

**Minutes of Everett Port Commission
Regular Meeting
February 9, 2021**

PRESENT:	Tom Stiger Lisa Lefeber	President Executive Director
ZOOM:	Glen Bachman David Simpson Eric Russell Brad Cattle	Secretary Vice President Chief Finance Officer Port Attorney

CALL TO ORDER: Commission President Tom Stiger called the meeting to order at 12:03 p.m.

CONSENT AGENDA

- Approval of Regular Meeting Minutes of January 5, 2021; and Regular Meeting Minutes of January 12, 2021
- Approval of Bills for January 2021

Commissioner David Simpson moved that the Commission approve the items on the consent agenda for January 12, 2021 including the Regular Meeting Minutes of December 8 and Approval of the Bills for December 2020. Commissioner Glen Bachman seconded the motion. A vote was called for:

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

Motion carried.

CEO/EXECUTIVE DIRECTOR'S REPORT

Federal Legislative Agenda

CEO/Executive Director Lisa Lefeber stated the Commissioners will receive the Federal Legislative Agenda packets soon. They were not ready yet because a lot of the Federal Legislative items at the different associations were not finalized but expect to happen soon.

Government Affairs Manager Adam LeMieux reported he will hopefully have the final federal agenda for the Commissioners early next week. With the new Congress, the Port has new opportunities with federal policies and programs. The Port will be renewing some long-term efforts as well. Among the many important federal issues, the Port is monitoring the most pressing priorities outlined for the 117th Congress. First, and critical to the Port's mission, is economic recovery. American ports secured new emergency relief programs through Maritime Transportation System Emergency Relief Act (MTSERA). This mechanism would allow federal emergency relief funds to go to seaports directly and must be funded this year to provide critical pandemic relief to seaports, including the Port of Everett. Currently that program is not funded.

Further issues for Congress include passage of a new infrastructure package that provides funding policy certainty for the foreseeable future for the Port. Important to the Port of Everett is to secure funding in a number of maritime administration grant programs. The Port will also be working to secure

commitments made in the Water Resources Development Act for expenditures from the Harbor Maintenance Trust Fund. This was passed at the end of 2020. These funds are critical for the federal share of the river dredging that the Port sponsors.

Further, the Port will be working with the federal delegation to secure the funding level necessary to do additional dredging on the river to complete the recommendations from the Army Corps of Engineers findings from the sediment study on the Snohomish River. Beyond seaport investments, Congress must invest in freight corridors and the Port will continue to advocate for federal support to replace aging infrastructure, such as the U.S. 2 trestle. On national defense, as the home of Naval Station Everett, the Port will continue to advocate for additional defense assets and will work to secure the designation as a commercial strategic seaport.

Lastly, the Port will be focusing energy on finding resolution to assessments on the effects of maintenance projects of marine structures on endangered species between the Army Corps of Engineers and the National Marine Fishery Service.

Resolution No. 1171 (2021) Cascade Industrial Center Tax Resolution

CEO/Executive Director Lisa Lefeber reported the Cascade Industrial Center (CIC) is strategically located between Seattle and the Canadian border along the I-5 freeway corridor. The CIC sits on 4,000 acres and offers over 1,700 buildable acres of manufacturing and industrial potential and is surrounded by a highly educated workforce, many of whom are in the high tech and aircraft industries. Tax incentives within the CIC help offset capital costs for larger companies. The CIC was designated a manufacturing center on June 27, 2019. In January 2020, the Port of Everett, City of Arlington, and City of Marysville entered into a Memorandum of Understanding with the common interest in job growth, expanding the tax base, supporting international trade, and growth of key industries, including for example, food production, wood products, clean energy, and construction. The CIC is expected to add 20,000 more family-wage jobs locally over the next decade, helping residents work close to home and boosting our local economy. Tax incentives in the CIC were authorized by the legislature in 2015 and include: City and County property tax exemption for eligible businesses, no city B&O tax for qualifying industries, reduced state B&O tax for qualifying industries and opportunity zones. The CIC tax exemptions expire in 2021.

After discussion, Commissioner David Simpson moved that the Commission approve Resolution 1171 (2021) in support of House Bill 1386 to extend the Industrial Tax Exemption for the Cascade Industrial Center for its critical role of economic recovery and growth in Snohomish County. Commissioner Glen Bachman seconded the motion. A vote was called for:

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

Motion carried.

OceanGate

CEO/Executive Director Lisa Lefeber reported exciting news that OceanGate is moving forward with the Titanic explorations this summer starting in June through August 2021.

NORTON TERMINAL (MARITIME INDUSTRIAL EXPANSION)

CEO/Executive Director Lisa Lefeber reported the Port is continuing to progress on the permitting. Planner Laura Gurley has been doing a great job on permitting, which is complicated because it is an environmental cleanup site. The Port did have a meeting with the Maritime Administration and is looking at doing an early site package to help pre-load the site, so Staff expects to come back to the Commission in March with a Request for Authorization to Bid that work. The Port would not be able to award that work until the grant agreement and the environmental reviews are finalized but want to try to sequence it, so time is not lost on moving the project forward. Lefeber appreciates the Commission's efforts on advocacy for the capital budget request to help with the matching funds for Kimberly-Clark also known as Norton Terminal. It has been very well received and it will be one of the largest construction projects in the County in 2021 so people are very interested in the role it will have in helping with economic recovery but also the transferrable skills between aerospace manufacturing and trade.

MILL A (SEAPORT MODERNIZATION)

South Terminal Damage

Chief of Operations Carl Wollebek reported there was some storm damage at the South Terminal and thanked Engineering and Planning for getting contractors on-site so quickly to start working on it. Combined Construction is onsite working on the erosion damage at the south end of the South Terminal and started pouring concrete with hopes of being done next week. American Construction will be onsite next week to start working on the damage that was done to the fender piles, and the work will take about two weeks. The Port still needs to put armor rock around the erosion area once Combined Construction is finished. Wollebek is hopeful to have this complete by March.

Commissioner Glen Bachman asked if insurance or FEMA would qualify. Chief of Finance Eric Russell explained that the Port is in discussion with the insurance company and hope to have an answer from them soon. The problem is going to be the deductible. The area lies within a FEMA flood zone with a \$250,000 deductible. We believe that is in error and a lower deductible should apply as it was damage from wind versus damage from a flood. We also believe the FEMA maps are in error and are working to correct those maps on all Port properties..

Crane Update

Chief of Operations Carl Wollebek reported that Nidec, the control system contractor, was on-site last week and did endurance testing, which means the cranes are ready to go through the motions and hire Longshoremen to actually run the Terminal like an operator should run it. There are a few things that came up that need to be completed, so the contractor has left to allow the Port a chance to complete those items. The contractor will be back on February 21, so Wollebek is hopeful to have everything up and ready so they can take another run on it that week. The cranes are certified. The Port is working with the Pacific Maritime Association (PMA) and Local 32 to get longshoreman trained the week of March 8 so getting really close to finally getting a ship down there.

DEPARTMENT REPORTS

Marine Terminals

2020 Year End Cargo Report

Marine Terminals Director Walter Seidl presented the 2020-year end cargo report. There were no log vessels for all of 2020. There was a total of 26 vessels in Quarter 4 (Q4). Total tonnage fell short by 15,623 short tons in 2020. The Port continues to see Westwood's weekly import breakbulk service growing. Import cargo volumes were reduced due to uncertainty resulting from the pandemic.

Westwood container volumes were steady in Q4, and there were no soy containers transloaded. Boeing container volumes continue to decline as aircraft production is reduced.

Some highlights for Q4 included importing steel for T5 in Seattle, some pieces were 92-feet long; roto-flex discharge continues; two luxury yacht discharged in December; and pulp continues. The first quarter for 2021 continues to see Westwood breakbulk weekly imports and the Port had the first cement vessel in Everett since 2014 and expects another cement vessel at the end of February.

Properties

5 Williams – Purchase and Sale Agreement for K-C Parking Lot

Chief of Business Development Terrie Battuello presented a Purchase and Sale Agreement (PSA) with 5 J Williams Family Investment, LLC, selling a 2.26-acre real property (former K-C parking lots) located between 23rd and 25th on W. Marine View Drive in Everett.

The PSA includes three (3) Snohomish County Tax Parcels, 005160-486-000-00, 005160-556-000-00 and 004374-556-013-00. Prior to the close of the paper mill, this site was used for parking by Kimberly Clark but, due to code changes, can no longer be used for parking. The City desires to create housing in this location and has zoned it accordingly.

The proposed Buyer is a local family-owned firm, which has built and operated multi-family housing projects around Snohomish County for more than thirty years, including properties in Lynnwood, Marysville, Arlington, Lake Stevens, Mill Creek and Mukilteo, with 20 projects in Everett. The developer prides itself on offerings serving the entire spectrum of the community. The company is a subsidiary of Williams Investments, which is owned and managed by Jari Williams.

The Port has performed a background assessment of the Buyer and has verified proof of funds. Key deal points include a purchase price of \$3,623,000, Ernest Money of \$103,500 deposited within three days of PSA execution, a due diligence period of forty-five (45) days, no broker fees and a covenant recorded preventing litigation or objection to the Port's use of adjoining property (formerly Kimberly-Clark Mill Site). Closing is anticipated by end of April 2021.

A portion of the purchase price (\$1,553,000) will be held in Escrow to apply to specific extraordinary construction costs, which could be possible to produce the anticipated number of housing units upon which the sale price was predicated. The PSA includes specific conditions by which the Buyer would recover all or portions of escrowed funds (but no more) as reimbursement for strengthening or replacing the structural wall along the western parcel boundary (common with State Department of Transportation), which is suspected to provide lateral support for the land. The escrow terminates if no development has not commenced by December 31, 2023. The Buyer will be responsible for fees related to management of the escrow holdback. Even if the escrow funds are deemed required to yield the development potential of the site, the purchase price would still be recommended by Port staff.

Commissioner Tom Stiger reaffirmed that it has been the Port's policy that whenever property is sold, the Port continues or begins the process to find replacement property which is an ongoing issue. Battuello stated she and CEO/Executive Director Lisa Lefebber have been evaluating a lot of parcels for possible purchase. Lefebber stated that the Port is very much focused on replacement and added about 95 acres into the inventory 2019-2020 with the acquisition of Kimberly Clark and the Norton properties in anticipation of disposing of this particular property. There are a lot of interest in properties which are being explored and hope to have a conversation with the Commission at the retreat in April.

Upon discussion, Commissioner Glen Bachman moved that the Commission authorize the CEO to execute the Purchase and Sale Agreement between the Port and 5 J Williams Family Investments, LLC which establishes all terms for sale of the Port-owned 2.26-acre parcel of land formerly used for Kimberly Clark millworker parking and located at 25th and W. Marine View Drive, substantially as presented. Commissioner David Simpson seconded the motion. A vote was called for:

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

Motion carried.

Ryan Kilby, 5 J Williams Family Investment, LLC, stated he is very excited for this opportunity to expand housing that is needed in the city of Everett and as a local family, they have always dreamed of building something with the Port of Everett on port land. He said it was a dream come true to be able to be in a position to develop this land.

Marina

Boat Show Report

Chief of Marina Operations Jeff Lindhout reported it was a very different boat show this year. This was the first boat show in probably 35 years that Lindhout hasn't physically attended. Due to COVID-19, it was a different format completely, it was digital and all online. The Port efforts for the show were largely from the Public Affairs team, Catherine Soper and Kate Anderson and they did a great job. It is typically a nine (9) day show but this year was only four (4) days. Lindhout viewed the show online and it was very cool. There was a red carpet and people were able to walk around the show and look at different websites. They had 100 hours of seminar content and opportunities for one-on-one Zoom interactions with Exhibitors. The cost was \$5 to \$89 which depended on what level of access people wanted to the site. There were around 5,000 paid attendees, 4,700 people visited the main boat show page and the Port had about 30 visits per day. Visitors went to the Port's boat yard services page, guest moorage page, permanent moorage page, and some live chats and moorage sign ups. Lindhout stated if people were going to the boat show for seminars, they probably really enjoyed it and if people only go to see boats, they are probably looking forward to next when they hopefully can attend in person. This was the second virtual boat show, first being in Anacortes.

CEO/Executive Director Lisa Lefeber asked about the number of paid attendees during a normal boat show. Lindhout stated a normal in-person boat show runs nine (9) days and around 50,000 people attend.

Commission President's Report

Commission President Tom Stiger stated the Puget Sound Regional Council (PSRC) has completed the Passenger Ferry Report and has identified three (3) Puget Sound routes, Seattle to Tacoma, Everett to Whidbey Island and Bellingham to Friday Harbor. PSRC will continue to solicit additional input and Stiger looks forward to hearing more as the plans develop.

Regular Commission Meeting Minutes
February 9, 2021

Commission Discussion

Commissioner Glen Bachman stated he is excited to see a passenger ferry service from Whidbey Island to Everett recommended by the PSRC, but there needs to be adequate parking, bus service and other transportation to support it.

Citizen Comments

There were no citizen comments.

Executive Session

Commission President Tom Stiger recessed the meeting into Executive Session at 1:06 p.m. for approximately 40 minutes – to conclude by 1:45 p.m. The purpose of the Executive Session is to discuss with legal counsel a potential litigation matter.

At 1:45 p.m. in open session, Port legal counsel Brad Cattle announced that the Executive Session would be extended an additional 15 minutes – to conclude by 1:53 p.m.

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

THE REGULAR MEETING WAS ADJOURNED at 1:53 p.m.

APPROVED this 9th day of March, 2021.

EVERETT PORT COMMISSION

By: Tom Stiger
Tom Stiger, President

DocuSigned by:
By: David Simpson
David Simpson, Vice President

By: Glen Bachman
Glen Bachman, Secretary



Port of Everett
Voucher Certification and Approval
for the month of
JANUARY
2021

AP Claims Transactions		Total
Claim Checks Issued	89877 - 89969	\$1,090,471.75
P-Card Transactions		78,348.30
ACH Transactions	#835 - 895	1,203,586.86
Total Claims Check Register		2,372,406.91

Electronic Claims Transactions:

1/5, 1/11, 1/14, 1/15, 1/19, 1/25, 1/28	Electronic Transfer - Health Equity/Navia/Guardian/Accrue CMS	\$235,278.82
1/6, 1/14, 1/29	Electronic Transfer - IRS	221,056.42
1/25	Electronic Transfer - WA St Dept of Rev	40,639.10
1/4	Electronic Transfer - U.S. Bank	2,669.10
1/4	Electronic Transfer - U.S. Bank LOC Fees	7,125.00
1/13	Electronic Transfer - Pitney Bowes	1,500.00
1/15	Electronic Transfer - US Bank	3,421.18
1/15	Electronic Transfer - Paylocity	1,745.10

Total Electronic Claims **513,434.72**

Total Claims **2,885,841.63**

Payroll Transactions

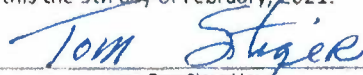
Payroll Checks Issued	Dir Deposit/Check	\$253,627.88
1/5, 1/12, 1/20, 1/26	PMA Payroll (Longshore Labor)	295,856.81
Total Payroll		549,484.69

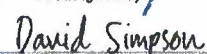
Total Payments **3,435,326.32**

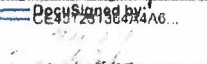
I, the undersigned, do hereby certify under penalty of perjury that the material have been furnished, the services rendered or the labor performed as described herein, that any advance payment is due and payable pursuant to a contract or is available as an option for full or partial fulfillment of a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

Attest:  Port Auditor

We, the undersigned Commissioners of the Port of Everett, Snohomish County, Washington, do hereby certify the following vouchers/warrants have been certified and approved for payment this the 9th day of February, 2021:

 President

 Vice President

 Secretary