

PORT COMMISSION OF THE PORT OF EDMONDS
MINUTES OF SPECIAL MEETING

May 28, 2013

COMMISSIONERS PRESENT

Jim Orvis, President
Mary Lou Block, Vice President
David Preston, Secretary
Bruce Faires

STAFF PRESENT

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

OTHERS PRESENT

Karin Noyes, Recorder

COMMISSIONERS ABSENT

Fred Gouge

CALL TO ORDER

Commission President Orvis called the special meeting to order at 3:30 p.m.

PLEDGE OF ALLEGIANCE

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

CONSENT AGENDA

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

- A. APPROVAL OF AGENDA**
- B. APPROVAL OF MAY 13, 2013 MEETING MINUTES**
- C. APPROVAL OF PAYMENTS IN THE AMOUNT OF \$141,019.70**
- D. APPROVAL OF EXECUTIVE DIRECTOR EVALUATION**

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

PUBLIC COMMENTS

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

INTERLOCAL AGREEMENT FIRE DISTRICT 1

Mr. McChesney reviewed that the Port entered into an Interlocal Agreement with the Edmonds Fire Department on May 1, 2006, for a term of five years. Subsequent to the agreement, the City of Edmonds divested the boat over to Snohomish County Fire Protection District 1, and the agreement has been carried forward on a continuance after the initial term expired April 30, 2011. In the meantime, Port staff has been negotiating a new Interlocal Agreement

with Fire District 1. He referred the Commission to the draft agreement, which clarifies some of the previous ambiguities and specifies the rights and obligations of the parties. As per agreement the Port will provide moorage for their fire-rescue boat in exchange for services Fire District 1 has agreed to provide to the Port. He specifically noted that:

1. As part of their regular training, District crews will thoroughly wash down the breakwater twice each year in July and August.
2. The District will provide annual fire extinguisher training to Port staff.
3. The District will provide testing for obtaining Certificate of Fitness to Port staff.
4. The Port will provide to the District five days of boatyard space. This allowance does not include haul out and travelift service, which will be billed directly at full tariff rates.
5. General and long-term maintenance and capital improvements will be performed at the sole discretion of the Port, and the District will reimburse the Port 50%. This includes the electrical work that was recently completed, as well as the major maintenance that was done six months ago.

Mr. McChesney recommended the Commission approve the new Interlocal Agreement with Snohomish County Fire Protection District 1 as presented and authorize the Executive Director to sign the agreement.

Commissioner Faies asked if the Port has had any problems with Fire District 1 over the past five years. Mr. McChesney explained that while the Port was not directly involved in the City's change from having their own fire department to being a member of Fire District 1, issues related to the fire boat were adequately resolved and the vessel is now owned by Fire District 1. It has taken the District some time to figure out how to comport their business relationship with the Port, but the Port staff has enjoyed working through the process with the District. He noted that many of their personnel are the same, and he believes they have reached a very good agreement.

Commissioner Orvis asked that Item 10.a in the agreement be changed by replacing the word "effectuate" with "effect." The remainder of the Commission concurred.

COMMISSIONER FAIRES MOVED THAT THE COMMISSION APPROVE THE NEW INTERLOCAL AGREEMENT WITH SNOHOMISH COUNTY FIRE PROTECTION DISTRICT 1 FOR MOORAGE OF A FIRE-RESCUE BOAT FOR A TERM OF FIVE (5) YEARS WITH TERMS AS AGREED AND SUBMITTED HERewith, AND AUTHORIZE THE EXECUTIVE DIRECTOR TO SIGN THE AGREEMENT. COMMISSIONER PRESTON SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY.

PRESENTATION: TROY McCLELLAND, ECONOMIC ALLIANCE OF SNOHOMISH COUNTY

Mr. McChesney introduced Troy McClelland, Everett Port Commissioner and Chief Executive Director of the Economic Alliance of Snohomish County. He noted that Mr. McClelland has also had a long and stellar career with the United States Navy.

Mr. McClelland thanked the Port for their partnership with the Alliance. He explained that partnerships have enabled the Alliance to start doing its vital work for the region. He pointed out that Commissioner Orvis represents the Port of Edmonds on the Alliance Board, and other Commissioners and Port staff have attended the Alliance's various forums and meetings. He stressed the importance of having the Port Commission and Mayor Earling involved in the Alliance to bring Edmonds to the forefront in the various economic development discussions.

Mr. McClelland announced that, as of last week, the Alliance is two years old. The first year was spent completing the long list of tasks set forth by Secretary of State Sam Reed in order to merge the three entities. Although the merge resulted in the Alliance having 11 instead of 27 employees, they have been able to get a lot done. For the first time, their private investments have grown by 10% and they have eliminated bad debt. They are financially sound and have a positive future. He explained that the Alliance is a service business. Their purpose is to be a catalyst for economic vitality resulting in stronger communities, increased job creation, expanded educational opportunities, and improved infrastructure.

Mr. McClelland pointed out that Snohomish County and Washington State must compete for economic growth both nationally (California, Utah, South Carolina, Texas, North Carolina, etc.) and internationally (Indonesia, China, Japan, etc.). Snohomish County must also compete against other jurisdictions in Washington State such as Spokane, Clark County and the Tri Cities. These other entities are very interested in some of the same businesses that Snohomish County is seeking to attract—businesses who provide needed tax revenue at both the state and local levels. Snohomish County must maintain and even improve its environment in order to provide a place for businesses to grow.

Mr. McClelland expressed his belief that Snohomish County is a place of statewide significance, and this has not been stressed often enough or clearly enough. One of the Alliance's goals is to make sure the rest of Washington State and the Legislature recognize the role Snohomish County plays in driving the State's economy. Snohomish County has been the leader in Washington State's recession recovery and is ranked first in the State in the number of aerospace manufacturing jobs, first in concentration of manufacturing jobs, and second in the number of tech-based jobs. Using this information, the Alliance has successfully lobbied for state dollars in the pending transportation budget for transportation improvements within the County's high-tech manufacturing corridor, which runs from the County line north to Stanwood and east to Monroe. The Alliance has enabled the business community, both private and public, to work together to present a united message and a succinct business plan, and legislators are starting to take notice.

Mr. McClelland said it is important that the Alliance continue its efforts to market Snohomish County. There is significant competition, and cities and states from throughout the nation are offering incentives and other opportunities to attract business. The aerospace industry is vitally important to the County. He pointed out that many of the tech businesses in the county were started by people who either worked for Boeing or were suppliers to the Boeing Company. This intellectual capital brings business growth to the region. The number of jobs in the aerospace and computer and technology industries in Snohomish County has grown by 30% since the recession started in 2008, and the number of jobs in the education and health services industries has grown by 12%. The number of professional service jobs has increased by 13%, and the leisure and hospitality industry has grown significantly, as well. Taxable retail sales since 2008 are \$10.3 billion and the median home price is almost up to 2010 levels. Mr. McClelland said it is important for the Alliance to help the State Legislature recognize that Snohomish County was the most recession elastic County in the State, and their economic environment must be protected and nurtured by adequately investing in education, transportation infrastructure, etc.

Mr. McClelland reported that the Alliance Board created a business plan to recognize and market the diversity and "quality of place" that exists throughout the County. The Alliance Board has concluded that they are stronger when cities in the County work together. For example, the Alliance was invited to join a Snohomish County coalition that is addressing the rapid rise of health-care costs, and they are currently working on a few initiatives that are designed to help businesses in Snohomish County be more competitive, recognizing that health care costs are a significant factor. The Alliance has worked to connect private and public sector leaders through strategic committees and work groups. In 2012, Snohomish County was as competitive as any county in the State in terms of business development activities and actual investment. However, they were at risk on the transportation investment side. The Alliance has been a leader and/or provided support to various efforts designed to help the Legislature understand how important Snohomish County is to the State's economy. For example, the Alliance served as a significant advocate for the following funding opportunities:

- The University of Washington Bothell was awarded \$63 million to construct a new Science and Academic Building that will produce over 300 Science, Technology, Engineering and Math (STEM) graduates annually.
- As a result of the Alliance's work on the Washington Aerospace Partnership's Executive Committee, \$9.5 million was invested in education and research and diagnostic systems to increase aerospace competitiveness.
- An investment of \$7.8 million allowed the University of Washington and Washington State University to create 60 new full-time engineering slots at the University Center of North Puget Sound on the Everett Community College campus.
- The City of Arlington received a \$1 million grant from the Washington State Community Economic Revitalization Board (CERB) for their industrial park, which is home to over 40 employers.

- The State of Washington funded a \$500,000 grant for a feasibility study for the Med-Tech Discovery Center, a proposed facility in Bothell to support the medical device industry.

Mr. McClelland reported that the Alliance participated in the following business development opportunities:

- The Alliance met with over 280 small business owners to give advice and counsel on how to get government contracts, create a business plan, obtain the required permits, etc.
- The Alliance participated in meetings with 50 different companies to help detail and plan opportunities for business expansions or start-up ventures in the County. In all cases, this assistance was vital to the businesses' decision to locate in Snohomish County.
- The Alliance sponsored meetings and small business forums for business and community leaders. They also sponsored the first public official forum in Snohomish County and over 200 people attended the event.
- Representatives from port districts, county governments and city governments attended over 60 events, and discussions that took place at the events enabled the Alliance to put together the County's first ever combined legislative agenda for 2013.
- The Alliance continues to work to attract new development. There were 10 major developments in the County in 2012.

Mr. McClelland reviewed the Alliance's strategic goals as follows:

- **Market the region.** It is important for businesses seeking to relocate to see the County as one of the most vibrant economic communities in the State.
- **Attract new investment.** They need to market the County's assets in order to attract capital.
- **Improve quality of place.** The region's quality of place can be enhanced by improving educational opportunities and transportation infrastructure, increasing recreational opportunities, etc.
- **Respond to employer needs.** The Alliance must prove that the County is making progress, and they must provide an action plan that responds to the need for a talented work force and the infrastructure and resources necessary to support businesses.
- **Connect community leaders.** It is important to develop partnerships between public and private leaders in the County to encourage business growth and to exchange ideas.

Mr. McClelland outlined the Alliance Board's objectives as follows:

- **Develop and attract talent.** The Alliance has actively worked with representatives of Edmonds Community College and Everett Community College to develop the talent needed to support companies who locate in the County. However, there is still a need to expand the four-year degrees that are offered. Snohomish County is the most underserved county in the entire nation based on the types of degrees that are offered compared to what is needed. However, Snohomish County receives a greater rate of return for each dollar spent on biotech and aerospace degrees (\$1.83 for every dollar spent) than any other county in the state. The State average is \$1.40.
- **Achieve a world-class infrastructure.** It is important to get started on the Sound Transit 3 project. It is also important to secure state funding for needed transportation improvements in the County. Improving the technology infrastructure is also important.
- **Solidify global aerospace leadership.** Not a single major project in Snohomish County was included in the initial transportation package put forward by State representatives. As a result of the Alliance's efforts to work with local legislators, there is now \$420 million earmarked for projects in Snohomish County. Completing more transportation projects will allow the County to make a strong, competitive case for the 777X project. The Alliance wants Snohomish County to be the place where Boeing designs and manufactures wide body aircraft. If they do not get these projects, they will eventually lose the ancillary businesses that support the Boeing Company, as well.
- **Strengthen the military sector.** Naval Station Everett accounts for the majority of the 11,000 jobs and \$475 million in economic impact that Snohomish County's military installations generate each year. The Federal Government's current sequestration has changed the game. Even though the military has indicated support for the Everett station for various reasons, future cuts in funding could result in downsizing of facilities. Losing the naval station would have a significant impact on the entire region.

Mr. McClelland said he appreciates the Port's support of the Alliance, which is vital to the organization's success. When they started to tell their story differently, they were able to attract the attention of some very high-placed individuals. There is a lot of competition and work ahead for the County, but they are starting to receive high marks.

Commissioner Faires observed that the Alliance is much more cohesive than the previous, piecemeal group. The Alliance has been able to highlight the County's assets and identify what can be done to make it better. He commended Mr. McClelland for his hard work and for his good presentation, which was much more cohesive than his initial presentation to the Commission shortly after the State authorized the consolidation. The Alliance's business plan makes sense and identifies the right things to be doing.

Commissioner Faires reviewed that the Port recently completed a three-year process for adopting a Harbor Square Master Plan, which the Edmonds City Council did not support. It is unlikely that the Port will be able to implement the urban, mixed-use village concept at Harbor Square in the foreseeable future. The Commission is now charged with coming up with a business development strategy for the existing Harbor Square Business Complex, and he suggested it would make a great deal of sense to include the Alliance in the discussion to identify potential opportunities. Mr. McClelland said that while there is no perfect plan and it is easy to find fault with any given proposal, he was supportive of the Port's proposed Harbor Square Master Plan and wrote a letter to that effect to the City. He indicated his willingness to work with the Port as they move forward with alternative plans for Harbor Square.

Commissioner Preston pointed out that a large percentage of the students who attend the University of Washington Bothell campus come from Snohomish County. Mr. McClelland agreed that Snohomish County residents make up about 50% of the student population, and most come from South Snohomish County. He said the University of Washington Bothell campus is viewed as a credible Snohomish County asset because of the degrees they offer in the fields of medical care, applied sciences, and medical devices. However, Snohomish County still needs more four-year degrees.

Commissioner Preston asked what other states around the nation are offering to attract businesses. Mr. McClelland explained that the State of Washington and Snohomish County are very competitive with regard to total land costs. The State has a competitive advantage because it has deep-water ports and airports that are closer to Asia. However, this situation will likely be altered as the Panama Canal is changed over the next 12 years. He said the biggest drawback for Washington State is that other States are allowed to offer incentive programs that are not allowed under Washington State's constitution. While Washington State currently offers more talent, it must be shored up by getting young people excited about STEM careers.

Commissioner Preston said he attended the Alliance's luncheon last week, which was well attended. He referred to a recent article in the Puget Sound Business Journal about basketball and ports. The article did a great job of communicating the importance of ports to the business world. He suggested there may be opportunities for the Alliance to partner with the Washington Public Ports Association (WPPA). Mr. McClelland agreed to talk with director of the WPPA to discuss potential partnership opportunities.

Commissioner Orvis said he has been most impressed by the Alliance staff and the variety of things they do not only to attract new businesses, but to help existing businesses survive. He said he is also impressed by the cross section of people who serve on the Alliance Board, including very successful business people with a lot of great ideas. The Alliance is a dynamic organization and he is proud to serve on its board.

Mr. McClelland agreed that the makeup of the current Alliance Board is impressive. The board members are knowledgeable, and this results in healthy regional conversations. Mr. McChesney said he has enjoyed working with the Alliance staff. He is impressed with the organization and looks forward to working with them in the future. He thanked Mr. McClelland for his presentation.

Commissioner Orvis suggested that during the next budget cycle, the Commission should reconsider the amount of financial support the Port gives to the Alliance. He said he was critical of the previous organization, but he believes the current group is doing something very valuable for the County. While he does not anticipate that numerous

companies will locate in Edmonds, the City will benefit from the people who have the jobs that are created elsewhere in the County. Whether they like it or not, Edmonds is becoming a transportation hub.

ANTHONY'S BEACH CAFÉ REMODEL

Mr. McChesney said he was recently notified by Anthony's that there have been some unanticipated delays in the Anthony's Beach Café remodel project, and they still have not obtained the necessary permits from the City. However, they are moving forward with some of the demolition work and repainting the buildings. As a result of the delay, Anthony's has requested that the Port extend the rent abatement period for an additional three months, ending November 30, 2013. There would be no out-of-pocket expense to the Port, but it would reduce the property rental income by \$9,360.00.

Commissioner Orvis asked if Edmonds City staff have been supportive of the project and Anthony's needs for permits. Mr. McChesney answered that he is not clear on the situation between the City and Anthony's. He recalled that when Anthony's met six months ago in a pre-application meeting with the City, City staff brought up the need for a traffic study and traffic mitigation. When Anthony's reported their frustration to him, they were at the cusp of deciding not to move forward with the project. In an effort to resolve the situation, he met with City staff and learned that, by ordinance, the City is required to assess some traffic mitigation, but there are different options by which this might occur. He said he believes this issue has been resolved, and he has not been involved in the permit process since that time. All he knows is that the City has not issued the necessary permits and the project is behind schedule.

Mr. McChesney noted that Anthony's still needs to present their proposed plan to the Port for review. Commissioner Orvis pointed out that the Port's review could run concurrently with the City's review of the permit application. Mr. McChesney agreed that is the general idea.

Mr. McChesney recommended the Commission approve Anthony's request to extend the rent abatement period for Anthony's Beach Café remodel by an additional three months. He summarized that Anthony's has been a great partner. The proposed project is an aggressive move on their part, and they are investing a lot of money into the building. This is a long-term commitment that will generate a lot of revenue to the Port, and he does not believe the request is unreasonable.

Commissioner Preston noted that the dates in the second and third paragraphs of the proposed agreement should be changed from 2012 to 2013.

Commissioner Faires asked if Anthony's has identified an anticipated opening date for their remodeled restaurant. Mr. McChesney said the critical path now is design and permitting. Even if they were to obtain the needed permits tomorrow, work would have to be confined to the Old Edmonds Yacht Club space because they cannot shut down their restaurant during the busy summer months. They plan to remove the wall between the two spaces in late September or early October, and they would like to open the new restaurant by November 1st. However, he acknowledged that, given the current constraints, the project may run into February or March of 2014.

Commissioner Preston asked if Mr. McChesney anticipates that Anthony's will request an additional three-month extension. Mr. McChesney said he does not believe so. He said he informed Anthony's that the current rent abatement extension would be the limit of what the Port is economically able to do.

Ernie Collins said that in recent conversations, he heard that Anthony's is trying to have the project completed in time for the restaurant to be open for the Edmonds Yacht Club's Holiday on the Docks event. However, he received that information before the recent delay was announced.

Commissioner Orvis suggested that Mr. McChesney contact the City to see if there is anything the Port can do to speed up the permit process. Commissioner Block asked if the City has raised concerns about the grease trap. Mr. McChesney answered that Anthony's current grease trap has sufficient capacity to accommodate the expansion.

COMMISSIONER FAIRES MOVED THAT THE COMMISSION APPROVE ANTHONY'S REQUEST TO EXTEND THE RENT ABATEMENT PERIOD DEFINED IN THE LEASE AMENDMENT DATED DECEMBER 17, 2012 FOR AN ADDITIONAL THREE (3) MONTHS, ENDING NOVEMBER 30, 2013. COMMISSIONER BLOCK SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY.

DALTON ELECTRIC PROGRESS REPORT

Mr. McChesney referred to a progress report prepared by Brian Menard, the Port's Facilities Maintenance Manager, to update the Commission on the electrical upgrade at the Guest Moorage Dock. He reported that the contractor, Dalton Electric, has nearly completed the work. However, there is one change order that occurred as a result of a Labor and Industries (L&I) inspection last week. L&I decided they did not like the way the lighting was wired at the head of the dock, and they asked for a correction to be made. Currently, the Guest Moorage Dock is energized except for the lighting at the head of the dock. L&I asked the Port to turn off the breakers until the additional work has been completed. The change order will result in an additional cost of between \$2,000 and \$2,500. However, Mr. Menard was able to salvage and recycle all of the copper wire from the site for a net profit of \$3,285. This amount will be used to offset the change order.

Mr. McChesney summarized that the upgrade is very important to the Guest Moorage operations, and the project should be signed off by L&I within the next week. The change order is within his spending authority, but it will be presented to the Commission for subsequent approval on the June 10th Consent Agenda.

COMMISSION MEETING SCHEDULE

Mr. McChesney reviewed the Commission's extended meeting agenda, specifically noting that the July 29th meeting will be Accounts Payable only.

Commissioner Orvis asked if Mr. McChesney plans to attend the WPPA Port Director's Seminar on July 1st. Mr. McChesney said he is currently contemplating whether he will attend or not.

Mr. McChesney announced that Stephen Clifton, Edmonds Community Services/Economic Development Director, is scheduled to provide an update to the Commission regarding the City's Strategic Action Plan on June 10th. Also on June 10th, the Port will present a certificate of recognition to the student who designed the logo that was used on the SEA JAZZ advertisements.

Commissioner Preston noted that the WPPA Trade and Economic Development Seminar is actually in August rather than September.

EXECUTIVE DIRECTOR'S REPORT

Mr. McChesney reported that the Port recently engaged the services of a professional engineer to prepare new bid specifications for a replacement roof on Building 2 in the Harbor Square Business Complex. While the original estimate for the roof project was between \$80,000 to \$100,000, the new estimated is about \$480,000. This significant increase is related to the amount of mechanical equipment located on the rooftop, as well as the rooftop parapet. Replacing all of the skylights will also be a costly endeavor, estimated to cost about \$200,000.

Commissioner Faires asked if all of the skylights would need to be replaced as part of the project. Mr. McChesney answered that unless the skylights are replaced, the contractor and manufacturer would not likely warranty the roof replacement.

Mr. McChesney recalled that at previous meetings, staff outlined the problems the Port has experienced with the Hoist forklift. At the last meeting, the Commission authorized staff to go out to bid or Request for Proposals to purchase a new machine and to surplus the existing Hoist. Since that time, Mr. Menard and the manufacturer have discussed the two significant problems with the current forklift. The factory has agreed to replace the chain rollers at no cost to the Port. The Port would still need to install the new chains that would be purchased by the Port as routine ongoing maintenance.

In light of these recent occurrences, Mr. McChesney recommended that the Port take a step back on replacing the forklift. Because the factory has agreed to replace the chain rollers at no charge, he is no longer recommending that the Port spend upwards of \$200,000 to purchase a new forklift. Instead, he recommended the Port move forward on the roof replacement project as soon as possible.

Commissioner Faires asked if there are any viable alternatives for addressing the roof situation other than total replacement. Mr. McChesney said the Port staff will meet with the engineer who prepared the bid specifications later in the week. However, he expressed his belief that the situation is beyond using patches to address the problems. Many of the tenants are frustrated about the continuous leaks, and they have indicated they may terminate their leases if the problem is not addressed soon. One option would be to install a 10-year roof rather than a 15-year roof, but that approach would not avoid the need to replace the skylights.

Mr. McChesney advised that the roof project is currently out to bid. Commissioner Orvis stressed the importance of completing the bid process in a timely manner so the project can move forward before the rainy season starts in the fall.

Commissioner Orvis observed that the Port has come to an irrevocable fork in the road at Harbor Square. Investing \$400,000 to \$500,000 into Building 2 means that the City Council has waited too long to take action on the Harbor Square Master Plan. While it may be possible to make changes with some of the other buildings at Harbor Square, Building 2 would become too valuable to consider any large-scale change. By failing to take action on the Harbor Square Master Plan, the City Council has essentially made the decision that the current development will remain unchanged. The remainder of the Commission concurred.

Ernie Collins, EYC, agreed to provide an independent review of the engineering specifications for the Building 2 roof project. He agreed that skylights are costly to replace, but there are products available now that can significantly reduce the costs.

Mr. McChesney reported on his recent attendance at an Edmonds City Council meeting where the City Council discussed whether or not they wanted to independently prepare a Harbor Square Master Plan. They also discussed the legal implications of that approach. Council President Petso made a motion to quit the entire process and start again with what she called a “clean process.” That motion was seconded by Council Member Bloom, but was later defeated by a vote of 5-2. The discussion was left open as to how the City Council will move forward but they did discuss the idea of forming a group of representatives from the City Council, the Port and City staff to meet together to identify common ground.

Commissioner Orvis said he just received an email from Council President Petso, inviting him to meet with three City Council Members and three Planning Board members on May 29th. He agreed to present the request to the Port Commission, but he also indicated that he would be unwilling to attend the meeting unless at least two Port Commissioners were invited to participate. Council President Petso agreed that would be appropriate. He recommended that Commissioner Faires accompany him to the meeting, and the remainder of the Commission concurred. He noted that the meeting will start at 10:00 a.m. in a Conference room on the third floor of City Hall.

Commissioner Orvis stated his position that while the Port Commission is willing to listen to what the Council Members have to say, it will be very difficult to find common ground until there is some indication that the City Council has reached common ground amongst its own members. The Port has put forth a proposal that was the result of three years of compromise, research, and study of different options. Many of the options studied are the very ones that the City Council is throwing out now.

Commissioner Orvis questioned the value of attending the meeting. Commissioner Block agreed that until the City Council has something to put on the table, there is nothing for the Port Commission to respond to. Commissioner Faires expressed his belief that the meeting would serve as a listening process. He reminded the Commission that the process the Port went through to create the Harbor Square Master Plan was publicly motivated and consisted of a three-year discussion to come up with the best alternatives. This exhaustive process leaves the Port very little place to go. Commissioner Block agreed that the process included extensive public outreach, so Council President Petso’s criticism of the process is unfounded. Commissioner Faires agreed that, throughout the process, the Port’s motivation was focused on the community; not the Port District or its mission, but what was in the best interest of

the community. The place they are going now is something more traditional for a port since the community does not want an urban village with mixed-use zoning. Rather than developing a core community asset, they will just operate as a Port. Commissioner Block observed that this approach is contrary to the tenets of the Growth Management Act and what the community needs to do. Commissioner Orvis expressed his belief that if the City Council redoes the Harbor Square Master Plan the way they are suggesting, the State will likely reject it because it will be inconsistent with the Growth Management Act and their own Comprehensive Plan. He expressed his belief that the Comprehensive Plan was simply “smoke and mirrors” to get approval by the state and to disguise what the City Council really wanted to happen. They had no intention of allowing it to be implemented. Mr. McChesney pointed out that the Port’s Harbor Square Master Plan proposal, as written, is consistent with the City’s adopted Comprehensive Plan. In fact, he reminded the Commission that the City’s Comprehensive Plan was used as a basis for the process and the product.

Ernie Collins, EYC, asked if the meeting would be open to the public. Commissioner Faires expressed his belief that any meeting that is attended by a public official, with the exception of an executive session, would be open for the public to attend.

Mr. McChesney announced that the Edmonds Waterfront Festival is scheduled for May 31st through June 2nd. He commended Ms. Kempf for doing a great job of coordinating plans with the Edmonds Noon Rotary Club, the promoters of the event. Ms. Kempf announced that the Rotary Club has reached an agreement with Sound Transit that will allow them to use 220 spaces in their parking lot to accommodate festival visitors. In exchange, Sound Transit will have a booth at the festival. She concluded that everything seems to be set up for a good time. The Classic Yachts are coming in and SEA JAZZ will perform on Friday from 5:00 to 7:00 p.m. and Saturday from 12:00 to 3:00 p.m.

Mr. McChesney reminded the Commission of the Port-sponsored event that is scheduled for National Marina Day on June 8th from 10:00 a.m. to 2:00 p.m. The event has been organized by Marina Operations staff, with the help of outside sponsors. He invited the Commissioners to attend.

COMMISSION COMMENTS AND COMMITTEE REPORTS

Commissioner Preston reported on his attendance at the Washington Public Ports Association (WPPA) Spring Conference at Skamania Lodge last week. The number one topic of discussion was wastewater, particularly the new Department of Ecology requirements for copper and zinc. It was noted that there are several legal entities that want to come after boatyards. He said he also learned that the United States has enough shale oil to be totally energy sufficient by 2020. He also attended a session about drones, which are used to monitor a variety of activities, including fishing. In addition, he attended a discussion about Genetically Modified Organisms (GMOs), listened to a presentation by the head of the Department of Ecology, and attended roundtable discussions about fishing and real estate. Lastly, he said he attended a session on the new marijuana law and how it could impact ports, particularly a port’s ability to drug test its employees.

Commissioner Preston reported on his attendance at a Chamber of Commerce 425 Launch entrepreneur forum, which focused on cloud computing and various web changes. He further advised that he is interested in attending one of the liquid arts events that are scheduled to occur this next weekend.

Commissioner Block reported on her attendance at the Memorial Day event at the Edmonds Cemetery, which was much more extensive than in years past.

Commissioner Block advised that there have been a number of community discussions and some proposals in the area of arts. She and Mr. McChesney attended a meeting last week, along with Francis Chapin, Edmonds Cultural Services Manager, to discuss ideas for a plein air event, which would feature artists drawing out in the fresh air. They particularly discussed having a workshop at the Port with an opportunity for artists to draw and paint outside. In addition, Gallery North has agreed to provide entrance forms and information for an event in August where participants will have an opportunity to win \$100 gift certificates. She said she also met with Ms. Chapin to discuss the Arts Summit that is coming up on June 29th. McChesney added that Phil Butler will present a symposium at the Arts Summit on local collaboration. He said he has agreed to meet with Mr. Butler to discuss how the Port can collaborate with the Edmonds Arts Festival Foundation on events such as plein air and SEA JAZZ.

Commissioner Block announced that the City of Edmonds is currently in the process of collecting ideas for a new name for the SR-104 Mini Park. She suggested it would be nice to name the park in honor of United States veterans.

Commissioner Faires reported that he, Commissioner Orvis and Mr. McChesney met with Council Member Peterson, Mayor Earling, Mr. Chave (Acting Development Services Director/Planning Manger) and Mr. Clifton (Community Development/Economic Development Director) to discuss issues related to the Port's Harbor Square Master Plan and the City's Comprehensive Plan. In particular, they discussed that the Port believes their proposed master plan is good and, based on City Council discussion, they are not interested in pursuing the issue any further at this point. It will be up to the City Council to come to the Port with a proposal. He said it is unclear as to what the May 29th meeting will accomplish.

Commissioner Faires said he also attended the WPPA Spring Conference. As part of the legislative report, it was announced that the State budget is still undefined at this point. There was some discussion about the need for an additional special session. The current special session is focused on the budget, the transportation package, and state Driving Under the Influence (DUI) laws. He said it was announced that Community Economic Revitalization Board (CERB) funding in 2013 will be equal to or more than the previous year. It was also reported that the Department of Commerce has no funding. It is currently in a state of confusion with no expectations. It appears that the Model Toxic Control Act (MTCA) funding is in much better shape, and the legislature does not anticipate sweeping the account this year to fund the general budget. Commissioner Orvis asked if the WPPA Legislative Committee discussed the fact that several senators have found that the Department of Ecology is using MTCA funds for day-to-day operations. Commissioner Faires said this was not a topic of discussion, but he knows the committee is aware of the situation.

Commissioner Faires said that also at the conference he learned that Port Townsend is renovating old docks rather than replacing them with new. They are contracting for a process in which new floats will be installed on older docks. He suggested this approach is something the Port should learn more about, and he encouraged Port staff to visit the site and learn more about the process. He noted that if the Port performs appropriate maintenance to extend the life of their docks, perhaps they can be refloated rather than replaced. He said he also found the discussion about the new marijuana laws interesting and something the Port should pay particular attention too as the issue is sorted out by the state in the coming months.

Commissioner Orvis reported that he, Commissioner Preston and Mr. McChesney attended the Economic Alliance Snohomish County meeting, which was well attended. He said he was particularly impressed by the diversity of those in attendance.

ADJOURNMENT

The Commission meeting was adjourned at 5:15 p.m.

Respectfully submitted,

David Preston
Port Commission Secretary