

**Minutes of Everett Port Commission
Regular Meeting
January 12, 2021**

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

CALL TO ORDER: Commission President Tom Stiger called the meeting to order at 12:02 p.m.

CONSENT AGENDA

- Approval of Regular Meeting Minutes of December 8, 2020
- Approval of Bills for December 2020

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

EDGE Grant Update

Public Affairs Manager Catherine Soper provided an update on the EDGE Grant program that the Commission adopted in 2020. The Commission authorized \$50,000 for the Economic Development Grant for Evolution (EDGE) to support Port business tenant and subtenant recovery and reopening. Initially, the Port looked at the program to support Phase II reopening for tenants but there have been quite a few fits and starts with the phasing. Over the three rounds, the third round the Commission authorized in November 2020 allowed the EDGE Grant to be used in response to any guidance received from the State in order to reopen or resume business. This has been a really productive program. The Port received grant requests for a total of \$24,800 all of which were approved but not all have been utilized. There were two tenants that with a \$5,000 grant request and a \$3,000 request and they have not submitted receipts for reimbursement. The grant does require a match and it requires the investments to be made but some of these businesses decided not to use it or couldn't reopen. The other four businesses total was \$16,800 and based off receipts, reimbursements to date are closer to \$15,000.

The businesses have used the grant to support reopening and resumption of business. Lombardi's and Bluewater have benefited from this program by adding new infrastructure to support reopening and modifications to meet the new guidance and restriction. Some of the highlights that Soper thought were

interesting included Lombardi's upgrade of their HVAC during the time when there was a limit for inside dining. They also used it to support their new take-out ordering systems. Bluewater added outdoor fire tables and also supported setting up its retail business to resume business and offer take-out. ORCA utilized the grant to support their virtual learning opportunities, so they have installed monitoring equipment that can be accessed virtually around the Port to use for onsite education. Water's Edge Salon used the grant for supplies needed at the hair salon related to the new guidelines.

Commissioner Tom Stiger suggested to extend the grant again through 2021 because of the ongoing extension of restrictions that have been imposed upon the community and the Port. Commissioner David Simpson asked how much money was leftover. Soper stated the budget for Commissioner initiatives each year is for \$50,000 and so, of the \$50,000, Soper anticipated total expenditures of around \$15,000-\$16,000. There is a new budget of \$50,000 in 2021 and a portion of that could be used for this initiative. Commissioner Simpson suggested moving forward with the current approximate balance and the funds of \$25,000.

CEO/Executive Director Lisa Lefebber added that Soper has been doing an amazing job with this grant. It is not an easy grant to administer because of all the receipts, matching and detail-oriented requirements.

After discussion, Commissioner David Simpson moved that the Commission approve to allocate the balance of the EDGE funds which is approximately \$25,000 from the 2021 budget and make that available for an open-ended period of time and give the staff the flexibility of the program. Commissioner Glen Bachman seconded the motion. A vote was called for:

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

Motion carried.

State Legislative Agenda

CEO/Executive Director Lisa Lefebber asked Government Affairs Manager Adam LeMieux to walk the Commission through the highlights but first Lefebber set a policy tone. The Port's top priority is the Norton Terminal/Kimberly-Clark which does dovetail with the requested action that Director of Environmental Programs Erik Gerking will present later in the meeting in terms of MTCA eligibility for this particular project. Lefebber is always optimistic on funding opportunities as it relates to MTCA but as Commissioner Stiger mentioned, the Port will have a lot of work to do.

Government Affairs Manager Adam LeMieux reported the number one priority for this legislative session, which started yesterday, will be seeking \$8 million of investment from the State capital budget for the Norton Terminal at the former KC mill site. This request has already been floated with the delegation over the past two months and have been some constructive dialogue with Snohomish County Representatives. Some of the other initiatives that the Port is working towards all deal with investments in transportation infrastructure and economic development. The first is to incentivize economic recovery with an incentive for new manufacturers or new manufacturing capacity in Washington state. That will reduce the business and occupation tax rate by up to half of the current and that would sunset over a period to 2040. Transportation investments priorities for the Port include making sure the State maintains its project priority commitments in the Connecting Washington package. The Port is seeking

authorization for new ways to structure private and public funding for major projects and identify funding options to replace the westbound section of US 2. Also, looking for support to create a \$100 million Port focused grant program in a new transportation revenue package this year. Additionally, the Port is supportive of the governor's budget proposal to maintain robust funding for MTCA projects. Ports benefit from those dollars and for every \$1 of MTCA investment, \$7 are generated in returns. These are not the only things the Port is focusing on; these are the most Port specific but also supporting a number of initiatives from community partners and partners from Snohomish County and the City of Everett.

Lefebber noted that the federal legislative notebooks and presentation will be presented at next month's commission meeting to keep online with the first of year legislative priorities.

New Port of Everett Website

Public Affairs Manager Catherine Soper reported the Public Affairs team (Team) has been working very hard on a new Port website and soft launched the last week of December 2020 which means not a lot of people knew about it right away. Soper likes to give a little bit of time for a public beta test and really get some of the good feedback and some of the kinks worked out. The Team took on this project at the beginning of last year in response to overwhelming feedback during the two-year strategic planning effort. It was somewhat of a weakness for the Port, but websites are very costly. When the team initially received feedback on an update to the website, they found government websites cost about \$50,000-\$80,000 which has never really been in the budget. The Team kept looking and found Revise Website Management and received some good recommendations. They have a niche in government websites and the Team met with them many times. Soper shared the new website on her Zoom screen for the commission to see. It has a more modern flow and modern take on the website, but it was a full redesign and switch from the prior service provider which the Port has been with since 2005 or 2006. The team was very excited about the cost, which was \$18,000. To put that into perspective, when the team would go to redesign just the homepage on the previous website, it cost about \$5,500. In terms of cost effectiveness, this was nice. The hosting is also free for two years so within three years, the redesign is paying for itself in the amount of fees the Port would have been paying in hosting the previous website.

Some of the goals for the site was to focus on ease of use and navigation, mobile friendly, and cut content; the Port has a lot of business lines and a lot of content, but the team really wanted to focus on quality over quantity, so they looked at the hard data from the old website and what pages were being looked at, what were the google searches and web browser searches looking for. Although, the website may not have everything that the Port thinks as an internal audience should be on there, it has what the external audience and stakeholders are looking for. Some of the new best practices, a lot of scrolling, a lot of icons for ease and boxes that lead into different areas, so anyone can easily find what they are looking for.

The Team made sure that the Port was supporting the latest ADA compliance requirements and there is also a translator that translates pages into about 100 different languages, which is great for the Port's international customers and local neighbors.

Soper is very proud of the Team. This has been a year of labor of love. There were a lot of unexpected turns and turbulence but has been really fun to create the new website.

CEO/Executive Director Lisa Lefebber added the Port did the virtual ribbon cutting this morning for the grand opening of the South Terminal so that will be prominently featured on the new website. It was also put out onto the Port's social feeds. This is an extremely exciting day for the Port and the whole region to get this facility up and operational given the current economic situation. Having additional opportunities to create jobs on the waterfront is really critical. Lefebber thanked everyone who participated in the planning, permitting, environmental, project management, commission for their leadership on allocating funds and those that took the time out of their day to make videos to congratulate the opening of the South Terminal.

MARITIME INDUSTRIAL EXPANSION (NORTON TERMINAL)

60% Design Submittal Update

Chief of Engineering and Planning John Klekotka gave an update on the progress of the maritime industrial expansion. This is one of the Port's Commission strategic goals and capital initiatives to redevelop the former K-C site and place into productive use as a maritime industrial facility. The Port went for a public solicitation for services for qualifications (SOQ's) for consultant services back in November 2019 in order to keep the project on schedule and then asked the Commission to ratify that in December 2019. There were four SOQs received and in February 2020, the Commission awarded KPFF Consulting Engineers a Task Order based contract with maximum not to exceed amount of \$2,600,000. They completed the 30% design in July 2020 and in early December 2020, they completed the 60% design with includes the plans, specifications, and cost estimate. In general, KPFF is providing project management and they have many sub-consultants working to provide survey, environmental services, geotechnical investigations, permit support including on the land use regulations, site engineering, landscape architecture, architecture, bid and construction phase services. Klekotka reminded the Commission that this is a Task Order type contract, so the Commission approved the budget upfront and then Staff issues task orders to the consultant for specific scopes of work and if those task orders are of such a magnitude that it exceeds the Executive Director's authority, Staff comes back to the Commission to seek authorization for those specific tasks.

During the 60% design progress, KPFF continues to provide project management. There are weekly video conference calls with the engineering team. They completed their geotechnical field work and preliminary recommendations. They have been providing permit support to the Port's Planner Laura Gurley in terms of City, JARPA, SEPA and NEPA permits. They continue to make refinements of Site Engineering: stormwater collection and treatment system; washdown pad; hazmat container storage area; utility design and coordination; cargo alley and entrance at south end; alternate access at north end. As far as the cost estimate, Staff is working on quantity estimates, cost, and specification outline for the specs. Other tasks that are not directly related to cargo yard are evaluations of the warehouse, barge dock and timber wharf.

90% Task Authorization

In August 2020, the Commission authorized Task Order No. 007 under PSA 1-2020-02 with KPFF Engineers for 60% site design services in the amount of \$400,000, which was submitted in early December. In order to continue to move the project through the permitting process and then on to construction, Staff recommends a new Task Order for 90% plans, specifications, and cost estimate (PS&E) to be completed in the second quarter of 2021. The 90% design work includes advancement of the civil and electrical utility systems, structural design of light pole foundations and other elements, the grading and storm drainage collection plans, landscaping design, develop plans for site preloading, coordination with utility purveyors (PUD, City, etc.), technical specifications and an updated cost

estimate. The estimated fee for the 90% submittal, including subconsultants is \$493,000. The fee for this task authorization request is included under the original \$2,600,000 professional services contract.

After discussion, Commissioner David Simpson moved that the Commission authorize the execution of Task Order No. 011, under PSA 1-2020-02 with KPFF Engineers for 90% site design services in the amount of \$493,000. Commissioner Glen Bachman seconded the motion. A vote was called for:

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

Motion carried.

Ecology Agreed Order Amendment – Action

Director of Environmental Programs Erik Gerking reported Port Staff is seeking Commission authorization to enter into a Department of Ecology Agreed Order Amendment (AO Amendment) for cleanup of the upland portion of the former Kimberly-Clark Mill Property, which the Port acquired in 2019 under a Purchase and Sale Agreement (PSA) with Kimberly-Clark. The AO Amendment includes two major items. First, through the PSA with Kimberly-Clark the Port became the current owner of the property and thus became a potentially liable party (PLP) for site. Under this Ecology AO Amendment, the Port's status as PLP is memorialized and the parties agree that the Port is responsible for carrying out the remaining environmental cleanup obligations for the former Kimberly-Clark upland cleanup site. Second, the AO Amendment includes an interim cleanup action that involves the construction of a low permeability cap and associated facilities that directly supports the construction of the Norton Terminal marine cargo handling facility. The scope of the AO Amendment represents a key strategic step towards cleaning up and revitalizing this property, supporting the Port's mission of economic development, goals of environmental stewardship and vision for an expanded maritime industrial jobs center.

The AO Amendment is subject to an Ecology public review process that is expected to commence in February 2021. Public comments will be reviewed and considered by the Port and Ecology through Ecology's public review process.

CEO/Executive Director Lisa Lefebber added this was a lot of work and thanked Gerking and his team and relationship with Ecology to be able to pull this together. This was very complex and the epitome of the Port integrating economic development with environmental cleanup and this Agreed Order allows the Port to do that. It also allows the Port to be eligible for MTCA grant funds, which is critical.

Upon discussion, Commissioner Glen Bachman moved that the Commission authorize the CEO to enter into the Department of Ecology Agreed Order Amendment for the former Kimberly-Clark Uplands Cleanup Site, which includes the requirement of performing an Interim Cleanup Action for constructing an impervious cap and associated facilities, in a form 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.

WATERFRONT PLACE CENTRAL

Weyerhaeuser Request for Information (RFI)

CEO/Executive Director Lisa Lefebber reported there was a good turnout on Thursday, January 7, 2021 for the walk through of the Weyerhaeuser building and the Request for Information are due on February 1, 2021. Based on what the Port receives, staff will more than likely go out for proposals for selection. Even though the Port had quite a bit of people who wanted to see the inside of the building, there were people who may not have come and toured but were very interested and have been in contact with Maija Lampinen through the RFI process. Lefebber is optimistic that the Port will get some good ideas and potential business opportunities out of this. The other neat thing is the amount of people who came through that used to work in the building and the history and details that they had about the structure. It was very well done and Lefebber appreciated everyone's efforts and will report back to the Commission in February on what the Port receives.

DEPARTMENT REPORTS

Properties

Approval of Off Planet Research, LLC Lease

Chief of Business Development Terrie Battuello reported that early in 2020, AMERON facilities closed to make way for a future maritime-focused center of excellence, including the blue economies of sea and space research. Off Planet Research, LLC is the first of many tenants anticipated to come to occupy these port facilities. For background, the tenant's mission is creating unique and sought-after simulants (such as manufactured soils that mimic other planetary substances) for extra-terrestrial environments to test space technology and conduct research and development related to space. Their products increase space related mission assurance, cost effectiveness, and speed of development of safe and effective space-based technologies. There is the second program at the Port to have a NASA contract (the first being Ocean Research). Off Planet Research was also recently awarded a National Science Foundation Small Business Innovation Research grant to conduct research and development in providing cost-effective artificial mixtures of the ice and soil found on the Moon and other planets to accelerate the development of space resource extraction.

Key terms in this lease can be found on the lease reference page and landlord work includes bringing deferred maintenance current as well as making several tenant improvements to facilitate their use of the building. They will be situated in class B manufacturing and warehouse space. The rent is set at \$11 per RSF (\$1,976.34 per month) with a 2.5% annual escalation on lease anniversary. This lease therefore generates \$72,941.76 over the base term of the lease. There is no tenant option to extend this agreement because the adjacent space will have preference for expansion purposes. The tenant will also pay 7.5% of any common area expense for the building. The Landlord work includes both deferred maintenance and shell and core work as well as work specific to the tenant's improvements. This work has been designed by our new contractor, Rock Property Management, and the total work is estimated at \$95,000 with less than \$40,000 for the tenant improvements. Work to be completed will make the space more useable in the future and addresses deferred maintenance.

After discussion, Commissioner David Simpson moved that the Commission approve the Lease of 1130 W. Marine View Drive, Suite 1130 B (2,156 square feet) with Off Planet Research, LLC for three years, substantially as presented. Commissioner Glen Bachman seconded the motion. A vote was called for:

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

Motion carried.

Projects

Baywood Update

Director of Environmental Programs Erik Gerking gave an update on the project status for the Baywood Shoreline Project. Construction was commenced in late November 2020. This project involves three basic areas of work. There will be buffer enhancements installed, shoreline restoration and soil cleanup area and this is all to prep the site and coordinated with the permitting of the development that is supposed to commence construction in spring or summer 2021 by Latitude Development. The Port has installed one part of the shoreline in the channel and the rest of the shoreline was waiting for the grading effort where waste is removed and haul offsite and softening the shoreline. All the work has been done so far at night and low tide. A bulkhead has been moved in back of the channel that is adjacent to the former Jeld-Wen site. They used excavators to remove debris material that was in the mud and replaced with clean backfill. In the future, there will be a public access nature trail to be installed by the developer.

Currently they have completed the low area cleanup and lower bank shoreline grading. There have been two change order requests; time delay due to an unexpected and extended Department of Ecology (DOE) construction stormwater permitting process; and DOE required soil mixing due to topsoil chemistry. There are some over-runs and under-runs of material quantities with the over-runs related to additional excavation as requested by DOE. The remaining work is upper bank grading, placing logs and planting. The project is anticipated to complete on-time, April 1, 2021.

CEO/Executive Director Lisa Lefebber thanked Gerking and Environmental Engineer Elise Gronewald. They have been at the site at all random hours of the evening because a lot of the work has to be done based of the tides so Lefebber wanted to acknowledge their efforts to make sure this project is done properly.

Blue Heron Slough Update

Director of Environmental Programs Erik Gerking gave an update on the construction of the Blue Heron Slough Project. In 2019, the Port entered into a consent decree with the Port Gardner Bay Trustee Council. The consent decree is providing the seed money for the construction. The construction has moved forward since that point of time, using the settlement funds. The Blue Heron Slough has a number of benefits for the Port and the consent decree as well with the federal trustees. For one, the consent decree provides the seed money to catalyze the construction. It also settles the bay wide natural resource damage assessment, and will provide the mitigation credits for the Port when needed to mitigate for different construction projects. Wildlands is managing the construction and they have taken the risk of implementing the construction and banking approval. In the future, the Port hopes to see revenue from the sales of the mitigation credits. Gerking expects the construction effort to continue at a slower pace during the wintertime and then pick back up in the spring and summer. They expect to be done with the interior earthwork by late summer 2021. The protective dike will be done this year as well. Gerking believes the site will be inundated later this year which will be a big event and usually draws the stakeholders in. As they work their way through construction and monitoring progress, Gerking will be working very closely with CEO/Executive Director Lisa Lefebber and Public Affairs Manager Catherine Soper to plan for that event.

Commission President's Report

There was no Commission President Report.

Commission Discussion

There was no Commission Discussion.

Citizen Comments

Udo Gerz, Hat Island Resident email sent on January 12, 2021 at 9:59 a.m. and attended the meeting to speak to the Commissioners: I am a full-time resident on Hat Island and have leased a slip in the Everett Marina for more than 15 years. We have parked our vehicles in the South Marina all this time and obeyed by the rules for parking. Starting 2021 the Port instituted new Parking Regulations, which are discriminating against Hat Island permanent residents. On top of the moorage fee, we are now required to pay a parking fee of \$35 per month. Other moorage holders, who use the marina for their business, are not charged anything, but occupy parking spots themselves and for their employees and customers. I understand the Port is a business, but is the Port so desperate, that they need to single out the slip holders, permanent residents of Hat island, with 10 to 20 slips, totaling \$350 to \$700 a month. I hope not. Please revoke the unfair parking fee for Hat Island permanent residents.

CEO/Executive Director Lisa Lefebber thanked Mr. Gerz for taking the time to attend the meeting and provided background on the issue. The Port is implementing a new comprehensive parking management system throughout Waterfront Place and it is not an easy thing to manage competing needs. Lefebber does, however, recognize there was not a lot of discussion and the Port just resolved the issue with the Hat Island Community representatives as it relates to the long-term parking lease and also the long-term parking fees for people who do not have boats in the marina. Mr. Gerz is in a unique situation, along with a handful of others and Lefebber thinks at this time, the Port does not have enough information to move forward with charging Hat Island residents that are also marina tenants. Lefebber will be suspending the fee for 2021 until the Port has an opportunity to talk with Hat Island residents more in depth and figure out a fair, equitable and balanced way to bring this forward.

Mr. Gerz thanked Lefebber for her consideration. Hat Island residents do not want to protest just for the cause, they feel like they are in a unique situation and very happy that Lefebber is putting some attention to this and hopefully find a good solution for everybody.

Commissioner Tom Stiger added that Hat Island is part of the Port district, so the Commission needs to take into consideration their planning, needs, etc.

Executive Session

Commission President Tom Stiger recessed the meeting into Executive Session at 2:10 p.m. for approximately 10 minutes – to conclude by 2:20 p.m. The purpose of the Executive Session is to discuss with legal counsel a potential litigation matter.

At 2:20 p.m. in open session, Port legal counsel Brad Cattle announced that the Executive Session would be extended an additional 3 minutes – to conclude by 1:23 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.

Regular Commission Meeting Minutes
January 12, 2021

THE REGULAR MEETING WAS ADJOURNED at 1:23 p.m.

APPROVED this 9th day of February, 2021.

EVERETT PORT COMMISSION

By: Tom Stiger
Tom Stiger, President

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

DocuSigned by:
By: Glen Bachman
Glen Bachman, Secretary



ORIGINAL

Port of Everett
Voucher Certification and Approval
for the month of
DECEMBER
2020

AP Claims Transactions		Total
Claim Checks Issued	89765 - 89876	\$656,815.97
P-Card Transactions		52,977.20
ACH Transactions	#772 - 834	1,551,218.88
Total Claims Check Register		2,261,012.05
Electronic Claims Transactions:		
12/3, 12/8, 12/15, 12/17, 12/18, 12/30, 12/31	Electronic Transfer - Health Equity/Navia/Guardian/Accrue CMS	\$16,823.02
12/14, 12/29	Electronic Transfer - IRS	177,897.09
12/23	Electronic Transfer - WA St Dept of Rev	28,090.12
12/1, 12/2	Electronic Transfer - U.S. Bank	2,680.82
12/1	Electronic Transfer - U.S. Bank LOC Fees	1,510.52
12/11	Electronic Transfer - Pitney Bowes	1,500.00
12/22	Electronic Transfer - B of A	394,949.14
12/30	Electronic Transfer - Paylocity	1,745.10
Total Electronic Claims		625,195.81
Total Claims		2,886,207.86
Payroll Transactions		
Payroll Checks Issued	Dir Deposit/Check	\$493,574.37
12/1, 12/8, 12/15, 12/22, 12/29	PMA Payroll (Longshore Labor)	307,092.33
Total Payroll		800,666.70
Total Payments		3,686,874.56

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 12th day of January, 2021:

 DocuSigned by:
Tom Steger
 President

 DocuSigned by:
David Simpson
 Vice President

 DocuSigned by:
CE431231364A4A6...
 Secretary

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