

## PORT COMMISSION MEETING – January 14, 2004

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 1:00 PM.

II. ELECTION OF OFFICERS:

Commissioner Sokol moved to elect the following slate of officers: Commissioner Pirner as President, Commissioner Beck as Vice President, and Commissioner Sokol as Secretary. The motion carried by a unanimous vote. Commissioner Pirner thanked Commissioner Sokol for his leadership as President through a very successful year of planning.

III. APPROVAL OF AGENDA:

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

Items added:

V. Old Business

A. Staff Guidance in Relation to Working with the City

B. Staff Guidance on Request for Proposal for Point Hudson Hotel

Building

Items added:

VI. New Business

B. Update on Kalakala

C. Discuss Hiring Land Use Planner

IV. CONSENT AGENDA:

A. Approval of Minutes – December 22, 2003

E. Approval of Warrants:

#29379 through #29404 in the amount of \$30,880.90

#29405 through #29414 in the amount of \$54,156.35

#29415 through #29467 in the amount of \$39,659.53

C. Write-Off Register

D. Re-roofing Contract for Parker Enterprises

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

V. PUBLIC COMMENTS (not related to Agenda):

Tamara Conway:

After last week's snow and ice, she ordered slip-on shoe grips and suggested they might also be good for Port dock walkers.

Gloria Bram:

As a member of the Airport Advisory Committee, she asked for the location and timing of tomorrow's Open House. Staff informed that the meeting is tomorrow at 6:00 PM at the County Library in Port Hadlock. Regarding the Port-City relationship regarding planning for Point Hudson, she suggested the Commission ask Staff to draft a letter to the City asking that they not oppose local businesses expanding within the marina area as long as they are in compliance with federal and state regulations. This would allow the Port to sign a lease with Pygmy Kayak.

VI. RECESS TO A MEETING OF THE INDUSTRIAL DEVELOPMENT CORPORATION

The Commission recessed into a meeting of the Industrial Development Corporation at 1:13 PM and reconvened at 1:16 PM.

Mr. Crockett explained that the annual meeting of the IDC is a requirement for those Port districts also formed as industrial development corporations. The IDC has authority to act as a pass-through organization for capital finance for private industry.

VII. OLD BUSINESS:

A. Staff Guidance on City Proposal

Commissioner Sokol reviewed that at today's workshop with the City, there was agreement that the Port could request an opinion from the Director of Building and Community Development for approved uses at Point Hudson that would remain in effect until 2005, based on the current Shoreline Master Plan. It was understood that if, in the meantime, the City adopts a new Shoreline Master Plan and the Port signs a 10-year business lease, the lease would be grandfathered for the length of that lease. It was also understood that the Port would work with the City on the Building Code, Comprehensive Plan, and Shoreline Master Plan process issues, while continuing its day-to-day work with local business. Mr. Harris said he believes the Port should be proactive in ensuring that at least in this part of the shoreline plan, a zone is drawn around Point Hudson that says "to be worked out with the Port" so that the City recognizes the Port's authority to plan for its property consistent with its own plans and mission. For his consideration, Mr. Crockett gave Mr. Harris a copy of the WPPA's guidance document regarding the City's responsibilities in this regard. Mr. Crockett also agreed to schedule a follow up session with City Staff. Commissioner Pirner suggested there be an agreement about sharing the grant with the Port.

B. Staff Guidance on RFP for Point Hudson Motel

Regarding the Port's RFP process discussed at the last meeting, Mr. Pivarnik reviewed the potential fees if the Port sought professional help from a commercial realtor (in the form of a percentage that would be paid up front). Mr. Crockett noted that even though the Port might decide to lease to a local business, it should consider the variety of uses for the building and advertise outside of the community. There was Commission interest in a combination of real estate flyer and an RFP. The Commission also felt strongly that the printed packet should include information about existing building conditions and a possible requirement to tour the building. It was also mentioned that proposals should include bringing the building up to at least minimum code. Mr. Pivarnik agreed that inquirers would receive a packet of information, including the Washington Engineering Report.

VIII. NEW BUSINESS:

E. Operations Report – Month of December 2003

Mr. Radon reported that nightly guest moorage for the month was consistent with 2002 and for the year was down by 1,000 nights. Haulouts also remained constant and the year ended with the total boats in the 60/70 down by 60. In December, the Port more than doubled the number of boats in long-term storage, for which it receives \$4.50 a foot/month. It was noted that there are more long-term projects underway this year as compared to last. In Point Hudson, for 2003, there were 100 more guest boats than 2002 and RVs were up by 750. The Port currently is pretty much working with group reservations and would soon be opening to individual reservations for 2004. Early bookings for the RV and marina are looking good, especially in the RV Park. Commissioner Pirner noted the Port averaged 42 guests per night throughout the year, crossing the 15,000 guest night threshold. Other marina operators also report their guest nights are down, reflecting it was not a heavy traveling year.

William Miller asked for a clarification on free storage. Mr. Radon explained that the Port's policy is to allow permanent tenants, both commercial and recreational, who want to sit in the yard rather than their slip, to do so at no extra cost during specific times of the year. However, they must continue to pay their full moorage fee and do not qualify for any other credit during this time.

F. 2004 Committee Assignments

Mr. Crockett distributed a list of 2003 committee assignments to be updated. He asked that the Commissioners review and consider in which Committees the Port should be involved and get back to him over the next two weeks. Mr. Crockett agreed to work with Staff to make changes, such as including in the list the Resource Development Council and possibly the designated alternates as appropriate.

G. New Day Fisheries Lease

Mr. Pivarnik reviewed New Day Fisheries' request for a longer lease in order to secure bank financing. He noted that the lease negotiated before the completion of the Comprehensive Scheme has only 6 months remaining. Since it is unlikely that any relocation of this fish processing facility could be accomplished in the next five years, Staff recommended a five-year lease be negotiated.

**Commissioner Sokol moved that Port Staff negotiate a five-year lease extension with New Day Fisheries. The motion carried by a unanimous vote.**

D. Rent Survey Contract

As directed by the Commission, Mr. Pivarnik reported on bids he received for a property appraisal of Point Hudson leases. The Commission received a copy of the bid from GVA Kidder Mathews (formerly Shorett Kidder), who had conducted the previous valuation. With the need to renegotiate leases in April, this company believes they can have the appraisal complete by the end of February. The three other bids were significantly higher, largely because of their lack of history. Port Staff recommended the Commission award the contract to GVA Kidder Mathews.

**Commissioner Sokol moved that Port Staff finalize a contract with GVA Kidder Mathews for a rental appraisal of Point Hudson in the amount of \$7,500. The motion carried by a unanimous vote.**

William Miller commented that if the Port owns the data generated from the report, other appraisers could obtain this information in order to do the survey in the future.

E. Update on the Kalakala

Mr. Crockett reported that the new owner, Steve Rodriguez contacted him trying to find new moorage for the *Kalakala* for a period of 3-6 months. Because of the size of the vessel (276 ft. long, 55 wide and a 11-1/2 foot draft), the request was rejected. Although Mr. Rodriguez asked about the potential for mooring out, Port Staff advised that with the poor weather experienced during winter months, this would not be a good alternative. He referred Mr. Rodriguez to DNR or the City, who own the tidelands. Commissioner Sokol noted that *The Peninsula Daily News* had attributed a statement to him about the *Kalakala* that he did not make.

F. Discuss Hiring Land Use Planner

Mr. Crockett reviewed that because of possible Comprehensive Plan amendments and airport subarea planning partnership with the County, Port Attorney Mary Winters had suggested consulting with local land use planner Eric Toews of Cascadia. While the authorization is within the \$5,000 Executive Director purchasing limit, Mr. Crockett solicited the Commission's feedback. The Commissioners were supportive of Staff working to develop a scope of work and contracting with Eric Toews.

IX. STAFF COMMENTS:

Mr. Taylor:

He reviewed two recent property insurance claims that are in process related to windstorm damage, as well as a broken dock incident in the commercial basin. Staff's estimate is that the dock repair could cost between \$25,000-\$30,000. The Army Corps of Engineers would visit later this month to review the damage to breakwater from the November 28th storm.

Mr. Radon:

The Federal Aviation Administration (FAA) informed the Port that the Temporary Flight Restriction (TFR) at JCIA has been reduced.

The Port also received a Coast Guard notice of a reduction in the marine security level. Staff would produce a report for the next meeting on the costs of recent increases in marine security, which Mr. Crockett said might be important to communicate to the Coast Guard.

The Seattle Boat Show opens Friday, January 16. The Port is also registering for the Northwest Marine Trades Association (NMTA) Everett Boat show, scheduled for March 3-7. If there is enough interest, there might also be an on-the-water component at the Port of Everett marina.

Winter Blackmouth season is open on February 1 for one or two months. In preparation for increased use, the Hadlock ramp would undergo maintenance on January 30 and again two weeks later. The Discovery Bay fishing derby is February 14-16 (sponsored by NMTA). The Port would contribute five annual launch ramp passes for the raffle and do some clean-up at the Gardiner Boat Ramp prior to this event.

Mr. Pivarnik:

On Monday, the contractor working on Galmukoff Marine's roof received materials to make repairs to roof damage sustained during the November windstorm.

Hanson Electric recently completed electrical work to the Point Hudson Marina Room buildings and restaurants. PSE would also be installing an underground vault. Yesterday, the State electrical inspector inspected and red-tagged the main building. The Port and tenants will have 15 days to put together a management plan to address issues and will be requesting three months to correct problems. Tenants will be responsible for getting their leased areas up to code.

The new Port President should submit an article for the upcoming Port newsletter. The Maintenance Department would also like to do a column.

Mr. Crockett:

Tomorrow night's Port and County Airport Open House begins at 6:00 PM.

Yesterday, he and Commissioner Beck briefed the Marine Cluster meeting in Sequim on the Port marine trades boating survey. He believes it would be good for all Port districts to do a similar survey and share data.

On Friday, he and Mr. Pivarnik would go to Department of Fish and Wildlife's Point Whitney lab and meet with Brad Seeley regarding their boat ramp.

X. PUBLIC COMMENT:

Gloria Bram:

She suggested the Port solicit Chris Overman of the Ft. Worden hostel about their interest in the Point Hudson hotel.

She asked about the decision-making powers of the Industrial Development Corporation. Commissioners and Staff explained the IDC receives industrial-related requests for bond financing and gets tax-exempt rates on bonds for these organizations, but has no financial liability. Staff noted that RCWs and WACs are available in the Port office.

William Miller:

He asked if the Coast Guard directs the Port's increased security. Mr. Crockett responded that measures were part of the Coast Guard-approved security plan.

Staff added that it was only for the Boat Haven, because of its proximity to Indian Island Naval Base.

Tamara Conway:

She spoke favorably about the Port's security efforts.

XI. COMMISSIONER COMMENTS:

Commissioner Beck:

The Peninsula Development Association met recently. Also, at a meeting of the North Olympic Peninsula Resource Conservation and Development Council (RC&D) there were interesting presentations and discussions about Department of Agriculture grant funding proposals: a milling facility for processing and packaging of llama wool, market development for shellfish and lavender, and a cold storage facility for fish, dairy, and berries.

Commissioner Sokol:

Tonight the CBS 6:00 news would offer a segment on general aviation airport security.

After spending time at Point Hudson, he can see the need to widen the road from the Cupola House to the corner of Hudson Street.

Commissioner Pirner:

At the EDC meeting last Friday, Marty Gay was appointed the Interim Administrator and has taken a leave of absence from the Board. Mr. Crockett is on the selection committee for the new director of the EDC.

The Port received bad news about Santa Maria choosing not to locate in Port Townsend. He congratulated the Port of Willapa Harbor and the City of Raymond. Commissioner Sokol added that in the extensive meetings with this business, they were professional and had been very complimentary of the Port Staff. Commissioner Sokol thanked Staff for their excellence and talked about the positive impacts to the economy this business could have brought. Commissioner Beck also spoke about the lost opportunities for the young individuals in this community.

XII. NEXT MEETING:

Monday, January 28, 2004 at 7:00 PM at the Tri-Area Community Center, Chimacum, WA.

XIII. EXECUTIVE SESSION:

At 2:41 PM, the Commission and the Executive Director recessed into Executive Session for 10 minutes to discuss personnel issues, with a possible decision.

V. MEETING RECONVENED:

Commission President Pirner reconvened the regular meeting at 2:53 PM. Commissioner Sokol made a motion to authorize a 2004 cost of living pay raise of 2% for management staff and five additional vacation days per year for the Director, Finance Director and Property Manager. The motion was unanimously approved.

XV. ADJOURNMENT:

The meeting was adjourned at 2:55 PM, there being no further business to come before the Commission.

ATTEST:

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President

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Secretary

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Vice President