

**Minutes of Everett Port Commission  
Special Meeting  
January 5, 2022**

|                 |  |   |
|-----------------|--|---|
| <b>PRESENT:</b> | Tom Stiger<br>Lisa Lefeber                                       | President<br>Executive Director                                       |
| <b>ZOOM:</b>    | David Simpson<br>Glen Bachman<br>Eric Russell<br>Jordan Stephens | Vice President<br>Secretary<br>Chief Finance Officer<br>Port Attorney |

**CALL TO ORDER:** Commission President Tom Stiger called the meeting to order at 12:02 p.m.

- Approval of Sound2Summit Lease
- Approval of Port Gardner Landing Lease
- Amendment to Bellingham Yachts Lease

**Approval of Sound2Summit Craft Brewery Lease**

CEO/Executive Director Lisa Lefeber reported on November 16, 2021, the Port Commission approved and authorized the CEO/Executive Director to execute a draft lease between the Port and Sound2Summit. However, after Commission approval and prior to execution of that draft lease, Sound2Summit requested revised terms to the lease. The lease is a 5-year term, with options, for 3,000 square feet of interior space and approximately 1,500 square feet of patio. The lease is located in the new Port Gardner Landing building location. The lease is for \$40 per interior RSF, \$10 for patio RSF, with percentage rent of 6% after the natural breakpoint. The lease includes a \$40,000 tenant improvement allowance.

The changes to the lease based on the Commission's last review include the following:

- Eliminate the step rent increase and start at \$40 RSF for interior space, with annual escalations
- Adding 600 feet to the patio space
- Delivering a turnkey space rather than gray shell

It is estimated the lease will generate approximately \$675,000 over the initial lease term. Port Gardner Landing is part of PNW Reality option agreement, and the intent is that PNW Reality will execute their option to build this building. Once the option is executed, PNW Reality would assume this lease.

Commissioner David Simpson moved that the Commission approve the Sound2Summit Craft Brewery Lease and authorize the CEO/Executive Director to execute the lease. Commissioner Glen Bachman seconded the motion. A vote was called for:

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

Motion carried.

**Approval of Westwood Investors LLC Ground Lease for Port Gardner Landing Site**

CEO/Executive Director Lisa Lefeber reported on October 26, the Port Commission approved a draft ground lease between the Port and PNW Realty Partners (Schuster Group) to build the 6,500 square foot Port Gardner Landing buildings at 1710 West Marine View Drive. The building, which is at 65% design, will be the future home of Woods Coffee and Sound2Summit Brewing. As the design has evolved, and with the signing of a second tenant, staff has continued negotiations on the lease, clarifying the roles of the parties and more clearly defining financial responsibility.

The changes from the draft ground lease include:

- The Schuster Group entity has changed to Westwood Investors LLC
- Rather than a tenant improvement allowance plus the guaranteed cap on construction costs, the Port will pay for the “horizontal” construction, including ground improvements, paving and sidewalks. The cost of the Port work is approximately \$625,000. This amount is roughly equivalent to the previous concept of TI’s + guaranteed cap. Final pricing is still being established.
- The construction timeline has slid to the right due to the expected time it will take to receive permits for the work

Commissioner Glen Bachman moved that the Commission approve the Westwood Investors LLC Ground Lease for Port Gardner Landing Site and authorize the CEO/Executive Director to execute the ground lease. Commissioner David Simpson seconded the motion. A vote was called for:

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

**First Amendment to Bellingham Yacht Sales Commercial Lease**

CEO/Executive Director Lisa Lefeber reported Oulette Brothers Yacht Sales, Inc. dba Bellingham Yacht Sales (Tenant) has a lease on Suite 3 within the A17 Building currently under construction. Tenant has requested a TI Allowance of \$40/RSF for Tenant’s construction within the premises of the A17 Building.

In consideration of the increased TI Allowance the term of the lease has been extended by 24 months for a total term of 60 months (5 years), rent has increased to \$35 RSF annually, and the Security Deposit has increased by \$500.01, for a total of \$3,500.01.

Commissioner Glen Bachman moved that the Commission approve the First Amendment to Bellingham Yacht Sales Commercial Lease and authorize the CEO/Executive Director to execute the amendment. Commissioner David Simpson seconded the motion. A vote was called for:

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

**Commission President’s Report**

Commission President Tom Stiger congratulated Commissioner David Simpson for his swearing in ceremony earlier in the morning.

Commissioner Stiger also mentioned CEO/Executive Director Lisa Lefebber’s 2021 year-end report to the Commission listed quite a year of accomplishments and the Commission can be really proud that the Port has the leadership and staff to accomplish as many things as they did considering the very trying conditions.

**Commission Discussion**

Commissioner David Simpson concurred with Commissioner Stiger on his review on the accomplishments for 2021. Commissioner Simpson also thanked Commissioner Stiger and Commissioner Bachman for attending the swearing in ceremony earlier in the morning.

Commissioner Glen Bachman congratulated Commissioner Simpson on his election and his next 6-year term. Commissioner Bachman also mentioned that the month of December was packed full of high-level conferences for Port Executives and Commissioners. One of the takeaways Commissioner Bachman found interesting was where the next big airport location would be, and all arrows keep pointing to Paine Field.

**Citizen Comments**

There were no citizen comments.

**ELECTION OF COMMISSION OFFICERS**

Commission President Tom Stiger reported the Commissioners rotate the offices of the President, Vice President and Secretary annually. For the year 2022, it was recommended David Simpson as President; Glen Bachman as Vice President; and Tom Stiger as Secretary.

After discussion, Commissioner Glen Bachman moved that the Port of Everett Commission Officers for the year 2022, effective following the meeting, be as follows: David Simpson as President; Glen Bachman as Vice President; and Tom Stiger as Secretary. Commissioner David Simpson seconded the motion. A vote was called for:

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

Motion carried.

CEO/Executive Director Lisa Lefebber asked for clarification on the Commission Officer roles for today’s meeting and it was agreed upon by all three Commissioners that Commissioner David Simpson will take on the President role at the next Commission meeting.

**APPOINTMENT OF LEGAL COUNSEL**

Commission President Tom Stiger reported the Port went thru the process earlier in the year to select a firm to replace Brad Cattle and was pleased to announce the Port wanted to continue that relationship with the Anderson Hunter Law Firm, with Jordan Stephens as lead attorney, to represent the Port as Legal Counsel.

Upon discussion, Commissioner David Simpson moved that the Commission appoint the Anderson Hunter Law Firm as legal counsel for the Port of Everett. Commissioner Glen Bachman seconded the motion. A vote was called for:

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

Motion carried.

#### **APPOINTMENT OF PORT AUDITOR/PORT TREASURER**

Commission President Tom Stiger reported this is an annual appointment of the Auditor and Treasurer for the Port.

After discussion, Commissioner David Simpson moved that the Commission appoint Eric Russell as the Auditor and Treasurer for the Port of Everett for the year 2022. Commissioner Glen Bachman seconded the motion. A vote was called for:

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

Motion carried.

#### **CEO/EXECUTIVE DIRECTOR'S REPORT**

Commission President Tom Stiger reported the following resolutions are considered housekeeping that are required annually. CEO/Executive Director Lisa Lefeber presented the resolutions to the Commission.

#### **Resolution No. 1184 (2022) – Adopting Travel Authorization**

Resolution No. 1184 (2022) establishes the travel authorization for the Port Commission, Executive Director, and Port Staff. Typically, the Commission's Travel Authorization Resolution is placed on the Commission agenda annually for review and re-adopting (with any desired modifications) with the other annual business resolutions and matters taken up at the January Commission meeting.

However, there are rarely any modifications made to the Resolution and there is no legal requirement that the Resolution be re-adopted annually. Therefore, this Resolution is being proposed to be effective indefinitely. Any future modifications will be brought to the Commission for review and approval on an as needed basis.

Upon discussion, Commissioner Glen Bachman moved that the Commission adopt Resolution No. 1184 (2022) establishing travel authorization for the Port Commission, Executive Director, and appropriate Port Staff. Commissioner David Simpson seconded the motion. A vote was called for:

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

Motion carried.

**Resolution No. 1185 (2022) – Delegation of Authority**

Resolution No. 1185 (2022) delegates authority to the Executive Director and their designees for 2022. There has been one addition to the Delegation of Authority Exhibit related to abandoned and derelict boats and related gear. The Delegation of Authority provides the Executive Director authority to dispose of Abandoned Property under RCW 79.100 (if applicable) without further Commission approval, following statutory notification and other procedural requirements. However, if the Abandoned Property is disposed of under RCW 53.08.320 (which is applicable for vessels with a Moorage Agreement) the Commission must approve the sale. There has also been one deletion from the Exhibit as there was duplicative language with Resolution 1188 (2022).

The Commission’s Delegation of Authority Resolution is placed on the Commission agenda annually for review and readopting (with any desired modifications) with the other annual business resolutions and matters taken up at the January Commission meeting.

After discussion, Commissioner David Simpson moved that the Commission adopt Resolution No. 1185 (2022) establishing the Master Policy Directive for the administrative authority of the Executive Director and their designees for the year 2022. Commissioner Glen Bachman seconded the motion. A vote was called for:

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

**Resolution No. 1186 (2022) – Delegated Authority in Executive Director Absence**

Resolution No. 1186 (2022) delegates authority in the absence of the Executive Director. The Commission’s Delegation of Authority Resolution is placed on the Commission agenda annually for review and readopting (with any desired modifications) with the other annual business resolutions and matters taken up at the January Commission meeting.

Upon discussion, Commissioner Glen Bachman moved that the Commission adopt Resolution No. 1186 (2022) delegating authority in the absence of the Executive Director. Commissioner David Simpson seconded the motion. A vote was called for:

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

**Resolution No. 1187 (2022) – Schedule and Location of Commission Meetings**

Resolution No. 1187 (2022) reconfirms the schedule and location of Port of Everett Commission Meetings pursuant to RCW 42.30. The Port Commission may adjust the schedule, from time to time, to include holding regular meetings during other hours, and it may hold Special Meetings pursuant to RCW 42.30.080. The Commission’s Meeting Schedule and Location Resolution is placed on the Commission agenda annually for review and reoption (with any desired modifications) with the other annual business resolutions and matters taken up at the January Commission meeting.

After discussion, Commissioner David Simpson moved that the Commission adopt Resolution No. 1187 (2022) confirming the schedule and location of Port Commission meetings. Commissioner Glen Bachman seconded the motion. A vote was called for:

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

Motion carried.

**Resolution No. 1188 (2022) – Sell and Convey Surplus Property**

Resolution No. 1188 (2022) RCW 53.08.090, Sale of Property, allows the Port Commission to authorize the Executive Director to sell and convey port district property of \$10,000 or less in value, adjusted per the RCW. For 2022, the amount is \$15,000. The authority is in force for not more than one calendar year from the date of the resolution and must be renewed from year-to-year. Prior to the sale or conveyance, the list of property to be sold, along with a written certification that the listed property is no longer needed for Port District purposes must be presented to the Commission.

If surplus property is valued in excess of \$15,000, the Commission must approve the sale of the property by separate resolution.

The Commission's Port District Surplus Property Resolution is placed on the Commission agenda annually for review and adoption (with any desired modifications) with the other annual business resolutions and matters taken up at the January Commission meeting.

Upon discussion, Commissioner Glen Bachman moved that the Commission adopt Resolution No. 1188 (2022) authorizing the managing official of the Port to sell and convey surplus property pursuant to RCW 53.08.090. Commissioner David Simpson seconded the motion. A vote was called for:

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

Motion carried.

**Resolution No. 1189 (2022) – Procedural Rules of the Transaction of Port Commission Business**

Resolution No. 1189 (2022) establishes procedural rules for the transaction of Port Commission business. The Commission's Procedural Resolution is placed on the Commission agenda annually for review and readoption (with any desired modifications) with the other annual business resolutions and matters taken up at the January Commission meeting.

After discussion, Commissioner David Simpson moved that the Commission adopt Resolution No. 1189 (2022) establishing procedural rules for the transaction of Port Commission business. Commissioner Glen Bachman seconded the motion. A vote was called for:

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

Motion carried.

**Commissioner Committee Assignments for 2022**

Commission President Tom Stiger reported the Commissioners are assigned to committees and organizations on an annual basis and gives the Commissioners an opportunity to review the assignments. All Commissioners agreed on their Committee Assignments for 2022.

**CHIEF FINANCE OFFICER'S REPORT**

**Interlocal Agreement with TIPS + Interlocal Agreement with Choice Partners**

Procurement and Contracts Manager Maija Lampinen reported RCW 39.34.030 allows cooperative purchasing between public agencies if they enter into agreements with one another. The Port currently utilizes contracts from various purchasing cooperatives to save operational dollars on day-to-day expenditures (items that would not normally require competitive procurement) as well as to save time and money procuring equipment, goods, and services readily available through one of the cooperatives. The Port has agreements with various purchasing cooperatives, including Omnia, National ILA, Sourcewell, and other.

Region 8 Education Service District, better known as The Interlocal Purchasing System (TIPS) has a long list of contracts available, including equipment rentals from local rental companies, which is the initial contract the maintenance crew is intending to use. Harris County Department of Education, better known as Choice Partners, also has a long list of contracts available. Staff is requesting to put these contracts in place now so if a need arises, the Port will be positioned to move quickly. As with other purchasing cooperatives, each individual contract under these Cooperative agreements is reviewed and approved by Procurement prior to use.

Upon discussion, Commissioner Glen Bachman moved that the Commission approve the Interlocal Agreement with Region 8 Education Service Center and authorize the CEO/Executive Director to sign the Interlocal Agreement. 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 David Simpson moved that the Commission approve the Interlocal Agreement with Harris County Department of Education and authorize the CEO/Executive Director to sign the Interlocal Agreement. Commissioner Glen Bachman seconded the motion. A vote was called for:

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

Commissioner Tom Stiger requested, maybe once a year, if there could be a summary of what type of services, equipment and so on that the Port purchases thru Interlocal Agreements. CEO/Executive Director Lisa Lefeber stated that staff will provide this report as a memo.

**SEAPORT MODERNIZATION  
NORTON TERMINAL**

**Construction Update**

Chief of Engineering and Planning John Klekotka presented a Maritime Industrial Expansion/Norton Terminal Development and MTCA 3<sup>rd</sup> Interim Action construction update. SRV completed preload in early November and staff have yet to see any significant settlement. Project Manager Steve Hager will bring the contract for closeout at next month's commission meeting. Strider mobilized in late October and started work in early November. They have primarily been working on demolition of miscellaneous items and known underground pipes and are beginning to work on waterlines. The City has bid their pipeline project and awarded to NW Construction Co and on-site work to begin in March. There have been various construction issues including wet conditions, inclement weather, unexpected underground conditions, and pockets of contamination.

Commissioner Tom Stiger asked does the deal with Kimberly Clark include their assistance with some of the unforeseen issues that are coming forth. CEO/Executive Lisa Lefeber stated that Kimberly-Clark has met all of their obligations under the Agreement. The Port expected there may be underground obstructions found and that is a construction cost to the Port.

**WATERFRONT PLACE**

**Ratification of Amendment to Parking Contract**

Procurement and Contracts Manager Maija Lampinen reported the Port of Everett issued an RFP for Parking Management Services in 2019 and awarded contract PSA 3-2020-07 Parking Management Services to Laz Parking in May of 2020. The contract can be extended annually until December 2026.

Each July, Laz Parking is required to propose an annual operating budget consisting of projected revenues, projected operating expenses, and a management fee. The Port reviews and provides suggested changes to the proposed budget until a Final Budget is approved. The revenue and expenses in the Final Budget are incorporated into the Ports annual operating budget, which is approved by the Commission. If at any time during the period covered by the Final Budget it appears that the actual total of Operating Expenses is likely to exceed the Final Budget by more than 3%, the Contractor must notify the Port's Contract Manager to determine what actions should be taken.

The Commission approved the initial contract term (May 2020 through December 31, 2020), and the first extension of the contract through December 31, 2021. Now that the start-up period has been completed, staff would like to extend the contract for the remaining period of sixty months, through December 31, 2027. While the Expenses are anticipated to exceed \$300K each year, it is anticipated that the parking revenue will be sufficient to cover the Expenses, therefore, staff is requesting that the Commission authorize the Executive Director to approve the Final Budget for each contract year.

Upon discussion, Commissioner Glen Bachman moved that the Commission ratify the Executive Director's approval of Modification 3 to PSA 3-2020-07 Parking Management Services until December 31, 2026 and authorize the Executive Director to approve the annual Final Budget for PSA 3-2020-07 Parking Management Services through the contract term. Commissioner David Simpson seconded the motion. A vote was called for:

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

Motion carried.



Special Commission Meeting Minutes  
January 5, 2022

**Executive Session**

No Executive Session was held.


**THE REGULAR MEETING WAS ADJOURNED at 1:28 p.m.**

**APPROVED** this 9<sup>th</sup> day of February, 2022.

**EVERETT PORT COMMISSION**

By:   
David Simpson, President

By:   
Glen Bachman, Vice President

By:   
Tom Stiger, Secretary