



## PORT COMMISSION OF THE PORT OF EDMONDS

### MINUTES OF REGULAR MEETING

June 9, 2014

#### COMMISSIONERS PRESENT

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

#### STAFF PRESENT

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

#### OTHERS PRESENT

Bradford Cattle, Port Attorney  
Karin Noyes, Recorder

#### CALL TO ORDER

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

#### PLEDGE OF ALLEGIANCE

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

#### CONSENT AGENDA

Item B (Approval of May 27, 2014 Special Meeting Minutes) was pulled from the Consent Agenda.

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

- A. APPROVAL OF AGENDA, AS AMENDED
- C. APPROVAL OF NORTHWEST COUNTRY MANAGEMENT AGREEMENT EXTENSION
- D. APPROVAL OF PAYMENTS IN THE AMOUNT OF \$133,375.81

**COMMISSIONER FAIRES SECONDED THE MOTION, WHICH CARRIED UNANIMOUSLY.**

#### APPROVAL OF MAY 27, 2014 SPECIAL MEETING MINUTES

**COMMISSIONER FAIRES MOVED THAT THE SPECIAL MEETING MINUTES OF MAY 27, 2014 BE APPROVED, SUBJECT TO INCORPORATION OF NOTES FOR THE PORTION OF MEETING THAT FOLLOWED THE EXECUTIVE SESSION. COMMISSIONER BLOCK SECONDED THE MOTION, WHICH CARRIED UNANIMOUSLY.**

#### PUBLIC COMMENTS

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

**PRESENTATION BY CYNTHIA BERNE REGARDING CITY OF EDMONDS STRATEGIC ACTION PLAN (SAP)**

Mr. McChesney introduced Cynthia Berne from Long Bay Enterprises, who was retained by the City of Edmonds to facilitate the implementation of the Strategic Action Plan (SAP) that was adopted by the City Council on April 2, 2013. He noted that Ms. Berne has invited the Port to participate with her and others on a working group to focus on a pathway forward to implementation of the plan. Because it is not clear exactly what the Port's role will be in this process, he invited Ms. Berne to speak to the Commission about the project and the process.

**Cynthia Berne, Long Bay Enterprises**, confirmed that she has been hired by the City of Edmonds for one year to work on facilitating the implementation of the SAP. At the end of the one-year period, it is hoped programs can be in place to continue the momentum. She advised that for the past few months, she has been meeting with a working group comprised of representatives from the City staff, the Economic Development Commission, Planning Board, Edmonds Senior Center, Chamber of Commerce, Edmonds Center for the Arts, and Edmonds City Council. Mr. McChesney has also been invited to participate on the working group as a representative from the Port of Edmonds.

Ms. Berne advised that the working group has had two meetings to date, and the next meeting is scheduled for June 11<sup>th</sup>. Moving forward, the group will meet every other month through the end of the year. Although the public is invited to attend the meetings, they are not public hearings. She advised that the working group has three basic roles:

1. Act as a sounding board for her to share ideas for moving the SAP forward. Because she is not part of the community, she can be very objective, with a fresh set of eyes. The working group has the history and knowledge of the community that she needs to assist her in her work.
2. Provide periodic feedback on her progress to date. The working group represents a range of community members. As they go through their everyday working environment, they gain knowledge they can share about how the plan is moving forward.
3. Create synergy that demonstrates the SAP will be implemented and not just put on the shelf. The group will reach out to the community in all different types of dialogue to let them know the actions that are moving forward.

Ms. Berne briefly reviewed her goals for the coming year through April 2015, particularly pointing out how the Port could become an important player:

1. Identify a primary lead for each action item and obtain a commitment to the effort. That doesn't mean the primary lead is making the statement to do the action item; it means they have accepted the responsibility of completing the due diligence and financial analysis to see if it is feasible. By their nature, ports are critical to the economic strength and vitality of a waterfront community. Although the Port has not been identified as a primary lead for any of the action items, they will play an integral part in the implementation of many of them.
2. Identify a start and end date for each action item. This will involve identifying whether or not funds will be needed and if the needed funds are available. For some action items, the start and end dates are not clear because they will involve an ongoing effort. The end dates represent when the lead organizations will be required to evaluate their progress and not when the action items, themselves, must be completed.
3. Vet out the conflicting and overlapping action items, as well as those that are too convoluted and need a separate road map.
4. Produce an appropriate City Council action to move the action items forward. She hopes to have enough handle on the situation to make a request in August.
5. Demonstrate to the community that the SAP is a collaborative effort of all entities in the community, building on the strong community in a collaborative and timely effort.

Ms. Berne said she is currently reviewing the 86 action items contained in the SAP and identifying a primary lead organization for each one. She is also working to categorize the action items. She pointed out that some action items will be easy to implement and others are more complex. Some represent great ideas, but are probably not realistic to implement. Her goal is to move a variety of action items from each of the five objectives forward this year. She anticipates the Port

will play a role in many of the action items related to the shoreline/waterfront area, economic sustainability, marketing to the business district, business outreach, high tech industry, and transportation. She encouraged the Port to participate in the process to provide knowledge and expertise.

Commissioner Faires thanked Ms. Berne for sharing her objectives and ideas. He observed that it has been said in the community that the Strategic Plan reflects the opinion of the City's residents in terms of what they want and their priorities. He asked Ms. Berne to share her opinion on how well the action plans reflect the community's values.

Ms. Berne said she has requested, but not received, information on the number of citizens who participated in the public process. However, she would estimate that the public input collected throughout the SAP process likely reflects the community desires with a margin of error between 10% and 20%. She summarized that, for the most part, the SAP reflects the community's ideas. However, it is not well defined and many of the action items have too many tasks, which sets them up for failure. For example, some of the action items are very doable and can be implemented without a lot of financial support, but others are unrealistic and need a lot of financial backing.

Commissioner Faires summarized that the SAP reflects the values of the perceived needs that the citizens see in the community, perhaps without a large amount of pragmatism. Ms. Berne agreed. She added that the rankings help identify the community's priorities. Those that are ranked high or mid level are more reflective of the community's values than those with lower rankings.

Commissioner Preston expressed concern that the working group does not include any representatives from the private sector. He pointed out that there are business owners that generate a lot of revenue for the City, and they could provide valuable expertise. Ms. Berne agreed to discuss this issue with City staff.

Mr. McChesney asked if the deliverable for April 2015 would be a boiled down version of the SAP. Ms. Berne said her deliverable will include a recommended revised SAP that will clean up language, provide additional definitions, and consolidate action items. Those action items that are low ranking and determined to be unfeasible will not likely receive support from a lead agency. It is her intent to eliminate those items in the revised SAP. She noted that the revised version of the SAP would have to be formally adopted by the City Council.

Ms. Berne advised that, at the completion of her work, she will submit a report on her efforts throughout the year to the City Council. The report will include a status report for each of the action items, identifying the start and completion dates, potential funding options, etc.

Commissioner Faires pointed out that the adopted SAP already identifies a lead organization for each of the action items. He asked Ms. Berne how her work would be different. Ms. Berne explained that a single lead organization has only been identified for a few of the action items. Most have two to three lead organizations. Her strong recommendation is that someone has to be responsible, and she does not think implementation will be successful if more than one party is equally responsible.

Mr. McChesney thanked Ms. Berne for her presentation, as well as the invitation to participate on the working group. The Commission will take her request under advisement and he will get back to her later in the week.

#### **SLING LAUNCH RENOVATION CONTRACT WORK ACCEPTANCE**

Mr. McChesney briefly reviewed the difficulties with the launch project. He reported that the problems have been addressed and the project has been completed and accepted by the engineer. It has been tested and found to be fully operational without any reservations. He asked the Commission to officially accept the project as complete so that paperwork can be filed for the Port to release the retainage.

**COMMISSIONER PRESTON MOVED THAT THE COMMISSION ACCEPT THE SLING LAUNCH RENOVATION CONTRACT AS COMPLETE. COMMISSIONER FAIRES SECONDED THE MOTION, WHICH CARRIED UNANIMOUSLY.**

**RESOLUTION 14-02, AUTHORIZING INVESTMENT OF PORT OF EDMONDS MONIES IN THE LOCAL GOVERNMENT INVESTMENT POOL**

Ms. Drennan advised that the Port initially opened an account with the State of Washington Local Government Investment Pool (LGIP) in July of 2002. While the Port invested a significant amount of money into the pool in previous years, the current investment is only \$37,851. However, in order to retain the option of investing Port monies in the pool in the future, she recommended the Commission approve Resolution 14-02 as presented.

**COMMISSIONER GOUGE MOVED THAT THE COMMISSION APPROVE RESOLUTION NUMBER 14-02, AUTHORIZING INVESTMENT OF PORT OF EDMONDS MONIES IN THE LOCAL GOVERNMENT INVESTMENT POOL. COMMISSIONER BLOCK SECONDED THE MOTION, WHICH CARRIED UNANIMOUSLY.**

Commissioner Orvis left the meeting at 7:30 p.m., and Commissioner Preston assumed leadership of the meeting.

**HART CROWSER TENANT IMPROVEMENTS**

Ms. Drennan reviewed that the Commission approved the lease agreement with Hart Crowser at a special meeting on March 17<sup>th</sup>, and it requires that the Port perform tenant improvements to prepare the space. The Port and Hart Crowser hired Allbee Romein to put together the bid specifications for the improvements, and the Port went out for bid on May 15<sup>th</sup>. Bids were due on May 30<sup>th</sup>, and five were received. The low bid was submitted by All Phase Interiors, LLC. Port staff completed due diligence on All Phase Interiors, LLC, and its bid, and the contractor is ready to start the project as soon as the City issues the required permit and the Port gives them approval to begin. It is anticipated that the work will be substantially complete by September 15<sup>th</sup>, and staff will work with the contractor to minimize the disruption to tenants and guests of Harbor Square.

Ms. Drennan reviewed that the proposed contract is for \$143,733.87 plus sales tax for a total of \$157,388.59. Hart Crowser was provided an allowance of \$217,720 (\$40 per square foot) for tenant improvements, including the architect. The Commission approved a contract with the architect, Albee Romein, in the amount of \$14,687 at their April 28<sup>th</sup> meeting. She recommended the Commission authorize the Executive Director to enter into the contract as presented.

Commissioner Faires said it is important to note that the entire cost associated with the tenant improvements will be recovered through tenant payments to the Port over the term of the five-year lease. Mr. McChesney agreed that the tenant improvements would be capitalized over the five-year lease term.

Mr. McChesney said it is anticipated the City will issue the required permit for the improvements by June 19<sup>th</sup>, but that is not an absolute. As of today, the permit application has been reviewed by the Planning Division, Engineer Department, and Fire District, but it is still waiting for approval from the Building Division.

Commissioner Faires asked about the expected duration of the project. Mr. McChesney said he anticipates the project will take about two months to complete, and he hopes to have it wrapped up by the end of August. He reiterated that the contractor is ready to start the project as soon as the permit is issued, and he does not expect any significant delays.

**COMMISSIONER FAIRES MOVED THAT THE COMMISSION AUTHORIZE THE EXECUTIVE DIRECTOR TO ENTER INTO A CONTRACT WITH ALL PHASE INTERIORS, LLC IN THE AMOUNT OF \$143,733.87 PLUS SALES TAX. COMMISSIONER GOUGE SECONDED THE MOTION, WHICH CARRIED UNANIMOUSLY.**

**EXECUTIVE DIRECTOR'S REPORT**

Mr. McChesney reported that he had been approached by Amy Spain, Executive Director of the Snohomish County Tourism Bureau. He met with her on June 5<sup>th</sup> and was invited to join their Board of Directors to represent South Snohomish County. He felt it would be a good opportunity for the Port, particularly as the Washington Public Port

Association is showing keen interest in becoming more involved and the Port of Seattle has been spending resources try to attract tourists who come in on the cruise ships to visit other parts of the City.

Mr. McChesney advised that he and Commissioner Orvis met last week with the City of Edmonds Engineer and Director of Public Works to brainstorm ideas to improve public safety and traffic flow on Admiral Way, Dayton Street and Railroad Avenue. This will be a work in progress and they will follow up with each other in a few weeks. At this time, there is nothing obvious that can be done that has not already been done. However, they agreed to work together to improve signage to direct pedestrians and alert vehicular traffic as to what to expect. Providing crosswalks is problematic because Admiral Way is classified as a collector arterial, and there are clear rules and parameters on where crosswalks can be located.

Commissioner Faires requested preliminary numbers for the recent Waterfront Festival. He noted that the weather was excellent. Ms. Kempf said she talked with a representative from the Rotary Club who indicated that the event was successful and they expect revenues similar to last year's event, which is good. The Rotary Club will provide specific numbers later, which she will include in her next quarterly report. She agreed that it was a beautiful weekend, and the Rotary Club was pleased with the turn out. Mr. McChesney added that, given the amount of construction that was taking place in the area and the beautiful weather, Port staff was expecting more challenges. He commended staff for working with the Rotary Club to manage the crowds and keep the event going smoothly. They always have concern about tenants being able to access their boats, and the staff worked hard to do whatever they could to minimize impacts.

Mr. McChesney announced that the Washington Public Port Association's Commissioner Seminar is scheduled for July 27<sup>th</sup> through 29<sup>th</sup>. He encouraged interested Commissioners to contact staff so that appropriate arrangements could be made.

Ms. Kempf noted that she provided information about the activities associated with the upcoming National Marina Day Event on June 14<sup>th</sup> via email. She particularly noted that a ribbon cutting ceremony for the upgraded public launch will be held at 11:30 a.m., and Mr. McChesney and Commissioner Orvis will both speak at the event. A representative from the Recreation and Conservation Office will also be present.

#### **COMMISSION COMMENTS AND COMMITTEE REPORTS**

Commissioner Gouge reported that he and the Commodore of the Edmonds Yacht Club were the masters of ceremony at the Waterfront Festival's opening event. He welcomed the public and thanked the boaters for allowing the event to happen. He commends staff for doing a great job of managing the crowds and helping to make the event successful.

Commissioner Gouge announced that he and Ms. Drennan will attend the Washington Public Port Association's Finance Seminar.

Commissioner Faires indicated that he would continue to serve on the Edmonds Citizens Economic Development Commission in an advisory capacity.

Commissioner Preston reported on his attendance at the annual Puget Sound Regional Council meeting. Also in attendance were Councilmembers Mesaros, Bloom and Fraley-Monillas and Mayor Earling. He also announced his plan to attend the "open government" training session on June 11<sup>th</sup> that is being sponsored by the Anderson Hunter Law Firm.

#### **ADJOURNMENT**

The Commission meeting was adjourned at 7:48 p.m.

Respectfully submitted,



Bruce Faires  
Port Commission Secretary