

**Minutes of Everett Port Commission
Regular Meeting
May 10, 2022**

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

CALL TO ORDER: Commission President David Simpson called the meeting to order at 12:00 p.m.

CONSENT AGENDA

- Approval of Regular Meeting Minutes of April 5, 2022; and Regular Meeting Minutes of April 12, 2022
- Approval of Bills for April 2022

Commissioner Glen Bachman moved that the Commission approve the items on the consent agenda for May 10, 2022 including the Regular Meeting Minutes of April 5; and Regular Meeting Minutes of April 12, 2022 and Approval of the Bills for April 2022. Commissioner Tom Stiger seconded the motion. A vote was called for:

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

Motion carried.

Commission President's Report

No Commission President report.

Commission Discussion

Commissioner Glen Bachman stated last week he attended the Washington Public Ports Association (WPPA) conference in Stevenson, Washington. During the awards ceremony, the Port of Everett was given an award for environmental stewardship.

Commissioner Bachman announced that today was Women in Maritime Day and Mexico's Mother's Day.

Commissioner Tom Stiger stated Saturday was opening day of boating season and the weather was lousy. There were quite a few boats so, despite the weather, it was a good opening day.

Commissioner Stiger also added that Marina Operations Director Jim Weber spent some time with Gary Allen, last week's citizen comment. Commissioner Stiger and Allen appreciated Weber for taking the time.

Commissioner Stiger attended the Mukilteo Waterfront Open House last Thursday at the Rosehill Community Center and there were over 200 people in attendance. It was very well attended, and a lot of input was gathered. The survey was very responsive, over 377 people have filled it out so far. As a result, staff have requested more time to review responses so the next workshop will be pushed out.

Citizen Comments

CEO/Executive Director Lisa Lefeber shared with the Commission that the Port did receive a citizen comment. There was a bit of a misunderstanding at last night's Port Gardner Neighborhood meeting with regards to electrifications and next steps with respect to greening the supply chain. The Port received an email from a neighbor asking for clarification in addition to the citizen on Zoom today. To begin greening the supply chain at the seaport all of the south terminal prepared for shore power. The Port is also preparing the new Norton terminal to allow shore power in the future and also studying electrifying Pier 3 which services the drydock. With respect to actually plugging the ships in, the industry has not standardized ship plugs yet and until that is ready ships will not be able to utilize shore power. The only vessels that have shore power in the state current are cruise ships and large cargo ships that stay in port for a long time. It's not that the Port is not making the investments, all the investments have been made, the Port just needs the guidance from the industry before the next step is taken.

Jean Satti-Hewat, Grand Ave, Everett 98201, submitted a letter to the commission; attached hereto and read the letter during the commission meeting.

CEO/EXECUTIVE DIRECTOR'S REPORT

South I-Dock Follow Up

CEO/Executive Director Lisa Lefeber gave a follow-up to the concerns expressed last week regarding South I-Dock. As Commissioner Tom Stiger mentioned, Marina Maintenance Director Jim Weber has been meeting with different tenants on I-Dock and has a good handle on the situation. It appears there is not a roof leak but more of an issue with condensation that has created the rust. There are temporary solutions that staff are working on and had the roof contractor out yesterday. Staff is looking at both short term and long-term solutions. The covered moorage is getting older, and it is millions of dollars to replace the covered moorages. Given the significant investments that the Port has made in different parts of the marina with the fuel dock, bulkhead replacement, the central marina improvements, K dock, P and Q dock in the south marina, north marina, boat yard expansion, etc., the Port has had to prioritize where the capital investment goes. One of the things that the Port is committed to is using the Port's programmatic dollars in the south marina to help make some of those improvements. There will be a plan for the commission, both on the maintenance side and long-term capital side, that will help keep track of these issues. The Port team can do some programmatic maintenance, as long as it's smaller scale.

SEAPORT MODERNIZATION

NORTON TERMINAL

KPFF Task Order Approval

Chief of Engineering and Planning John Klekotka reported Construction on the Norton Terminal development began in fall of 2021. To support the construction process, the Port is utilizing the design engineering team, led by KPFF Engineers, to provide construction phase support services. For this project, that was divided into cleanup-related and non-cleanup related support to facilitate tracking of costs for the purposes of grant funds provided by the WA State Dept. of Ecology.

Prior to beginning construction, it was assumed that more effort would be needed on the MTCA cleanup-related work. For the cleanup-related construction support (Task Order No. 16), the Port and KPFF negotiated a budget of \$506,791, and for the non-MTCA related work (Task Order No. 17), a budget of \$246,309. With the amount of non-MTCA related field changes that have been occurring, Staff transferred \$95,000 from Task Order No. 16 to Task Order No. 17, with no overall change to KPFF's authorized budgets.

However, as the project continues to progress, it now appears that work under Task Order No. 17 is ramping down, while Task Order No. 16 is increasing. As such, to assure that sufficient budget remains to provide both the cleanup-related and non-cleanup-related engineering support, Staff is requesting an addition to Task Order No. 16 budget of \$129,800. This will increase Task Order No. 16 to \$541,591. The budget for Task Order No. 17 should be sufficient for the remainder of the project.

This increase of \$129,800 is within KPFF's current total task order contract of \$3,900,000, so there is no increase in KPFF's total contract budget amount.

After discussion, Commissioner Tom Stiger moved that the Commission approve an amendment to increase the amount of KPFF's Task Order No. 16 for MTCA-Related Construction Support Services in the amount of \$129,800, including Washington State Sales Tax, bringing the total Task Order budget to \$541,591, including Washington State Sales Tax. Commissioner Glen Bachman seconded the motion. A vote was called for:

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

Motion carried.

Request for Strider Change Order No. 4 Approval

Project Manager Steve Hager reported Strider Construction was awarded the construction contract for Norton Terminal on August 10, 2021, in the amount of \$25,199,495.28 including Washington State Sales Tax (WSST). The Notice to Proceed was issued on September 2, 2021, and Strider began construction shortly thereafter. Work has proceeded continuously since then through the wet winter months.

Due to the nature of this project not only being a MTCA site but redevelopment of a previous 80+ year old industrial manufacturing plant, the contractor has encountered a number of unknown conditions. Three previous Change Orders totaling \$817,147.30 (not including WSST) included additional costs for stormwater management, waterline modifications, conformed plans following the Bid set, unknown steel and wood stave pipes filled with hydrogen sulfide, buried concrete vaults causing sinkholes, along with additional electrical duct banks and light poles.

The proposed Change Order No. 4, in the amount of \$3,766,262.78 (including WSST) includes expanding the cargo laydown area by adding 7-inches of new asphalt to the original two-inch asphalt area covering approximately six acres. Additional grading and trench drains are required to allow this area to tie into the current storm drain treatment system. Electrical modifications include upgrades to the transformer skid pad to meet operational needs, new communication, and light poles together with vaults along the northern property line to serve the lighting and security needs of the maritime tenant area and adjacent to the previously proposed PUD substation site. The asphalt work under this Change Order will be performed at the original unit price bid cost. The new contract amount would be \$29,886,753.00.

Upon discussion, Commissioner Glen Bachman moved that the Commission approve Change Order No. 4 to Strider Construction's contract, which increases the amount of the contract by \$3,766,262.78, including Washington State Sales Tax. Commissioner Tom Stiger seconded the motion. A vote was called for:

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

Abstained: None
Motion carried.

Construction Progress Update

Project Manager Elise gave a construction progress update on the electrical work, stormwater lift station, site grading, City of Everett combined sewer overflow work, and construction schedule.

WATERFRONT PLACE

Destination Retail Update

CEO/Executive Director Lisa Lefeber reported the Port has been working diligently on the destination retail in the south marina. It ties into the leasing that staff have been working on. There has been quite a bit of interest on the leasing front so hopefully within the next couple of months staff will be able to bring leases for consideration as part of the restaurant row and destination retail in the south marina. Lefeber reminded the commission that the south marina project, as part of the waterfront place project, is designed to tie in, through public spaces and buildings, the Marina Village, Port Gardner Landing to the central marina so the Port can make sure that the south marina continues to thrive and be successful as the Port moves into developing Waterfront Place as a whole. The Port has contracted with BCRA, and the commission approved working with them on a site civil on this because there is some utility work and realignment of some of the parking lots. Once majority of the buildings are leased out, it is expected the Schuster Group would exercise their option

Millwright Loop Pre-load – Authorization to Bid

Project Manager Brandon Whitaker reported the Port’s mixed used development, Waterfront Place, is transitioning to the second phase of development: the Millwright District. This district represents the employment center of the project. In order to prepare the district for future vertical construction by private developers, the Port must begin work on the new public infrastructure. The project includes the following elements: abatement and demolition of buildings and hardscape; construction of a new temporary road to convey public traffic to the western portions of Waterfront Place; installing temporary parking; place preload; and perform settlement monitoring of preload.

Commissioner Tom Stiger asked staff to communicate often with the central marina tenants since this is going to impact almost the entire central marina. CEO/Executive Director Lisa Lefeber has asked Public Affairs and Chief of Marina Jeff Lindhout to set up a meeting for central marina slipholders to give them an update as well as direct mailers.

After discussion, Commissioner Tom Stiger moved that the Commission provide authorization to solicit public works bids for the Millwright Loop Roads Preload project. Commissioner Glen Bachman seconded the motion. A vote was called for:

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

Motion carried.

DEPARTMENT REPORTS

Properties

Brooker Enterprises dba KayakShare – License Agreement

Real Estate Manager Tara Hays reported KayakShare is a current tenant/user operating a self-service kayak & stand-up paddleboard rental operation at Jetty Landing Park since June 2020. They are relocating for this one-year renewal term to Central A Dock where a kayak dock” is available.

The License Fee for the kayak dock is \$240 for the year plus 6% of the gross sales collected. The tenant will submit quarterly revenue statements with the percentage rent fee and will also pay their Washington State Leasehold Excise Tax.

Upon discussion, Commissioner Glen Bachman moved that the Commission approve the commercial License Agreement with Brooker Enterprises LLC and authorize the CEO to sign the license agreement, in a form substantially as presented. Commissioner Tom Stiger seconded the motion. A vote was called for:

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

Bluewater Distilling – First Amendment

Real Estate Manager Tara Hays reported Bluewater Distilling is a tenant in Suites 108 and 109 at the Waterfront Place Building on a current lease term through June 30, 2025 and occupying the premises since October 2014. Tenant has requested an expansion of the patio area. The patio area listed in the existing lease is 366 square feet and the Tenant has proposed an 1,111 square feet expansion for the remainder of the lease term.

Rent for the patio is starting at \$9 rentable square feet (rsf) per year with 2.5% increases year over year. The tenant will pay on 745 square feet for the first twelve months of the term in consideration of their investment in upgrading the patio area. The Port will receive gross revenue for the Patio of \$27,463.92 over the course of this lease and there are no commissions or other initial costs owed. The net effective rate is \$8.24 rsf.

After discussion, Commissioner Glen Bachman moved that the Commission approve the First Amendment to Lease Agreement with Bluewater Distilling LLC and authorize the CEO to sign the amendment, in a form substantially as presented. Commissioner Tom Stiger seconded the motion. A vote was called for:

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

Everett Yacht Club Update

Real Estate Manager Tara Hays reported in February, the Port was contacted by the City of Everett regarding Everett Yacht Club’s building permits. They had identified 27 corrections that were needed. In March, the Port met with the Everett Yacht Club to talk through those corrections and discuss a path forward. In April, Everett Yacht Club and the City of Everett met to discuss the corrections and actions that they could take moving forward which Hays attended as well. Everett Yacht Club has decided to move

forward with sprinklering the building in order to be able to use the building how they want which includes having a full-service kitchen, a bar upstairs and a large meeting area downstairs. They have received four bids for sprinklering the building, ranging from \$100,000-\$120,000 and will be deciding on the third Wednesday of May. They anticipate a November 2022 occupancy.

Executive Session

Commission President David Simpson recessed the meeting into Executive Session at 2:25 p.m. for approximately 15 minutes – to conclude by 2:40 p.m.

At 2:40 p.m. in open session, Port legal counsel Jordan Stephens announced that the Executive Session would be extended an additional 5 minutes – to conclude by 2:45 p.m.

At 2:45 p.m. in open session, Port legal counsel Jordan Stephens announced that the Executive Session would be extended an additional 5 minutes – to conclude by 2:50 p.m.

The purpose of the Executive Session was to discuss with legal counsel representing the agency potential or pending litigation to which the agency is, or is likely to become, a party.

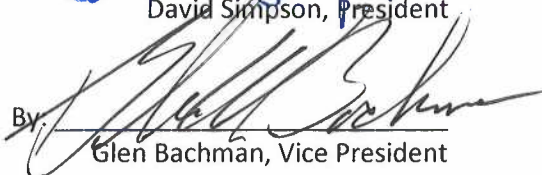
At the conclusion of the Executive Session, there was no action taken by the Commission and there were no announcements. The Regular Commission adjourned at the conclusion of the Executive Session.

THE REGULAR MEETING WAS ADJOURNED at 2:50 p.m.

APPROVED this 12th day of June, 2022.

EVERETT PORT COMMISSION

By: 
David Simpson, President

By: 
Glen Bachman, Vice President

By: 
Tom Stiger, Secretary

ORIGINAL



Port of Everett
Voucher Certification and Approval
for the month of
APRIL
2022

AP Claims Transactions		Total
Claim Checks Issued	91291 - 91389	\$2,049,294.43
P-Card Transactions		112,627.73
ACH Transactions	#1926 - 2013	3,127,754.97
Total Claims Check Register		5,289,677.13

Electronic Claims Transactions:		
4/6, 4/7, 4/8, 4/15, 4/20, 4/21, 4/27	Electronic Transfer - Health Equity/Navia/Guardian/Accrue CMS	\$19,456.10
4/14, 4/28, 4/29	Electronic Transfer - IRS	235,800.50
4/25	Electronic Transfer - WA St Dept of Rev	98,876.38
4/1, 4/4, 4/5, 4/12	Electronic Transfer - U.S. Bank	9,069.42
4/1	Electronic Transfer - U.S. Bank LOC Fees	4,753.47
4/14	Electronic Transfer - US Bank	7,706.54
4/29	Electronic Transfer - Paylocity	1,985.00
Total Electronic Claims		377,647.41
Total Claims		5,667,324.54

Payroll Transactions		
Payroll Checks Issued	Dir Deposit/Check	\$589,554.21
4/5, 4/12, 4/19, 4/26	PMA Payroll (Longshore Labor)	497,950.61
Total Payroll		1,087,504.82
Total Payments		6,754,829.36

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 10th day of May, 2022: See Attached

President

Vice President

Secretary

May 10, 2022

Dear Port Commissioners,

My fellow neighbors and I writing to ask you for relief.

When the Port decided to modernize and expand the South Terminal, my fellow residents and I in the Port Gardner neighborhood were very vocal about our concerns regarding the air pollution, noise and light pollution created by visiting container ships and the Terminal.

When ships are in Port, the exhaust and noise coming from their generators and engines blankets the area. It is particularly noxious in the summer, where often for days, it is difficult to breathe. In addition, the running of engines or generators throughout the days and nights makes it hard to sleep. It is akin to having a diesel truck parked outside your house, running constantly.

We were assured by Port authorities that those issues would be addressed when the modernization and addition of cold ironing were implemented, and ships in port would be required to "plug in". For years, when Port authorities addressed the neighborhood, we were told that implementation was imminent.

Last year we were told cold-ironing was installed and all that was needed was a standard to utilize it. Then, at last night's PGNA meeting we were told the future of this resource is still not available and there is no plan on when it will be.

We are asking you for relief from this toxic situation. The Port receives ever-increasing tax dollars from the residents of Everett, as well as grants from state and federal governments. Surely some of those monies can be used to institute cold-ironing and provide our neighborhood with clean air to breathe and relief from the running engines and generators.

Respectfully yours,

Jean Satti-Hewat and neighbors.