

PORT COMMISSION OF THE PORT OF EDMONDS
MINUTES OF REGULAR MEETING

April 12, 2010

COMMISSIONERS PRESENT

Jim Orvis, Vice President
Fred Gouge, Secretary
Bruce Faires
Marianne Zagorski

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

Mary Lou Block, President

CALL TO ORDER

Vice President Orvis 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

Item B (Approval of March 29, 2010 Commission Meeting Minutes) was removed from the consent agenda.

COMMISSIONER ZAGORSKI MOVED THAT THE REMAINDER OF THE CONSENT AGENDA BE APPROVED TO INCLUDE THE FOLLOWING ITEMS:

- A. APPROVAL OF AGENDA AS AMENDED.**
- C. APPROVAL OF CHECK NUMBERS 5546 THROUGH 5555 IN THE AMOUNT OF \$695.98 FOR TENANT REFUNDS.**
- D. APPROVAL OF VOIDED CHECK NUMBERS 69429 THROUGH 69431 IN THE AMOUNT OF \$4,553.67 FOR ACCOUNTS PAYABLE.**
- E. APPROVAL OF CHECK NUMBERS 69475 THROUGH 69476 IN THE AMOUNT OF \$4,272.56.**
- F. APPROVAL OF CHECK NUMBERS 69477 THROUGH 69497 INCLUDING DIRECT DEPOSITS IN THE AMOUNT OF \$43,926.75 FOR PAYROLL.**
- G. APPROVAL OF CHECK NUMBERS 69498 THROUGH 69503 IN THE AMOUNT OF \$28,239.50 FOR PAYROLL.**
- H. APPROVAL OF CHECK NUMBERS 69504 THROUGH 69557 IN THE AMOUNT OF \$120,780.35 FOR ACCOUNTS PAYABLE.**

- I. APPROVAL OF CHECK NUMBERS 11166 IN THE AMOUNT OF \$501.01 FOR HARBOR SQUARE ACCOUNTS PAYABLE.**
- J. APPROVAL OF CHECK NUMBERS 11196 THROUGH 11208 IN THE AMOUNT OF \$102,932.08 FOR HARBOR SQUARE ACCOUNTS PAYABLE.**

COMMISSIONER ORVIS SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY.

PUBLIC COMMENTS

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

ANTHONY'S ROOF PROJECT

Mr. McChesney reported that he was planning to ask the Commission to accept the Anthony's Roof Project as complete. However, after completing what was supposed to be the final walkthrough with a representative from Anthony's, the material supplier, and the contractor some omissions were discovered that he considered significant enough to warrant carrying the item forward to the next Commission meeting. He emphasized that he still believes the quality of the roof project has been good, and the project should be ready for final Commission acceptance at the next meeting.

RESOLUTION 10-03 – ADOPTING A BLOOD DONATION POLICY

Mr. McChesney advised that in the past, the Port has tried to promote community-oriented programs, such as blood drives. However, there has never been a well-defined policy in place.

Ms. Drennan reviewed that a few years ago staff began participating in blood drives held on Port property. The Port also sponsored blood drives by allowing staff to use paid leave that was not charged against sick leave or annual leave, and by scheduling the appointments for staff, tenants, and the public who wished to donate. However, in 2009 the program was put on hold while staff researched whether or not it was in accordance with State Laws. Staff found the program could continue, as long as the Commission approves it by resolution. She requested the Commission implement the program as proposed by staff.

Mr. McChesney explained that the intent of the proposal is to encourage staff to participate in blood drives. However, rather than scheduling staff appointments mid shift, the proposed policy would require that appointments for employees who want to participate take place at the end of shifts to minimize disruptions in the work day.

COMMISSIONER ZAGORSKI MOVED THE COMMISSION APPROVE RESOLUTION NUMBER 10-03, ADOPTING A BLOOD DONATION POLICY. COMMISSIONER GOUGE SECONDED THE MOTION.

Commissioner Zagorski expressed her belief that this is a worthwhile program, and she commended the staff members who have worked on the policy, as well as the recent blood drives.

Commissioner Faires recalled that at various times in the past, blood drives have offered opportunities for organizations to receive credits for having given blood should the organization have a need for blood in the future. He asked if this opportunity would apply in the Port's case. Mr. McChesney explained that the Port would be the recognized sponsor of the blood drive, but he is not sure this would translate into future credits. He agreed to research the issue and report back to the Commission. He advised that David Little is the staff person most responsible for organizing the blood donation events.

THE MOTION CARRIED UNANIMOUSLY.

BARE BOAT CHARTERS

Mr. McChesney announced that the Port received a request from new tenants, Tom and Julie Dablow, for the Port to allow them to utilize their boat for bare boat charters. He advised that upon reviewing the rules and regulations related to charter boats in Section 14 of the Port of Edmonds Marina Regulations, staff found there is no mention of bare boat charters. He recalled a similar request presented to Commissioners several years ago by another prospective bare boat charter tenant. At that time, the Commission authorized Port staff to proceed with allowing the customer to participate in bare boat charters as long as all the provisions of Section 14 were met. That business proposal never came to fruition because the prospective customer did not have a slip and was requesting one in advance of the waitlist process. The prospective customer never got on the waitlist or followed up. Mr. McChesney said he invited the Dablow's to present their business proposal to the Commission, and he asked the Commission to provide direction as to whether staff should proceed with accommodating the request.

Julie Dablow, tenant, advised that three years ago, she and her husband were involved with a charter group in Anacortes and their boat was out about eight weeks in the summer. They recently moved their vessel to the Edmonds Marina and linked up with Ledger Yachts to potentially lease their 26-foot Nordic Tug for a few weeks during the summer months. She pointed out that if the boat were leased out as proposed, the Port and community would benefit because a local diver would be hired to check the bottom of the boat after each use, and people using the boat would likely shop in Edmonds for supplies. In addition, it is possible they would become interested in leasing space in the Edmonds Marina.

Mr. McChesney said that, from staff's point of view, the proposal appears to be consistent with past practices and would not create any major disruptions to the marina. He recommended the Commission allow staff to proceed accordingly, with the provision that the business operation be reviewed after one year to assure that existing regulations satisfactorily address operational issues associated with the new type of business.

Commissioner Faires referred to Section 14.2.B.3 and questioned why the Port cares if the owner of the boat possesses a Coast Guard license. Ms. Kempf explained that Section 14 is part of the current Charter Boat Regulations, and there have never been bare boat charters operating out of the Port. The language was written for the existing charters. If it is determined that bare boat charters are appropriate at the Port of Edmonds, a new regulation could be created at some point in the future that is specific to this one type of activity. She reminded the Commission that staff is recommending the regulations be reviewed again in a year to make sure they are appropriate and address all of the issues. Commissioner Faires agreed that the existing Charter Boat Regulations would be applicable to bare boat charters, with the exception of Section 14.2.B.3. Given there is no clear answer to support the requirement, he suggested an exception be made for bare boat charters.

Commissioner Zagorski requested clarification from staff about the purpose of Section 14.4.A.1.a, which requires evidence of at least \$12,000 of annual gross revenue from charter operators by the second year of operation. Ms. Kempf said she assumes this regulation was created to ensure tenants who are listing their vessels as charter boats are active businesses. Requiring a certain amount of revenue each year is one way to accomplish this goal. Commissioner Zagorski suggested it might not be realistic to apply this requirement to bare boat charters.

Mr. McChesney said Ledger Yachts has all the appropriate licenses and the Dablow's have placed their boat in their program. That being the case, they would have to provide all the appropriate assurances, and some of the regulations that apply to charters would not be necessary. Ms. Dablow added that she and her husband have purchased an additional policy for this situation.

Commissioner Gouge expressed his belief that allowing bare boat charters at the Port is a great idea. However, he would like staff to research how other marinas regulate the use. He felt it would be appropriate for the Port to create specific regulations for bare boat charters. He recalled that the \$12,000 requirement (Section 14.4.A.1.a) was put in place because the marina was full and charter boats had the ability to circumvent the waiting list and take empty slips. The requirement was intended to ensure that prospective tenants were not using the guise of a "charter boat" to bypass

the waiting list. He said he hopes the Dablows are successful in their proposal and that other tenants will become interested, as well.

Commissioner Faires said he once used his vessel as a bare boat charter, and he found that people get into the business for various reasons. While he felt that the \$12,000 requirement might be too much, there must be some way to ensure that bare boat charter operators are actually in the business.

The Commission agreed that allowing bare boat charters to operate out of the Port of Edmonds is a great idea.

HARBOR SQUARE REDEVELOPMENT PUBLIC WORKSHOP

Mr. McChesney reviewed that at their March 29th meeting, the Commission changed the date for the open house/workshop from April 22nd to May 5th at 6:00 p.m. They also agreed that the meeting should be held at Harbor Square. However, staff now believes the Cascade Room may be too small, depending on the public turn out. Staff are now considering holding the meeting in the central foyer common area of Building 2. He advised that staff is planning to provide the following display/story boards:

- An LMN Architect graphic showing redevelopment with a 35-foot limit.
- A companion board showing the financial realities of the 35-foot limitation.
- An LMN Architect graphic showing redevelopment of up to 3, 4 or 5 stories.
- A companion board showing the financial realities of redevelopment of up to 3, 4, or 5 stories.
- A Venn diagram illustrating the relationship between the community, Port, City and developer.
- Two pen and ink watercolor illustrations of the marsh and Harbor Square to illustrate the adjacency of the Harbor Square redevelopment and the existing marsh and to capture the idea that the Port intends for any redevelopment to be compatible with how the Marsh currently functions.

Mr. McChesney said he envisions that the open house would start with introductory comments by the Commission and staff. In addition, staff would ask several local experts to provide brief testimonials about their perspective on economic development issues, especially pertaining to Harbor Square and the broader Edmonds community. For example, Denny Derickson, a reputable urban planner could speak about urban growth areas, growth management, density, uses, etc. Steven Johnston, Landau Associates, could speak about environmental issues and the dynamics of urban development, and Jack Oharah, President, Edmonds Community College, has been working on economic development in Edmonds for many years. He summarized that the idea is to be good listeners. Public comments would be recorded and posted on the web page. The Commission could use the information gleaned at the public workshop to identify the next step in the process.

Commissioner Zagorski asked if staff has prepared any information to clearly outline the regulations that currently apply to the Edmonds Marsh area. Mr. McChesney answered that he is working to complete this task, but he is not sure how much of the work will be ready prior to the open house. He agreed to at least provide some bullet points outlining the applicable requirements found in the City's Critical Areas Ordinance. Commissioner Orvis cautioned that whatever is said about the Marsh at the public meeting should be definitive to clear up the "myth and folklore" that currently exists.

Commissioner Gouge observed that Mr. Derickson lives in Edmonds and represents a number of people throughout the planning industry. Mr. Johnston is also a local resident who is interested in what happens in Edmonds. He expressed his belief that it will be important to get the Edmonds City Council to clearly indicate the types of redevelopment proposals they will support. For example, the Port will need clear direction from them as to what the height limits and other development regulations will be before they spend a significant amount of time designing a project.

Ron Wambolt advised that a presentation about the Edmonds Marsh was made before the City Council on April 6th. Mr. McChesney advised that he has a recording of the presentation and plans to watch it in the near future. In

addition, he reported that he met with representatives from the group, Friends of the Edmonds Marsh, to discuss their issues and concerns. He cautioned that the Port would be unable to make progress on their plans to redevelop Harbor Square without addressing the Marsh.

Mr. Wambolt cautioned that the naysayers in the community will likely attend the public meeting and say that the Port's plans have progressed too far before getting the community involved. He referred the Commission to the website myedmondsnews.com, which contains examples of the public's reaction to the information that was provided in Council Member Wilson's presentation to the City Council regarding redevelopment of the waterfront properties.

Commissioner Zagorski said she recently looked at the view of the trees and the Edmonds Yacht Club Building from her home on Fifth Avenue and the Plaza Room of the Edmonds Library Building. She concluded that the portion of the building that was proposed for greater height is blocked from view by the evergreen trees. No one would be able to see this portion of the building if it were allowed a greater height.

EXECUTIVE DIRECTOR'S REPORT

Mr. McChesney reported that Sound Transit has requested more parking spaces above and beyond the 100 spaces they currently lease from the Port. They have indicated they need 200 spaces in order to satisfy the permit requirements associated with their new facility, and the Port can only provide a maximum of 150 spaces. There would be incremental costs associated with providing the additional parking spaces, and staff has prepared a proposal that would allow the Port to recover these costs. Commissioner Orvis recalled that the Port previously prepared a plan that identified a parking garage on Port property at some point in the future. Commissioner Faires agreed that this plan identified a parking lot, with footings in place to expand into a parking garage at some point.

Mr. McChesney advised that staff has been working with the Edmonds Yacht Club to resolve a few final issues pertaining to their lease (parking, landscaping, etc.). In an attempt to proactively address the parking issues, staff provided the yacht club with a map to illustrate the available parking spaces where guests of the yacht club can park during events. He summarized that the landscaping and parking issues appear to be resolved at this point, and staff feels good about the end results.

Mr. McChesney reported that the trees near the Administration Building have been removed and replaced with a crushed-rock base. Planters and/or shrubs would be installed in the near future.

COMMISSIONER COMMENTS AND COMMITTEE REPORTS

Commissioner Faires said he attended the City Council Meeting of April 6th at which City Council Member Wilson made a presentation on redevelopment of several parcels in the downtown/waterfront area. The presentation was originally prepared to preface a brainstorming session the City Council and City staff had earlier with the Washington State Department of Transportation (WSDOT). He recommended the Commissioners review the recorded presentation. Again, Mr. McChesney indicated he had a copy of the recording for interested Commissioners to view.

Commissioner Faires reported that Keeley O'Connell, a representative of Friends of the Edmonds Marsh, provided a brief presentation to the City Council on April 6th, as well. In addition, the City Council discussed a letter that was submitted by the Alliance of Citizens for Edmonds (ACE) suggesting the City provide leadership on how to redevelop the waterfront. He summarized that there is a lot of motion related to redevelopment at this time by virtue of the emphasis the Edmonds Citizens Economic Development Commission placed on redevelopment and the City Council's decision to support their recommendations.

Commissioner Faires advised that the City Council's discussion included the potential of the Port becoming involved with the redevelopment of properties to the north (the WSDOT parking lot and the old Skippers site). It is clear that the City will want to discuss this option with the Port, and he questioned if it would be appropriate for the Property Committee to have a brainstorming session with the City. Mr. Cattle suggested it would be most

appropriate to discuss this matter as part of an executive session at the end of the Commission's regular meeting. The Commission concurred.

Commissioner Zagorski reported on her attendance at the recent Woodway Town Council Meeting, at which it was reported that Snohomish County hired the Urban Land Institute to review the zoning of Point Wells as an urban center. Their findings were similar to Woodway's findings and recommendations and indicated it would not make sense to allow buildings of up to 180 feet in height next to a community of single-family homes. The recommendation also indicated that more transportation studies are needed. For example, an urban center is supposed to be a place that has multiple avenues of transportation through it, and the only mode of transportation going through Point Wells was the train, but it does not currently stop at Point Wells.

Commissioner Zagorski reported that the Town of Woodway Planning Commission would conduct an open house on April 17th regarding the Town of Woodway's Shoreline Management Plan Update, which will likely include issues related to Point Wells.

Commissioner Orvis reported that he, Commissioner Gouge and Ms. Kempf would travel to Lacey on April 14th to meet with representatives from the Department of Ecology (DOE) and Senator Paull Shin to talk about boatyard permits, Model Toxic Control Act Funds, etc. Commissioner Gouge said he also looks forward to meeting with Senator Shin and representatives from the DOE. He said it is important that they use the meeting to become partners rather than adversaries.

Commissioner Gouge announced that he and Ms. Kempf attended the Pacific Coast Congress (PCC) Leadership Strategies Meeting in Bellingham. Mr. Danberg also attended the event and was a facilitator at one of the sessions. He reported that Mr. Danberg is doing a good job of representing the Port at the PCC, and they are working to encourage him to do even more. He said that at the meeting, he learned that the Coast Guard is the captain of the ports, and the head of the Coast Guard provided a presentation on security and what the Coast Guard can do for ports. The Coast Guard has been trying to meet with representatives from all ports, and they plan to meet with the Port of Edmonds in the near future. It was reported that grant funding is available for security projects such as surveillance cameras, etc. The Coast Guard is trying to reach out to ports, and information will be provided on the PCC's website about how ports can partner with police and fire departments to obtain grant funding. He summarized that he brought back a packet of information from the meeting that is available for each Commissioner to review. He said the PCC is a good organization, and the participants always learn a lot from each other.

EXECUTIVE SESSION

The meeting was adjourned to an executive session at 7:55 p.m., the purpose of which was to discuss with counsel legal advice concerning potential acquisition of real estate, the discussion of which in public would disadvantage the Port District. Those in attendance included Commissioner Gouge, Commissioner Faires, Commissioner Zagorski, Commissioner Orvis, Bob McChesney, Marla Kempf, Tina Drennan and Bradford Cattle.

Mr. Cattle announced that the executive session would last about 15 minutes, and no public announcement concerning the discussion would be made at the conclusion of the meeting.

The executive session concluded at 8:20 p.m.

ADJOURNMENT

The regular meeting reconvened and subsequently adjourned at 8:20 p.m.

Respectfully submitted,

Fred Gouge
Port Commission Secretary