

EVERETT PORT COMMISSION
REGULAR MEETING
June 4, 2019

PRESENT:	Glen Bachman	President
	Bruce Fingarson	Vice President
	Tom Stiger	Secretary
	Les Reardanz	Executive Director
	Eric Russell	Chief Finance Officer
	Brad Cattle	Port Attorney

CALL TO ORDER: Commission President Glen Bachman called the meeting to order at 4:01 pm.

1. NOTICE OF PLANNED FINAL ACTION FOR ACQUIRING PROPERTY THROUGH NEGOTIATION OR CONDEMNATION

Executive Director Les Reardanz explained the reasons why the Port was considering moving forward with eminent domain for the acquisition of the Kimberly-Clark property in Everett.

The Port is statutorily authorized and directed to create economic opportunities and jobs. The acquisition of the Kimberly-Clark property would provide that important vital piece of public infrastructure/deep water urban port in public ownership for the next century. The reason ports were formed in 1911 was exactly for this piece of property. At that time, ports were single use and did not serve a wide range of cargoes. To serve a broad range of trades in industries, the Washington Public Ports Act was created which was designed to create public ownership of these parcels of land that are of vital public interest to transportation, to trade, and to the future of communities.

The Port is, under the Public Ports Act statute, a steward of public infrastructure, and deep-water urban ports. To that extent, the legislature has designated and found that ports involved in international trade are facilities of state-wide significance under state law for that very reason. The Port of Everett has been statutorily directed under state law for economic development – that is why it has been so important to have the K-C property under public ownership for the future of the community. The Port is publicly owned, and it is accountable to the public with three elected commissioners; it is statutorily directed to do economic development, and that is what the mission is – to provide predictability and stability for the community for the next 100 years.

Last year, over \$21 billion in exports went through the Port's custom's district. The Port serves a broad range of industries in the most trade-dependent state, and in a county where 60% of its jobs are tied to trade. With the inclusion of the K-C property, the deep-water complex of the Port on the working waterfront will keep continuity between the Navy and the Marine Terminals. That marine deep-water urban area supports over 42,000 jobs, over \$500 million in state and local taxes, and an average annual salary of workers over \$86,500 per year. It is vital that the Port keeps this going in that direction.

Port ownership does not foreclose private options. The Port routinely works with private industries such as Fed Ex, aeronautics technology companies, Motor Trucks, and others at the Riverside Business Park.

Kimberley-Clark is an environmentally complicated and complex property. The Port could work to fix the contaminated property and put it back into productive economic use such as it has with the Riverside Business Park, Waterfront Place Central, the Marine Terminals (Pacific Terminal and South Terminal) – just to name a few. That is part of the Port's expertise.

The Port's goals for the K-C property include making sure that the Port acquires the property in a way that allows the site to be preserved for industrial land that takes advantage of the deep-water access in support of international trade and Naval Station Everett. The Port needs the property for its expansion over the next 100 years, and to take advantage of the Marine Highway that the Port has been designated to link the northern part of the Puget Sound with Seattle and Tacoma to move goods to allow for expansion and jobs in this area. The Port also wants to ensure that it has compatible uses with Naval Station Everett, and the City of Everett with what they have going on along with the seaport. The acquisition also aligns with the Port Commission's objectives of cleaning up the waterfront and restoring jobs that were lost when the K-C property closed.

Les read Resolution No. 1127 into the record. A copy of Resolution No. 1127 is attached hereto and made a part of the record.

The Port has been negotiating with K-C since they closed the Mill in 2012, including informal purchase offers in 2012/2013, working with Foss and Saltchuck on a real estate deal in 2013-2015, and in 2015 the Port offered to lease the property with an option to purchase that was rejected without comment by K-C. In 2016, the Port Commission authorized continued negotiations and potentially condemnation. In 2017, the Port purchased 2.2 acres (the parking lots) from K-C, and the Port has continued to talk with K-C throughout 2018-2019. This has been a long-standing process that the Port has been involved with in trying to come to a solution to acquire the property.

There may be an issue for some that the Port is not on the property tax rolls. However, leasehold excise tax was created to make up for property tax by publicly held properties which goes to the state for distribution to local agencies.

It is important to note that there have been Facebook ads that have been trying to generate some negativity towards the Port. This is an example of the attempt to try to drive a wedge between the Port and the community rather than working productively to try to make this work for everybody.

Les Reardanz emphasized that the K-C property is a deep-water public asset that is in a strategically significant location on deep water of an urban port that is next to a federally secured Naval Base. It needs to be managed by a public entity that is accountable to the public for the next century. That is why ports were created, and that is why the Port exists and needs to own the property.

Port attorney Brad Cattle stated that this meeting on condemnation is being held pursuant to RCW 8.25.290 and is intended to be an opportunity for the owner of the property to hear from the Port as to why the Port is proceeding ahead with its Planned Final Action. The Port Commission is giving the property owner an opportunity to provide input to the Commission concerning the potential for condemnation of the property. The Commission has also indicated it wants to hear from any members of the public that want to make any statements to the Commission. The statute doesn't require public comments, but the Commission has indicated that it is interested because there has been discussion in the community about this.

Commissioner Bachman asked the property owner for comment on the potential condemnation of the K-C property.

Brian Lust of Kimberly-Clark, resident of Everett, explained that Kimberly-Clark has chosen not to take any official position on this matter and has chosen not to make an official statement.

Commissioner Bachman opened the meeting for comments and explained there would be a 3-minute limit for each speaker.

Ron Kennedy, Everett, represents several maritime businesses in the Everett area and indicated that collectively, they are in favor of economic development. The intended use for the K-C property should be a facility that needs the deep-water port area and a facility useful to the United States Navy where there would be a certified dry dock and a certified shipyard which would also work on commercial vessels.

Miguel Perry, Carpenters Local 70, provided comments in favor of increased jobs and growth and wants to see more prevailing wage jobs in Everett.

Charlie Atkins, representing Brian Sullivan of the Snohomish County Council and others, read a letter into the record cautioning the Port in proceeding with eminent domain for the acquisition of the K-C property. A copy of the letter is attached hereto as part of the record.

John Mohr, Mukilteo, former Executive Director (retired - 2015) of the Port of Everett, underlined the comments made by the Executive Director regarding the time that the Port has been involved in trying to put the K-C property back to work. When John Mohr received a call in 2011 from K-C saying they were about to announce the closure of the facility, he met immediately with the Mayor and they made contact with K-C and worked to try to put the property back into productive use. This dialogue had been continuing throughout his tenure at the Port in trying to move this process forward. Not only does the Port have an extremely good track record in redeveloping contaminated property and making it work, the Port uses the highest environmental standards in order to accomplish that work. Because the Port will be here another 100 years, it has to make sure that that property is clean to be able to use it multiple ways and to that end, the Port of Everett has received local, regional, state and international recognition for its environmental efforts. To the extent that this community wants to see the property cleaned up for their children and grandchildren, and to be able to stop the pollution that is going into the East Waterway, it is clear that the Port needs to move forward with its ownership so that in fact the property can be made as clean as possible for the future use. Next, the Port has been focused for many years on the support of the Boeing Company and the Navy going forward and the Port's ownership will absolutely protect these entities.

Mark Hoekendorf, President of ILWU Local 32, Everett, commented that Everett was founded on the waterfront and has been referred to as the "City of Smokestacks" – and industry that was booming on the shores. Over the last few years as the City of Everett has been growing, industry on the docks has been less and less. In 2012, when K-C shut its doors, a legacy died; however, there is still an important legacy in Everett. At this meeting, there are 2nd, 3rd & 4th generation longshoremen who still work at the Port and who are a highly skilled labor force that load and unload various cargoes. Pacific Stevedoring and Glacier Fish Company want to relocate to the former Mill site. This is just not in the best interest of the men and women who are already employed. They want to relocate jobs that already exist and that don't employ people year-round, taking away from the people who already hold jurisdiction and employment on the docks. With the closure of Kimberly Clark, the City of Everett lost 700+ jobs. Port acquisition would provide and create more jobs with family-based wages and benefits. Port acquisition of the Mill site will strengthen the community and its economy by providing more work and job opportunities for other local businesses and entities from which to benefit. The Port of Everett currently supports more than 42,000 jobs directly and indirectly, with the potential of bringing in so much more. The importance of the Port having this property is extremely vital. With capacity being reached on the Marine Terminals, the Port is having to turn away work. The property needs to be in the hands of the Port so that a sustainable work environment and growth can be established. Over the last few years, the ILWU in Everett has had two Mayors who have stood in the dispatch hall and told the longshoremen to their faces that they support the Port's endeavor of trying to purchase the K-C Mill site, and then asked for the longshoremen's endorsement which they proudly gave. Now all of a sudden, one Mayor remains somewhat quiet on the matter, and the former Mayor

has turned heel and now says he doesn't support the Port, which is a big slap in the face and a slap to the brothers and sisters who are at this meeting. Mark strongly urged the Port Commission to move forward with acquisition of this property.

Rob Bohlman, Senior Vice President, Jones Stevedore Company, commented that Jones Stevedoring has worked closely with the Port since its formation in 1918. In Puget Sound, Everett is unique in the investment and commitment to support breakbulk cargo. The Commission and Port Staff have shown great leadership and vision in growing the Port. The Port has made substantial investments in mobile cranes, equipment, infrastructure and a large local skilled pool of Longshore labor. As a result, the Port of Everett is currently the preferred destination in Puget Sound for project and breakbulk cargo; however, the Port is constrained by the lack of land. Just this week, Jones Stevedoring had to tell a customer that there wasn't enough room for their ship. The acquisition of the K-C property would solve that type of problem and provide land today and in the future for continued growth. The Mission of the Port is to provide a platform for international trade and commerce. The platform the Port provides is the Port Facility and the infrastructure, and that supports the economic vitality of the community and its partners such as the Longshoremen and the Stevedores. Jones Stevedoring is a close partner with the Port of Everett and we depend on your investment to help Jones to continue to attract business to the area. The Commission has a unique opportunity now to help grow the Port, and this is not an opportunity that will ever likely happen again.

During the past four years, Rob Bohlman said he's had multiple conversations with customers all around the world who are very interested in using the K-C property. He urged the Commission to move forward with acquiring the property.

Mike Deller, Mukilteo, former Executive Director of the Port of Everett, said that the Port is one of the most economically productive deep-water ports in the state, and has a world class Marina and waterfront development that is truly a powerful economic development engine. And, there is a lot more on the horizon with the South Terminal and the next phases of Waterfront Place. These types of activities are the charge of port authorities originally chartered by the State of Washington to be special purpose districts tasked with economic development governed by commissioners. In doing so, the Commission has the authority and the resources to develop and redevelop these challenging waterfront sites – such as the K-C site. These challenging decisions are typically the ones that move the needle. Deller commended the Commission for having a thorough process on this, including the public input. Mike Deller said that he believes the Port of Everett is best suited to address these issues with the contamination on the waterway, on the uplands and move ahead in an expeditious and well thought-out manner.

The Port has the ability to provide the uplands cleanup, the dredging, the environmental protection, public access, Navy security, community relations and all of the intergovernmental relations at the local, state and federal level that the Port needs to go through to get this property cleaned and moved ahead. Mr. Deller said the Port is the appropriate entity with the authority and the plans to move ahead, in working with the city, the state, the Navy, the local unions, Corps of Engineers, Department of Ecology and others; the Port is best suited to do so. Mike Deller encouraged the Commission to take the positive action through the resolution that was presented today.

Robert Carkeek, 2316 Grand Ave., Everett, provided comments in favor of livability for the future of Everett in terms of education, the development of parks, and creating a destination for families to live. For the future, he believes the economic viability is creating a livable community.

Max McAllister, 2620 Grand Ave., Everett, commented that the Port would be able to manage the property properly and Port ownership of the property would also benefit the Navy. Mr. McAllister said he has been the target of random "survey" calls about the 700 jobs the private company would bring and also questions about the efforts of the ex-Mayor which he said felt like a "divide and conquer" campaign.

Kenny Hudson, ILWU Business Agent, said he represents over 120 workers and throughout his years on the waterfront, he's been attending these commission meetings for about 25 years and he's never seen a time where there has been such an important issue before the Commission. As previously discussed, deep-water ports just don't "show up" – you don't make them – they are here, and you have to develop and work accordingly. With that being said, he encouraged the Commission to press forward. The Port has been stonewalled in its efforts to try to work to acquire the K-C property and there has always been impediments blocking the path forward. He encouraged the Port Commission to move forward with the process to acquire the property and put it back into productive use so that there can be more work and thus more people employed. Ken Hudson encouraged the Commission to push the stumbling blocks away and move forward, and the Port has the support of the ILWU in that matter.

Jim Johnson, President of Glacier Fish Company, commented that Glacier Fish Company has been operating continuously and profitably for 37 years and is one of the pioneers in the north pacific fleet in Alaska, and its operations have been homeported in Seattle continuously since that time.

Glacier Fish Company (Glacier) is an American company, and each year the company must sign an affidavit for the U.S. Maritime Administration certifying its American citizenship. According to Mr. Johnson, the largest owners of the company are the founding family and Alaskan Coastal Villages that have a corporation named Norton Sound. The Company has invested continuously in its business and ships and has been involved in the modernization of the port in Dutch Harbor, Alaska.

Glacier Fish Company believes in the concept for the K-C site, which in its entirety is a wharf, a cold storage terminal, value added food processing and a Marine Industrial Park in support of the north pacific fleet. The vessels that Glacier owns and operates and that will be calling this port are some of the most complicated ships on the planet in terms of systems, integration and automation, and the people that support them are highly skilled. The jobs envisioned for the site include 150 in manning the cargo operations and the cold storage terminal, 700 jobs on the fishing boats that Glacier owns and manages along with associated land side service, administration, engineering, support and sales, and the shipyard that is conducted pier-side. The existing building will support value added food processing, the potential for headquarter service and support of the same, and Glacier has had advanced discussions with many of the key vendors who want to relocate there which represents 405 jobs.

In closing, Mr. Johnson said that Glacier has a vision for the site, a negotiated purchase and sale agreement, a mountain of due diligence that has been completed to understand the risks and the path forward, understands the unique challenges and Glacier is asking that the Port support its plan for the site.

Andrew Murphy, owner, Pacific Stevedoring, indicated that he resides in Dutch Harbor, Alaska and has worked in the seafood industry mostly on the stevedoring side. He has also worked on and developed many of the terminals in Dutch Harbor. Pacific Stevedoring also works in Texas and has a good working relationship with the ILA; and the company works in BaySide, Canada, and has a good working relationship with the St. Croix union. The jobs that Pacific Stevedoring provides are family wage jobs ranging from \$70k to \$150k annually.

Mr. Murphy said he's been working on the K-C transaction since 2015, and so far, has successfully gotten 20 acres under contract with a lease and option to buy. He said he shares everybody's frustration with how difficult the K-C property has been to address. Pacific Stevedoring has been meeting with the Navy and the Navy knows about the plans and has approved of them. Mr. Murphy said they have diligently performed all they have been asked to do, and now they have been thrown this curve ball of eminent domain.

Ray Stephanson, former Mayor, Everett, said a year ago, he was approached by Pacific Stevedoring about their plans for the K-C site and said he was very blunt with them about the challenges surrounding the cleanup and development of the site. Some time passed since those initial discussions last spring and in the fall, Mr. Stephanson said he signed on to help Pacific Stevedoring develop their plan for the site. Stephanson said that their plans for the site, the interest in the maritime industry throughout the northwest, a private ownership of this property with Glacier and Pacific Stevedoring and others that will come, will give the community an opportunity to diversify the economy.

Mr. Stephanson said that the \$100 million investment that is being proposed by Pacific Stevedoring and Glacier (his clients) will not happen in public ownership. Conversations have started and he believes the clients in good faith will work with the Port to ensure the challenges that the port faces can be addressed. These are honorable people and what they say, they mean. He asked the Port not to move on condemnation today. At the very least, he asked that the Commission to please consider allowing dialogue and discussions to continue between the Port and the clients. The industry could provide many export jobs in the future. This is a significant opportunity.

Sharon Rahouse, Everett, commented that the Port is not a working port anymore such as it was 50 years ago. She would rather see industry at the Port and not the hotel development with low paying jobs. Ms. Rahouse said she worked for the Snohomish County Assessor's Office for 30 years as a commercial heavy industrial appraiser, and when Les Reardanz said the leasehold excise tax would make up for the property tax, she said it would not – as that is tax on improvements only and the value is in the land and that would be exempt. The rest of the residents in Everett will be making up for that loss of revenue.

Craig Johnson, Everett, said that he was against the “taking” of the property for eminent domain by the Port and would love to see the Port with industrial type jobs, carpenters, mills and stevedoring. When the Port winds up with a piece of property, that is not necessarily what happens. Taking that property off the tax rolls, the infrastructure, the improvements, the fire and the police, is all born by the tax payers. He would rather see industrial type jobs. He asked the Commission not to acquire the property.

Greg Lineberry, Everett resident, commented that Mr. Henning Strom is a person he's most admired after serving in World War II, and after some time working for the postal service, Henning worked at Scott Paper. He was a union member, had a wife and two children, and earned a good living and supported his family. His granddaughter lives in Everett and works as an engineer at Boeing. Henning was one of the 700+ people that worked at Scott Paper. Mr. Lineberry said after his own military service, he worked at Weyerhaeuser Pulp Mill in North Everett where he also earned a family supporting wage. This was a stepping stone for him to become a police officer where he has served for 30 years, also as a union member and having a good family supporting wage. The losses of companies such as Scott Paper, Nord Door, Weyerhaeuser Pulp and others have serious consequences as they impact the lives of the youth of the community and families in ways that many of us ignore. The Port has an opportunity/obligation to see that these job losses are restored – not through plans that provide 20 jobs or 50 or 100 jobs – not through plans that create jobs in Kent or Olympia – the Port has the opportunity to allow the development of this land through businesses that will generate badly needed tax revenues for our schools and community. This land that can be the creation for several hundred jobs here and now. He opposes declaring eminent domain to acquire the property.

Don Hopkins, former Port Commissioner, provided comments in favor of the Port acquiring the K-C property through eminent domain.

Greg Tisdale, Everett resident, said he was here to encourage the Commission to vote in favor of adopting Resolution No. 1127 to secure the K-C property through eminent domain. It is time to move on – it is not a last-minute deal as indicated by a couple of the speakers. The deep-water access of the property should be owned by the Port. Mr. Tisdale encouraged the Commission to move forward with the resolution and get the longshoremen and other folks more work for the next 100 years.

Aaron Shurtz, Everett, said he is a first-generation Longshoreman, and blessed to be able to work on the waterfront in Everett for over 10 years. The Port has fought for jobs in Everett. The fact that there is property to tap into to expand the port that we already have is a blessing. This is a once in a lifetime opportunity. The work that the Longshoremen do is diverse and amazing, and also with the Port, they work very safely. He said working with the Port, safety is No. 1, but with that we can also get things done. We are a port that has a lot of skilled laborers and the men and women that work at the Port are amazing and he hopes that his children get a chance to be longshoremen in their lifetime.

Matt Newland, Everett, commented that it has been hard to watch over the past 20 years as many businesses have vacated the City of Everett to relocate in other areas. He would like to see more business come back to Everett. K-C is vacant and ready for development and the proposal would provide 700 construction jobs over the next three years. He said he believed the project should be allowed to move forward. “A fish in hand is worth two in the sea.”

James Mies is a resident of Snohomish County, a commercial fisherman for 35 years, and is a prominent member of the fishing community and is the commercial fisheries representative to the Puget Sound Harbor Safety Committee and sits on the board of the North Pacific Fishing Vessels Association, and a board member of the Washington State Maritime Cooperative. Mr. Mies said the entire fishing industry has been built up in Ballard and Seattle and currently they are being crowded out by cruise ships, bike lanes and Expedia. Seattle is no longer a hospitable home for the fishing industry and the entire fleet is looking for a deep-water port where they can make their new home. Many of their vendors that support them with their maintenance needs have already moved to Snohomish County and live in Everett and Marysville. Pacific Stevedoring and Glacier Fish Company have the capacity and the resources to develop the property and to create working class jobs in the heart of Everett.

Mary Rawlins, Everett, commented that the Navy hasn’t always been here, and it might not always be here. As a homeowner, these extra funds that will be required will likely end up being taxes for homeowners. The Port would never “draw” her to this area such as parks would. She encouraged the Commission to take a long view in how to move forward for this town, and for this future as there are real issues to consider.

Jim Langus, Everett, said the Port should acquire the K-C property. This is not a new position for him, and he supports the Commission approving of the resolution. The Port of Everett has enjoyed excellent success in developing and managing its maritime cargo and seaport business. The Port has an international seaport and relationships with many respective companies. The 2019 budget confirms the commitment for the Port’s future with construction on the South Terminal to expand piers and create dock space to prepare for the 21st century berthing of larger vessels. The Port needs to own the contiguous property to support job growth associated with trade and the opportunity to link the property with the working waterfront. The maritime ship and cargo handling on this site should be longshore work.

The Port has history with taking contaminated property and putting it back into productive use – such as the Riverside Business Park. The same should occur with the K-C property. Port ownership will determine the use of the property for future generations ensuring stability and predictability.

The City considered a waterfront plan with zoning in 2013 and citizens, including Lonshoremen and Port officials attended, and they testified at the hearing against rezoning the property and to retain the M-2 zoning with deep-water use. The Council agreed and determined that the K-C site should provide for deep water use to support maritime business and jobs.

Finally, with respect to the City's need for K-C's clarifiers and treatment facilities, I completely agree that the City's Public Works Department should have those treatment facilities. It is not appropriate to have public access as a part of this acquisition. Public Access on the K-C site presents conflicts.

Al Favre, All Ocean Services, Mukilteo, is a tenant at the Port. With the expansion of Kimberly Clark, it will enhance the ability to grow their business and to participate in the expansion of the Port's footprint in the area, and for the next 100 years. He supports the Port's acquisition of the property.

Comments were concluded.

Commissioner Bachman said that he has received many comments encouraging the Port to move forward with the acquisition of the K-C property. As a steward of natural deep-water assets and the economic prosperity, the Port has a responsibility to secure the vacant property and assure the support for international trade and the needs of public partners now and into the future. As Port Commissioner, the Port plans to provide near-term and long-term job growth which is the key to resolving the site's improvements, impairments and putting the strategic maritime asset back to productive use. It is also noteworthy that according to an independent economic study, the Port's ownership would support more than 950 direct jobs, and an additional 700 indirect and induced jobs.

The Port has a history of investing and working with contaminated properties and putting them back into productive use such as the Mukilteo Tank Farm, the South Terminal, Waterfront Place, the Riverside Business Park, Bay Wood and the Blue Heron Slough.

Commissioner Stiger thanked all the participants and encouraged Port Staff to take a good look at some of the comments and suggestions as the Port proceeds.

Commissioner Fingarson thanked everyone for attending and their comments as they were very insightful. The Kimberly-Clark Mill site is a crucial part of the Port's future and for the community. The Port of Everett remains committed to working with Kimberly-Clark to proceed fairly with all of the issues in transferring the property.

Commissioner Tom Stiger moved that the Commission adopt Resolution No. 1127 (2019) as presented. Commissioner Bruce Fingarson seconded the motion. A vote was called for:

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

Motion carried.

2. CEO/EXECUTIVE DIRECTOR'S REPORT

July Commission Meetings

Les Reardanz noted that the July meetings are currently scheduled for the 2nd and 9th of July, and historically the Port has had one meeting in July. Staff is recommending that the regular meeting be held on July 9, and to cancel the meeting scheduled for July 2. The Commissioners concurred.

Blue Heron Slough

The Consent Decree is now filed with the Court and moving forward for Blue Heron Slough construction.

Commissioner Stiger mentioned that during the public comments, two or three comments were made about the leasehold excise tax in lieu of property tax matter and asked Staff to provide a clarification on the subject. Eric Russell said he would report on the matter.

3. INITIATIVE TWO: WATERFRONT PLACE CENTRAL

Sea Level Properties Update

John Shaw of American Classic Homes (ACH), and representatives of Graycorp and Sea Level Properties provided an update on progress for their apartment project at Waterfront Place Central. The property has been purchased, all building plans have been completed, the permits are final and ready to be picked up at the City – the public works permit is already in hand – The GMP contract has been finalized with the general contractor, who is a prevailing wage contractor. To date, approximately \$8 million has been spent on the project. On May 28, 2019, the company received a letter from the Department of Housing & Urban Development (HUD) indicating that by June 18, the project should be through the National Loan Committee to a firm commitment. The letter further details that the early work plan should be approved. Once the early work plan is approved, ACH will be able to mobilize and start a construction schedule by the end of June. Should that early work plan be delayed, there would probably be a 30-day construction start, so worse case, it would probably be towards the end of July. Within the next 30 – 60 days, the contractor will be mobilized and in the ground.

ACH is very excited to begin the project. Graham Construction is the name of the general contractor. Commissioner Fingarson inquired about the HUD lender. John Shaw said that part of the HUD process is that the project cannot be commenced until ACH has received the official go ahead from HUD. Based off of the May 28 letter from HUD, June 18 is when they anticipate having firm commitment and approval of the early work plan.

4. DEPARTMENT REPORTS

Marine Terminals – Travel Report

Chief Operating Officer Carl Wollebek reported that he recently traveled to Asia on May 17, 2019 with Eric Warren of Formark and others to try to find out what was going on with the slow log market. The Chinese only have a 5% tariff on logs, so the tariffs have not been the problem for the down-turned log market. Carl learned there was a beetle infestation in Europe, and a huge hurricane that damaged/destroyed the spruce trees throughout most of northern Europe resulting in a huge quantity of surplus spruce trees that no one knows what to do with; they are basically giving the trees to the Chinese. The Chinese aren't big on quality – they use the trees for caskets, concrete forms, etc. It could be up to a few years before things turn around. A pretty big chunk of the market has been lost and the Chinese also continue to buy from New Zealand which is a different log and cheaper.

Unfortunately, this was not a very positive trip. Trump's tariffs are hurting the Chinese more than they are hurting the U.S. The Chinese have to manufacture what they are shipping to the U.S., so every time the tariff is raised, there are less people working over there and they are actually shutting down factories.

Carl also went to Japan and checked in on the Port's aerospace partners. Boeing has not announced when they are going to do their first test flight for the 777X. The Japanese didn't know when the test flight would be, but the sooner they get the plane up and running the better.

Carl said he also spent some time in Canada regarding energy projects which is starting to look positive.

On another note, the cranes should now arrive at Pier 3 North on June 10 or 11 as they ran into some bad weather delaying their arrival.

Marina Auction Report

Marina Director Jeff Lindhout reported that the boat auction on May 15 was very successful. There were 8 boats, an outboard motor, jet ski, dock stairs, kayaks and miscellaneous gear that sold. There were two boats that did not yield any bids, so one will be demolished and the other one has a tentative post auction sale. The total sale less the fees was in the amount of \$10,000. The Marina will likely hold another auction in the fall.

Projects Update

On-Call Material Testing & Inspection – Request for Contract Modification

Chief of Engineering & Planning John Klekotka said in order to assure that the quality of materials installed on Port projects meets specification requirements, and to monitor contractor field activities, the Port has in the past hired material testing firms under on-call material testing and inspection contracts. In April 2017, the Commission authorized Staff to undergo a competitive selection process, and in October 2017, the Commission approved the on-call contract with GeoTest Services, Inc. in the amount of \$500,000 and for a term of 5 years. In January, the Commission approved a Staff request for an additional \$200,000 in contract capacity under the on-call contract.

As of the end of May 2019, Port Staff has executed 22 individual task orders with GeoTest ranging from as little as \$1,000 up to just over \$426,000 for the S. Terminal Wharf & Electrical Upgrades Phase 2 project. Eleven task orders are now closed, and 11 more remain currently active, with the total amount authorized in the amount of \$673,587. Staff is concerned that current and upcoming projects may require significant levels of effort which might exceed the contract capacity of \$700,000. With the amount of construction currently underway, and with needed monitoring of unknown on-going work on the So. Terminal Wharf Upgrades project, Staff is concerned about possibly exceeding the contract capacity, and is therefore recommending an addition to the contract of \$300,000, raising the total maximum fee under the contract to \$1,000,000.

Staff is requesting an additional \$300,000 in contract capacity under this on-call contract. Costs for services under this contract are budgeted under the individual CIPs for which the work is performed.

Upon discussion, Commissioner Tom Stiger moved that the Commission authorize contract modification No. 2 to the 2017 On-Call Material Testing & Inspection Contract in the amount of \$300,000. Commissioner Bruce Fingarson seconded the motion. A vote was called for:

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

Motion carried.

Commission Discussion

Commissioner Bruce Fingarson said that at a recent Washington Public Ports Association meeting, they used the Port of Everett as an example of how to do things right in several different categories, such as environmental, business development, the Marina, and the Port's niche work at the Terminals. Commissioner Fingarson said it made him very proud to be part of the Port of Everett.

Citizen Comments

There were no further Citizen comments.


No Executive Session was held.


THE REGULAR MEETING WAS ADJOURNED at 6:52 p.m.

APPROVED this 9th day of July, 2019.

EVERETT PORT COMMISSION

By:


Glen Bachman, President


Bruce Fingarson, Vice President


Tom Stiger, Secretary

Tuesday, June 4th, 2019

Port of Everett Administration Office

1205 Craftsman Way #200

Everett, WA 98201

Dear Commissioner Bruce Fingarson, Tom Stiger, and Glen Bachman,

We are writing to urge caution on proceeding with the consideration of condemning the Kimberly-Clark property through eminent domain.

The Kimberly-Clark property has an important legacy to our community – one that is complicated by how long the location has sat vacant and undeveloped. The top priority with this site should be the expeditious restoration of jobs and economic activity while maximizing its highest and best use. The opportunity envisioned by the private sector ownership group is one that would achieve exactly that – bringing conservative estimates of 1,200 family-wage jobs, and transforming Everett's waterfront into a maritime commercial hub, capable of attracting business and commerce from across the region.

This increased activity would benefit all interests along the waterfront: it would bring more jobs and lure more companies to our city, it would increase cargo activity through the Port, and it would provide a substantial tax revenue base for the city.

The private ownership group's plans to invest \$100 million to restore the property ought to be welcomed by the Port. We understand the vital role the Port of Everett plays in driving economic prosperity in our region. With that, we would encourage a dialogue and exploration of a public-private partnership between the Port and the private companies, to balance the needs of the waterfront and strategically plan for our region's future growth. We fear that proceeding with eminent domain would instead risk a transformational economic development opportunity for Everett's waterfront.

The private sector plans represent an opportunity to attract a significant piece of Washington state's \$37.8 billion maritime and seafood sector to the Kimberly-Clark property. We can't afford to have this asset lay dormant for any longer and we strongly encourage your reconsideration of using eminent domain.

Regards,

Brian Sullivan, Snohomish County Council*

Greg Lineberry, Citizen

Hillary Morales, Chair of the Snohomish County Democrats*

Leonard Kelly, Secretary-Treasurer of the Snohomish County Labor Council*

Alex Lark, Citizen

*Denotes organisation & title is for identification purposes only



June 6, 2019

Dear Mr. Reardanz,


This is the City of Everett's formal comment regarding the upcoming public hearing on June 4, 2019, in which the Port Commission is scheduled to consider legal proceedings to acquire by condemnation the 67-acre former Kimberly-Clark (K-C) mill site. This comment only concerns site cleanup and utility issues. The City's longstanding general position regarding the KC mill site -- that the City wants to see good jobs return quickly -- need not be repeated here. That said, the potential private purchaser of the KC mill site apparently has a plan for re-development and jobs. I assume that, if the Port were to take the extraordinary step of using eminent domain for such a significant waterfront property, the Port would first publically share with the community its specific plans for the site.


With respect to cleanup and utility issues:

First, as the Port is aware, a long-term priority of the City has been the cleanup/removal of the concrete and other debris from the K-C mill site. The City initiated litigation against K-C several years ago and has committed substantial resources for that purpose. City permits necessary for this work have been issued, and all indications are that K-C will begin the work this summer. Considering the high priority that this cleanup/removal work has had for the Everett community, it would be troubling if a Port condemnation action were to stop or delay this long-awaited work. Presumably, if the Port does elect to proceed with condemnation, the Port will publically commit to take whatever action is necessary to keep this debris cleanup/removal work on schedule.

Second, the City has entered into a purchase agreement for the northern approximately 8.8 acres of the K-C mill site. This purchase is scheduled to close this summer. This purchase will include the utility infrastructure on that 8.8 acres, along with easements for pipeline connections along the eastern edge of the K-C mill site, together with public access on a portion of the 8.8 acres. Further, the purchase agreement contains arrangements for work this summer on the K-C mill site to abandon the PSO4 pipeline. As the Port is aware, the City has been working on this purchase with K-C for many years, reaching back to the time of the mill closure in 2012. This purchase is critically necessary for the City's stormwater and wastewater systems, which must be brought into compliance with certain Department of Ecology Agreed Order requirements by 2027. My understanding is that Port administration is no longer recommending condemnation of that 8.8 acres, which the City appreciates, as Port condemnation of the northern 8.8 acres could create

Office of the Mayor
CASSIE FRANKLIN

 2930 Wetmore Ave., Ste. 10-A
Everett, WA 98201

 425.257.7115
425.257.8729 fax

 everettwa.gov

complications and risks of delays and increased costs, and might require the City to take steps to protect its ratepayers' interests.

Sincerely,

A handwritten signature in black ink, appearing to read 'Cassie', with a stylized flourish extending to the right.

Cassie Franklin
Mayor



RESOLUTION NO. 1127 (2019)

A RESOLUTION of the Port of Everett, Washington, authorizing the acquisition of up to 67 acres of real property under threat of condemnation or by condemnation for port purposes; authorizing payment thereof from the Port's General Fund or from such other monies that the Port may have available or attain for the acquisition; providing for severability; and establishing an effective date.

WHEREAS, in 1911, the Washington Legislature created the Port District Act in reaction to the private domination of docks and harbors that were critical to the trade-dependent state's economy, and authorized local voters to create publicly owned and managed port districts; and

WHEREAS, the Port of Everett is the sixth port district established under the Port District Act in 1918 by a vote of the people as provided in title 53 RCW, incorporated under the laws of the State of Washington, and authorized to acquire title to real property for public purposes pursuant to RCW Chapter 8.12; and

WHEREAS, the Port of Everett is one of only 11 deep-water shipping Ports in the state; and

WHEREAS, in the interest of providing equal access for private industries through urban deep-water Port facilities in support of maritime commerce, economic development, international trade and support to the Department of Defense and other branches of the U.S. government, the Port of Everett identified a series of development projects which have a need for the specific property identified herein to accommodate their unique maritime uses of this Project (the "Project"); and

WHEREAS, the Project will be for such uses as authorized in RCW 53.08.020, including but not limited to and by way of example and not limitation: constructing and operating piers, wharves, docks, other harbor improvements, warehouses, storehouses, cold storage, administration buildings, terminal facilities for the handling, packaging, storing and transportation of freight, and any combination of such facilities, commercial transportation, transfer, handling, storage and terminal facilities, and improvements relating to industrial and manufacturing activities within the Port District, and in connection with the operation of the facilities and improvements of the Port District; and

WHEREAS, the vacant Kimberly-Clark mill site provided 700 direct jobs up until its closure in 2012. Its location in the heart of the Port's federally-secure, urban deep-water maritime complex has been under significant growth pressure, and the protection of port operations is a mission critical function of the Port and to the area's economic vitality and stability; and

WHEREAS, the Port has been consistent since the mill closed in 2012 that its top priorities for this site were to restore the jobs lost because of the mill closure, support maritime job growth

on the site, and ensure the ongoing success and protection of this public resource for international trade facilities and Naval Station Everett; and

WHEREAS, the City of Everett in 2013 through its land use and zoning process and after a significant review and public process, determined the highest and best use of the site was for urban deep-water Port and maritime jobs; and

WHEREAS, the Port has a proven and reliable track record of returning former contaminated mill sites to productive use with its long-term capital investments, including over 200 acres to date; and

WHEREAS, as set forth in this Resolution, the Project involves the development of various facilities including, without limitation, those serving maritime commerce and international and interstate trade to benefit the public; and

WHEREAS, marine port facilities and services related to marine activities affecting international and interstate trade are designated to be facilities of statewide significance under RCW 47.06.140; and

WHEREAS, the Port determined that it must acquire certain property and/or property rights for the Project; and

WHEREAS, for this Project, the Port determined that the acquisition of certain rights and interests from the real property commonly referred to as and located at or about 2600 Federal Avenue, Everett WA 98201-3409, identified as Snohomish County Tax Parcel Nos.:

437461700200; 597761800600; 597761801000
597761803000; 597761803901; 29051900201300
29051900201500; 29051900200900; 29051900201000;
29051900300100; 29051900300200; 29051900201100
597761800600; 597761803000

and legally described in **Exhibit A**, attached hereto and incorporated by reference (the “Property”), is necessary to accomplish and construct the Project, and those rights and interests are hereinafter referred to as the “Real Property Take”; and

WHEREAS, the Property includes authorization to acquire through condemnation the 8.5 acres located at the northernmost end of the premises which is currently proposed for purchase by the City of Everett from Kimberly-Clark; and

WHEREAS, if the proposed City acquisition from Kimberly-Clark of the approximate 8.5 acres does not close, the Port is authorized to proceed with condemnation of that approximate 8.5 acres from the property owner; and

WHEREAS, the Port appraised the highest and best use of the Real Property Take; and

WHEREAS, Kimberly-Clark has offered this site for sale, and the Port has made multiple offers over a period of years, consistently negotiating in good faith with Kimberly-Clark to reach terms for the voluntary acquisition of the Property; and

WHEREAS, the Port, to date, has been unable to reach a negotiated voluntary resolution with said owners and is unaware of any lien holders; and

WHEREAS, the Port complied with the notice requirements set forth in RCW 8.25.290 by providing notice to the owners of the Property of the planned final action of adopting this Resolution, and through publication once per week for two weeks, prior to the passage of a Motion authorizing condemnation and subsequent enactment of this Resolution; and

WHEREAS, payment of just compensation and necessary costs of litigation should be made from the Port's general fund or from such other monies that the Port may have available or attain for the acquisition;

NOW, THEREFORE, THE BOARD OF COMMISSIONERS OF THE PORT OF EVERETT, WASHINGTON HEREBY RESOLVE as follows:

Section 1. Incorporation of Recitals. The recitals set forth above are hereby adopted and incorporated herein as if set forth in full.

Section 2. Public Use and Necessity Declared. The Board of Commissioners of the Port of Everett finds and declares that: i) the Project for port purposes are public uses and are in support of facilities of statewide significance; ii) the acquisition of the rights and interests in the Real Property Take legally described and depicted on **Exhibit A** is necessary for the construction of the Project; and iii) the acquisition of the Real Property Take and the construction of the Project are in the best interests of preserving a strong local economy and to citizens residing within the Port of Everett District.

Section 3. Acquisition. The Board of Commissioners of the Port of Everett authorizes the acquisition, condemnation and taking of the Real Property Take as legally described and depicted on **Exhibit A**. The Board of Commissioners authorizes the acquisition of the Real Property Take under threat of condemnation or by initiation of legal action for condemnation to acquire the Real Property Take as necessary for the commencement and completion of the Project, subject to the making or paying of just compensation to the owners thereof in the manner provided by law.

Section 4. Reservation of Rights. Nothing in this resolution limits the Port in its identification and acquisition of property and property rights necessary for this public purpose. The Port reserves the right to acquire additional or different properties as needed for the Project.

Section 5. Authority of Port CEO/Executive Director. The Port CEO/Executive Director, by and through his designees, is authorized and directed to continue negotiations for the acquisition of property and property rights and prosecute actions and proceedings in the manner provided by law to condemn, take, damage and appropriate the Real Property Take necessary to carry out the provisions of this Resolution. In conducting said negotiations and condemnation proceedings, the Port of Everett Attorney, by and through his designees, is hereby authorized to

enter into stipulations for the Real Property Take. Settlement of any actions by the Port CEO/Executive Director shall be made only upon the recommendation of legal counsel.

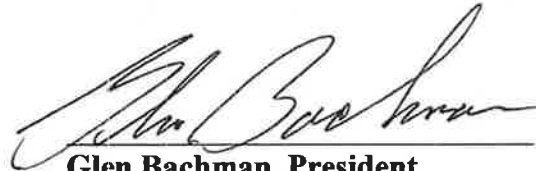
Section 6. Compensation. The compensation to be paid to the owners of the Real Property Take acquired through this condemnation action shall be paid from the Port's General Fund or from such other monies that the Port may have available or attain for the acquisition.

Section 7. Severability. If any provision of this Resolution or its application to any person or circumstance is held invalid, the remainder of this Resolution or the application of the provision to other persons or circumstance shall not be affected.

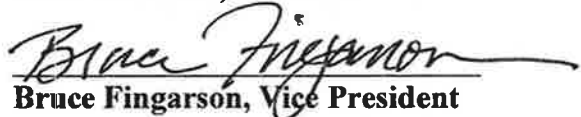
Section 8. Effective Date. This Resolution shall be in full force and effect upon passage by the Port Commission as provided by law.

ADOPTED by the Port of Everett Commissioners this 4th day of June, 2019.

PORT OF EVERETT COMMISSION

A handwritten signature in black ink, appearing to read "Glen Bachman", written over a horizontal line.

Glen Bachman, President

A handwritten signature in black ink, appearing to read "Bruce Fingarson", written over a horizontal line.

Bruce Fingarson, Vice President

A handwritten signature in black ink, appearing to read "Tom M. Stiger", written over a horizontal line.

Tom Stiger, Secretary

CERTIFICATION

I, the undersigned, Office Manager/Executive Assistant to the Everett Port Commission,
DO HEREBY CERTIFY:

That the attached Resolution No. 1127 (2019) is a true and correct copy of a Resolution of the Port of Everett, as adopted at a meeting of the Port Commission held on the 4th day of June, 2019, and duly recorded in the Port offices.

That said meeting was duly convened and held in all respects in accordance with law, and to the extent required by law, due and proper notice of such meeting was given; that a quorum of the Commission was present throughout the meeting and a legally sufficient number of members of the Commission voted in the proper manner for the adoption of said Resolution; that all other requirements and proceedings incident to the proper adoption of said Resolution have been duly fulfilled, carried out and otherwise observed, and that I am authorized to execute this certificate.

IN WITNESS WHEREOF, I have hereunto set my hand this 5th day of June, 2019.

A handwritten signature in cursive script, reading "Susan Brokaw", written in black ink.

Exhibit A: Kimberly Clark Mill Site, Everett Washington

Situs address: 2600 Federal Avenue, Everett WA 98201-3409

Snohomish County Tax Parcel Identification List (includes approximately 66.59 acres):

				Assessor
	Map	Parcel number	Description	Total Acres
North:	9	29051900201300	Secondary Treatment	18.63
	10	29051900201500	Substation/North chip dumps	4.00
	11	29051900200900	Pulp and chem prep area	2.36
	12	29051900201000	Tissue manufacturing and converting	4.22
			Subtotal:	29.21
Center:				
	7	29051900300100	Pulp manufacturing, bleaching and drying	26.7
	8	29051900300200	Utilities plant, wood pile, barge	5.47
			Subtotal:	32.17
South	1	597761803901	Distribution warehouse addition (1970)	1.57
	2	29051900201100	Northgate trailer scales	0.04
	3	437461700200	Original warehouse	2.41
	4	597761800600	Trailer staging	0.27
	5	597761801000	Trailer staging	0.22
	6	597761803000	Trailer staging	0.34
			Subtotal	4.85
East	13	00437455701600	Parking lot East of BNSF	0.07
	14	00437455701302	Parking lot East of BNSF	0.09
	15	00437455701301	Parking lot East of BNSF	0.02
			Subtotal	0.18
			Grand Total	66.59

Legal Description**Parcel 1:**

Lot 1 of City of Everett boundary line adjustment 11-93 recorded under Auditor's File Number 9310180299

and related survey under Auditor's File Number 9310185002, being more particularly described as follows:

Tracts 6, 7, and 8 of Everett Tide Lands as shown on the map thereof filed in the Office of the Commissioner of Public Lands at Olympic, Washington; also that portion of government lots 2 and 3 of

section 19, township 29 north, range 5 east, W.M., records of Snohomish County, Washington, and tidelands of the first class lying in front thereof, together with vacated Federal Street, Nassau Street, Norton Avenue extension, 25th Street, and 26th Street, all being described as follows:

Commencing at the meander corner common to Sections 19 and 30, Township 29 North, Range 5 East, W.M., records of Snohomish County, Washington; thence along the meander line the following 4 courses

and distances:

North 21°33'44" East, a distance of 686.30 feet; thence North 29°03'44" East, a distance of 297.00 feet; thence North 19°03'44" East, a distance of 461.99 feet; thence North 24°03'44" East, a distance of 88.06 feet to a point which intersects the southerly line of said Tract 6 projected southeasterly and the point of

beginning; thence along said projected line North 74°18'48" West, a distance of 459.30 feet to the most southerly corner of said tract 6; thence along the easterly line thereof North 16°06'36" East, a distance of

595.87 feet to the most southerly corner of the said Tract 7; thence along the easterly line thereof North 02°18'07" East, a distance of 513.03 feet to the most easterly corner of said Tract 8; thence along the easterly line thereof North 27°39'47" West, to the Northeast corner thereof; thence South 89°52'00" East,

a distance of 913.27 feet to a point 24 feet West of the West line of the Northern Pacific Railway Company

right-of-way and on the west boundary of a tract of land conveyed to the City of Everett on February 24, 1900, by deed recorded in volume 50 of deeds at page 552, under Auditor's File Number 55695, records of Snohomish County, Washington; thence along the westerly line of said tract South 03°03'00" West, a distance of 84.92 feet to the southwest corner of said tract; thence along the south line thereof South 89°53'09" East, a distance of 24.03 feet to an intersection with the west line of the Northern Pacific Railway Company's right-of-way; thence along said line South 03°03'00" West, a distance of 937.57 feet to the northeast corner of a tract of land conveyed to Detreve corporation by deed recorded December 7,

1959, under Auditor's File Number 1372648; thence along the north line of said tract and projection thereof North 89°52'00" West, a distance of 479.83 feet to the center of vacated Federal Street; thence

along said centerline South 00°08'41" West, a distance of 299.84 feet to an intersection with a westerly projection of the south line of lot 25, Block 618, plat of First Tide Land Addition to Everett, according to the

plat thereof, recorded in Volume 7 of Plats, page 32, Records of Snohomish County, Washington; thence North 89°52'20" West, a distance of 35.00 feet to the westerly right-of-way line of said vacated Federal Street; thence along said line South 00°08'40" West, a distance of 22.73 feet to a point which bears North

89°20'22" East from the point of beginning; thence South 89°20'22" West, a distance of 22.73 feet to the point of beginning;

Except that portion described as follows: commencing at a monument at the intersection of 23rd Street and Grand Avenue; thence along the monument line North 00°08'01" East, a distance of 480.13 feet to a monument at 22nd Street and Grand Avenue; thence North 88°02'51" West, a distance of 557.96 feet to a

monument stamped CP-3; thence South 07°43'34" West, a distance of 1377.59 feet to a monument stamped CP-2; thence South 26°31'13" East, a distance of 165.73 feet to the point of beginning; thence South 00°03'35" East, a distance of 70.00 feet; thence North 89°26'34" West, a distance of 23.05 feet; thence South 00°33'26" West, a distance of 41.14 feet; thence North 89°52'36" West, a distance of 23.37

feet; thence South 00°33'26" West, a distance of 51.09 feet; thence North 89°26'34" West, a distance of 55.78 feet; thence North 00°33'26" East, a distance of 92.41 feet; thence North 89°26'34" West, a distance of 416.88 feet; thence South 00°06'46" East, a distance of 37.62 feet; thence South 89°56'49" West, a distance of 557.96 feet to the inner harbor line as shown on the map of Everett Tide Lands on file

in Olympia, Washington; thence along said line North 00°00'10" East, a distance of 519.98 feet; thence South 88°43'23" East, a distance of 240.24 feet; thence South 01°16'37" West, a distance of 239.70 feet; thence South 88°43'23" East, a distance of 117.94 feet; thence South 00°41'15" West, a distance of 187.47 feet; thence South 89°54'58" East, a distance of 199.54 feet; thence North 00°07'02" East, a distance of 68.62 feet; thence South 89°50'49" East, a distance of 34.38 feet; thence North 00°07'02" East, a distance of 4.95 feet; thence North 89°58'04" West, a distance of 0.34 feet; thence North 00°03'08" East, a distance of 115.81 feet; thence South 89°52'58" East, a distance of 136.76 feet; thence

South 00°00'50" West, a distance of 64.78 feet; thence South 89°52'58" East, a distance of 7.97 feet; thence South 00°07'02" West, a distance of 13.36 feet; thence North 89°52'58" West, a distance of 7.85 feet; thence South 00°00'50" West, a distance of 37.37 feet; thence South 89°59'10" East, a distance of 17.79 feet; thence South 00°00'50" West, a distance of 4.24 feet; thence North 89°58'48" East, a distance of 50.21 feet; thence South 00°03'35" East, a distance of 65.95 feet; thence North 89°56'25" East, a distance of 186.00 feet; thence North 65°34'19" East, a distance of 35.97 feet; thence North 89°56'25" East, a distance of 68.85 feet to the point of beginning.

Except the PUD substation and appurtenances located thereon.

Parcel 2:

Lot 1 of City of Everett boundary line adjustment 11-93 recorded under Auditor's File Number 9310180299

and related survey under auditor's file number 9310185002, being more particularly described as follows:

Tracts 6, and 7, of Everett Tide Lands as shown on the map thereof filed in the Office of the Commissioner of Public Lands at Olympic, Washington; also that portion of Government lots 2 and 3 of Section 19, Township 29 North, Range 5 East, W.M., Records of Snohomish County, Washington, and tidelands of the first class lying in front thereof, all being described as follows:

Commencing at a monument at the intersection of 23rd Street and Grand Avenue; thence along the monument line North 00°08'01" East, a distance of 480.13 feet to a monument at 22nd Street and Grand Avenue; thence North 88°02'51" West, a distance of 557.96 feet to a monument stamped CP-3; thence South 07°43'34" West, a distance of 1377.59 feet to a monument stamped CP-2; thence South 26°31'13" East, a distance of 165.73 feet to the point of beginning; thence South 00°03'35" East, a distance of 70.00

feet; thence North 89°26'34" West, a distance of 23.05 feet; thence South 00°33'26" West, a distance of 41.14 feet; thence North 89°52'36" West, a distance of 23.37 feet; thence South 00°33'26" West, a distance of 51.09 feet; thence North 89°26'34" West, a distance of 55.78 feet; thence North 00°33'26" East, a distance of 92.41 feet; thence North 89°26'34" West, a distance of 416.88 feet; thence South 00°06'46" East, a distance of 37.62 feet; thence South 89°56'49" West, a distance of 557.96 feet to the inner harbor line as shown on the Map of Everett Tide Lands on file in Olympia, Washington; thence along

said line North 00°00'10" East, a distance of 519.98 feet; thence South 88°43'23" East, a distance of 240.24 feet; thence South 01°16'37" West, a distance of 239.70 feet; thence South 88°43'23" East, a distance of 117.94 feet; thence South 00°41'15" West, a distance of 187.47 feet; thence South 89°54'58" East, a distance of 199.54 feet; thence North 00°07'02" East, a distance of 68.62 feet; thence South 89°50'49" East, a distance of 34.38 feet; thence North 00°07'02" East, a distance of 4.95 feet; thence North 89°58'04" West, a distance of 0.34 feet; thence North 00°03'08" East, a distance of 115.81 feet; thence South 89°52'58" East, a distance of 136.76 feet; thence South 00°00'50" West, a distance of 64.78

feet; thence South 89°52'58" East, a distance of 7.97 feet; thence South 00°07'02" West, a distance of 13.36 feet; thence North 89°52'58" West, a distance of 7.85 feet; thence South 00°00'50" West, a distance

of 37.37 feet; thence South 89°59'10" East, a distance of 17.79 feet; thence South 00°00'50" West, a distance of 4.24 feet; thence North 89°58'48" East, a distance of 50.21 feet; thence South 00°03'35" East,

a distance of 65.95 feet; thence North 89°56'25" East, a distance of 186.00 feet; thence North 65°34'19" East, a distance of 35.97 feet; thence North 89°56'25" East, a distance of 68.85 feet to the point of beginning.

Parcel 3:

All that portion of Section 19, Township 29 North, Range 5 East, W.M., Records of Snohomish County, Washington, contained within the following described boundaries:

Commencing at the city monument at 24th and Grand Avenue in the City of Everett; thence North 0°08' East for 26.0 feet; thence North 89°52' West along the north right-of-way line of 24th Street for 567.67 feet

to an intersection with the westerly margin of Norton Avenue; thence continuing North 89°52' West for 617.44 feet to the true point of beginning; thence North 0°08' East for 249.83 feet; thence South 89°52' East for 80.00 feet; thence North 0°08' East for 224.18 feet; thence South 89°52' East for 320.64 feet; thence North 0°08' East for 6.00 feet; thence South 89°52' East for 260.77 feet to an intersection with the

westerly margin of Norton Avenue; thence along the westerly margin of Norton Avenue North 7°29' East for 54.52 feet to a point, said point being the northeast corner of property described in deed recorded under Auditor's File Number 884618 in Volume 418 of Deeds, Page 547, records of the Auditor's Office of

Snohomish County, Washington; thence North 89°52' West for 857 feet, more or less, to the northwest corner of property described in recorded deed previously referred to; thence approximately South 8°54' West for 539 feet, more or less, to the southwest corner of property described in previously described recorded deed; thence South 89°52' East for 271.27 feet to the true point of beginning;

Together with that portion of Norton Avenue vacated by City of Everett Ordinance No. 684-80 recorded under Auditor's File Number 8709170073, described as follows: beginning at the city monument at 24th Street and Grand Avenue, in the City of Everett, Washington; thence North 0°08'00" East, along the Grand

Avenue monument line, a distance of 26.00 feet; thence North 89°52'00" West, along the north right-of-way line of 24th Street, and the projection thereof, a distance of 567.67 feet; thence North 3°03'00"

East for 3.99 feet to the point of beginning of a curve, at which point the radius point of said curve bears South 86°57'00" East; thence on said curve, to the right, having a radius of 5844.65 feet, and consuming a

central angle of 4°26'00", an arc distance of 452.24 feet to the point of ending of said curve bears South 82°32'00" East; thence North 7°29'00" East, a distance of 25.93 feet to the true point of beginning; thence

continue North 7°29'00" East, a distance of 54.52 feet; thence South 25°20'00" East a distance of 60.70

feet; thence North 89°52'00" West a distance of 33.0 feet to the true point of beginning.

Parcel 4:

Lot 1 of City of Everett boundary line adjustment no. 93-080 recorded under Auditor's File Number 9401130444 and related survey map under Auditor's File Number 9401135006, being more particularly described as follows:

That portion of Government lots 1 and 2 and tidelands of the first class lying in front thereof, and of Tract 9

of Everett Tide Lands as shown on the map thereof filed in the Office of the Commissioner of Public Lands at Olympia, Washington, all in Section 19, Township 29 North Range 5 East, W.M., being more particularly described as follows:

Commencing at the monument at the intersection of 21st Street and Grand Avenue in the City of Everett as shown on that certain map filed in Volume 19 of Surveys, at Page 246; thence North 00°08'00" East, along the monument line of Grand Avenue, 46.00 feet; thence North 89°52'00" West, 399.83 feet to the westerly right-of-way line of Norton Avenue (Marine View Drive); thence northeasterly along the said westerly line of Norton Avenue, 39.62 feet along the arc of a curve, concave to the northwest, having a radius of 11,344.20 feet, the radial line of which bears North 83°17'01" West, through a central angle of 00°12'00" to the northeast corner of that certain parcel of land described in deed and recorded under Auditor's File Number 1420536, Snohomish County Records; thence along the north line of said parcel North 89°50'04" West 57.60 feet to the northwest corner of that certain parcel of land described in deed

and recorded under Auditor's File Number 9012030271, Snohomish County Records, said point being the

true point of beginning of the herein described parcel of land; thence continuing along said north line, North 89°50'04" West, 335.05 feet; thence leaving said north line, South 00°25'55" East, 421.91 feet; thence South 89°38'03" West 382.10 feet to the East line of that certain parcel of land described in volume

19 of Surveys, Page 248; thence along the boundary lines of said parcel South 00°25'55" East 53.57 feet

to a corner of said parcel; thence North 89°50'54" West 271.07 feet; thence South 19°04'26" West, 946.82

feet to the west line of Tract 9 of Everett Tidelands, as shown on that certain map of Everett Harbor recorded under Auditor's File Number 7804260181; thence along the boundary line of said Tract 9 South 00°00'10" West, 44.72 feet to the southwest corner of Tract 9; thence along the south line of Tract 9 South

74°18'48" East 299.77 feet to the southeast corner of Tract 9; thence North 08°53'02" East 539.93 feet along the east line of that certain parcel of land described in deed and recorded under Auditor's File Number 1420536 to the northwest corner of that certain parcel of land described in deed and recorded under Auditor's File Number 884648; thence South 89°52'00" East, 855.98 feet to the westerly right-of-way

line of Norton Avenue; thence along said westerly right-of-way line North 07°29'00" East, 521.63 feet to the southeast corner of that certain parcel of land described in deed and recorded under Auditor's File Number 9012030271; thence along the boundaries of said parcel North 82°29'04" West, 7.71 feet; thence

North 13°59'19" West, 127.98 feet; thence North 06°29'10" East, 325.00 feet to the true point of beginning.

Parcel 5:

All that portion of Section 19, Township 29 North, Range 5 East, W.M., and of First class tidelands, records of Snohomish County, Washington, lying within the following described boundaries:

Commencing at the city monument at 24th and Grand Avenue; thence North 0°08' East for 26.0 feet; thence North 89°52' West along the north right-of-way line of 24th Street for 567.67 feet to an intersection

with the westerly margin of Norton Avenue; thence continuing West 355.39 feet to the true point of beginning; thence continuing West 262.05 feet; thence North 00°08'00" East 249.83 feet; thence South 89°52'00" East 80 feet; thence North 00°08'00" East 224.18 feet; thence East 320.64 feet to the southerly

line of Scott Paper easement under Auditor's File Number 1695006; thence continuing East 260 feet more

or less to the west margin of Norton Street; thence southerly along said west margin 46.59 feet; thence West 439.78 feet; thence South 00°08'00" West 297.90 feet to an intersection with the easterly line of existing bulkhead line; thence South 13°07'00" East 139.83 feet to the true point of beginning.

Also commencing at the city monument at 24th and Grand Avenue, proceed North 0°08' East for 26.0 feet; thence proceed North 89°52' West along the north right-of-way line of 24th Street for 567.67 feet to

an intersection with the westerly margin of Nassau Street (formerly known as Norton Avenue); thence proceed North 3°03' East along the westerly margin of said Nassau Street for 3.99 feet; thence proceed to

the right for a distance of 452.24 feet following the arc of a curve to the right having a radius of 5,844.65 and consuming an angle of 4°26'; thence proceed North 7°29' East for 19.88 feet to the true point of beginning; thence proceed North 89°52' West for 260 feet; thence turn angle of 90° and proceed North 0°08' East for a distance of 6.0 feet; thence proceed South 89°52' East to the west line of said Nassau Street (being a distance of 260.0 feet, more or less); thence proceed South 7°29' West for a distance of 6.05 feet to the true point of beginning, all being in Section 19, Township 29 North, Range 5 East, W.M., records of Snohomish County, Washington.

Parcel 6:

That portion of Section 19, Township 29 North, Range 5 East, W.M., including vacated Norton Avenue pursuant to City of Everett Ordinance No. 3390 recorded under Auditor's File Number 1246833, and of first class tidelands, described as follows:

Commencing at city monument at 24th and Grand Avenue; thence North 0°08' East along the monument

line of Grand Avenue for 26.0 feet; thence North 89°52' West along the north right-of-way line of 24th Street for a distance of 567.67 feet to the true point of beginning; thence North 3°03' East for 3.99 feet;

thence following the arc of a curve to the right having a radius of 5844.65 feet and consuming an angle of

4°14' for 431.84 feet; thence North 89°52' West for 439.79 feet; thence South 0°08' West for 297.90 feet to an intersection with the easterly line of an existing bulkhead line; thence South 13°07' East for 139.83 feet to an intersection with the north right-of-way line of 24th Street produced westerly; thence South 89°52' East along said north right-of-way line for 355.39 feet to the true point of beginning.

Parcel 7:

Lots 1, 25 and "A", Block 618, Plat of First Tide Land Addition to Everett, according to the plat thereof, recorded in Volume 7 of Plats, Page 32, records of Snohomish County, Washington;

also those portions of vacated alley in said Block 618, the East half of vacated Federal Street, and the west half of vacated Nassau Street as would attach by operation of law;

also all that portion of Everett Avenue, lying east of Federal Avenue and west of Burlington Northern Railroad right-of-way, also lying north of Block 619 and a portion of Block 620, Plat of Everett Division "C",

according to the plat thereof, recorded in Volume 3 of Plats, Page 70, records of Snohomish County, Washington, and lying south of Block 618, Plat of First Tide Land Addition to Everett, according to the plat

thereof, recorded in Volume 7 of Plats, Page 32, records of Snohomish County, Washington, also lying south of a portion of Block 617, Plat of Everett Division "G", according to the plat thereof, recorded in Volume 4 of Plats, Page 41, records of Snohomish County, Washington; except that portion attaching to Lot 15, Block 617, Plat of Everett Division "G", according to the plat thereof, recorded in Volume 4 of Plats,

Page 41, pursuant to certain letter of understanding between Scott Paper Co. and Burlington Northern Railroad Company, a Delaware corporation dated July 10, 1990;

Except all oil, gas, asphaltum, and other hydrocarbons and minerals below a depth of 500 feet as reserved in deed recorded under Auditor's File Number 2045265.

Parcel 8:

The North 13 feet of Lot 30 and all of Lots 31 through 36 inclusive, Block 618, First Plat of Tide Lands Addition to Everett, according to the plat thereof, recorded in Volume 7 of Plats, Page 32, records of Snohomish County, Washington;

together with the west half of vacated alley in said block and the east half of vacated Federal Street adjoining said lots as would attach by operation of law.

Parcel 9:

Lots 10, 11 and 12, block 618, First Plat of Tide Lands Addition to Everett, according to the plat thereof, recorded in Volume 7 of Plats, Page 32, records of Snohomish County, Washington;

together with the east half of vacated alley in said block as would attach by operation of law.

Parcel 10:

The North 13 feet of Lot 6, all of Lots 7, 8, and 9, Block 618, First Plat of Tide Lands Addition to Everett, according to the plat thereof, recorded in Volume 7 of Plats, Page 32, records of Snohomish County, Washington;

together with the east half of vacated alley in said block as would attach by operation of law.

Parcel 11:

(A) A portion of Block 618, Plat of First Tide Land Addition to Everett, according to the plat thereof, recorded in volume 7 of Plats, Page 32, records of Snohomish County, Washington, (B) a portion of Block 617, Plat of Everett, Division G, according to the plat thereof, recorded in Volume 4 of Plats, Page 41, records of Snohomish County, Washington (C) a vacated portion of 26th street lying northerly of said block 617, (D) a vacated portion of Everett avenue lying southerly of said Block 617, (E) a vacated portion of Nassau Street lying easterly of said Block 618 and (F) a portion of a certain vacated alley in said Block

618, and being bounded and described in accordance with a survey plan made for Scott Paper Company by Modern Home Builders, Inc., No. "F944" dated November, 1958, as follows:

Beginning at a point on the westerly side of the right of way of Northern Pacific Railway Company, said point of beginning being located with respect to the city monument at the intersection of 24th Street and

Grand Avenue, by the following three (3) courses and distances measured from said city monument: (1) along Grand Avenue monument line North 0°8' East, 26.00 feet to a point on the northerly side of 24th Street; thence (2) along said northerly side of 24th Street North 89°52' West 517.61 feet to a point on said

westerly side of said right of way of Northern Pacific Railway Company; thence (3) along said right of way

South 3°3' West 1,017.68 feet to said point of beginning; thence further along said right of way by the following two (2) courses and distances: (1) South 3°3' West 87.52 feet to a point of curve; thence (2) in a

southerly direction on an arc of a circle curving in a clockwise direction, having a radius of 1,367.69 feet and consuming an angle of 14°48', an arc distance of 353.29 feet to the point of intersection of (a) said westerly side of said right of way and (b) the southerly side of said vacated portion of Everett Avenue; thence along said southerly side of said vacated portion of Everett Avenue and along the southerly end of

said vacated portion of Nassau Street (as originally laid down) North 89°52' West 113.32 feet to a point, the southeasterly corner of lot A in said Block 618; thence along the westerly side of said vacated portion

of Nassau Street, North 0°8' East 159 feet to a point, the southeasterly corner of lot 2 in said Block 618; thence along the South line of said lot 2, across said vacated alley, and along the south line of lot 26, all in

said Block 618, North 89°52' West 264.13 feet to a point in the westerly side of said Block 618, which point is the southwest corner of said lot 26; thence along said westerly side of Block 618 North 0°8' East 112.00 feet to a point; thence South 89°52' East 264.13 feet to said westerly side of said vacated portion of Nassau Street; thence along said westerly side of said vacated portion of Nassau Street, North 0°8' East 163 feet; thence South 89°52' East 180.87 feet to the first mentioned point and place of beginning;

Except the west half of vacated Nassau Street lying southerly of the northerly line of Lot 1, Block 618, First

Tide Land Addition to Everett, according to the plat thereof, recorded in Volume 7 of Plats, Page 32, records of Snohomish County, Washington;

and except that of Everett Avenue attaching to Lot A, Block 618, said Plat of First Tide Land Addition to Everett, pursuant to letter of understanding between Scott Paper Company and Burlington Northern Railroad Company, a Delaware corporation dated July 10, 1990.

Parcel D:

The North 22.7 feet of fractional Lot 13 and all of fractional Lots 14 and 15, Block 557, Everett Division "G", according to the plat thereof, recorded in Volume 4 of Plats, Page 41, records of Snohomish County, Washington.

Parcel E:

Fractional Lot 13, Block 557, Everett Division "G", according to the plat thereof, recorded in Volume 4 of Plats, Page 41, records of Snohomish County, Washington.

Except the north 22.7 feet thereof.

Parcel F:

Lot 16, Block 557, Everett Division "G", according to the plat thereof, recorded in Volume 4 of Plats, Page 41, records of Snohomish County, Washington.

All situate in the County of Snohomish, State of Washington.

Aerial depiction: site shown in Orange



Alta Survey:

