

**Minutes of Everett Port Commission
Regular Meeting
February 11, 2020**

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

CALL TO ORDER: Commission President Glen Bachman called the meeting to order at 4:00 p.m.

CONSENT AGENDA

- Regular Meeting Minutes of January 7, 2020; Special Joint Meeting of January 8, 2020; and Special Meeting Minutes of January 21, 2020
- Approval of Bills for January 2020

Commissioner David Simpson moved to approve the items of the Consent Agenda. Commissioner Tom Stiger seconded the motion. A vote was called for:

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

Motion carried.

CEO/EXECUTIVE DIRECTOR'S REPORT

March Retreat

CEO Lisa Lefebber confirmed that the Commission Retreat will be March 24 and 25, 2020, two shorter days. Lisa Lefebber asked Commission for the option of cancelling the March 3, 2020 Regular Commission meeting due to the Pacific Northwest Waterways Association conference and still having March 10, 2020 Regular Commission meeting and then add a Special Commission Meeting to the end of the Commission Retreat on March 24, 2020. On April 7, 2020, the WCIT Trade Summit will be held from 12:00-5:00 p.m. in Seattle and several Commissioners are interested in attending. Lisa Lefebber asked the Commission if they'd like to move the Regular Commission meeting time to 9:00 a.m. in order to attend the Summit. All Commissioners agreed to move the April 7, 2020 Regular Commission meeting to 9:00 a.m.

Sound Transit Briefing

Sound Transit CEO Peter Rogoff gave an update on the largest rail expansion in the country. This expansion has been and will continue to support 240,000-305,000 direct and indirect jobs from 2010 to 2042. Sound Transit serves a region of over 3.8 million people. The Link Light Rail will be 116-mile regional system with 50 stations, connecting Everett, Bellevue, Redmond, Kirkland, Issaquah, Tacoma, Ballard and West Seattle. Lynnwood Link extension will be 8.5 miles from Northgate to Lynnwood City Center with four stations and service to begin in 2024. He discussed what it would take to get light rail to Everett before 2036. The only way is to eliminate the \$1 billion addition to Paine Field and Sound Transit could deliver the project to Everett in 2028.

SEAPORT MODERNIZATION

Commission Direction on FAA Crane Requirements

CEO Lisa Lefebber gave an update from last week's public input on FAA crane requirements. Over the course of the demonstration, which was Wednesday, January 29 through Wednesday, February 5, 2020, the Port received 119 comments, more than 86% were in favor of the current paint scheme (orange and white striping above the 200-foot height on the cranes) to meet the FAA requirements, rather than installing the pulsing white/red lighting.

Given the results of the public outreach and the comments by the FAA, Port staff recommended that the Commission consider the information and the discussion at the meeting and direct Port Staff, including its SEPA Responsible Official, to complete any SEPA environmental review process necessary to retain the current scheme of FAA complaint orange and white striping above the 200 foot height, as required on the 100-foot gauge gantry cranes and maintain the red obstruction lighting system currently on the cranes in order to meet the FAA safety regulations.

Commissioner Bachman opened the meeting for comments and explained there would be a 5-minute limit for each speaker.

Pat Schneider, Lawyer, on behalf of Melinda and Howie Bargreen; he appreciates the Commission on giving him the opportunity to speak. Happily, he expressed frustration and disappointment with the agenda item. He looked carefully at the agenda item cover sheet and nowhere in this document does it explain that what the Port is proposing to do is to violate five separate legal commitments that it has made to the Bargreens and the Port Gardner Community. Beginning, the SEPA Mitigated Determination of Nonsignificance (MDNS) that was referred to a moment ago, was one of the five agreements. There was a 2003 settlement agreement in which the predecessor for the Commissioners, agreed to paint the cranes that were being moved at that time a color agreeable to the Port Gardner Neighborhood. In reliance on that agreement, the Bargreens dropped appeals that they were pursuing at that point. They have continued since 2003 to act in reliance on the Port Commissions good faith and entering into substance agreements that also committed to paint the cranes smoke blue. The 2003 settlement was incorporated into a 2004 shoreline permit condition. Then in 2017, the Port created the SEPA MDNS that expressly committed the Port to painting the cranes smoke blue and the shoreline permit was issued and reliance on there being a settlement agreement that re-committed expressly to the conditions agreed to back in 2004 and there was an easement recorded against that property that memorialized that. In reliance and in every one of those agreements, the Bargreens have changed their positions and given up rights they would have otherwise have had. Pat Schneider would hope and expect that before this Commission take action to violate those agreements, and he doesn't think that there is any questions that if the Commission proceed as said forth in this said recommendation that they will be violating those agreements, that the Port would acknowledge publicly what they are doing and that they are committing to litigation, an expensive litigation that is either going to end up with the Port having to abide by those five agreements or pay damages for violating them. There is nothing in this document that tells anyone in the public that what the commission is proposing to do is violate five legal commitments made by their predecessors. He thinks candor to the public would require that. He also thinks that the Open Public Meetings Act requires that. He looked at this document and said there's a \$3 million expenditure required. Well the staff time that they are being directed to do is incidental staff time, it could cost the Port at most a few thousand dollars. What's the basis for the \$3 million? He could only make inferences but if he had to infer based on this document alone that decisions have been made outside of an Open Public Meeting and if this Commission is deciding to proceed to violate existing agreements, shoreline permit conditions and that's going to result in litigation, he suggests the Open Public Meeting Act requires those decisions to be made

in public. What is the action, the decision of this Commission that is leading to a required expenditure of \$3 million? Pat Schneider's asked that the Commission not take action on this agenda item today, that they consult with their council about whether decisions need to be made in public or underlined is actioned and then if they decide to go ahead, they do so in a way that is open and candid and frank with the public about what they are doing. This document makes it sound like the Commission is making a policy decision, but they are not. They are violating and contemplating or proceeding, he doesn't know how far along in that process they are, but this is a violation of five legal documents that the Port is bound by and it's going to annoyingly and intentionally violate those documents that the public should be aware is happening and be aware of the consequences that follow. So again, he asked that the Commission step back and reconsider. The Bargreens are more than open to continuing to talk to the Port to negotiate to try and find an acceptable agreement. All parties have engaged in mediation and they have continued to be willing to talk and try and work something out and he would ask the Commission to give that process an opportunity to come to a conclusion rather than what they are reporting to do tonight.

After discussion, Commissioner Tom Stiger moved that the Commission concur with the staff's recommendation and direct staff, including the Port's SEPA Responsible Official, to proceed with the necessary regulatory requirements to satisfy the FAA safety requirements with the paint striping and nighttime red obstruction lighting rather than the higher intensity pulsating white/red obstruction lights. Commissioner David Simpson seconded the motion. A vote was called for:

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

Motion carried.

MARITIME INDUSTRIAL EXPANSION

Engineering Services – PSA 1-2020-02 Contract Award with KPP

Chief of Engineering & Planning John Klekotka reported in October, the Port closed its Purchase and Sale Agreement with Kimberly-Clark Corporation for the acquisition of the former K-C papermill site, and in November, the Port was awarded a \$15.5 BUILD Grant from the federal government to construct the improvements needed to convert the site into a Terminal breakbulk cargo yard. With the grant funding, the total project budget will be approximately \$26.5 million.

In December 2019, to implement the Commission's vision, the Port Commission authorized Staff to issue a Request for Qualifications to solicit Statements of Qualifications (SOQs) for Engineering Services for the Maritime Industrial Expansion.

Engineering services for this contract will include, but may not be limited to: land surveys; geotechnical services (exploration and recommendations); site grading, drainage and paving; signage and striping; site security (cameras, gates, and fencing); stormwater collection and treatment; water distribution/fire protection; site lighting and electrical distribution; sanitary sewer collection and conveyance; railroad track design; coordination with utility purveyors; design of entry and exit gates; irrigation and landscape architecture; architectural design of operations support structures; and other project elements as needed. In addition, the engineering team will provide project management of the team, cost estimating, and environmental support services for required permits such as shoreline substantial development permit, land use review, public works permits, and SEPA/NEPA review. The selected firm will also be asked to provide bid-phase, construction-phase, and closeout phase services.

On January 7, the Port received four SOQs. After review of the statements, Staff shortlisted three firms to participate in team interviews with the five-member Port Selection Team. Interviews were conducted on January 28 and 29. Following the interviews, the members of the Port's Selection Team reached the unanimous decision to recommend the KPFF Engineering team, which includes Landau & Associates for geotechnical, site cleanup work, and permit support services; Elcon Associates for site electrical; HBB for landscape architecture; 2812 for building architecture; and DEA for survey. Site civil engineering, as well as overall project management, will be performed by KPFF.

To remain on the aggressive schedule to have construction work begin in 2021, Port staff recommends awarding KPFF Engineers a time-plus-expense on-call engineering contract under which defined work packages can be authorized and executed as the Maritime Industrial Expansion takes form. Staff recommends an initial contract limit of \$2.6 million under this contract, and requests that the Commission award the subject contract to KPFF in said amount.

Commissioner Stiger asked how the \$15.5 million BUILD Grant will be applied to this project. John Klekotka and Lisa Lefeber explained that the BUILD Grant will be put toward the construction project once funds are received.

Upon discussion, Commissioner David Simpson moved that the Commission award a Professional Services Contract, PSA 1-2020-02, to KPFF in the amount of \$2,600,000. Commissioner 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 CENTRAL

Waterfront Place Central – Contract Amendment for Additional Engineering Services with PND

Project Manager Brandon Whitaker reported in early 2015 the Port Commission, after a public Request for Qualifications process, awarded a task-order based Professional Services contract (of up to 10 years in total length) to PND Engineers to help implement the Port's Strategic Initiative – Waterfront Place Central (WPC).

PND's current contract, from 2015 to present, is valued at \$7.2 million and has included the planning, design and construction support for the Port's WPC Phase 1 infrastructure projects. This investment by the Port has yielded over \$100 million in private investment into the first phase of WPC. This is most notably seen with Hotel Indigo, and the future SeaLevel Properties apartments. Authorization of this contract budget modification will lay the groundwork for similar private investment to take place in the second phase of WPC. It is anticipated there will be additional contract modifications in the future.

The goals for the meeting action request from the Commission was to:

1. Increase the total compensation of the contract on a time-and-materials basis by \$2,515,000 for consultant services, to a total of \$9,803,530.
2. Approve new Task Order 17.01 Commercial Development, in the amount of \$890,000.
3. Approve new Task Order 18.01 Millwright Loops South and West, in the amount of \$705,000.

After discussion, Commissioner David Simpson moved that the Commission approve PND PSA 1-2015-05 Modification #4, a contract for Waterfront Place Central design and engineering services, to increase the total compensation on a time-and-materials basis by \$2,515,000, to a total of \$9,803,530. Commissioner Tom Stiger seconded the motion. A vote was called for:

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

Motion carried.

Commissioner Tom Stiger moved that the Commission approve Task Order 17.01 Commercial Building Development – Phase 1, in the amount of \$890,000. Commissioner David Simpson seconded the motion. A vote was called for:

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

Motion carried.

Commissioner Tom Stiger moved that the Commission approve Task Order 18.01 Millwright Loops South and West, in the amount of \$705,000. Commissioner David Simpson seconded the motion. A vote was called for:

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

Motion carried.

WASHINGTON'S OPEN GOVERNMENT LAWS

Port Attorney Brad Cattle provided refresher training on the Public Records Act and the Open Public Meetings Act for the Commissioners to be able to certify, per state law, that they had received the training as mandated.

DEPARTMENT REPORTS

Marine Terminals

Chief of Operations Carl Wollebek gave an update on his overseas business travel to Singapore the week of January 13, 2020. This was the Port's first time visiting. He's been noticing cargo inquires have been going to Port of Seattle or Tacoma. He wanted to let businesses know that the Port has more equipment now, so this trip helped get the Port's name out there. Most of the major carriers that called in 2019 had presence in Singapore. Primary reason for the visit, there are some big infrastructure projects going on related to energy primarily in Canada. He gave them an update regarding the South Terminal Wharf, schedule for the cranes and the purchase of the Kimberly-Clark property. All in all, good meetings.

Properties

Everett Yacht Club Lease Renewal

Chief of Business Development Terrie Battuello reported the Everett Yacht Club (EYC) was formed through a merger of the Riverside and Bayside clubs which date back on this waterfront to 1907. With more than 100 current members, they promote recreational and social activities for boaters and draw visiting boaters from around the Puget Sound to the Port of Everett Marina. The proposed lease is a new lease to replace the hold over provisions of the prior lease that expired in 2018. This lease includes 4,104 rentable square feet within the Conference Center (kitchen, ballroom, offices and storage) and a 2,893 square feet second floor deck. The lease allows the Club to operate as a yacht club and to host third-party events as well as make provisions for a reciprocal visitor moorage. The new lease extends the EYC's use of this building through July 31, 2021. It is envisioned that the club will relocate to the South Marina during the time leading up to this lease's expiration to re-envision the EYC's future. In this lease, base rent was increased to reflect price inflation since the lease's expiration date, yet still provides a discount against market rent related to: a) the condition of the building; b) the benefits EYC provides to the Marina community; and c) because no maintenance is required by the Port. The Port currently has a \$6,900 security deposit and recommends no additional deposit be required. The lease includes an annual escalation of 4%. EYC pays its own utilities and for the cost of elevator maintenance. The new lease agreement further addresses the relocation of the EYC reciprocal moorage to the South Marina Guest Dock 1. The Port removed their existing dock in 2018 as a mitigation for other marina projects, in exchange, the Port provided two years use of Guest Dock 1. The offset of moorage retires December 31, 2020 when a negotiated moorage basis (provided in the lease) will be used to bill the EYC for 200 feet of dock space.

Upon discussion, Commissioner Tom Stiger moved that the Commission authorize the CEO to sign the lease with Everett Yacht Club for 4,104 square feet at the Conference Center, 404 14th ST, Everett, WA 98201, in the form substantially as presented. Commissioner David Simpson seconded the motion. A vote was called for:

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

Motion carried.

Commission President's Report

Commission President Glen Bachman reported he saw another barge at the new Everett Shipyard, which makes a total of four customers so far, they have had two tug boats and two barges. Also, the apartment walls are up, and that is exciting to see.

Commission Discussion

Port Commissioner David Simpson honored the late George Hobson Sr. – the first African American tugboat captain in the Puget Sound, in recognition of Black History Month. Hobson, an Everett native, worked his way up from deckhand to captain at Foss Maritime Company from 1963 to his retirement in 1997. During this time, Foss had 25 tugboats at the Everett waterfront. After his retirement, Hobson continued his maritime career as a captain for the *Thea Foss*, Foss Maritime's 120-foot corporate yacht. The yacht was originally built in 1930 for actor John Barrymore, actress Drew Barrymore's grandfather. Hobson passed in 2019, but his memory lives on at the Everett Waterfront and will continue to for years to come.

Regular Commission Meeting Minutes
February 11, 2020

Citizen Comments

Howie Bargreen, 401 Westmore Dr. Everett, WA; he thanked the Commission for allowing the person he brought with him and his wife today to speak. He has been dealing with the Port for a long time, along with neighbors and sometimes by themselves. The Port has always dealt with him in good faith and he hopes the Port continues to consider dealing with him in good faith. There are a couple things that he noticed that really make a difference in this world, rule of law and property rights. If a country doesn't have rule of law and property rights, it will sink. He would like the Commissioners and all Port Staff to think about those rights. People really must protect and take into consideration property rights and rule of law in all decisions. He thanks the Commission for their interest and as the Port goes forward with the issue of painting the cranes, please consider the property rights and rule of laws of all the citizens.

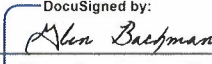
The meeting was recessed into Executive Session at 6:12 p.m. for approximately 10 minutes – to 6:30 p.m. The purpose of the Executive Session was to discuss with legal counsel a potential litigation matter.


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

THE REGULAR MEETING WAS ADJOURNED at 6:30 p.m.

APPROVED this 24th day of March, 2020.

EVERETT PORT COMMISSION

By: 
Glen Bachman, President

By: 
Tom Stiger, Vice President

By: 
David Simpson, Secretary



Port of Everett

ORIGINAL

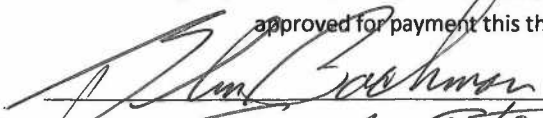
Port of Everett
Voucher Certification and Approval
for the month of
JANUARY
2020

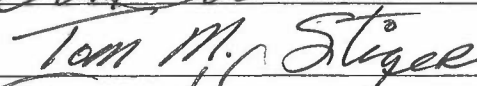
AP Claims Transactions		Total
Claim Checks Issued	88476 - 88616	\$2,177,033.60
P-Card Transactions		70,462.10
ACH Transactions	#222 - 258	1,380,358.27
Total Claims Check Register		3,627,853.97
Electronic Claims Transactions:		
1/3, 1/6, 1/10, 1/13, 1/15, 1/16, 1/17, 1/21, 1/24, 1/27, 1/30	Electronic Transfer - Health Equity/Navia/Guardian/Accrue CMS	\$249,116.81
1/16	Electronic Transfer - IRS	95,118.35
1/23	Electronic Transfer - WA St Dept of Rev	49,193.93
1/2	Electronic Transfer - U.S. Bank	4,179.61
1/2	Electronic Transfer - U.S. Bank LOC Fees	54,338.80
1/28	Electronic Transfer - Pitney Bowes	1,500.00
1/30	Electronic Transfer - US Bank LOC	25,770,000.00
Total Electronic Claims		26,223,447.50
Total Claims		29,851,301.47
Payroll Transactions		
Payroll Checks Issued	50413 - 50444	\$541,046.62
1/7, 1/14, 1/22, 1/28	PMA Payroll (Longshore Labor)	154,986.51
Total Payroll		696,033.13
Total Payments		30,547,334.60

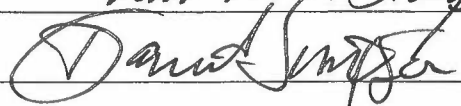
I, the undersigned, do hereby certify under penalty of perjury that the material have been furnished, the services rendered or the labor performed as described herein, that any advance payment is due and payable pursuant to a contract or is available as an option for full or partial fulfillment of a contractual obligation, and that the claim is a just, due and unpaid obligation against the Port of Everett and that I am authorized to authenticate and certify to said claim. Authorize signature

Attest:  Port Auditor

We, the undersigned Commissioners of the Port of Everett, Snohomish County, Washington, do hereby certify the following vouchers/warrants have been certified and approved for payment this the 14th day of January, 2020:

 President

 Vice President

 Secretary