

Town of Provincetown
Provincetown Public Pier Corporation
Public Hearing Minutes

Hearing time and date: 7pm November 6, 2003

Hearing location: Judge Welsh Room, Town Hall
PPPC Members present: Joyce Guide, Robin Haueter, George Hitchcock

Also Present: Rex McKinsey, Pier Manager

Joyce Guide opened the hearing at 7:02pm, requesting that persons wishing to make statements to the Board may do so, after which the Board Members would make their statements.

David Dutra, owner and fishing vessel operator and North Truro resident, told the Board that his rates have gone up, but he hasn't gotten anything new. He also spoke of problems on the Pier, including undependable booms, lack of handicap access on the west side of the Pier, and his concern that, between the Pier Manager and the Harbormaster, there is no controlling factor.

Rick Holland, owner of charter sail business and Provincetown resident, questioned the approach that the PPPC used in coming up with the figures used in the accounting, if the fair market value for the rates is twice the amount of what it is today, and asked at what point the PPPC would provide services so that they are equal in terms of price to value.

Gabriel Brooke, owner of float space 8w charter business and Provincetown resident, voiced concerns that the PPPC wants to do away with small businesses and replace them with larger industries. She said, as a towns person, she wants to support smaller businesses at the Pier. She urged the PPPC not to have a 100% rate increase.

Steve Milliken, owner of the Dolphin Fleet and Wellfleet resident, told the board that he thinks that there are many faults in the way that things are being done and pointed out that floatowners are paying for the floats and their own gangways in addition to water, insurance and maintenance. He also spoke against the fees for boats that carry over 50 passengers, and said that he has spent thousands to get people to come to Provincetown and that it benefits the Town to have people coming. He said that revenue from the parking lot goes into the general fund, but that some of that money should be going to the the Pier.

Mark Finlay, owner of Viking Princess Cruises and Brewster resident, read a letter written by George Hilton, President of Portuguese Princess Whale Watch and Newburyport resident, which has been submitted into the record and appears as an addendum at the end of this document. Mark Finlay also voiced his own complaint that the floatowners pay a disproportionate amount of the revenue of the Pier, that the PPPC has not taken into account that floatowners purchase, install and maintain their own floats and said that the fees are in excess of the amounts that were in the Town's business plan for the Pier. He would support an increase of 25% of the base rate and 20% on the passenger fees.

Vaughn Cabral, owner of Cee-Jay and Provincetown resident, said that he could see a reasonable increase of 25% since floatowners have not had one in awhile, but that the 100% increase was not reasonable. In addition to the financial problems of his business this season, he has to pay for parking, water and electricity at the Pier, and since there is no night watchman, he has concerns about security. He has had to work around construction, has pilings in his space, the gangway is off-kilter, and is working around those things.

Steve Melamed, 2003 pier tenant and Provincetown resident, told the Board that it was not reasonable to hold the hearing without allowing the floatowners to look at a budget, and that the PPPC has shown an insensitivity to those on the Pier, as each has their own niche there. He also said that the floatowners have figured out among themselves a workaround for the queueing problem resulting from the improper placement of the handicap access. He would like to see the PPPC work more with the floatowners as a collective entity.

Candice Nagel, Provincetown resident, asked for a show of hands of those would want to see the budget. All persons present raised their hands. She proposed that they see the budget before the PPPC goes forward with the rate increase.

Francis John Santos, owner of Flyer's Boat Yard and Provincetown resident, told that Board that the Boston Harbor Ferry is not being charged while the ferry at the end has a lease. He said that the service that he provides people is not a big money maker and he would pull out if fees are doubled. He also noted that one half of the floatowners are people who are actively chartering and not making a big income stream, while the other half of the boats on the west side are only charter businesses to make good with the law.

Joyce Guide closes the part of the meeting for public statements and in her statement to the hearing, said that the Board has been meeting for a year and a half, but has not gotten anyone from the floatowners to come to the meetings. The PPPC's situation is that the Town has already entered into an agreement with Profish, and the PPPC is involved with ongoing lease negotiations with both Profish and the Town, and at present, the PPPC doesn't know what the Town will be charging the the PPPC for its lease. The PPPC is operating on an interim agreement with the Town. Noone on the Board is making a salary, they are all volunteers, the PPPC is charged by enabling legislation to run the Pier as a corporation to break even. The Town has given the PPPC \$400,000 to begin, and then took back \$198,000 as first debt payment on June 30th of this year. In ongoing negotiations with Profish, the PPPC has been trying to get Profish to submit a business plan, since the PPPC cannot negotiate the sublease without evidence that there is a business, and it has taken a year and 2 months to get the Profish business plan. Therefore, the PPPC cannot present a budget when it doesn't know expenses because they are still in negotiations.

The PPPC has a proforma budget, has completed a market survey, and is operating the Pier as a market-based enterprise, with guidance from the recommendation in 1997 that the fees go from \$4000 to \$8000.

Joyce Guide concluded her statement by saying that the PPPC is stuck right in the middle of this, that the PPPC is trying to get new revenue all the time, and that she would appreciate having the floatowners work with the Board on this. She noted that the PPPC needs to be able to pay the debt service, and all the indications show that there is going to be a shortfall.

Robin Haueter addressed the hearing by saying that there is an underlying principle as part of the plan that was approved in Town Meeting to renovate the Pier; that the larger portion would come from grants, but the Town would borrow 3.8 million dollars, and the businesses on the Pier, not the taxpayers through the general fund, would pay for the loan. This is an important principle to keep in mind. If the PPPC doesn't fulfill its mandate, then the Pier reverts back to the Town and becomes the responsibility of the taxpayers. The PPPC's market survey upon which the rate increases are based has been published for over a year. In determining the increases to market rates, the PPPC did ask for their input, having had a conversation with the floatowners last year when the same rate increase was proposed and rejected at the Licensing Board, but none of the floatowners ever got back to the Board with their input or an alternative plan, and it is necessary to come to the meetings in order to work to come up with a plan.

George Hitchcock in his statement said that the reason why the PPPC exists is to avoid losing money, that the Board is constantly trying new things to bring in businesses and new sources of revenue. There is now a much better facility, it is well-lighted, noone has to leave the Pier at high winds, and the PPPC is aware of the security issue and is working to deal with it. He said that the Board is sorry for the way in which this has come out, and said that they are still going to listen.

Rex McKinsey addressed the hearing, saying that among the important things the PPPC is working towards is increasing businesses and supporting businesses. Currently there is the issue of pushcarts to work on, and the PPPC needs the floatowners' complete participation to create an environment that will be helping that effort. The PPPC doesn't want all whale watch boats on the Pier, but rather is working to have people out on the Pier long enough to make a buying decision and to consider the businesses out on the Pier. The PPPC cannot do that alone, the floatowners need to come out and lend support, but at the last pushcart meeting only one of the floatowners attended. He concluded by saying that this was a plea for the floatowners to take an interest in some of the issues that are crucial to the operation of the Pier.

Mark Finlay spoke, saying that he had been involved in the meetings with the Town long ago, but the season prevents him from coming to the PPPC meetings. He added that the market survey does not justify the rates that they proposed, that the Town paid for it to show that the Pier could support itself, but that it now needs to be re-worked.

Gabriel Brooke asked if Rex McKinsey would keep the floatowners informed so that they know when the PPPC Board Meetings are scheduled.

Steve Melamed said that the Saturday afternoon meetings were an unfair and unreasonable time due to his work schedule and suggested that the two Board members who were unable to attend meetings at other times should be replaced.

Rick Holland said that the floatowners could not discuss this issue without looking at a budget. He said that he was on the Finance Committee during the time when the Pier renovation was analyzed with great scrutiny, and it was determined that the project was viable. His opinion was that although the PPPC has inherited a difficult financial model, it doesn't mean that the Board can take the path of least resistance, and that the issue that noone wants to talk about is the integration of the recreational boatowner with the commercial boatowner on the Pier.

Joyce Guide responded that the PPPC had allotted 25% of the floating docks for recreational boats as recommended in the Chapter 91 license but that Profish filled the docks with commercial fishing boats. Robin Haueter said that it was an issue that the floatowners would have to take up with the Board of Selectmen, and that the PPPC are in support of the fishermen and the PPPC tenants.

Gabrielle Brooke told the Board that her float space is not correct and that she has difficulty with the allocation of the watershed space.

Motion that the PPPC adopt the fees as published:

Motion: Robin Haueter
Second: George Hitchcock
Vote: 3-0

The hearing was adjourned at 8:20pm.

Respectfully Submitted,

Mira Yamaoka

APPROVED AT A MEETING ON DEC. 20 BY A VOTE OF 3-0. JOYCE GUIDE, CHAIR