

PORT COMMISSION OF THE PORT OF EDMONDS

MINUTES OF REGULAR MEETING

February 25, 2013

COMMISSIONERS PRESENT

Jim Orvis, President
David Preston, Secretary
Bruce Faires
Fred Gouge

STAFF PRESENT

Bob McChesney, Executive Director
Marla Kempf, Deputy Director
Tina Drennan, Finance Manager

OTHERS PRESENT

Karin Noyes, Recorder

COMMISSIONERS ABSENT

Mary Lou Block, Vice President

CALL TO ORDER

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

EXECUTIVE SESSION

Commissioner Orvis announced that the Commission held an Executive Session from 6:30 p.m. to 6:52 p.m. to discuss the possible acquisition of real property and negotiations related thereto, discussions of which in a public meeting would disadvantage the Port. He advised that no action would be taken nor announcements made concerning the subject of the Executive Session.

PLEDGE OF ALLEGIANCE

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

CONSENT AGENDA

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

- A. APPROVAL OF AGENDA**
- B. APPROVAL OF FEBRUARY 11, 2013 MEETING MINUTES**
- C. APPROVAL OF PAYMENTS IN THE AMOUNT OF \$138,209.65**
- D. AUTHORIZATION FOR EXECUTIVE DIRECTOR TO WRITE OFF \$3,250.08 AND SEND ACCOUNT TO COLLECTIONS**

COMMISSIONER GOUGE SECONDED THE MOTION, AND THE MOTION CARRIED UNANIMOUSLY.

PUBLIC COMMENTS

No one in the audience expressed a desire to address the Commission during this portion of the meeting.

FUEL TANK MONITORING SYSTEM REPLACEMENT CONTRACT

Mr. McChesney explained that the Port inspects the fuel tank system on a regular basis. They also monitor the leak detection system by viewing readouts that come to the Marina Operations Office throughout the day. Through these inspections and monitoring, staff has determined that the leak detection system must be replaced.

Ms. Drennan advised that the Port's current INCON 1000 system was installed in approximately 1996 and is now obsolete. There was a malfunction in October 2012; and although the service representative was able to fix the problem, he cautioned that parts are no longer available and technical support knowledge of the system is rare. As Port staff is not familiar with the current monitoring systems on the market, a Request for Information was issued in December 2012. The Port received three recommendations for the INCON TS-550 evo. The Port Facilities Maintenance Manager and Operations Supervisor have reviewed the product information and agreed that it would be appropriate for the Port's use.

Ms. Drennan reported that the Port went out for bid in January, and bids were due February 14th. They received three bids. The manufacturer's representative reviewed the current system. As the Port is having no issues sending and receiving information from the current system, it was determined that the sump sensors, brine sensors, in-tank liquid probes, installation kits and wiring were most likely acceptable. Therefore, staff decided to request prices for those items as alternates just in case. Staff also requested hourly rates for system inspection, maintenance, repair or programming so that the Port could issue an annual service contract.

Ms. Drennan explained that the low bidder changed the terms of the bid, requiring that the sump sensors, brine sensors, in-tank liquid level probes, and installation kits be replaced if their company is awarded the contract. Therefore, this bid is non-responsive.

Ms. Drennan advised that materials for the project are approximately 2 weeks out, and work would be substantially completed within 60 days of receiving the Port's award. She said it does not appear that the fuel dock will need to be closed during the replacement project. She said staff recommends the Commission:

1. Declare that the apparent low bid from Northwest Fuel Systems is non-responsive,
2. Authorize the Executive Director to enter into a contract with Mascott Equipment Company in the amount of \$12,442.00 plus sales tax,
3. Authorize the Executive Director to enter into an annual service agreement with Mascott Equipment Company in an amount not to exceed \$10,000 per year, and
4. Authorize the Executive Director to award the alternate items, as necessary, and report those changes to the Commission at the first Commission meeting following the award.

Commissioner Faires asked if it was possible for staff to sort out what the non-responsive bid would have been for just those elements that are currently deemed necessary. Ms. Drennan said the base bid would have been approximately \$7,000. The non-responsive bid of \$13,500 included not only the base project, but all of the alternatives. Mr. McChesney explained that when a perspective contractor bids a job, the Port expects it to be done in accordance with the bid specifications presented by the Port. Staff feels it is inappropriate for bidders to write their own contract terms. In this case, the apparent low bidder indicated that, if awarded the contract, it would have to include all of the alternatives. This is inconsistent with the bid specifications, which by definition, makes the bidder non-responsive. He recommended the Commission award the contract to the next lowest bidder.

Commissioner Faires said he understands and does not have an issue with the staff's recommendation to declare the apparent low bid to be non-responsive. However, he pointed out that the apparent low-bid for the entire project, including the alternatives, would be only slightly more than the next lowest bid for just the base project. Ms. Drennan advised that, aside from the action recommended by staff, the Commission's other option would be to reject all bids and rebid the project.

COMMISSIONER PRESTON MOVED THAT THE COMMISSION:

- 1. DECLARE THAT THE APPARENT LOW BID FROM NORTHWEST FUEL SYSTEMS IS NON-RESPONSIVE,**
- 2. AUTHORIZE THE EXECUTIVE DIRECTOR TO ENTER INTO A CONTRACT WITH MASCOTT EQUIPMENT COMPANY IN THE AMOUNT OF \$12,442.00 PLUS SALES TAX,**
- 3. AUTHORIZE THE EXECUTIVE DIRECTOR TO ENTER INTO AN ANNUAL SERVICE AGREEMENT WITH MASCOTT EQUIPMENT COMPANY IN AN AMOUNT NOT TO EXCEED \$10,000 PER YEAR, AND**
- 4. AUTHORIZE THE EXECUTIVE DIRECTOR TO AWARD THE ALTERNATE ITEMS, AS NECESSARY, AND REPORT THOSE CHANGES TO THE COMMISSION AT THE FIRST COMMISSION MEETING FOLLOWING THE AWARD.**

COMMISSIONER GOUGE SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY.

HARBOR SQUARE 4TH QUARTER REPORT

Steve Lyon, Northwest Country Management, presented a summary of the Harbor Square 4th Quarter 2012 Report, particularly noting the following:

- Occupancy was almost unchanged from the previous year. It was 74.35% in 2011 and 74.32% in 2012.
- A one-year, non-commissionable lease, with a one-year option, was signed in Building 2, which will result in \$7,230.36 of revenue over the term of the lease. Another one-year, non-commissionable lease was also signed in Building 2, which will result in revenue of \$10,173.50 over the term of the lease. Also in Building 2, a lease was extended for three months, resulting in \$1,631.94 of revenue.
- A three-year, non-commissionable lease was signed in Building 5, which will result in total revenue of \$21,416.72 over the term of the lease. Also in Building 5, a current lease was extended three years, with an increase in space. The total revenue from the lease extension would be \$232,291.88 over the term of the lease.
- A three-year, non-commissionable lease was signed in Building 1, which will result in \$138,028.32 of revenue over the term of the lease.
- There was no leasing activity in Building 3, but there is only one vacant space (1,700 square feet) left.
- Tenant improvements (demising a wall between two suites and shampooing carpets) were done in Building 2. In addition, new carpet and base were installed in Building 2, and additional improvements would be made and paid for by the tenant. New carpet was also installed in Building 5, and additional improvements would be reimbursed by the tenant.
- There were seven conference room rentals in the 4th Quarter, which resulted in revenue of \$251.71. Six of the rentals required no set up.
- The roof project for Building 2 is ongoing. The weather has not allowed the project to move forward, but the contractor has repaired leaks on an interim basis.
- Total revenue for 2012 was \$372,238.73, which is \$17,960.34 less than 2011 revenue of \$390,199.07. Approximately \$6,000 of the reduction was due to rent abatement that occurred in 2012.
- Two tenants prepaid rent during the 4th quarter. This affects cash flow, but not revenues.
- There were six late fees for a total of \$1,408.86.
- Security deposits received were \$3,761.81, and security deposits refunded were \$533.33.

MARINA 4TH QUARTER REPORT

Ms. Kempf reviewed the 2012 4th Quarter report, particularly noting the following:

- Activity at the public launch and guest moorage was up during the 4th quarter of 2012 compared to 2011, but fuel sales were down. The number of gallons sold is directly related to the price of gasoline. A higher number of gallons were sold during the 4th quarter of 2009 when gas prices were lower.
- Financial occupancy in water moorage has been 95% during the 4th quarter for the past three years. Vacancy rates in dry storage are more difficult to compare to prior years because the Port reduced the number of spaces from 280 to 232 in 2012. Based on 232 slips, occupancy was at 97%. The decision to close a part of the dry

storage area appears to have worked in the Port's favor. The demand for the available spaces has increased, and the spaces have filled quickly.

- There were 136 terminations and 176 assignments in wet moorage during the 4th quarter. There were 72 terminations and 75 assignments in dry storage.
- Insurance and registration compliance was at 90% and 81% respectively at the end of the 4th Quarter. The Port did not issue the 2013 parking passes until later in the year, and parking passes are closely tied to the number of people who turn in their registration and insurance documentation. Staff anticipates this number will go up in the 1st quarter of 2013.

Commissioner Gouge pointed out that since 2009 there have been more assignments than terminations in wet moorage. This indicates that the Port has a dynamic, rather than static, turn over model. While 50% of their tenants have terminated in the last five years, they have gained more tenants than they lost. Ms. Kempf pointed out that most of the terminations occurred in the smaller slips. Boat owners of smaller boats can trailer their boats to save money during the winter months. Staff anticipates this trend will continue. At the request of the Commission, Ms. Kempf provided a list of the comments staff received from tenants regarding their reasons for terminating. Commissioner Preston pointed out that the majority of the comments were positive.

Commissioner Faires said that while the total number of names on the wait lists is down slightly, it appears to be leveling out. Hopefully, the numbers will start to go back up. Ms. Kempf pointed out that people on the wait lists for the large slips can often get slips much quicker than just a few years ago. The Port needs to get this message out to the public. Commissioner Faires commented that the boat show offers a good tool for accomplishing this goal.

Commissioner Faires suggested that, consistent with the Port's more dynamic model for turnover, they should consider additional promotions and opportunities to include a broader area. He suggested the Commission could hold a workshop to discuss strategies for accomplishing this goal. Commissioner Orvis commented that many boaters are unaware that moorage is available at the Port of Edmonds, and additional advertising could help get the word out. The Commission particularly discussed the idea of contacting boat dealers to make them aware of the moorage and dry storage opportunities that are available at the Port of Edmonds. Commissioner Preston suggested it would be helpful for staff to communicate with boat dealers prior to the boat show. Ms. Kempf agreed and said Port staff makes an effort to visit all of the boat dealers the first few days of the boat show to remind them of moorage opportunities available at the marina. Commissioner Faires said it might also be helpful for staff to stay in contact with the boat dealers throughout the year. Commissioner Preston suggested the Port could use email to contact boat dealers and potential tenants on a regular basis or to notify them of special offers, etc.

Ms. Kempf provided graphs to illustrate the trends over the last five years and said it appears that conditions are improving. She expressed her belief that the Port's marketing efforts over the past year have had some good results. The Sea Jazz events and the public launch reward card were both popular programs.

Commissioner Orvis said he recently read in *THE SEATTLE TIMES* that the City of Seattle owns two marinas on Lake Washington, and they estimate it will cost \$3 to \$5 million each to keep them in operation. He suggested that due to the condition of some marinas in Puget Sound, the Port may find that more people are looking for quality moorage space. Commissioner Preston asked if it would be possible for the Port to offer a moorage discount to active duty military personnel. Commissioner Orvis expressed his belief that very few active duty personnel would utilize the opportunity. Ms. Kempf pointed out that individualized promotions are difficult to administer. On the other hand, the launch card promotion has worked extremely well and offers a discount to all groups of people.

Ms. Kempf advised that staff has started to compile a list of email addresses for tenants. Commissioner Orvis cautioned that the Port should be very circumspect about the emails they send out to tenants and potential customers. Sending too many emails can have a negative impact. Ms. Kempf said the Port does not intend to use the list to send out advertisements, but they may use it to notify tenants of special offers and invite people to visit the Port.

Commissioner Preston recommended that the Port invite students from the local high schools or Edmonds Community College to design a flyer for the 2013 Sea Jazz events. Mr. McChesney agreed and announced that he is scheduled to meet with various individuals to organize the Sea Jazz Festival well in advance of the summer season. He also announced that the Sea Jazz Program has been nominated for a Chamber Arts Award.

Commissioner Preston asked for more information about the Port's current merchandising program. Ms. Kempf said that visitors often express an interest in purchasing merchandise with the Port's logo on it. However, because the logo is used on Port uniforms, there was some concern that people might confuse Port staff with people wearing the merchandise. To address this issue, they used the Destination Port of Edmonds Logo for merchandise items. Commissioner Preston asked if the merchandise could be given as gifts to people who visit the Port's guest moorage a certain number of times. Ms. Kempf agreed that is one option to consider. She reminded the Commission that the merchandising program is not intended to make a profit. The goal is to cover costs, recognizing that the merchandise would serve as advertisement of the Port's facilities.

DRAFT 2012 YEAR-END FINANCIAL STATEMENTS

Ms. Drennan referred the Commission to the draft 2012 Year-End Financial Statements, noting that all major transactions that staff is aware of have been recorded. She advised that staff would prepare the final 2012 Year-End Financial Statements in the Budgeting, Accounting and Report System (BARS) format within the next few months. She pointed out that, occasionally during this process, staff finds other transactions that need to be recorded. Staff will notify the Commission of any changes when the 2012 Year-End Financial Statements are presented. She shared the following highlights:

- Gross Profit for the 12-month period ending December 31, 2012, was \$6,154,340, which was \$32,040 or .5% greater than budget. Net income for the same period was \$879,974.
- Net fuel sales were \$91,857 or 23% less than budget.
- Launcher revenues were \$87,924 or 31% greater than budget.
- Net guest moorage revenue was \$139,699 or 16% greater than budget.
- Permanent moorage revenue was \$2,731,511, which was .4% less than budget and 95% of full financial occupancy. An annual full financial occupancy of 95% was budgeted. Commissioner Gouge pointed out that these numbers indicate that staff provided good information to enable the Commission to make proper decisions regarding moorage rates and costs.
- Operating expenses without depreciation for the 12-month period were \$3,582,748, which was \$89,852 or 2% less than budget.
- The master business plan expense was \$98,060 or \$68,060 greater than budget.
- Payroll tax expenses were \$179,382 or \$20,618 less than budget.
- Repair and maintenance expenses were \$164,782 or \$98,718 less than budget, but supplies expenses were \$181,521 or \$24,021 greater than budget. These expenses go hand-in-hand. Repairs and maintenance expenses include work that is completed by contractors, and supplies expenses are the amount paid for the materials Port staff needs to complete jobs in house. Now that the Port has a Facilities Maintenance Manager who has the skills to complete more projects in house, the supplies expenses have increased while the repair and maintenance expenses have decreased.
- Damage reimbursements were \$337,122 and includes reimbursement from the tenants insurance companies reimbursements for Port expenses from the December 31, 2011 boat fire, reimbursement from Washington Liftruck's insurance company for the Taylor forklift repairs due to the July 2011 chain breakage, and reimbursement from the Port's insurance company for damage done to Port facilities by the December 31, 2011 boat fire. Port staff has compiled and submitted the paperwork to the insurance company. Total reimbursement will be \$347,525.
- An additional fire damage expense was \$107,399. This is in addition to the estimated repair costs of \$209,000 recorded in 2011. The Port has submitted the paperwork to insurance for reimbursement.
- Net income for the 12-months ending December 31, 2012 was \$879,974, which was \$409,274 greater than budget. Excluding the fire damage expenses and reimbursements posted in 2012, net income was \$651,512 or \$180,812 greater than budget.
- Marina revenues were \$4,879,084 or \$109,084 greater than budget. Operating expenses before depreciation and overhead were \$1,889,803 or approximately \$13,000 greater than budget. Net income was \$547,578, which was \$409,078 greater than budget. Excluding the fire damage expenses and reimbursements posted in 2012, marina net income was \$319,116 or \$180,616 greater than budget.
- Rental property revenue was \$2,031,532 or \$12,768 less than budget. Operating expenses before depreciation and overhead were \$655,893 or \$21,293 greater than budget. Net income was \$332,398 or \$398 greater than budget.

- During the 4th quarter of 2012, the Port made \$123,182 in Harbor Square loan principal payments.
- The Harbor Square loan balance was \$7,314,473 on December 31, 2012, and the balance required in Opus Bank per the loan agreement was \$4,390,484. Port staff calculated the amount of money available to either invest or buy down the Opus Bank loan. After deducting the current liabilities, reserves and payments due in 2013, there was not any money available to invest or buy down the loan.

Ms. Drennan advised that, at the direction of the Commission, she provided a spreadsheet labeled, “Accounts Sent to Collections,” which shows that the Port sent accounts totaling \$4,848 to collections. She also provided a spreadsheet labeled “Funds Received from Collections,” which shows that the Port received \$2,137 from collection efforts.

Commissioner Faires asked what, if any, changes staff foresees making before the documents are presented to the Commission in their final form. Ms. Drennan answered that she does not anticipate any significant changes, but sometimes it is necessary to adjust the numbers if an invoice comes in late.

Commissioner Gouge explained that it was not possible to pay down the Harbor Square loan because the Commission recently made the decision to increase the Port’s operating reserves. However, he said it would still be helpful to know how much the Port could have paid down the loan without incurring a penalty. Ms. Drennan said she supports the Port’s conservative decision to increase operating reserves. This is particularly important for government agencies because getting cash for emergencies is more difficult.

WASHINGTON PUBLIC PORTS ASSOCIATION (WPPA) PORT DAY AND LEGISLATIVE COMMITTEE MEETING

Commissioner Orvis announced his plan to attend the WPPA Port Day and Legislative Committee Meeting on March 7th and 8th. He advised that staff would schedule appointments for him to meet with local representatives to discuss the following:

- **House Bill 1026.** This legislation would require that 75% of the labor force on public lands be Washington State residents.
- **House Bill 1025.** This legislation would extend the prevailing wage law to publicly subsidized work, which means it would apply to businesses on public leased lands.
- **House Bill 1023.** This legislation would extend the requirement that at least 25% of the work on public lands must be done by individuals in apprenticeship programs.

Commissioner Orvis explained that HB 1025 would apply to any business located on public lands that receives a tax break, which can be interpreted to include any business located on leased public lands. This would particularly impact restaurants, such as Anthony’s, who would be required to pay prevailing wages plus tips. It is important for their local representatives to understand that the proposed legislation would put businesses on public properties at a significant disadvantage.

Commissioner Faires said he believes there is a draft analysis indicating that HB 1025 would have a severe impact on small business development. It would destroy business incubation programs because public entities would no longer have the ability to attract start-up companies to locate on public lands. Commissioner Orvis agreed and added that if the new legislation had been in place several years ago, the wine industry in Washington would not likely have become the economic boon it is today. The wine industry was established via incubator programs that utilized public lands.

As originally proposed, Ms. Drennan said that one of the bills would have required government agencies to enforce the prevailing wage law even if they do not have the knowledge or resources to perform the function. Commissioner Orvis said he believes this requirement was dropped in the latest version of the bill. Commissioner Faires pointed out that unions would eventually suffer as a result of HB 1025 if there are no start-up businesses to create new jobs.

Commissioner Orvis said the proposed legislation related to derelict boats could also have an impact on the Port. As currently proposed, the Port would be required to survey and then dispose of any derelict boat that is left in the

vicinity of the Port. However, the State would only allow the Port to recover up to 90% of its costs. Legislation has also been proposed to resolve problems with malicious public records requests. Commissioner Gouge said there is also legislation that changes the process for reducing the number of port commissioners. The issue can be placed on the general election ballot, rather than requiring ports to do special elections.

Commissioner Gouge asked if there has been any legislation regarding the concept of transit-oriented development. Commissioner Orvis answered that none of the legislation is directly related to that topic. However, at a recent meeting, the Economic Alliance Snohomish County observed that senators and representatives had no idea of the transportation needs in Snohomish County, even though it was the first county to recover from the recession, has the greatest number of manufacturing jobs, and is the fastest growing manufacturing center in the State. This has caused them to discuss diverting funds to projects in Snohomish County. There is particular interest in creating a multi-modal facility in Mukilteo given its close proximity to Boeing. The Alliance has provided input on where they believe the transportation dollars should be spent.

COMMISSION MEETING SCHEDULE

Mr. McChesney reported that he invited Stephen Clifton, Edmonds Community Services/Economic Development Director, to provide a report to the Commission regarding the City's economic development efforts on March 11th. In addition, staff would also provide some general reports about current Port projects, such as the wifi program. Staff anticipates being ready to present a contract proposal for the electrical work on the Guest Moorage dock on March 25th. Commissioner Gouge suggested that, also on March 11th, the Commission and staff could also discuss ideas for potential waterfront events to attract people to the area.

Commissioner Orvis inquired about Anthony's plan for expanding their restaurant into the old Edmonds Yacht Club space. Mr. McChesney reported that Anthony's originally intended to be aggressive about getting the plans and permits so that the project could be completed by the start of the busy season (end of May). They are currently working on the plans and permits, but they now anticipate that only a minimal amount of work will be done by the end of May. The remaining work will be completed in October and November. He emphasized that staff has not seen a plan for the project.

Commissioner Preston asked staff to highlight future changes that are made to the Commission Meeting Schedule.

Commissioner Faires recalled that the Commission held a special meeting in January to discuss budget items. He suggested they schedule a time to continue this discussion. Rather than holding another special meeting, the Commission agreed to schedule the continued discussion on their April 8th agenda.

EXECUTIVE DIRECTOR'S REPORT

Mr. McChesney announced that the public launch promotions were both popular and effective. He said staff is fairly confident the Port will receive a grant from the Recreation and Conservation Office (RCO) to upgrade the launch, but this will not be confirmed until the end of June. In the meantime, staff has asked a mechanical engineer to prepare a scope of work so the bid package can be prepared and put out as soon as the grant is awarded.

Mr. McChesney also announced that the Port received funding from the Snohomish County Public Utility District to replace much of the exterior lighting at Harbor Square with LED bulbs. He advised that the Port is trying to be proactive in terms of energy savings and reducing costs.

Ms. Kempf displayed the bags and contents that have been prepared for the 2013-2014 Destination Port of Edmonds Program. Commissioner Gouge complimented staff for doing a great job of getting a vendor to print the books at a reasonable cost. Mr. McChesney also complimented staff for effectively selling advertising space to offset the production costs. He noted that the number of participating merchants is also fantastic. Ms. Kempf reminded the Commissioners that the Port received feedback from participating merchants that they assumed the bags would be used only as gifts for people who visit the Port's guest moorage facility. Therefore, staff members will not be allowed to participate in the discounts under any circumstance.

Ms. Kempf announced that 45 people have signed up to attend the tenant workshop on February 26th in the Cascade Room at Harbor Square. Representatives from the Clean Boating Foundation and paint companies will be present to discuss alternatives to copper bottom paint. An overview will be provided to inform the participants about when boaters will be required to convert to alternative paints. There will also be a short session on anodes.

COMMISSION COMMENTS AND COMMITTEE REPORTS

Commissioner Gouge reported that he met with Mr. McChesney, who brought him up to speed with what happened with the Harbor Square Master Plan while he was away on vacation. He said he also viewed the City Council meetings on the local cable channel.

Commissioner Preston said he and Commissioner Orvis met with the Sea Scouts, where they discussed ideas for significantly expanding their membership in 2013. Commissioner Orvis pointed out that the Sea Scout program is a venturing program, which means that members from regular scout troops and females can participate, as well. He noted that expanding membership will also require additional adult leaders. Commissioner Faires suggested the Port should do something to recognize Jeremy Makin for his countless hours of leadership in the Sea Scout program. Commissioners Orvis and Preston agreed to discuss ideas and report back to the Commission.

Commissioner Orvis reported on his attendance at the Economic Alliance Snohomish County meeting, where the following items were discussed:

- The University of Washington and Washington State University have announced their plans to expand the number of engineering degrees they each offer. Everett Community College and Edmonds Community College have also expanded their certification programs. While the legislature has not supported the idea of offering four-year degrees at the community colleges, they have started to offer some four-year programs.
- The County has a lack of visibility at the legislative level. Some lawmakers indicated they have heard nothing from Snohomish County officials. Government entities in Snohomish County have never had a unified message, and this has resulted in little direction in Olympia. However, in recent weeks, the legislature has agreed to redirect \$500 million to transportation infrastructure projects in Snohomish County.
- There is a new commission working on education at the State level. Brian Baird, a previous congressman, is involved in the committee. No one seems to have any good ideas at this time.
- About 67% of the current Alliance membership is small business owners.
- Interstate 5 between Marysville and Arlington is becoming an industrial corridor, and Interstate 405 from the King County line through Snohomish County is becoming a biotech corridor.
- The Legislature is discussing a proposal to increase the motor vehicle tax to fund public transportation. The proposal is scheduled for a public hearing and has received significant support.
- About \$2.6 million has been allocated to the Port of Everett for their new roll in/roll out facility. It is now the 5th largest Port on the West Coast based on cargo moves.

Commissioner Orvis reported that he attended the State of the County breakfast where County Executive Reardon announced his resignation effective May 31st. Executive Reardon reported that Snohomish County came through the recession well using its reserves. He also reported that the County is out to bid on the new court house project, which has been downsized from the original proposal. The County will also construct a new sheriff's station near Mill Creek. He advised that the rail corridor in Snohomish County between Bothell and Snohomish has become viable, but it is still owned by the Port of Seattle. The County's goal is to construct trails alongside the corridor. It was noted that Community Transit is planning to add new lines to relieve pressure on busy corridors, such as 196th Street from the Edmonds Ferry Terminal to Interstate 5. The County has a new initiative called Snotac, which is in the IT Department of County Government. The goal of Snotac is to have every piece of paper available on line, most of it in raw form, to anyone who wants it.

ADJOURNMENT

The Commission meeting was adjourned at 8:30 p.m.

Respectfully submitted,

David Preston
Port Commission Secretary