

2010-2011 Community Report

Riggers...Electricians...
Boat Designers...Oyster
Growers...Lift Operators...

Your Port: An Economic Engine

“Promote, develop and manage the Port’s properties and facilities to stimulate countywide economic vitality.”

—Port of Port Townsend
Strategic Plan

Coasties...

Customs Officials...

Brewers...Caulkers...

Aircraft Mechanics...

Divers...Pilots...Boaters...

Welders...Fishermen...

Your Neighbors

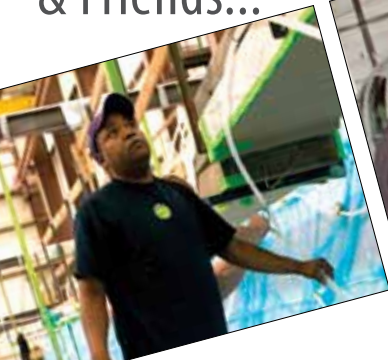
& Friends...

“Maintaining the Port as a working port is vital to the heritage and economic well-being of this city.”

—David Timmons, Port
Townsend City Manager

“The Port is a key economic engine countywide, now and for our future.”

—Philip Morley, Jefferson
County Administrator



Ports are the only government agencies whose primary responsibility is to foster economic activity for their communities.

The Port of Port Townsend takes this authority very seriously, and is dedicated to providing facilities that support sustainable growth in Jefferson County.

Through building and operating marinas, an airport, industrial sites and boat launch ramps, we facilitate trade, tourism and recreation in our community.



Port Townsend Boat Haven Marina & Yard **A**

It's difficult to quantify the number of jobs directly supported at the Port's largest facility, but it's in the hundreds—from all manner of talented marine trades specialists to personnel at the new U.S. Coast Guard Station on Benedict Spit.

The full-service marina holds 475 commercial and recreational vessels and each year provides 6,000 nights of guest moorage. Half of the recreational docks were replaced this past winter; construction is scheduled to begin this fall on an upgraded pier for the Port's smaller Travelifts (see story ↗). The Yard Office was as busy hauling boats in and out of the water this winter as it ever has been.

The Port of Port Townsend is known for having the best yard rates in the Puget Sound area, and allows owners to work on their own boats, something many workyards prohibit.

Point Hudson Marina & RV Park **B**

Renovated in 2007, the 4-acre marina has 44 slips and 700 feet of linear docks dedicated to guest moorage. The 24 upland acres house a recreational RV park with 48 spaces and numerous businesses. A sail loft, rigging loft, canvas loft, boat shop and dive shop share space in the Armory. Port Townsend Foundry moved into the iconic Cupola House this past year. The Port Administration Building houses Port staff and soon U.S. Customs (see story ↘).



Also: Kah Tai Lagoon (21 acres along Sims Way) ● Fort Worden Beach (¼ mile of sandy beach)

New restaurant at Landfall site?

Another reasonably priced seafood eatery could fill the gap at Point Hudson left by the demise of the Landfall Restaurant.

The Port is negotiating the redevelopment and long-term lease of the site with Maritime Heritage Group, LLC, a corporation formed by the owners of two adjoining businesses: Joe & Cindy Hill Finnie of the Swan Hotel and Pete & Sherri Hanke of Puget Sound Express.

The concept currently on the table is a one-story, 1,200- to 1,800-s.f. wood-frame building with a restaurant serving eat-in/take-out fast food like fish 'n' chips, burgers and fish tacos.

Architect's rendering of new building for Landfall site.



At the Port's request, MHG will consider the needs of any future passenger ferry service to Seattle. The building could be expanded to house ticketing and waiting areas.

In a letter of intent signed April 1, the Port agrees to reserve the property for development by MHG for a period of one year and to grant the developer six months to do due diligence, including market studies, engineering and architectural design, and environmental review.

"We're excited to play a part in redeveloping this strategic property in the Maritime Heritage Corridor," says Joe Finnie.

Customs moving to Point Hudson

Point Hudson could become a more convenient and appealing first stop for Canadian boaters entering the United States, once local Customs officials move from the Post Office building on the bluff to new offices at the Port's downtown marina.

Port Commissioners agreed May 25 to a 5-year lease to the Customs agency for 1,700 square feet inside the Port Administration Building at Point Hudson. There is an additional 5-year renewal option.

The lease, which will bring \$3,060 a month to the Port, includes the current Commission Chambers and offices that were recently occupied by the Northwest Maritime Center. The lessee is prepared to spend \$50,000 to renovate the space for an anticipated move-in date of January 2012. Port Commission meetings will move to a nearby location.

Port Townsend is currently an "on-call" port of entry for international travelers—meaning an appointment with a Customs official must be scheduled prior to arrival. It is hoped the move closer to the marina will streamline check-ins for traveling boaters.

Once separate agencies, the Customs Service and Border Patrol have merged into the U.S. Customs & Border Protection agency, which falls under the Department of Homeland Security.

Ⓒ Jefferson County International Airport

The county's only general aviation airport hosts 58,000 aircraft departures and landings annually. It is both home to and a popular destination for many recreational pilots.

The Port owns 316 acres at the airport, 24 of which were recently rezoned for a future light industrial park. A feasibility study is underway for what we're calling an "eco-industrial park" (see story ↓).

Airport tenants offer a wide range of aviation support services, including passenger, cargo and scenic flights; flight instruction; aircraft rentals; aviation fuel; airframe and power plant maintenance and repair; and a café. The Port Townsend Aero Museum recently added a paint and fabric building to its educational complex.

In 2011-12, the Port will add a GPS approach to the runway with a grant from the FAA.



Ⓓ Herb Beck Marina, Quilcene

Quilcene's only marina holds 50 boats, a mix of transient, commercial and recreational vessels. The Port owns 50 acres of waterfront and uplands, and leases land and buildings to Coast Seafoods—whose Quilcene Hatchery & Research Facility is the world's largest oyster hatchery and the South County's largest employer. The Port installed a new swim float this June at the warm-water swimming beach, heeding a request by community leaders.

Our mission is to serve the citizens of Jefferson County by responsibly maintaining and developing property and facilities to promote sustainable economic growth, to provide community access to Port facilities and services, and to protect and maintain our community resources and maritime heritage.



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beach south of state park) ● Quincy Street Dock (decommissioned downtown ferry dock)

Updates

But each branch maintains distinct duties and different colored uniforms.

"The Port is leasing to the Customs officials in blue, not the Border Patrol agents in green," says Port Executive Director Larry Crockett.

Plans for Airport Eco-Industrial Park

A feasibility study is underway for the development of a "green" light industrial park on a recently rezoned Port-owned parcel on the south edge of Jefferson County International Airport.

The study, which should be completed by October, will recommend how industrial development at this 24-acre site can be done in an environmentally sensitive manner, as well as what types of industries may be most appropriate.

"An eco-industrial park at the airport would open up a new area of economic opportunity," says Port Commissioner John Collins.

A grant from the U.S. Department of Commerce's Economic Development Administration is funding the study. The consultant, AECOM of Seattle, has experience in market analysis and design of low-impact light industrial parks.

The Airport Eco-Industrial Park Advisory Committee consists of Al Scalf, Rick Sepler, Jim Parker, Mark Grant, Katherine Baril, Richard Bothell, BJ Hallinan, Chris Grace, Mike Mullen, Jim Jackson and Dave Thompson.

New docks, Travelift pier for Boat Haven

One major construction project in the Boat Haven was completed this spring, and another begins this fall.

Replacing the marina's decaying 45-year-old A/B Dock moorage system was a 6-month-long, \$4 million project. The 126 new slips are much safer, more environmentally friendly, and better sized for the wait lists.

The second project is relocating the smaller of the Yard's two Travelift piers and updating it for the needs of today's marine trades. The 40-year-old haul-out structure serves the Port's 70- and 75-ton lifts, but is presently rated at only 70 tons. The new pier will be located 400 yards west, adjacent to the 300-ton lift pier; will be built of concrete, not wood; and will be rated at 83 tons, the maximum load for the largest lift. Moving the work pier out of the C/D Dock system will enable a 25% increase in recreational moorage when those docks are eventually replaced.

These two priority capital projects were financed by the sale of a \$5.5 million LGTO bond.



Construction of a new 75-ton Travelift pier begins this fall. It is used in 1,500 lift operations annually.

From the Port Commission

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As an active community partner, the Port of Port Townsend is committed to fostering economic growth countywide.

Your public port district encompasses all of Jefferson County and provides transportation, industrial and recreational facilities that support our community and commerce.

In 2011, your Port is working on several significant capital projects that support jobs and economic development: • Relocating and rebuilding our 75-ton boat haul-out facility, which is used in over 1,500 lift operations each year. • Redeveloping the former Landfall Restaurant site, arguably the most valuable vacant property in downtown Port Townsend. • Evaluating the feasibility of an eco-industrial park at our airport property with a study funded by the U.S. Department of Commerce. *You can read more about these projects in the "News & Updates" section inside.*

In addition, we continue to seek funds for a passenger ferry to Seattle, work with Coast Seafoods to expand its shellfish hatchery operations in Quilcene, and offer free webpages to all Port tenants. We are an active partner in the City-County-Port joint economic development strategy.

Managing your Port is not without its challenges. The nationwide economic downturn has reduced recreational boating and flying activity (and our revenues). Needed environmental regulations at our marinas and shipyard are costly and in flux. The extent of any deed restrictions on our Kah Tai acreage is under review, so we are in legal limbo as we seek to balance competing views and needs for this property. As the stewards of your Port's publicly-held assets, we and Port staff are working to address these challenges—and the larger economic challenges that face our county as a whole.

Financial Report

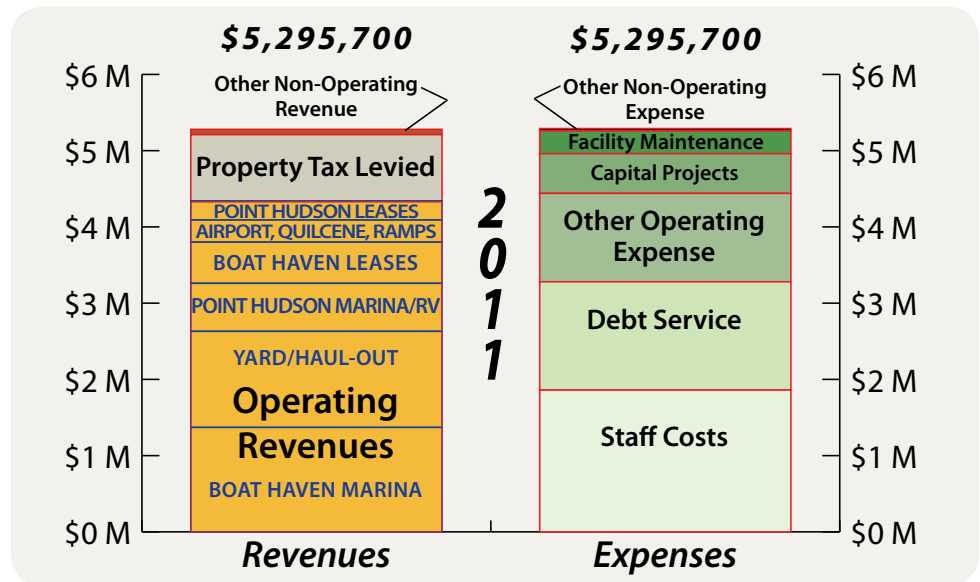
The balanced budget adopted for 2011 forecasts generally flat operating revenues and expenses. (See chart at right for budget projections.)

Operating expenses that have the least impact on levels of service have been cut by 10% from 2010. This is the third year in a row that staffing levels have been reduced.

Debt service has increased due to the new \$5.5 million LTGO bond for replacement of A/B Dock recreational moorage and the 75-ton Travelift Dock.

Less than 2% of your total property tax dollar is directed to the Port of Port Townsend, representing 16.5% of our revenues.

All \$875,000 levied in taxes for 2011 will be used to finance permanent infrastructure, not operating expenses.



Get to Know Your Port

Explore the Website

Our website is updated regularly and is the place to find:

- Our 5-year Strategic Plan
- Past issues of our newsletter, *The Conversation*
- Port Commission meeting agendas, minutes & audio

www.portofpt.com



Help Shape the Budget

Goals and assumptions for the Port's 2012 operating budget will be refined at a series of public workshops this summer, prior to budget adoption in November 2011.

Join us at an upcoming workshop:

- **July 13**, 9:30 a.m.
- **August 10**, 9:30 a.m.
- **September 14**, 9:30 a.m.

Attend a Meeting

Questions or concerns about Port business? Attend a public meeting of the Port Commission.

Regularly scheduled meetings are at **1 p.m. the second Wednesday** of each month and at **6:30 p.m. the fourth Wednesday** of each month, held at the Port Administration Building at Point Hudson.

