

MINUTES OF EVERETT PORT COMMISSION WORK SESSION
June 8, 2010

PRESENT: Michael F. Hoffmann President
 Mark Wolken Vice President
 Troy McClelland Secretary
 John Mohr Executive Director
 Karen Clements Chief Fin. Officer
 Brad Cattle Port Attorney

CALL TO ORDER: Commission President Michael Hoffmann called the meeting to order at 5:00 p.m.

1. EXECUTIVE DIRECTOR'S REPORT

June 15th Special Commission Meeting

Executive Director John Mohr announced the Port will hold a Special Meeting on June 15 at 5:00 p.m. due to the Memorial Day Holiday. Immediately prior to the Special Meeting, the Port will hold its annual Industrial Development Corporation meeting at 4:50 p.m. Both meetings will be held in the Commission Board Room located at 2911 Bond St., Suite 109, Everett, Washington.

Department Reports

All department reports will be provided at the June 15th Special Meeting.

July Commission Meeting

John Mohr asked the Commission to consider holding one Commission meeting in July, given the additional number of meetings recently held in reference to the Collins Building and the Governance Structure. John Mohr recommended July 6th as the meeting date. The Commission concurred.

2. COMMISSION INITIATIVES

Governance Structure

Five-Member Commission

Commissioner Mark Wolken reported that based upon the information solicited from the participants who attended the public meetings on the Governance Structure, he supported having a five-member Commission. Based on the foregoing, Commissioner Wolken moved to direct Port staff to prepare a resolution to place a proposition on the General Election Ballot to increase the membership of the Port Commission to five members.

Commissioner McClelland said one of the benefits that a three-member commission provides is that it forces complete transparency by the Commission. There are also merits in having a five-member commission such as communicating with other board members. It is appropriate for the public to decide what is important for the current time and for the community. Commissioner Troy McClelland seconded the motion.

Commissioner Hoffmann said he did not necessarily agree that two more commissioners were needed, but thought it was a good idea to let the voters decide the issue. A vote was called for:

Vote: 3-0
Yes: McClelland, Hoffmann, Wolken
No: None
Abstained: None

Motion carried.

Commissioner Districts

Commissioner Wolken said if the voters elect to have five commissioners, the decision must be made whether to have districts or at-large positions. Commissioner Wolken said he was not in favor of small districts as it could cause

ORIGINAL

the Commission to have a parochial viewpoint. As the Port moves forward, the Commission will likely discuss expanding the Port District boundaries. It would be easier if the Commission had a broader viewpoint, and able to review issues of the entire port district.

Commissioner Mark Wolken moved to direct Port staff to prepare a resolution to place a proposition on the General Election Ballot to have the two additional port commission positions be elected as at-large positions.

Commissioner Michael Hoffmann expressed concern about the at-large positions as there could potentially be three commissioners representing smaller areas. It is his opinion that the Port District is already too small for the amount of activities that take place. The impacts of the Port reach far beyond the Port District boundaries. He said it would be more sensible to expand the district out to the county, and then add two more commissioners.

Commissioner Troy McClelland said after careful consideration, he would be in favor of the at-large positions because of the larger pool of candidates that would be available and the potential for a commissioner to think about the entire Port District as opposed to a specific area within the Port District. Commissioner McClelland seconded the motion. A vote was called for:

Vote:	3-0
Yes:	McClelland, Hoffmann, Wolken
No:	None
Abstained:	None

Motion carried.

Terms of Office

Commissioner Mark Wolken reported that the final issue was whether or not to change the terms of office from six to four years. Commissioner Wolken said the Port Commission would be constantly changing with four-year terms, and commissioners would be up for re-election almost every year. He said he would not be in favor of taking action on this issue.

Commissioner Troy McClelland said that the Port is a public enterprise and there are complications in policy that have longer term implications, and he feels the right decision for the Port is having six-year terms. He would not be in favor of having this issue on the ballot and would not support a motion to do so.

Commissioner Michael Hoffmann said he would leave this issue alone.

Port attorney Brad Cattle clarified that Port staff is directed to come back with resolutions to expand the Commission from three to five members, and have the two new Commissioner positions at-large. The Commission concurred.

Commissioner Wolken inquired if the Commission could adopt the resolutions at the next meeting in order to provide timely notice to the auditor. Brad Cattle stated that in order to take action on the resolutions at next week's meeting, there will have to be unanimous consent by the Commission for consideration of those resolutions at the meeting. All three Commissioners provided unanimous consent to take action on the resolutions at next week's meeting.

David Mascarenas congratulated the Commission on their decision, and said two out of three is better than nothing.

Connie Niva, Mukilteo, said she felt the Commission was making the right decision.

Collins Building Review Process

Tim Thompson of Thompson Smith Consulting, the facilitator for the Collins Building Review Process held Saturday, June 5, 2010, provided a summary of the

meeting and identified general findings relative to the agenda. Everyone on all sides of the Collins Building issue had the opportunity to be heard. There was a full independent set of facts that were presented, analyzed and discussed. Arguments and ideas were heard in that people had the opportunity to advocate and to question. The public, Commissioners and staff are better informed of the issues surrounding the waterfront and the Collins Building. All future decisions on the Collins Building will be made with a better set of information and a better understanding of what the public and what the Port's limitations are.

Tim Thompson said that a formal report will be provided to the Port by June 11, 2010. Executive Director John Mohr announced that the report would be posted to the Port's web site upon receipt.

At the request of Commissioner Wolken, Port attorney Brad Cattle explained the statutory guidelines that a special purpose district must follow compared to city government.

Commissioner Wolken said one of the things he was made very aware of from the June 5th meeting was the desire for public spaces, public activities, and a vibrant market area that draws people to the waterfront. As the Port moves forward with the North Marina area, the Commission needs to consider this in its planning process.

Commissioner Troy McClelland asked for clarification to better understand the \$15 million figure from the 2005 study to redevelop the Collins Building. Executive Director John Mohr clarified that the \$12.2 million figure was rounded up to \$13 million to account for inflation, and an additional \$2 million was added for the relocation of the planned boatyard development.

Commissioner Michael Hoffmann said he would not make any comments until the final report is available.

David Mascarenas said the discussion held Saturday on the Collins Building was very helpful and is something that should have occurred several years ago.

Duane Pearson, Mukilteo, said he was unable to attend the meeting on June 5, but had submitted written comments that discussed debt service and land value cost assessment.

Annie Lyman, Everett, said the meeting on June 5 was very good. She asked for clarification of Tim Thompson's definition of sustainability, and inquired why the private developer did not do a presentation on June 5.

Tim Thompson said the definition of sustainability was defined at the meeting several times. The most common definition was social access, environmental access and economic. The triple net bottom line is commonly referred to as the definition of sustainability. Secondly, Tim Thompson said he talked with Richard Sullivan who had a development proposal, and that proposal is currently before the Port. The decision not to talk about a specific development proposal was because it was self-serving and a for-profit proposal. In order to be objective and because there was an active consideration of the proposal at the Port, the decision was made to address the benchmarks for the meeting and to discuss the analysis that KHA presented.

Commissioner Wolken reiterated that the Port does not enter into sole source contracts, but goes through a solicitation and bidding process. Since it is a proposal from the same group that did not meet the minimum requirements previously before the Port, it was not something that was reasonable to put on the agenda for the June 5th Collins Building Review Process. If the Port chooses to solicit proposals once again, then Richard Sullivan can present his proposal at that time.

Sue Pellegrini, Everett, commented that she contacted KHA and was told that they had been specifically instructed by the Port not to meet with Richard Sullivan.

Commissioner McClelland said the contractors were reminded that they were independent contractors selected in a source selection process, and that their work was required to be independent. They put their stamp on their work.

David Mascarenas, Everett, asked what the next steps were.

Commissioner Wolken responded that after the Port receives the final report from Tim Thompson, the Commission would consider next steps to move forward to deconstruct the building, or to move forward to redesign elements of the North Marina.

3. CHIEF ADMINISTRATIVE OFFICER'S REPORT

12th St. Marina Memorandum of Agreement – Interpretive Program

Chief Administrative Officer Jerry Heller reported that the Port is moving forward with the North Marina Redevelopment Interpretive Program as one of the conditions set forth in the 12th Street Memorandum of Agreement. Work on the master plan will continue through summer/fall, with construction expected to begin in 2011.

4. COMMISSIONER COMMENTS

Commissioner Troy McClelland said the Collins Building will be on next week's agenda, and the Commission will continue to deliberate and make a decision on next steps.

5. CITIZEN COMMENTS

In response to David Mascarenas, the Commission announced that Tim Thompson's report will be posted on the Port's web site.

Holly Gibson, Everett, requested the Port to consider the Maritime Trust bankruptcy when deciding about the Collins Building.

Commissioner Mark Wolken reminded the community that bankruptcy regulations restrict the Port from discussing the bankruptcy matter. Executive Director John Mohr said there is an upcoming hearing in Chicago regarding the bankruptcy process.

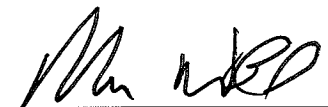
THE MEETING WAS RECESSED into Executive Session at 6:25 pm for approximately 45 minutes to discuss with legal counsel a pending litigation matter.

At the conclusion of the Executive Session, there were no announcements, and there was no action taken by the Commission.


THE WORK SESSION WAS ADJOURNED at 7:10 p.m.

APPROVED: THIS 6 day of July 2010. EVERETT PORT COMMISSION

By: _____
Michael Hoffmann, President



Mark Wolken, Vice President



Troy McClelland, Secretary