



# Seaport Modernization & Maritime Industrial Expansion

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Commission Retreat  
March 2, 2022

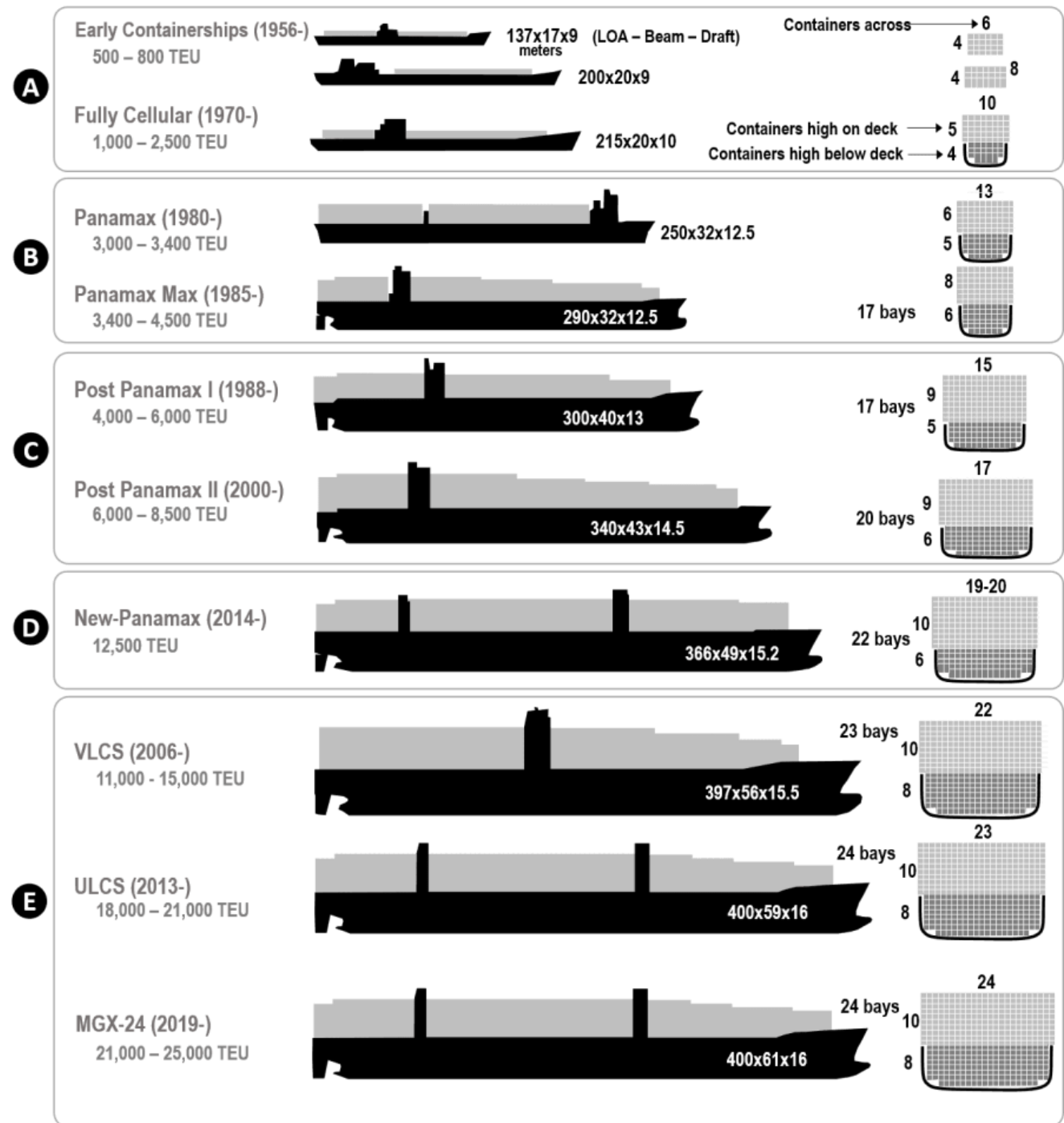




*\*Pre-Pandemic*

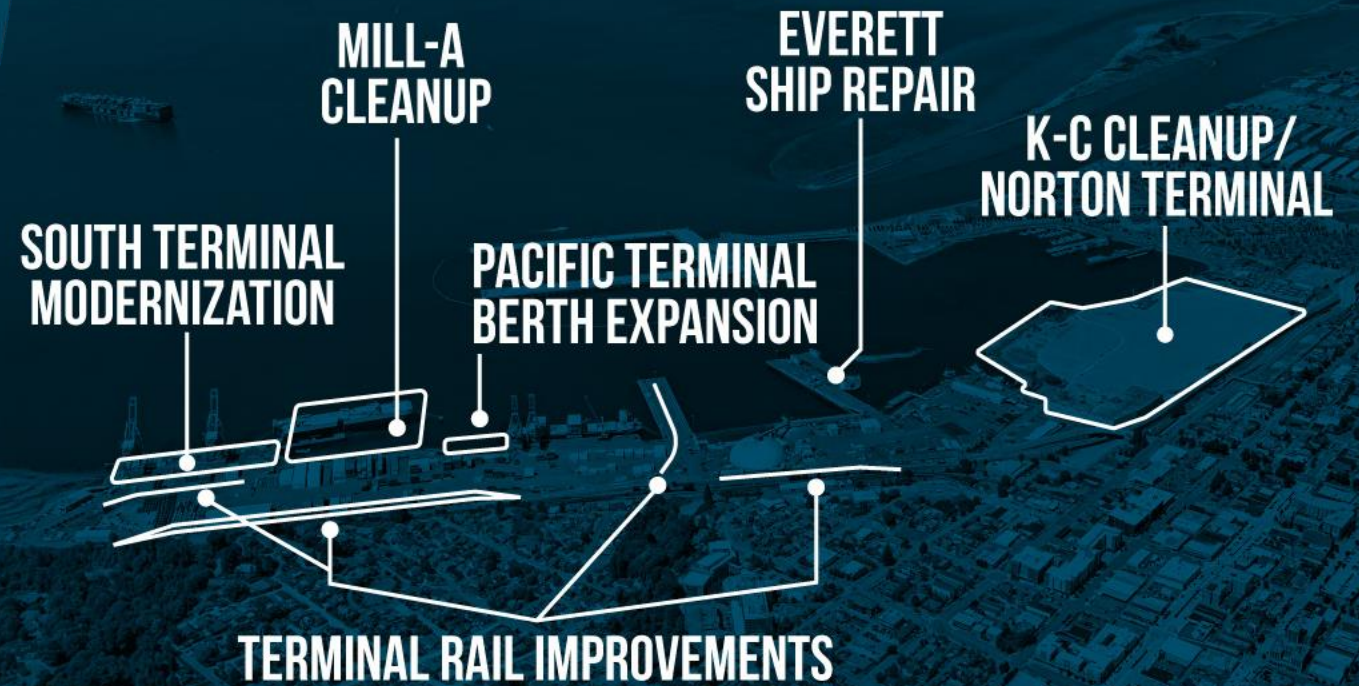
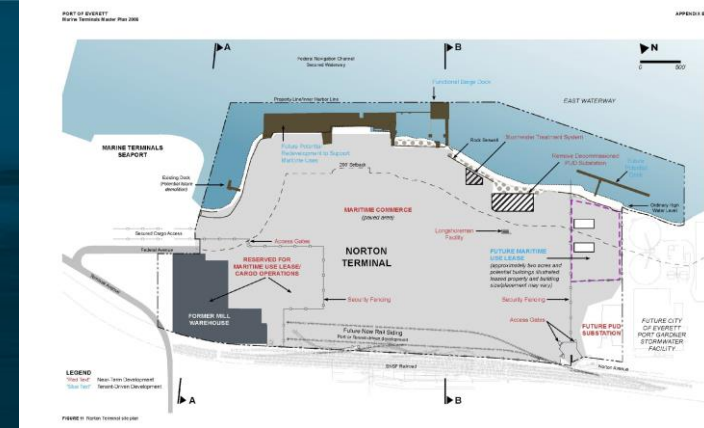
# Industry Trends + Big Ship Shift

- ✓ Industry demands larger ships to transport more cargo
- ✓ Majority of seaports not “big ship” ready
- ✓ Seaports rush to modernize to keep freight moving
- ✓ Post-Panamax+ too large for Panama Canal; West Coast ports essential
- ✓ Over past decade, about \$11B in federal investment on east coast compared to roughly \$1B on West Coast



# Port of Everett Strategic Investments

- ✓ *Preparing for trade of the future is our standard*
- ✓ *Port Commission adopted forward-thinking Marine Terminals Master Plan in 2008*
- ✓ *Have been strategically investing in seaport modernization for over past two decades*
- ✓ *\$150M+ in last 10 years; docks, rail, equipment, cleanup + sustainability*
- ✓ *Recruited commercial and military approved shipyard — Everett Ship Repair, to keep region competitive*
- ✓ *Opened modernized South Terminal and broke ground on Norton Terminal in 2021*





# Port Initiative 1: Seaport Modernization

## ✓ **Strategic Narrative:**

*Upgrade and modernize Seaport facilities to meet 21<sup>st</sup> Century Shipping Needs*

## ✓ **Objectives/End State:**

- *Increased upland acreage*
- *Increased useable berths (minimum 1,100')*
- *Increased water depth -45*
- *Increased dock strength (1,000 psf)*
- *Availability of shore power*
- *Covered storage space*
- *Increased crane capability*
- *Environmental Cleanup*





# What Initiative Accomplishes

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- ✓ *Ensures our facilities meet 21<sup>st</sup> Century infrastructure needs and the region's disaster recovery needs*
- ✓ *Continues to modify our facility to meet the diverse needs of the aerospace industry and our other customers*
- ✓ *Supports Naval Station Everett and National Security efforts*
- ✓ *Achieves our commitment to environmental stewardship and public access*
- ✓ *Supports short- and long-term job creation*
- ✓ *Makes our facilities more competitive*

# Summary & Status

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- ✓ *Mill A Interim Action; dredging for expanding berth area at Pacific Terminal* **COMPLETE**
- ✓ *Rail Expansion Phase I & II* **COMPLETE**
- ✓ *South Terminal Modernization and Dock Strengthening Phases I & II* **COMPLETE**
- ✓ *Acquisition of two, 100-foot gauge gantry cranes* **COMPLETE**
- ✓ *Upgrade and Place into use new gantry cranes* **COMPLETE**
- ✓ *Cargo Transit Shed Relocation (\$2M)* **COMPLETE**
- ✓ *Kimberly-Clark Acquisition (\$17M)* **COMPLETE**
- ✓ *Norton Terminal enviromental cap/redevelopment* **UNDERWAY**
- ✓ *Final Mill A Cleanup and Dock Expansion* **IN PROGRESS**



# PROGRESS UPDATE: South Terminal Modernization COMPLETE

- ✓ *\$57M investment complete; first ship in April 2021 and has been in full use since*
- ✓ *ONLY port of our size on West Coast with container cranes*
- ✓ *Ship capacity has nearly doubled over previous years*





# PUBLIC ACCESS UPDATE:

# South Terminal

# Modernization

- ✓ South Terminal project supports \$586K via 2% for public access policy
- ✓ To date, this contribution has not been designated by the City
- ✓ Port is working with the City to facilitate public access dollars to support access opportunities at Waterfront Place





# Weyerhaeuser Mill-A Site *ACTIVE CLEANUP*

- ✓ Port working with Weyerhaeuser & Ecology to determine cleanup options for Weyerhaeuser's former Mill A site
- ✓ Encompasses Port's South & Pacific Terminal berths & surrounding bay
- ✓ Unique combination of state loans & grants to fund project to shovel ready; cost recovery from Weyerhaeuser
- ✓ Working on extended grant agreement – first of its kind
- ✓ Anticipated to commence in 2025





# Maritime Industrial Expansion Objectives

## ✓ **Strategic Narrative:**

*Convert a former mill site into a maritime commerce and job generating hub*

## ✓ **Short Term Objectives:**

- *Create temporary and long-term jobs*
- *Ensure upland environmental cleanup is conducted*
- *Increase upland acreage to support maritime commerce*
- *Adaptive reuse of 395,000 sq. ft. of warehouse space*
- *Secure shipyard to support commercial and military repair needs*
- *Secure access between existing operations and new acreage*

EVERETT  
SHIP REPAIR

MARITIME  
COMMERCE

CARGO OPERATIONS  
& COMMERCIAL



# What Initiative Accomplishes

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- ✓ *Establishes a short-term and a long-term strategy to restore the jobs lost as a result of the mill closure*
- ✓ *Supports maritime job growth and international trade – 60% of the jobs in Snohomish County are tied to trade*
- ✓ *Ensures the ongoing success, protection and land use compatibility of this public resource for international trade facilities and Naval Station Everett*
- ✓ *Allows for trade facilities to support the growth of the Cascade Industrial Center in Marysville and Arlington*
- ✓ *Cleans up historic contamination*



# Summary & Status

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- ✓ *Acquire former Kimberly-Clark Mill Site (\$17M) **COMPLETE***
- ✓ *Partner with K-C to cleanup historic contamination and crushed material from the upland site **COMPLETE***
- ✓ *Construct new Norton Terminal/environmental cap (final physical cleanup of uplands) **UNDERWAY***
- ✓ *Put the warehouse back into job-producing use with a third party **IN PROGRESS***
- ✓ *Secure commercial shipyard **COMPLETE***
- ✓ *Relocate Foreign Trade Zone #85 to the former mill site **IN PROGRESS***
- ✓ *Public access north of the boat launch **IN PROGRESS***





# PROGRESS UPDATE: Norton Terminal & MTCA 3<sup>rd</sup> Interim Action

- ✓ *\$36M Mills to Maritime effort enhances commerce, restores jobs & achieves environmental stewardship*
- ✓ *Project broke ground in July 2021; on pace to open late-2022*
- ✓ *40-acre terminal leverages \$57M in infrastructure investments at South Terminal; site in high demand*





# PROGRESS UPDATE: Norton Terminal & MTCA 3<sup>rd</sup> Interim Action

- ✓ Phase 1 complete; imported 50,000+ cy clean material for preload over six acres
- ✓ Phase 2 underway; to date work includes grading, capping existing utilities and starting new utility/stormwater install
- ✓ Next up removal/grading of preload and asphalt paving to create the cap





## PROGRESS UPDATE:

# Adaptive Reuse of the Warehouse

- ✓ *Exploring opportunities to put the former KC warehouse back into productive job producing use*
- ✓ *360,000 sq. ft., three-story warehouse*
- ✓ *Working on demising plan to increase access; expecting to begin work in late-2022/early-2023*
- ✓ *Heavily marketing the space for industrial/maritime commercial use*





# PUBLIC ACCESS UPDATE: Norton Terminal

- ✓ Norton Terminal project supports \$600K in off-site public access via Port's 2% for public access policy
- ✓ Working with the City, these public access dollars were earmarked to support the recently completed \$1M Jetty Landing Boat Launch dredging to support upgrades to that key public access facility





# Greening the Supply Chain

- ✓ *The Port is committed to incorporating sustainability into its Seaport operations in an overall effort to green the supply chain*
- ✓ *South Terminal upgrade incorporated upgrades to support future shorepower*
- ✓ *Exploring electrification upgrades at Piers 1, 3 and Norton Terminal*





# Helping Ease Supply Chain Backlog

- ✓ Completed \$57M South Terminal modernization in early 2021; has been in constant use since opening
- ✓ Positioned Everett as one of the only ports of its size on the U.S. West Coast with Post-Panamax container cranes
- ✓ Completed first short sea shipping connection between Everett and B.C.

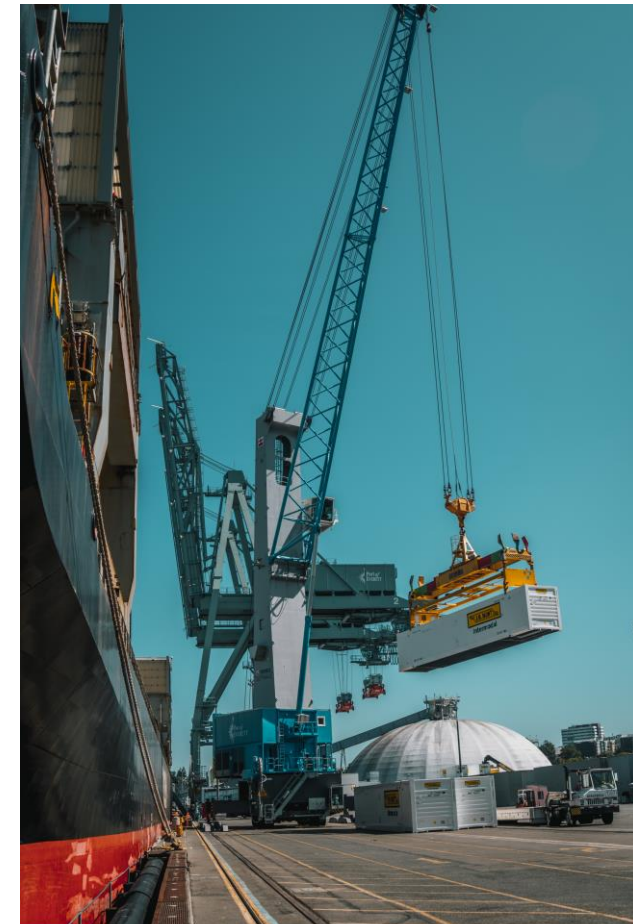
On Nov. 19, 2021, the Port of Everett was pleased to host U.S. Congressman Rick Larsen's roundtable on the supply chain.





# Trends in Pandemic Shipping

- ✓ *Just in time vs. just in case*
- ✓ *Customers are purchasing their own containers vs. waiting for leased containers*
- ✓ *Chartering smaller, non-container vessels to get into available ports*
- ✓ *Rad Power Bikes example*





# 2021 Cargo Snapshot

- ✓ The Port of Everett Seaport was already the 3<sup>rd</sup> largest container port in Washington state,
- ✓ 2021 was by far the busiest year for container volume in our more than 100-year history
- ✓ We handled more than 20,000 containers in 2021
- ✓ Also saw increase in traditional cargo in 2021, including breakbulk, energy, machinery, manufacturing, forest products and agriculture



**133**

Port calls in 2021; nearly 40 more ships than 2020



**572k**

Short tons moved in 2021, more than double 2020



**20k**

Containers moved in 2021, up from 3,875 in 2020



**400%**

Increase in container volume over last year



**850+**

Pieces of military cargo handled supporting largest military shipment to date



# 2022 Forecast + Assumptions

- ✓ *Remain nimble and continue to support supply chain relief; hopefully see some stabilization throughout the industry*
- ✓ *Uncertainty in the aerospace industry*
- ✓ *Open new \$36M, 40-acre Norton Terminal; on schedule for late-2022*
- ✓ *Support military movements; named one of 18 strategic seaports nationwide*
- ✓ *Continue to support niche in high & heavy cargoes for construction, manufacturing, agriculture and energy sectors*





**Thank You!**  
**Questions?**

