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**PORT COMMISSION OF THE PORT OF EDMONDS**

**MINUTES OF SPECIAL MEETING**

**OCTOBER 24, 2013**

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**COMMISSIONERS PRESENT**

Jim Orvis, President  
Mary Lou Block, Vice President  
Bruce Faires  
Fred Gouge

**STAFF PRESENT**

Bob McChesney, Executive Director  
Marla Kempf, Deputy Director  
Tina Drennan, Finance Manager  
Sharon Sharpe, Administrative Assistant  
Brian Menard, Facilities Maintenance Manager

**COMMISSIONERS ABSENT**

David Preston, Secretary

**CALL TO ORDER**

Commission President Orvis called the Special Meeting to order at 10:30 a.m.

**PLEDGE OF ALLEGIANCE**

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

**CONSENT AGENDA**

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

**A. APPROVAL OF AGENDA**

**COMMISSIONER GOUGE 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.

## APPROVAL OF POE 2 LLC LEASE

Mr. McChesney welcomed everyone to the Special Meeting that was scheduled on short notice in order to accommodate the aggressive project schedule. He then welcomed Greg Jacobsen, Terry McCartney (Business partner) and Shawn Rafferty (PKJB Architects). Mr. McChesney considers this to be a milestone event. He advised that this was a new lease under the new business name of POE 2 LLC. Mr. Jacobsen explained that the business name change was due to the POE dissolving in 2009. POE 2 LLC is sometimes referred to as Jacobsen's Marine.

Mr. McChesney read through the changes since the signing of the lease in August 2007. The new lease would be a 30 year lease with an option of two ten year lease extensions.

These changes include:

1. Name of Lessee has changed from POE Building LLC, to POE 2, LLC.
2. New paragraph 2.4 provide Lessee with a limited non-compete provision.
3. Paragraph-3.1 The effective date is three (3) months after Lessee receives a building permit.
4. Paragraph-3.1 Lessee has the right to terminate the Lease without penalty if he doesn't take physical control or obtain a building permit by March 31, 2014.
5. Paragraph-4.1 RENT...due commencing three (3) months after Lessee receives a building permit.
6. Paragraph-4.2 Annual rent escalator adjusted down from 3.5% to 2.5%
7. Paragraph-8.1 building footprint changed from 13,000sf, to 10,000sf; ground lease area remains the same, 36,000sf.
8. Paragraph-31.1 Name changed from Jacobsen Boats and Motors, Inc. to Horizon Marine, Inc dba Jacobsen's Marine.

Mr. McChesney recommends that the Commission approve the revised lease with the POE 2 LLC.

Commissioner Gouge asked about permitting with the City of Edmonds and if there were any issues known. Mr. Jacobsen reported that the SEPA and Shoreline permits were still intact. He also indicated that the application to the Design review Board would be completed the first of the week in order to be on the December 2013 Docket. It is expected by mid-January they should have approval from the Design review Board and then the Building Permit by late January. The construction is planned to begin in February. He estimates a five month construction schedule. Commissioner Gouge asked if they were prepared for a public comment.

Mr. McChesney commented that this action does not need to go to the City Council. We have been in contact with the planning department and also concerning storm water issues. The city is believed to be on board and Mr. Jacobsen is in full compliance with regulations.

Commissioner Faires commented that if hiccups occur to let them know. Mr. Jacobsen indicated that there were only minor concerns from public comment. He reported that they survived the recession. They have been in business for sixty years. He explained that the boat industry has a seven year cycle and with their level of experience they continue to be busy. They just went through a summer that was busier than the facility could handle. This opportunity was an easy choice. He indicated that they picked it back up where they had terminated in 2007 and had left it in a good place with the city. SEACON Construction had a new building design done with a new bid in ten days. They are busy and need to move so that expansion can occur. Mr. Jacobsen is hoping for May or June to be finished. He said that it is a perfect fit with the Port of Edmonds. When you drive around the marina nearly half of the dry storage boats are comprised of the types of recreational fishing boats and outboard motors they sell and service.. He indicated that it is a good marriage and the new business would bring a lot to the Port of Edmonds and the community.

Mr. McChesney asked Mr. Jacobsen to describe the features of the building. Mr. Jacobsen indicated that the outside of the building is dressed up esthetically. They raised the window line up. They put in nautical posts

and beams and tied in with the Ports coloring. They also raised the doors due to the size of boats they are dealing with. There were only minor things changed from the prior building design. It is a good functional building that will give them maximum flexibility.

Commissioner Gouge asked how many employees Mr. Jacobsen anticipates having. Mr. Jacobsen indicated that he had eight employees in high season and they have been kept year round. He expects those numbers to increase to a maximum of 16 at the high point.

Commissioner Orvis expressed that hopefully dry storage tenants would come to Mr. Jacobsen's new business. Mr. Jacobsen also indicated that he had leased space at Harbor Square and would use that space for storage if needed. Maintenance would be done at the new building. Commissioner Orvis commented that there would be a need for a nice warm cozy place for the anticipated purchased motors.

John Hjort commented that he has been a customer since the 1980's when he purchased his first Grady White. We have needed a company like this here for a long time. He indicated that he has known Mr. McCartney for a long time. He believes this is a wonderful company. Mr. Hjort expressed that he believed it is a good fit with the Port and welcomed the company aboard.

Mr. McChesney reviewed the motion that was still on the floor. Commissioners updated Commissioner Block on the motion at hand as she arrived late. Commissioner Orvis commented that during the marina collapse, that sections of the marina were being held up by Grady Whites.

**COMMISSIONER ORVIS MOVED THAT THE COMMISSION AUTHORIZE THE POE 2 LLC LEASE AGREEMENT AND AUTHORIZED THE EXECUTIVE DIRECTOR TO EXECUTE THE SIGNING OF THE LEASE. COMMISSIONER FAIRES SECONDED THE MOTION AND THE MOTION CARRIED UNANIMOUSLY.**

**ADJOURNMENT**

The special meeting adjourned at 11:00 a.m.

Respectfully submitted,



David Preston  
Port Commission Secretary