

**Minutes of Everett Port Commission
Special Meeting
April 5, 2023**

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

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

Commission President’s Report

The Greater Seattle Partners has been authorized to begin working on a global/national marketing program to bring development activity into the Seattle region to assist Pierce, King and Snohomish counties with their programs.

Commission Discussion

Secretary David Simpson reported that he recently attended an American Association of Port Authorities (AAPA) conference which provided the opportunity to meet with some of the congressional leaders, including Representative Rick Larsen and Hakeem Jeffries, the Minority Leader of the House. He also had the opportunity to go on the Hill with other AAPA attendees to advocate for port district interests with other members of Congress.

Simpson said that one of the main topics at the conference was the wind turbine work and indicated that many of the ports are interested in the cargo movement of this work but not the assembly of the turbines.

Commissioner Bachman said the conferences that AAPA holds are incredibly valuable and informative for port districts.

CEO/EXECUTIVE DIRECTOR’S REPORT

Seaport Modernization

CEO/Executive Director Lisa Lefeber reported that Staff is working diligently to close out the Norton Terminal project and expects to have the project closeout before the Commission in the next couple of months. The Port did have a visit from the Maritime Administration (MARAD) engineering team checking in on the Port’s Norton Terminal project. This team also checked out the South Terminal Modernization project because that project was completed during the Covid pandemic and, as such, they were unable to complete their review at that time.

On the Mill A Cleanup project, Staff submitted the Remedial Investigation and Feasibility Study to the Department of Ecology and Ecology has concurred with the Port’s recommendation for the preferred cleanup alternative. The Port does have some work to complete after reviewing comments from a potentially liable party, and Port Staff will continue to move that forward. Lefeber stated this is a step in the right direction to moving the cleanup into the permitting phase and thanked Port Staff for their hard work.

Mukilteo Waterfront Development

Executive Lefebber reported she was able to meet with the Mukilteo City Council and the Tulalip Tribe Board to brief them on the current status of the Mukilteo Waterfront Development, provide the artist renderings for their respective review, and present a path forward.

Overall, both entities seemed interested and receptive to moving the waterfront development forward. However, if the project were to begin now with an agreement, it would be several years before anything came out of the ground, so time is of the essence because permitting, planning and environmental review have yet to be done for the Mukilteo Waterfront.

Next steps include a meeting with the business side of the Tulalip Tribes to talk through possible agreements with respect to their property; Lefebber said she also sent information to the Mukilteo City Administrator and is waiting for feedback as to how to proceed.

Lefebber stated the quickest way to proceed forward is to have both parties rescind the 2016 agreements and renegotiate them based on today's current situation, especially with the NOAA property coming back to the Port; and then be able to move forward with clear roles and responsibilities as it relates to the various segments of the waterfront. Executive Lefebber said she is optimistic that teamwork and collaboration between the parties will prevail.

Upon discussion, Lefebber said that the NOAA property likely would not transfer until 2024 because NOAA has to get a contract with the General Service Administration and the an environmental review has to be done on the transfer. The Port is meeting with NOAA next week to find out more about the details for the transfer.

As a result of the interaction with the Mukilteo City Council and the Tulalip Tribes, the necessity for parking is paramount, particularly on the Mukilteo Waterfront. The parties cannot go forward with developing the waterfront in any meaningful way unless there is a parking plan in place. As part of the first area of focus, in addition to getting the partnership structure in place, is to advance a parking plan in Lighthouse Park to satisfy the parking demand while the parties work to redevelop the parcels on the waterfront.

President Bachman commented that the Commission needs to watch and make sure that all elements are put together correctly.

Citizen Comments

Mukilteo Councilman Tom Jordal thanked Staff for the work the Port is doing to push the Mukilteo Waterfront development forward. He favored interim improvements, the development of a phasing plan and the development of a partnership arrangement between the parties which is a key component.

Alex Crocco, Mukilteo, thanked Executive Lefebber for meeting with the Mukilteo City Council and said the artist renderings that were presented showed what could be possible. He also added that it would be important for citizens to be involved in the overall process.

CEO/Executive Director Comments

Executive Lefebber brought to the Commission's attention that a sinkhole was discovered at the Parklet in Mukilteo. The Properties team jumped on the problem and got it fixed right away. The Port will be doing some additional repairs next week as there is a large crack in the bulkhead that needs repair.

Lefebber reported that at the AAPA conference last week, both she and Commissioner Simpson were able to meet with several of the delegation representatives to talk about issues critical to the Port. One of the main themes around the port infrastructure currently is not only the changing market from the supply chain issues but also the emphasis on how to get port infrastructure ready to support renewable energy with offshore wind. There are a lot of conversations and movement around these topics as the seabed leases were just released in Northern California which puts the Port of Everett and Puget Sound in a good position to have some of that business in our region.

There were also several conversations around the Rail Rehabilitation Loan program reform. The Port of Everett was the first port in the nation to receive this loan but it comes with a very complicated reporting process. There needs to be reform as it is over burdensome for the type of loan that it is, and the Senate offices have acknowledged that it is difficult for agencies to report.

The Port also submitted a request for assistance with National Marine Fisheries and the permitting process/mitigation for maintenance projects. This issue is a concern for many people in the industry, not only ports, but also cities and counties. If the agencies are required to mitigate for infrastructure that has already been mitigated and built, a 30% cost increase will be added to a project resulting in the inability to recapitalize facilities. Lefebber said the Port has two, time sensitive critical permits under the maintenance category and the only way the Port is able to move the project forward is if the Port acquiesced to the agency mitigation calculator which would set the standard for the industry. Lefebber said the Port is getting the Congressional Delegation involved because it is turning into economic and safety liabilities given the type of Port projects in the works.

Lastly, on the Federal legislative side, Lefebber said she was able to meet with the Environmental Protection Agency (EPA) New Green Program Administrator who indicated the EPA was trying to get a handle on how to administer port related grants. Most port grants through the federal government come through the Maritime Administration and the EPA is trying to figure out how to move a green initiative forward while recognizing a port is a 24/7 operation and what is required to sustain its operation. Apparently, this past summer in Oakland, the port was told not to use their shore power because they were having rolling brownouts so the electrical grid and the capabilities and capacity of actually handling this electrification is in question.

On the State legislative side, unfortunately the Rail Incentive Credit did not make it through as the fiscal note was too high. However, the Port does have Model Toxics Control Act (MTCA) funding for its Mill A project in both the House and Senate budgets as well as some money for electrification at the Seaport in both budgets, between \$3 – 5 million. Unfortunately, the trail at Waterfront Place was not included in either budget.

Lefebber noted that the May commission meetings will be back on a normal schedule and will be held on May 2 and May 9.

Lefebber reminded the Commission that she and Carl Wollebek will be traveling with Boeing and Westwood Shipping Lines the middle of April to meet with shippers and will be reporting back to the Commission about the results of that visit.

Commissioner Bachman Travel Authorization

Executive Lefebber reported that Commissioner Bachman plans to travel with a trade delegation to Europe sponsored by the Port of Seattle for an offshore wind recruiting mission. Delegation members include representatives from Snohomish County, City of Everett, Port of Everett and the State Legislature.

Commission authorization is required for international travel for President Bachman and per the Port’s travel policy, he will be required to report back to the Commission on the status of his travels when he returns.

After discussion, Secretary David Simpson moved that the Commission authorize the international travel to Denmark in late April/early May of 2023 for Port Commissioner Glen Bachman. Vice President Tom Stiger seconded the motion. A vote was called for:

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

WATERFRONT PLACE

Millwright Loop Roads Phase 2 – Request Authorization to Bid

Engineering Project Manager Elise Gronewald reported that the Port’s mixed-use development, Waterfront Place, is transitioning to the second phase of development in the Millwright District, which is the primary employment center of the project, with some residential. To prepare the District for future vertical construction by private developers, the Port must continue work on the new public infrastructure and roadways. This project is the second phase of the Millwright Loop Roads capital improvement project and is a vital step towards bringing utilities and roadway access to the District in conjunction with development opportunities.

Gronewald explained that the project includes elements for Chamfer Street, Millwright Loop South, Millwright Loop North, Esplanade expansion, and Marina Parking lot construction as follows:

- Removal of preload material from Millwright Loop South, North, and Chamfer and placement on an extension of Millwright Loop South, Weaver and Sawyer Streets;
- Installation of all new water, sewer, storm, stormwater treatment systems, natural gas, communications, and electrical utilities throughout the roadway system;
- Paving the first lift of the roadways, paving of temporary trails, installation of new sidewalk and new lighting and landscape features;
- Further buildout of the esplanade along 14th Street, continuing the expansion done during the Pacific Rim Plaza project and the A17 project, including art and signage installation within the two vistas, and new seating and site furnishings throughout;
- Construction of two new marina tenant parking lots. These lots will be gated, new garbage enclosures installed, and conduit installed for future EV charging stations.

The Shoreline permit and the Construction Stormwater General permit have already been obtained for this project. The Port has submitted for a Public Works permit and is working with City Planning on a Floodplain permit.

The work to be done under this project fulfills obligations to LPC West to provide utilities and roadways for their parcels. The parking lots provide much needed parking upgrades and more secure parking for Marina tenants. Completion of the esplanade provides new public access features for all users at Waterfront Place.

The Port's budget for this Capital Improvement Program (CIP) 2023-2024 project is \$13.2 million. The current Engineer's estimate exceeds the budget. Approval of the bids may need to include an adjustment to the CIP budget to accommodate the project or adjustments to other projects within the 2023-2024 CIP program. In addition, Staff is researching options to reduce the cost of the project and seeking additional funding sources.

Bids will be brought back to the Commission and, if accepted, Port Staff will request Authorization to Award early in the summer of 2023. Construction would begin in early August and extend through 2024 with substantial completion by October 2024.

Staff is trying to mitigate the impacts to the boating community for the construction project with temporary access areas, a shuttle service for the boaters to get to their gatehouses to mitigate for parking disruptions during the construction, a dedicated website with information for boaters and informational reader boards. In addition, a meeting has been scheduled on April 12 for boaters to attend and get information.

Executive Lefeber added that the Port has tentatively scheduled June 29 to hold its general Open House for Waterfront Place as a whole.

Gronewald said Staff is recommending that the Commission authorize Port Staff to solicit bids for the Millwright Loop Roads Phase 2 – Infrastructure and Roadways project.

Upon discussion, Vice President Tom Stiger moved that the Commission authorize Port Staff to solicit bids for the Millwright Loop Roads Phase 2 – Infrastructure & Roadways project. Secretary David Simpson seconded the motion. A vote was called for:

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

Motion carried.

DEPARTMENT REPORTS

Department of Fish & Wildlife – New Lease

Properties Manager Tara Hays reported that the Washington State Department of Fish and Wildlife is interested in leasing Suites 227/228 at the Marina Village Office Building. The total square footage of the premises is 1,007 sq ft and their proportional share of the building will be 3%.

Rent for the premises is starting at \$15 sq ft per year. The agency will pay their proportional share of operational costs and utilities, plus Washington State Leasehold Excise Tax. They will not have a security deposit and they will make rental payments in arrears – this is due to the state policy. The Port will receive gross revenues of \$46,402.56 over the 3-year term of the lease. There are no tenant improvement charges and there are no leasing commissions owed.

Properties Manager Hays recommended that the Commission authorize the CEO to sign the commercial lease with the Washington State Department of Fish and Wildlife for the premises as described.

Commissioner Stiger noted a discrepancy in the suite numbers between the lease language and the Exhibit C floor plan – the lease indicates suites 227/228, and the floor plan indicates suites 228/229. Properties Manager Hays said the lease language for suites 227/228 is correct, and the floor plan is incorrectly marked.

After discussion, Secretary David Simpson moved that the Commission approve and authorize the CEO to sign the Commercial Lease with the Washington State Department of Fish and Wildlife in a form substantially as presented. Vice President Tom Stiger seconded the motion. A vote was called for:

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

Executive Session

Commission President Glen Bachman recessed the meeting into Executive Session at 1:00 p.m. for approximately 20 minutes – to conclude by 1:20 p.m.

The purpose of the Executive Session was pursuant to RCW 42.30.110(1)(i) to discuss with legal counsel representing the agency matters relating to potential litigation to which the agency, the governing body, or member acting in an official capacity is likely to become a party; and


At 1:20 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 1:25 p.m.

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

THE SPECIAL COMMISSION MEETING WAS ADJOURNED at 1:25 p.m.

APPROVED this ____ day of May, 2023.

EVERETT PORT COMMISSION

By: 
Glen Bachman, President

By: 
Tom Stiger, Vice President

By: 
David Simpson, Secretary