

MINUTES OF EVERETT PORT COMMISSION  
REGULAR MEETING  
February 10, 2015

PRESENT:	Troy McClelland	President
	Glen Bachman	Vice President
	Tom Stiger	Secretary
	Les Reardanz	Executive Director
	John Carter	Chief Finance Officer
	Brad Cattle	Port Attorney

CALL TO ORDER: The Regular Commission Meeting of February 10, 2015 was called to order at 5:05 p.m. by Commission President Troy McClelland.

CONSENT AGENDA

- Approval of Regular Meeting Minutes of January 6, 2015, and January 13, 2015;
- Approval of Bills for January 2015

Commissioner Tom Stiger moved to approve the items of the Consent Agenda. Commissioner Glen Bachman seconded the motion. The vote was called for:

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

Motion carried.

1. APPEAL OF MOORAGE AGREEMENT TERMINATION

Commissioner Troy McClelland announced that before the Commission today is an Appeal of Moorage Agreement Termination which is an Administrative Appeal process specified in the Marina's Regulations, Policies and Procedures. It is an Appeal of Moorage Agreement Termination to Tim Dies' Moorage Agreement. The Moorage Agreement of Mr. Dies and Ms. BryAnna Rae was terminated by Marina Management. Mr. Dies submitted that decision to the Executive Director for review pursuant to the procedures for appeal. The Executive Director, after review, confirmed the decision of Marina Management. (The written record of this Moorage Agreement Termination Appeal is on file at the Port of Everett.)

Mr. Dies and Ms. Rae have appealed the moorage agreement termination decision to the Commission according to the administrative appeal process. That process provides that both Mr. Dies/Ms. Rae and Port management were to submit their respective cases in writing. Both have done so. The Commissioners have reviewed the submittals of both parties including the later submittals from Mr. Dies and Ms. Rae.

The Marina Regulations, Policies and Procedures state that the Commissioners may make their decision on the written submittals and can seek such additional evidence, records or information as it requires.

Commissioner McClelland asked that each party summarize their position, to be followed by an opportunity for questions.

Daniel Peters, attorney for Mr. Dies and Ms. Rae, provided a short summary for the Commission to consider. Daniel Peters commented that the incident that caused the notice of termination occurred at 9:30 pm, it was dark outside, and earlier that day, Mr. Dies and Ms. Rae had their property stolen (a large bird cage) from outside of their boathouse. At 9:30 pm they heard arguing coming from the dock just outside of their home, and his clients were fearful that this was somebody returning to steal their property and burglarize their home after they already had property stolen earlier in the day. Acting to protect his wife, Mr. Dies got a gun and moved to stop the potential burglars before they could approach his home. He went outside and saw two people with headlamps moving around and because it was dark outside, he could not tell who they were. He

pointed his gun at them and told them to identify themselves, and after about 8 seconds he lowered the weapon, he apologized and told them they were free to go. If his client had it to do over again, he would do it a different way if he knew what he knows now. Mr. Dies and Ms. Rae realize that any time you point a gun at somebody it creates a very serious situation. Once the Commission has had a chance to hear all of the facts, the position for which Mr. Dies and Ms. Rae found themselves in at the time, that they acted rationally. Mr. Peters said that his clients are not a danger to the community, but an asset to the community.

Tim Dies and Bryanna Rae presented their explanation as to the events that occurred on the evening of January 17, 2015 that led to the termination of their moorage. Attached for the record is Mr. Dies/Ms. Rae's Response to Port Staff Summary.

Several citizens came forth as character witnesses for both Tim Dies and Bryanna Rae and asked the Commission to please vote in favor of overturning the moorage termination on behalf of Tim Dies and Bryanna Rae.

Executive Director Les Reardanz summarized the Port Management decision and indicated he was sympathetic to all of the circumstances surrounding the moorage termination. However, the Port has a Marina Regulation that says displaying and use of a firearm on the Port premises is strictly prohibited. When a weapon is pulled, a weapon can be accidentally discharged. Tim Dies drew a gun and affirmatively sought out the contractors, told them to get on their knees and put their hands behind their heads and told them that he would shoot them. 911 was not called. 911 was called earlier in the day during the alleged theft of the bird cage which turned out to be a mistake, but was not called that evening. Les Reardanz added that people cannot take justice into their own hands, particularly in a Marina, and that his job was to balance the greater good and look out for the safety of the entire Marina and Port staff. That is the rationale that Les said that he used in making his decision.

Commissioner McClelland said it was now time for the Commission to deliberate and make a decision. Under the Marina Regulations, Policies and Procedures, that decision would be to grant or deny the appeal.

After several questions and discussion amongst the Commissioners, Commissioner Troy McClelland said that the Administrative Appeal process was closed. The Commission now must decide to grant the appeal or deny the appeal.

Commissioner Glen Bachman moved that per the Marina Regulations, Policies and Procedures, that the appeal be denied. There was no second. The vote was called for:

Vote:	2-1
Yes:	Bachman, McClelland
No:	Stiger
Abstained:	None

Motion Passed.

2. **CEO/EXECUTIVE DIRECTOR'S REPORT**

**Commission Retreat**

Executive Director Les Reardanz reminded the public that there will be a Commission Retreat on March 17-18, 2015, which will include a special business meeting that will be noticed to the public. A regularly scheduled meeting will be held on March 3, the meeting on March 10 will be cancelled, and the second business meeting will be held during the retreat on March 17.

3. **PUBLIC HEARING FOR AMENDMENT OF COMPREHENSIVE SCHEME OF HARBOR IMPROVEMENTS TO INCORPORATE WATERFRONT PLACE CENTRAL DEVELOPMENT – RESOLUTION NO. 1025**

Executive Director Les Reardanz said that upon opening the public hearing, Terrie Battuello will provide a presentation on the Development Agreement for the Waterfront

Place Central Development, and will be followed by a presentation on the Comprehensive Scheme of Harbor Improvements given by Graham Anderson.

Commissioner Troy McClelland opened the Public Hearing at 5:50 pm.

### **Amended Waterfront Place Central Development Agreement**

#### **Background:**

Chief of Business Development Terrie Battuello reported that the Port of Everett, working with a prior developer, proposed and had approved a planned development overlay for a 65-acre mixed use project at the Marina District. After that project fell through related to the recession, the Port assumed responsibility for remaking the project and has worked for the last two years to bring forward a new plan for the City of Everett's approval.

The City of Everett has now approved the Waterfront Place Central project, including the Planned Development Overlay Development Agreement (PDO). That agreement has been amended to coincide with the revisions to the plan, and is now ready for the Port Commission's approval. The PDO amends the existing North Marina Planned Development Overlay Zone Development Agreement which was originally approved by the City on November 16, 2005. The new agreement maintains heights and densities approved by the Council in 2005, but modifies the overlay to provide a plan that was deemed by the City as more beneficial to the community on January 21, 2015.

Significant additions to the agreement are provisions to: utilize the original Environmental Impact Statement and the Waterfront Place Supplemental EIS to improve the predictability and efficiency of the environmental review process for individual projects. Further, the new agreement extends the development schedule from completion by 2023 to completion by 2034. The new agreement recognizes the changes made to phasing, districts, public spaces and includes modification to the design guidelines to make them consistent with the new plan without reducing the quality of the overall project. Foremost, the new project includes additional quality open space next to the water's edge, allows the project to be completed in phases, and eliminates the previous restrictions on the view corridor (former 13<sup>th</sup> Street). Also, the Port replaces an amphitheater with an outdoor theater (Weyerhaeuser Muse) as part of the new 2-acre Boxcar Park; and includes a Workman's Clock Tower of up to 75 feet which takes the place of the 95 foot feature of the former plan. One significant feature of the new plan is permission to place housing within 100 feet of the shoreline. This element requires additional, post-development agreement approval, steps including approval by the Department of Ecology.

### **Amendment to Comprehensive Scheme of Harbor Improvements to Incorporate the Waterfront Place Central Development – Resolution No. 1025**

Planning Director Graham Anderson reported that RCW 53.20 for Port Districts requires that improvements to be made by a Port shall be substantially in accordance with its Comprehensive Scheme of Harbor Improvements and sets forth procedures for amending such Comprehensive Schemes. The Port of Everett seeks to amend its Comprehensive Scheme in order to properly reflect the conceptual site plan for the Waterfront Place Central project, as it was approved by Everett City Council action on January 21, 2015.

The proposed Resolution No. 1025 before the Commission accomplishes this by incorporating the Waterfront Place Central Conceptual Site Plan and legal description into the Port's Comprehensive Scheme of Harbor Improvements. Resolution No. 1025 has been reviewed and approved as to form by Port legal counsel Brad Cattle, and the Conceptual Site Plan and legal description are the very same that were included in the City of Everett's City Council action on January 21, 2015.

Amending the Comprehensive Scheme is a procedural step that must be taken in order to bring Waterfront Place Central into conformance and incorporated into the Comprehensive Scheme, for the development of the Marina area as opposed to the former Port Gardner Wharf.

Once the Public Hearing has been concluded, Graham Anderson recommended that the Commission consider adopting the proposed Resolution No. 1025 to amend the Port of Everett's Comprehensive Scheme of Harbor Improvements to incorporate the Waterfront Place Central project and its associated capital improvements.

Commissioner Troy McClelland asked for public comment. There were no public comments.

Commissioner McClelland closed the Public Hearing at 6:00 pm.

Commissioner Bachman congratulated Staff on the great work in completing the Waterfront Place Central agreement.

Commissioner Stiger asked Dave Koenig to extend appreciation on behalf of the Port Commission and Staff to the City Planning Commission and City Council members for the work that the City has done to move the Port forward with the Waterfront Place Central project.

Commissioner McClelland asked Dave Koenig to pass on to those at the City the Port Commission's sincere gratitude for a good process that brought the Port to a better place with the project.

**Resolution No. 1025**

Commissioner Stiger moved to adopt Resolution No. 1025 amending the Port District's Comprehensive Scheme of Harbor Improvements for the Port District's North Marina area. Commissioner Glen Bachman seconded the motion. A vote was called for:

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

Motion carried.

**Amended Waterfront Place Development Agreement**

Commissioner Glen Bachman moved that the Commission authorize the Executive Director to approve the Waterfront Place Development Agreement substantially as presented. Commissioner Tom Stiger seconded the motion. A vote was called for:

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

Motion carried.

4. DEPARTMENT REPORTS

**Properties**

**Waterfront Place Central A&E Firm Contract**

Chief of Business Development reported that the Port solicited for Statements of Qualification from professional architectural and engineering firms interested in developing the design, planning and supporting the implementation of the public components (open space, roads, utilities) for the 65-acre mixed use Waterfront Place Central Development. Five teams responded to the solicitation and three teams were interviewed, including the team of PND and Miller Hull, who received the highest score from a panel of Port staff members. The process revealed that this team has relevant experience and qualifications. The contract is anticipated to span the term of the implementation of the plan and its five phases, with the initial contract term being four years with options to extend since it is important to maintain continuity with the design team throughout the first phase of the project. The first four years are estimated at \$3,000,000. It is a task order contract, so for each piece of work, there will be a scope and budget.

Les Reardanz added that with the dollar amount, task orders over \$300,000 will still go to the Commission for approval.

Terrie Battuello asked the Commission to authorize the Executive Director to approve the award of the architectural and engineering contract for Waterfront Place Development to PND and their team, substantially as presented.

Upon discussion, Commissioner Glen Bachman moved to authorize the Executive Director to approve the award of the architectural and engineering contract for Waterfront Place Development to PND Engineers substantially as presented. Commissioner Stiger seconded the motion. A vote was called for:

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

Motion carried.

### **Waterfront Place Central Marketing Contract**

Terrie Battuello reported that the Port has been working for the last two years to bring forward a revised plan for the redevelopment of the Marina District. That plan has now been approved by the City of Everett and implementation is commencing. Previously, Red Propeller provided marketing support and branding concepts for the project. That contract has expired. The Port is now ready to take their marketing strategy and implement the plan. Port Staff wants the marketing and the brand for Waterfront Place Central uplands and Waterfront Place Port of Everett Marina and the Jetty and the whole complex to be marketed under one brand and one consistent message plan.

The Port of Everett has solicited sealed proposals from marketing firms with tourism and real estate marketing experience, and received three responses. Two firms were interviewed with Cord Media Company receiving the highest scores. This firm is recommended to provide coordinated marketing support for both the uplands (properties and public facilities) and Marina during the implementation of the Waterfront Place Central program. Cord Media brings substantial resources and media buying power, as well as talented professionals in social media and video. The contract is structured as a five-year contract with renewal options of three years and then two years to allow continuity in advertising through the first phase of the project.

Upon discussion, Commissioner Tom Stiger moved to authorize the Executive Director to approve a contract for marketing services with Cord Media Company substantially as presented. Commissioner Bachman seconded the motion. A vote was called for:

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

Motion carried.

### **Marina**

#### **2015 Marina Rates and Fees**

Marina Director Jeff Lindhout reported that according to the Bureau of Labor Statistics Western Information Office, the Consumer Price Index for all Urban Consumers (CPI-U) for Seattle Tacoma and Bremerton region released inflation data on January 16, 2015, showing that prices rose 2.6% for all items – less food and energy – since December 2013. This outcome supports the adopted 2015 Port Budget – developed in July of 2014 – which includes a 2% increase in moorage, storage and work yard revenues starting April 2015 to offset the impact of inflation at the Marina.

Attached for the record is an informational Staff Report supporting these increases.

**Marina Strategic Plan No. 2 – Capital Demand**

Shannon Kinsella of Reid Middleton and Chief of Engineering & Planning John Klekotka tag teamed in an overview of future needs for the Marina, including prioritization of goals and criteria, the Master Plan, the recommended phased implementation for reconstruction of the Marina, schedule and costs, deferred maintenance and lifecycle options for floats.

**COMMISSION PRESIDENT’S REPORT**

Troy McClelland reported that the Legislative Session is underway. A transportation package is being looked at early in the session which is good for the Port of Everett and Snohomish County. It will be important for Port Staff to spend time in Olympia as there are a number of issues that are presenting themselves which are germane to Port business.

**COMMISSION DISCUSSION**

Commissioner Bachman said he was on the Regional Freight and Mobility Roundtable with PSRC and they met last Friday. There was a presentation on WSDOT Seismic and Lifeline Initiative Program whereby WSDOT is having to fortify all of the bridges and overpasses from Fort Lewis McCord up to Everett. Strategic points of delivery throughout the Puget Sound Region were discussed and Paine Field was the northern most strategic point of delivery – they envisioned that in the event of the Big 45, a term used for catastrophic earthquake or seismic action, the logistics up in Everett would be brought in through Paine Field.

Commissioner Stiger said he got an earful this past weekend from the commercial fishermen group about the use of generators in the Marina. Apparently, the generators have to be fueled every 12 hours which has been causing some shutdowns. This has created some problems with the electronics, such as the refrigeration, block heaters, etc., on the fishing vessels to the point that due to the surges, the electronics have been burned out and so on.

Les Reardanz said Staff will find the answer and get back to Commissioner Stiger.

**CITIZEN COMMENTS**

There were no Citizen comments.

THE REGULAR COMMISSION MEETING was recessed into Executive Session at 7:25 pm - to conclude by 7:55 pm. The purpose of the Executive Session was to discuss with legal counsel the acquisition of real estate for which public discussion could disadvantage the Port’s negotiating position.

At the request of the Commission President, Port legal counsel extended the Executive Session in the open public meeting by 5 minutes.

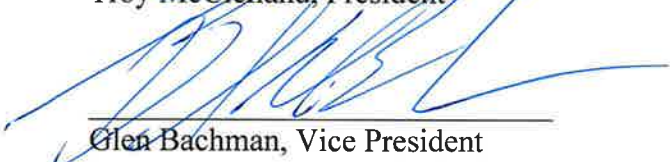
At the conclusion of the Executive Session, there was no action taken by the Commission and there were no announcements. The Regular Meeting was adjourned at the conclusion of the Executive Session.

THE REGULAR COMMISSION MEETING WAS ADJOURNED at 8:00 pm.

APPROVED: this 17<sup>th</sup> day of March, 2015.

EVERETT PORT COMMISSION

  
Troy McClelland, President

  
Glen Bachman, Vice President

  
Tom Stiger, Secretary

# STAFF REPORT

DATE: February 10, 2015

## Agenda: 2015 Marina Rates and Fees Informational Presentation

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The following information summarizes the rates and fee changes included in the 2015 operating budget.

### Rate Changes:

According to the Bureau of Labor Statistics Western Information Office, the Consumer Price Index for all Urban Consumers (CPI-U) for Seattle Tacoma and Bremerton region released inflation data on January 16, 2015, showing that prices rose 2.6% for all items (less food and energy) since December 2013. This outcome supports the adopted 2015 Port Budget (developed in July of 2014) which includes a 2% increase in moorage, storage and work yard revenues starting April 2015 to offset the impact of inflation.

### Fee Changes:

- A new \$25 fee is being established to cover the cost of those extending their moorage or storage beyond their termination date. The livaboard fee is increasing from \$56.42 to \$85 per month, which is more in line with the livaboard fees surveyed which generally fell between \$75-\$100 per month.
- The North Marina will continue to offer the original (2) pump out services offered per month when requested. The first two pump outs were included in the \$35 surcharge to those boaters intended to cover, cable, and garbage disposal, which was established when the North Marina was built.
- In Central and South marinas, coin machines for showers will be disabled starting at the commencement of the new 2015. Showers can only be accessed by paying tenants and guests at the marina through the security system and the cost of maintaining the equipment, collecting, counting and depositing coins offsets all proceeds, and including the shower cost as part of the rate is projected to improve the Port's financial performance. The Port will evaluate the impact of the change on the cost of electricity and water for these facilities.

Looking ahead, the Port Marina will conduct an analysis of rates and services in the coming months to assure that rates are balanced with costs and the market environment. This assessment will compare the Port's facilities to competitor port services and include a review of each service in the marina for cost efficiency. It will also look at the desired services and facilities of our customers and evaluate the impact of the removal of coin operated showers. Based on this information, some services may be phased out, new fee structures developed and adjustments made for in 2016 to assure that rates are reasonable and the operation can support its operating costs.

We have done moorage, storage and yard service rate comparisons against several regional competitors and the results show that the Port of Everett remains competitive in the market with a 2% rate increase. Generally the Port of Everett is slightly more expensive than some of the competitors to the North and slightly less than our competitors to the south. The closest competitor is Edmonds marina which generally continues to have higher rates than the Port of Everett. Note that some of the storage comparisons are higher as they include haul out services as well. The 32' moorage and storage rates give the clearest picture of rate comparisons.

In addition to inflation, the Everett City Council approved several increases to utilities rates and taxes to pay for the cost of sewer and storm water infrastructure, which will be passed through by the Port to boaters. City water and sewer went up 6.77% on January 1, 2015 and will go up an additional

3.73% in July. These rates will also be assessed 1.5% increase in utility taxes. The City's electrical utility tax went up 1.5% to 6% plus a new local utility tax of 2% was added to garbage and cable bills and will increase to 6% over the next couple of years.





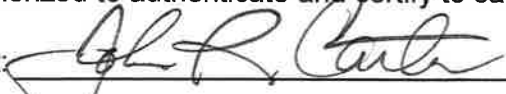
Port of Everett

ORIGINAL


Port of Everett  
Voucher Certification and Approval  
for the month of  
JANUARY  
2015

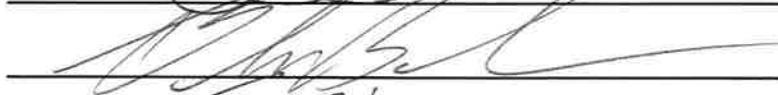
		<b>Total</b>
Claims Voucher Nos	72184 - 72514	\$3,431,493.74
Claims Electronic/Wire Transfers:		
1/12, 1/15, 1/30	Electronic Transfer - Health Equity	\$ 155,473.71
1/16	Electronic Transfer - IRS	\$ 117,721.93
1/26	Electronic Transfer - WA St Dept of Rev	\$ 39,115.46
Total Claims		\$3,743,804.84
Payroll Voucher Nos.	44639 - 44834	\$ 468,941.93
Payroll Wire Transfers:		
1/6, 1/13, 1/21, 1/27	PMA Payroll (Longshore Labor)	\$ 344,432.27
Total Payroll		\$ 813,374.20
Wire Transfers:		
1/23, 1/28	Wire Transfer - Umpqua Bank Investments	\$ 3,500,000.00
1/7	Wire Transfer - Hirofumi Oshio	\$ 3,283.64
Total Payments		<b>\$8,060,462.68</b>


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

Attest:  \_\_\_\_\_ Port Auditor

We, the undersigned Commissioners of the Port of Everett, Snohomish County, Washington, do hereby certify the following vouchers/warrants have been certified and approved for payment this the 10th day of February, 2015:

 \_\_\_\_\_ President

 \_\_\_\_\_ Vice President

 \_\_\_\_\_ Secretary