

**Minutes of Everett Port Commission
Special Meeting
September 15, 2020**

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

CALL TO ORDER: Commission Vice President Tom Stiger called the meeting to order at 12:00 p.m.

CONSENT AGENDA

- Approval of Regular Meeting Minutes of August 4, 2020 and Regular Meeting Minutes of August 11, 2020
- Approval of Bills for August 2020

Commissioner David Simpson moved that the Commission approve the items of the consent agenda for September 15, 2020 including the Regular Meeting Minutes of August 4 and August 11 as well as Approval of the Bills for August 2020. Commissioner Glen Bachman seconded the motion. A vote was called for:

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

Motion carried.

CEO/EXECUTIVE DIRECTOR'S REPORT

CEO/Executive Director Lisa Lefebber reported great news on the reapplication for a BUILD grant. The Port was successful in receiving a BUILD grant last year for the redevelopment of the former Kimberly-Clark mill site. That grant award was rescinded due to the timing of the property acquisition, which was included in the scope and the Port was required to reapply. The project benefits have not changed, the intent of the project has not changed, and the Department of Transportation still saw value in the project. Congressman Larsen, Senator Murray, and Senator Cantwell have all announced that the Port of Everett is the proud recipient of a \$17.75 million BUILD Grant to help put the Kimberly-Clark property back into productive use. Lefebber stated this was a huge effort on behalf of the Port Staff, congressional delegation, all the community members and jurisdictions that helped support the grant application.

Commissioner Tom Stiger stated that this was certainly good news. On behalf of the Port of Everett Commission and Staff, send a big thank you to Representative Larsen, Senator Murray, and Senator Cantwell and all their staff.

Report on Completion of Bargreen Settlement Documents Consistent with the Commission's August 11, 2020 Approval of the Settlement Outline

CEO/Executive Director Lisa Lefebber reported on August 11, 2020 the Commission approved a Settlement Outline with the Bargreen Family and its Trust and sent Lefebber, with the Port's legal team,

to workout the details, settlement agreement and easements. That has been completed. It was provided in the Commission packet sent last week and all agreements are consistent with the Settlement Outlines the Commission approved on August 11, 2020.

Climate Change Report

Director of Environmental Programs Erik Gerking gave a background update regarding the Port of Everett's Environmental Program, the potential effects of climate change on Port operations and the current actions that the Port of Everett is undertaking.

While the Port, through its progressive environmental stewardship work, has been tracking and taking actions to address this issue for a few years, the Port has not prepared a climate action strategy tied to metrics thus far. Rather, the Port has adopted sustainable practices as a touchstone of its projects and operations and uses those practices as a measure of success.

There are two categories of action: adaptation, which are the actions taken to address actual or anticipated impacts of climate change; and mitigation which is the effort to slow climate change through a global or regional effort by reducing greenhouse gas emissions.

Regarding adaptation, the Port has taken steps to make its developments more climate resilient. The Port is actually developing properties at a very opportune moment. Sea level rise information started to come available around 2010-2012. As a result as the Port has has been able to consider sea level rise. It is much more difficult to retrofit an existing facility to address sea level raise than it is while constructing a new facility. For example, at Riverside Business Park, there were piles of dirt before the project started to be developed and that soil was designed to bring the site in elevation. Also, at Bay Wood, the plan is taking into account this issue and raising site elevations by three to four feet. Waterfront Place Central, at the Fisherman's Harbor area, built bulkheads at a higher elevation to adapt to future sea level rise. As marina docks are be installed, the piles that support the docks are being set at higher elevations to compensate for potential future sea level rise. Another good example is the Maritime Industrial Expansion project, which is considering sea level rise as well.

Regarding mitigation, the Port has taken substantial steps with customers and partners. The Port for years has participated in the Puget Sound Air Emissions inventory that measures the emissions from cargo handling equipment, ocean going vessels, and light duty vehicles. Those reports have shown that the Port of Everett has had consistent decreases in emission of air pollutants over the past 15 years. In fact, in the 2018 report, it was indicated that despite an increase in cargo tonnage, the Port did see emissions reductions as compared to the 2011 and 2005 report. The Port has made significant progress in further electrifying the terminal with the acquisition of new electric container cranes and purchasing equipment with new engines with reduced emissions. Another substantial project is the Port's creation of the 365-acre Blue Heron Slough wetland project. Research has shown that wetland projects are four times more effective at trapping carbon than forests are. Western Washington University released a study not too long ago discussing the effectiveness of wetlands in the Snohomish estuary showing that the wetlands are very good at capturing carbon.

CEO/Executive Director Lisa Lefebber mentioned the climate action strategy is one piece of the puzzle and the environmental sustainability report will is the next piece and will be presented in October. Lefebber said this was meant to be informational and to let the Commission know how the Port is adapting and mitigating the effects of climate change in a way consistent with our strategic plan.

Commissioner Glen Bachman stated he is on a board with WPPA and they are trying to workout some solutions and steps for both carbon offset and pricing and asked if Gerking can review his bullet points and pointers.

Lefebber added that this presentation was a "state of affairs" in terms of climate. The next presentation that will be provided to the Commission will be an Environmental Sustainability Report, highlighting the elements that the Port is working toward as a result of not only strategic initiatives and cleanups but also taking into consideration climate change. Commissioner David Simpson asked if these would be made into initiatives. Lefebber stated Port staff will need direction from the Commission if they would like to move farther than the two documents and it would take additional financial and staff resources to do something to that affect. The Port typically relies on the Puget Sound Clean Air Agency and their agencies for climate action targets and integrates them into the sustainable planning which will be presented next month. The only two documents Staff were planning to produce, unless given additional direction, is the Environmental Sustainability Report and Climate Change Report.

Commissioner Tom Stiger added that both American Association of Port Authorities and Washington Public Port Association has recognized the Port for environmental programs and thanked Erik Gerking and his team.

2019 Economic Impact Study

CEO/Executive Director Lisa Lefebber reported this study is done every five years, so the Port can capture some of the new capital planning horizons. The economic impact study was conducted by an independent firm, Martin Associates. The last time this study was done was in 2014. According to the updated report since that time, the Port has added more than 4,000 jobs to the region. This was a snapshot and a look at the Port's economic impact as of the end of 2019. As part of this study, the Port will be working with the independent firm to get a COVID-19 impact summary so the Port will understand the impact of the virus and what the Port will need to target to return to previous economic benefits. In addition to adding more than 4,000 jobs, the Port supported more than 1,300 temporary construction jobs through the capital program during that time. The average wage for a port or trade related job is \$96,800 for the direct employees. This report also highlights the value the Port provides to the community. Most port cities tend to be more prosperous than non-port cities resulting from the boost maritime commerce and trade play as a role in the overall economy. In 2014, the Port impacts generated about \$373 million in state and local taxes. In 2019, the Port's estimated impact on state and local taxes was \$433.4 million, an additional \$60 million of taxes because of the Port's increase of activities. Some of the main changes in the last five years include enhancements to Waterfront Place, development of the Riverside Business Park, and some of the additional maritime commerce because of seaport investments. Going into the next five years, Lefebber expects that the Port will continue to see growth in the economic numbers as the Port has added close to, if not more, than a third of acreage to the seaport. Maritime commerce, by far, is the largest driving factor for jobs generated by the Port. For the seaport maritime cargo, it is 14,961 jobs, of those, the vast majority 13,350 were from the Port's seaport. For every one job at the Port on the working waterfront, there are three to four additional jobs generated.

Other Reports

Lefebber provided an update on the apartment fire. In July 2020, there was a 4-alarm fire that completely destroyed the south residential building under construction as part of the new Waterfront development. Lefebber was very happy to report that the rebuilding has begun. They have started debris removal as of last week. This week, they are working on demolition of the foundation to start rebuilding. The fire was

so hot the foundation was unable to be saved. Between the ability to move forward with the Kimberly-Clark project with the BUILD Grant and the rebuild of the south building, the Port is turning a corner on a rough year.

Lefebber stated Commissioner David Simpson asked for an update on the fast ferry given last meetings conversation. Lefebber did have a chance to talk to Gil, Project Manager for the fast ferry study. It was a study that the legislature had requested to look at if they were going to stand up a ferry service, how would that look and what would the routes be. Everett to South Whidbey is an alternate route, they are looking at a couple of alternate routes before they finalize the study. It is important to note that they haven't looked at any of the factors that would actually be needed to stand up a service such as infrastructure needs, ship type, operating costs, who would operate, etc. There is so much more work that needs to be done but Port Staff will be meeting with Puget Sound Regional Council next week to talk about how the Port facilities could fit into those plans if a service was stood up. Based on surey results, a ferry from Everett to Seattle was not as attractive to commuters as was South Whidbey to Everett. They did express interest and said that they would be willing to come provide an update to the Commission. Otherwise, Lefebber will continue to report back on the status and the progression of the study. They are a significant way out before the Port would be able to see or realize any of these passenger ferry services. One of the challenges when working on a passenger ferry with waterfront routes, anytime anyone gets on the waterfront, there is just an inherent lack of parking either onsite or adjacent. There was a strong recognition that this is an obstacle and that if a service like this was to be stood up, it would have to operate as though it was a public transit agency because that is really the only viable way that it could potentially be stood up. Commissioner Glen Bachman added parking on the waterfront is not even close to being a good use, let alone the best use of the property. Commissioner David Simpson thanked Lefebber for presenting this update and has no problem, if the other Commissioners agree, to continue with updates from Port staff pertaining to the possibility of the fast ferry.

Lefebber reported that the Port has been having quarterly planning meetings with the Cities of Arlington and Marysville, as outlined in the Memorandum of Agreement and Partnership. In 2017, the Commissioners passed a Resolution to be able to apply for funding for a Community Economic Revitalization Board (CERB) grant to look at the freight movement in and out of the Cascade Industrial Center (ICI) which at that time was called the MIC. During the meetings with the Cities of Arlington and Marysville, they have expressed interest in dusting that off and looking at reapplying. Back in 2017, the Port of Everett, City of Arlington and City of Marysville all submitted planning grants. There wasn't enough funding for all three so the Port backed out so the Cities of Arlington and Marysville can do a joint planning study on their master plan. With that plan now done, staff thought it was a good time to reconsider. No action is required today, just letting the Commissioners know that Staff is expecting to exploring the pursuit of a new freight connections planning grant for the Arlington/Marysville CIC and will be modifying the grant application to look at an assessment of broadband infrastructure within the CIC to see how the freight transportation and the telecommute portion affects that area. There is usually a requirement that the Commission pass a Resolution for funding and if that is required, Staff will come back to the Commission in October 2020 and ask for a ratification.

Flu shots have been scheduled onsite for Port personnel and their families on October 7 from 10:30 to noon in the Blue Heron Room.

As a reminder, the Commission meetings for October are October 6 and October 13.

Commissioner Tom Stiger asked if the State Auditor Exit Conference was scheduled yet. Chief Financial Officer Eric Russell stated the meeting has been scheduled for September 28 and Commissioner Glen Bachman will represent the Commission for the Port of Everett.

SEAPORT MODERNIZATION

Mill-A Cleanup Site – Contract Modifications with GeoEngineers

Director of Environmental Programs Erik Gerking reported Port Staff is seeking Commission authorization of a contract modification for PSA 1-2018-13 with GeoEngineers, for the Weyerhaeuser Mill-A Model Toxic Control Act (MTCA) Cleanup site (Site). The Port is currently under an Agreed Order with the Department of Ecology (Ecology) for this Site. Under the Agreed Order, the Port and other potentially liable parties, including Weyerhaeuser and Washington State Department of Natural Resources, are required to complete a Remedial Investigation, Feasibility Study, and draft Cleanup Action Plan for the Site. The Port has maintained its leadership of the project and is responsible for providing the services necessary to complete the requirements of the Agreed Order. In August 2020, the Commission authorized the Port CEO to enter into a loan agreement with Ecology to support the work necessary to achieve shovel ready status.

The current contract with GeoEngineers was set up with initial tasks as well as an on-call component. GeoEngineers has completed most of the initial tasks identified in the contract and are continuing to work on the remaining tasks as the cleanup process has evolved. Environmental consulting contracts are solicited as long-term contracts intended to be modified and increased as the cleanup project evolves and the Department of Ecology, other liable parties and public weigh-in on the cleanup process and requirements. As envisioned, the Port has now reached the stage in this contract that we will need to increase the on-call component of the contract to meet the evolving cleanup process requirements. New tasks issued under the on-call portion will include defined work packages, which can be authorized and executed as the Ecology MTCA process unfolds. Staff recommends an increase of \$2,500,000 under the on-call portion of the contract. For task-order amounts that exceed the CEO's purchasing authority, Port Staff would seek Commission authorization and would also conduct a peer review of the task order consistent with the Port's cleanup project contracting process. Our experience with this project and the cleanup process leads Staff to believe that increasing the on-call task-order portion of this contract will provide the level of flexibility and control needed to move through the next phases of work expeditiously.

As background, the loan authorized by the Commission in August 2020 will serve as the Port's matching funds for the associated remedial action grant, and when combined, will fund 100-percent of the eligible project costs, up to \$8,600,000. The 10-year repayment period begins upon project completion. The loan and grant are anticipated to fund the work necessary to achieve shovel ready status for this cleanup, including Remedial Investigations and Feasibility Studies, Cleanup Action Plans, permitting, engineering design, agency approvals, and other related activities.

The work anticipated under the on-call port of the Contract with GeoEngineers is anticipated to execute the remaining requirements of the Agreed Order, including but not limited to the completion of the Marine Area Remedial Investigation Report, Cleanup Feasibility Study Report, and draft Cleanup Action Plan and Upland Area Data Gaps Investigation, Remedial Investigation Report, Cleanup Feasibility Study Report, and draft Cleanup Action Plan.

A major component of the steps listed above is to complete the review process with the Department of Ecology, other Potentially Liable Parties and the public. The result of the steps described above, and the review process, will be Ecology's selection of the required cleanup action for the upland and marine areas.

The Port's financing for this project was affected when Weyerhaeuser, the co-responsibly party for the cleanup, unilaterally terminated the parties' Cooperation and Cost Sharing agreement in 2018. This resulted in the Port having to advance the entire cleanup costs, subject to the 50% match from the existing grant. The loan now allows the Port to borrow funds to move the cleanup forward, while seeking cost recovery from Weyerhaeuser for payment of their share. Commissioner Glen Bachman asked about the area south of the terminal that is tidal lands, at what degree will the cleanup and cleanup money go to that area? Isn't there a neighboring municipality that might have some liability for that? Gerking explained that area is called Pigeon Creek Delta and there is a public access facility down there. With regard to the tidal area, there is some minimal level of contamination, compared to other portions of the site. CEO/Executive Director Lisa Lefebber stated that on a holistic level anytime the Port is doing an environmental cleanup, one of the steps is to look at potentially liable parties, so that will occur as part of this cleanup, as well as all other cleanups.

Commissioner Tom Stiger asked what is the timeline or anticipated for how long these funds would be needed to proceed with the task work? Gerking stated the \$3.7 million is the total contract amount, which includes the \$2.5 million modification so the \$1.2 million that was apart of the original task order has been spent down. Looking into the future, the \$2.5 million would probably be utilized over the next couple of years. There will be a steep spending curve over the next year when the Port is paralleling the feasibility studies, cleanup action plans and upland data gaps investigation, which is fairly pricey. The Port has held back on the upland data gaps investigation for quite some time waiting for a funding source to come thru. Gerking would anticipate a couple of years of work, with a goal to be in the construction phase in 2024.

Commissioner Bachman requested that the Commission receive updates on the findings and/or inspections from the agencies involved with this project, since they may be looking into or want an update or onsite inspections.

After discussion, Commissioner Glen Bachman moved that the Commission authorizes the CEO to increase Task 11 of PSA 1-2018-13 with GeoEngineers by \$2,500,000 to support the Weyerhaeuser Mill-A cleanup project, resulting in a total contract amount of \$3,680,763. Commissioner David Simpson seconded the motion. A vote was called for:

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

Motion carried.

South Terminal Gantry Crane Painting

CEO/Executive Director Lisa Lefebber reported when the original SEPA environmental review was conducted in 2016 for the South Terminal Modernization, Phase 2 project (Port SEPA No. 2016-12), which included the new 100-foot gauge gantry cranes at the South Terminal, the Port was unaware of the Federal Aviation Administration (FAA) requirements of having certain markings or lights for fixed

structures over 200-feet to warn aviation flights of potential obstructions. The new cranes are 213-feet to the apex, and with the boom up stretch 324-feet in the air. The Port sought direction from the FAA in 2019 after the cranes arrived, and it was determined to satisfy the requirement of low-flying access to the trauma 2 Providence Hospital Pacific Campus, U.S. Navy Base and Port cargo operations. The Port must either 1) retain the current white and orange hatching above the 200-foot mark with the current non-pulsating red lights on the cranes; or 2) if the Port choose to paint the cranes above the 200-foot mark a different color install pulsating white and red lights per FAA requirements on each crane to run 24x7x365 days a year.

On February 11, 2020, the Port Commission directed staff to proceed with the environmental review of retaining the current white and orange hatching above the 200-foot mark to satisfy the FAA requirements.

The Port has since analyzed this new information through an extensive public outreach effort, expert color analysis, and consideration of potential property value impacts. The results include a Color Analysis prepared by Ms. Lee Eiseman, who has authored ten books on color, and a memorandum prepared by McKee Appraisal professionals, Mr. Kenneth Barnes, MAI, CRE and Ms. Jacquelyn Johnson, MAI. The McKee Appraisal report concludes that there is no measurable market value impact to a water-view residential property because of having green as opposed to blue gantry cranes within the residential view plane.

The Port also surveyed the neighboring community and found that a significant majority of community residents preferred the FAA safety striping with fixed red lights compared to installation of the medium intensity white/red flashing lights. Following the public outreach and receipt of the color analysis and market value impacts Port staff completed a SEPA Addendum to the original SEPA document, incorporating these findings. Because the majority of surveyed residents preferred safety striping with fixed red lights to white/red flashing flights and because the cranes' green color was found to be the equivalent of and aesthetically similar to the proposed mitigation's blue color, the Port has concluded that no further mitigation is required.

Given the findings of the environment review incorporated in the SEPA Addendum, Port staff recommends not seeking updated proposals to paint the cranes, and retain the current neutral paint scheme, which is compliant with FAA regulations.

Upon discussion, Commissioner David Simpson moved that the Commission not seek updated proposals for the crane painting at South Terminal and affirm staff's recommendation to retain the current paint scheme of the South Terminal cranes that are neutral in color and satisfy the FAA requirements. Commissioner Glen Bachman seconded the motion. A vote was called for:

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

Motion carried.

Crane Project Update

Chief Operating Officer Carl Wollebek reported Nidec, the drive upgrade Contractor, has been onsite since August and they are on schedule. They should be complete by November 5. The spreaders that the

Commission approved have been manufactured and they are on the water, being shipped from Malaysia. They will be arriving the week of September 27. Nordholm, the moving Contractor, who moved the cranes up from California, has been awarded the contract to relocate the cranes to the wharf. Nidec is supposed to be off the cranes November 5, Nordholm will take over November 7 and they will have until November 25 to move the cranes. The actual moving dates on the schedule right now are November 17 and 19 from the uplands on to the dock. The cranes will have to be re-energized and Nidec will come back and do the final commissioning which will take about a week per crane. Completion will be around end of 2020 and so far, everything is on schedule.

Commissioner Glen Bachman mentioned that Kenny Hudson, ILWU, offered him an elevator ride on the crane. Wollebek said the elevators are working so anytime he would like to go, they are up and running. Commissioner David Simpson asked for an elevator ride as well, at a different time.

WATERFRONT PLACE CENTRAL

Southeast Millwright Loop Rd. & Open Spaces – Contract Closeout

Project Manager Brandon Whitaker reported after being given bid authorization by the Port Commission on March 13, 2018, the bid period ran from May 3-31, 2018. A total of four contractors submitted bids on this project. The lowest responsive and responsible bidder was Granite Construction, Inc. (Granite) at \$3,652,087.61, including Washington State Sales Tax (WSST). The Port Commission awarded the contract to Granite on June 12, 2018.

This project represented the last portion of public infrastructure to be built within the Fisherman's Harbor district of Waterfront Place Central. This project accomplished the following elements:

- SE Millwright Loop (CIP 6-8-002-04) – the "Millwright Loop" road system will serve as the main roadway system around Waterfront Place Central. This project built the first segment that branched southwest from existing 13th Street. This also included sidewalks, lighting, underground utilities, and landscaping work.
- Pacific Rim Plaza Finishes (CIP 6-8-002-03) – the westernmost section of Pacific Rim Plaza was completed. This included a green open space with landscaping and benches for the public to enjoy. This green space will also serve as a fire access lane if needed.
- SE Esplanade (CIP 6-8-002-02) – a portion of the former 14th Street esplanade was finished with a final concrete lift to help carry the design aesthetic established along the Fisherman's Harbor esplanade from 2018. Additional lighting was added to this element.
- Central Marina Access (CIP 6-8-002-01) – a new Marina slip holder surface parking lot was built adjacent to the existing Central Marina K-Dock gatehouse and directly south of Hotel Indigo.

At the project's end, the contract reconciliation saw a reduction of \$6,532.52 in total project cost. The project change orders summed to a net credit of \$171,314; a single deductive change order for \$187,000 covered delays in the project due to workmanship and product procurement. The project was subjected to two different sales tax rates, seeing an increase from 9.7% to 9.8%. All these elements brought the final, total construction expenditure to \$3,484,578.74, including WSST. The project achieved Physical Completion on May 15, 2020.

After discussion, Commissioner Glen Bachman moved that the Commission close out the public works contract for the SE Millwright Loop and Open Spaces project, comprising Bid Schedules A through D with Granite Construction, Inc., in the total final amount of \$3,484,578.74, including WSST. Commissioner David Simpson seconded the motion. A vote was called for:

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

Motion carried.

NEW BUILDING LEASES

Freedom Boat Club (Victory Marine, LLC) Office Lease

Chief of Business Development Terrie Battuello presented an office lease for 400 rentable square feet (RSF) of retail space in a new building anticipated in a location identified as A17 just west of Hotel Indigo and immediately adjacent to the new Central Dock K and South Esplanade as part of Waterfront Place Central at the Everett waterfront. The building includes approximately 1,200 RSF for three suites for marine-related tenants.

Victory Marina, LLC is a "Freedom Boat Club" boat rental franchise operator. Freedom Boat Club is the worlds largest "members-only" club founded in Sarasota, Florida in 1989. This organization is named a "Top 500 Franchise" by Entrepreneur Magazine and one of the "Top 500 Americas Fastest Growing Private Companies" by Inc. Members pay a joining fee of several thousand dollars, and then a monthly fee with optional add-ons for premium vessels. This service lowers the barrier to boating and supports the Port's objectives of promoting water access. Today, the franchise includes 230 locations with 20,000 members in US, Canada, and France, where its members can enjoy use of vessels without worrying about fueling, cleaning and maintenance. In the Puget Sound locations currently exist in Poulsbo, Bremerton, Lynnwood, Redmond, Magnolia, and two locations on Lake Union. The local franchise owner customizes their fleet to include a variety of vessels, provide training and insurance, making this service a gateway to boat ownership. Mr. Nicholas Houge is the owner of this franchise and resides in Seattle. Houge became interested in opening an Everett location based on customer inquiries.

The lease is effective after signing. However, the lease is dependent on construction, which the Port is not obligated to undertake or complete. The Port anticipates construction documents being completed in early 2021 and bidding the project in January 2021. The lease is for a five-year term with two tenant options to extend for a period of five years each. The lease is expected to commence in the first half of 2022. The Landlord work letter requires "grey shell" construction (unfinished interior, no mechanical) with the tenant being reimbursed \$40 per RSF for improvements to the building which, once constructed, are a part of the building (flooring, lighting and other attached materials). Rent is assessed at \$35 per RSF. Annual escalations of 3% are included to offset the impacts of inflation. The tenant will pay a 33% pro rata share of all commercial building maintenance expenses under the triple net contract (insurance and expenses), plus Washington State Leasehold Excise Tax of 12.84% of base rent. The security deposit is equal to three months' rent to be deposited upon execution of the lease. The tenant must adhere to a continuous operations clause and may not sublet the space.

In addition to the retail space, the tenant will be permitted to use moorage space at a 10% discount, provided the moorage space is leased for the term of the retail space. The amount of space is still being negotiated.

Revenue from this lease over the base term of five years is \$74,327.90.

After discussion, Commissioner David Simpson moved that the Commission approve the Commercial Lease with Victory Marine, LLC with security deposit equal to three months' rent, in a form substantially as presented and authorize the CEO to sign the Lease. Commissioner Glen Bachman seconded the motion. A vote was called for:

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

Motion carried.

Bellingham Yachts (Ouilette Brother's Yacht Sales, Inc.) Office Lease

Chief of Business Development Terrie Battuello reported Bellingham Yachts is the trade name for Ouilette Brother's Yacht Sales, Inc. owned by the Ouilette family for thirty-five years. They feature Sabre Yachts, Back Cove Yachts and Cutwater Yachts. Bellingham Yachts began leasing at the Port of Everett in 2016 in a temporary space and has been waiting for the development of retail space in a new building, now anticipated in building A17

The lease is effective after signing. However, the lease is dependent on construction, which the Port is not obligated to undertake or complete. The Port anticipates construction documents being completed in early 2021 and bidding the project in January 2021. The lease is for a three-year term with three tenant options to extend for a period of three years each. The lease is expected to commence in the first half of 2022. The Landlord work letter requires "grey shell" construction (unfinished interior, no mechanical) there is no tenant allowance for improvements. Rent is assessed at \$30 per RSF. Annual escalations of 3% are included to offset the impacts of inflation. The tenant will pay a 33% pro rata share of all commercial building maintenance expenses under the triple net contract (insurance and expenses), plus Washington State Leasehold Excise Tax of 12.84% of base rent. The security deposit is equal to three months' rent to be deposited upon execution of the lease. The tenant must adhere to a continuous operations clause and may not sublet the space.

In addition to the retail space, the tenant will be permitted to use moorage space if attached to this lease term at a 10% discount, provided the moorage space is leased for the term of the retail space.

Revenue from this lease over the base term of three years is \$37,090.80.

Upon discussion, Commissioner Glen Bachman moved that the Commission approve the Commercial Lease with Ouilette Brothers Yacht Sale, Inc. with security deposit equal to three months' rent, in a form substantially as presented and authorize the CEO to sign the Lease. Commissioner David Simpson seconded the motion. A vote was called for:

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

Motion carried.

Waterline Boats, LLC Office Lease

Chief of Business Development Terrie Battuello reported Mr. Scott Helker is president of Waterline Boats, LLC, which currently operates at Westlake in Seattle and Bremerton. They provide a number of services including "Boat Matching" to assist people who want to buy a boat and need help navigating options. They also sell new yachts, specializing in trawler yachts, proudly representing Helmsman Trawlers and are the exclusive Washington licensee for Boatshed, the world's largest yacht brokerage group. In addition, they have a lengthy inventory of new and used power and sail boats, trawlers, and yachts for sale. Their retail space will also be in building A17.

The lease is effective after signing. However, the lease is dependent on construction, which the Port is not obligated to undertake or complete. The Port anticipates construction documents being completed in early 2021 and bidding the project in January 2021. The lease is for a five-year term with two tenant options to extend for a period of five years each. The lease is expected to commence in the first half of 2022. The Landlord work letter requires "grey shell" construction (unfinished interior, no mechanical) with the tenant being reimbursed \$40 per RSF for improvements to the building which, once constructed, are a part of the building (flooring, lighting and other attached materials). Rent is assessed at \$35 per RSF. Annual escalations of 3% are included to offset the impacts of inflation. The tenant will pay a 33% pro rata share of all commercial building maintenance expenses under the triple net contract (insurance and expenses), plus Washington State Leasehold Excise Tax of 12.84% of base rent. The security deposit is equal to three months' rent to be deposited upon execution of the lease. The tenant must adhere to a continuous operations clause and may not sublet the space.

In addition to the retail space, the tenant will be permitted to use moorage space if attached to this lease term at a 10% discount, provided the moorage space is leased for the term of the retail space. The amount of space is still being negotiated.

Revenue from this lease over the base term of five years is \$74,327.90.

Upon discussion, Commissioner David Simpson moved that the Commission approve the Commercial Lease with Waterline Boats, LLC with security deposit equal to three months' rent, in a form substantially as presented and authorize the CEO to sign the Lease.

Commissioner Glen Bachman seconded the motion. A vote was called for:

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

Motion carried.

DEPARTMENT REPORTS

Projects

Bay Wood Interim Action – Shoreline Restoration and Cleanup – Award

Environmental Engineer Elise Gronewald reported Port Staff is requesting the Commission to award a public works contract for the Bay Wood Interim Action – Shoreline Restoration and Cleanup project. The project is being conducted in partnership with the Department of Ecology (Ecology) under an Agreed Order as an Interim Cleanup Action (Interim Action). The scope of the project is critical to the commercial development of the Bay Wood property as it will address legacy contamination, restore and create new habitat along an environmentally damaged shoreline, and achieve a reduction in the

shoreline buffer setback. Notably, the funding for this project is provided in large part by a unique Ecology Remedial Action Grant that covers 90% of the eligible Interim Action costs.

A public works bid process was conducted between August 18 and September 9, 2020 for this project. A total of 12 bids were submitted. The original low bidder, Wyser Construction, requested to withdraw their bid in accordance with the Instructions to Bidders, Article 3.02 due to bid error. Staff reviewed their request and recommended that the CEO accept Wyser's request to withdraw. The lowest responsible, responsive bidder is Strider Construction. Their total bid, including Washington State Sales Tax is \$1,535,237.87.

As background, the south western shoreline of the Bay Wood property is currently challenged by a low functioning, publicly inaccessible shoreline that is overgrown with invasive plant species, has an over steepened shoreline embankment with scattered industrial debris, quarry spalls and wood debris, dilapidated creosote-treated bulkheads, and areas of soil contamination. The project resolves these challenges by generally accomplishing the following actions:

- 1,300 linear feet of intensive shoreline restoration, including waste and debris material removal, reduced shoreline slopes by mass excavation, beach gravel and sand placement, and native plantings
- 2,200 linear feet of upper bank buffer enhancements, including invasive plant species removal, topsoil placement, and native plantings
- Upland cleanup along the south side of the property, inland of the shoreline, to remove contaminated soil from a topographic low area

A significant economic development outcome of this project is a reduction of the shoreline buffer from 100-feet to 50-feet (50 percent reduction). This reduction, as it turns out, is critical to economic development as it allows this awkwardly shaped site to meet commercial development requirements and optimize job creation.

Additionally, a public access nature trail will be incorporated into the site as part of the City of Everett Shoreline Permit requirements of the commercial development, for which the developer is responsible. The nature trail will wrap around the entire site extending through the buffer planting area and will connect to the public sidewalk of West Marine View Drive. The trail will be constructed by the developer during their development activities. It is anticipated that interpretive signage will be placed within the public access area in partnership with the Department of Ecology, Tulalip Tribes, the Port of Everett, and developer to celebrate the ecological importance and human history of the area.

If the Commission awards the contract as proposed by the Port Staff, the contracting will commence immediately, and the construction work will occur between this fall and the spring of 2021. This schedule dovetails with the commercial developer's construction schedule. The commercial development is anticipated to generate 300 direct jobs, 1,000 indirect jobs and more than \$300,000 in annual state and local tax revenue.

CEO/Executive Director Lisa Lefebber can't stress how important this project is in preparing the site for job creation. With Latitude's partnership, the Port expects that there will be up to 300 jobs created on this site and this project is a critical piece in making that happen. Lefebber thanked the Port team and quoted Gerking "for every \$1 of remedial MTCA money spent, it generates about \$7 in return." This project is evidence of that.

After discussion, Commissioner Glen Bachman moved the Commission ratify the CEO/Executive Director's acceptance of Wyser Construction's bid withdrawal and award the public works contract for the Bay Wood Interim Action – Shoreline Restoration and Cleanup project to Strider Construction in the amount of \$1,535,237.87, including WSST. Commissioner David Simpson seconded the motion. A vote was called for:

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

Motion carried.

Commission President's Report

Commissioner Glen Bachman reported that in construction development timelines, Project Manager Brandon Whitaker's report, considering all that was done in the time that it was achieved, should have gotten a speeding ticket.

Commissioner Bachman is working on a committee with Greater Seattle Partners on a branding and economic impact and recovery plan. He is also on a committee with Washington Public Ports Association on climate issue and carbon pricing. There is a small intersection with regards to both committees but when the Snake River upper dams and hydro electric power are being talked about, this all ties together with carbon pricing because with that, the Port should hopefully be able to garner credits.

Commissioner Bachman acknowledged Erik Gerking on the AAPA environmental award and gave recognition to the Port for receiving recognition from various associations for our initiatives and projects.

Commission Discussion

Commissioner David Simpson reported last Thursday, the Port team completed the first Commissioner's Corner, virtual quality community engagement update program. He thanked Staff who were involved with it and looks forward to the next one.

Commissioner Tom Stiger stated he sat in on the Commissioner's Corner and he thought it went very well. Commissioner Stiger also thanked Port Attorney Brad Cattle and his legal team for working through the Bargreen Settlement. Even though it was an expensive process, he is glad to have that behind the Port. Cattle added that Aric Jarrett from Stoel Rives was the other lawyer working on behalf of the Port and he did a great job so the two of them pulled the oar on the legal side along with Lisa Lefeber and Eric Russell, it was clearly a team effort. Stiger also suggested a new name for the color of the new cranes since the existing cranes are smoke blue, the two new cranes should be called Bargreen green

Special Commission Meeting Minutes
September 15, 2020

Citizen Comments

There were no citizen comments.

Executive Session


No Executive Session was held.

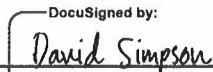
THE REGULAR MEETING WAS ADJOURNED at 2:21 p.m.

APPROVED this 13th day of October, 2020.

EVERETT PORT COMMISSION

DocuSigned by:
By: 
Glen Bachman, President

By: 
Tom Stiger, Vice President

DocuSigned by:
By: 
David Simpson, Secretary

ORIGINAL

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

AP Claims Transactions		Total
Claim Checks Issued	89344 - 89458	\$748,112.30
P-Card Transactions		52,552.13
ACH Transactions	#546 - 595	1,610,459.81
Total Claims Check Register		2,411,124.24
Electronic Claims Transactions:		
8/10, 8/13, 8/14, 8/17, 8/20, 8/27	Electronic Transfer - Health Equity/Navia/Guardian/Accrue CMS	\$12,468.98
8/3, 8/17	Electronic Transfer - IRS	195,761.81
8/26	Electronic Transfer - WA St Dept of Rev	49,304.99
8/3, 8/31	Electronic Transfer - U.S. Bank	12,640.48
8/3	Electronic Transfer - U.S. Bank LOC Fees	1,280.47
8/31	Electronic Transfer - RRIF	97,614.64
Total Electronic Claims		369,071.37
Total Claims		2,780,195.61
Payroll Transactions		
Payroll Checks Issued	Direct Deposit	\$483,269.00
8/4, 8/11, 8/18, 8/25	PMA Payroll (Longshore Labor)	131,258.38
Total Payroll		614,527.38
Total Payments		3,394,722.99

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 15th day of September, 2020:

DocuSigned by:

D884C4BAE92F4D

President

DocuSigned by:

CE451231384A4A8...

Vice President

Secretary