

**Minutes of Everett Port Commission  
Regular Meeting  
May 4, 2021**

<b>PRESENT:</b>	Tom Stiger	President
	Lisa Lefebber	Executive Director
	Eric Russell	Chief Finance Officer
<b>ZOOM:</b>	Glen Bachman	Secretary
	David Simpson	Vice President
	Brad Cattle	Port Attorney

**CALL TO ORDER:** Commission President Tom Stiger called the meeting to order at 12:01 p.m.

**Commission President's Report**

Commission President Tom Stiger stated WPPA has a Spring meeting on May 11 and a tentatively planned Summer meeting is scheduled in mid-June, subject to COVID-19 restriction, in Spokane. WPPA will also be having a Redistricting 101 meeting on Zoom on May 11 to encourage Port districts to start the planning from the 2020 census data.

Stiger also mentioned there is a groundbreaking video of the terminal operations with the new cranes in operation and the larger Westwood ship that took place week.

Stiger welcomed Alexis Dean back from maternity leave.

**Commission Discussion**

Commissioner David Simpson thanked Port Staff members who were involved with the Commission Retreat. It was very informative to him and he was glad to have the opportunity to meet a real-life harbor pilot.

**Citizen Comments**

There were no citizen comments.

**CEO/EXECUTIVE DIRECTOR'S REPORT**

**COVID-19 Update**

CEO/Executive Director Lisa Lefebber reported all Port offices were opened to the public on May 1, which was also opening day of boating season, and it has been going very well. To manage office crowding, tenants need to make reservations to sign up for new moorages. With the recent spike of cases and discussion of phase roll back, the Governor announced today a two-week pause of changes in phases, so Snohomish County will stay in Phase 3 for the next two weeks.

The second vaccine clinic will be held on Wednesday, May 12 and it is only for the booster shot.

Commissioner Tom Stiger asked Lefebber if the Port is going to require the vaccination for employees. Lefebber stated her recommendation is that unless the Port gets some regulatory direction from the State to mandate the vaccine for employees it is not a policy the Port is recommending on adopting. A large percentage of Port Staff did take advantage of the vaccine clinic held at the Port.

### **State Legislative Update**

Lefebber sent a note out that the State Legislative session for 2021 has adjourned. Lefebber was happy to report and wanted to thank the Commissioners and elected officials Representative Wicks, Senator Liias, Representative Sells, and Representative Lovick, as well as Port of Everett Government Affairs Manager Adam LeMieux, for their efforts to secure MTCA funding this year. Department of Ecology notified the Port that the \$8.6 million that was allocated at the previous biennium was deobligated as there was no mechanism to allow for carry over and that the Port had a capital budget request in for Norton Terminal environmental cleanup and neither project was included in the initial capital budgets. However, the Port was successful in receiving \$8.6 million for the Mill A cleanup along with a proviso that Department of Ecology provide for an extended grant agreement for that project due to the size of the project. This would prevent the Port from being concerned about deobligating funds in the future. The Port was also successful in receiving \$7.7 million in MTCA funding for the environmental cap and interim action for the new Norton Terminal. There were other developments, including the passage of the tax exemptions in the Cascade Industrial Center, which the Port was supportive of and a lot of positive things came out session.

Commissioner David Simpson thanked Representative Emily Wicks for her work as a freshman representative. Simpson also emphasized how important the Norton Terminal is to the community for economic development and jobs. The Cascade Industrial Center is also important for creating new jobs for the region.

### **Marina Cleanup Day**

Lefebber stated two weekends ago the Port held a Marina Cleanup Date. Port Staff who attended did an amazing job and there was about 60 people who helped cleanup around the Port. The Port is looking really good and starting to make the transition from a light industrial waterfront to a destination waterfront.

### **Chief of Business Development Terrie Battuello**

Lefebber reported Chief of Business Development Terrie Battuello's last day is officially today, May 4 and this was her last commission meeting. Battuello will definitely be missed, she is a powerhouse and very good at making things happen. Lefebber knows that having Battuello working for Economic Alliance of Snohomish County (EASC), the partnership will continue, and we work together very closely, just in a different capacity. On behalf of the Port, Lefebber wished Battuello the best and looks forward to a continuing partnership with her at EASC.

### **NORTON TERMINAL (MARITIME INDUSTRIAL EXPANSION)**

CEO/Executive Director Lisa Lefebber reported Staff went out to bid last week on the Pre-load work. There was already a pre-bid meeting and Staff expects to open bids within the next couple of weeks. T Next will be the full for the third interim action which will also serve as a cargo terminal. Lefebber thanked Planner Laura Gurley for all of her efforts getting the Port through the environmental permitting process at the State and Federal level. The Port is continuing to work on the grant agreement with the Department of Transportation which will allow the Port to start spending money against the \$17.75 million BUILD grant.

Lefebber stated the Port does expect to break ground officially in July 2021 and will provide a groundbreaking date.

**WATERFRONT PLACE CENTRAL**

**New Lease A8 – Fisherman’s Jack**

CEO/Executive Director Lisa Lefeber stated this is an exciting day for the Port and the community. This is the final tenant the Port needs in order to go out to bid for new buildings at A8 and A17. This will add diversity and vibrancy to the restaurant scene at the Port.

Chief of Business Development Terrie Battuello reported this Lease provides the Port the opportunity to anchor the new restaurant district on Seiner with an established restaurant operator. Jack Ng is one of the owners of China City LLC, which operates several restaurants in the area. For the Port of Everett, Jack has developed a new family-friendly casual Chinese cuisine concept that will feature regional seafood in dim sum and noodle dishes native to China. As part of the lease, the tenant receives an “exclusive” related to Chinese food restricting future restaurant’s from serving similar dishes in Fisherman’s Harbor.

The location is adjacent to the Pacific Rim Plaza in building A8, a 5,000 square foot building that will also include the previously approved South Fork Bakery. This tenant will have approximately 3,800 Rentable Square Feet (RSF) plus exterior patios for food and beverage service. The Port expects to deliver the project for tenant buildout no later than May 2022 (delays past May 2022 would delay the tenant delivery for a year to 2023). The lease term is ten years with three options of five years each. There is a graduated start-up rent bringing the full rent in by the anniversary of the third year at \$30 per RSF plus 6% of gross sales over the natural breakpoint. An annual escalation of 2.5% will begin at the start of the fourth year. A security deposit of \$25,000 will be paid upon execution. No commission is owed. Gross revenue to the Port will be approximately \$1,178,317 over the course of the lease.

After discussion, Commissioner David Simpson moved that the Commission authorize the CEO to sign a restaurant lease with China City LLC for approximately 3,800 Rentable Square Feet plus patio in Waterfront Place Center’s parcel A8 building with a \$25,000 cash security deposit, in a form substantially as presented. Commissioner Glen Bachman seconded the motion. A vote was called for:

Vote:	3-0
Yes:	Simpson, Bachman, Stiger
No:	None
Abstained:	None

Motion carried.

Lefeber added there should be a request for bid for these buildings in the June 2021 meeting.

**New Lease Waterfront Center Suite 107B – Engineered Sports Therapy**

Chief of Business Development Terrie Battuello reported Kent Physical Therapy and Sports Performance Center, LLC doing business as Engineered Sports Therapy will lease Waterfront Place Center Suite 107B. They expect to take possession of the space September 1, 2021. This company operates currently on Wall Street in Everett, and this location represents an expansion. Their motivation for expanding is related to new residents locating at the waterfront in the Waterfront Place Apartments. Services include performance physical therapy, tactical performance, and sports performance training as well as work conditioning, and education for performance mentors. They also provide the typical services of concussion management, dance medicine and other types of conditioning.

The five-year and three-month lease encompasses 1,326 BOMA-RSF. Rent is set at \$24 per RSF/per year, triple net, with a 3% annual escalation with one option for renewal of five (5) years. There is an incentive period with no rent for the first three (3) months. A broker commission is owed to Art Thompson of NAI Puget Sound. The Port will receive gross revenue of \$168,958 over the course of this lease.

Upon discussion, Commissioner Glen Bachman moved that the Commission authorize the CEO to sign an office lease with Kent Physical Therapy and Sport Performance Center, LLC dba Engineered Sports Therapy for 1,326 Rentable Square Feet at Waterfront Place Center Suite 107B with a \$3,500 cash security deposit, in a form substantially as presented. Commissioner David Simpson seconded the motion. A vote was called for:

Vote:	3-0
Yes:	Bachman, Simpson, Stiger
No:	None
Abstained:	None

Motion carried.

### **Beautification Update**

Chief of Business Development Terrie Battuello reported CEO/Executive Director Lisa Lefebber tasked Staff back in Fall of 2020 to flip the switch from industrial site to mixed use site. There are many Port Staff that have been working very hard to get the Port to the point where it is today, and more work will continue over the next few months, especially at South Marina.

The scope of the beautification effort included removal of old construction equipment, fences, barricades, garbage compactors, old sewer parts, moved net sheds, screened and relocated unsightly equipment, removed equipment around the Equator and surplus ecology blocks to the County to use at the vaccination sites. There has been new gravel, grading and re-striping and sealing parking lots. The Weyerhaeuser and Waterfront Place roofs were sprayed off. Staff have been weeding, pruning, and added more than 400 cubic yards of bark.

With the help of a landscape architect Planning Director, Laura Gurley, Chief of Engineering & Planning John Klekotka and Project Manager Brandon Whitaker have redesigned the entry way landscaping. The Port is now out to bid for landscaping for the South Marina which is the first of several phases to completely replant the South Marina. The Port is also adding 40 new flower baskets, 37 new planters and was able to borrow the terracotta planters from the City of Everett and placing them along the esplanade.

Commissioner Glen Bachman stated Staff should be on the lookout and report graffiti and once reported, removal needs to be a priority. Battuello stated there is a 24-hour response rule in the contracts and Marina Director Jim Weber takes it serious too. Staff is required to photograph the graffiti and forward through security to the police department.

### **Parking Update**

Chief of Business Development Terrie Battuello reported it has been three years since the Port started to look at parking on the waterfront and a more formal equitable plan that anticipates future develop at the waterfront. Parking, parking lots and maintenance of parking while making sure people have the parking that they are entitled to as slipholder is a very expensive proposition. Set aside the capital, it is

probably a quarter million or more a year in just managing parking, so it is very important that everybody pay an equitable share.

Over the past two years, the Port has developed the parking masterplan that was approved by the City and have completed a parking policy. There are parking figures that were compiled by engineers of all the parking lots, so every stall is numbered, every lane numbered, every parking type identified so everyone speaks the same parking lot language.

The Port has also moved to digital parking permits instead of dashboard plaques. This gives a lot of flexibility on the backend to turn on and off parking privileges if someone is trespassed, not supposed to be on site or their parking permit has been suspended. More importantly, slipholders are able to list all their vehicles on their digital permit and still able to park two cars at a time.

LAZ is the parking operator. They utilize a license reader program and have the ability to read the license plates of the vehicles while driving up and down the aisles and chimes if there is an issue. It really does protect the confidentiality of parkers and keeps the parking issues between the parking operator and customer. There are a few pay stations throughout the marina, which may be phased out over time, as it is much easier to pay on a smart phone.

There are new white parking signs, and all use the international symbols. The parking types are classified so people should be able to navigate more easily.

With the new parking map, Staff found things that were not quite right on the striping, including ADA parking was not consistent and striping at the launches made it hard for cars to use one stall. The new striping will maximize the efficiencies at lots and be compliant with ADA.

After May 15, regular parking implementation will start. The first ticket is a warning ticket then the next ticket will be a violation ticket. The fees always stay the same, \$35 with additional fee after 14 days and if not paid eventually to collections.

Slipholders are able to park for up-to 96 hours to allow for longer boating excursions. For those going on a longer trip, they have up 30 days additional time in one-day increments by sending an email and registering their car. If more time is still needed they can park in the new long-term parking for \$10 a day.

Hat Island residents who are also slipholders in 2022 will have to pay for similar endorsement to park without registration. They would be paying about \$35 a month which is about half of what a monthly parking permit in downtown Everett would cost.

There will be free parking for the first time at Jetty Landing sitewide. The first two hours of parking are free. As a special incentive, when the smart phone app is downloaded the first time through the Port's social media, customers receive a \$2 coupon. For Jetty Island Days, there will be an opportunity for people to purchase their Jetty Island tickets online and also get discounted parking.

Another change, motorcycles are now being permitted. The Port does not allow for covered motorcycles or cars to try to combat the crime element.

The Port was also able to re-negotiate parking with Anthony's to eliminate the red lot in South Marina, allowing general parking throughout South Marina. Also, commercial employers can use their own portal to register all of their employees permits and can manage when those permits are expired.

The Port as also allowed Milltown Sail Association, Sea Scouts, Mukilteo Yacht Club, Everett Power Squadron, and US Coast Guard Auxiliary to manage their parking needs through the portal for up to 12 hours.

Parking has also been integrated in special events so when there is an event happening, they will be required to work with LAZ and pre-pay for parking management.

The Port also wants to look at commute reduction for the site. Because of the license reader, the Port now has the ability to have a parking dashboard to evaluate how much parking is really needed rather than having a parking count once every several years.

Staff is also working with the restaurants to establish parking valet pre-registration and other types of parking services. as well as coordination of lots that are not managed by the Port like the housing development, the hotel, and Port Gardner Landing where they can contract with LAZ at their costs, but it would unify the parking mechanisms site wide resulting in less user confusion.

Commissioner David Simpson thanked Battuello and the Public Affairs team for engaging with the neighborhoods regarding the parking management plan and all the changes happening at the Port.

## **DEPARTMENT REPORTS**

### **Properties**

#### **Puget Sound Energy (PSE) Easement**

Chief of Business Development Terrie Battuello reported the Port has been asked by Puget Sound Energy (PSE) to provide a location for a natural gas regulator required to facilitate the growth and expansion of the Waterfront Place Central Project. Port Administration has recommended a location in its industrial district on the former Ameron frontage (in front of the warehouse building) would be the best option. The Port will provide the easement at a negotiated price of \$10,426. The regulator will be located in one of the three driveways at this location, which will not impact the ingress/egress to the site. The Port is agreeing to indemnify PSE for current environmental liability (if any) on the property. All permits and construction costs are paid for by PSE.

After discussion, Commissioner David Simpson moved that the Commission approve an easement with PSE for a natural gas regulator to be installed at 1130 W. Marine View Drive, in a form substantially as presented. Commissioner Glen Bachman seconded the motion. A vote was called for:

Vote:	3-0
Yes:	Simpson, Bachman, Stiger
No:	None
Abstained:	None

Motion carried.

#### **Martin Smith Easement and Ground Lease**

Chief of Business Development Terrie Battuello reported the Port leased the approach ramp to the old Mukilteo Ferry Terminal to the Washington State Ferries. With the opening of the new Washington

State Ferry terminal the Port has evaluated alternative uses for the approach ramp consistent with the City of Mukilteo's desire to have public access to the waterfront

Staff recommends the existing easement be amended for Ivar's Restaurant building to provide key ingress and egress rights. This requires execution of the Agreement to Grant Easement and the Amended and Restated Easement. The Easement requires an annual payment with an annual 2.5% escalation and its term matches the remaining Ivar's lease term ending February 28, 2041.

Second, a ground lease of the Port's land at this location to MSI Mukilteo, LLC (landlord of Ivar's) allowing them to design, build and maintain a public access area on a portion of the space and use the remaining portion (approximately the former loading lanes) for expansion of the Ivar's outdoor dining space. The initial patio design features private seating for restaurant patrons, as well as seating for the general public. There is an initial two-year "interim" term with an option to extend depending upon the success of the concept. Given the volatility of the current economic environment, the proposal allows the tenant a year to make interim investments while evaluating a longer-term commitment and another year to develop plans which would be implemented for the 2023 season if they exercise their option to extend.

Throughout the agreement, MSI will perform maintenance of the public area and when the longer-term design is developed participate in the public access area improvements, with a cap of \$20,000. The rent is for the private patio area at \$3.25 per RSF, with a discount to offset the cost of the park maintenance. If the option is exercised, the rent will be adjusted. Also, the Port will be able to brand the space with its name and logo in partnership with MSI and Ivar's. Details of the site and final terms of the lease and easement are still being determined, including the amount of private patio space subject to the lease payment.

Upon discussion, Commissioner Glen Bachman moved that the Commission authorize the CEO to approve the Amended and Restated Easement and the Agreement to Grant Easement between the Port and MSI Mukilteo, LLC, in a form substantially as presented. Commissioner David Simpson seconded the motion. A vote was called for:

Vote:	3-0
Yes:	Bachman, Simpson, Stiger
No:	None
Abstained:	None

Motion carried.

Commissioner Glen Bachman moved that the Commission authorize the CEO to approve the Ground Lease with MSI Mukilteo, LLC for certain property located at 700 Front Street in Mukilteo for the purposes of establishing a waterfront open space and semi-private restaurant patio, substantially as presented. Commissioner David Simpson seconded the motion. A vote was called for:

Vote:	3-0
Yes:	Bachman, Simpson, Stiger
No:	None
Abstained:	None

Motion carried.

### **Copper River Yacht Sales Office Lease**

Chief of Business Development Terrie Battuello reported Copper River Yachts LLC is a Washington limited liability company owned by Tim Wade doing business since 2015 as Cross Water Yachts Sales. This company was displaced by the new Everett Yacht Club lease approved in April. In order to facilitate his relocation without closure, the Port administrative has conditionally approved the lease which is now subject to the Commission's ratification by motion. The lease provides 628 RSF within the north facing side of Marina Village #3 building located at 1724 W. Marine View Drive, Suite 145.

The base rent for this lease is \$21 per RSF triple net, a rent incentive over the first two years. The lease includes a Tenant Improvement allowance (TI) not-to-exceed \$10 per square foot.

The security deposit of \$1,293 for the former space will be transferred to this lease and is slightly more than one month's rent. This tenant has solid credit with the Port and one-month deposit is sufficient for existing tenants. Rent escalates at 2.5% and the Tenant has two, three-year options to extend. Port gross revenue for this lease will be \$39,738.

After discussion, Commissioner David Simpson moved that the Commission ratify the CEO's approval of the Copper River Yacht Sales, LLC Office lease for 628 Rentable Square Feet located at 1724 W. Marine View Drive, Suite 145, and in a form substantially as presented. Commissioner Glen Bachman seconded the motion. A vote was called for:

Vote:	3-0
Yes:	Simpson, Bachman, Stiger
No:	None
Abstained:	None

Motion carried.

### **Marimba Restaurant LLC Retail Lease**

Chief of Business Development Terrie Battuello reported Marimba Restaurant, LLC is a Washington limited liability company owned by Ms. Khristina Riedel. The proposed use for this lease is for corporate office administration for her restaurant "Sol Express" which is in downtown Everett and Marimba Cleaners, a commercial linen cleaning service, and to start a new, marina-focused business, called Lead Line Concierge Services. The lease provides 2,237 BOMA certified RSF within the northeast facing side of Marina Village #3 building located at 1724 W. Marine View Drive, Suite 140. In order to facilitate business deadlines, the Port Administration conditionally approved this lease to commence on May 1 and is requesting ratification by the Commission.

The base rent for this Class B building lease is set at \$21 per RSF triple net. The lease term is five (5) years and three (3) months commencing May 1. A three-month rent relief incentive was negotiated to secure the tenant. Rent Security is based on level of risk and is recommended as \$4,000. This deposit was collected upon execution of the lease by the tenant. A 3% annual escalation is provided, and the Tenant has one option to extend five years. A brokerage fee is due to Art Thompson of NAI Puget Sound Properties. Port gross revenue for this lease will be \$237,663.

Upon discussion, Commissioner Glen Bachman moved that the Commission ratify the CEO's approval of the Marimba Restaurant, LLC lease for 2,237 Rentable Square Feet located at 1724 W. Marine View Drive, Suite 140, with a security deposit of \$4,000 and in a form substantially as presented.



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Commissioner David Simpson seconded the motion. A vote was called for:

Vote: 3-0  
Yes: Bachman, Simpson, Stiger  
No: None  
Abstained: None

Motion carried.

**Marina**

**Opening Day of Boating**

Chief of Marina Operations Jeff Lindhout reported opening day of boating was this past Saturday and it had a great turn out, with a lot of participation from Mukilteo Yacht Club, Everett Yacht Club, Dagmar's, and Milltown Sailing Association. The weather was marginal; however, everyone had a good time. The boat parade was also successful.

**Everett Yacht Club Groundbreaking**

Chief of Marina Operations Jeff Lindhout reported this coming Saturday, May 8, there will be a groundbreaking event for the Everett Yacht Club. This event has been a long time coming. Chief of Business Development Terrie Battuello has been working diligently on this lease for a long time and it is finally all coming together. Reciprocal moorage for the Yacht Club will be on South E Dock which is right in front of the club house, with 50 feet on the west side and 100 feet on the east side of the dock.

**Executive Session**

No Executive Session was held.

**THE REGULAR MEETING WAS ADJOURNED at 1:53 p.m.**

**APPROVED** this 15<sup>th</sup> day of June, 2021.

**EVERETT PORT COMMISSION**

By: Tom Stiger  
Tom Stiger, President

By: David Simpson  
David Simpson, Vice President

By: Glen Bachman  
Glen Bachman, Secretary