

MINUTES OF EVERETT PORT COMMISSION RETREAT AND
SPECIAL MEETING
Waterfront Center Facility
Blue Heron Room, Everett, Washington
March 17-18, 2015

Day One 8:30am

PRESENT:

Troy McClelland	President
Glen Bachman	Vice President
Tom Stiger	Secretary
Les Reardanz	CEO/Executive Director
John Carter	Chief Fin. Officer
Brad Cattle	Port Attorney

Port Staff Attendees: Les Reardanz, John Carter, Carl Wollbek, John Klekotka, Terrie Battuello, Graham Anderson, Erik Gerking, Robert Marion, Jeff Lindhout, Dave Madill, Ed Madura, Susan Brokaw, Lisa Lefeber, Liz Olson and Maija Lampinen.

Commissioner Troy McClelland called the meeting to order at 8:36 a.m.

1. **2014 RECAP**

Port Staff provided a comprehensive operational overview to the Commissioners related to 2014 activities on behalf of the Marine Terminals, Marina, Properties, Financials, CIPs, Public Access and the environmental cleanup projects.

Strategic Framework

CEO/Executive Director Les Reardanz reported that the Strategic Plan was originally adopted in 2007, and updated in 2012-2013 with a new vision, mission and core values.

Adopting a longer range strategic plan allowed the creation of initiatives and also allows the Port to put together longer range budgets. Long range strategic plans can show progress on the plan, and keep constituents satisfied. Many of the projects/initiatives intertwine. Examples of current initiatives that intertwine are treating Waterfront Place as one economic unit – real estate and Marina – Mill A/Terminal Expansion, Riverside Business Park and Blue Heron Slough.

Focus areas including environmental stewardship, community engagement, sustainable practices and public access permeate across the Port's business lines. In doing a Marina project for example, Staff makes sure that they are checking the environmental, the community, the financial sustainability as well as public access.

Filters used by Staff to consider a project include what, why, how and what the Port needs to make a project successful. Staff takes a look at the initiative and determines if it advances what we do, why we do it, how we do it and what we need to be able to do it.

The Commission concurred that the current strategic plan process should continue to be used moving forward.

Comprehensive Scheme of Harbor Improvements

Planning Director Graham Anderson reported that the Comp Scheme Guide has been adopted by the Commission as the formal Comprehensive Scheme of Harbor Improvements. The Commission, through resolutions, updates the Comprehensive Scheme.

Administrative changes may be made to the Comp Scheme throughout the year without Commission adoption, as long as the spirit of the document remains unchanged. The Comp Scheme shall be brought to the Commission annually after the Commission Retreat for formal adoption. Surplused and sold properties should be removed from the Comprehensive Scheme as part of the annual adoption by the Commission.

ORIGINAL

SWOT Analysis

Les Reardanz reported that strengths and weaknesses are internal things for the Port; and opportunities and threats focus more on external things.

The Port’s strengths include the Commission, the talented Staff, numerous opportunities, strong community relationships, flexibility, momentum and financial stability.

Weaknesses include too many opportunities; pace/capacity (human and capital); cash flow; aging infrastructure; lack of land and/infrastructure to meet opportunities; IT infrastructure, current unfilled positions – Marine Terminals Marketing, Marine Terminal Dock Superintendent, Marine Terminal Customer Service Specialist and Chief of Legal Affairs.

Opportunities include land acquisition opportunities; Cleanups/MTCA; Mill A Terminal Upgrades; Blue Heron Slough, Waterfront Place Central, increased favorable relationships; District expansion, Marina business Planning and resiliency.

Threats include global economy and market, legislative and regulatory environment/permitting – changes can drastically increase costs – infrastructure needs/costs – finding funding sources, and disaster recovery and resiliency.

**SPECIAL MEETING AGENDA
1:30 p.m.**

CONSENT AGENDA FOR March 17, 2015

- Approval of Regular Meeting Minutes of February 3, 2015, and February 10, 2015;
- Approval of Bills for February 2015

Commissioner Glen Bachman moved to approve the Consent Agenda of March 17, 2015. Commissioner Tom Stiger seconded the motion. A vote was called for:

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

Motion carried.

1. **CEO/EXECUTIVE DIRECTOR’S REPORT**

Authorization to sign Tank Farm Binding Site Plan

Les Reardanz reported that the Port received the Tank Farm property from the Air Force in October 2013 and Port Staff has been working on facilitating the retransfer of the property to Sound Transit, the Ferries, City of Mukilteo and the Tulalip Tribe. In order to do the retransfers, a binding site plan had to be prepared to create and transfer the lots, and this was done in coordination with the City of Mukilteo, Sound Transit, the Washington State Ferries and the Port, with input from NOAA, the Tribes and Island County. The goal was to make sure that the lots and tracts implemented what everybody needed for their development of the site.

The property has now been divided up into the various parcels, with the City ending up with approximately 12 acres, Sound Transit with 1-1/2 acres, Ferries will get close to 3 - 1/2 acres, and then the Tribes about 2 acres.

The next step is for the Port to sign off on the binding site plan as the landowner which will allow the Port to begin the transfers to the various entities.

Commissioner Glen Bachman moved that the Commission authorize the Executive Director and Chief Financial Officer to sign the Tank Farm Binding Site Plan. Commissioner Stiger seconded the motion. A vote was called for:

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

Motion carried.

Port Element for City of Everett Comprehensive Plan

Director of Planning Graham Anderson reported that the legislative intent of the RCW, relating to the City of Everett's Growth Management Comprehensive Plan, is in part to insure that local land use decisions are made in consideration of the long term and wide spread economic contribution of international container ports and related industrial lands and transportation systems to insure that container ports continue to function effectively alongside vibrant city waterfronts.

The Port and the City have elected to embark on this optional port element that is provided for in state law, and are now drafting the Port element. Port Staff feels that this is a positive step. The Port's representation in the City's growth management comprehensive plan has been woven in between and imbedded within a couple of different chapters such as economic development and transportation. This new chapter within the City of Everett's comprehensive plan represents an opportunity for the port to tell its story and be able to talk about the Port's role in the community with a much greater visibility.

The state statute requires that this process be collaborative between the City and the Port, and Port Staff is engaged in that collaborative effort currently.

The structure of the element involves a brief history of the Port, a description of each of the terminal facilities, our role in the local economy, as a transportation facility of state-wide significance, and the Port's relationship to other state and local plans, including a section on the Port's Marine Terminal Master Plan. There is a set of policy statements, including a focus on a buffer area adjacent to the operating terminals where there would be a recognition of the presence of the Port of Everett as a working port, and make that clearly known to future development, residences or businesses in that transition zone.

Prior to the Port's element being adopted as an element within the City's comprehensive plan, the Port Commission will need to adopt by resolution this Port Element, and then at that point it would go back to City Council for ultimate approval.

Washington Public Ports Association – Mutual Aid Interlocal Agreement

Les Reardanz reported that the Washington Public Port Association (WPPA) led an effort to develop a Port District Mutual Aid Interlocal Agreement (Agreement) that would create a framework by which signatory Port Districts could share equipment, supplies and personnel to respond to emergencies. The Agreement does not mandate participation but, rather is discretionary and merely creates the framework to facilitate and encourage assistance among member Port Districts.

During 2014, the Port developed a disaster resiliency plan and received the needed training. The Port anticipates exercising the plan later this year. Therefore, this Agreement is consistent with and serves to advance, the Port's interests in preparing for emergencies and disaster resiliency.

Les Reardanz asked the Commission to consider authorizing the Executive Director to sign the Mutual Aid Interlocal Agreement.

Commissioner Tom Stiger moved to authorize the Executive Director to sign the Washington Public Port District Mutual Aid Interlocal Agreement. Commissioner Bachman seconded the motion. A vote was called for:

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

Motion carried.

Commission Committee Participation

Les Reardanz said that Staff has provided a listing of various committees and a membership list to the Commissioners, and asked the Commissioners to review the lists over the next month and identify which committees they were attending.

Commissioner Troy McClelland commented for the record that he is the President and CEO of Economic Alliance Snohomish County (EASC) in his day job, and that he has consistently and will continue to consistently recuse himself from any decisions as they are related to EASC.

2. DEPARTMENT REPORTS

Properties – Waterfront Place Lease

Properties Manager Taylor Nuccitelli reported that All Ocean Services, LLC (AOS) is a Marine Engineering Group that provides engineering management services to the Commercial and Passenger Vessel industry. AOS provides specialized services for maritime technical support, purchasing and logistics, vessel and shore side operations and marine surveying services. Their tenancy at the Port accomplishes both the Port's goal of building the marine related industry and promotes a return on investment for the Port's financial investment.

Port Staff is providing this Lease to the Commission with its recommendation for approval. All Ocean Services provides export services to the Gulf of Mexico, Caribbean and Africa, as well as Yacht Brokerage and Charters. The AOS lease is an 8 year lease with two 1 year options to extend on 1,532 square feet at market rate of \$18 square foot plus triple net expenses. There is an annual 3 % adjustment to offset inflation. The security deposit with the Port is \$6,894. For the last seven years All Ocean Services was a tenant at the Fisherman's Terminal at the Port of Seattle who provided an outstanding credit and character reference. It is proposed that AOS will occupy Suite 100 and will facilitate the move of the Marina Administration to Suites 105 and 106 at the Waterfront Center. Taylor Nuccitelli recommended that the Commission authorize the Executive Director to approve the lease substantially as presented.

Commissioner Glen Bachman moved to authorize the Executive Director to approve and sign the All Ocean Services, LLC Lease 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.

Interwest Construction

Taylor Nuccitelli reported that the Port has been approached by a contractor, Interwest Construction, Inc., to lease a piece of property for lay down and storage of materials. Port Staff has recommended the Bay Wood site for this type of use. The lease would be for \$1,200 per month and it will run through this year. The Commission concurred.

Projects Update

Terminal Rail Upgrades – Contract Modification for Additional Geotech

Chief of Engineering & Planning John Klekotka reported that in late 2013, Port Staff conducted a formal consultant selection process for the South Terminal Wharf and Rail Upgrades, resulting in the selection of Moffatt & Nichol Engineers (M&N). In February 2014, a professional services agreement was entered into with M&N to begin study work for various terminal railroad alignments. For the purposes of project accounting and managing various funding sources, a separate contract was executed with M&N for the wharf upgrades project. For the rail improvements project, a budget for geotechnical work is estimated at approximately \$57,230. Geotechnical work for the wharf upgrades has now been completed, and was approximately \$22,280 under budget. The additional budget needed to complete the work for the rail upgrades is therefore \$34,950.

John Klekotka requested that the Commission authorize the Executive Director to execute Contract Modification No. 4 in the amount of \$34,950 for the additional Geotech work for the rail upgrades.

Commissioner Glen Bachman moved that the Commission authorize the Executive Director to execute Contract Modification No. 4 in the amount of \$34,950 for geotechnical investigation work with Moffatt & Nichol Engineers. Commissioner Tom Stiger seconded the motion. A vote was called for:

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

Motion carried.

COMMISSION PRESIDENT’S REPORT

No report was presented.

COMMISSION DISCUSSION

There was no further Commission discussion.

CITIZEN COMMENTS

There were no Citizen comments.

THE COMMISSION RETREAT / SPECIAL MEETING was recessed to Executive Session at 2:23 p.m. – to conclude by 3:30 pm - to discuss with legal counsel three issues: 1) Contract negotiations when public discussions would disadvantage the Port; 2) Acquisition of real estate, and 3) a litigation matter.

At the conclusion of the Executive Session, there was no action taken and there were no announcements. The Commission Meeting was adjourned at 3:30 p.m.

ADOPTED this 14th day of April 2015.

EVERETT PORT COMMISSION


Troy McClelland, President


Glen Bachman, Vice President


Tom Stiger, Secretary