

**Minutes of Everett Port Commission
Regular Meeting
May 3, 2022**

PRESENT:	David Simpson	President
	Glen Bachman	Vice President
	Tom Stiger	Secretary
	Lisa Lefebber	Executive Director
	Eric Russell	Chief Finance Officer

ZOOM: Jordan Stephens Port Attorney

CALL TO ORDER: Commission President David Simpson called the meeting to order at 12:00 p.m.

Commission President's Report

Commission President David Simpson reported he will not be attending the WPPA Spring Conference, instead Vice President Glen Bachman will be representing the Port of Everett. Commissioner Simpson toured the Everett Community College AMTEC facility and Sno-Isle Tech last Thursday and both were very informative.

Commission Discussion

Commissioner Glen Bachman also attended the tour of the Everett Community College AMTEC facility and Sno-Isle Tech last Thursday and both have all the right equipment. There is a shortage of students signing up for trades and skills. Commissioner Bachman also attended the Economic Alliance of Snohomish County (EASC) Annual Forecasts Breakfast. It was very interesting and bottom line was that things are generally going to be flat in the next two to three quarters.

Commissioner Tom Stiger also toured the Everett Community College AMTEC facility. Commissioner Stiger was also quite impressed with the speakers at the EASC breakfast. Commissioner Stiger mentioned that this coming Saturday is the opening day of boating season.

Citizen Comments

Gary Allen submitted an email to the commission; attached hereto.

Rusty Morrison, Liveaboard I-Dock 18; regarding the rust issue on the beams, Gary claimed he sustained significant financial burden getting the rust removed from the beams. He sees a tenant down a couple slips from them has wrapped the beams above his boat in what looks like pipe insulation. The Port runs a good marina, and he feels happy to be here, but the Port can do more maintenance.

Henry Elliott, Liveaboard, I- Dock 26, PO Box 12194, Everett, 98206; stated on a positive note, he had a leak over his boat last fall and called Jim Weber and within about two days it was fixed. Another positive note, today he was walking up to his car, he noticed a Port employee was there looking over the rafters. He does have concerns about parking and other changes. The rings that go around the pilings, some of them are missing and some have rusted through, and he can see that becoming a problem especially if a storm comes through.

Brien Pelham, Liveaboard, I-Dock 30; he thinks liveaboards are a tremendous asset to the marina because they are consistently looking at what is going on and aware because it is their home, so they

take a lot of pride in it. If there were no boats at the marina, it would not be the same experience. They want to make sure that is a good match. As liveaboards, they do not want to be viewed as a problem, they want to be viewed as an additional asset to be the eyes and ears of the marina.

CEO/Executive Director Lisa Lefeber will provide answers to these citizen comments by next week's meeting.

CEO/EXECUTIVE DIRECTOR'S REPORT

CEO/Executive Director Lisa Lefeber reported after two years of changes due to the pandemic and moving to a hybrid work model, everyone is coming back, and she wants to make sure everyone knows who they can reach for issues. Travelift office is opening June 1 and there will be 7 days a week access for boaters to talk to staff and hopefully that will help going forward.

The Port is officially closing out the emergency COVID proclamation which has been in effect for a little over two years. Jordan Stephens, Port Attorney, added the only legal requirement currently that is COVID unique is that the Port still needs to continue to allow the public to participate by Zoom. Lefeber added the Commission has already passed a resolution that makes it a common operating procedure for public meetings.

BUILD Grant Modification

CEO/Executive Director Lisa Lefeber reported the Port received a BUILD grant from the Department of Transportation and bids came in below the engineers estimate so with the current contract, the Port will not maximize the federal dollars. If the Port would not have increased the scope to allow use of more of the facility for cargo operations, there would have been approximately \$5 million left on the table. Staff has worked to modify the scope to maximize the Federal dollars and received word from the Maritime Administration that the additional scope has been approved. Lefeber thanked Engineering & Planning team and Nancy Overton, Grants Administrator, for their efforts.

Events Update

Communications & Marketing Director Catherine Soper gave an overview of events happening in 2022. As Covid is trending in the right direction, the Port is off to a strong start for events this year and will continue throughout the summer.

Soper did report at the Commission Retreat that the Port was notified that Schack Art Center is trying something new this year and will be putting their annual Fresh Paint Event up near their gallery. With that void, the Port has been looking at other opportunities for Saturday, August 20. The Port is working Bold Hat Productions, who are the producers of Kirkland Uncorked, etc. and they are very tourism driven. The idea is to activate existing onsite tenants with a beer, wine, distillery tastings but also adding in guest wineries, breweries, and spirit tastings so it will be a craft experience down on the waterfront as well as activating the chef and restaurant piece as well. Bold Hat Productions intention is to showcase the marina and Waterfront Place as a premier venue for dining, shopping, recreation and launching for a tourism draw.

Commissioner Glen Bachman reminded the commission that Salmon for Soldiers is on September 17 and will be the 235th anniversary of the signing of the U.S. Constitution, known as National Constitution Day.

Maritime Curriculum

Communications & Marketing Director Catherine Soper stated one of the goals of the commission in the Port's strategic plan and outreach program is to engage students and education about ports and what ports are. Soper has been connecting with Washington Alliance for Better Schools representing teachers throughout King and Snohomish County and is working on educator tours for them so they can add this curriculum into their teachings.

CHIEF FINANCE OFFICER'S REPORT

2021 Audit Entrance Conference Update

Chief Financial Officer Eric Russell reported he, CEO/Executive Director Lisa Lefeber, Controller Bob Marion, and Commissioner Glen Bachman had an entrance conference with the state auditors last Tuesday. The audit work began April 1 and expects to complete the audit and issue the reports by June 30. The auditors are performing two audits; financial audit and federal grant audit which is looking at the RRIF loan as well as the BUILD grant. The estimated cost will be around \$44,000 with a little bit of travel and onsite presence this year.

WATERFRONT PLACE

SM Destination Retail Civil Engineering Competitive Bid Exemption & Contract Award

CEO/Executive Director Lisa Lefeber reported as the Waterfront Place development continues, it is critical that the South Marina redevelopment kicks off to ensure a cohesive destination waterfront. The initial South Marina redevelopment phase will be to develop a 'destination retail' concept connecting the South Marina to the development at Fisherman's Harbor in Waterfront Place Central. The Port and Shuster Group are partnering on this project. The Shuster Group will construct the buildings and enter a ground lease for the areas. The Port is currently negotiating with tenants and the timelines being discussed in negotiations require that the Port and Shuster Group begin construction of the project in 2024. To meet this deadline, the Port must begin the entitlement process for both the buildings and the civil construction work to complete the project. The shoreline and SEPA permits need to be submitted in late spring, early summer.

BCRA was selected through an informal process to provide conceptual design. Due to the quick turnaround needed, it is prudent for the Port to execute a contract with BCRA for the civil design. Since the total cost of the civil construction design is estimated to exceed the Executive Director's delegated authority, the Commission is requested to exempt the contract from a competitive procurement process. Staff are still in discussion with BCRA about the design fee so not to exceed amount will need to be authorized.

After discussion, Commissioner Glen Bachman moved that the Commission approve the South Marina Destination Retail Civil Engineering Services Competitive Bid Exemption and authorize the CEO/Executive Director to sign a Professional Services Agreement with BCRA for such services not to exceed \$500,000. Commissioner Tom Stiger seconded the motion. A vote was called for:

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

MUKILTEO WATERFRONT DEVELOPMENT

Draft Vision & Guiding Principles Presentation

CEO/Executive Director Lisa Lefeber gave an update on the Mukilteo Waterfront Project. Lefeber went over the revisioning of the waterfront, timeline, draft vision statement, draft guiding principles, and next steps.

The public open house will be May 5 at the Rosehill Community Center from 4:00 p.m. to 7:00 p.m. There is an online survey open to the public through May 26. At the next workshop session #4, the committee will review community input, modify, and refine the vision statement and guiding principles as needed. Then in June, Lefeber will present the vision statement and guiding principles to Mukilteo City Council and Port Commission.

NOAA & Parklet Updates

As part of the transfer back to the Port, NOAA will be demolishing all the structures which should provide an opportunity for interim access to the waterfront. There is no timeline yet, but Lefeber is working on getting more information.

As for the parklet, the Port is renovating and revitalizing the former ferry landing next to Ivar's to provide visitors enhanced public access to the waterfront and outdoor dining options.

DEPARTMENT REPORTS

Marine Terminals

Terminal Services Agreement – Swire Shipping Projects

Chief Operating Officer Carl Wollebek reported Swire Shipping (Swire) is part of The Swire Group, established in 1816 based in London, England with 133,000 employees and a net worth of \$26.61 billion. The Terminal Services Agreement (TSA) is a 2-year agreement that commits Swire to ship a minimum of 6,000 fifty-three-foot containers per year through the Port. If there is a shortfall Swire will be responsible to pay for the minimum. The Port in turn commits to secondary berthing rights (subordinate to Boeing) at the Ports South Terminal. Swire has secured a contract with JB Hunt to ship fifty-three' containers through the Port. This will be used as a base cargo that Swire will build other cargo volumes around. The agreement may be extended if business warrants. Minimum revenue from the agreement is projected to be \$4.5 million. Wollebek also reported that Swire announced last Friday that they are purchasing Westwood Shipping which will be completed by June.

Upon discussion, Commissioner Glen Bachman moved that the Commission approve the terminal services agreement with Swire Shipping, and authorize the CEO to sign the agreement, in a form substantially as presented. Commissioner Tom Stiger seconded the motion. A vote was called for:

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

Motion carried.

Properties

Port Gardner Yacht Brokerage – Lease Renewal

Real Estate Manager Tara Hays reported Port Gardner Yacht Brokerage currently occupied a building in the North Marina since March 2011. Tenant has requested a 5-year lease term, commencing on June 1, 2022.

Rent for the premises is starting at \$25.80 rentable square foot (rsf) per year and \$165 per month for utilities plus Washington State Leasehold Excise Tax. The Port will receive gross revenue of \$83,952 over the course of this lease and there are no commissions or other initial leasing costs owed. The net effective rate is \$27.98/rsf.

After discussion, Commissioner Glen Bachman moved that the Commission approve the commercial lease agreement with Port Gardner Yacht Brokerage and authorize the CEO/Executive Director to sign the agreement in a form substantially as presented. Commissioner Tom Stiger seconded the motion. A vote was called for:

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

Mariner Marine – Amendment to Lease

Real Estate Manager Tara Hays reported Christopher G. Lund dba Mariner Marine is a current tenant in the South Marina providing marine related engine, mechanical, electrical, and plumbing repair, and installation services since May 2019. Tenant uses this space for office support. Tenant has requested a 5-year lease term. Tenant is also in possession of Suite 110 in Waterfront Center on a 3-year term through May 2023.

Rent for the premises is starting at \$19.44 rentable square foot (rsf) per year. The Port will receive gross revenue of \$53,748 over the course of this lease and there are no commissions owed. There is minor Landlord Work to be completed, estimated at \$7.50/rsf, totaling approximately \$4k, which will take 2.3 months to recover. The net effective rate is \$20.44/rsf.

Upon discussion, Commissioner Tom Stiger moved that the Commission approve the commercial lease agreement with Christopher G. Lund and authorize the CEO/Executive Director to sign the agreement in a form substantially as presented. Commissioner Glen Bachman seconded the motion. A vote was called for:

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

Executive Session

No Executive Session was held.

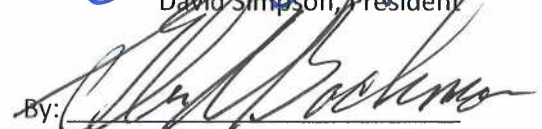
Regular Commission Meeting Minutes
May 3, 2022


THE REGULAR MEETING WAS ADJOURNED at 1:41 p.m.

APPROVED this 12th day of June, 2022.

EVERETT PORT COMMISSION

By: 
David Simpson, President

By: 
Glen Bachman, Vice President

By: 
Tom Stiger, Secretary

Emily Monts

From: Catherine Soper
Sent: Sunday, May 1, 2022 6:50 PM
To: Lisa Lefeber; Jeff Lindhout; Jim Weber; Eric Russell; Emily Monts
Subject: Fwd: I dock structure
Attachments: IMG_2850.jpg; IMG_2851.MOV; IMG_2852.jpg

See below comment that came into Kate's email. Please let me know who will take care of response or if you would like my help. I think jeff or jim may be most appropriate. Not sure if one of you have already been communicating on this with him. Please advise.

Em - please note he wants this submitted as a public comment to the commission.

Cat

From: gary Allen <gda747@hotmail.com>
Sent: Sunday, May 1, 2022 2:55:47 PM
To: Kate Anderson <KateA@portofeverett.com>
Subject: I dock structure

Kate , I sent you pictures of the rusted metal beams months ago that are over all of our boats on I dock. I just spent 1800 dollars having the rust stains wet sanded out of the top of my boat.. other owners are having the same problem. One owner had taken to wrapping the beams with a styrofoam pipe rap which has stopped the problem over his boat. This would be an extremely easy and cost effective solution. Ignoring the problem and raising our rents every year is not an option in our collective opinion. Between H and I dock the port takes in roughly 100,000 a month in revenue , yet we see no improvements for covered moorage tenants , only continual deterioration.

We now have learned we will loose parking spaces , our oil dump and garbage dump at i dock due to the future " wine walk" , yet no investment in upgrading our covered moorage. We pay more to be in covered moorage to protect our investment , yet the rusting support structure is doing costly damage.

Can you please forward this to Emily who is taking written emails for the commissioners meeting on Tuesday ? I don't have her email.

I' am going to take pictures of the top of my boat now that the rust stains have been removed. When this occurs in the future , and it will , I am going to take whatever measures I can to recoup the expense from the port for the damage caused by not addressing this problem after repeated requests with no reply from anyone at the port or or any of the commissioners.

Regards,
Gary Allen
Slip I-20
425-501-9813

Sent from my iPhone