolution No. 409-03 – Adopting the Comprehensive Scheme of Harbor Improvements Update 2003 for the Port of Port Townsend

This resolution formalizes the Commission's approval at its last meeting of the 2003 Comprehensive Scheme of Harbor Improvements.

Commissioner Beck moved to approve Resolution No. 409-03 Adopting the 2003 Comprehensive Scheme of Harbor Improvements with the preferred alternatives as selected in September 2003. The motion carried by a unanimous vote.

- B. Possible Adoption of 2003 Master Plan for Jefferson County International Airport
Commissioner Sokol noted the hearing had been held at the last meeting.

Mr. Crockett reported that by the December 17th close of the SEPA formal comment period only one comment had been received. In its request, the Department of Ecology asked to be notified by the Port, should its further development at the airport uncover any contaminated soils or water. Copies of this comment were given to Commissioners and would be added to the hard copy of the Master Plan. Mary Vargas of the FAA said that once she has a copy of the

formal resolution, the FAA could begin its formal approval phase, which should be complete by the end of January or first of February.

Commissioner Pirner moved to adopt Resolution No. 410-03 Adopting the 2003 Master Plan for Jefferson County International Airport. The motion carried by a unanimous vote.

Mr. Crockett reported that Gabe Ornelas and other citizens had spoken at the last BOCC meeting regarding the airport overlay and Comprehensive Plan amendments. Following this hearing, the BOCC asked the Port to host a public forum before January 20, 2004 to brief citizens on the Port's position on the overlay and give citizens another opportunity to ask questions.

Staff and the Commission discussed whether it was necessary for the Port to file an amendment to the Comprehensive Plan given that the noise overlay is a settlement of a Growth Management Hearings Board appeal. Staff said the amendment as it exists would be to adopt a noise overlay or airport overlay zone and changing all use tables in that area of the 55 DNL. Staff agreed to send a personal invitation to the individuals who attended the BOCC hearing to a Thursday, January 15 formal presentation in the Hadlock area.

C. Relocation Costs for Andersen Machine Shop

Mr. Pivarnik provided background of the settlement negotiations regarding moving the Andersen Machine Shop out of the Puget Sound Energy power easement area. Relocation costs were \$8,900 and Staff recommends settling this claim.

Commissioner Sokol moved that the Commission approve the terms set forth in a letter to Mr. Andersen. The motion carried by unanimous vote.

D. City/State Shoreline Master Plan (SMP) Discussion

Mr. Crockett reported that Staff had met with the City on December 16 regarding Point Hudson and has documented the Port's preference that the City first finish other planning efforts (SMP update, City Comprehensive Plan, municipal code, and City waterfront plan), adding that a detailed plan for Point Hudson could not be done until it is known what uses would be allowed there. Until these other processes are finished, the Port could work on necessary marina upgrades and postpone any upland changes, with the possible exception of the replacement of a restroom/shower facility. Referring to specific statements in the summary of the SMP guidelines sent by the Washington Public Ports Association (WPPA), he recommended the Port not rush into a planning process. City representatives David Timmons, Judy Surber and John Watts would likely attend the next Port workshop on January 14.

Commissioners pointed out that these four other planning processes present many opportunities for City and Port cooperation, adding that it costs the Port valuable Staff time to participate in any planning process.

VII. NEW BUSINESS:

A. Letter of Support for State Ferry Improvements

Mr. Crockett said that while he had been unable to attend a meeting to discuss improvements to the Keystone Ferry terminal and an upgrade on the Port Townsend side, there has been good press coverage. He spoke about the importance of upgrading the old ferries and docking facilities in order to handle a variety of emergencies. Staff recommends the Port write a letter of support for the Commission's signature to Washington State Ferries supporting the upgrades. Commissioners also spoke in favor of Staff drafting a letter of support on behalf of the Commission to Washington State Ferries. It was noted that another letter might be sent during the formal public process.

B. Distressed Area Tax Deferral

Mr. Crockett reported that the Distressed Area Sales/Tax Deferral Program would sunset July 1, 2004 unless reauthorized. The WPPA is suggesting Ports send letters to State representatives proposing the legislation and also a letter of support during legislative session. If there is no objection from the Commission, he would send a letter on the Commission's behalf proposing the legislation and return with a second letter for Commission's signature once the legislature is in session. There was no objection by the Commission to sending the letter.

C. Santa Maria Shipping

Mr. Crockett explained the Port's talks with Santa Maria Shipping about their search for one site to construct 10,000-ton coastal feeder vessels, no longer than 400 feet in length. They are expected to choose in mid-January from among PT and two other sites. Although the proposed area is within a pure marine industrial zone, there are City permitting issues, even though the Port has an overlay zone, which allows building up to 75 feet, the City would also have to agree to a slight footprint modification. The operation would be outside the 200-foot shoreline master plan area, but would require a rail system. The Company has hired environmental firm, Landau Associates. The Port would exercise due diligence on the company, as will the EDC. Santa Maria expects to start with 50-60 employees. There was further discussion about building access and the potential economic impact of siting this facility in Port Townsend.

D. Direction on Hotel Request for Proposal for Point Hudson

Mr. Pivarnik said he spoke to Carol McGough and she had asked the Port's position on the hotel building now that the Port has completed the Comprehensive Scheme. He solicited the Commission's input on whether to follow through with an RFP process whereby the Port might solicit proposals from not only the Port Townsend area, but other areas and other marine related uses as well. Mr. Crockett noted that given the Port's financial condition and other needed marina improvements, it would be necessary to state the current conditions and that the Port would not be able to engage in any rehabilitation or creosote mitigation. The Washington Engineering report could be given to any prospective tenant. The Port would also need to send this information to the three previous people who showed interest in the hotel.

Commissioners spoke in favor of Staff preparing a draft RFP for Commission consideration at the January workshop that would be in compliance with the State Shoreline Master Plan.

VIII. STAFF COMMENTS:

Mr. Harris:

He proposed that in the near future the Commission and Staff discuss ideas that arose from the WPPA Land Use Planning Seminar regarding cleaning up the platting and layout at the shipyard. Recent discussions with a shipbuilder about locating in the shipyard and the possible need to vacate streets suggest the Commission and Staff discuss creating a possible plan for clearing up some of the property boundaries and addressing these issues in the near future. He suggested the Port consider drawing up an amended plat for the whole area. Staff recognized the need to resurvey the area, clean up property ownership and address unvacated streets and stormwater issues.

Mr. Taylor:

Today's warrants included the final payment on the Burtz property at the airport (12 acres with the rental property).

Mr. Radon:

He would soon have information to the Commission about the upcoming Seattle Boat Show. He solicited from the Commission the number of guest passes needed.

Last week he met with the Wooden Boat Foundation regarding preplanning for RV spaces for the next Wooden Boat Festival.

With the Department of Homeland Security having announced the raising of the alert status to high, the next level of security – Marsec Level II – would be implemented at the Port, which would involve locking up launch ramps from dusk to dawn.

Mr. Pivarnik:

Thanked the Commission for their support this year with the planning process.

XI. PUBLIC COMMENT: None

X. COMMISSIONER COMMENTS:

Commissioner Beck:

In attending the City Parking Committee meeting, he learned that they are still in a dilemma about parking issues.

The Navy extended the period of public comments for the Environmental Impact Statement on the Dabob Range Expansion. In concern for the economic impacts of this potential expansion, he suggested submitting the EDC's report on usage of the Pleasant Harbor marina. Staff agreed to follow up.

Commissioner Pirner:

He attended the Community Investment Funding meeting where all of the projects from the City of Port Townsend, PUD No. 1, Jefferson County, and Port of Port Townsend were passed to the BOCC for final approval. He would try to forward to the other Commissioners a copy of the Resolution. Mr. Crockett asked whether emergency requests to increase economic development might be made, such as those related to the Santa Maria project. Commissioner Pirner confirmed there would be consideration of the request.

Commissioner Sokol:

He commented that it feels good to have the planning effort behind us. He recognized the effort by Staff and the public. He looks forward to 2004 and implementing the adopted plans.

XI. NEXT MEETING:

Wednesday, January 14, 2004 at 1:00 PM at the Point Hudson Marina Room, Port Townsend, WA. A workshop would begin at 9:30 AM.

XII. ADJOURNMENT:

The meeting was adjourned at 10:20 AM, there being no further business to come before the Commission.

ATTEST:

President

Secretary

Vice President