



PORT COMMISSION OF THE PORT OF EDMONDS

MINUTES OF REGULAR MEETING

August 25, 2014

COMMISSIONERS PRESENT

Jim Orvis, President
David Preston, Vice President
Mary Lou Block

STAFF PRESENT

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

OTHERS PRESENT

Bradford Cattle, Port Attorney
Karin Noyes, Recorder

COMMISSIONERS ABSENT

Bruce Faires, Secretary
Fred Gouge

CALL TO ORDER

Commission President Orvis 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 PRESTON MOVED THAT THE CONSENT AGENDA BE APPROVED TO INCLUDE THE FOLLOWING ITEMS:

- A. APPROVAL OF AGENDA
- B. APPROVAL OF AUGUST 11, 2014 MEETING MINUTES, AS AMENDED
- C. APPROVAL OF PAYMENTS IN THE AMOUNT OF \$483,955.68
- D. FIVE YEAR LEASE IN BUILDING 1 (190 WEST DAYTON STREET), SUITE 103. OFFICE SPACE 1,120 RSF

COMMISSIONER BLOCK SECONDED THE MOTION, WHICH CARRIED UNANIMOUSLY.

PUBLIC COMMENTS

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

CONCEPTS FOR NEW MARINA RESTROOMS

Mr. McChesney advised that staff has discussed options for moving forward with one and possibly two new restroom facilities in 2015. He reviewed that the current restroom facilities are aged, obsolete and generally substandard and do not reflect the quality the Port would like to present to the public, boaters and customers. He reminded the Commission that the existing shower and restroom facility at Marina Operations was remodeled a few years ago. While the project was moderately successful, it was not the best solution and did not get the Port where it wants to be. It also raised issues about whether or not the restrooms should be reserved for Port tenants and customers or open to the general public. Prior to the remodel, the Port twice submitted grant applications to the

Washington State Recreation and Conservation Office (RCO) for funding to build a restroom, shower and laundry facility. The estimated cost of the new facility was about \$700,000, including design, permitting and site work. The grants were denied, and the project went into hibernation while staff researched various options.

At this time, staff believes a good solution would be modular, pre-fabricated buildings offered by CXT Buildings. He asked that the Commission consider approving \$500,000 in the 2015 Capital Budget to acquire and install two buildings: one could be for restrooms only at Dry Storage and the other for restrooms/showers at Marina Operations. He advised that, although staff has tried hard to keep the existing restrooms clean and presentable, they are aged, in poor condition and need to be replaced. Staff does not believe that remodeling the existing facilities would be a cost-effective solution.

Mr. McChesney said staff would like to order the buildings and have them delivered by February or March of 2015. If the Commission supports the concept, he could begin the process of obtaining the appropriate permits, including a Shoreline Permit that could take up to six months. In addition, the Port must complete a State Environmental Policy Act (SEPA) review of the project, which he anticipates will result in a Determination of Non-Significance (DNS). The project will not be technically complicated, and he does not anticipate that mitigation will be required. The buildings would be fully modular, constructed in Spokane and trucked on site. The Port would be responsible for site preparation, and it is possible that Port staff could do much of the preparation work in house. He noted that the modular buildings are being used in State Parks and at some ports, and he believes the option would meet the Port's needs.

Commissioner Block asked if staff has considered the idea of purchasing one rather than two buildings. Mr. McChesney agreed that is an option. However, he pointed out that both facilities need to be replaced and having just one building would not allow the Port to service all of the needs that subscribe to the facility on a daily basis. He recommended two buildings: a restroom facility at Stack Storage and a restroom/shower facility in the vicinity of Marina Operations. Commissioner Block asked if laundry facilities would be provided, as well. Mr. McChesney said they are not considering laundry facilities at this time. Currently, there does not appear to be a significant demand. Ms. Kempf explained that the Port currently directs guests to the Maytag facility in downtown Edmonds. If this laundry facility is eliminated at some point, there would be space for a few machines where the restrooms are currently located at Marina Operations.

Commissioner Orvis voiced support for the proposal and encouraged staff to move forward with the permit process. It is difficult to know what will be required, including potential mitigation. He said he would like the plan to also identify how the existing restroom space would be utilized in the future. He said he supports limiting the new facilities to Port tenants and guests. If the city requires mitigation, he suggested the existing restrooms under Anthony's Restaurant could be revamped and made available for public use. He noted that, at this time, the Port's restrooms serve patrons of the waterfront parks because the City's facilities are so terrible.

Mr. McChesney said it is important to get the permit process started as soon as possible, and then staff can begin to refine the plans. He noted that no engineering plans would be required and the supplier is on State Contract so the Port would not have to go through the bid process.

Commissioner Preston provided a short video to illustrate how the modular buildings would be installed. Mr. McChesney pointed out that the supplier offers various façade materials and designs. He said the Port's Facilities Maintenance Manager will visit the supplier and do further research to make sure the quality and manufacturing process are what they should be.

Commissioner Orvis asked if staff anticipates submitting another grant application for possible funding. Mr. McChesney agreed to research this option, but noted that grant funding is unlikely given the lead time needed for grant applications. Ms. Kempf pointed out that the restrooms would have to be open to the public in order to qualify for grant funding. Also, the projects that receive high scores are those that improve and/or increase access to the water, which is probably why the previous restroom grant requests did not score high.

Commissioner Preston pointed out that it is possible to have a concession stand attached to the new building. He suggested this could be one option for relocating Bud's Bait. Mr. McChesney noted that because the buildings are modular, they can be modified. However, he cautioned that there are other issues related to Bud's Bait, as well.

The Commissioners voiced general support for moving forward with the permitting process required for placement of the modular buildings.

HVAC HARBOR SQUARE BUILDING 1 COMPLETION

Mr. McChesney recalled that a condition survey completed in January 2014 identified replacement of all HVAC units as a high priority. Building 1 became a top priority due to the new lease and extensive remodel for Hart Crowser. The work was done by D.K. Systems via an ongoing HVAC maintenance contract. The project was completed on time with zero disruptions. He recommended the Commission accept the project as complete so the Port can arrange to release the contractor's retainage bond. He summarized that the total cost of the project was \$101,607.35.

COMMISSIONER PRESTON MOVED THAT THE COMMISSION ACCEPT THE HARBOR SQUARE BUILDING 1 HVAC REPLACEMENT AS COMPLETE. COMMISSIONER BLOCK SECONDED THE MOTION, WHICH CARRIED UNANIMOUSLY.

EXECUTIVE DIRECTOR'S REPORT

Mr. McChesney advised that a proposal for overhauling the fuel system was originally scheduled on the agenda, but there have been some unanticipated challenges with the Dock-n-Pay system that is intended to work in conjunction with the fuel delivery system. Ms. Drennan has been working out the kinks, but the proposal was not done in time to ask for the Commission's authorization to proceed. The issue will be placed on the September 8th agenda. Completion of the Harbor Square Building 1 roof project will also be on the September 8th agenda. While the project is essentially complete, there are some punch list items that still need to be resolved.

Mr. McChesney reported that he met recently with Greg Jacobsen of Jacobsen's Marine. Mr. Jacobsen indicated he is very pleased with the progress that is being made on the new building. They are on track to open in late October, and a grand opening is scheduled for November 1st in conjunction with the Grady White Fishing Derby.

Mr. McChesney advised that he attended the August 21st Edmonds Economic Development Commission Meeting, at which Mike Echelbarger presented his plans for the Salish Crossing Project. As the project moves forward, he anticipates it will be a great benefit to the neighborhood and the City as a whole. He suggested that Mr. Echelbarger be invited to make a similar presentation before the Commission. The Commissioners agreed that would be interesting.

Mr. McChesney announced that the Finance Committee met on August 19th in preparation for the upcoming budget process. They were able to cover a number of issues.

Mr. McChesney reported on his attendance at the Snohomish County Tourism Bureau Board Meeting on August 21st. He observed that tourism is a lot bigger and more important than most people think.

Mr. McChesney announced his plan to attend and provide comment at the September 2nd Edmonds City Council Meeting, at which the Council is anticipated to take action on the final draft of the Shoreline Master Program.

Commissioner Orvis requested an update on the Hart Crowser Tenant Improvement Project. Mr. McChesney reported that, generally speaking, the project is moving forward. However, the Port received notification on August 22nd that the existing insulation may not meet code requirements, and he is in the process of trying to resolve the issue with the City's Building Department. The contractor cannot move forward until the problem has been addressed.

Ms. Drennan reminded the Commission that the State Auditor is currently auditing the Port's financial statements.

Ms. Kempf announced that Kelby Brown was hired as the Port's new Moorage Coordinator and will start on August 28th. Mr. Brown has five years of experience at the Elliott Bay Marina, and has been involved in boating in one way or another most of his life.

COMMISSION COMMENTS AND COMMITTEE REPORTS

Commissioner Block observed that the workyard has not been very busy. The special in March seemed to be effective, and she questioned if it would be appropriate to extend the offer for a longer period of time or lower the price to attract more customers during the summer months. Having the workyard filled consistently throughout the year might be worthwhile. Ms. Kempf agreed to take a look at the issue. Traditionally, the special has been offered during the shoulder season when there is less business rather than during the peak season. Mr. McChesney cautioned that the difficulty is figuring out how to fill the workyard up and still make money. Ms. Kempf reminded the Commission that the Port's workyard is a "do-it-yourself" yard, and fewer people want to do the work themselves. Most want to go to a full-service yard. Whether the price is lower or not, she is not sure there is enough interest to drive up activity year round. Commissioner Orvis said he anticipates that activity in the workyard will improve significantly when Jacobsen's Marine opens for business.

Commissioner Preston reported on his attendance at the Economic Alliance of Snohomish County's Future of Flight Summer Meeting at Paine Field. He said he also participated in a tour of the Port's facilities with Mr. McChesney and Ms. Kempf. He agreed that the restroom facility in Stack Storage is in poor condition and needs to be replaced.

Commissioner Preston said he plans to attend a presentation on August 28th regarding the future of salmon in Washington rivers and Puget Sound.

Commissioner Preston announced his plan to attend either the Snohomish County Tourism Bureau's Lunch or the Ground Breaking Ceremony at Edmonds Swedish Hospital, both of which are scheduled for September 10th.

Commissioner Preston provided a recent edition of the Wenatchee Business Journal, which includes an advertisement for the Port of Chelan. He suggested that the Port consider doing something of this nature, perhaps on myedmondsnews.com.

Commissioner Orvis reported on his attendance at last week's meeting of the Economic Alliance of Snohomish County (EASC). The alliance is doing well, but money is still tight. They continue to work to find investors who want to contribute and help. They have also had success securing grants and attracting new businesses to Snohomish County.

Commissioner Orvis said he and Troy McClelland, EASC President and CEO, will meet with Representative Cindy Ryu on September 28th to discuss transportation issues. There is now awareness amongst legislators that the future of the state depends upon them addressing transportation issues. In particular, he said he plans to discuss concerns that many citizens have voiced about crossing the railroad tracks in Edmonds.

Commissioner Orvis said he also met with Mr. Jacobsen, who shared some ideas for expanding his business, some of which could bring additional customers to the Port.

ADJOURNMENT

The Commission meeting was adjourned at 7:40 p.m.

Respectfully submitted,



Bruce Faires
Port Commission Secretary