

on all the work between Port and the City being able to waive that agreement and being able to make us more competitive for ChemTrade. Pat M. interjected: This last load was our largest shipment to date. It was a really good year. John continued: You can see we rebounded very well after the shutdown at the refinery last year as we were pretty similar to other years. The 360,000 MT is an outlier. Cargo volumes were very good in both prilled sulfur and pet coke. As some knew that participated in our walking tour last year, we had a very nice heavy lift with the US Navy. That occurred in October and November, the first time ever this type of heavy lift was completed at a public port. Phoenix International is the contractor of record for undersea warfare that was on-site. It was the fastest deployment they ever logged/saw. They got great experience working with ILWU, working with a stevedore company, and all those things that happen in a public environment vs a ship yard. They saw gains, and they got a lot of confidence being able to work with private contractors. It was extremely fast, with continuous operations as you know. I want to thank a couple of people that really commented to the Cap Sante neighborhood on our behalf about how well this project was as we did have continuous operations at night. We monitored for noise, and we did not have any major noise issues. No comments from the neighborhood or the City which was very, very good. The Navy was extremely happy. We had over 100 private and military people staying in hotels, eating restaurants--I went to lunch with them several times. They were out spending money. They were here a little over 2 weeks on site, and we drove a lot of cash through town very quickly. It was a very nice project. Now we are listed as an access point for the Pacific Northwest for the US Navy. Fingers crossed they never have to go do one of these exercises for real. There may be future training. I appreciate all the support we got from this committee via email.

2019 Projections: Pet coke, we will talk about this a little bit later in other news, but we project 300,000 MT this year. Prilled sulfur we project 50,000 MT; however, we will be well above that with the 24,000 MT loaded in January. In talking with ChemTrade, they are hopping. I think we will be well north of our 2019 projection. We look to do another heavy lift in the 4th quarter this year with 5 modules coming in for Marathon. We continue having a lot of conversations with a lot of people about diversifying product. Right now Trans Pac is really busy doing a huge Alaska dock. As you go by the terminal you start seeing dock modules out there; they are doing a 50' X 500' dock for a location in Alaska, and this is one of a possible three. They were awarded one, and have a good chance of doing two or three more. They will keep that area busy.

I will pass it over to Brenda now to talk about some of the capital improvement projects we are doing.

Brenda: Good afternoon/evening. I will go over a few projects as we have a number of big ticket projects going on at our Marine Terminal. I want to mention, these are the projects that are scheduled for 2019. They were prioritized by the commission in 2017 for completion in 2018 and 2019. In the next few months we are going to be getting together with our commission and staff and have another call for projects. We do this every other year, and then we use that to populate our Capital Improvement Plan for the years of 2020 and 2021. Currently, we are wrapping up the last round of commissioner approved projects from two years ago. This first one we actually spoke about at our last and probably last two MTAC meetings is the bulkhead wall reinforcement. This is where we patched all the windows and sheet pile wall. We also drilled holes with some compaction behind the wall that should extend the life of our pier for 20 years. This is great news. We have been in permitting for months and months, since May of 2018 for piling repair/replacement at Pier One. This is under where we are presently at the Main Port Office and out towards the face of the Pier. This is replacement of 46 structural piles, 9 fender piles, and a number of stringers under the decking that are compromised. We are expecting that cost to come in around \$800,000. There are plans to Phase 1 in 2018 and 2019; however, in water work permitting is so complex, and it is taking far longer than we anticipated. We had to push the work scheduled in 2018 to try and accomplish these in 2019. Question from Tom Jackson: Is there a key issue for the in water permit that is causing the project to lag? Answer from Brenda: The US Army Corp of Engineers has to consult with National Marine Fisheries Service and NOAA to see if there are any endangered species listed in the area, which we do have a number of aquatic species. Typically for maintenance and repair projects, this used to be a kind of a check-in with a biological analysis: We say there is no impact, and then we move on. However, those entities are now

asking for a more formal consultation process between the Army Corp and their organizations, and this is a switch in the process. They are still working out the kinks at the moment, and they are adding probably 6-months to the process. Then add that to a government shutdown which impacted these agencies. Yes, what used to be a few months permitting is now one year. May 2018 permits submitted, and now in February 2019, we still do not see when it is going to be approved. We have received a fair amount of tribal inquiry about this project as the Suquamish tribe is now more and more interested in the work that we are doing around our marine terminal. We have some education to go through to advise them what our operations are like so then can understand the size, scale and scope of our marine terminal. We want to invite them up to walk them around so that they can see what we do, so they can wrap their arms around our process. Question: Swinomish? Answer: No, Suquamish. From Poulsbo, that area. Dan: He actually spoke with their biologist on the phone for A dock, but he also talked about other projects they have been weighing in on. They seemed very interested, and I offered them a tour anytime they wanted to come-up, or I could come down there and give them a presentation. They were very interested; however, said next time they are in the area. Question from Commissioner Pope: Historically has it been slow during permitting based in Mason County, or talking about something else? Brenda answer: As I understand, this is a very loose understanding that there was a recent case that formally declared this area part of the Suquamish fishing area so there is renewed interest.

We are currently working on Curtis Wharf and Pier 2 fender repairs. I think we spoke about this last time. On Pier 2 we are replacing some fenders and some safety ladders. At Curtis Wharf now, they have pulled off all the fenders, frames are off and being galvanized, and then they will replace the wood timbers with HDPE. These initially needed to be fixed before the work window ends on February 15 with the Department of Fish and Wildlife; however, a delay in galvanization resulted in an extension for completion. This will now have completion in March.

We just submitted permits for our next project. It is again at Curtis Wharf with corrosion repairs and cathodic protection of the steel pilings underneath the pier. We have also included the repair and or replacement of 88 timber piles. Permits were submitted a couple of weeks ago, January 2019. We hope to start this project this year, but again it comes down to the Army Corps permitting. This project will be completed in three phases. The corrosion repair part is too intense that we are going to have to break this up into three years so we can get the project permitted now and then program the costs into the next three years. Question: Are they allowing you to replace in kind pilings, like with wood, or are they questioning on use of material? Answer: So far we have been allowed to replace creosote with ACZA. Also, if we do not replace, they may like us to jacket them. But we are still being allowed to use ACZA. As I understand in our area, the Port manages the area on behalf of DNR. If there was not a Port layer here, where it was simply over DNR land, we could not use ACZA as they have a one level higher type of requirement. John: The nice thing about this project is it did change from our last meeting as we took a breath and looked at the asset as a whole. Originally we were only looking at corrosion repair on the steel, then we backed ourselves out to look at the asset as a whole: What do we need to do for the entire big picture. That is when we drew in the projects team and went back and looked at the entire area. As a result, the project went up in scope and costs. Dan: These projects that Brenda just spoke about, the sheet pile on Pier 2, the pilings here (Pier One), fender repair on Curtis Wharf and the cathodic protection, this is about \$5,000,000 plus that generate zero additional revenue. This is not a new business line for us, this is just maintenance so we can keep exporting off of Pier 2. And it is really difficult where we have Curtis Wharf that last year made under \$50,000 in revenue, and most of that is just from boats tying up. We are trying to get Quiet Cove cleaned-up so we can turn that into a property that can help Curtis Wharf have a revenue stream or two. But as you can see, this is an expenditure of \$2,000,000 on Curtis Wharf with essentially zero revenue behind it. It is important that we protect our assets, but we also have to work hard to get some revenue and jobs off of this investment.

Brenda continued: The Port still has two active environmental clean-up sites on the waterfront. This project is the log yard which is just on the other side from where we are at Pier 2. That would be the eastside. We are under an agreed order with Ecology to clean-up this site. They have been working

for years on data collection and identifying who the operators were: Who operated the log yards and did the haul out. It seems clear from the facts that the Port was there to. But there are two other potentially liable parties that the Department of Ecology has identified. These two parties are really pushing back on this kind of nuanced piece of the law. These projects are funded by the Model Toxic Control Act, and there is a particular set of laws that apply. They identify what toxics are under the law and what are considered hazardous substances. The hazardous substance at the log yard is wood waste. Under this law, Ecology lists specific chemicals that are hazardous, and then they have another area that includes other deleterious substances. They never specifically identify wood waste in the list of hazardous items; however, they say it is part of the other deleterious substances. These potential liable parties, who were the operators, are saying because Ecology never specifically listed wood waste, it is not a hazardous nor deleterious substance. This issue will be heard in the State Court of Appeals, and the Court is saying it is pretty clear that it is based on these other factors. Anyway, the long story short is this is probably going to be in litigation for about 3 more years before we can start any cleanup. Ecology has spent 100's of millions of dollars in the State of Washington cleaning up wood waste sites including the Scott Site here in Anacortes. If the Supreme Court says to them, or says to the world and all the PLP's and insurance companies that pay for this, that they agree with the liable parties here at the log yard, that wood waste is not a deleterious substance, then there are 100's of millions of dollars paid that would be in jeopardy. Dan commented: This has international ramifications, not just here in Washington. This is not just because of what they have done in the past with outstanding wood waste cleanups, it is also because these are international companies talking about both coasts and throughout the world. If they could get a ruling where they are not responsible for wood bark going into the water which results in removing the oxygen and killing everything, then they could save themselves millions if not billions of dollars down the road. This will be interesting to watch. Commissioner Pope: Do we have a short-term strategy then? Brenda answered: We are still working off the feasibility study which gives ecology a list of clean-up options that we think makes sense for this site. Ecology has really slowed down their analysis because they do not want to spend a lot. They are channeling their resources about the log yard into their general and legal expenditures. Dan: Short-term strategy is we keep doing everything we can until we get to being shovel ready. And then when shovel ready, we just sit and wait. Once the ruling is settled and the money opens up, it is a go and 2 - 3 months later it is cleaned up. Getting to shovel ready isn't necessarily a bad thing, is also not good, but it is not a bad thing.

Tom Jackson: In this photo of the dock on the right, the floating dock, who is maintaining that? Who is responsible for maintaining that? That is just slowly sinking. John: We just had AMO out to look at that. Tom Jackson: Oh. O.K., so that is a Port maintained? John: Yes. We took a couple of hits on the dock that at some point were not reported. I just walked it with AMO last week, and what they are going to do is get some new floats under that, and then strengthen up the bullrail. We talked to both tenants that dock there and said when they break things, they need to tell us. It is kind of when you are oahn the marine terminal and you look back, you get visibility to it. But is it not something that we are on every day.

Brenda: The hot spots for this clean-up are really underneath that floating dock. The dock will have to come out as the clean-up will include dredging. Dan: Part of our strategy is to say we need a clean-up under that floating dock, and by removing it, the Department of Ecology and our PLP will need to replace it. Not with a Taj Mahal, but you need to put one back in to replace what was there. We are aware of the condition, and we are not trying to spend a lot of money. We thought this was right around the corner, we would be done already, and we would have a new dock. So we have not been trying to spend a lot of money on it. But we do know what condition it is in.

Jason: Who are the two responsible parties that ecology named? Brenda: The other folks are Inter Industries/Forest Sales, and Itochu. Pat M: What were they named back in the day? Itochu may have operated under a different name. Dan: I think they may have operated under Frontier. Kathy Pittis: Itochu had nothing to do with Frontier as far as she knows of. Brenda was right, Dan was wrong. (Laughter)

Brenda continued: Dan mentioned a few minutes ago that Quiet Cove is a cleanup site that is just south of Curtis Wharf. We have great hopes this will support our marine terminal once that is cleaned up. We have been dancing with Chevron to get them to agree to split this cleanup into two parts: One would be the upland portion, and the other part would be the in water portion which is the more complicated and more expensive to remedy. We have been working with Chevron and Department of Ecology to come to an agreement on to excavate all the contaminated uplands so that we can return that to an economic development to support jobs. Because ecology funds 50% and Chevron will fund the other 50% of the cleanup, it has been a complicated negotiation; however, I think we are getting close. So that is the Quiet Cove clean-up site.

John: For this group, this is one thing that we are pretty excited about. If you can, imagine the connectivity to a barge type of wharf that is severely underutilized. The job creation is right there. Pacific Dream is going gangbusters. They just put in a new recirculation system. We are looking for marine terminal type stuff, and that is another reason why you see this work going on here. This will create several thousands of feet of laydown. There has been much conversation on what kind of job creation we can put in there in connection with this very nice and our sturdiest pier. We have 1,200 psf on Curtis Wharf.

Now we will move on to News and Notes. Good news is last Thursday the Commission approved the 5-year contract with Shell Oil. We have been negotiating with Shell for about 18 months. We did not have a bunch of changes to the contract, it is really just an amendment. However, in that amendment we gave up some price for length and volume as the volume is what creates the jobs. We added 2-years to the length of the contract. They could ship zero and then our prior agreement said they did not have to ship anything, they could have moved it all by rail and/or road. In this new amendment, there is be a price to pay if they did that. We are looking at a minimum guarantee of 300,000 MT per year in the 5-year contract. This is very, very good as it stabilizes, it reduces the risk and allows us to move to other things. We need to look at some diversity, talk ChemTrade into doing over 100,000 MT a year, and things like that. (Laughter) It is a very good thing. We are moving on now, Shell is very happy, they are stable. That is great news. Dan: I wanted to underscore what a great job John did talking with Shell. He even took a trip to Houston to talk to the traders to understand what the real risks were, what they wanted, what we wanted. The bottom line is the threat is real every single year and every single day. They can truck it to Bellingham, and you heard just a couple years ago they were getting rail to Shell and would rail the pet coke out. You know Bellingham will do anything to get jobs, they will do it at zero profit just for jobs. It is always there for us to lose this commodity, so now we have a 5-year guarantee, and we did not give up a ton of money. We did give them a little of a cost break, but we have more than made-up for it in the volume, and the wharfage, so it's really great. John did a spectacular job, no fuss no muss, nobody got bent feelings on either side. This was not the case 4 or 5 years ago when it was quite contentious and made the newspapers. It maybe even got my predecessor fired. We should all be very thankful that John is here on the job. Thanks John!

John Firlotte: A question on the 300,000 MT, is that 300,000 MT over a 5-year period or 300,000 MT per year? John: Per year. Dan: Their annual average since 2010 has been 266,000 MT. This isn't a guarantee of exactly 300,000 MT, but when they hit 300,000 MT, and we think they will go over that, we give it away. We kind of understand what they produce on an annual basis, their mix will change a little bit, but we have a very good ballpark with a lot of different inputs on what they can produce in a year. I would love every morsel right now, but they do have some other contracts that they have to feed; however, I think this is about 75% of their volumes. We are pretty happy with that, it creates good jobs and on the backside of 300,000 MT they get a very good deal. Our hope now as it had been a very good negotiation, that they peak over that 300,000 MT, and it is more profit for them. At that point it is all about jobs. At 301,000 + MT, we just created more jobs.

John: We completed a couple of projects that are significant. One of the projects is where we worked with Metro, our stevedore, to get emergency power to the stationery loader. I think we spoke previously about one item that Sean Clancy and I had at about 1:00 in the morning last winter: We were scratching our heads waiting for the power to come back on as the loader sat over the ship. We

kept asking when is the power going to come back-up? Both he and I had a lightbulb moment that maybe we needed to be able to provide some power to that loader. We now have a power box on the side of that loader that will allow us to plug in the generator very quickly, power it up, and potentially run the loader to swing it out of the way, off the vessel. This project has been completed. The second project, while we were at it, anytime you are in an emergency management standpoint, your maintenance guys are critical. As soon as we get the stationery loader off the vessel we will take that generator over to our maintenance shop, and we are now able to plug it in making our facilities shop and all of their tools operational. If we ever have any long-term power failures, now the Main Port Office will run, the airport will run, and our facilities department will run. Question: Where did that power unit come from? John Answered: We have a big Cat generator on site, so it is mobile, move it to the stationery loader and then move it back to the shop. We literally have the fixtures completed, and we just plug it in and let it run. Our facilities guys will probably be the most critical. We need to try and figure out how to power the marina, but everyone keeps telling me it is really expensive.

That is what we have as far as an update.

Again we are looking forward to a great 2019 having conversations with diversification. I did want to make a note about a project that is near and dear to our hearts that added about \$30,000 to the fender project at Pier 2. The Port of Longview had an accident where their lines snagged on a fender where it killed a longshoreman on the dock, and a chief officer on the ship. We worked with Metro, and we received a lot of feedback from ILWU on the condition of our fenders. We had 9 fenders that were not great and our ladders were not the right design. This was a nice add from a safety perspective for our dock guys, from our guys that do the line handling. We added that to our contract and task order with AMO, and I feel like we did a really good job at Pier 2 making that a little bit better for our the guys working lines. Dan: In this project, done in two phases, the area is right in the middle of the loader, and I think our project manager did a great job managing this project so we didn't interrupt any pet coke operations. Pet coke always took priority, the project took the second fiddle, and we still got it done on time and under budget without losing any disruption to our exporting business which is where the money comes from. Good job to Brenda's team for managing that job and working with John. We just didn't want to say hey, we want to close the dock for 2-months. Close the pier for two months, and we will give it back to you perfect. Well it doesn't work that way. Good job for their flexibility. John commented: We lost 48 days on the marine terminal with projects, but we had an above average year as far as volumes. Kudos to Jenkins. And Sue, Sue and Jenkins get all the credit for that.

Pat M - One question on that inland clean-up, with Chevron, do all those buildings have to disappear too? Brenda: Yes. Dan: That might not be a bad thing though. They are not very substantial. The good news is when we bought this we actually did a feasibility study for it, and there are a few different potential layouts. One of the options is just all laydown, and two of the other options are buildings there to support off of Curtis Wharf. It is nice that the whole thing gets raised, like a blank canvass. I should say these shall have to be removed, but maybe not all of them. That one (pointed to slide) is just a tent. The oil plume is kind of hereish, so this south half should not be impacted at all. But this on Second Street will probably be part of the second phase with the in water work, and this shouldn't impact anything on O Avenue, John: If you are interested, or if you know of anybody that is interested in light manufacturing, or industrial work right on the face of the pier, give them my card.

All right, I will open it up for any questions or comments.

Kudos to the new

Dan will make a comment. In December of this last year, Dan Brenda and Kathy all went to D.C. and met with our legislature, their legislative assistants mostly but also met with US Department of Transportation, the Maritime Administration, and they are the people that did the TIGR and Fastlane grants and INFRA and BUILD grants. They gave us a lot of great ideas for ways we can improve our three terminals. We have got those back to the drawing board for thinking about ways we can improve the terminals and get some grant money. I mean 70% grant dollars for 30% investment to do a \$10,000,000 project. I mean that could add some real change for us. One of the things we have been thinking about, remember our Fastlane grant, was trying to get to 45 feet at the end of the dock and you know we are looking at different options on how to do that. And what we can do at Curtis Wharf to maybe export a product off that dock. It was a great trip that really got us some great ideas. One of the comments they said was hey, you are going to be the next Port of Everett. And I said uh, and they said no that is a compliment. I mean good. Because they just got a lot of USDOT grants and they have done a lot of work on their marine terminal, and that was a good thing. They were saying they could see us investing in Port of Anacortes for grants. It does not happen overnight, it takes diligence and heading out there and talking to our representatives. We did that in December and it was a good trip.

Tom Jackson: You brought up the 45 feet, how did the discussion with the pilots association go after you got the survey done? John: They kept us at theirs, long conversation and they have promised to keep us in the loop the next time on the survey. They were very appreciate on the survey that we provided them and the form. I think the timing of the survey and their meeting were not great, it felt like they got it a little too late in the process. He assured me that they will be utilizing a much better timeframe when they review our survey. We stayed at 37'6" on that although he had made verbal comments that he felt we were deeper. We had one little area that concerned them, but I think the survey just pure from a timing perspective was not great. Tom Jackson: It looked like 39 plus except for one little spot. John: We are going to be much deeper in the conversation out of the gate next time. The 39' from an industry perspective does not gain us a lot, we need to get to that 42' or 45'. If you could get to 45' or 50', now you are in a whole different realm of vessels and material. Vancouver is congested with a lot of container traffic, so from the breakbulk barge type there is a lot of opportunities for us.

Question Pat M: What percentage of Pier 2 is being utilized in 2019 do you figure, roughly? Answer John: I just showed that from a total utilization in 2018 we were at 62% with 46% of that cargo related. I would like to say the industry standard from the stevedoring perspective is if you are 60% utilization from cargo, you are doing pretty good. So we are shooting for 70. Pat M Comment: It is already looking hard for us to find a slot for us as with the pet coke they are just slamming it out, and we have to find a slot to jump into. John answered: That is why I am emailing you and Alta every month asking for dates. Sean comment: You guys have to pull the plug. It is like the fiasco with the 24,000 MT in January when that ship should have been loaded in December. Everyone knew that Oxbow chartered that sulfur ship and the coke ship and used the same laycan dates. It is come on, it is ridiculous. Pat M: I said come on, where is that ship at, well it is in China. In China? It is supposed to be here in a week. I said that wasn't going to happen. John: With Sue and I on that specific note, we are going to be very proactive like my email to Alta last week, we are just going to do that a lot more. Pat M: Good, that keeps it, like I said, I am just giving you my estimate of work, as I know what is coming in, and I can give you a really close estimate. But, with Shell's turnaround coming up, they will not tell us if both units are going down. John: They are being closed with us as well. Pat M: I just don't want to go into this where we have 23,999 MT, you cannot stack it in an exact spot to make it fit. It is just too much. Commissioner Pope: When you talk to the people, Shell can't tell you exactly for sure what is going on. They get their butts kicked if they talk. If they are not right, then they get cracked for that. Pat M: We understand that, and if the person you talk to says our unit is completely shutdown, that does not affect us as they still might have the SRU still run which it can still run as much as they want. They are putting out record numbers. We brought in 155 loads last month, that was a record right there, and they are not slowing down as they are getting the sourest, crappy crude they can get their hands on as they can run it through, they have the stuff to do it. If you have an SRU

unit that can run that, you will get a helluva a good price on that stuff. Just run it through. Pet coke goes hand in hand. If they get more tonnage on pet coke, you get more tonnage on sulfur.

Anthony: You mentioned about 4,000 passengers that come through on cruise ships. What do you see in the future toward fluffing the landing experience? I am thinking that the reason I am asking is that I think as a City, we are still also deciding how much of that do we really want. At one point it was a stay away, but it is also an opportunity for the economics of the local businesses. Is there a vision or look for how that might be when they come off their journey in getting downtown, making it a little bit better? You know what I am asking? Dan: Yes, I do. John: It is interesting because, Sue, I go through Sue, and the cruise company said really they don't want to be at Pier One. Not from visual. We put a cell booster in, and we put a wireless booster in because the commentary from events and American Constellation was that the WIFI was weak. We boosted this building on wireless and cellular. However, we do have a conflict with M&M seafood and where they have to land which is why they do not like Pier One. We think Pier One visually is much better. They like to be on Curtis Wharf because the landing is wide open for them, and they can bring in buses easier. Dan: And other services they need. John: Yes, garbage and other things like that. You know we have anywhere from our low passenger count that was in the 80's, to a high of 150. I do not know how many are getting off, and how many of those are going straight to the bus. I don't think they have ever told us one way or another. Commissioner Pope: The big draw in cruise ships is where they pull in their supplies, and now that they are doing the extra days here, I believe they must be pulling in their supplies here? Is that the case? Dan: I think they leave Saturday on Seattle, and we are their first stop at about 5:30 p.m. or 6:30ish. They used to leave us on Sunday night, and then tie-up at Friday Harbor, but Friday Harbor did not like the noise. They now leave here very early on Monday morning, and then just stop at Friday Harbor. Even though we have an extra overnight, it doesn't necessarily mean they supply here, and I also think that is because they are just out of Seattle and we are day one. Commissioner Pope: So they are still stocking in Seattle. Brenda, question to John Firlotte: Do you have a sense of about what percentage step off here since you were part of the walking tour. Answer: No, I just was one of those that walked the people through town. The thing that I do want to reemphasize is that we went from them coming here for one day/one night, to doing two nights. And to put it into perspective that is because they were not treated well in Friday Harbor. Again the lesson that you all I think have brought up is treat them nice and they will treat us nice. They, like the ship captain and everybody else, like being here vs being mistreated, treated rudely in Friday Harbor. That is a good testimony to Anacortes in general. The hardest thing about the cruise ship, it is hard to put a picture on how much they are spending in town. Obviously on a cruise ship they have food and a room, so when we are trying to talk to them about places in town they should go, they do not need lodging and that sort of thing. But, they do not only do the walking tours and tours of Deception Pass and La Conner, they do a lot of other things that are good for our business. But in general, the people that I've walked through town, I think I've bored you with this story before, in the end they say they have never been in a friendlier or cleaner town. These are the two terms they use as we walk up and down through town. As you know, again, these are people from back east or somewhere and also California. Its good public relations for our town, and I even think that some of them end up moving here too. It is a nice testimony and it is good for us. The one thing I was going to ask that is not totally related to talking about the marine terminal, but the Cap Sante Marina, how much in dollars does this contribute to the port, how in comparison to the marine terminal? Dan: If you think about the overall revenue of our operating areas, we are an almost a \$16 million dollar Port in revenue. I think \$8.5 million from the marina, about \$5.5 million from the marine terminal, about \$2 million from properties, and \$350,000 from the airport. It's pretty much marina and marine terminal with just over 50% for the marina and just over 40% for the marine terminal. John Firlotte: When he does talk to people at the Chamber visitor bureau, the group of people that come in with the yachts do spend a lot of money in town, not just on docking. Commissioner Pope: We really do have two tourists for those dollars: We have those cruise ship folks coming in, staying at Ocean Pier, Pier One, and you've got the folks coming in through the marina. A couple of us are on a committee that wants to widen a walkway between those two so that if you have a yachter coming in or a sportfisher coming into Cap Sante Marina, you will know how to get downtown. You can follow the yellow brick road or whatever it will be to get to the tavern district, or the restaurant district. By a similar token if you are coming up to the Pier, you know, get

past Marine Hardware, and by the way their sales have gone way up, and on up the street you get them into the regular retail and you get them sitting down and eating. Anthony: To his question, I think you about answered it. I was trying to make sure that I understood. So basically, now it is not the highest priority. Dan: Yes, it is a marine terminal first. We want and try to continue to encourage them to stop here. We love that they increased their nights. But at the end of the day, it is a working waterfront. John D: Sue has great conversations with the captain regularly, and she has asked several times, she checks in how was their experience. They have never complained about it for some reason, as I would, if I had to walk through Curtis Wharf on my cruise experience. I would probably not think that was great. But their feedback is always like we love it. I do not know if it is because it is such a short walk to get down to the central business district or quick to get on the busses. Dan: Then in a couple of years there is that N Avenue Park, that when we do our clean-up, the commission has talked about improving that park and that access.

Dan: What else? Time to declare victory? John: Again, I appreciate all the commentary on the Navy project, it was very much appreciated. If you ever have any issues or questions with the marine terminal, feel free to call me. Dan: Thanks for being a part of this.

Meeting adjourned at 5:52 p.m.

Next Meeting: TBD.