PORT COMMISSION OF THE PORT OF EDMONDS

MINUTES OF REGULAR MEETING

May 9, 2016

COMMISSIONERS PRESENT	STAFF PRESENT	OTHERS PRESENT
Bruce Faires, President	Bob McChesney, Executive Director	Bradford Cattle, Port Attorney
Fred Gouge, Vice President	Tina Drennan, Finance Manager	Karin Noyes, Recorder
Jim Orvis, Secretary		
David Preston		

CALL TO ORDER

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

PLEDGE OF ALLEGIANCE

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

CONSENT AGENDA

COMMISSIONER ORVIS MOVED THAT THE CONSENT AGENDA BE APPROVED TO INCLUDE THE FOLLOWING ITEMS:

A. APPROVAL OF AGENDA
B. APPROVAL OF APRIL 25, 2016 MEETING MINUTES
C. APPROVAL OF PAYMENTS IN THE AMOUNT OF $1,309,499.87.

COMMISSIONER GOUGE SECONDED THE MOTION, WHICH CARRIED UNANIMOUSLY.

PUBLIC COMMENTS

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

EDMONDS WATERFRONT ACCESS STUDY

Mr. McChesney introduced Rick Schaefer from Tetra Tech, Inc., who is the lead consultant for the stakeholders involved in the access study to consider various alternatives to the grade crossing. He said he was present to review some very preliminary findings and summarize some of the discussion that has taken place to date.

Rick Schaefer, Tetra Tech, Inc., said that the Port is one of the partner agencies in the study, along with the City of Edmonds, Burlington Northern Santa Fe (BNSF), Washington State Ferries (WSF), Washington State Department of Transportation (WSDOT), Community Transit (CT), and Sound Transit (ST). The task force is made up of representatives from each of the agencies, as well as three Edmonds residents with no specific affiliation. Commissioner Orvis is the Port's representative. He said the purpose of his presentation is to provide an update on the project and briefly describe the alternatives currently being considered. He said he is interested in feedback from

the Commissioners as the task force continues its work to review the alternatives and prepare a recommendation for the City Council's consideration.

Mr. Schaefer explained that the purpose of the study is to identify alternatives to address the unreliable access to the entire waterfront area by emergency responders; disruptions to ferry loading and unloading; lack of access to the waterfront area by people driving, walking and biking; and the need for quick intermodal connections between ferry, bus and rail opportunities. He explained that because rail, bus and ferry transportation all come together in this location, there is a great opportunity to make things work better.

Mr. Schaefer said a 2012 video of the railroad crossings that was taken over a two-week period of a time provided a snapshot of how rail traffic affects access. He summarized that at the Dayton and Main Street crossings there was an average of 37.5 closings per day. Given that the duration of the average closure was 2:12 minutes (3:54 for units trains), the tracks were closed an average of 80 minutes per day (5.5% of the day). At the Main Street crossing an average of 709 vehicles and 115 pedestrians were delayed by gate closures each day; and on an average day, there were 10 people running through the gates when they were closed or as they were closing. More than 10 ferry loadings/off-loadings were affected each day, as well. At this point, the ferry has some slack in its schedule. However, as they see more trains and more ferry demand, this buffer will no longer exist and the delays will have a greater impact. He advised that the Edmonds Ferry has the highest freight volume of any route in the ferry system. About 2.5% of the vehicles are freight size. He noted that these same closure times occurred at the Dayton Street intersection because the gates go down simultaneously.

Mr. Schaefer said it is anticipated that the current situation will worsen. A recent study of rail traffic done for marine ports in Puget Sound and WSDOT projects that rail traffic will grow by 150% in the next 15 years, which means the impact will double. With economic growth, there will be increased ferry traffic, as well.

Commissioner Gouge asked if the double tracking would help alleviate some of the train closures. Mr. Schaefer answered that the double track has the potential to mitigate the closures, but only if the trains are coincident. However, no statistical study has been done, and it is important to keep in mind that freight traffic is quite variable.

Mr. Schaefer advised that there were 277 emergency calls to respond across the tracks between July 2010 and early December of 2015. The response time for the majority of the calls was between four and six minutes, and 64 of the incidents had response times of seven minutes or greater. The delays were caused by a variety of things, including the inability to cross the tracks when trains were passing through. If the gate closures become more frequent, it is likely that the average response times will increase. Less frequently, there are incidents where trains are stopped, and the tracks are blocked for longer periods of time.

Mr. Schaefer explained that the consultant team put together a number of options, and also researched more than 50 options and ideas put forward by members of the community. He provided a map to illustrate the location of the initial proposals, which included various overpass and underpass solutions, on-site and operational solutions, and railroad and ferry modifications. These ideas were preliminarily screened by the task force and consultant team using the following evaluation criteria:

1. Does the concept improve **reliable emergency response** to the west side of the tracks?
2. Does the concept reduce delays to **ferry loading/unloading** of vehicles?
3. Does the concept reduce delays and **conflicts at street/railroad crossings** for people walking, biking or driving?
4. Does the concept provide **safe and efficient passenger connectivity** between available modes of travel?
5. Is the concept **feasible** to implement?
6. Does the concept avoid creating **social and/or economic impacts**?
7. Does the concept avoid **negative environmental effects**?

Mr. Schaefer briefly explained how each of the concepts was evaluated during the Level 1 screening. Those that received the highest ratings will be studied further as part of the Level 2 screening.

Commissioner Faires said he has been following the project via articles in *THE EDMONDS BEACON*. It appears that each one of the agencies involved in the task force has the option and/or right to say they will absolutely not

support a particular solution. He asked if this was considered when reviewing the feasibility of the ideas. Mr. Schaefer answered that feasibility was a trump card that was used on a few occasions. He emphasized that the agencies must be involved in the task force because the solutions must work with their operations. However, for the most part, the agencies have a good attitude and are working to find solutions that will benefit all. Commissioner Orvis added that the members of the task force are significant players in their agencies and can speak on authority as to what is and is not acceptable.

Mr. Schaefer reported that of the 51 concepts/variants that were initially presented, the task force has identified 6 early recommendations, 13 advancing concepts, and 11 preliminary Level 2 Alternatives. He reviewed that the 6 early recommendations include:

- **Recommend City Advance Independently**
  Crosswalk improvements at Main Street/Railroad Avenue
  Crosswalk improvements at Dayton Street/Railroad Avenue

- **Recommended City Advance with BNSF**
  Emergency notification to stop trains outside of Edmonds

- **Recommended Local Agencies Create/Implement a Waterfront Emergency Evacuation Plan**
  First aid training for waterfront staff and residents
  Helipad operational planning
  Tsunami evacuation plan

Mr. Schaefer also provided a map and a brief description of the alternatives that will move forward to the Level 2 review, some of which could have a significant impact on Port property. He announced that the alternatives, along with the recommendations, will be presented at the third public open house on May 12th. There will also be an online open house that will include all of the information that is presented on May 12th. The intent is to solicit feedback from the public as the task force and consultant team prepares to move forward to the Level 2 review.

Commissioner Faires said his understanding is that BNSF has already said they will not support any alternatives that require moving the tracks into a trench, onto a bridge, or east to west, and WSF has indicated that Edmonds Crossing at the south end of the marina would be too costly and not a viable option. Mr. Schaefer said both options were considered in the Level 1 review. However, BNSF was emphatic that they would not move the tracks, and WSF was unable to provide any level of assurance that the Edmonds Crossing Project would move forward within the next three decades. The task force decided not to move forward with an alternative that included Edmonds Crossing, as it would not provide a solution to the stated problems. Commissioner Orvis added that the WSF representative made it clear that any options that included Edmonds Crossing were unrealistic.

Commissioner Gouge commented that, from the citizen's perspective, the preferred alternative must address the disruption to vehicle and pedestrian traffic, as well as the timing of the ferry loading/unloading. He also suggested that cost should be a factor in the final decision. Mr. Schaefer said it is important to consider both short and long-term solutions to address the problems. For example, the long-term solution may be to construct an overpass at Main Street that can accommodate vehicular traffic, but the short-term solution could be a pedestrian overpass that is integrated into the long-term design. This short-term solution would give some immediate relief and ensure that responders can access the west side of the tracks. It would improve intermodal connectivity, as well.

Commissioner Preston asked how much of the problem would be solved if the City had the ability to notify BNSF in the case of an emergency so that trains could be stopped outside of the City. Mr. Schaefer said it would improve the situation, but it would not guarantee access at all times. He emphasized that this recommendation would be put forward as short-term solution, and additional study would be needed to determine how effective the option would be.

Commissioner Orvis recalled that the access issue initially came up when a train was stalled for a number of hours and the intersections had to be closed. The recommendation to establish an emergency notification program between the City and BNSF would not address this problem, but the task force felt it was a good idea and something that could be done now. Commissioner Preston suggested that long-term closures of the railroad crossings could be

partially addressed if BNSF had a plan in place to uncouple the train cars. Commissioner Orvis pointed out that, in the most recent case, uncoupling the train cars would not have made any difference because it would take approximately 4 hours for BNSF staff who are able to uncouple the cars to arrive onsite. The one thing that could have made the situation better was portable ladders to help people get through the one box car that was open on the tracks.

Commissioner Faires said it appears that the task force will be putting forth a two-tiered recommendation: short-term tactical solutions and long-term strategic solutions. Mr. Schaefer agreed that is the intent. He explained that the consulting team will not identify project costs until the alternatives have been narrowed down and further refined. The purpose of the May 12th open house, as well as the on-line open house, is to solicit feedback that will allow the task force and consultant team to further refine the alternatives. He noted that nearly ¼ of the project budget is earmarked for public outreach. The project is important to the community and the transportation stakeholders. He briefly reviewed the Level 2 Alternative Evaluation Criteria as follows:

1. Does the alternative improve **reliable emergency response** to the west side of the tracks?
2. Does the alternative reduce delays to **ferry loading/unloading** of vehicles, pedestrians and bicycles?
3. Does the alternative improve circulation and reduce **delays and conflicts for pedestrians, bicyclists, motorists and freight** at roadway/railroad crossings?
4. Does the alternative provide safer and more efficient **passenger connectivity** between the ferry, commuter rail, and bus transit for pedestrians, bicycles and motor vehicle travel?
5. Does the alternative provide for **emergency evacuation** of the waterfront?
6. Does the alternative fit with the **urban design concepts** and **community goals**?
7. Is the alternative consistent with current and future **transportation operations**?
8. Is the alternative **fundable and permittable**?
9. Can the alternative avoid or minimize **temporary construction impacts**?
10. How does the alternative **affect the environment**?
11. Does the alternative address impacts of **sea level rise**?

Mr. Schaefer briefly reviewed the rating system that would be used during the Level 2 Evaluation. He also provided an overview of the project schedule, which started with a public meeting in November of 2015, followed by a second public meeting in January. The Level 1 Screening has been completed, and the task force and consultant team are ready to launch the Level 2 Alternative Evaluation, starting with a public meeting on May 12th. It is anticipated that the task force will forward a recommendation to the City Council in November of 2016.

Commissioner Gouge asked if the consultant team is able to track the public input, and Mr. Schaefer answered affirmatively. He reported that the first two public meetings were well attended, with approximately 116 in attendance at the first meeting and more who participated in the online open house. There were fewer people at the second public meeting, but more participants in the online open house. There were an average of 200 people who participated in each of the two events. Commissioner Preston pointed out that $125,000 was budgeted for public outreach. Commissioner Orvis said that outreach also included mailings to every citizen of Edmonds, as well as articles and announcements in the newspapers and flyers. He emphasized that although the City didn't receive a high number of responses from the online open house, many citizens viewed it and did not comment. He summarized that if citizens do not respond, it will not be because they did not know what was going on.

1ST QUARTER HARBOR SQUARE REPORT

Jan Connor, Northwest Country Management, presented the 1st Quarter Harbor Square Report. She reported that there were a number of late fees for the quarter, but all tenants are current at this point. She further reported that income increased slightly over 1st Quarter 2015, whereas occupancy was slightly lower. Some of this relates to new tenants and leases ending. The 1st Quarter ended with a net loss of about 3,500 rentable square feet, which will change in the next quarter as they have gained some new leases. By June, she anticipates that occupancy will be in the range of 80%.

Ms. Connor reported that there was quite a lot of activity with calls and showing space. In particular, there was a flurry of activity at the warehouse space, which had been vacant for nearly a year. The space has now been leased. In addition, a current tenant in Building 5 took on additional space concurrent with the existing lease term of 30

months. Space was also leased in Building 5 and Building 2, and a lease in Building 2 was extended by three months. There were minor tenant improvements in two spaces in Building 2.

Ms. Connor advised that conference room rentals continue to decline. She reminded the Commission that one of the conference room spaces was turned into a maintenance area and another was leased to the Channel Marker. The income comes from renting the Boardroom, as well as space in Building 2 for additional classroom space. Commissioner Faires asked if Compass Courses would still be able to do business if this space was rented out and no longer available for additional classroom space. Ms. Connor answered affirmatively. While the ability to rent the space is certainly a benefit, they could restructure their program if necessary.

1ST QUARTER MARINA REPORT

Mr. McChesney presented the 1st Quarter Marina Report, specifically noting the following:

- **Public Launch** round trips were down by 12% and one-way trips were up by 11% from 1st Quarter 2015.
- Based on six price checks during 1st Quarter, the Port's simplified average pay-at-the-pump **Fuel Prices** were $2.16 for unleaded and $1.89 for diesel. The quarterly average at seven other locations was $2.53 for unleaded and $2.04 for diesel. The total gallons sold increased by 12% over 1st Quarter 2015. At their last meeting, the Commission directed staff to switch to nonethanol fuel, and the change is currently out to bid. Staff expects it will take six weeks to two months before the conversion is completed.
- The number of boats in **Guest Moorage** increased by 5% compared to 1st Quarter 2015. The number of nights also increased by 39%. Staff believes the increased activity can be attributed to tribal fisheries presence due to increased crab and geoduck openings for the tribes.
- The Commission approved a **Fish Buyer** fee on March 14th, and it became effective April 1, 2016. Letters were formulated to communicate the change to buyers who use Port facilities. In January there were five geoduck buyers who collected a total of 27,969 pounds, in February three buyers collected 5,800 pounds, and in March four buyers collected 10,127 pounds. In February there was a crab opener where three buyers collected 8,299 pounds of crab. Staff has been tracking fish buyers for a number of months to figure out if the tariff should be based on weight or flat fee, and the Commission settled on a flat fee of $200 per vehicle. The fee has been implemented and the Port notified the fish buyers of the change. There has been very little negative feedback about the new fee.
- **At the Boatyard and Travelift** round trips were up by 6%, sling time with pressure wash was down by 15%, and sling with no pressure wash was up by 7%. In January and February, the Port offered "Roll Back the Clock 10 Years" on the Travelift, and in March, the Port offered a tenant reward of 50% off Travelift. These specials are very popular promotions with the tenants. Yard time increased by 13% over 1st Quarter 2015.
- **Water Moorage Financial Occupancy** was at 92% as compared to 91% in 2015.
- **Dry Storage Financial Occupancy** was at 77%, which is the same as in 2015.
- **Insurance and Registration** continues to be a challenge to achieve 100% compliance. By the end of 1st Quarter, 77% of tenants were compliant for insurance and 76% for registration.

Mr. McChesney summarized that the numbers turned out well, and the marina staff has done an excellent job.

Commissioner Preston asked why so many more gallons of fuel were sold in 2015 compared to 2014. Mr. McChesney answered that much of the increase was related to price and Puget Sound Express being a large customer.

Commissioner Faires observed that the waiting list for water moorage increased from 65 to 106 people. He asked if there is anything anecdotal that the Commissioners should know about this difference. Mr. McChesney said there are a number of reasons, including an improved economy and increased interest in recreational boating. It also had to do with the effectiveness of boat show marketing.

1ST QUARTER FINANCIAL STATEMENTS

Ms. Drennan presented the 1st Quarter Financial Statements, particularly noting the following:

- Revenues have continued to increase slightly over the past five years, while expenses have varied. Net income has increased steadily over the past five years, with the exception of 2013. Comparing budget to actual for the 1st Quarter of 2016, revenue was about the same and expenses were lower than budget.
- Gross profit for the three month period ending March 31st was $1,595,530, which is1.9% less than budget.
- Revenue from permanent moorage was 5.40% less than budget and dry storage revenue was 15.23% less than budget.
- Items of note include employee benefits that were 7.94% less than budget, payroll taxes that were 29% less than budget, repair and maintenance costs that were 37% less than budget, and salaries and wages that were 21% less than budget..
- Net income for the same period was $403,079, which is $153,807 greater than budget.
- Marina operating revenues were $1,098,366, which is5.69% less than budget, and operating expenses before depreciation and overhead were $510,949, which is 20.24% less than budget. Net income was $204,183, which is130.93% greater than budget.
- Rental property operating revenues were $556,091 which is .8% greater than budget, and operating expenses before depreciation and overhead were $127,772, which is17.53% less than budget. Net income was $198,896, which is31.63% greater than budget.

Commissioner Faires noted that maintenance costs were down compared to 2015. Ms. Drennan explained that the Port had some equipment failures and a pipe burst in early 2015, and there haven't been any significant incidents yet in 2016. She reminded the Commission that the Maintenance Manager and his staff have been working hard to prepare the equipment for the busy season, so they may see more expenses in April in that regard. They are also doing more work in house.

Ms. Drennan explained that Salaries and Wages were significantly lower than budget because a pay period fell just two days short of the month end. She anticipates the difference between actual and budget will be much closer at the end of the 2nd Quarter.

Next, Ms. Drennan reviewed the investment summary, specifically noting that:

- In December of 2013, the Port began investing funds for longer terms.
- The Port has 10 long-term investments, with the first maturing in October of 2016.
- The Port purchased two investments in March 2016 for approximately $1,000,000.
- The Port earned interest of $13,144, which is almost double the 2015 interest income.
- The capital replacement reserve is currently $3,554,131, with a part of the reserve in Opus Bank and part invested long-term.
- The Port has $6,051,195 remaining in outstanding debt, with $934,965 of that due within one year.

Commissioner Faires asked about the current idea of using credit unions forbanking services. Ms. Drennan said the discussion is in reference to credit unions now being able to provide banking services to public agencies in Washington State.. The request came because some government agencies do not have local FDIC banks, and credit unions are the only option. She summarized that there would be no advantage to the Port using a credit union rather than a bank.

Commissioner Orvis commented that much of the disparity between actual and budget numbers is that the Port's budget is divided into twelve equal parts. As the year progresses, the gap will close.

ACCEPTANCE OF INTERWEST CONSTRUCTION CONTRACT AS COMPLETE

Mr. McChesney reported that the restroom project is now complete, and the engineer has signed off on it. The City has issued a Certificate of Occupancy, as well. He recommended the Commission accept the contract with Interwest Construction, Inc., in the amount of $125,635.77 plus sales tax as complete for the restroom utilities and site work.

COMMISSIONER GOUGE MOVED THAT THE COMMISSION ACCEPT THE CONTRACT WITH INTERWEST CONSTRUCTION, INC., IN THE AMOUNT OF $125,635,77 PLUS SALES TAX OF $12,009.16 FOR A TOTAL COST OF $137,644.93 AS COMPLETE FOR THE RESTROOM UTILITIES AND SITE WORK. COMMISSIONER PRESTON SECONDED THE MOTION.

Mr. McChesney advised that the restroom facilities are now operational, but some fine tuning and accessorizing may be needed. While the project was difficult, it has been done right.

THE MOTION CARRIED UNANIMOUSLY.

EXECUTIVE DIRECTOR'S REPORT

Mr. McChesney announced that last week the Edmonds City Council adopted the Critical Areas Ordinance, and he is happy to report that that the amendments that were of concern to the Port were resolved very favorably. The Shoreline Master Program will come before the City Council soon, and the Port is still concerned about the buffers and setbacks that have been proposed. The Port's well-known position is that the existing 25-foot buffers and setbacks should be adequate, and the Department of Ecology (DOE) and the City's own staff have indicated that they would meet the "no net loss" criteria as required by the State statute. In addition, there is no science to support expanded buffers. The DOE and the City have been working on alternative ways to address buffers and setbacks. This is an important issue for the Port and staff will continue to pay close attention.

Mr. McChesney announced that, as a member of the Snohomish County Tourism Bureau, he is working with the City's Economic Development Director on a cooperative way to market tourism, and there will be a series of on-going meetings sponsored by the City.

Mr. McChesney reported that he met with representatives from Salish Sea Expeditions last week to go over the draft Memorandum of Understanding for a program that would promote youth in boating. While the goal was to start the program in September, the vessel will not be available at that time. They are hoping to start in the spring of 2017.

Mr. McChesney advised that staff is marketing to find a tenant for a parcel of land just to the south of the existing workyard, which is currently vacant and used for Anthony's employee parking. Marketing the property has proven difficult because it is not "ready to deliver" for anything other than flat storage. The intent is to recruit tenants that will capitalize the improvements, but offering just a gravel lot that is not permit ready is not an easy sell. He proposed that as they continue to market the property, staff could begin the Shoreline Permit process, which will take a year or more and require some amount of technical expertise that is not readily available to a perspective business. Doing this work will enable the Port to deliver a piece of property that has entitlements in place. The intent is to create a bookend with Jacobsen's Marine on one side, the work yard in the middle, and another marine-related use on the south parcel.

Commissioner Gouge voiced his opinion that moving forward with the Shoreline Permit was a great idea to get the pad ready for a tenant. Mr. McChesney reminded the Commission that the Port acts as its own State Environmental Policy Act (SEPA) agency, but they must still go through the checklist. He anticipates the cost of getting the Shoreline Permit will be about $25,000.

Commissioner Gouge asked if it would be appropriate to include the property on the north side of Jacobson's in the permit process, as well. Mr. McChesney answered that this would complicate the issue and drive the cost up. He recommended that they focus the application on a defined parcel.

Commissioner Orvis agreed that the Port should move forward with the Shoreline Permit. He noted that the Port has an advantage over any potential tenant. Port staff previously completed the process for the Jacobson's site, and they know how to do it and who to talk to. He suggested that now is the time to get the process started. Commissioner Faires said it is very clear that Jacobson's has been a success for the community, and there is absolutely no reason they cannot have a second successful business on the east side of Admiral Way. He encouraged staff to move forward as soon as possible, and Commissioner Preston concurred. Mr. McChesney indicated he would start putting together a consultant agreement and scope of work to present to the Commission for approval at a future meeting.

COMMISSIONER'S COMMENTS AND COMMITTEE REPORTS

Commissioner Gouge announced his plan to attend the Washington Public Port Association (WPPA) meeting on May 11th through 13th. Commissioners Preston and Faires indicated they would attend, as well. It was noted that Mr. McChesney is scheduled to be a speaker at the event.

Commissioner Gouge advised that there is currently an impasse with the tribes regarding sport and commercial fishing permits. The tribes have been fishing the Skagit River. A group of commercial and sport fisherman went to Olympia recently to see what they could do to get the process moving forward. The good news is that the permit process for the sport fishery may not take as long as was once thought, and there is some hope for at least a short season.

Commissioner Orvis invited Commissioners and members of the public to attend the open house for the Crossing Alternatives on May 12th at 6:00 p.m. at the Frances Anderson Center. He advised that the diagrams that will be considered as part of the Level 2 review have been downloaded on Mr. McChesney's computer and are available for Commissioners to view. If Commissioners cannot attend the open house in person, they could submit written comments. He advised that the consultant team is doing an extraordinary job.

Commissioner Preston reported that the Sea Scouts held an open house on April 30th on V Dock. About 9 youth indicated a strong interest in joining the group. They have received a few applications, and some of the youth were in attendance at the opening day event in Seattle on May 7th.

Commissioner Preston reported that he attended the Chamber luncheon where Mr. McChesney provided a "State of the Port" address. He suggested that this should become an annual event. He also reported that he had coffee with City Council Member Mesaros to discuss a number of issues.

Commissioner Faires recognized Commissioner Preston for his significant efforts with the Sea Scouts. He has put in a lot of successful work that is bearing fruit. Commissioner Preston noted that the Sea Scouts were the cover story in a recent edition of *THE EDMONDS BEACON*.

Commissioner Faires announced that he would make a presentation to the WPPA Economic Development Committee in an attempt to promote and discuss a process to do economic development in the State rather than just talk about it.

Commissioner Faires recalled that, several months, the Commissioners expressed a desire to meet with the Rotary Club to discuss the Waterfront Festival. He expressed his belief that the meeting should be scheduled soon after the 2016 festival to address some longer-range issues that have come up repeatedly. Mr. McChesney recalled that the Commissioners met with Rotary Club representatives in January, and the discussion focused on the idea of putting the waterfront back into the festival. He said he believes the Rotary Club had made good progress in satisfying this imperative, but the logistical issues still need to be addressed.

Commissioner Gouge voiced concern that Port staff is required to spend a significant amount of time assisting the Rotary Club with setup, clean up, etc. He felt the Rotary Club should be responsible for this aspect of the festival so that Port staff can continue to serve their customers. Mr. McChesney agreed that the festival is a major distraction and a deviation from the normal course of activities at the Port, but any labor the Port contributes to the event is fully reimbursed.

Commissioner Faires agreed with the context of the present festival, but said he can imagine a festival that is more nearly focused on the Port and community values that the Port could see its way clearly to sponsor.

Commissioner Orvis recalled that the parking issue was raised at the January meeting, and the Commission recommended that the Rotary Club contact the City with a request to close Marina Beach Park to relieve the Port and Rotary Club of the need to keep the park open for the festival. The Rotary Club indicated that they had contacted the City and the request was denied. However, Commissioner Orvis pointed out that park properties are used for other festivals, such as the Arts Festival and Taste of Edmonds. Mr. McChesney agreed that the Port is less than satisfied with the Rotary Club's effort to address the issue.

The Commission requested that staff schedule a meeting between the Commission and Rotary Club representatives within 30 days after the festival.

EXECUTIVE SESSION

The Commission adjourned the regular meeting to an executive session at 8:45 p.m. to discuss real estate negotiations as per RCW 42.30.110(c). Mr. Cattle indicated that the executive session would last until 9:00 p.m., at which time the Commission would return to the regular session and adjourn. There would be no announcements and no action would be taken.

ADJOURNMENT

The regular Commission meeting reconvened and subsequently adjourned at 9:00 p.m.

Respectfully submitted,

Jim Orvis
Port Commission Secretary