

PORT COMMISSION OF THE PORT OF EDMONDS
MINUTES OF REGULAR MEETING

February 22, 2010

COMMISSIONERS PRESENT

Mary Lou Block, President
Jim Orvis, Vice President
Fred Gouge, Secretary
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
Theresa Ocfemia, Student Rep

COMMISSIONERS ABSENT

Bruce Faires

CALL TO ORDER

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

PLEDGE OF ALLEGIANCE

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

CONSENT AGENDA

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

- A. APPROVAL OF AGENDA AS AMENDED.**
- B. APPROVAL OF FEBRUARY 8, 2010 COMMISSION MEETING MINUTES.**
- C. APPROVAL OF \$52,979.62 FOR JANUARY ELECTRONIC TRANSFERS.**
- D. APPROVAL OF CHECK NUMBERS 69263 THROUGH 69282 INCLUDING DIRECT DEPOSITS D00616 THROUGH D00626 IN THE AMOUNT OF \$41,998.37 FOR PAYROLL.**
- E. APPROVAL OF CHECK NUMBERS 69283 THROUGH 69284 IN THE AMOUNT OF \$639.00 FOR PAYROLL.**
- F. APPROVAL OF CHECK NUMBERS 69285 THROUGH 69319 IN THE AMOUNT OF \$39,904.90 FOR ACCOUNTS PAYABLE.**
- G. APPROVAL OF CHECK NUMBERS 11152 THROUGH 11165 IN THE AMOUNT OF \$22,832.39 FOR HARBOR SQUARE ACCOUNTS PAYABLE.**
- H. AUTHORIZATION FOR EXECUTIVE DIRETOR TO WRITE OFF \$2,141.81 AND SEND ACCOUNT TO COLLECTIONS.**
- I. APPROVAL OF REPAIR AND REPAINT WORKBOAT CONTRACT – CHANGE ORDER #1**

Mr. McChesney reminded the Commission that the Port hired Dick Troberg of Marine Corrosion Surveys to complete the initial evaluation of the workboat, and his report was utilized by staff when putting together the bid specifications. He said staff had originally considered the option of purchasing a new workboat. However, from an economic point of view, they believe that repairing the existing boat would be the best overall approach. In addition, the work done on the boat should eliminate problems in the future, and the boat should last for another 20 years. Ms. Kempf added that she also contacted the Fire Department and informed them of what happened to the Port's boat. They were grateful for the information.

COMMISSIONER ORVIS SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY.

PUBLIC COMMENTS

Edmonds City Council Member Buckshnis observed that the Port currently has fixed leases with the Harbor Square Athletic Club and The Harbor Inn. She asked if the Port has ever identified how much money these two leases make in profit over and above their lease payments. She asked if it would be possible for the Port to require the Athletic Club to pay a percentage lease based on the number of members.

Mr. McChesney explained that the Port is currently negotiating with the owner of the Harbor Square Athletic Club, and staff has reviewed many of their business particulars. However, it would be inappropriate for him to comment on the matter at this time. Council Member Buckshnis asked if the Port receives vacancy information from the Harbor Inn, and Mr. McChesney advised that the Port does not track the Inn's daily bookings. Ms. Drennan advised that the current long-term lease agreement with Harbor Inn does not expire until 2033, so there is nothing the Port can change at this point. Mr. McChesney added that the leases were brought to the Port when they purchased the property, and the Port was not involved in any of the terms and conditions of the existing leases. Council Member Buckshnis suggested that statistical information from the existing tenants could be useful as the Port considers options for redevelopment of the Harbor Square Business Complex.

SPECIAL PRESENTATION BY DEBORAH KNUTSON, PRESIDENT, SNOHOMISH COUNTY ECONOMIC DEVELOPMENT COUNCIL (EDC)

Deborah Knutson, President, Snohomish County EDC, recalled that she and Mr. McChesney provided presentations to the Edmonds Citizens Economic Development Commission (CEDC) in late 2009. At that time, she discussed projects and programs the EDC was currently working on. However, she decided it would be most helpful to the Port for her to focus her presentation on what the EDC can do to support the Port's effort to redevelop Harbor Square. As part of her report, she made the following points:

- About 26% of Edmonds population is over age 60, and this number is expected to grow to 30.4% by 2014. As a comparison, only 15.8% of the City of Bothell's population is over 60. As the Port and the City of Edmonds consider redevelopment opportunities, they should keep this information in mind. They should consider opportunities to attract younger people to the area by providing amenities that are desirable for that age category.
- Bedroom residential communities, such as Edmonds, are the most expensive type of community. They cost more to operate and property taxes have to pay the bulk of the costs.
- Prior to constructing the new town center in 2004, Mill Creek had taxable retail sales of \$71.2 million compared to Edmonds \$254.3 million. However, Mill Creek's taxable retail sales had grown to \$107.2 million by 2008 while Edmonds saw a reduction to \$250.8 million. This illustrates the tremendous impact redevelopment had on the Mill Creek Town Center, and she suggested that perhaps this created additional competition for Edmonds.
- It costs significantly more to provide public services for residential uses (\$1.25) compared to commercial (\$.34) and industrial (\$.29) uses. These services include fire and police protection, schools, parks, etc. These statistics reinforce the value of having commercial and industrial properties to help pay the taxes. Successful bedroom residential communities typically have more wealth, and the residents pay a much higher property tax.
- An aerial photograph of the Port of Edmonds clearly identifies locations where redevelopment could occur, and what the views would be. Opportunities exist at Harbor Square and along the waterfront. However, few developers

are even considering Edmonds at this time. Because the existing Harbor Square Business Complex is older and further away from the freeway, they have not been able to attract companies that hire younger workers.

- In the past, the EDC has not worked extensively with retail businesses, but with large companies that create jobs. However, in recent months they have assisted with projects that involve downtown redevelopment, which plays a significant role in creating a quality sense of place. In order to attract people to live and work in Edmonds, the City and Port must provide desirable amenities.
- The EDC played a role in the Evergreen Crescent Initiative, a project on the east side of the County that received grant funding from the Forest Service to put together a circuit rider position to work and plan with small businesses. The project resulted in an inventory of commercial and industrial properties, but it was discontinued because there was no money to sustain the grant funding.
- The EDC also worked with the City of Lynnwood on their City Center Visioning Process. However, Lynnwood has not followed through on their plans. Their consultants indicated that it often takes a push from the government side to jump start projects, and this push can be in the form of amenities such as parks, etc. The project has not moved forward because too many people in the City are opposed to change.
- The City of Bothell's Downtown Revitalization Program has been going on for more than 15 years, but has gained significant momentum over the past year with support from an active City Manager and Economic Development Director. A reconfigured University of Washington—Bothell wants to participate, and about 40 acres of downtown property was made available when the Northshore School District moved their bus barn to a new location.
- It would be helpful for the Port to send representatives to the International Council of Shopping Centers Conference in Las Vegas in the spring. Others who have attended the conference have received amazing results, and she urged the Port to contact Lanie McMullin, City of Everett, for more information about the event.
- It is important to create a city re-vitalization plan, similar to those done by the Cities of Bothell and Mountlake Terrace. The Urban Land Institute conducts design charettes that have had amazing results.

Commissioner Block noted that a number of years ago, the City of Edmonds used a downtown development team, the equivalent of the Urban Land Institute, to conduct a study of the downtown. It was an interesting process that provided helpful ideas and information. Commissioner Orvis observed that the City has completed numerous studies that are lying on the shelf. He suggested it is a cultural phenomenon in Edmonds to do studies rather than take action. Commissioner Block noted that many of the early studies did not sit on the shelf. Instead, they were used to implement changes that made a significant difference at the time. Ms. Knutson suggested the issue be made part of the election.

Commissioner Gouge pointed out that some people who live on the waterfront own businesses at Harbor Square. He stressed the need to provide attractive business space for entrepreneurs who employ between 10 and 30 employees, as well as places for them to live. This will require a vision and/or plan that offers the necessary return. He suggested the Port start their planning process now to attract small entrepreneurs who are interested in leasing land to construction buildings.

Commissioner Orvis commended Ms. Knutson for outlining all of the issues in a succinct report. He said it is important that the citizens of Edmonds face the brutal facts of their financial situation. While the Port does not lack the necessary vision to move forward with redevelopment of Harbor Square, many citizens in Edmonds have indicated they would not support change. The information in the EDC's report illustrates that the community will deteriorate over time if they continue down the same road they have traveled for the past 10 years. While he is not optimistic that change would occur in the near future, he suggested the report be presented to the Edmonds City Council and those citizens who still believe that no one would want to live anywhere but Edmonds. He expressed his belief that there are very nice places in other cities and people are moving there while many of the Edmonds neighborhoods are deteriorating. He concluded that the report is something that everyone can read and understand and provides a lot of information that sometimes gets lost in larger studies.

Ms. Knutson cautioned that the Port and/or City does not necessarily need to have an adopted vision. Instead, they could invite developers to present their ideas for redevelopment and explain why they need specific height requirements, etc.

Mr. McChesney commented that, in a broad sense, there are not a lot of redevelopment opportunities available at this time. However, it is important for the Port to work on a plan or vision so they are ready to attract developers when the economy improves. He invited the EDC to help the Port move forward with their redevelopment plan and the public process that would be involved. The EDC could help frame the community discussion by identifying what economic development options would and would not be successful.

Ms. Knutson pointed out there are very few places in the United States with property that has the wonderful view that exists at Harbor Square and the Edmonds Waterfront, especially property that is within 10 miles of a major freeway. Commissioner Orvis added that another positive aspect of the Harbor Square Business Complex property is its close proximity to ferry service. This provides opportunities for people to live across the Sound, ride the ferry, and then walk to work. The Sounder is also located nearby.

Commissioner Gouge voiced the need to educate the community rather than letting a few people decide what can and cannot happen in the downtown. Based on the existing 25 and 30-foot height limits in downtown Edmonds, it is not likely developers would be interested. It is an established fact that development based on the current height limits in Edmonds would not be feasible. They need a redevelopment plan that meets the needs of the Port, the community and the developers. He agreed it would be helpful for a Port Representative to attend the International Council of Shopping Centers Conference to explore opportunities and identify what developers are looking for.

Ms. Knutson said there is currently an effort moving forward that would create a new County-wide Economic Development Organization that includes the Everett and South County Chambers and the EDC. The intent behind the effort is to ramp up economic development efforts by creating a single entity with one voice. She has been adamant that they hire a consultant to help them through the process, and a task force committee is being formed to look at the best way to combine the organizations. The goal is to have the change in place within the next six months. Commissioner Block asked about the type of individuals who would be appointed to serve on the task force. Ms. Knutson answered that it would include members of the Everett and South County Chambers, as well as representatives from the EDC. The Marysville Chamber has also indicated a desire to participate in the organization. There would be a good cross section of participants on the task force.

Commissioner Gouge questioned how the EDC could get the City of Edmonds involved in the new organization. Ms. Knutson reported that Edmonds and Mukilteo are the only two cities in Snohomish County that do not participate on the EDC. Commissioner Gouge expressed disappointment that Edmonds has decided not to participate. He observed that they are a bedroom community that is fast becoming broke. There is currently a group of 20 to 30 citizens who are controlling what is happening in Edmonds, and it will take a united effort to get the rest of the citizens involved in the process. Ms. Knutson observed that although the Edmonds community is well known, if the desirable elements are not present, it will not remain a desirable place to live. Because of its current older image, it will be difficult to attract new people to the area. Commissioner Gouge said the Port has been involved with the EDC for years because they feel it is part of their elected duty to help take care of the community. It is important that they keep an open ear and mind to what really needs to be done. Working together is the best approach. He summarized that the EDC provides value to the Port by providing helpful ideas and information.

Mr. McChesney invited Ms. Knutson to attend the Port's public workshop regarding redevelopment of the Harbor Square Business Complex. Ms. Knutson agreed to attend and observed that redevelopment of Harbor Square would benefit all of Snohomish County.

Commissioner Orvis recalled that at the recent EDC Board Meeting, there was discussion about Paine Field, and it was announced that the final Environmental Impact Statement (EIS) would be available in mid March. Ms. Knutson reported that the Federal Aviation Administration (FAA) is currently reviewing all of the comments related to the EIS and would probably finish by the end of March. A determination would be issued at that point. If anyone chooses to

challenge the determination, it would go directly to the 9th Circuit Court of Appeals in San Francisco. She recalled that one year ago, Boeing submitted a letter stating that commercial air service would not interrupt their operations, but they also indicated they would not get involved in the local issue. However, they allowed the EDC to submit their letter as part of the public record. The County will make the final decision regarding the runway. Several parties have indicated an interest in constructing the terminal.

MR. CATTLE LEFT THE MEETING AT 7:48 P.M.

4TH QUARTER 2009 FINANCIAL INFORMATION

Ms. Drennan referred to the 4th Quarter 2009 Financial Statement. She explained that all major transactions that staff is aware of have been recorded. Staff would prepare the final 2009 Year End Financial Statements in the Budgeting, Accounting and Reporting System (BARS) format in the next couple of months. Occasionally, during this process staff finds other transactions that need to be recorded. They will notify the Commission of any change when the 2009 Year End Financial Statement is presented. She reviewed the statement, specifically noted the following:

- Gross profit for the twelve months period ending December 31, 2009 was \$5,981,411, which was \$77,989 or 1% less than budget. Net income for the same period was \$163,902.
- Net electrical service charge was -\$1,034. In 2010 the Port would collect the charge as part of the service charge.
- Net fuel sales were \$118,368 or 19% less than budget.
- Launcher revenue was \$82,396 or 25% greater than budget.
- Permanent moorage revenue was \$2,638,445, which approximates the revenue budgeted.
- Dry storage revenue was \$314,339 or 4% less than budget. The Commission spoke at their last meeting about the status of the vacancies.
- Workyard revenue was \$109,641 or 15% greater than budget.
- Harbor Square Property revenue was \$1,476,240, which was \$85,060 or 5% less than budget.
- Anthony's revenue was \$210,789 or 5% greater than budget. The Port budgeted a decrease in Anthony's revenue due to the roof construction. Anthony's year end is August, and the project did not begin until after that time. The percentage rent dropped for the period between September 2006 and August 2009. Commissioner Gouge asked if the 2010 budget represents the best guess for Anthony's percentage rent, or was it based on the 2009 budget. Ms. Drennan agreed to look at this line item and get back to the Commission. Commissioner Gouge suggested the Commission may want to adjust this number based on what happened in 2009.
- Operating expenses without depreciation for the twelve month period were \$3,502,557, which was \$69,843 or 2% less than budget.
- Auto and equipment fuel was \$12,936 or 49% less than budget. During the time when staff was preparing the 2009 budget, fuel prices were rising sharply and quickly. Staff over budgeted this item.
- Bad debt expense was \$24,655 or 516% greater than budget. Generally accepted accounting principles require that the estimated amount of revenues that may not be collected be recorded in the same period as the revenue was recorded. Staff estimates that it will not be able to collect from one of the former Harbor Square tenants who left a full month's rent due. It also may not be able to collect from another Harbor Square tenant who is almost 6 months behind. In addition, former moorage tenants left with balances owing and have not paid in over 60 days. Former moorage tenants have also abandoned their boats.

Commissioner Block asked what the Port is currently doing to avoid problems in the future with tenants leaving rent overdue. Mr. McChesney advised that when new leases are negotiated, potential tenants who are not considered "credit worthy" are required to provide some type of credit enhancement device such as a personal guarantor, and they expect to continue this practice. He said he feels comfortable the Port will be able to collect rent from the tenant who is nearly six months behind because the guarantor of the lease has made significant payments and has had discussions with the Port on how to resolve the issue.

Commissioner Zagorski pointed out that the amounts shown for period-to-date actual current budget do not identify the amendments made by the Commission mid year. Commissioner Orvis recalled that the mid-year changes were written

into the budget, but the Commission decided to continue to use the original budget as the basis for the reports for a final comparison. Ms. Drennan said that was her recollection, as well.

Ms. Drennan referred to the 4th Quarter 2009 Investing Report and reported that the Port's benchmark to determine performance levels is the one-year Treasury Bill, which was .37% as of December 31, 2009. Liquid Port funds earned between .32% and 1.27%. As of December 2009, the capital replacement reserve was \$219,804, with interest added to the reserve monthly.

Commissioner Zagorski announced that it was reported at the Woodway Town Council Meeting that they had invested in a 6-month Certificate of Deposit with Frontier Bank at 1.3% interest. Ms. Drennan noted that Frontier Bank is not currently doing well. She also pointed out that investments of more than \$250,000 are stuck in the jumbo rate category. However, she agreed to look into the matter.

Mr. McChesney recalled that the Commission previously discussed restructuring the financial systems reporting model. The Commission held a workshop discussion in January and provided guidance that they did not want to fix what was not broken, the model should be simple and transparency and accountability should be enhanced. Staff has come up with some good ideas they would like to share with the Finance Committee. They intend to share the results of their work with the entire Commission in March. He indicated that Ms. Borth would contact members of the Finance Committee to schedule a meeting as soon as possible.

COMMISSION MEETING SCHEDULE

Commissioner Block said she would be unavailable at the April 12th meeting when the garbage and recycling program would be discussed. She asked that this discussion be rescheduled to a different meeting so she could participate. Mr. McChesney agreed to revise the April 12th agenda by possibly moving the item to a March agenda.

EXECUTIVE DIRECTOR'S REPORT

Mr. McChesney reported that the contractor is still working on the Anthony's Roof Project, and the good weather has allowed the project to move more quickly. The difficult part of the project is handling the AC units and the weather. Once a unit has been disconnected, the contractor must have good weather in order to complete the work and put it back on in a short period of time. He said he has inspected the project and found that the contractor is doing a good job. If all goes well, the project should be done within the next week.

Mr. McChesney advised that he and Ms. Kempf met with representatives of the Edmonds Rotary Club to discuss issues related to the Waterfront Festival. Generally speaking, they are in agreement to continue as they have in the past, but the Port emphasized that they must recover their costs. Port staff is in the process of preparing a budget for the Rotary Club, and he does not anticipate any major problems. Commissioner Gouge inquired if both of the tall ships would be available during the Waterfront Festival, and Ms. Kempf answered that they have not confirmed their participation, but have indicated they would like to come to the Port for up to 14 days. She said she sent them an email indicating that she would request approval from the Commission to waive their moorage fee for the days when their vessels are fully open to the community. In response to questions the Commission raised about parking during the Festival, Ms. Kempf pointed out that parking would only be an issue on Friday, when Sound Transit has control of the parking area. Staff has discussed this issue with the Rotary Club.

Mr. McChesney advised that staff would continue to work with the Harbor Square Athletic Club regarding their lease issues. They would continue their work on the Blackwater Mediation, as well. They are hoping for at least one more round of mediation before the matter goes to court. Commissioner Gouge inquired about Berger/Abam's participation in the mediation work. Mr. McChesney advised that Berger/Abam hired an expert witness to go over the forensic accounting, which was helpful to the Port. However, the Port has not had any contact with Berger/Abam since that time. If there is another round of mediation, Berger/Abam would be at the table as a full partner. Commissioner Block asked who would make the decision of whether or not there would be another round of mediation. Mr. McChesney said he assumes it would be in everyone's best interest to reach some type of settlement before the matter

goes to court, and it is likely the respective attorneys would have an exchange of formality that would lead to further mediation. He noted that an executive session may be necessary next week, depending on the progress that is made.

Ms. Kempf reported that the promotion the Port offered at the boat show appears to have been successful. The Port has signed up 15 tenants (13 wet moorage and 2 dry storage). There were also 5 waitlist sign ups, but only one was a direct result of the boat show, itself. Staff knows that at least 7 of the new tenants were contacts made at the boat show. She further reported that as of last Friday, the workyard was at full capacity. The combination of good weather and the promotion got people interested in working on their boats. Two spaces opened up today, and she authorized staff to operate the travelift on Sunday to free up some space. She announced that the Passport to Puget Sound Promotion kicks off on March 1st. The Port has received their passport books and they are ready to start the program. She noted that the prize list is available on the Northwest Marine Trade Association's website. The hope is that the Port will see an increase in guest moorage this year as a result of the program.

COMMISSIONER COMMENTS AND COMMITTEE REPORTS

Commissioner Zagorski reported that the Edmonds Citizens Economic Development Commission (CEDC) made a presentation to the City Council in January and the City Council scheduled further discussion with the CEDC at their February retreat. The CEDC invited the City Council to join them at their February 17th meeting to discuss the City Council's reaction to the report and how to go forward. Six of the seven City Council members attended the meeting, and the 7th was unable to attend but submitted written comments. Each City Council Member gave his or her reaction to the Commission's recommendations for work they felt the City Council should be doing with their assistance and support in 2010. Council Members Orvis and Buckshnis volunteered to join the CEDC as members, which is one of the requests the CEDC made to the City Council. The CEDC is hoping this will result in an ongoing partnership with the City Council and not just occasional communication. The CEDC's efforts appear to be on track at this time.

Commissioner Orvis referred to Ms. Knutson's earlier presentation and pointed out that a recent audit showed that the EDC was doing fine. Their breakfast meeting dates are in April, August and October, and a networking event has been scheduled for August. He said he was impressed with the recent EDC meeting he attended where Daniel Malarkey, Deputy Director of the Department of Commerce, reviewed how the State currently ranks compared to the nation. He shared that Washington's labor costs are about three times the national average, not only because of wages, but because unemployment and workers compensation taxes are significantly higher. He also noted that while Washington State has a tremendous number of highly educated people, most are imported. The question was asked about what happens to the people who graduate from Washington colleges, and no one could answer the question. Mr. Malarkey reported that 28% of the jobs in the State are in the aerospace business. He noted that the big problem in Washington State is their support for small businesses. He concluded his remarks by emphasizing that the State does not currently have a plan for addressing these issues.

Commissioner Orvis reported on the following legislative items:

- There is currently a proposal to tax the value of the portion of cargo that moves through the State. This has never been done before because it was considered unconstitutional. However, Washington State is getting ready to test the issue. There is significant opposition from the transportation service organizations.
- There is a proposal to increase the hazardous substance tax, but concern has been raised about the Model Toxic Control Act (MTCA) tax that has been stripped out of environmental programs and placed in the general fund. Cities, counties and environmental groups have all indicated support for the proposed increase because they don't think people will notice. However, he said he has no confidence that the legislature would ever remove these funds from the general fund to pay for environmental issues. The general feeling is that they will never see the MTCA funds again, and any increase to the hazardous substance tax would likely be placed in the general fund, as well. He said the oil refineries are opposing the legislation and they don't agree with the legislature that no one would notice the 1.7% increase. They believe it would impact refineries because it would apply to fuel that has traditionally been exempt because it was shipped out of state. They are concerned that while the purpose of the tax is for toxic cleanup, the money would most likely be placed in the general fund. No one has confidence that the money would end up in the places it is promised. He observed that the State has not backed off on their mandates

for cleaning up stormwater yet they are taking away the funding that was supposed to be used for this purpose. He also observed that while the State is dependent on trade, it appears they are doing what they can to end it.

- He learned some new things about the proposal to expand the prevailing wage regulations. For example, it would only apply when an entity takes less than the fair market value for property. However, it has been discussed that no one knows what fair market value is at this time, and there is no consistent way to make this determination. The prevailing wage legislation is dead for 2010, but he suspects it will resurface in 2011.
- Changes to the public records law are still moving through the system. As proposed, if an entity and the requester of a public record cannot agree, they can meet with a State official and decide a fair solution to the issue.
- Senate Bill 6762 related to the State Environmental Policy Act (SEPA) is moving forward. Originally it said that the staff people who work on a project cannot be involved in the SEPA evaluation, which is an impossible requirement for small organizations. This element of the proposal has been removed, but another provision was added that says an entity would be required to look at the cumulative effects of a proposal.
- The port district job training bill would apply strictly to the Port of Seattle because they have a job training program with the community college.
- A new data gathering program has been proposed related to contracts from outside of the state. While all of the costs would have to be documented, there would be no compelling reason for companies in other states to comply.
- The governor made a deal with the State employees union that there would be no layoffs or cuts in pay. The teachers are unhappy about this agreement because funding to support their jobs and programs is being cut. He noted that a significant number of State jobs were added over the past two years despite the knowledge of upcoming financial problems, and the legislature is not happy about the agreement. However, he does not expect any significant consequences, either.

Commissioner Gouge reported that Commissioner Faires attended the recent Edmonds City Council Meeting where the City Council approved the Firdale Village Rezone Proposal as part of their consent agenda. Commissioner Block suggested it would be worthwhile for the Port to review the agreement and identify elements that pertain to what the Port is considering for Harbor Square.

Commissioner Gouge referred to an information paper prepared by Ms. Kempf outlining the current boatyard permit situation and the MTCA funds. He advised that he and Commissioner Orvis would present the paper to the local representatives they met with on Port Day. He agreed to review the letter and provide his comments back to staff so a final draft could be prepared. He said he plans to follow up by scheduling meetings with the Department of Ecology and local representatives after the budget session has been completed. Commissioner Orvis added that Bill Bryant from the Port of Seattle has indicated that they are interested in the boatyard and ecology issues, as well. Commissioner Gouge suggested that a copy of the information page should be sent to Mr. Bryant.

Commissioner Gouge referred to the notice he received about the Pacific Coast Congress meeting that will take place in Bellingham. He noted that Kevin Danberg has been invited to be a presenter at the meeting.

ADJOURNMENT

The meeting was adjourned at 8:40 p.m.

Respectfully submitted,

Fred Gouge
Port Commission Secretary