

**Minutes of Everett Port Commission
Regular Meeting
May 12, 2020**

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

CALL TO ORDER: The meeting was called to order by Commission Vice President Tom Stiger at 12:04 p.m. and stated for the record that Commissioner Glen Bachman, Commissioner David Simpson, and Port Attorney Brad Cattle were participating by Zoom.

CONSENT AGENDA

- Regular Meeting Minutes of April 7, 2020; and Regular Meeting Minutes of April 14, 2020
- Approval of Bills for April 2020

Commissioner Glen Bachman moved to approve the items of the Consent Agenda for May 12, 2020. 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'S REPORT

Executive Director Lisa Lefebber updated the Commissioners regarding the change in agenda items. Because the Governor extended the proclamation on Open Public Meetings, there were several items on the agenda in terms of quarterly reports that Staff were going to brief the Commission on in person but have converted them to written reports. The Commissioners will be receiving the 1st Quarter Reports for all departments soon.

COVID-19 Update

Executive Director Lisa Lefebber reported that on May 5, 2020, the Port opened all the recreational amenities per the Governor's Phase I order. Overall, Lefebber stated it went well. The Port was prepared to open both Administrative and Marina Offices but received clarity that was not authorized until Phase III.

The boat launch, fuel dock, and marina were very busy over the nice weekend. COVID-19 does not change the river so there were similar siltation issues with several situations over the last weekend with the minus tides of boats getting stuck in the boat launch which is an ongoing concern. The Port will continue to work with the City and County, as well as the US Army Corps of Engineers, to find a long-term fix. Lefebber hopes to report back with an update in the next couple months. In the meantime, the Port is working with social media and signage to be able to get boaters aware and to start looking at the

tides when they will be launching in Everett. Bottomline, the boat launch is an old facility and needs many improvements so one of the things the Port is looking at doing is asking RCO (Recreation Conservation Office) for policy changes for authorized expenditures because if maintenance dredging is an authorized use of RCO, that frees up capital capacity for the Port to be able to invest in those facilities. Commissioner Tom Stiger noted the letter wrote by a gentlemen from Mukilteo to the editor in the Herald yesterday, about the boat launch, he visited the boat launch before the Commission meeting and there were deferred maintenance issues out there, primarily some of the planks need to be replaced and where the ramp joints come together, there are repairs that need to be made on several of those. The bumpers also need to be replaced or repaired. He asked if Jeff Lindhout could respond to the gentleman's concern and mention the fact that the boat launch is a joint operation between the Port, City and County and State participation. But the Port does have the responsibility for maintenance and operations. Lefebber stated she will talk with Jeff Lindhout and Jim Weber and make sure the Port Staff prioritizes the boat launch. Commissioner Stiger also noted that there is adequate signage out there cautioning the boaters regarding the tides and conditions. Lefebber said Staff will report back to the Commission in June on the repairs to the boat launch.

Lefebber sent a note out that West Marine View Drive has been closed due to the former Jeld-Wen building roof collapsing with the threat of it potentially collapsing into the street. Lefebber has asked for clarity and will get the status on what the remedy will be to prevent that hazard from falling into West Marine View Drive.

Lefebber reported that last Thursday, May 7, 2020, she attended a very long and positive shoreline hearing for the redevelopment of the Baywood property. The Commission signed a Purchase and Sale agreement with Latitude Development in 2018 to be able to put the site back to productive use for jobs. It is a historically contaminated site and a historically significant site in terms of the tribes use to settle there for a temporary village. It has been a complicated project and further complicated by requests for additional public access on the site requiring a new path forward. The Port is of the position that if the Port does not have water dependent use and can accommodate it, it is nice to have continuous access. Latitude Development has been very gracious on looking into incorporating the public access into their footprint in their project. It took a little bit to get there but Lefebber is happy with the results and thinks it will be a good amenity to the community, not only from an economic standpoint but also for an environmental as well public access standpoint. The hearing examiners record closed on Friday, May 15, 2020 and the Port expects a decision in the June timeframe but if the shoreline permit is issued, the project moves forward and hopefully, after 30 years, getting jobs back on that site. Lefebber thanked Terrie Battuello, Erik Gerking, and Laura Gurley, particularly for all their work on this project. It was probably one of the most complicated projects and properties to develop that the Port had in their inventory.

The Port will be submitting on Friday, May 15, 2020, both the BUILD grant and the Port Infrastructure grant for the Cargo Terminal Project at Kimberly-Clark. They are happy with the refinement of scope that John Klekotka and his team put together in a short order to be able to get some good clarity around the cost estimates and the project. It is estimated to be about a \$36 million project. The Port is seeking a \$17.75 million grant to be able to move forward with that project.

In terms of openings from the Governors order, Jetty Bar and Grill opened for take-out last week. There has been people out on the patio so that is a good sign. All construction projects have resumed at Kimberly-Clark, Blue Heron Slough, and American Classic Homes. Overall, things are moving forward.

Given that Phase III does not start until June 15, at the earliest, June Commission meetings will continue via Zoom June 2 and June 9 at noon. All Commissioners agree to those dates.

Commissioner David Simpson thanked Lefebber on getting Latitude Development to incorporate public access into their footprint. Lefebber wanted to thank Erik Gerking for getting Ecology to agree to include the nature trail in their buffer for their restoration project because it really is a small property and if they start eroding that through trails and different things like that, it makes it harder for redevelopment to happen.

Chief of Business Development Terrie Battuello reminded Lefebber to pass along to the Commissioners that Port tenant Walters and Wolf reopened with the construction industry resuming in Seattle for window manufacturing.

Community Sponsorships

Executive Director Lisa Lefebber reported that everything is up in the air right now. A lot of it depends on what the phasing plan will be. Looking at the Governor's phasing plan, as of right now, by July 6, Phase III should start which theoretically means the Port should be able to have some waterfront events. The 4th of July Festival has been cancelled but have not heard anything regarding the Mukilteo Lighthouse Festival. The waterfront concerts have been cancelled. The two outstanding events that typically ask for community sponsorships are Fresh Paint, which the Port did receive a request for but again, its dependent on if they are able to hold that event and the other event the Port has not heard from is Wheels on the Waterfront. Lefebber recommends, if the Commission grants the discretion under the Emergency Order, so long as the community sponsorships are within the \$20,000 authorization range, to grant Staff the ability to financially support events that do move forward that request within budget. Lefebber will bring it back to Commission for ratification but because there isn't a full application process at this point and likely it will be a fluid situation. Staff would like the discretion to be able to move forward. It is all within the CEO signature authority but typically that is something the Commissioners like to award but given the unique circumstances, a little bit of discretion would be helpful. All Commissioners agree with the flexibility for community sponsorships.

SEAPORT MODERNIZATION

Mitsubishi Crane Relocation Request to Issue a Request for Proposal

Project Manager Willie Watson reported the Port of Everett's marine terminal is a facility of state-wide significance. Container cranes are necessary and routine for the marine terminal as part of its Port operations. Seeking this Request for Proposal at this time will allow the Port to move toward bringing the two (2) Gantry cranes currently in storage closer to their ability to participate in Port Marine Terminal operations. To delay this could have financial consequences for the Port and is necessary in that respect. Approving requests to seek Request for Proposal's is a routine matter that the Commission does and has done prior to COVID-19.

The Port of Everett acquired two (2) used 1996 100-foot gage 50 LT Mitsubishi Container Cranes (Cranes) from Evergreen Terminal Services (ETS) for use on the Port's South Terminal. The Cranes were offloaded in June 2019 and placed into upland storage in the South Terminal. In late 2019 the Port completed a wharf strengthening project to accommodate these cranes. While in upland storage, the Cranes have been energized and Port staff have been performing maintenance. In addition, the Port is currently working with Nidec Industrial to perform drive upgrades. To complete the drive upgrade project, the cranes must be relocated to the South Terminal Wharf, energized with permanent power and final commissioning performed. The drive upgrades are anticipated to be ready for the move by

November 5, 2020. At that point, the cranes will need to be relocated from upland storage to the South Terminal Wharf and unloaded onto the permanent rails. Crane relocation Substantial Completion is currently scheduled for late November 2020.

Executive Director Lefebber added given the financial situation and looking into 2021 with the budget discussion last week, she wanted to remind the Commissioners that the Port does have an existing lending facility for the upgrades and relocation work. From a cashflow perspective, the Port has been able to mitigate the work, which is why Staff is recommending moving forward at this time.

Commissioner Glen Bachman asked if the \$750,000 included lighting the cranes or just for the move. Watson stated that is only for the move. As Commissioner Bachman pointed out last Tuesday, this project is one of those things that the Port is backed up on, so he feels strong going forward with this.

Chief Operations Officer Carl Wollebek added that the drive upgrade contractor will suspend their work when the cranes are moved then they will come back and start up so that work will already be under contract.

Commissioner Tom Stiger asked if this is an addition to the amount from the contract that the Commission agreed to at the last meeting. Lefebber responded by saying yes, this contract essentially will pick the cranes up and put them on the crane rail at South Terminal.

Upon discussion, Commissioner Glen Bachman moved that the Commission authorize Staff to solicit a Request for Proposal for Relocating the Mitsubishi Container Cranes at South Terminal. Commissioner David Simpson seconded the motion. A vote was called for:

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

Motion carried.

WATERFRONT PLACE CENTRAL

LAZ Parking Management

Executive Director Lisa Lefebber stated for the record, the original plan was to implement a new fee structure as part of this contract going into Summer/Fall 2020. Given the current situation, the Port is not proposing that. Lefebber wants to make sure the Commission knows that there will not be any fee structure changes as part of this contract in 2020 given the current situation. Commissioner David Simpson asked about the frozen parking fee and when will it be renegotiated. Lefebber stated that the fee is part of the Staff's discretion and will report back to the Commission at a later date and be consistent with the memo that was provided a couple months ago. This contract is essentially to hire a full-time parking management firm.

Chief of Business Development Terrie Battuello confirmed that all parking policies fit well together now so the Port cannot execute any of it until it is all implemented. The Port is already two months behind on this contract because of the pandemic and Battuello thinks the Port can meet the schedule to implement the program for next year. There aren't fees being collected this year except at Jetty Landing because the Port is not doing Special Events, as of right now, maybe some in the Fall. There are no parking fees other than Hat Island which have been paid already. No issues should be raised this year and by the time of

implementation, Battuello hopes for the opportunity for several study sessions to go over the policy and how it was crafted and fit together and the rationales. Today's issue is about the contractor because as of April 30, 2020 Diamond Parking contract ended. The Port is without parking management right now which may not be a huge issue on short-term because the Port does not have their normal peak summer visitor population, but it is still a problem because the Port doesn't have the enforcement that is needed. Several attorneys, including Brad Cattle, have reviewed this contract, and looked at necessary and routine and opportunity for public input, etc.

Battuello reported as part of the Port master vision to create a high-quality destination waterfront, significant attention has been given to the matter of parking at the Waterfront Place Neighborhood. Given the growth and development at Central docks and expanding events and activities at the North and South Docks, a parking master program was developed. The program addresses key elements in the Waterfront Place Central Parking Management Plan that was incorporated into and required by the Port/City Development Agreement to assure a quality parking experience for all users. Since 2015, the Port has worked with Walker Parking to develop feasible approaches to managing parking and last year hired Diamond Parking for a one-year contract to hold over the Port's parking management until all the policies and infrastructure of the Port could be considered and developed.

In December 2019, the Port selected Laz Parking Northwest, LLC (LAZ) through a competitive process and briefed the Commission in a public meeting on this choice. Members representing commercial tenants and slip holders provided input in the selection process by participating in the interview process. The selection of a parking management firm was widely communicated to the tenants, customers, and visitors of the Waterfront Place neighborhood.

Since that time, LAZ has worked in a consulting capacity for the Port to complete the implementation plans for the Port's comprehensive parking management program. That work is now complete along with the end of the short-term Diamond parking contract, and the Port Administration wishes to enter a longer-term arrangement with LAZ.

This Purchased Services Agreement will engage the contractor starting June 1, 2020 through December 31, 2020 with an option for the Port to extend up to seven (7) additional years (one-year increments). Over the period of the initial seven-month term an estimated \$172,481 in services and expenses are expected. The costs will eventually be absorbed through parking revenues and shared among the Property's Commercial Tenants, Marina, and Public Access operating funds.

The Port has negotiated this contract so fines and fees do not create an incentive for the contractor but charge a fixed fee plus expenses. Carefully constructed customer service elements were added to assure that the program would be highly visible, create the least possible inconvenience to the guests and run as efficiently as possible. More details on the parking program will be presented as the Parking contractor ramps up to implement its program by January 31, 2021. The Port will not be changing any fee structures in 2020 and will not be changing status quo on parking during 2020 to allow more time for visitors to adjust and for the parking program's physical infrastructure to be developed.

Because no additional parking fees will be assessed in 2020, the Port departments of Properties, Marina and the Public Access program have budgeted for parking costs in 2020. Future revenues from special events, monthly parking and other types of parking fees will be used as off set to the cost of parking. Capital expenses for this program are not included in this contract.

A number of important clauses contained in the contract assure various aspects of the Port's program are addressed, including standing up a local office, an interactive website, developing port-reviewed collateral materials to support the program, LAZ staff uniforms, strong employee recruitment, screening and training program and public interface with constituent groups to gather feedback, including the Port Report, Marina Forum and Tenant Roundtable.

Additionally, Finance has worked with the team to assure compliance with financial reporting standards and good reporting protocols.

The work of the contractor will be directed by a Parking Oversight Committee with representatives from all stakeholder departments and managed by the Properties Department.

Over the coming months several additional informational sessions will be presented to the Commission on the parking policy, parking layout and parking master plan. As new services and elements are rolled out, the Communications department will work with LAZ to assure strong two-way communication is established.

Port Administration has found that this matter meets the Governor's Proclamation 20-28 (including amendments thereto) and follows the Washington Attorney General's guidance related to Open Public Meetings.

Commissioner David Simpson asked about language on the parking signs regarding theft. Battuello stated that would have to be discussed with Security Director, Ed Madura. Commissioner Simpson asked if all Commissioners could get a copy of the Master Parking Program plan. Lefeber will make sure the Commissioners have all the details on the parking management.

Commissioner Glen Bachman asked if LAZ worked with a third party on the parking models and any models for future projects. Battuello responded no, any permit that is issued, a traffic count, a parking plan, all that must be done by the applicant. So, when Sealevel did their plan, they hired Gibson for parking management and Hotel Indigo hired Walker. Then those plans are integrated into the Parking Master Plan which is what goes to the City every time it is updated. Then the City Engineer and Community Development Director must approve it in order for the project to move forward. LAZ is about the enforcement and how it all works. Commissioner Bachman also suggested putting a rememberable symbol on the parking signs in case someone is lost; they can ask security where lot "G" is or something along those lines.

Battuello said there will be two temporary lots created in Central Marina to add more parking and those will become long-term parking lots. In next years plan, anyone parking over four (4) hours will pay to park as a visitor which will help offset the cost of this program, which is about \$120,000 a year. The Port does not want to pass all the cost onto marina slip holders or commercial tenants, so the Port wants to find a reasonable balance of when people pay to park.

Commissioner Tom Stiger asked about the supervision, enforcement, and collection of the 10th street launch fees, and how will that be proposed for 2021 when implemented. Battuello stated since Diamond took over the contract, Diamond has been doing enforcement at Jetty Landing. The Port issued many notices, warnings, and tickets. No one was sent to collections last year on those tickets. They were all voided eventually. The Port would like to have 2-4 hours of free parking on Jetty Landing as well so people that are going to the park can do that. This is an area that still needs more discussion. Commissioner Stiger

asked on the revenue side, the contract states the Port will wave fees for balance of 2020, does that include all the fees that has been talked about up until this point? Battuello stated no, what that means is that the Port is not implementing new fees this year and will not be collecting the revenue that offsets some of the parking. The Port will continue to collect at Jetty Landing, the way it has always been but not implementing other fees. Commissioner Stiger asked Staff to project a proforma for 2021. He is concerned where the revenue will come from and of course the expenses. Battuello stated that the recommendation from LAZ is that the Port charge for visitor parking or at least charge after the first hour or two hours. The Port is expected to start with two to four (4) hours free just to make it easier to step into it. The Port will prepare a proforma and LAZ will provide a budget each year to present to the Commission. Commissioner Stiger asked Port Attorney Cattle if he approves of this agreement. Cattle stated he does and stated for the record that this is a routine matter for the Port Commission to address and the Commission should feel comfortable with approving this agreement at this time.

After discussion, Commissioner Glen Bachman moved that the Commission approve the Agreement for parking management services with LAZ substantially as presented and authorize the CEO/Executive Director to execute 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.

Commission President's Report

Commissioner Glen Bachman stated that since the last meeting, about three acquaintances had asked about uses around the marina and what was open and functioning. He felt enthused that there is still a propensity and action to use Port properties. They had two questions about parking, one being where to pay for parking. People are still trying to be honest and pay for parking so that is good. Also, interesting about the Jeld-Wen property, he did not realize that it was in that state of deterioration and had no idea that if walls fell, it would close the highway. Again, very good work on Baywood, this is exciting potential and good use of the property. There have been comments from time to time that the Port sits on their properties for too long but what people don't realize the activities that the Port has to go through with so many of the properties such as cleanup, permits and the City, etc. Commissioner Bachman is looking forward to summertime events.

Commission Discussion

There was no Commission discussion.

Citizen Comments

Commissioner Tom Stiger reported that all Commissioners and Executive Director Lisa Lefebber received a letter from citizen John Lindstrom regarding public access at the Baywood site. Commissioner Stiger said it sounds like public access is being considered as part of the shoreline permit. His only concern is the Port's commitment to Latitude Development through the Purchase and Sales Agreement, so the Port does not jeopardize the agreement with them. Lefebber appreciates that and has been in communication with Mr. Lindstrom as well as other community members that have reached out. It is a complicated discussion because there are varying degrees of legal interpretation as it relates to public access on the site. Public access plan shows a trail spur that essentially comes off the north side of the property and stops, which

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was the Port and Latitudes interpretation of the public access requirement for the site. The City has taken a more aggressive approach to that requirement and they are saying that if the shoreline master program, for a non-water dependent use, trumps the public access plan and continuous waterfront access is required. There is still a dispute to whether that is true. However, the Port and developer recognize the community's interest in public access and so it has been agreed for the developer to be able to provide a trail as long as it is within the buffer and doesn't impact the buildable land and it is a nature trail that is ADA compliant. From Mr. Lindstrom's comments, their preference is to have a 10-foot paved trail around the entire site, but the geography of the site does not provide for that. Department of Ecology did agree to a trail and a buffer, but they will not allow paving. It will be a continuous nature trail as apposed to a commuter bike path. Commissioner Glen Bachman asked if the trail will be built during the first, middle or last part of the construction. Lefeber stated it all depends on the timing of Ecology restoration project, not sure if that level of detail has been determined. Terrie Battuello stated that a trail normally must be completed before occupancy, sometimes even must be done before the permit. The Port's request to the City would be that the Port can have everything go forward and allow the project to open prior to the trail being complete. The reason for that is the Port cannot even start construction on the trail until the habitat restoration is concluded. Given that Latitude has a developer and wants to move forward as quickly as possible which would be Spring 2021. The Port is doing an easement back on the property when the Port closes on the sale to make sure the Port has access for cleanup, habitat and hopefully Latitude will be building the trail. There is no seller obligation in the PSA to build a trail. The Port does believe the trail requirement is related to the upland development and not to the shoreline setback production. Commissioner Bachman's concern is any interruption in the easement of the trail during construction. Battuello stated the Port did a similar trail at Riverside where the trails came after occupancy of several buildings. Battuello thanked Lisa Lefeber for all the work she has done. It has been a very difficult conversation although Battuello does not think the Port has had an easy development on this waterfront. Lisa Lefeber and Laura Gurley have already talked to the City about the timing of these things, no one wants to slow the development down.

No Executive Session was held.

THE REGULAR MEETING WAS ADJOURNED at 1:17 p.m.

APPROVED this 9th day of June, 2020.

EVERETT PORT COMMISSION

DocuSigned by:
By: 
Glen Bachman, President

By: 
Tom Stiger, Vice President

DocuSigned by:
By: 
David Simpson, Secretary

**ORIGINAL**

Port of Everett
Voucher Certification and Approval
for the month of
APRIL
2020

AP Claims Transactions		Total
Claim Checks Issued	88905 - 89012	\$1,076,866.32
P-Card Transactions		36,345.16
ACH Transactions	#353 - 399	1,172,754.95
Total Claims Check Register		2,285,966.43

Electronic Claims Transactions:		
4/9, 4/10, 4/15, 4/20, 4/23	Electronic Transfer - Health Equity/Navia/Guardian/Accrue CMS	\$9,893.29
4/1, 4/16	Electronic Transfer - IRS	197,375.19
4/23	Electronic Transfer - WA St Dept of Rev	36,315.71
4/1, 4/2	Electronic Transfer - U.S. Bank	6,794.59
4/1, 4/2	Electronic Transfer - U.S. Bank LOC Fees	15,937.67
Total Electronic Claims		266,316.45
Total Claims		2,552,282.88

Payroll Transactions		
Payroll Checks Issued	50507 - 50526	\$484,922.98
4/7, 4/14, 4/21, 4/28	PMA Payroll (Longshore Labor)	72,772.26
Total Payroll		557,695.24
Total Payments		3,109,978.12

I, the undersigned, do hereby certify under penalty of perjury that the material have been furnished, the services rendered or the labor performed as described herein, that any advance payment is due and payable pursuant to a contract or is available as an option for full or partial fulfillment of a contractual obligation, and that the claim is a just, due and unpaid obligation against the Port of Everett and that I am authorized to authenticate and certify to said claim. Authorize signature

Attest:

Port Auditor

We, the undersigned Commissioners of the Port of Everett, Snohomish County, Washington, do hereby certify the following vouchers/warrants have been certified and approved for payment this the 12th day of May, 2020:

 <small>DocuSigned by:</small> <small>D884C8BA58DF4DC...</small>	President
 <small>DocuSigned by:</small>	Vice President
 <small>DocuSigned by:</small> <small>CE451231364A4A6...</small>	Secretary