



## PORT COMMISSION OF THE PORT OF EDMONDS

### MINUTES OF REGULAR MEETING

February 9, 2015

#### COMMISSIONERS PRESENT

David Preston, President  
Fred Gouge, Secretary  
Jim Orvis

#### STAFF PRESENT

Bob McChesney, Executive Director  
Marla Kempf, Deputy Director  
Tina Drennan, Finance Manager

#### OTHERS PRESENT

Bradford Cattle, Port Attorney  
Karin Noyes, Recorder

#### COMMISSIONERS ABSENT

Bruce Faires, Vice President  
Mary Lou Block

#### CALL TO ORDER

Commission President Preston 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 JANUARY 26, 2015 MEETING MINUTES**
- C. APPROVAL OF PAYMENTS IN THE AMOUNT OF \$146,386.24.**

**COMMISSIONER GOUGE SECONDED THE MOTION, WHICH CARRIED UNANIMOUSLY.**

#### PUBLIC COMMENTS

No one in the audience indicated a desire to address the Commission.

#### IDOCK WATERLINE CONTRACT ACCEPTANCE

Mr. McChesney reviewed that on November 29, 2014, a storm event damaged the main waterline to I Dock, separating a fitting and shutting down water service to the Fuel Dock and I Dock. Because the lines were corroded and the fittings were bad and because it was determined that temporary repairs to the deteriorated lines would not be safe, a bid package was prepared to arrange for replacement of the waterline. He further reviewed that, on December 8<sup>th</sup>, the Port sent out bid invitations to vendors on the approved Small Works Roster for replacement of the waterline, and a pre-bid meeting was conducted on December 12<sup>th</sup>. Bids were received by December 18<sup>th</sup>, and Bering Industrial Contractors was the low bidder at a cost of \$16,476 plus tax.

Mr. McChesney reported that work began on January 16<sup>th</sup> and was substantially completed by January 26<sup>th</sup>. Staff did a great job working with the contractor to minimize the disruption to tenants and guests. He recommended the Commission accept the I Dock waterline replacement contract as complete.

Commissioner Gouge noted that this project was not budgeted for. He suggested that Port staff keep track of the projects that are done to address emergency situations. This will allow the Commission to adjust the budget, if necessary. Mr. McChesney agreed to provide this information in the future.

**COMMISSIONER GOUGE MOVED THAT THE COMMISSION ACCEPT THE I DOCK WATERLINE REPLACEMENT CONTRACT AS COMPLETE. COMMISSIONER ORVIS SECONDED THE MOTION, WHICH CARRIED UNANIMOUSLY.**

### **APPROVAL OF HVAC REPLACEMENT**

Ms. Drennan reviewed that the Commission approved a lease agreement with Channel Marker at a special meeting on December 29, 2014. At that time, it was known that the HVAC unit that services the space needed to be replaced. The Port went out to bid on January 19<sup>th</sup>, and bids were due by February 2<sup>nd</sup>. One bid was received from D.K. Systems, the Port's current HVAC maintenance company, in the amount of \$10,142.65. Port staff is comfortable that D.K. Systems has the skills to complete the job.

Ms. Drennan advised that, as per the contract, work shall be substantially complete by March 14<sup>th</sup>, and staff will work with the contractor to minimize the disruption to tenants and guests of Harbor Square. She summarized that the proposal meets the Port's Mission Statement of providing and/or fostering quality services and facilities for tenants. She recommended the Commission authorize the Executive Director to enter into a contract with D.K. Systems to replace the HVAC unit servicing Channel Marker's space in the amount of \$10,142.65 plus sales tax.

Commissioner Orvis asked if the Port and Channel Marker have resolved issues related to the long pole in the tent holding things up. Mr. McChesney explained that the Port's replacement program anticipated that this HVAC unit would be replaced in the near future, and renovations associated with the new lease offered an opportune time to move forward with the work. Channel Marker is making good progress on its tenant improvements; about 95% of the demolition work has been completed and the interior stud walls are being installed. Regarding the pole and tent, Channel Marker must obtain a permit from the Snohomish County Department of Health, and he is unfamiliar with all of the requirements associated with that permit. In their last discussion, the owner indicated that Channel Marker would most likely not open by the March 1<sup>st</sup> target date.

Commissioner Orvis asked if Channel Marker's contractors are taking precautions to ensure that the roof is not damaged. Mr. McChesney answered that both the venting and HVAC work will require access to the roof. Channel Marker and the HVAC contractor have both been notified that the work must be done in accordance with the roof contractor's specifications. Ms. Conner assured the Commission that Channel Marker understands they must be careful, and this issue was addressed as part of the lease contract. Channel Marker will be responsible for any damage that results from venting or other work that takes place on the roof. She reported that the contractors have been very respectful to existing tenants at Harbor Square, and much of the noisier work is being done towards the evening hours when many of the businesses are closed.

**COMMISSIONER GOUGE MOVED THAT THE COMMISSION AUTHORIZE THE EXECUTIVE DIRECTOR TO ENTER INTO A CONTRACT WITH D.K. SYSTEMS TO REPLACE THE HVAC UNIT THAT SERVICES THE CHANNEL MARKER'S LEASED SPACE IN THE AMOUNT OF \$10,142.65 PLUS SALES TAX. COMMISSIONER ORVIS SECONDED THE MOTION, WHICH CARRIED UNANIMOUSLY**

### **HARBOR SQUARE 4<sup>TH</sup> QUARTER REPORT**

Jan Conner, Northwest Country Management, presented the Harbor Square 4<sup>th</sup> Quarter Report, specifically noting the following:

- Six late notices were sent to tenants for a total of \$883.98.

- Revenues for October through December were slightly higher in 2014 compared to the same time period in 2013.
- A construction company inquired about a large warehouse space, but no appropriately-sized space was available for lease.
- She received two inquiries for office space. In one case their budget was too low, and in the other case a water view was desired.
- Warehouse space was shown to Hydroponics Technology, but it was too large for their needs at this time.
- Warehouse space was shown several times to Transformer Fabrication Company. This company needed a higher voltage of power than what is currently available. After discussing the need with the Snohomish County Public Utility District (PUD) it was found that bringing additional power from the transformer on Dayton Street to the building at Harbor Square would be cost prohibitive. In addition, the PUD has indicated they do not like to have two levels of power in the same building.
- There were five lease extensions during the 4<sup>th</sup> Quarter, including one tenant who relocated from Building 4 to Building 3, which resulted in 49-month lease extension.
- The Max Foundation's lease terminated in October, and they have moved their offices to be closer to the Cancer Care Alliance.
- The Herbal Institutes' three month lease has expired. They occupied the space short term while their space at the Landing was repaired from water damage.
- There is a new tenant in Suite 103 in Building 1. To accommodate this tenant, new carpet and paint was installed.
- New carpet was installed as part of a lease renewal in Suite A-8 in Building 2.
- A sink, faucet, drain line and counter tops were installed in Suite 205 of Building 3. In addition, the carpets were cleaned and the paint was touched up.
- The conference room was rented six times resulting in net revenue of \$992.50.
- The main directory was updated during the 4<sup>th</sup> Quarter, but needs to be updated again to include the new tenant, Channel Marker. In addition, a building directory was installed in Building 3.
- An annual sprinkler confidence test was conducted in the 4<sup>th</sup> Quarter, as was annual fire extinguisher service. The cost of this work will be back charged to applicable tenants.

Commissioner Preston asked if there was anything the Port Commission and/or Port Staff could do to help Northwest Country Management related to Harbor Square. Ms. Conner requested that the Commission authorize the Executive Director to move forward with roof replacement projects for Buildings 3 and 4 as soon as possible. Mr. McChesney advised that, in March, staff will ask the Commission for authorization to go forward with the Building 3 HVAC and roof replacement project. Since a tenant has relocated, Building 3 is now approximately 85% occupied. This strong tenant base and revenue stream will enable the Port to quickly recover the costs of the project.

Mr. McChesney said he had originally anticipated asking for Commission authorization to move forward with Building 4 HVAC and roof replacement later in 2015. However, the current roof is leaking significantly, and staff is not sure it can be repaired. Staff will conduct further inspection of the Building 4 roof and report back to the Commission.

Commissioner Gouge inquired if the Port would get a lower cost by combining the two roof projects. Mr. McChesney said that may be possible, but he reminded the Commission that Building 4 is currently only 50% occupied. He suggested it might still be appropriate to do the projects sequentially rather than at the same time, but he agreed to have a discussion with the contractor about the potential cost savings associated with doing the projects simultaneously.

### **MARINA 4<sup>TH</sup> QUARTER REPORT**

Ms. Kempf presented the 4<sup>th</sup> Quarter Marina Report, reminding the Commission that activity typically follows an every-other-year cycle. She also reminded them that activity is typically connected to the fisheries, and 2015 is going to be a good year for Pink Salmon. She specifically noted the following:

- The Public Launch had a strong quarter and a strong year.

- Guest Moorage remained stable as far as the number of boats, but the number of nights was down. In previous years, a dock extension enabled the Port to accommodate more boats, and the space has now been turned into permanent moorage.
- The number of gallons of fuel sold was up.
- The Travelift and Boatyard activity was less than in 2013, particularly stall usage. However, sling time activity appeared somewhat stronger.
- Terminations in Water Moorage were up. However, because demand remained high, the Port was able to fill the slips so that financial occupancy actually increased from 95% to 96%.
- Financial occupancy in Dry Storage was down to 89% and terminations were up.
- The waiting list continues to decline, but the character of the list has not changed. There is no waiting list for slips under 32 feet, except during the summer months. There is always a waiting list for the larger slips.

Ms. Kempf advised that insurance and registration compliance improved during the 4<sup>th</sup> Quarter. She reported that staff sent out over 600 letters to tenants informing them of the need to provide this information when they come to pick up their 2015 parking permits. Hopefully, the numbers will continue to improve during the 1<sup>st</sup> Quarter of 2015. She cautioned that the numbers should not be interpreted to mean that a large number of people do not have insurance or a registration. It simply means that their information is not current with the Port. She reported that Mr. Brown has come up with a system that allows staff to use the marina program to print mailing labels each month for tenants who are not current on the registration and/or insurance requirements. This new approach will allow staff to stay on top of the situation better.

Ms. Kempf referred the Commissioners to the 2015 Marketing Report. She particularly noted that the Seattle International Boat Show Promotion, which offered 1<sup>st</sup> and 12<sup>th</sup> month rent of \$20.14 to people who sign up and remain tenants for at least 12 months. In the five years the promotion has been offered, an average of 43 people per year have participated and approximately 45% of the tenants remained for at least 12 months. Approximately 15% of those who signed up in 2010 remain tenants of the Port, with 19% from 2011, 17% from 2012, 37% from 2013 and 44% from 2014.

Next, Ms. Kempf reviewed the Public Launch Reward Program, noting that a total of 218 cards were redeemed in 2013 and 159 in 2014; and 109 of those who redeemed their cards in 2014 also redeemed their cards in 2013. The total number of launches on their accounts were 1,180 in 2014 compared to 853 in 2013. There were 70 repeat users in 2013 and 72 in 2014. There were 29 unique users in 2013 and 9 in 2014. She summarized her belief that the reward program provided incentive for customers to use the public launch more often.

Ms. Kempf recalled that, initially, guests only received a Destination Port of Edmonds Program packet on their first visit of each two-year season. A new element was added to the 2013/2014 season that offered 50% off coupons to 2<sup>nd</sup> year visitors in Guest Moorage. She reported that 144 coupons were distributed, and 33 were redeemed on returned visits in 2014.

Commissioner Preston referred to the information provided in the Marketing Report regarding Sea Jazz, and asked if the performers for each event would be advertised on the Port's website. Ms. Kempf said that as the schedule becomes filled and she has more confidence in the program being steady, it could be posted on the Port's website.

Lastly, Ms. Kempf reported that the Port recently completed a redesign of its website.

Commissioner Preston suggested it would be appropriate for the Commission to have a more in-depth review and discussion about the marketing plan at their upcoming retreat. The remainder of the Commission concurred. Mr. McChesney noted that staff is still working to prepare an agenda and format presentations for the retreat. While the Commission originally discussed having the retreat in March, he suggested that a more appropriate date, given staffing issues, might be during the 1<sup>st</sup> week of April.

Commissioner Preston asked how many people are receiving the Port's electronic newsletter. Ms. Kempf said she does not have an exact number. However, she pointed out that only 109 participants signed up for the boat show drawing and registered to receive the newsletter electronically. Approximately 450 people submitted cards for the

2013 drawing. She said people appeared to be hesitant to sign up using the I-Pad. Many came with printed address labels to put on the cards for the drawing.

### **PRELIMINARY 2014 YEAR END FINANCIAL STATEMENTS**

Ms. Drennan referred to the preliminary 2014 Year End Financial Statements and explained that all major transactions that staff is aware of have been recorded. Over the next month, staff will prepare the final 2014 Year End Financial Statements in the Budget, Accounting and Reporting System (BARS) format. Occasionally during this process, staff finds other transactions that need to be recorded. She will notify the Commission of any changes when the 2014 Year End Financial Statements are presented.

Ms. Drennan referred to the graphics on Page 1 of the report. The top graphic illustrates revenues and expenses for 2010 through 2014. In all cases, revenues were greater than expenses. The bottom graphic illustrates budget to actual for the period ending December 31, 2014. It indicates that actual revenues were greater than budget, and expenses were less than budget. She reported that Gross Profit for the 12 month period ending December 31, 2014 was \$6,568,040, which was \$116,440 greater than budget. Net Income for the same period was \$1,222,473. She particularly noted the following revenues:

- Net Fuel Sales Revenues were about 5% greater than budget.
- Launcher Revenues and Miscellaneous Revenues were each about 28% greater than budget.
- Net Guest Moorage Revenues were about 5% less than budget.
- Permanent Moorage Revenues were just more than 1% greater than budget, and Dry Storage Revenues were just more than 2% less than budget.
- Parking Revenues were 41% greater than budget.
- Travelift Revenues were about 10% less than budget, and Workyard Revenues were about 23% less than budget.
- Harbor Square Property Revenues were 1.23% greater than budget.
- Anthony's Revenues were nearly 8% greater than budget.
- Landing Revenues were about 16% greater than budget. This is the correct number per the Port's appraisal, but the issue is still under negotiation.
- POE 2 LLC Revenues were not budgeted in 2014, but the net revenue was \$22,908.

Next, Ms. Drennan highlighted all expense items where there was a variation between budget and actual of more than \$10,000:

- Employee Benefit Expenses were 5.7% less than budget.
- Marketing Expenses were 69.30% less than budget.
- Office Expenses were 16.02% less than budget.
- Salaries and Wage Expenses were .98% greater than budget.
- Supplies Expenses were 12.89% less than budget.
- Utilities Expenses were 6.14% greater than budget.
- Interest Expenses were 5.24% greater than budget.
- Interest Income was significantly greater than budget.

Ms. Drennan reported that Net Income for the twelve months ending December 31, 2014 was \$1,222,473, which was \$265,873 greater than budget. The primary reasons for this difference are:

- Actual Revenues exceeded Budgeted Revenues by approximately \$113,000.
- Operating Expenses were approximately \$100,000 below budget.
- Net Non-Operating Expenses and Revenues were approximately \$23,000 below budget.

Next, Ms. Drennan referred to the graphic illustrations on Page 4. The top graph illustrates marina revenues and expenses for 2010 through 2014. With the exception of 2010, revenues exceeded expenses in all years. The bottom graph illustrates marina budget to actual for the period ending December 31, 2014. It illustrates that revenues were

slightly (.50%) greater than budget and operating expenses were 3.30% less than budget. Net income was \$653,443 or \$171,403 (35.56%) greater than budget.

Ms. Drennan explained that the graph at the top of Page 5 illustrates rental property revenues and expenses for 2010 through 2014. In all cases, revenues were greater than expenses. The graph at the bottom of Page 5 illustrates rental properties budget to actual for the period ending December 31, 2014. Revenues were 3.75% greater than budget and operating expenses were 2.58% less than budget. Net income was \$569,031 or \$94,741 (19.91%) greater than budget.

Ms. Drennan reported that the Port's 2014 Capital Budget was \$1,071,000, and actual purchases were \$805,132. Approximately \$260,000 in project money was moved to 2015.

Ms. Drennan referred to the Investing Summary, explaining that in December 2013, the Port began investing funds for longer terms. Three investments were purchased for a total of approximately \$1,500,000. In March 2014, the Port's bond reserve certificate of deposit matured, and the funds were reinvested in a bond that matures at approximately the same time as the reserve is no longer required. The Port invested an additional \$75,000 in October 2014. She summarized that Port staff will be looking to invest additional funds long-term in the next month or so.

The Commissioners complimented both Ms. Drennan and Ms. Kempf for thorough and informative reports that were easy to read and follow.

Commissioner Gouge said he would be interested in having a discussion during their next budget process about the differences between actual and budget and how the budget can be tightened up where appropriate. The Commission agreed to discuss this at their upcoming retreat, as well.

Ms. Drennan announced that the Port has been selected to represent ports in Washington State as the Department of Retirement conducts an audit at the Port of Edmonds in the near future. While the majority of the audit will be funded by the Department of Retirement, it will require approximately 40 staff hours, as well. It is anticipated the audit will be completed by the end of March.

### **EXECUTIVE DIRECTOR'S REPORT**

Mr. McChesney reported that he and Ms. Kempf met again with Peter Hanke, Puget Sound Express, to finalize the details of his proposal to operate wildlife excursions (whale watching) from the Port of Edmonds. He reported that Mr. Hanke is very excited to move forward, and it appears his moorage will start on March 1<sup>st</sup>. The Port was able to offer Mr. Hanke the boat show promotion and the Port has agreed to actively participate in promotional efforts. Ms. Kempf added that the Port is excited about this new opportunity, which will benefit the entire community, including restaurants and other businesses at the Port and in downtown Edmonds. Commissioner Preston said the manager of Anthony's Homeport Restaurant is very excited about the new business, as well.

Mr. McChesney commented that tourism is a big part of economic development, and he participates on the Snohomish County Tourism Bureau's Board of Directors. He anticipates the Bureau's marketing committee will discuss how they can help promote this new business, as well. He reported that he would attend Tourism Day in Olympia as a representative of the Snohomish County Tourism Bureau and in partnership with the Washington Tourism Alliance. The goal is to find a permanent funding mechanism for tourism, given that the Legislature has cut funding to just \$500,000 per year compared to California's budget of \$61 million and British Columbia, Canada's budget of \$48 million. He pointed out that tourists in Snohomish County spent more than \$930 million in 2014. In addition, tourism in Snohomish County generates over 10,000 jobs, \$244 million in payroll taxes, \$17.9 million in local taxes and \$49.4 million in State taxes. Commissioner Preston explained that there are two tourism categories: in-state tourists and out of state/out of country tourists. The State benefits the most from tourists who come from outside the state.

Mr. McChesney reported that he is working with the Port Attorney and consultant to finalize the Port's appeal to the City of Edmonds Shoreline Master Program (SMP). He also reported that Maintenance Staff is working to replace the breakwater lights, using high-quality craftsmanship and skills. Staff is also working to complete the Weather

Center Update, which will result in a very different facility that will allow the Port to control the content remotely. This will allow them to keep the information up-to-date. A reader board outside the center can be used to announce fuel prices, certain specials, etc. The project should be completed by the end of March.

Mr. McChesney announced that the restroom project would be further delayed while staff attempts to provide additional technical information the City has requested for the Shoreline Permit. Staff has already provided the requested information regarding parking impacts and utilities, but they are still working on a site plan that identifies any easements that might be impacted. He explained that identifying easements is a bit challenging because the records are not in one location. He summarized that the entire permit process has proven to be quite a bit more challenging than originally anticipated. It was thought that the permits would be available by the end of February so the modular units could be installed in March. That is not going to happen, and his best estimate is that the buildings will not be ordered and installed until late 2015 or early 2016. The project cannot move forward during the Port's busy season.

Commissioner Gouge expressed his frustration with the time delay for the necessary Shoreline Permit. The modular units would be similar in design to those utilized in Washington State Parks, and they would serve the citizens of Edmonds. The Port has got nothing but grief from the City in this endeavor, and that is why no one wants to build in Edmonds any more. He said he is inclined to stop the project and let the City of Edmonds find a way to provide restrooms for its citizens.

Commissioner Preston asked if it would be possible for the Port to move forward with just one restroom to serve its tenants and visitors. Mr. McChesney explained that the permit application anticipates two modular units, and eliminating one would require the permit process to start over. He noted that once the permit is obtained, the Port would have five years to finish the project. He recommended the Port continue the permit process for both buildings, recognizing that the project will be significantly delayed. He acknowledged that, although the contractor has been understanding of the Port's situation, it is possible the cost of the units could increase over time. The Port can only expect the supplier to hold the price for so long.

Mr. McChesney explained that the nature of Shoreline Permits is very detailed, technical and process oriented; and there is always going to be a certain iterative affect baked into the process. Commissioner Gouge noted that City staff is supposed to identify all of the permit requirements at the pre-application meeting they have with applicants. He voiced concern that problems have come up late in the process for every permit application the Port has submitted. Again, Mr. McChesney said that is the nature of Shoreline Permits, whether the project involves a brand new commercial building or a modular unit, they have to go through the exact same process and meet the same requirements.

Mr. McChesney said he does not anticipate that park mitigation will be required for the project. Commissioner Gouge said a park mitigation requirement or any other problems with the permit application would cause him to support abandoning the project and letting the City find a way to provide public restrooms for park visitors.

Mr. McChesney announced that Mayor Earling will present his State of the City Address on Thursday, February 12<sup>th</sup> from 8:30 to 9:30 a.m. at the Edmonds Theatre. He said he would be unable to attend. Commissioners Gouge and Preston indicated they would attend as Port representatives.

Ms. Kempf reported that attendance at the 2014 Seattle International Boat Show was nearly the same as in 2013. E-tickets were sold in 28 states, 7 Canadian Provinces, Mexico, Italy and Australia. She said there were 71 vacant slips when the show started. Assuming everyone shows up between now and March 1<sup>st</sup>, it appears that 42 slips (3 in dry storage) were sold. Three yacht clubs reserved space at the marina during the summer of 2015, and four wait list applications were completed. Comments staff heard from visitors included:

- Very professional staff; always willing to accommodate.
- One of the nicest marinas in the area.
- Nicest public marina in the state.
- Fuel card receipts do not print properly.
- D Dock roof leaks and needs repaired.

- Great facility, but need to get the bird problem under control.
- Friendly staff, clean walkways, always enjoy time at the Port of Edmonds.
- Both the Port of Edmonds and City of Edmonds are amazing and wants to come back.

### **COMMISSION COMMENTS AND COMMITTEE REPORTS**

Commissioner Preston invited the Commissioners to share their thoughts on the concept of the Port of Edmonds partnering with the City of Edmonds to conduct an analysis of alternatives for crossing the railroad tracks to access the waterfront. Commissioner Orvis said his understanding is that Edmonds Mayor Earling is considering approaching the Commission with a request that the Port contribute and become a partner, at least in name, to enhance the potential of receiving grant funding to conduct the analysis.

Commissioner Orvis observed that the City tends to seek partnerships with the Port only when it is to their advantage. In his experience, these partnerships really mean that they want the Port to lend its name and provide funding, but they do not expect the Port to have a say in what goes on. He commented that the Port is often treated shabbily by the City, and he is not interested in joining the Port's name to the grant application or contributing funding for the analysis unless the Port will have a place at the table where its voice will be heard. He also pointed out that a grant for an alternatives analysis could only be done if the Washington State Department of Transportation (WSDOT), Burlington Northern Santa Fe (BNSF), the City of Edmonds and Port of Edmonds have an equal partnership. Short of that, and even though the Port would stand to benefit from a crossing, he cannot imagine the project could move forward unless WSDOT is a major contributor.

Mr. McChesney emphasized that there has been no official request from the Mayor; but the idea has been introduced as a topic of discussion. The current conversation is a discussion amongst the Commission to voice concerns. Commissioner Orvis said it is important for the Commission to have an open discussion about the concept and provide feedback so the Mayor will know if it is worth his time to broach the question. The Commission agreed that the discussion should continue at a future meeting when all Commissioners are present. Mr. McChesney advised that there are a variety of opinions on the matter, and Mayor Earling has presented the concept in the form of a general notion and something he would like to do. However, there is nothing on the table that requires the Port Commission's action at this time.

Commissioner Gouge commented that Commissioners are elected to represent the citizens of the Port District. He needs to know what the people who elected him want before he can commit to a partnership that requires a large expenditure from the Port. At the end of the day, he must be able to explain to his constituents where the money is being spent, who the partners will be, and if more funding would be required at some point in the future. If the City wants significant support from the Port, they should consider offering something in return, such as crosswalks across busy streets, needed permits, etc. He expressed his belief that safe crosswalks and restrooms at the waterfront are big issues to the citizens who walk the boardwalk every day. While he is not opposed to helping the City, any partnership should be done via an official interlocal agreement, with the Port having a voting position at the table.

Commissioner Preston said he does not understand all of the aspects of why the study is needed and why it will cost over \$1 million. It seems like public projects spend too much time and money on studies and not enough time and money just fixing the problems. If the concept is to move forward, he said it will be important to understand what the expectations will be now and into the future. He said he looks forward to discussing the issue in greater depth when all five Commissioners are present to provide input.

Mr. McChesney commented that Mayor Earling inferred there was some urgency in moving forward, but he did not indicate a specific timeline. He suggested the Commission could discuss the concept in more detail at their upcoming retreat, but Mayor Earling may seek a response from the Commission prior to the first week in April. If that is the case, staff will seek more definitive information about what he is proposing and what he anticipates would be required of the Port after the initial investment.

Council Member Bloom commented that there has been a lot of discussion over the past three years about the alternatives study, which is not just about a potential overpass. The alternatives study will also consider the possibility of a tunnel under the tracks and an overpass over the tracks at Point Edwards, which was the prevailing plan in the Reid Middleton Study. She said a lot of research has been done. While the Port's support of the analysis



would be helpful, there has been no discussion amongst the City Council about the Port contributing financial resources. The City Council has allocated \$100,000 to leverage its grant application with the State. She said her favorite part of the study is related to emergency vehicular and pedestrian access to the waterfront. Again, she said she does not anticipate the City will ask the Port for funding, as the City is approaching the State with a request for grant funding to pay for the study to figure out the final solution. However, she acknowledged that contributing money would have to come from the local, state and federal governments and BNSF.

The Commissioners discussed that they had a great time at the Seattle International Boat Show. They commended staff, particularly Mr. Brown, who is very mature and energetic. Commissioner Preston said he enjoyed watching Mr. Brown interact with visitors.

### **ADJOURNMENT**

The Commission meeting was adjourned at 8:20 p.m.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Fred Gouge".

Fred Gouge  
Port Commission Secretary