

**Minutes of Everett Port Commission
Regular Meeting
March 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 12:00 p.m.

CONSENT AGENDA

- Approval of Regular Meeting Minutes of February 2, 2021; and Regular Meeting Minutes of February 9, 2021
- Approval of Bills for February 2021

Commissioner David Simpson moved that the Commission approve the items on the consent agenda for March 9, 2021 including the Regular Meeting Minutes of February 2 and February 9 as well as Approval of the Bills for February 2021. 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

CEO/Executive Director Lisa Lefeber stated before her report, Commissioner Tom Stiger and Commissioner David Simpson had comments that they wanted to make for the record.

Commissioner Tom Stiger recognized Duane Pearson, who recently passed away. He was a Commissioner for the Port of Everett from 2009-2011. He was a former Simpson Mill employee who had the responsibility of closing down mills and preparing them for sale. He took a real interest in the work the Port was doing. He said he saw Duane within the last two weeks, and Duane was really impressed with what he saw and what the Port is doing. Even though his term was short, he made a real contribution to the Port.

Commissioner David Simpson recognized two former Port of Everett Commissioners, Nina O'Neil and Connie Niva for International Women's Day. O'Neil was the first-ever woman Commissioner of the Everett Port Commission and served for District 1 from 1988 to 1993. In 1989, the Port purchased Weyerhaeuser Mill A property which is now Pacific Terminal. This land purchase and infrastructure project has resulted in thousands of jobs for the Port district. She passed away on September 29, 2016 at the age of 89. Niva, the second woman Commissioner of the Everett Port Commission, served for District 2 from 2006-2009. She resigned her seat after she moved out of the district. Duane Pearson filled the rest of her term. During her service, the Port made plans to move and build its new

headquarters, adopted the Marine Terminal Master Plan vision and supported a workforce communication program and neighborhood outreach. As the Port recognized these former Commissioners, the Commission would like to recognize all of the women of the Port community.

April Commission Retreat

CEO/Executive Director Lisa Lefeber reminded the Commission that the Commission Retreat will be held on April 12 and April 13.

Jetty Landing Restroom Facility

Lefeber stated a lot of construction costs in the area have been increasing and have been seeing construction prices, particularly with lumber and steel, increasing which is having an impact on some of the proposed new Port buildings. One of which is the Jetty Landing Restroom Facility, so Staff is evaluating some different options to reduce costs and see if the Port can get a more competitive bid. There will be a report for the Commission in April with a plan forward as it relates to the Jetty Landing Restroom.

Jetty Island Days

Lefeber stated this is a beloved program for the community. The Port and the City started the program in 1989 and it has been valued and invested in heavily over the years. Because of COVID-19, it was cancelled last year. Staff is working with the City and partners at the County to find a way, given the current financial situation at the City, to be able to have the Jetty Island Days in 2021. Lefeber gave a disclaimer that is COVID-19 willing. Right now, it is unclear but hope to get more guidance on what capacity would be allowed on the vessel. Otherwise, it would be hard to make a parks program work based on current limited capacity due to COVID-19. Nothing tangible and no details yet, but Staff will report back to the Commission and community, hopefully in the April timeframe, on a possible path forward.

COMPREHENSIVE SCHEME OF HARBOR IMPROVEMENTS UPDATE

Commission President Tom Stiger opened the public hearing for the Amendments to the Comprehensive Scheme of Harbor Improvements at 12:23 p.m. This public hearing is for public comments on both Resolution No. 1172 (removing the former Kimberly-Clark Parking Lots) and Resolution No. 1173 (removing the Bay Wood property).

There were no public comments on either of the Resolutions. Commission President Tom Stiger closed the public hearing at 12:25 p.m.

Resolution No. 1172 (2021) – Amendment of Comprehensive Scheme of Harbor Improvements – Surplus of Certain Real Property, referred to as the Kimberly-Clark Parking Lots

Project Manager Brandon Whitaker explained that under Washington State law, RCW 53.20, port districts are required to implement and update a Comprehensive Scheme of Harbor Improvements (Comp Scheme). The Comp Scheme is a Commission adopted document that brings together guidance for the acquisition of property; surplus of property; and adoption of plans and programs.

Actions that fit into these categories are added to the Comp Scheme through formal resolutions adopted by the Port Commission, after a public hearing is held. These actions make the Comp Scheme a constantly evolving and living document that catalogs the Port's changes over the years in properties and directions it is pursuing with its master plans and programs.

Resolution No. 1172 (2021) removes the former Kimberly-Clark Parking Lots from the Comp Scheme due to the sale of the parking lots to a private developer, as approved by the Port Commission during the February 9, 2021 second regular meeting. This real property is now surplus to the needs of the Port.

After receiving and considering public comment and closing of the public hearing Commissioner David Simpson moved that the Commission adopt Resolution No. 1172 (2021), removing the former Kimberly-Clark Parking Lots from the Port's Comprehensive Scheme of Harbor Improvements. Commissioner Glen Bachman seconded the motion. A vote was called for:

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

Motion carried.

Resolution No. 1173 (2021) - Amendment of Comprehensive Scheme of Harbor Improvements – Surplus of Certain Real Property, referred to as the Bay Wood property

Project Manager Brandon Whitaker explained that Resolution No. 1173 (2021) removes the Bay Wood property from the Comp Scheme due to the sale of the property to a private developer. This real property is now surplus to the needs of the Port.

After receiving and considering public comment and closing of the public hearing, Commissioner Glen Bachman moved that the Commission adopt Resolution No. 1173 (2021), removing the Bay Wood property from the Port's Comprehensive Scheme of Harbor Improvements. 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

Sealevel Apartments Update

Sealevel Properties Director John Shaw reported Sealevel Apartments has been leasing over a month now and the leasing center is based in Hotel Indigo. The apartments are now at 21% pre-leased or 28 leases out of 135 and are exceeding original proforma estimate at this time. They have not had to offer, as of yet, any concessions which is a big deal during the pandemic. To give some context, when they look to pre-lease, it is usually a three- or so-month pre-leasing process and at the end of which, they typically shoot for 25-30% pre-leased so to be already at 21% pre-leased within the first month is quite impressive. They are doing top floor punch walks right now and still on track for receiving certificate of occupancy in mid-May.

They have started framing on the South building and are hitting all the benchmarks to have it opened on time in 2022. Commissioner Glen Bachman asked if the higher lumber costs impacted the new build. Shaw stated any increase costs due to the fire is being covered under insurance. He has been working quite a bit with the insurance carrier in order to really nail down the actual hard cost but also the soft cost loss that has been occurred because of the fire.

Beautification Efforts

CEO/Executive Director Lisa Lefeber asked Chief of Business Development Terrie Battuello to talk about all the efforts between her, Marina staff, and Engineering and Planning on the beautification effort around the Waterfront. It is a lot of work and with the apartments and hotel coming online, the Port has officially made a shift from light industrial waterfront to destination mixed use waterfront and as such, the Port has been investing heavily in beautification efforts. Battuello stated this project has been undertaken in three tiers. First tier looked at what is there that shouldn't be there and needs to get out. Marina maintenance staff, plus some help from terminals staff, has gotten rid of a lot of left behind fencing, eco blocks and old equipment so there are already major improvements seen. Staff is also working with the fisherman to get their equipment located in more appropriate locations. The yard and fencing at the building on 13th street have been cleaned up. Staff is doing a lot of work to spruce things up and get rid of anything orange. In addition, staff is working on landscaping beautification in the entryways around the Port, signs at all three locations and have already removed all the old English ivy which is considered a nuisance plant in Washington State. For the mediums in South Marina, Battuello has engaged a design landscaped architect and met with him yesterday to go over the replanting palette, which will have a seasonal floral focus. People will start to see a big difference by the middle of May.

Weyerhaeuser Building RFI Update

CEO/Executive Director Lisa Lefeber reported a Request for Information (RFI) was issued in December 2020, requesting results on March 1, 2021 and received two submittals. Lefeber reminded the Commission that this was just informational and was aiming to get the feelers out on how could or would a person or company want to use the building. A lot of people came through that were interested in business opportunities and the cost of renovation was a factor and how they can put it back into use. The process was great in getting people interest in the site and being able to identify some of the challenges of putting it back into use. What the Port is doing now is turning it over to Properties as opposed to a community process of outreach with the intent of seeking some sort of partnership to return the building into productive use based on the information that was received throughout this process. It was a great process, there was no assumption or expectation that a tenant would be found but really wanted to understand what the community is interested in and what the business community is saying and how the Port can structure the project going forward.

DEPARTMENT REPORTS

Marine Terminals

Rail Mounted Gantry Drive System Upgrade – Contract Approval – Competitive Bid Exemption

Chief of Operations Carl Wollebek reported the Rail Mounted Gantry Crane (RMG) at Mount Baker Terminal was put into service in April of 2008. The original drive systems that were installed in the RMG are no longer supported by the manufacturer and need to be replaced to ensure continued smooth operations at Mount Baker Terminal supporting aerospace. The Port will be fully reimbursed for this project expense as part of the Facilities and Services Agreement between the Port and the Boeing Company.

Nidec Industrial Solutions replaced the drive systems in the two Hitachi cranes on Pacific Terminal through a competitive selection process in 2011 and currently are upgrading the two Mitsubishi cranes on South Terminal. Port staff are very happy with the performance and support of the Nidec systems, especially compared to the other systems the Port has worked with over the years. In 2019 the Port standardized to the Nidec system for all Port cranes to create efficiencies in training, parts inventory,

service contracts and software systems. Staff propose to contract directly with the manufacturer to perform the upgrades.

Upon discussion, Commissioner Glen Bachman moved that the Commission exempt the Rail Mounted Gantry Crane Drive Upgrades from competitive solicitation and authorize the Executive Director to sign a contract with Nidec Industrial Solutions for an amount not to exceed \$800,000 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.

Properties

License Agreement with Amazon for Ameron Site

Chief of Business Development Terrie Battuello reported Amazon.com Services, LLC has negotiated a license agreement with the Port for use of approximately 2.15 acres of land at 1120 W. Marine View Drive (former Ameron site) to park vans, employee vehicles and hold employee meetings. They will have two shifts, seven days a week from 6:00 a.m. to 11:00 p.m. Additional portable facilities will be located onsite. The Agreement establishes an 18-month use period but could be extended an additional six months to February 28, 2023 if both parties agree. Rent for this yard location is \$1.65 rent per Rentable Square Feet per year (\$12,900 per month). The base term of the agreement generates \$232,200 of new revenue. The Port is required under the agreement to repair an asphalt area where water collects of approximately 20x20 feet but will be reimbursed up to \$10,000 for the work. No security deposit is required based on their status as a credit tenant.

CEO/Executive Director Lisa Lefebber made note that this is an interim use. The Commission's vision for the site is a job center, innovation center for maritime, exploration and innovation. The Port has already started leasing with that in mind and will continue to do so but this is a good revenue source to be able to help fund close to a \$10-\$12 million investment that will be required to get this facility back in job producing use.

After discussion, Commissioner David Simpson moved that the Commission approve the License Agreement between the Port and Amazon.com Services LLC on approximately 2.15 acres of the former Ameron site, 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.

Commission President's Report

There was no Commission President's Report.

CEO/Executive Director Lisa Lefebber asked the Commission if there would be any value by the Commission if the Commission President's Report was moved above the Executive Director's Report, so it provides opportunity for the Commission to comment at the start of the meetings. Nothing to decide but just a thought that might give the Commission flexibility if they'd like to make comments at the beginning as opposed towards the end. Commissioner Glen Bachman suggested to talk about it at the Commission Retreat and see how it works.

Commission Discussion

Commissioner Glen Bachman stated the need for broadband in the Everett area. There isn't a large enough infrastructure of broadband, speed, and robust system which is vital for Snohomish County recruiting on a global basis for various businesses. Commissioner Bachman stated he has been frustrated with some of the action taken by local advocates and while a lot of people recognize there is a need and there are ways to do, it just doesn't seem to be moving fast enough.

Bachman also recognized Duane Pearson, he was a mentor. He was a very kind gentleman.

Bachman reported that he is hearing from the Master Builders Association that lumber construction increases or lumber cost increase is up 147% currently and have no idea how long this will last.

Citizen Comments

There were no citizen comments.

Executive Session

No Executive Session was held.

THE REGULAR MEETING WAS ADJOURNED at 1:11 p.m.

APPROVED this 13th day of April, 2021.

EVERETT PORT COMMISSION

By: Tom Stiger
Tom Stiger, President

By: David Simpson
David Simpson, Vice President

By: Glen Bachman
Glen Bachman, Secretary



ORIGINAL

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

AP Claims Transactions		Total
Claim Checks Issued	89970 - 90090	\$1,036,465.24
P-Card Transactions		67,651.70
ACH Transactions	#897 - 974	2,603,616.89
Total Claims Check Register		3,707,733.83
Electronic Claims Transactions:		
2/1, 2/9, 2/11, 2/12, 2/16, 2/22, 2/25, 2/26	Electronic Transfer - Health Equity/Navia/Guardian/Accrue CMS	\$19,830.57
2/12, 2/26	Electronic Transfer - IRS	184,013.99
2/25	Electronic Transfer - WA St Dept of Rev	53,990.06
2/1, 2/2	Electronic Transfer - U.S. Bank	2,728.13
2/1	Electronic Transfer - U.S. Bank LOC Fees	1,458.43
2/16	Electronic Transfer - Paylocity	2,485.60
Total Electronic Claims		264,506.78
Total Claims		3,972,240.61
Payroll Transactions		
Payroll Checks Issued	Dir Deposit/Check	\$529,392.99
2/2, 2/9, 2/16, 2/23	PMA Payroll (Longshore Labor)	250,897.50
Total Payroll		780,290.49
Total Payments		4,752,531.10

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 March, 2021:

President

DocuSigned by:
 Vice President

Secretary