

PORT COMMISSION OF THE PORT OF EDMONDS

MINUTES OF REGULAR MEETING

April 13, 2009

Commissioners Present

Bruce Faires, President
Mary Lou Block, Vice President
Marianne Burkhart, Secretary
Fred Gouge
Jim Orvis

Staff Present

Chris Keuss, Executive Director
Marla Kempf, Deputy Director
Debbie Eckholt, Landscape Coordinator

Others Present

Bradford Cattle, Port Attorney
Theresa Ocfemia, Student Rep.
Karin Noyes, Recorder

CALL TO ORDER

Commission President Faires called the meeting to order at 7:00 p.m.

PLEDGE OF ALLEGIANCE

All those in attendance participated in the Pledge of Allegiance to the American Flag.

CONSENT AGENDA

COMMISSIONER ORVIS MOVED THAT THE CONSENT AGENDA BE APPROVED TO INCLUDE THE FOLLOWING ITEMS:

- A. APPROVAL OF AGENDA AS AMENDED.**
- B. APPROVAL OF MARCH 30, 2009 COMMISSION MEETING MINUTES**
- C. APPROVAL OF APRIL 3, 2009 SPECIAL COMMISSION MEETING MINUTES**
- D. APPROVAL OF CHECK NUMBERS 5396 THROUGH 5404 IN THE AMOUNT OF \$752.20 FOR TENANT REFUNDS.**
- E. APPROVAL OF VOIDED CHECK 67614 IN THE AMOUNT OF \$750.00 FOR ACCOUNTS PAYABLE.**
- F. APPROVAL OF CHECK NUMBER 67636 IN THE AMOUNT OF \$500.00 FOR ACCOUNTS PAYABLE.**
- G. APPROVAL OF CHECK NUMBERS 67637 THROUGH 67663 IN THE AMOUNT OF \$72,221.78 FOR PAYROLL.**
- H. APPROVAL OF CHECK NUMBERS 67664 THROUGH 67702 IN THE AMOUNT OF \$17,749.57 FOR ACCOUNTS PAYABLE.**

I. APPROVAL OF CHECK NUMBERS 10910 THROUGH 10919 IN THE AMOUNT OF \$20,235.11 FOR HARBOR SQUARE ACCOUNTS PAYABLE.

COMMISSIONER BURKHART SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY, WITH COMMISSIONER GOUGE ABSTAINING FROM VOTING ON ITEM B (APPROVAL OF MARCH 30, 2009 MINUTES).

PUBLIC COMMENTS

Jack Bevan recalled that at a special meeting in March the Commission directed staff to move forward with an economic study and the initial phase of the Harbor Square Master Plan prior to embarking on a significant public outreach campaign. He suggested this approach is wrong for the following reasons:

1. It doesn't take a rocket scientist to figure out what the current rental rate for apartments in Edmonds is.
2. Because businesses are already leasing space at Harbor Square, the Port should already have a clear picture of what the rental rate for commercial space would be.
3. The Port must factor in the loss of income that would result during construction if Harbor Square were to be redeveloped.
4. Because an overpass over the railroad would be required to meet ADA standards, elevators would have to be provided on both sides. This would likely make the project economically unfeasible.
5. It would behoove the Port to find out what the Washington State Department of Transportation will require of the City before they get involved with redevelopment plans for the waterfront area.
6. The Port must first obtain reasonable assurance from the City that they would accept the concept of higher density before they get too far into the Master Plan process.

Bob Scott said he recently read the minutes from the Commission's March special meeting at which they discussed their desire to move the Harbor Square Master Plan process forward. He asked if the Commission would provide guidelines for the consultant to follow. Commissioner Faires answered that the consultant would be provided with a relatively constrained scope of work. Mr. Scott recalled that in 1997 the Port spent a significant amount of money to hire consultants to conduct a study of the feasibility of expanding the stack storage facility. They spent over \$300,000 with no real plan for what they wanted to accomplish. The entire study was based on one Commissioner's belief that the facility would need to be 48 feet in height in order to pencil out, and the Commission did not feel the City would be opposed to the additional height. He reminded the Commission that the Edmonds City Council has been discussing height issues related to the downtown and waterfront for the past several years, and the issue has still not been resolved. He cautioned that if the Port envisions a greater height than what is currently allowed at Harbor Square, they should seek to obtain the community and City Council's support before they move too far into the master plan process.

Jack Bevan expressed his belief that it may take a while for the country to recover from the current economic situation, and the Commission should keep in mind the option of selling the land lease at some point in the future. Commissioner Faires pointed out that the Port is required to have a master plan for Harbor Square because they now have control of the property and the buildings. He encouraged the members of the public to stay engaged and involved in the master planning process to help the Commission identify what is best for the community and the Port.

Herb Anderson suggested that as they begin the 2010 Operating Budget Process, the Commission should keep in mind that the Port of Everett just adopted their new moorage rates, which reflect a 2.5% increase.

Dwight Knechtel, Pump Me Out, LLC, reminded the Commission that he is a former business tenant of the Port of Edmonds. He said that in spite of the current economic situation, their business has been successful. However, they found the demand for their service was so great in Lake Union that they could not pass up the opportunity to move

their southern boat to that location. He emphasized they would continue to serve the Port of Edmonds on Mondays and Thursdays.

Commissioner Orvis said the Commissioners have a clear understanding of the challenges they face in getting the Edmonds City Council to support higher density at Harbor Square. He noted the Commission previously discussed that the purpose of the initial master plan work is to identify what density would be necessary in order for the project to pencil out. If the master plan would require something that would never be allowed in Edmonds, the project would not go any further. He emphasized that the Commission does not believe redevelopment of Harbor Square would be economically feasible given the current zoning restrictions.

Commissioner Gouge recalled that prior to becoming a Commissioner in 1999, he learned how important it is for individual citizens to share their wishes and desires with their elected officials. He summarized that a group of 25 people should not represent all of the tax paying citizens of Edmonds. Given the current economic crisis, redevelopment of Harbor Square could bring tax dollars and jobs to the community. However, if the consultant indicates the project would be unfeasible without zoning changes, the Port would not move their redevelopment efforts forward unless the City Council and citizens of the community indicated they would support the changes.

EXECUTIVE DIRECTOR CONTRACT APPROVAL

Mr. Keuss reported that the Port Commission has completed their search to fill the position of Executive Director upon notice that the current Executive Director would retire effective June 1, 2009. The application process included a Screening Committee review, semi-finalist interviews by an independent Interview Panel, and final interviews by the full Commission. The Commission authorized the Commission President to negotiate a contract with Mr. Bob McChesney as the new Executive Director for the Port of Edmonds. He referred the Commission to the draft contract.

Commissioner Faires welcomed Mr. McChesney and his family to the meeting. He expressed his belief that the application process was thorough, fair, complete and effective. The six semi-finalists and three finalists represented excellent, high quality applicants. He said he was very pleased that he was able to complete his discussions with Mr. McChesney, which resulted in the proposed contract before the Commission for approval.

COMMISSIONER BURKHART MOVED THE COMMISSION APPROVE THE ATTACHED CONTRACT FOR THE NEW EXECUTIVE DIRECTOR, ROBERT McCHESNEY. COMMISSIONER GOUGE SECONDED THE MOTION.

Commissioner Gouge thanked Commissioners Faires and Block for spearheading the process of developing selection criteria. He noted that the final selection criteria was reviewed and approved by the Commission during open public meetings. He also thanked the other Commissioners who participated on the Screening Committee and Interview Panel. He said he would vote in favor of the motion.

Commissioner Block agreed that the selection process and criteria was effective, and she thanked her fellow Commissioners for their involvement throughout the entire process. She also noted that Mr. Cattle's help was vital to the process of drafting a contract. She thanked those who participated on the Interview Panel: Bill Anderson from the Woodway Town Council, John Mohr from the Port of Everett, Ron Wambolt from the Edmonds City Council, and Kevin Hanchett from the development and legal community. She summarized that these individuals proved to be a significant asset to the process, and she would support the contract as proposed.

Commissioner Orvis said he would support the proposed contract, as well. However, he emphasized that he does not want to have to go through the process again for a long while.

Commissioner Faires thanked Mr. Keuss for working hard to implement the selection process identified by the Commission in a timely and effective manner. He explained that Mr. McChesney's contract would start on May 18th so there would be a slight overlap of time to allow him to work with the current Executive Director, Mr. Keuss.

THE MOTION CARRIED UNANIMOUSLY.

LANDSCAPE RENOVATION PROJECT

Mr. Keuss reminded the Commission that in 2007 they reviewed and approved a plan to upgrade the landscaping on Port property, and the plan called for a 3-phase program to be completed in 2008, 2009 and 2010. Last year, the Port proceeded with Phase I of the project by renovating the mid marina parking area with new trees and landscaping. He announced that staff submitted a request for bids to complete Phase 2 of the program, the north parking area landscape, and received five bids. The bids came in very well, with Bravo Landscaping being the lowest responsive bidder at \$19,443.92 plus materials to be purchased by Port staff in the amount of \$16,350.00. The total cost of the project would be \$35,794.00. He referred the Commission to the spreadsheet showing the bids that were received. Also included in the packet was a memorandum from Debbie Eckholt, Landscape Coordinator, who was present to answer the Commission's questions regarding the project.

Mr. Keuss said he and Ms. Eckholt have had some discussion about how the project would impact the Edmonds Yacht Club's (EYC) proposed new building, since both areas cannot be closed at the same time. He noted that the northern portion of the north lot is scheduled for closure from April 20th to April 24th, and the portion along Admiral Way would be closed from April 20th to May 26th. He reminded the Commission that the EYC does not yet have a loan agreement with their bank, and this agreement does not appear to be imminent in the next few days. Therefore, their construction plans should not be impacted by the landscape project. He said he has briefed the Manager of Arnies Restaurant regarding the project, and they have no concerns. They discussed that this would be a good opportunity for them to encourage their employees to park across the street in the north end of the gravel lot. He recommended approval of the proposed contract as presented.

Commissioner Orvis pointed out that the 2009 Capital Budget identifies \$70,000 for this project. Mr. Keuss explained that while the Commission had previously budgeted \$70,000 for Phase 2, they received some very excellent bids that resulted in a much lower cost than anticipated. Ms. Eckholt pointed out that the bid from Bravo Landscaping includes both removal of existing plants and installation of new plants. She agreed the bid is very good.

Commissioner Gouge suggested the Port take advantage of the excellent bid and consider moving forward with the landscaping on the south side of the new EYC building as well. Ms. Eckholt pointed out that the proposed contract includes landscaping for the entire north parking area, except the strip of land where the new EYC building would be constructed.

COMMISSIONER BURKHART MOVED THE COMMISSION AUTHORIZE THE EXECUTIVE DIRECTOR TO SIGN A CONTRACT WITH BRAVO LANDSCAPING IN THE AMOUNT OF \$19,443.92 INCLUDING TAX TO COMPLETE THE NORTH PARKING AREA LANDSCAPE RENOVATION PROJECT. SHE FURTHER MOVED THAT THE COMMISSION AUTHORIZE THE EXECUTIVE DIRECTOR TO PURCHASE PLANTS, SOIL AND MULCH, IRRIGATION AND MISCELLANEOUS SUPPLIES IN THE AMOUNT OF \$16,350 WITH TAX FOR A TOTAL PROJECT COST OF \$35,794.00 TO COMPLETE THE NORTH PARKING AREA LANDSCAPE RENOVATION PROJECT. COMMISSIONER BLOCK SECONDED THE MOTION.

Commissioner Gouge suggested that, as the Commission reviews their capital budget mid year, they should keep in mind that they were able to save more than \$30,000 over what the project was anticipated to cost.

THE MOTION CARRIED UNANIMOUSLY.

REQUEST FOR BUSINESS MOORAGE

Mr. Keuss announced that Captain Harry Dudley, Azimuth to Zenith LLC (A2Z), has requested Business Moorage accommodations at the Port. He explained that the business would entail bringing passenger vessels from various ports in Puget Sound to the Port of Edmonds.

Ms. Kempf reported that she met with Captain Dudley a few weeks ago to discuss the concept, and she referred to the email Captain Dudley provided to the Commission as per her request. She explained that this business proposal would involve more than one vessel, and typical business slips are occupied by just one vessel. She reminded the Commission of the Port's Mission Statement which calls out economic development in the community and being good stewards of the environment. She suggested the proposal would fulfill both of these missions. In addition, the service could provide a great interim transportation solution during the time when the Hood Canal Bridge is closed. She expressed her belief that the Port of Edmonds is a great location for this type of service.

Ms. Kempf said that while she believes it would be appropriate for the Commission to consider the request, they should keep in mind that there is currently a wait list for the 54-foot slips. Therefore, the Commission would have to waive the need for the business to get on the waiting list in order to accommodate the request. She noted there are nine other names on the 54-foot wait list, and the first three individuals that were offered the currently vacant slip turned it down. In addition, staff is fairly certain the next two individuals would turn down the space, as well. She expressed her belief that this is a good time for the Port to consider Captain Dudley's request as an option for filling the 54-foot slip on N Dock.

Harry Dudley said his company, Azimuth to Zenith LLC (A2Z), is a Washington company doing business as NAVILINX. Their concept is to use a web site as a clearing house and scheduling point for travelers in the Puget Sound (including southern British Columbia) region. NAVILINX would provide customers with the transportation links they need to make their trips as efficient as possible in terms of both time and money. Customers would log on and enter basic travel information such as where they are departing from and when and where they want to go. The NAVILINX software would then link them to the best travel options based on their priorities. He explained they are currently in the process of developing the software, which they plan to test this week. They anticipate the service would be useable in time for the Hood Canal Bridge closure on May 1, 2009.

Captain Dudley expressed his belief that the Port of Edmonds could become an important transportation node and a destination for many travelers in the region. Having the Sounder in close proximity provides an excellent opportunity for people to get to many locations up and down the eastern side of Puget Sound without having to use their cars.

Captain Dudley explained that the vessels operating under the NAVILINX system would be independently operated passenger vessels used to transport people from one port to another. None of the vessels would be permanently moored at the Port of Edmonds. In most cases, they would only stay at the Port long enough to complete passenger load/unload operations. However, there may be occasions when a vessel would have to wait at the slip in order to be in position for the next passenger run. This would be analogous to those vessels that stop into the Port just long enough to get fuel or to use the pump-out facility rather than a charter boat that operates out of the Port.

Commissioner Block asked if the small boats would have the flexibility to go to any marina or destination or if they would have a set schedule and itinerary. Captain Dudley answered that the individual boat operators would make their own arrangements. Each operator would list their trips on the NAVILINX software, and the software would match the clients to the various operators based on their needs. Some operators would have scheduled runs, and others would be more flexible.

Commissioner Orvis inquired if all of the operators who participate in the program would be required to be licensed and insured. Captain Dudley said operators would not be allowed to participate in the program unless insurance and licensing requirements are met. In addition, an inspection of each vessel would be required to ensure they meet Coast Guard and State requirements. Their goal would be that none of the NAVILINX customers are disappointed by a sloppy boat or an unsafe situation. He recognized that the Port of Edmonds requires each of their moorage tenants to list the Port as an additional named insured. However, because the program would result in numerous boats using

the slip for short periods of time, the situation would be similar to the fuel dock. He noted that the Port does not require every vessel that stops at the fuel dock to provide proof of insurance.

Mr. Cattle suggested that because NAVILINX and/or A2Z is the business asking for moorage, the Port could require them to purchase an insurance policy that protects the Port. Captain Dudley said they would have liability insurance in the event that one of their participating vessels makes a mistake. Mr. Cattle suggested that A2Z's insurance policy could identify the Port as an additional named insured. He explained that Captain Dudley is requesting that the slip function as a terminal facility for the fleet. Because this is different than typical business moorage, it would be appropriate for the Port to request this additional protection. Captain Dudley pointed out that Section 2 of the Port Regulations already requires the person who holds the slip to have the Port as an additional named insured. However, the individual vessel operators who use the slip would not be required to do the same.

Commissioner Gouge asked if Captain Dudley anticipates the service would extend beyond just the time period when the Hood Canal Bridge is under construction. Captain Dudley said he has spent a lot of money and time getting the project going, and he does not anticipate it will be a short-term program. He said he is President of the Hastings Estate Company in Port Townsend, which owns the building next to Union Wharf that was destroyed in 2005. After 2½ years, they finally received the necessary shoreline permits to create a passenger terminal in this location. He summarized that he sees the program as a long-term benefit to the entire peninsula and the region. The concept is to get people out of their cars by encouraging them to use Puget Sound as a transportation thoroughway to link people with different modes of transportation.

Commissioner Gouge questioned if parking would be required for the people who come to the Port to access the transportation opportunities. Ms. Kempf explained that the Port currently charges a fee for people to park on Port property. Captain Dudley reminded the Commission that the thrust of the program is to get people out of their individual cars, and the goal of the software would be to connect people with transportation on the other side of the water. Commissioner Gouge pointed out that people might also be interested in using the service for pleasure trips, and they will need a place to park their car while they are out on a vessel. Ms. Kempf reminded the Commission that the service would be offered on a trial basis, and issues such as parking could be addressed as the need arises. She reminded the Commission that, most of the time, there is available parking at the Port. Captain Dudley emphasized that the vessels participating in the initial program would be small and would accommodate only small groups of people.

Commissioner Gouge said he supports the concept proposed by Captain Dudley, and he questioned how he plans to advertise the new service. Captain Dudley said the service would be advertized on a website sponsored by the Washington State Department of Transportation as part of the Hood Canal Bridge Project. They also plan to advertise on numerous other websites.

Commissioner Faires asked if the Commission would have to modify their regulations in order to allow A2Z to bypass the waiting list. Mr. Keuss answered that the Commission can waive the wait list policy in the Port Regulations. Mr. Cattle concurred.

Mr. Keuss said staff is very excited about the proposed new program, and they pride themselves in being on the cutting edge of new things. He said he considers the proposed program to be consistent with the Port's mission to be good environmental stewards. In addition, the Port should be concerned about transportation issues and supporting this program would go along way towards meeting that goal, too.

COMMISSIONER GOUGE MOVED THE COMMISSION APPROVE THE REQUEST BY AZIMUTH TO ZENITH LLC (A2Z) FOR BUSINESS MOORAGE AT THE PORT OF EDMONDS AND AUTHORIZE THE EXECUTIVE DIRECTOR TO PROCEED WITH ARRANGEMENTS FOR ACCOMMODATING THE REQUEST. COMMISSIONER ORVIS SECONDED THE MOTION.

Commissioner Gouge said he believes the proposed program is a good idea and will become a great destination program. Edmonds needs programs of this type, and not just when the Hood Canal Bridge is closed. He thanked Captain Dudley for bringing the idea forward and working with staff to address issues and concerns.

Commissioner Faires pointed out that the Port has other facilities and asset that might be of value to the program, such as the Destination Port of Edmonds Program and the van that is available to shuttle people from the waterfront to businesses in the downtown.

THE MOTION WAS UNANIMOUSLY APPROVED.

NEW BUILDING LETTER OF INTENT

Mr. Keuss announced that Mr. Robert Ford with 3 Square Feet LLC has submitted a Letter of Intent for the purpose of constructing an approximately 10,000 square foot building on Port property on the east side of Admiral Way and west of the railroad tracks. Mr. Ford is proposing to use approximately 36,000 square feet of Port property and has agreed to the terms as drafted in the Letter of Intent. Mr. Keuss advised that the Port Attorney has reviewed the document. He also advised that Mr. Ford submitted an abstract lease agreement to start the negotiations if staff is directed to move forward. He recognized that the Commission would likely have concerns about some elements of the abstract, and he emphasized that staff is not recommending approval of the document at this time. The purpose of tonight's discussion is to consider the Letter of Intent and potentially starting the lease agreement process.

Commissioner Faires reported that the Property Committee reviewed both the Letter of Intent and the lease agreement abstract, and they recommended the Commission conduct a workshop discussion with Mr. Ford present to make sure he has a clear understanding of where the Commission stands on the proposal. He suggested the Commission postpone their discussion on the proposal until Mr. Ford could be present to participate. Commissioner Burkhart agreed that would be an appropriate approach.

Commissioner Gouge invited the Property Committee to share their initial concerns. Commissioner Burkhart pointed out that the Property Committee raised concern about a number of elements contained in the abstract lease agreement. She recalled that the Commission has previously expressed their preferences for the types of businesses that should be allowed, and it would be important for Mr. Ford to have a clear understanding of the Commission's position in this regard.

The Commission agreed to postpone their review of the proposed Letter of Intent until Mr. Ford was present to listen to the conversation.

MR. CATTLE LEFT THE MEETING AT 8:20 P.M.

PUBLIC LAUNCH PROGRAM REVIEW

Mr. Keuss recalled that during their review of the 2009 Operating Budget the Commission requested that staff identify potential modifications that could make the program more profitable. He reminded the Commission that this cost center loses money every year. He reported that staff has completed their review of the program, and he invited Ms. Kempf to share the results.

Ms. Kempf explained that while the rates for the Port's launch service are slightly lower than the cities of Des Moines and Anacortes, the Port would probably see a decline in usage if they were to raise their rates much higher. She said she contacted the Recreational Conservation Office (RCO), the organization that provided grant dollars for the launch and trailer parking improvements, and they indicated that reducing the hours of operation would be one way to recoup expenses but still provide the launch service within the acceptable guidelines of the grant. However, from a customer service standpoint, the only time it would make sense to close the launch would be during times when there is no fish opening in Areas 9 and 10. She noted these are times when there is very little expense charged against the launch, so

any revenue improves the financial picture. On the other hand, if the Port were to reduce hours during peak fishing times in an effort to decrease expenses charged against the launch, fishermen would not be well served and revenues would likely decrease even more. The RCO also indicated that the Port would only be allowed to close the facility as a last resort. There must be significant and documented changes in the service demand over a period of not less than five years. In addition, the facility must fit within the definition of obsolete because they are unable to get parts or there is not a demand for the service. In these cases, the Port could request permission to close the facility for a one-season reprieve. However, it is important to keep in mind that the RCO has discouraged the Port from heading in that direction until they have tried everything possible to keep the launch open. Ms. Kempf said her research has led her to the conclusion that the program should be looked at as a public service that creates both direct and indirect economic benefit to the community, as well as Port operations. People who use the launch service also use the fuel dock, buy bait and fishing gear, etc, and the Port's mission is to support economic development. She advised that staff would continue to cut costs wherever possible.

Mr. Keuss suggested the real solution is to reconsider how they schedule shifts during the summer months. Currently, they have two shifts per day, with an overlap of time. If they go to just one shift for the launcher, the situation could change somewhat. Commissioner Faires said he would not be opposed to staffing changes as described by Mr. Keuss, but he would be opposed to significant changes in the level of service that is provided. He said he supports the use of the launcher as a public service. Ms. Kempf explained that staff has considered the option of reducing the hours of operation, but they determined that if the hours of operation are unpredictable the activity would be further reduced. While they now have a better handle on the costs that are charged to the launcher cost center, maintenance and repair costs have increased significantly.

Commissioner Orvis said he has also reached the conclusion that the launcher is a public service, which the Port accepted when they used State funding to construct for the project. He said he would not be willing to shave costs to the extent that it results in poor service. The Commission needs to accept that they have worried the issue to death and they have addressed the situation as best they can. It is time to quit worrying about the launcher. Commissioner Burkhart agreed that the Port has done all they can for the time being. However, she suggested there will be a time in the not too far distant future when it will cost the Port so much to maintain and repair the facility that they will not be able to keep operating it. There will also come a time when it will be very difficult to obtain needed parts for the equipment.

Commissioner Burkhart suggested the Commission consider the relationship between the launcher and the dry stack facility. Perhaps some of the launch patrons would be interested in leasing space at the dry stack facility if the launcher were no longer available. The Commission needs to be alert to what is happening with the launcher and consider opportunities to expand the dry stack so additional space would be available before the launcher is permanently closed.

Commissioner Gouge said he would not be in favor of increasing the launch fees. The Port is a public marina and the launcher is a public service. He said he knows a lot of the people who use the launcher, and he does not believe they would be interested in moving their vessels to the dry stack facility. He suggested the Port staff survey the launch users to find out if they would be interested in this opportunity. This data would be necessary before the Commission could consider options to increase the dry stack facility.

Commissioner Faires reminded the Commission that there are other places that offer boat launch facilities such as Shilshole, Mukilteo, and Everett. They agreed that staff has done everything possible to reduce the costs associated with operating the launch facility, and they should keep in mind that it is a public service the Port offers to the community.

Herb Anderson agreed that the launch rates should not be increased, and he did not believe it would improve the situation.

Ms. Kempf pointed out that the launch facility at the Port of Anacortes is able to accommodate boats that are up to 37-feet long, so their market niche is much larger and they are able to charge a more significant fee for the larger boats. She suggested it might be worthwhile to explore the option of upgrading the Port's equipment to allow them to launch larger boats in the future.

Mr. Keuss announced that Paul Sorenson, BST, would attend a Commission meeting in May to provide an update on the current boating situation in the State.

HARBOR SQUARE TENANT SPACE STATUS

Mr. Keuss recalled that on February 23rd, he presented the Commission with a spreadsheet report regarding the condition of the vacant space at the Harbor Square Business Complex. He informed the Commission that a number of spaces had not been cleaned since some tenants had moved out and that several repairs needed to be made. The Commission authorized him to spend up to \$45,129 to make minor and major repairs to the vacant spaces. He reported that since that time staff has cleaned and made some upgrades and repairs. He referred to the updated spreadsheet showing the status of each space by building. He advised that as of last week, the Port has spent \$3,503 in materials and \$4,327 in labor to make the necessary improvements. Much of the cleaning work has been done, and two HVAC drip pans on Buildings 1 and 4 have been replaced. Much of the remaining work centers on window improvements. A number of windows had failed and some are broken. This project is out to bid, and staff would likely present a proposed contract to the Commission at their next meeting.

EXECUTIVE DIRECTOR COMMENTS

Mr. Keuss reported that the Edmonds Yacht Club had a ground breaking celebration on April 6th, which was attended by the Executive Director as well as several Commissioners. No ground was actually broken. He said he became frustrated that the Port has received no response from Prime Pacific Bank or their attorney regarding the loan agreement. As a result, he asked Mr. Cattle, the Port Attorney, not to spend any more time trying to resolve the issues with the bank. He reminded the Commission that, as the landlord, the Port must sign off on the agreement, and there are a few items the Port cannot agree to. While the bank has been informed of the issues, they have not taken steps to resolve the concerns. He said he informed the Edmonds Yacht Club that the Port is stepping out of the negotiation process, so they need to take the lead in convincing the bank to move forward. Mike Jones has indicated he met with the bank president today, and he believes they have an understanding so the agreement could move forward in a positive direction in the near future.

Ms. Kempf announced that the MAX Foundation's mural would be installed on the Landing Building and an open house has been scheduled for April 16th from 5:00 to 7:00 p.m. Refreshments would be served in the space that was previously occupied by Faces of the Northwest. Commissioner Orvis agreed to represent the Port Commission and speak at the event. Mr. Blossey inquired if the local media has been notified of the event. Mr. Keuss answered that an article was published in *THE BEACON*. Mr. Blossey agreed to invite representatives from the newspapers to attend.

Mr. Keuss advised that a Request for Qualifications and Costs has been submitted with a scope of work to LMN Architects to update the Harbor Square Master Plan. He explained that that the Revised Code of Washington allows the Port to use the Port's MRSC list of professional service contractors to select the best qualified firm to do the task, and that is the process staff followed. Staff has invited LMN Architects to hire the financial analysis consultant as part of their scope of work. However, he emphasized that the scope of work for the financial analysis consultant and the architect would be separate.

Mr. Keuss advised that before he retires from the Port he would complete the following tasks:

- Prepare a list of items that need to be accomplished by May 31st and review the status of each one.

- Coordinate the M/N Dock Building permit process. The application is ready to move forward, and Berger/Abam will provide final plans by next Monday.
- Conduct mid-year staff evaluations.
- Work with the Edmonds Yacht Club to get the project moving forward if they can convince the bank to move forward with the loan agreement.

Ms. Kempf advised that Todd Campbell announced his plan to leave the Port to participate in a post graduate program at the University of Montana. The vacant position would be advertised as soon as possible.

COMMISSIONER COMMENTS AND COMMITTEE REPORTS

Commissioner Burkhart recalled that the Property Committee recently discussed the need to update the Port's architect by getting new statements of qualification. Mr. Keuss said staff advertises for qualified architects and engineers every year. If they have projects on the table they expect might be done in the coming year, they list the projects and ask those who submit proposals to address these projects in their submittals. He said he would complete this process before he leaves the Port. Commissioner Burkhart suggested the Port request a proposal from Taylor, Gregory and Butterfield, as well. Commissioner Faires reviewed that the Port Commission first selected an architect several years ago to design a master plan for the Port property. However, he felt the Edmonds Yacht Club's proposed new building, which was designed by Taylor, Gregory and Butterfield, would become an iconic building in terms of both location and design.

Commissioner Gouge reported that he attended the last two Edmonds Tax Committee Meetings that were sponsored by the City Council. The group was meeting tonight to come up with a final conclusion and recommendation to the City Council. He further reported that he attended the April 7th City Council Meeting where he thanked Peggy Pritchard Olson on behalf of the Commission for her years of service on the City Council. He noted that City Council Member Bernheim made a comment about how the Port needed to step up their efforts to address the environment. He said he pointed out to the City Council and citizens that the Port is a 5-star marina, and being good environmental stewards is part of their mission statement. He informed them that Port staff is constantly working to improve the environment, that the Port is a state-of-the-art facility, and that they work regularly with the Department of Ecology to address environmental issues. He invited City Council Member Bernheim to visit the Port and see what they are doing in this regard.

Commissioner Gouge congratulated Mr. McChesney for being selected as the new Port Executive Director and noted that he has some big shoes to fill. He welcomed him to the Port. Commissioner Block also welcomed Mr. McChesney and said she is looking forward to working with him in the coming years. Mr. McChesney said he is ready to make a valuable contribution to the Port.

Commissioner Block reported on her attendance at the retirement party for Duane Bowman, Edmonds Development Services Director. She also reported that the Town of Woodway Town Council conducted several community meetings to gauge community support for raising taxes to keep the budget afloat, annexing Point Wells, and purchasing the Rosary Heights property. A final meeting would be held at Rosary Heights.

Commissioner Orvis welcomed Mr. McChesney as the new Port Executive Director. He also asked that staff contact the Washington Public Ports Association to find out when the various committee meetings would be held. The remainder of the Commission agreed this information would be helpful as they make arrangements to attend the Spring Conference.

Commissioner Burkhart reported on her attendance at the recent Woodway Town Council Meeting at which she thanked the Mayor and Town Council for Bob Anderson's participation on the Port's Executive Director Interview Panel.

Ms. Ocfemia said the proposed NAVALINX program sounds good and would give the Port another thing to work on and be proud of. It is a good idea to become more environmentally friendly by encouraging people to get out of their cars. She expressed her belief that people spend too much time in their cars and they need to be out with their families more. Commissioner Faires suggested it might be appropriate for NAVALINX to advertise their service in the Edmonds/Woodway High School newspaper so that students are aware of the service.

ADJOURNMENT

The meeting was adjourned at 9:10 p.m.

Respectfully submitted,

Marianne Burkhart
Port Commission Secretary