

Port of Silverdale
Minutes of Regular Meeting
February 17, 2022

The Port meeting was held in person and the public was also allowed to attend via ZOOM. The link to the meeting was posted on the Port's website - portofsilverdale.com.

1. CALL TO ORDER

Commissioner Caleb Reese called the meeting to order at 6:00PM. Others attending in person were: Commissioner Ed Scholfield; Administrator, Theresa Haaland; Ken Adams and Mike Vasquez. Those attending via ZOOM were: Attorney Phil Best; Lee Knapp of TIKAR Services; John Bouck, Julie Jablonski and Greg Jacobs of Kitsap Sailing Foundation (KSF); Stella Vakarcs and Barbara Zaroff of Kitsap County Public Works; Vicky Webb of Silverdale Whaling Days; and Port tenants: Tina Abeel and David Holman, Elizabeth Barnes, and Danae O'Dell; Henry Aus; Carla Larson; and Pat Reese.

2. PLEDGE OF ALLEGIANCE – Those in attendance stood and the Pledge was recited.

It was agreed to excuse Commissioner Kitchens absence (motion by Scholfield; second by Reese; unanimous).

3. CONSENT AGENDA

It was agreed to approve the following Consent Agenda items: February Meeting Agenda as amended; January 20, 2022 Regular Meeting minutes; February 3, 2022 Special Meeting minutes; Authorization for Electronic Transfer of Payroll Taxes #2022-02 to the U.S. Treasury in the amount of \$3,106.84; and the February 17, 2022 Voucher Approval for checks numbering 12963 through 12989 totaling \$36,701.08, which is

attached to these minutes (motion by Scholfield; second by Reese; unanimous).

4. ELECTION OF OFFICERS – It was agreed to table this item until all three Commissioners are in attendance.

5. ATTENDEES WHO ASKED TO BE PLACED ON THE AGENDA

5.1. Ken Adams, on behalf of the Old Timers Northwest Car Club, submitted a Use of Port Property application to hold a Father's Day Car show either on Saturday, June 18, 2022 or Sunday, June 19, 2022. Mr. Adams reminded the Commissioners that they were approved in early 2020 to hold the car show on Port property that June, but due to COVID it was cancelled. He said that the club has been discussing possibly having it the Saturday prior to Father's Day, but that has yet to be confirmed. They wanted to first talk to the Port to make sure it would be okay to use a portion of the grassy area and vehicle/boat trailer overflow lot. If given the greenlight from the Port their next step will be to contact the County to ask if a portion of Byron Street can be closed off for the event. Mr. Adams asked if some of the show cars could be parked on the Port's lawn and on the east side of the boat launch parking area. Commissioner Scholfield said that it probably wouldn't be a problem, but would want to walk the area with him prior to that. He said that the Port could keep the sprinklers off the week prior to the event so that the grassy area isn't soggy. It was explained to Mr. Adams that the fenced area used by Ceccanti will more than likely still be in place. *It was agreed to allow the Old Timers Northwest Car Club to hold a Father's Day Car Show on either June 18, 2022 or June 19, 2022 as outlined within the Application for Use of Port*

Property dated February 15, 2022, contingent upon proof of insurance and confirmation of the date (motion by Scholfield; second by Reese; unanimous).

Julie Jablonski explained that KSF is considering holding a fundraiser, possibly selling food. She asked Mr. Adams if they might be able to set up an area during the car show to sell food. Mr. Adams said that he thought it could be worked in and he also wants to promote the local businesses and help bring some life to the waterfront.

5.2. Barbara Zaroff and Stella Vakarcs of Kitsap County Public Works (KCPW) were presenting the general concept design of Kitsap County's pumpstation 3 building. Ms. Zaroff explained that the County began working with the Port in tandem with the Port's project to develop a waterfront campus with watercraft support facilities. Early on there was discussion about Gig Harbor Skansie Brother's Park, which houses a waterfront community center and pump station with a public viewing platform on top. Ms. Zaroff said that it is a very nice facility with the building providing a lot, to the point that it basically makes the pump station aspect disappear. It was thought that the new Port/County building could be constructed similar and include a public viewing platform on the top. The Port and the County hired their own separate architects, who began working on pursuing designs. The Port soon realized that building in the area where the County plans to build the pump station would cost a lot more money and with the rising sea levels it was decided to build the waterfront access facility along Byron Street instead of in tandem with the County's pumpstation. Ms. Zaroff explained that the

Port's decision not to build in that area left the County with just the pumpstation building. They looked into adding a viewing platform to the top of it and determined it would require two separate staircases and a lift to accommodate those with disabilities. Ms. Zaroff had provided the hardcopy designs prepared by J. A. Brennan dated January 28, 2022. It included pictures of the designs discussed. The Zoom screen was shared with Ms. Zaroff and she was able to present the designs for everyone to view. It included a more traditional pumpstation without a viewing platform, which was a much less imposing building than the design of the two-story building that included a viewing platform. The two buildings were compared. Ms. Zaroff said that the County is committed to using exterior finishes, colors, landscaping and public art to soften the industrial look of the building and make it look more attractive. They had thought if the viewing platform is lost maybe they could offer an elevated view with a berm landscape feature. Ms. Zaroff explained that the Skansie Park facility with the viewing platform works because it is a combined facility and the pump station within it is basically disguised providing a nice amenity to the public; whereas, since the Port has decided not to build alongside of the pump station, it will be a standalone pump station building and with an added viewing platform it ends up looking like an imposing institutional structure. The appeal to the community center is gone and overall, the costs associated with the viewing platform are estimated at anywhere between \$350,000 and \$500,000, which is approximately forty percent above and beyond KCPW's budget for the pumpstation 3 building. It is a lot to ask the tax base to pay. Besides liability for adding the

viewing platform, access to it is problematic and since it would be open to the public, there would be need for restrooms. KCPW began to feel that the viewing platform on a standalone pumpstation building is not going to work for KCPW on a number of levels. They were all for it with the support of the Port, but since the Port has decided to build along Byron Street the County has decided it cannot accommodate a viewing platform on top of the pumpstation building. Port Commissioner Caleb Reese and Port attorney Phil Best have attended many online meetings with the County and both County and Port architects. Ms. Zaroff said that the Port hasn't yet committed to landscaping near and/or around the pumpstation building, so the berm isn't a definite at this time. She explained that another thing to consider is that Skansie Park and the Silverdale Waterfront are quite different. At the Skansie Park the viewing platform provided a view of the water that otherwise was not available; whereas, at the Waterfront Park the view of the water from ground level can be seen from nearly all areas along the waterfront and grassy areas. The elevation at Skansie Park is necessary to view the water and makes sense that they have a viewing platform. After thinking about all of these things KCPW staff agreed that moving forward with the viewing platform didn't make sense for the County. They are moving forward with the design of the facility, but it will not include a viewing platform. Ms. Zaroff said that they need to be on line by the end of 2023. They are planning a public meeting this summer, at which time the public can provide input for the exterior finishes, roof types, colors, landscaping, lighting options and paving stones. They plan to incorporate public art and

benches. All of this is expected to make it more esthetically pleasing. They plan to get the public involved, similar to what they did with the Silverdale Way project. They are committed to making it look less institutional and industrial. Ms. Vakarcs reiterated that the costs for the addition of a viewing platform was not a small amount of money and they understand the Port's reasoning to build along Byron Street. Ms. Vakarcs said that with regard to Skansie Park, when looking out over the water from the ground one wouldn't see much other than the marina, as it is not that wide of an inlet. It is much different than Dyes Inlet, which is spectacular and wide with beautiful views from the ground. It was thought that a viewing platform on the pumpstation building really wouldn't add to the visibility and enjoyment of Dyes inlet compared to Skansie Park. Also, Skansie Park has a multi-functioning building with harbor mooring facilities and restrooms for boaters. It has a bit of a different complexity to it than what KCPW is looking at here for pumpstation 3.

Commissioner Reese questioned the positioning of the building shown in the design. He was concerned with the north entrance facing the Port's vehicle/trailer overflow lot as he had thought it was going to face Washington Avenue. Ms. Zaroff said that they slid everything south. Ms. Vakarcs said that the main entrance will be on the south side. Commissioner Reese explained that the Port hasn't discussed the landscaping with EHDD/Patano yet. The wet wells and elevation were discussed. Julie Jablonski said that she understands the costs and concerns, but reminded everyone that this is a very long-term project. She asked that any landscaping be left to a minimum as keeping the area open

as much as possible for public use is important. She said that she disagrees that the viewing platform would not add much benefit to viewing the water. She said that she thought the County's vision missed the mark and asked that if the building isn't going to include a viewing platform, why it wasn't positioned vertical to Washington Avenue in an effort to not block the view. She asked that trees be eliminate and that the roof be kept as low as possible with maybe a roof overhang be included to allow the public to stand under to at times get out of the rain and/or sun. She added that adding the overhang shouldn't cost substantially more and should be included if in fact there will not be a viewing platform. She said that this is a once in a lifetime project and urged the County to consider that moving forward. Ms. Zaroff said those were good comments that will be thought about moving forward and that the trees in the drawings were not definite, but rather just showing what could be. Commissioner Reese said that he was already pointing out to the County that it wasn't determined if they would be developing the grass area. It was thought just minimal landscaping to start and the Port can come in at a later date to landscape the area. Ms. Jablonski said that art graphics on the building would soften it and make it more exciting/interesting. John Bouck said that he was outraged at this design between the ugliness and the amount of space it takes up. He said that according to the drawings the building is three times as big and twice as high as the current building pumpstation that sits along the waterfront. Ms. Zaroff said that a couple of public meetings will be scheduled for this summer at which time the façade, lighting and colors will be discussed. Mr. Bouck

suggested input be allowed now, before this is too far down the road. Ms. Jablonski said that the sheer size and location of it is the issue. Ms. Vakarcs said that the footprint of the current pumpstation compared to the new design is very similar. Mr. Bouck asked that the numbers be provided of the two footprints because that is not what he is seeing as outlined in the drawing. He is down there all the time and is very familiar with the size of the current building and according to the provided designs the new building will be a lot bigger. Greg Jacobs asked where the County is with the permitting process for this project because he doesn't see how it can be built so close to the water with the required setbacks. He said it would be nice to be able to say this is the plan and this is what we are going to follow, but the public is not going to be placated to choose the paint color. This is not satisfactory. He asked what is the permit lineup for this – is the County following the permit process? It is his understanding that this is the first introduction of seeing the large block building. Ms. Zaroff said that the intention tonight was to catch everyone up on the basics and the fact that the County will not be including a viewing platform on the building. The drawings viewed tonight are not an engineering design and that they are not at the point to pursue permits. She said that sixty percent design is when the environmental and developmental permits are submitted. Mr. Jacobs explained that when he built a house years ago, he wasn't allowed to build within one hundred feet of the water. Ms. Zaroff said that there is a certain setback from the high tide line and with the pumpstation moved away from the water to the north, this shouldn't be an issue. She explained that there is a lot of work that hasn't happened yet.

When the Port decided it would not be building along side of the pumpstation, it was decided to nix the viewing platform. They originally thought this was going to be a joint community center facility between the Port and the County. This is basically the County's response to the Port not building along with them. She explained that the drawings reviewed at tonight's meeting are very concept level drawings just to be able to have a conversation about the one point of not including a viewing platform. They looked quickly at the pros and cons to having a viewing platform and concluded that there were more negatives than positives. They will be holding community meetings in the future and applying for permits when it is time. Mr. Jacobs agreed with Mr. Bouck that the dimensions seemed large. Ms. Zaroff said that they are approximately the same size. Mr. Jacobs proposed the County consider a major re-think because this is not going to go over well. Commissioner Reese reiterated that with regard to the landscaping this is just a preliminary drawing and the Port's architect will be involved with the design of the landscaping. Ms. Jablonski suggested that at the least the roofline of this building should synch with the roofline of EHDD/Patano's design for the Port's buildings. Ms. Zaroff explained that during the weekly meetings with the Port and EHDD/Patano they have talked about architectural features and they plan to continue to coordinate with the Port and EHDD/Patano to insure they aren't doing something outside of the Port's vision. They are also talking with Kitsap County Parks Department to also insure some semblance. Ms. Zaroff and Ms. Vakarcs were thanked for attending the meeting.

5.3. Vicky Webb sent an email to the Port dated February 15, 2022 that included verbiage that she would like included in this year's Whaling Days agreement. Ms. Webb would like the following added: "Upon notification, Whaling Days will be responsible for any necessary cleanup (including power washing) to the festival vendor area no later than 2:00PM the Monday directly following the festival provided said area is free of vehicles." Commissioner Reese reminded Ms. Webb that Commissioner Scholfield had suggested meeting with a Whaling Days representative on the Monday following the event to walk through the Port's facilities and make sure everything is back to the condition it was in prior to the event. Commissioner Scholfield questioned what type of notification Ms. Webb is requesting. Ms. Webb explained that although Commissioner Scholfield is normally on-site a lot during the event, she would want to be informed of any maintenance needed to insure the property is left in the same condition prior to the event. She is trying to avoid an unexpected bill from the Port like she received in 2021. She explained that there will not be a carnival this year and Monica Phillips will be in charge of the street fair. Ms. Phillips will be diligent with the applicants this year with a focus on cleanup at the end of the event and require a deposit from food vendors. Ms. Webb explained that Whaling Days basically just wants the opportunity to have their own people clean up as needed. Commissioner Reese said that the new verbiage doesn't state who is to be contacted. Last year Commissioner Scholfield contacted the Whaling Days vendor who in turn explained that he wouldn't be able to clean up the oil left in the Port's parking lot and so that

prompted the Port's maintenance contractor to be asked to clean up the area. Commissioner Scholfield explained to Ms. Webb that one other issue is that often times the Whaling Days dumpsters are removed prior to all of the garbage being cleaned up, leaving the Port's garbage receptacles to be used and filled. Commissioner Scholfield suggested the dumpster down near Lowell be dumped and/or removed later in the day the Monday following the event. Ms. Webb took note. Commissioner Reese questioned who Ms. Webb would want to be notified if there is additional maintenance needed to bring the property back to the condition it was in prior to the event. Ms. Webb said that she will talk more with Commissioner Scholfield and provide the proper wording prior to next meeting so that the agreement can possibly be approved at that time. She plans to attend the March Port meeting.

6. UNFINISHED BUSINESS

6.1. Waterfront Center Predesign Project/Pump Station #3 –

- a. EHDD/Patano will be providing an updated plan as they are working towards the one hundred percent completion of Task One.
- b. Viewing Platform on the County's pumpstation – as discussed earlier in the meeting the County is not planning to include a viewing platform on top of the pumpstation 3 building.

6.2. Grants/Projects

- a. Commissioner Reese plans to meet onsite with the Port's new Recreation Conservation Office (RCO) grants manager, Henry Smith, and the Port's grant writer, Kathleen Byrne-Barrantes, on February 22, 2022.

Commissioner Reese reported that the Aquatic Lands Enhancement Account (ALEA) grant agreement has been signed. The Boating Facilities Program (BFP) grant agreement is set to be ready for signature tomorrow. Phil reviewed and okayed both agreements.

An email from Andrew Thorsen of Art Anderson Associates (AAA) dated February 4, 2022 was received. It included AAA responses to the stakeholders' comments about the new non-motorized dock. Commissioner Reese asked that AAA's responses be sent to the user groups. Ms. Jablonski asked if the new non-motorized float could, at a later date, be doubled. Commissioner Reese said it wouldn't be protected, so no it wouldn't be pursued.

- b. Marina Relocation - There was discussion about the Department of Natural Resources (DNR) outer-water boundary.

A consulting services Agreement from Marine Surveys and Assessments (MSA) was reviewed. *It was agreed to enter into the MSA consulting services agreement dated January 24, 2022 in the amount of \$40,865.00* (motion by Scholfield; second by Reese; unanimous).

- c. Dredge – an email dated January 31, 2022 from Kyle Loring of Loring Advising was received. It was informing the Port that Sound Action has submitted another Notice of Appeal. Phil provided an email dated January 31, 2022 summarizing where the Port is on dredging, permits, appeals and grants. Commissioner Reese said that he is working with Amy Leitman of MSA as the Port is processing several abandoned/derelict boats (WN284FG; WN3089B; WN0498NT; WN8298KD; one sunken under the marina; and WN3254NN, which was previously removed). It was hoped

that removing these vessels from the water would provide the Port with a significant mitigation credit. TIKAR had provided a report with map of each of the vessels. Commissioner Reese explained that Ms. Leitman had two questions for the National Oceanic and Atmospheric Administration (NOAA). The first question was could the Port dredge twice within the five-year permit timeframe and the second question was would the removal of derelict boats have a higher credit score than just "rubble." Commissioner Reese read from an email from Ms. Leitman dated February 17, 2022, which included a forwarded email from Lisa Abernathy, Fisheries Biologist with NOAA. Ms. Abernathy states that "if the applicant is planning on dredging twice, and the COE permits for dredging twice, they will need to enter the information twice in the calculator. If the applicant does not complete the second dredging event, they can keep those mitigation credits as advanced mitigation and use them the next time around". So basically, the Port would need to pay double the mitigation points up front. It was mentioned that the Port hasn't dredged the boat launch area roughly twenty years, so there probably wouldn't be a need to dredge it again within five years. Regarding the credit to remove the abandoned/derelict boats Ms. Abernathy explained in the email that they don't currently have the employee capacity to look at water quality impacts in the calculator, so for now they will be counted as "rubble." She also mentioned that if the Port takes advantage of the DNR's Derelict Vessel Removal Program (DVRP), the rubble removed cannot then be used for mitigation; otherwise, it's considered double dipping. Ms. Leitman determined that the removal of the five vessels would be equal to seventeen mitigation credits.

Each credit is valued at approximately \$1,000. So, the Port could anticipate receiving \$17,000 in mitigation credit. The DNR's DVRP pays ninety percent of the costs to remove the vessels.

6.3. County's Bayshore/Washington/Byron project – Commissioner Scholfield reported that Ceccanti continues to work on the waterline. They have a crew tearing up the sidewalks and others are working with the lighting contractor. He explained that a light standard will be placed in front of the ADA ramp that is planned to be installed for the 9020/9004 Washington properties. He asked Lee to take note that they will need to maneuver around that for the installation of the ramp.

6.4. Programs

a. Sailing – the KSF Sailing Report dated February 2022 that John Bouck had submitted was read:

Kitsap Sailing Foundation

1. Spring season:
 - a. anticipated start of sailing activities on February 23.
 - b. We are adding a youth recreational sailing program to our spring season.
 - c. We are hosting US sailing Level 1 instructor training on April 5-6.
 - d. District wide regatta is planned here for April 30-May 1
 - e. Fall regatta is planned for September 17-18
 - f. Other competitions are not yet finalized
2. Winterization
 - a. Safety boats are still at Aquatech, work requests have been shared with the port. A final bill has not yet been provided.
3. Fleet
 - a. No significant changes at this point.
4. Facilities
 - a. With the sailing season starting in less than two weeks, we look forward to the dock and

handling pier going into the water when it is safe to do so.

Mr. Bouck was informed that the Port has paid Aquatech for the winterization/maintenance of the safety boats and they are ready to be retrieved. Mr. Bouck explained that they plan to be in the water next week. He said that normally the sailboat float is installed prior to the boat launch handling pier. Lee said that the handling pier installation is weather dependent and tentatively scheduled for installation on April 19th. Mr. Bouck asked that the sailboat float be installed within the next week or two. Lee said that as long as the Commissioners are okay with it, he will schedule it for installation within that time, but it will need to be on a non-windy day. Commissioner Schofield questioned if the hinge was repaired. Lee assured it had been fixed. Mr. Bouck said that the April 30th – May 1st district-wide regatta is sure to draw quite a few participants and attendees to Old Town. The fall regatta is scheduled for September 17th – 18th.

b. Rowing – a monthly report had not been received and there was no rowing representing in attendance. The winterization/maintenance of the rowing safety boat has also been completed and paid to Aquatech. The Port has not yet been reimbursed from Enduris for the burnt safety boat. Mr. Jacobs said that he sent Bridget Burke a Craigslist ad for a reasonably priced replacement boat, but it had apparently already been sold. Commissioner Reese explained that the Port will not be moving forward to purchase another boat until the reimbursement from Enduris is received.

6.5. Facilities

a. Restroom overhaul is scheduled to take

place in the spring. It was agreed since it is getting close a Request for Proposals (RFP) should be sent out next month.

b. Outer-Water Boundary extension needs to be updated.

c. Leveling docks - Lee reported that they are waiting for a proper weather window to get the job completed.

d. Status of insurance claim due to fire – copies of TIKAR's invoices that the Port paid were sent to Enduris. Still awaiting reimbursement.

e. Schedule for the reinstallation of the sailboat float and boat launch handling pier had previously been discussed under Programs.

6.6. Port Properties

a. Painting of Port-owned buildings – Lee explained that this should be completed within the next couple of months as the weather improves. They plan to begin by painting the water-side of the buildings and will roll the paint on, so that the parking lots do not need to be closed.

b. Road vacation – nothing to report.

c. 3421 Byron Street will be available on March 1, 2022. Commissioner Kitchens showed the building to the Port's neighboring tenant, Kitsap Art. They have decided that they will not expand at this time, so are not interested in leasing the space. Commissioner Kitchens also showed the space to CIR members and Ms. Jablonski of KSF has also viewed the space. There had been discussion about CIR and KSF going in together to rent the space. It was mentioned that Ms. Burke is currently out of town. Ms. Jablonski said that she intends to

contact Ms. Burke to further discuss. Commissioner Reese said that the Port needs to know one way or the other because if they decide not to rent it, it needs to be advertised.

d. Rental increase – Commissioner Kitchens had requested a discussion about the possibility of increasing Port rentals to \$1.00 per square foot be added to the agenda. Commissioner Reese said that he doesn't see an issue with the increase, but unfortunately, Commissioner Kitchens is unable to attend tonight's meeting due to sickness to further discuss. David Holman, tenant of 3295 NW Lowell Street, said that for the building that he and his wife, Tina Abeel, rent from the Port such an increase will detrimentally affect their business. Raising their rent to \$1.00 per square foot would raise their monthly rent approximately an additional \$500 per month, over thirty percent of what they currently pay. He added that they can't just pass those costs onto their clients because they would, more than likely, lose clients and there is only so much that they can do before they would be out of business. He is hoping that the Port would hold off on increasing rent until the economy begins to recover or when inflation decreases a bit. They are already dealing with an increase in hard costs and can't magically come up with an additional \$500 a month. Commissioner Reese said that the increase wouldn't happen today as for the most part the current leases are through the end of the year. Mr. Holman said that he sees costs continuing to increase and doesn't believe they will suddenly reverse. He realizes on a cost per square foot basis he and Ms. Abeel have the best price, but reminded the Commissioners that their rent was increased quite a bit just a couple of years ago. They have rented the

space for the last nine years and within that time have kept their prices for their services the same, so they are basically absorbing any additional costs. He also is aware that the Port pays for some utilities of other tenants, but that they pay for all of the utilities at their building, so would hope that too would be considered. He realizes it's another ten months before the new leases are generated, but hoped the Commissioners would keep an eye on general cost increases that everyone is dealing with due to inflation and fuel prices. Commissioner Reese said to Mr. Holman that he basically answered it himself and asked him if he thought the Port's maintenance contractors don't pay the additional fuel costs. He said that he can't speak for Commissioner Kitchens, who had requested this be added to the agenda, but he possibly meant to increase to \$1.00 a square foot for new leases moving forward. Mr. Holman thought maybe a proportionate increase might be appropriate at the right time, but not a double increase from everyone else. They haven't really fully recovered from the covid shutdowns. He understands contractors are paying more for fuel, etc., but other than Commissioner Scholfield coming down to replace lights, they haven't had much maintenance done on the building. Commissioner Reese reminded Mr. Holman that the entire back wall of the building had to be replaced not too long ago. Mr. Holman had forgot.

Elizabeth Barnes, tenant of 9020 Washington Avenue, agreed that a \$500 jump in rent is high and that obviously her rent wouldn't increase that much because of the lower square footage, but she agreed that the costs of goods has increased a lot. Another issue for the Old Town area and affecting clientele is the

construction in the area. It's more of an annoyance for her clients. She explained that she has increased her prices slowly in an effort not to lose a large amount of her clientele base. Besides the increase in costs for products she also faces big problems in receiving products due to the shipping problems. Another large cost is due to the required personal protection equipment (PPE) and sanitizing costs. It has created a boost in overhead costs. Ms. Barnes proposed that all of the Port's current tenants be grandfathered in and the \$1.00 per square foot be charged to new tenants moving forward. She said that the Port has been a great landlord and she can't recommend them enough, but she hoped that Commissioners will consider that the increase in costs have gone up a lot in the last two years. She added that a few years ago the Port began requiring her to landscape the area around her building, so that is an additional cost. Even though she has increased her fees, it doesn't cover the increase in overhead. She suggested that maybe a percentage cap increase be included in new leases moving forward. She asked that if the Port does decide to increase rent that the tenants be given ample time to plan and prepare.

Carla Larson said that in the past the tenants were offered a discount due to Covid and she hoped the Commissioners would consider that the construction in the area is not helping the businesses down here. She added that increasing everyone's rent to \$1.00 a square foot seemed a bit high and that using a percentage to increase might be more workable overall.

Ms. Abeel explained that her husband, Mr. Holman, runs a taekwondo studio and she provides vocal coaching at the building. Prior

to Covid, they subleased a room at the building to a guitar teacher. He is a gentleman in his late sixties and once the shutdowns started and the fear of Covid began, he decided he would no longer lease the room and he continues to hunker down at his house. So, they are also dealing with that loss of income. She said that for the sewer and water, they pay about \$200 a month and hoped that would be factored in if/when the rent is increased, since other tenants don't have those costs. She questioned the Port's mission statement related to tenants and hoped the Commissioners would keep in mind that a lot of the tenants down on Lowell have been there for the past ten years and exist cohesively and bring people to the area, which promotes economic development. She said that she thought the Port wanted to encourage and help small businesses maintain a foothold in the community. The thought that the Port may begin pricing them out of the game is hard for them to deal with. She said that she has students that have been with her for ten years and how can she raise their prices now. The inflation is so bad now, she is certain that raising their rates now, they would be sure to lose clients. Ms. Abeel explained that she and Mr. Holman pay for a moorage slip at the Port of Brownsville and they recently raised the slip rate up forty-five percent. It's just a very hard time all the way around and she hoped the Port would take this all into consideration.

Danae O'Dell, tenant at 3332 Lowell Street, said that she agrees with Ms. Barnes and that she has lost clients due to the construction in the area and all of her product/overhead costs are increasing. She said that she can't do it and hopes there is a solution.

Mr. Holman suggested the Port hold off on increasing the rents at this time and maybe readdress it after the road construction in the area is completed. He added that they really enjoy having their business in Old Town and overall, they really appreciate the Port.

Ms. Larson said that although the Port has been a great landlord, they really need to consider raising rents by a percentage. Commissioner Reese reiterated that Commissioner Kitchens may have been planning to talk about raising the square footage amounts on new tenants moving forward. Ms. Barnes said that the tenants down in the Lowell Street area are still a team and they all get along really well and bring a lot of public down to the area. Commissioner Scholfield said that he thought raising the rates to \$1.00 a square foot would be on new leases moving forward. It was explained that Commissioner Kitchens has been with the Port since May 2021 and has a commercial real estate background. Ms. Barnes said that it was important that the Commissioners allowed them all the time to voice their concerns. Knowing that they all, as a team, were listened to by the Port Commissioners was good and she hoped that Commissioner Kitchens returns healthy. Commissioner Reese said that he understands where they are all coming from, but the Port does have to consider that their costs are increasing as well. Ms. Barnes asked that the discussion continue. Commissioner Reese reassured that yes you have all definitely been heard and nothing is changing at this moment. Ms. Abeel thanked the Commissioners for the explanation that the newly elected Commissioner Kitchens has a real estate background, which explains a bit about where he is coming from although she

hopes he takes all of their comments into consideration and agreed the communication should continue. She added that they all wish Commissioner Kitchens a speedy recovery. Ms. Jablonski explained that she is a real estate agent in the Silverdale area and a two to three percent increase on annual base rent is not out of the ordinary depending on the age and condition of the building. It's based on the Commercial Price Index (CPI), which historically is around two to three percent, but has jumped to five to six percent. The ten percent proposal seems high and the overall rates in the Old Town area are normally low because of the condition of the buildings. She agreed that a percentage increase is more typical for most negotiations.

6.7. Redistricting – Commissioner Reese explained that redistricting must be complete by November and the proposed redistricting maps are now on the Port's website. He encouraged everyone to review them.

6.8. Strategic Planning of the Port Organization – Commissioner Reese explained that he didn't contact Doug Newell of the Central Kitsap School District (CKSD) about his thoughts of a facilitator for the Port because Mr. Newell was, no doubt, busy with the CKSD levy. The part-time Administrative Assistant job description has been reviewed and updated. Thanks was given to Ms. Jablonski for helping with this. Ms. Larson urged the Commissioners to keep pressing forward on hiring additional Port staff as current staff need help. Commissioner Reese said that in addition to moving forward with the new Port hire he will also be talking to Phil about drawing up a Request for Qualifications (RFQ) for a new Port attorney.

6.9. Derelicts in Dyes Inlet – on February 2, 2022 the Port began processing five abandoned/derelict boats within Dyes Inlet (WN0498NT; WN284FG; WN3089B; WN3750RD; WN8298KD). March 4th is the Custody Date at which time the vessels can be hauled out of the water and then will need to be stored for an additional thirty days in case any of the owners decide to appeal. April 3rd is the final Appeal Date. Legal notice was published in the February 16th edition of the Kitsap Sun.

6.10. Port Rules and Regulations – nothing to report.

6.11. State Audit – the 2019/2020 Accountability Audit is complete. There were no findings, but one recommendation related to and Electronic Funds Transfers (EFT) policy. A resolution regarding EFT policy is set for adoption under New Business.

7. NEW BUSINESS

7.1. Resolution 2022-01 regarding the 2022 Regular Meeting Schedule was reviewed. *It was agreed to adopt Resolution 2022-01 Establishing the 2022 Regular Meeting Schedule* (motion Scholfield; second Reese; unanimous).

7.2. Resolution 2022-02 regarding the EFT policy was reviewed. *It was agreed to adopt Resolution 2022-02 Electronic Funds Transfer* (motion Scholfield; second Reese; unanimous).

7.3. Washington State Parks and Recreation reimbursement through the Clean Vessel Act Grant program for a portion of the Port's costs associated with the pump station was received in the amount of \$2,650.65.

8. SAFETY/SECURITY

8.1. E-mail dated January 2, 2022 from Detective Dave Meyer of the Kitsap County

Sheriff's office (KCSO) was received. Detective Meyer was following up on a robbery that took place in the Port's parking lot on January 23, 2022. Commissioner Scholfield provided the surveillance footage to Detective Meyer. Commissioner Scholfield reported of a recent incident of a dinghy that was stolen from the dock. Surveillance showed an individual taking the dinghy from the dock and rowing it north. Jeffery Scholfield followed up on it and located the abandoned dinghy near the Yacht Club Broiler. The owner was informed. Commissioner Scholfield noted that there are quite a few homeless individuals staying at the County's Old Mill Park (OMP). Unlike the Port OMP seems to be open all through the night.

9. PUBLIC INPUT

Mr. Holman reiterated his thanks for the Port and for what the Commissioners do.

Ms. Larson said that although she doesn't frequent many Old Town businesses, she fully supports them and asked the Commissioners to consider raising rent in small increments. She also suggested Commissioner Kitchens be more informed about the workings of the Port.

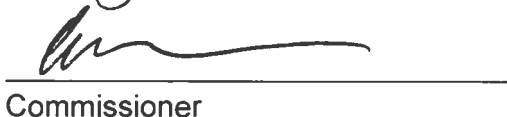
9. EXECUTIVE SESSION – None

10. ADJOURN

At 8:01PM the meeting adjourned (motion by Scholfield; second by Reese; unanimous).

Approved:


Commissioner


Commissioner


Commissioner

