

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

**Day Two – 8:00am**

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 Wollebek, 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 8:09 a.m.

1. **EMERGING INITIATIVES**

**Boundary Expansion**

Staff and the Commissioners had discussions about a potential boundary expansion and Staff was tasked with finding out if an expansion would have to be county-wide, if the communities that were interested in becoming a part of the Port district could first achieve creating their own port district, and to investigate some potential boundary expansion options to bring back to the Commission for discussion.

**Economic Development Strategy**

Upon discussion, the Commission tasked Staff with developing and maintaining an ongoing Economic Development Strategy which includes real estate, trade, marina and other areas.

**Level of Service (Public Access/Marina)**

The Commission suggested that Staff should formalize the various forms of feedback the Port is receiving to determine the level of service, as well as review trends with Staff members on a scheduled basis.

2. **CURRENT INITIATIVES**

A comprehensive overview of current initiatives was provided to the Commission pertaining to the following:

- Review of 2014 Retreat
- Administrative/Finance
- Marine Terminals
- Properties/Marina
- Public Access/Special Events

**Marina Strategy**

Les Reardanz said that Staff is wanting direction from the Commission as to how they want the Port to operate the Marina into the future. The Marina and upland successes are tied to one another. Port Staff recognizes that there is a substantial capital investment in infrastructure facing the Port, including dredging costs over an extended period of time. Briefings on market trends, capital investment and then the financial side identified a needed capital investment – including dredging - that could approach \$100 million over the next 35 to 50 years. Current Marina revenue cash flow in the next 5 years would cover about 60 percent of the marina recapitalization costs. The Port needs to identify a long-term financial plan of funding the Marina recapitalization plan.

ORIGINAL

Port Staff presented the Commission with four models of funding the Marina recapitalization costs:

- Profit Center – Is the Marina a stand alone operation that generates its own capital?
- Contribution Model – Should the Marina be considered a public amenity that enhances the value of other Port assets?
- Loss Leader – Should the Marina be considered a public amenity that should have public contribution towards its long-term funding?
- Status Quo – Port Staff does not believe that this is a viable option.

Port Staff recommended the Contribution Model and the Commission concurred with the Staff recommendation. Port Staff will develop some options of how to implement the Contribution Model and what it may look like for Commission review.

The Commissioners thanked Staff for a successful Retreat.

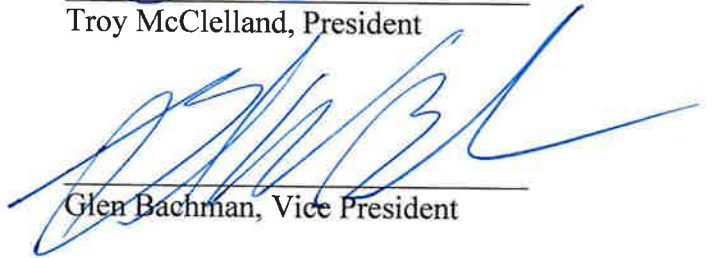
THE COMMISSION RETREAT was adjourned at 1:40 pm.

ADOPTED this 14<sup>th</sup> day of April 2015.

EVERETT PORT COMMISSION



Troy McClelland, President



Glen Bachman, Vice President



Tom Stiger, Secretary