

MINUTES OF EVERETT PORT COMMISSION WORK SESSION
February 2, 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 9:00 a.m.

1. COMMISSION PRESIDENT'S REPORT

Commissioner Michael Hoffmann reported that the Commission Retreat will be held on February 10 – 11, 2010 at Vigilant Conference Suites in Everett. The Retreat is open to the public.

Commissioner Hoffmann also reported that he has received a request from a group of Collins Building supporters to be able to provide a presentation regarding the Collins Building at the February 9, 2010 Regular Commission Meeting.

2. EXECUTIVE DIRECTOR'S REPORT

Declaration of Emergency – Repairs to K So. Covered Moorage Dock

Executive Director John Mohr reported that a wooden boat caught fire at the K South covered moorage dock at the Marina on January 12, 2010. The covered moorage design contained the fire preventing further damage.

Within the Delegation of Authority, Resolution No. 929, the Commission authorizes the Executive Director to make a finding of the existence of an emergency and to execute any contracts necessary to respond to the emergency. It further provides that the Executive Director shall, at the first Port Commission meeting following the Executive Director's findings of the existence of an emergency, request Port Commission ratification of the finding of an emergency and any contracts awarded and/or executed pursuant to that finding.

In compliance with RCW 39.04.280, on January 14, 2010, Executive Director John Mohr declared that an emergency situation existed as a result of the January 12th boat fire. Attached for the record is a copy of the Declaration of Emergency.

One contract was awarded, without competitive bidding, to Global Diving & Salvage, Inc. in the amount of \$47,474.70, including Washington State Sales Tax, for the cleaning and repairing of the roofs on K Dock South.

To comply with the requirements of Resolution No. 929, the Executive Director and staff request that the Port Commission ratify the finding of an emergency and the contracts awarded pursuant to that finding.

Commissioner Mark Wolken moved to ratify the finding of an emergency and the contracts awarded pursuant to that finding. Commissioner Troy McClelland seconded the motion. A vote was called for:

Vote: 3-0

Yes: McClelland, Hoffmann, Wolken

No: None

Abstained: None

Motion carried.

ORIGINAL

Economic Development Council Presentation

Deborah Knutson and Rick Cooper of the Economic Development Council (EDC) presented the annual report on the EDC's past and present outreach efforts to attract, retain and expand business opportunities for this region.

President's Day Holiday

Executive Director John Mohr reported that the Port offices will be closed on February 15, 2010 in commemoration of the President's Day Holiday.

3.

CHIEF ADMINISTRATIVE OFFICER'S REPORT

12th Street Marina Redevelopment Memorandum of Agreement

Chief Administrative Officer Jerry Heller reported that there have been two litigation matters relating to the 12th Street Marina Redevelopment Memorandum of Agreement that have now been dismissed. The first matter was related to the demolition permit issued by the City of Everett, and the second matter challenged the State Environmental Policy Act procedure used in the planning and development of the Port's plan.

Still pending is the Section 106 permit and the Memorandum of Agreement (MOA). The MOA expired at the end of October 2009. Shortly before the agreement expired, Washington Trust filed a dispute resolution request covering three separate issues: to nullify the MOA, start the Section 106 process over again and, if neither of those two occurred, consideration of a dispute resolution request. In December, the Corps of Engineers made a finding that denied the first two requests of Washington Trust and requested that they clarify their dispute. In January, Washington Trust asked that the Corps reconsider its finding that the Port had appropriately worked through the development process of the Collins Building. The Corps decided there was a dispute and sent the matter to the Advisory Council on Historic Preservation (ACHP). The ACHP process is that they provide a recommendation to the Corps, generally within 30 days. The matter with regard to the permit is on hold until the ACHP opinion is sent to the Corps. The Corps then makes its determination on the matter.

4.

OPERATIONS REPORT

Chief Operating Officer Carl Wollebek announced that the Marina is expanding the parking fees at the 10th Street Marine Park in May 2010. The Port previously received grant funding from the Recreation and Conservation Office (RCO) and certain interpretations of those rules led Marina staff to believe that the Port could not offer any preferential pricing to a particular group. Based on a recent inquiry from a disabled veteran about offering free launch passes, Marina staff contacted a new administrator at the RCO. The new administrator's interpretation of the rules is that the Port could offer preferential pricing. The Marina will be offering parking passes to disabled veterans beginning in May.

Commissioners Wolken and McClelland asked Staff to provide further information about preferential group pricing at the next meeting.

Carl Wollebek reported that the Port has experienced some thefts recently at the Marina. Marina tenants have been cautioned, and appropriate actions taken.

Marine Terminals Report

Marine Terminal Director Dave Madill reported that the Port had a slight increase in vessel calls from this time last year due to a project ship arrival carrying three transformers bound for the mid-west. The Port also received its first shipment of cargo from Canada bound for China.

Total inbound tonnage for January is down somewhat but outbound tonnage is up. Containers increased by three percent.

At Mt. Baker Terminal, the Port handled 90 inbound containers and 82 outbound containers during the month of January. The Port usually averages 100 containers inbound and 100 containers outbound.

5. PROPERTIES REPORT

North Marina Construction and Redevelopment Update

Chief of Properties Larry Crawford provided a comprehensive overview of completed improvements and current construction activity at the North Marina Redevelopment site. Completed improvements include the 14th Street Bulkhead, 12th Street Marina, and the Craftsman District. Current site activities include the Puget Sound Initiative cleanup efforts, Early Roadway and Utility project - Port Gardner Way / Craftsman Way (old 13th Street), Fisherman's Tribute Plaza, West Marine View Drive Improvement project, the Waterfront Center (old MSRC Building) and boatyard expansion.

6. PROJECTS UPDATE

Pier 3 Pile Repairs

Chief of Engineering & Planning John Klekotka reported that the February 15, 2010 fish window deadline is approaching for in-water projects. The Pier 3 Pile Repair project is the repair of existing piles under Pier 3, and is required under the Port's lease agreement with Lehigh Cement. The scope of work is to jacket 10 prestressed concrete piles and jacket 8 steel pipe piles. This was a re-bid contract repackaged for additive bid items in the event other piles were identified as needing repair.

The contractor has made good progress; however, staff has made a request for an extension of time through the Corps of Engineers because one piling will require special form work that may take an additional two weeks in order to perform the work.

Riverside Business Park Shoreline Restoration Project

John Klekotka provided an update on the Riverside Business Park Shoreline Restoration project to the Commission. The purpose of the project is to restore the shoreline along the portion north of the bridge and fronting the Cymbaluk parcel and to create a shoreline trail within the 50-foot buffer. The project budget is \$300,000.

The Port is restoring 700 lineal feet of shoreline by clearing out non-native species and removing concrete debris, rubble and other matter, as well as pulling existing creosote treated piling. Staff is regrading the shoreline profile to make it a more natural gentle slope, and then planting wetland and upland plantings. Within the buffer, the total length of the trail is approximately 1,100 feet.

The contractor is nearly finished with the grading work and the debris removal, and will then start to work on the pathway and landscaping. The project should be complete in May 2010.

10th St. Boat Launch Maintenance Dredging

Senior Planner Graham Anderson reported that dredging is underway at the Boat Launch. KC Equipment was the low bidder in the amount of \$589,000 including Washington State Sales Tax. The bid fell within the overall CIP budget of \$610,000. The contractor is currently working a 24/7 schedule until the February 15th fish window deadline in order to remove approximately 30,000 cubic yards from the basin, which should restore full operational use of the facility. The dredge material is being transported to the Port Gardner open water site. During the dredging, the boat launch ramps are closed for safety considerations, as well as allowing the contractor to have equipment inside the basin. Boat ramps available to the boating community include the Langus Riverfront Park, Mukilteo and Ebey Slough. Signs are posted to notify boaters where to launch. The Port's dredging work is being done at the same time as a Corps of Engineers dredging project. Project surveys are being done approximately every two days to ensure that the contractor is pulling out the appropriate amount of material. Port staff will report back to the Commission with another project report at the next commission meeting.

Dept. of Homeland Security 7B Security Project

Project Manager Poli Luis presented an update on the Dept. of Homeland Security (DHS) 7B Security project. The Commission approved the 2010 CIP budget in October 2009. Round 7B includes 7 projects: Access Control & Transportation Workers Identification Credentials (TWIC) at the Marine Terminal facility; Small Craft Infrastructure Protection & Detection; Waterside and Swimmer Critical Infrastructure Protection; Single & Multiple Agency / Multi-Jurisdictional Cooperative Training Exercise and Response; Implementation of Domain Awareness and Notification; Improvised Explosive Devices Detection System Improvement to Port of Everett Infrastructure; and Access Control and TWIC for Mount Baker Terminal.

The remaining 2009 CIP budget of \$200,000 will be added to the approved 2010 CIP budget for the 2010 project costs in the amount of \$511,000. The total project grant award of \$1.95 million for the seven projects exceeds the total 2009 – 2012 CIP budget allocation and will require a request for additional funding in the 2011 / 2012 budget planning process. Seventy-five percent of funds will be funded by the Department of Homeland Security, and twenty-five percent is the Port's share of the total project costs.

The 2010 project costs of \$421,000 will not exceed the combined 2009 / 2010 CIP budget.

7. COMMISSIONER COMMENTS

Commissioner Troy McClelland asked that the Commission Retreat Agenda be made available to the public as soon as practical.

8. CITIZEN COMMENTS

Valerie Steel, Everett, inquired about the topics of discussion for the recent legislative meetings that all three Commissioners attended in Olympia. Executive Director John Mohr responded that the Port annually develops an issues list for discussion with the legislators. The Port Commissioners were in attendance at the briefings. There was no decision making, as the list was focused on port issues identified for the legislators. The primary issue was the Model Toxic Control Act (MTCA) funding for the cleanup of the ASARCO site. The Port of Everett participated in a settlement with the ASARCO Corporation in the amount of \$38 million, which was compensation for cleanup in Everett. Of that, \$10 million was assigned to the lowland area which includes the Riverside Business Park property and other privately owned properties, and \$28 million was assigned to the upland area of Everett which includes mostly private homes identified for cleanup. There is a real concern that the legislature might sweep the funds and put them back into the general fund. The conversations centered on what the local legislators could do to protect the funding from being swept into the general fund. The other issue discussed was the continuation of the MTCA funding for other projects.

Commissioner Troy McClelland offered to get a copy of the issues list to Valerie Steel, who declined and stated she would submit a public records request for the information.

Paula McCullough asked the Commission to extend the free parking at the boat launch to the citizens that live within the port district that already pay taxes. She also commented that the Commission agenda was not on the web site.


In response to Annie Lyman, John Mohr stated that the Commission Retreat would be podcast for both days.

THE WORK SESSION MEETING WAS RECESSED into Executive Session at 10:32 a.m. for approximately 45 minutes to discuss with legal counsel a pending litigation matter, and to discuss consideration of real estate, public discussion of which could disadvantage the Port's negotiations, and to discuss consideration of the minimum price at which real estate may be offered for sale when public knowledge would disadvantage the Port's negotiation.

At 11:05 a.m., Executive Director John Mohr announced that the Executive Session was continued to 11:45 a.m. No action was taken by the Commission.

THE WORK SESSION WAS RECONVENED AND ADJOURNED at 11:50 a.m.

APPROVED: THIS 9th day of March 2010. EVERETT PORT COMMISSION

By: 
Michael Hoffmann, President


Mark Wolken, Vice President


Troy McClelland, Secretary

PORT OF EVERETT
DECLARATION OF EMERGENCY

In compliance with the Delegation of Authority Resolution No. 929 adopted by the Commission on January 5, 2010 and Washington state statutes RCW 39.04.020, RCW 39.04.280, and RCW 53.08.120, the Executive Director of the Port of Everett declares an emergency situation exists which will likely result in the additional material loss or damage to port property and which could result in bodily injury if immediate action is not taken. Further, the Executive Director waives the competitive bidding requirements and authorizes the award of all necessary contracts to address this emergency situation.

The emergency situation is the result of a boat fire on the K-South covered moorage area on Tuesday, January 12th in the evening at 6:20 pm where a fire broke out aboard a 32-foot vessel.

Damage to the covered moorage included structural and non-structural support roof members, conduit and wiring damage, as well as, a burned-out roof area. Damage to two adjacent vessels and ash and soot from the burning boat has coated other areas and vessels on the K dock area.

Staff recommends immediate cleaning of the ceiling, specific vessels, and vessel areas meeting Department of Ecology requirements for such activities in an over-the-water condition and the repairs to the roof and structural dock areas. This will include relocation of many vessels on K dock during the repair and clean-up activity.

Staff recommends this project be handled under emergency contracting provisions in order to secure the dock against further damage, to prevent potential personal injury to users, and to assure the dock is ready for general public use as soon as possible.


John M. Mohr, Executive Director
Port of Everett

Dated this 14th day of January, 2010.