CALL TO ORDER
Commissioner Preston called the regular 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
B. APPROVAL OF MARCH 12, 2018 MEETING MINUTES
C. APPROVAL OF PAYMENTS IN THE AMOUNT OF $122,151.11
D. AUTHORIZATION FOR EXECUTIVE DIRECTOR TO WRITE OFF $3,222.92 AND SEND ACCOUNT TO COLLECTIONS

COMMISSIONER JOHNSTON SECONDED THE MOTION, WHICH CARRIED UNANIMOUSLY.

PUBLIC COMMENTS
No one in the audience indicated a desire to comment during this portion of the meeting.
Mr. McChesney introduced Amy Spain, Executive Director, Snohomish County Tourism Bureau (SCTB), and explained that the bureau is responsible for marketing Snohomish County throughout the world.

Amy Spain, Executive Director, Snohomish County Tourism Bureau (SCTB), said she was present to report on the bureau’s 2017 accomplishments. She noted that some of the data she will use in her presentation is from 2016. She explained that Dean Runyan Associates, an acclaimed research organization, does economic impact reports for a number of states, including Washington State. However, their 2017 data will not be available until April.

Ms. Spain advised that the focus of the SCTB is economic development through tourism. Visitors spend over $1 billion in Snohomish County annually, and almost 11,000 people are employed by tourism businesses. The SCTB is a non-profit organization that contracts with Snohomish County to provide marketing services. The SCTB’s efforts include both internal and external strategies. Internal strategies focus within the industry by providing education to hotels, attractions and other visitor services; creating marketing platforms in coordination with other organizations; offering sponsorship opportunities for events coming to the county; and providing leads to hotels and meeting venues. External strategies are focused on the visitor. The goal is to reach visitors when they are dreaming about their trip: to inform them of what the County offers, influence their decisions, and then help activate their decisions through online bookings.

Ms. Spain advised that the SCTB helps communities get ready for their visitors by providing marketing platforms for them. Strategies include the SCTB website, advertising on a number of platforms, electronic newsletters, social media, event services and visitor services to individuals and families. There are 10 people in the SCTB organization, and five of them are sales and marketing staff. The marketing and sales staff attend trade shows and participate in associations that put them in contact with decision makers to bring events to the community.

Ms. Spain referred to 2016 data from the Dean Runyan Associates Report, which shows that visitors to Washington State spent over $21 billion, which equates to about $1.3 billion in tax revenue that is used in the general fund. About 177,000 people throughout the state are employed in jobs associated with tourism.

Ms. Spain announced that the State of Washington now has a Tourism and Marketing Program. Governor Inslee is scheduled to sign new legislation tomorrow that will provide $1.5 million in funding for the program. She reminded the Commission that the State has not had a tourism office since 2011. Although the economy has improved and visitors to the state have increased incrementally, they lost a market share. The new Tourism and Marketing Program will help the State get back in the game. She explained that the program will not raise taxes, but it will require a 2:1 industry in-kind match to access the state funds.

Commissioner Orvis commented that he was glad to hear about the in-kind contribution requirement. He requested more information about what would qualify as “in kind” contributions. Ms. Spain answered that any contribution towards a state-wide effort would be considered an in-kind contribution. This could include participation in marketing platforms and trade shows, etc. However, she said it is still unclear how the in-kind contributions will be tracked.

Mr. McChesney asked how Washington State’s contribution of $1.5 million compares to marketing and tourism programs in other states. Ms. Spain answered that the $1.5 million from the State, along with $3 million in-kind contributions from the industry is still a small number compared to most other states. However, it is important that at least the State of Washington is in the game again. Hopefully, the program will be successful and reap benefits so they can seek additional support from the legislature going forward. Commissioner Orvis observed that other states have tracked their return on investment and the results are phenomenal. Ms. Spain agreed but cautioned that it can be difficult to track performance indicators.

Ms. Spain advised that in 2016, there was an average of 2.1 people with each travel party in Snohomish County and the average stay was 2.1 nights. The SCTB focuses on bringing in leisure travelers who stay overnight, and Edmonds is a recipient of mostly day travelers. While day travelers are important, the return from overnight travelers is about 3 times higher. When people spend money in Snohomish County, it stays in the community to help support schools, roads, and other infrastructure. She summarized that in 2017, the SCTB staff achieved over $200,000 in media
coverage and served over 31,500 visitors at information centers. Tourism spending was up and hotel/motel taxes increased more than 4%.

Ms. Spain said the SCTB sales and marketing team focuses on a variety of different groups:

- **Group Sales.** The group sales team advertises to a very targeted population to reach event planners. In addition to attending trade shows, SCTB staff meets one-on-one with meeting and event planners to better understand their needs and then come back to the community to find what they need for their events. They also go on “sales missions,” meeting individually with event and meeting planners. Oftentimes, representatives from convention centers and major attractions are invited to join in these meetings. They also invite event planners to tour the community to become familiar with the facilities, amenities and activities that are available.

- **Sports Marketing.** More than half of the 41,000 room nights generated by the SCTB came from sporting events, which tend to bring in a large number of people. The sports marketing team received a number of awards for their hard work.

- **Leisure Travel.** They were able to generate 3,200 requests for information from their advertising, which is a little down over the last year because people are going directly to websites. They published a number of online advertisements in 2017 and reached out to the industry through electronic newsletters. Visitors to the website were down 7%. It is difficult to measure the return on destination branding or marketing as a visitor destination. This budget was reduced in 2017, and the result was a 7% decrease of website activity. This is a clear indication of the return on investment. Through marketing contracts, the SCTB intends to increase its visibility by spending more on this effort later in 2018 and into 2019.

Commissioner Orvis asked what accommodations are available in Snohomish County for large events besides the Tulalip facilities and one large hotel in Lynnwood. Ms. Spain said it depends on the kind of event, and it is up to the sales staff to find the best fit. However, the SCTB typically does not go after the big citywide conventions because they cannot accommodate them in Snohomish County. The County’s sweet spot is events with about 150 participants. She acknowledged that it can be difficult to find adequate accommodations, but she also pointed out several projects that will come on line soon to accommodate events. However, they will be smaller venues rather than large conference center.

Ms. Spain advised that the SCTB’s marketing and advertising efforts included working with representatives of the City of Edmonds and others to create an Arts and Culture Guide. The SCTB’s Spring Visitors Guide was published this week. Working with the Port and City of Edmonds, they were able to invite travel writers on a whale watching tour hosted by Puget Sound Express. In addition, they issued 18 press releases, hosted 7 familiarization tours, issued 25 media pieces, and attracted $216,000 in free media coverage. They were also very active with all of the primary social media sites and produced two new videos on outdoor recreation opportunities in the County. They now have 31 videos about Snohomish County, and one of the new videos was actually broadcast on NBC Sports during its coverage of the Spartan Race. The SCTB has also contributed to a number of travel blogs, operated 3 visitor service centers and 4 electronic kiosks, and provided visitor information at 10 events in 2017. It is estimated that about 70% of information center visitors came from more than 50 miles away, and about 30% were local (Snohomish, King and Skagit Counties).

Looking ahead to 2018, Ms. Spain announced that the Snohomish County Executive just signed an executive order naming tourism and outdoor recreation as primarily economic drivers in Snohomish County. The SCTB will continue to work with the County to promote these activities. In addition, the County has contracted with a marketing and placement agency that will be managed collectively by the County and the SCTB. Marketing will be the SCTB’s responsibility, but increased financial support from the County will add almost $500,000 to the advertising budget for creative design, content and add placement in Snohomish County. The intent is to freshen up the Snohomish County tourism brand and continue the Destination Development Program by meeting with communities to talk about tourism infrastructure and identify gaps.

In addition to the programs mentioned above, Ms. Spain announced a Regional Development Program. She explained that, up to this point, tourism efforts have marketed the County as a whole, but they are finding that the County is just
The experience that a visitor has in Edmonds will be very different than in other areas of the County. They are currently working with a consultant to identify where the natural alignments and geographic boundaries lend to the visitor experience. She shared some preliminary regional zones but emphasized that the work is just getting started. The process will involve representatives from throughout the County, including the Port and City of Edmonds.

Ms. Spain ended her presentation by emphasizing that tourism does matter to Snohomish County. The tourism industry employs a lot of people and brings in a large number of visitors who all contribute to the tax base to support the community.

Commissioner Orvis asked how much of the tourism in Snohomish County comes from Seattle and the cruise ships. He recalled that the Port of Seattle has a program that encourages people to spread out and stay longer to visit other areas of Puget Sound. Mr. McChesney agreed that is the Port of Seattle’s current policy, and they have offered grant funding to accomplish this goal. The Port participates in this program, and the SCTB has been instrumental in their efforts. Ms. Spain said that the SCTB was eligible for grant funding from the Port of Seattle, but they did not apply. However, the Port of Seattle has been a great partner in a variety of tourism efforts throughout the State. In the absence of a State tourism organization, the Port of Seattle and Visit Seattle have been great partners with the SCTB. The Port of Seattle has provided a destination marketing program and offered advertising space at SeaTac airport, and the SCTB will have a billboard in baggage claim soon.

Mr. McChesney reviewed that he has served on the SCTB Board for several years, and he commended Ms. Spain and her staff for their hard work. They do an excellent job of promoting Snohomish County.

Commissioner Preston said he found a SCTB brochure when he visited Stevens Pass recently. He referred to the videos that the SCTB has produced and said he would like a future video to include Puget Sound Express.

Commissioner Orvis reviewed that the State got out of the tourism business in 2011, which left the SCTB and other local groups to pick up the pieces. With the new legislation, at least there will be some coherence. Commissioner Preston suggested that perhaps after losing the State’s support for a time, the program will come back even better than before. They have learned a lot about what works and what they can do. Ms. Spain said that after the State’s tourism fund was removed, the Washington State Destination Marketing Organization and the Washington Tourism Alliance worked to keep the website open, but they struggled for funding. The two groups did what they could to keep tourism going as much as possible, but several attempts to create a funding mechanism failed. Overtime, they were finally able to come up with a solution that was amenable to all parties.

Commissioner Preston asked what the Port could do to support and help the SCTB. He also asked how the SCTB could help the Port. Ms. Spain said that Ms. Williams and Mr. McChesney have been great partners to the SCTB, informing them of marketing opportunities, etc. This internal communication is always helpful, as it is difficult for the SCTB to keep tabs on what is going on everywhere in the County. Communication with the Port and City Staff is great support. From the Port’s perspective, she explained that, as the bill rolls out, there will be opportunities for representatives from throughout the community to participate on the 13-member Marketing Authority. It is important to have the voice of those who understand how important tourism is to the community. While she does not know when the Marketing Authority positions will be advertised, there might be a roll for a Port representative to play.

Commissioner Johnston asked if the Port has a good working relationship with representatives from the City of Edmonds, particularly Francis Chapin. Mr. McChesney answered affirmatively.

Commissioner Johnston referred to the major event that is hosted each year by the town of Oshkosh, Wisconsin. Similar to Oshkosh, he suggested there might be an opportunity to expand the Fly-In Event in Arlington. It was noted that the Arlington Fly-In Event is the third largest in the nation.

**APPROVAL OF HARBOR SQUARE BUILDING 5 HVAC CONTRACT AWARD**

Mr. McChesney reviewed that the Commission was previously briefed on maintenance issues at Harbor Square, including the need to replace a large number of HVAC units. Since that time, an HVAC unit serving Building 5 has malfunctioned and needs to be replaced. Staff put the project out to public bid on March 2nd, and a pre-bid walkthrough of the project was conducted on March 6th with four attendees. Staff received and reviewed three qualified bids on...
March 13th, and the low bidder was Morgan Mechanical, Inc. for $11,500. He recommended the Commission authorize him to enter into a contract with Morgan Mechanical, Inc. in the amount of $11,500 plus sales tax for the 170 West Dayton Building 5 HVAC replacement contract #2018-293. He referred the Commission to the bid tabulation that was attached to the Staff Report and advised that staff would work with the contractor to minimize the disruption to tenants during installation.

Mr. McChesney reminded the Commission that the 2018 Capital Budget includes the replacement of 12 additional HVAC units, and he believes there will be more as the year progresses. There seems to be a domino effect, given that the original equipment was installed in the 1980s. Staff will go out to bid for the other 12 units soon, and it is likely they will seek approval from the Commission to do an additional 6 units in 2018.

Commissioner Orvis commented that there is money available to replace additional units. He asked if it would be less costly to bid for more units at a time. Mr. McChesney answered that replacing 12 units at a time seems to be a reasonable approach. You have to do them in clusters and staff does not recommend doing more than 12 at a time. However, he agreed it is time to be more aggressive as they move forward with replacement of the remaining units.

Mr. McChesney advised that the unit at Building 5 was not designated for replacement this year, but it is important to resolve this issue as soon as possible. He commented that Ms. Williams has done an excellent job working with the tenants to make sure the Port does everything possible to resolve the issues that come up, but he felt it may be to the Port’s benefit to establish a more aggressive replacement schedule.

COMMISSIONER JOHNSTON MOVED THAT THE COMMISSION AUTHORIZE THE EXECUTIVE DIRECTOR TO ENTER INTO A CONTRACT WITH MORGAN MECHANICAL, INC. IN THE AMOUNT OF $11,500 PLUS SALES TAX FOR THE BASE BID FOR THE 170 WEST DAYTON BUILDING 5 HVAC REPLACEMENT CONTRACT #2018-293. COMMISSIONER ORVIS SECONDED THE MOTION, WHICH CARRIED UNANIMOUSLY.

FUEL DISPENSER CHANGE ORDER

Mr. McChesney reviewed that the Commission previously authorized the replacement of the fuel dispensers on the fuel dock in November 2017. The dispensers have been installed, but the flow rate anticipated by the new equipment has not been sufficient. The existing turbine that supplies the diesel dispensers does not provide an adequate flow rate. In order to correct the problem, staff is recommending that the turbine be replaced. The new turbine would be 2 horsepower as opposed to the existing 1.5 horsepower turbine. Installing a turbine larger than 2 horsepower would require the Port to rewire the entire fuel dock. While not the optimal size, staff believes that the 2-horsepower turbine will provide an acceptable flow rate. He recommended the Commission approve the subject change order quotation from Pacific Environmental in the amount of $10,914 plus tax. He advised that this potential problem was noted before the fuel dispensers were installed.

COMMISSIONER ORVIS MOVED THAT THE COMMISSION APPROVE THE CHANGE ORDER QUOTATION FOR REPLACING THE EXISTING DIESEL TURBINE. COMMISSIONER JOHNSTON SECONDED THE MOTION, WHICH CARRIED UNANIMOUSLY.

EXECUTIVE DIRECTOR'S REPORT

Mr. McChesney announced that the restroom project is nearly complete, and finishing touches are now being done. It should be open to the public later in the week. He noted that this restroom facility is separate from the new freestanding facilities that were installed a few years ago for customers and tenants only. The new facility will have a laundry area, and they were able to resolve ongoing water leak problems, as well.

Mr. McChesney reported that the Port is happy to have Puget Sound Express back with their whale watching vessel, Chilkat Express. They intend to also bring their new vessel, Saratoga, on line soon. He explained that the new vessel presents some challenges for the Port and its customers on H Dock. In order to accommodate the larger vessel on J Dock, guest moorage was moved to the north side of H Dock. Last year, the H Dock customers raised concerns, and staff met with them to discuss possible solutions. In anticipation of a new season, staff met with these tenants again, but found there is no perfect solution to the problems that customers are worried about: privacy, security and
disruption to their quiet enjoyment. Several options were discussed such as moving the fence and making H Dock wider, but staff has determined there is nothing the Port can do to rectify the situation without spending an exorbitant amount of money in excess of $50,000. He said he cannot recommend the Port spend this large amount of money to address the problems at this time. Staff’s recommendation is that they carry forward with the program as planned and do their best to work with the H Dock customers. There will be some disruption, but he cannot recommend a solution that will resolve the issue.

Commissioner Orvis asked how many guest moorage boaters could be accommodated on H Dock. Mr. McChesney said they have not figured this out yet. Ms. Kempf described the space that would be available for guest boaters, noting that the area would accommodate quite a few guest boats. She acknowledged that the change will have an impact to the dock and it is something that Port staff will have to keep a close eye on. However, in reviewing all of the alternatives with the H Dock tenants, none of the options the Port proposed were acceptable to them. The only option was to widen the dock and divide the pier, which will be costly and reduce the amount of moorage space. She suggested they move forward in 2018 as planned and see how things go.

Commissioner Orvis noted that there has always been guest moorage space on H Dock that was managed by the Edmonds Yacht Club, as well as opportunities for loan-a-slip. With the change proposed, at least the Port will have a record of who uses the guest moorage spaces. Therefore, he is not sure that security will be a real issue. He agreed that the Port should experiment with how to make it fit and reduce the impacts. Ms. Kempf noted that it may be necessary to move the main gate further out on the dock or put in a second gate. When people pull into guest moorage at night, they will not have a key to get in the existing gate. While some modifications will be needed, she does not recommend extreme modifications at this point.

Mr. McChesney advised that staff is in the process of preparing for the Commission’s upcoming retreat on April 16th. He also reported that he and Commissioner Orvis traveled to Olympia last week to witness the governor signing SB-6329, which will have a significant impact on the Port of Edmonds by allowing them to streamline contracting and reduce overhead costs as they contract jobs. He expressed appreciation for the work done by Ms. Drennan, Commissioner Orvis and the Washington Public Port Association (WPPA) to move the legislation forward.

Ms. Kempf announced that they will be celebrating the arrival of Saratoga, the new Puget Sound Express vessel, which will be moored on the north side of J Dock for the 2018 season. Puget Sound Express is planning an event the last week of April, and the vessel is currently scheduled to arrive on April 23rd. She advised that Chilkat Express will be moved to D Dock as of May 1st.

COMMISSIONER’S COMMENTS AND COMMITTEE REPORTS

Commissioner Orvis reported that he and Mr. McChesney went to Olympia to witness Governor Inslee’s signing of SB-6329. He commenting that getting this legislation approved is important to a lot of ports and will save a lot of time and money over the next year. He commended Ms. Drennan for her hard work.

Commissioner Johnston announced that the Environmental Committee would meet on March 28th to frame the discussion for the upcoming retreat and to discuss other approaches regarding environmental policies. Commissioner Harris advised that she would attend the meeting, as well.

Commissioner Harris announced that she would attend the Edmonds Yacht Club meeting on March 27th. She is also hoping to meet with Representative Strom Peterson on March 29th to share ideas related to environmental issues.

Commissioner Preston advised that he might attend the Edmonds Yacht Club meeting, too. He also announced that more progress has been made with the Sea Scout Program, and he is hoping the new group will become chartered tomorrow night. He reported that he attended the Snohomish County Update where Dave Sommers provided a report on the good things that are taking place in Snohomish County. He also attended a Chamber of Commerce meeting where a representative from Boeing provided a great history of the company.

Commissioner Preston said he has been researching the issue of Round Up and other landscape chemicals to learn more about alternative options. So far, he has not found any alternatives that do not harm fish. He suggested it is important to consider potential alternatives not only for the Port, but for properties upland that contribute significantly
to the problem. Commissioner Harris said she has reached out to other ports to learn more about the topic, but she has not found any reasonable alternatives, either. Commissioner Preston said it would be helpful to have feedback from an expert when the Commission discusses the issue at their retreat. Mr. McChesney advised that Joe Kalmar from Landau Associates has been invited to the retreat to review the products the Port uses and provide feedback that will help the Commission establish an environmental policy going forward.

**ADJOURNMENT**

The Commission meeting was adjourned at 8:23 p.m.

Respectfully submitted,

Jim Orvis  
Port Commission Secretary