

**Minutes of Everett Port Commission
Special Meeting
January 21, 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 December 3, 2019, and Regular Meeting Minutes of December 10, 2019
- Approval of Bills for December 2019;

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.

1. CEO/EXECUTIVE DIRECTOR'S REPORT

State Legislative Agenda

Executive Director Lisa Lefebber gave an update on state legislative priorities. This year will be a short budget session. The Port has two capital budget requests, although she doesn't expect a strong capital budget given the competing priorities. She expects there to be a big focus on I-976 initiative and the budget ramification, combined with gun law reform and homelessness. The Port will be looking to ensure joint land use compatibility surrounding port/military installations. The Department of Commerce just did a land use compatibility for military installations and the Port would like something similar for Port facilities.

Fortunately, last year, the Port had some very solid wins with the Model Toxic Control Act (MTCA) reform for environmental remediation. Also, the Port received \$16 million in state funds for the Mill-A Cleanup. The Port will be advocating to fund the Governor's budget for MTCA and maintain the balance that the Port has been successful in securing over the years.

US Hwy 2 transportation congestion continues to be a strong focus area. The Port of Everett and port industry as a whole is very interested in innovated financing for infrastructure. The Port wants to advocate to establish an infrastructure Loan Program to allow local governments to sufficiently fund local infrastructure projects to support economic development. Also, authorize new ways to leverage public and private funding for major projects.

In terms of capital budget, the Port has two joint requests for short-sea shipping infrastructure. The first request is for \$4 million in the capital budget to support the Northwest Seaport Alliance and Port of Everett's partnership to implement a container on barge service from the Northwest Seaport Alliance to the Port of Everett. This capital investment would provide the infrastructure required to move up to 10,000 trucks on I-5 annually, which will improve traffic on the I-5 corridor and simultaneously reduce air emissions by almost 100%. The second request is for \$1 million in the capital budget to support the Port of Everett, City of Everett and Snohomish County's boat launch dredging. This boat launch serves a life safety function for the Everett Police Marine Unit and the Snohomish County Sheriff's, in addition to providing recreational and tribal access to fishing ground in the Port Gardner Bay. Currently, portions of the launch is rendered unusable at low tide.

Greater Seattle Partners Membership

Executive Director Lisa Lefebber reported that a couple years ago, the Port of Everett was one of the founding members of this regional economic partnership which is an addition to the Economic Alliance Snohomish County. The goal is to promote economic development and growth in the region. Greater Seattle Partners (GSP) takes a regional approach to economic development, they focus heavily on economic development in Snohomish County and also Pierce County, not just King County. They have been actively involved in the Cascade Industrial Center over the years and extremely valuable to the Port. Terrie Battuello and Greater Seattle Partners are working together to create economic development opportunities in and around the Port. Greater Seattle Partners replaced the Trade Development Alliance. The membership is \$25,000 annually, which provides the Port a seat on the board. Because it is a startup organization, GSP is asking for a three-year pledge, which would be \$75,000.

Commissioner Simpson asked that Commissioner Bachman keep the Commission informed regarding the Greater Seattle Partners involvement with the Apprenticeship Program.

No action was required.

2. 2019 COMMUNITY OUTREACH REPORT

Public Affairs Manager Catherine Soper reported on the 2019 Community Outreach. She went over department goals which included:

- Inform the importance of trade and the Port as a vital economic engine
- Ensure a comprehensive community outreach and education program
- Enhance relationships with the community and maritime industry
- Increase understanding of operations and commitment to environmental stewardship
- Build and deliver a unified Port brand; continue to enhance and monitor image/identity
- Implement practices that create a positive experience for our audiences
- Build community pride of the Port among residents, customers, staff
- Ensure our audiences have easy and varying access to information
- Partner with the news media to better tell the Port's story
- Support communications and marketing for all Port operating divisions
- Create an efficient and cohesive internal communications system

Catherine went over all the different ways Public Affairs reach out to the community. They use in-person communications which include annual bus, harbor and business tours, presentations,

key communicator meetings, host open houses and booths at community events, and business, contractor and customer outreach.

A long side the in-person communication, the Public Affairs team create print mediums, use digital and visual toolbox which include websites, social media, videos and photos, mobile app, e-blasts, AlertSense and graphics. The Port of Everett have been in special features such as Welcome magazine, summer 2019; The Making of Waterfront Place.

Other ways the Port is out in the community is on the industry level such as trade shows, partner participation, Port staff presentations at key industry events and legislative advocacy and support for key issues. As for advertising, the Port took a step back in 2019 from print because they are very expensive, so digital advertising was used more, as well as radio and paid partnerships such as Outdoor Line and Live in Everett. Seaport, marina and real estate customer communication is very important to the Port.

Student outreach is a big proponent of what the team does. The Port of Everett has partnerships with Imagine Children's Museum, Everett Community College, Everett High School STEM, Everett Career Link which is an internship program, Promotion of Youth Boating and Safety, Regional Apprenticeship Pathways and constantly working trade related workforce development; promotion of 'blue' jobs.

Projects take a lot of communications support. Key construction projects in 2019 were Seaport Modernization, Maritime Industrial Expansion, Waterfront Place, Central Marina Improvements, South Marina projects, City's Grand Avenue Park Bridge and Riverside Business Park. Communication that is used for these projects include signage and information boards, construction notices and newsletters, open houses, noise and construction hotline, webpages for high-visibility projects and AlertSense notifications. Internal staff communications and commission communications are used as well.

Inter-governmental relations, the Port constantly keeps the cities, counties, navy and tribes up to speed on everything as well as monthly meetings with the managers and administrator groups.

The Port of Everett host a lot of events throughout the year as well as special events of which 31 Special Use Permits were process in 2019.

A few special projects for 2019 include the Next 100 brand campaign, crane campaign, Strategic Plan update, Seaport marketing brochure, Cascade Industrial Center partnership and hosted Pacific Coast Congress of Harbormasters and Port Managers conference.

The Port of Everett received a few awards and recognition such as AAPA Communications Award of Excellence; Centennial Campaign: The First 100 Years, WPPA 2019 Environmental Project of the Year Award; Dredge Material Management Disposal, Pacific Coast Congress; Harbor Achievement Award, Marina DockAge; 2019 Large Marina of the Year, Lisa Lefebber received the Leadership Snohomish County 2019 Deborah Knutson Women in Leadership Award, Les

Reardanz received the Pacific Northwest Waterways Association Distinguished Service Award, Kate Anderson received the Marina DockAge Young Leader Award and Maija Lampinen received the National Institute for Public Procurement Washington State Buyer of the Year.

Catherine Soper ended the presentation with a look ahead for 2020 which include:

- Mills to Maritime Campaign
- New website to be launched mid-2020
- New banners along West Marine View Drive
- Community Assessment Survey
- Economic Impact Report
- Broaden reach North to Arlington and Marysville (Cascade Industrial Center)
- Continue expanding social presence
- Customer experience focus
- Trade-focused 'Workforce Development Day' field trip

3. CHIEF FINANCE OFFICER'S REPORT

Update on 2020 LTGO Bond Sale

Chief Finance Officer Eric Russell reported that the Port sold some General Obligation bonds last week. Alan Dashen, Northwest Municipal Advisors, gave an update on the sale. The Port issued about \$26 million bonds for the purchase of the Kimberly-Clark property and Norton property. The properties were funded with a short-term line of credit. Interest rates continue to be at very low levels. Northwest Municipal Advisors worked hard to sell these bonds in early January which is called the "January effect", because everyone sells late in the year to get them over with, so they hit the bond market at an excellent time. Bond rates are at 3% or lower. The bond rating is a Aa2 by Moody's and the true interest cost for the bonds were just a touch over 3% with a final maturity in the year 2049. They "wrapped" the bonds around all outstanding Port debt services. Commissioner Stiger asked if that includes revenue bonds. Alan Dashen said the bonds include revenue and Limited Tax General Obligation (LTGO). The Port can pay the bonds early but must wait until ten years. Any time after ten years, if the rates are better than 3%, that would be a good time to refinance. The Port sold three types of bonds. Normally, when a port sells bonds, they are for a public purpose and tax exempt. Some of these bonds were tax exempt, some were taxable for private purpose and some were alternative minimum tax (AMT). There is an issue that the Port should be aware of is that the amount of LTGO bonds that can be sold is limited by state law. These are bonds that tax the public and using that tax to pay the debt service. If the Port is not using that tax to pay the debt service, that means the Port is using revenues and that is revenue bonds and they are not as secure.

4. MARITIME INDUSTRIAL EXPANSION

Executive Director Lisa Lefeber gave an update on the Maritime Industrial Expansion project. The Port has been working feverishly on both the legal, environmental site planning as well as engineering and planning fronts trying to get the property operational. A few highlights over the last month, the Port received confirmation from the condemnation attorney that the judge ruled in the Port's favor against Pacific Stevedoring request for attorney fees. They will be removing their barges from the property no later than February 11, 2020. In terms of engineering and services, the Port has been working hard to review the proposals and have narrowed it down to three. This will help get the property useable. Erik Gerking has been working on environmental cleanup and planning. The Port expects in the February/March

timeframe, Kimberly-Clark will mobilize to remove the crushed material from the site. West Marine View Drive will be congested during this time. The Port applied for an Integrated Planning Grant through the Department of Ecology and currently working with the federal agency on a grant agreement for \$15.5 million.

Commissioner Stiger asked if the Port had started conversation with the PUD. Lisa Lefebber reported that Terrie Battuello and Steve Hager have been working close with the PUD. The capacity study should be complete next month.

Commissioner Simpson asked about the PUDs involvement for this property. Lisa Lefebber explained that this has been one of the most fascinating things about economic development that is not visible to the public which is the utility infrastructure. About a year ago, the Port received notification from the PUD if the Port wanted to be able to put the cranes into operation. Also, to be able to have capacity for the waterfront apartments along with other activity, the Port needed additional power until the substation opened. The Port reserved the existing substation at the Seaport the rest of the power for the harbor for the cranes. That means Kimberly-Clark does not have power until the PUD builds a new substation. The infrastructure is there but there is no power. They will have to build a brand-new substation which could take up to three to four years.

5. SEAPORT MODERNIZATION

Crane Lighting Demonstration

Executive Director Lisa Lefebber reported the newly strengthened wharf was substantially completed on December 26, 2019. The Port is currently working on punch list items. The first ship was at the Seaport on Monday, December 14, 2019, which was a steel ship. The Port was unfortunately not successful in receiving the Marine Highways Grant that would have helped fund placing the new cranes into operation. The Port is moving forward with the upgrades for the cranes without a federal contract with a goal of getting them into services sometime in Fall 2020.

The Port sought direction from the FAA in 2019 after the cranes arrived, and it was determined that 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 chooses to paint the cranes above the 200-foot mark a different color, then, the Port must install pulsating white and red lights per FAA requirements on each crane to run 365 days a year at all times. In a phone conversation, the FAA representative indicated that the pulsating white (in the day) and red (at night) lights are not favored or recommended near residential areas because of their impacts.

In December 2019, the Port announced it would conduct a public outreach to the neighbors and hold a public meeting to contribute to the SEPA process on the visual impacts perceived by the public and better inform the Port in its SEPA determination. This information will guide the Port's decision on whether the Port keeps the cranes the colors they are, which satisfies the FAA requirements, or have the cranes painted a neutral color with red and white pulsating lights installed.

The Port of Everett will be installing two of the FAA compliant pulsating lights on one of the cranes (that is currently in a storage yard) and invite community members to participate in the crane lighting demonstration and comment period from Wednesday, January 29 through Wednesday, February 5, 2020. The purpose of the demonstration is to gather feedback on two Federal Aviation Administration (FAA) airspace navigation compliance options being considered by the Port as part of the installation of its recently acquired container cranes at South Terminal. The demonstration will be conducted in the temporary storage location of the cranes, because if painting the entire cranes was the preferred choice, the painting would need to be performed with the cranes in their current storage location and not on the South Terminal wharf for environmental reasons.

Commissioner Bachman opened it up for citizens comments. Howie Bargreen commented that he nor his neighborhood got notified of the light demonstration. Lisa Lefeber said she would double check the email and mailing list to make sure they are on those lists. They should have received a letter via email and through the City's office of neighborhoods distribution lists. The physical letter will be going out in the mail this week.

6. WATERFRONT PLACE CENTRAL

Chief of Business Development Terrie Battuello gave a monthly update on Waterfront Place Central. She gave a recap on the objectives for the Waterfront Place project based on the input from the Ad Hoc committee which included 21 representatives from the community back in 2012. The committee wanted a waterfront mixed use destination, support and synergy for the marina, provide a stable and reliable revenue source to balance other cyclical trends in funding revenues, create job growth, create tax base expansion and improve waterfront access amenities. She believes the Port is on track with all the objectives. She gave status on the various strategies being used.

Sealevel Development is under construction with Waterfront Place Apartments, 266 units and their construction schedule will be 18-24 months. Sealevel has also informed the Port they have a couple large piles of waste soil they want to get rid of and under their contract with Port, it is agreed that the Port will indemnify them against contaminated soils that they dig up. Hotel Indigo opened in the 4th Quarter of 2019. Ameron is in the process of vacating and employees have stopped working. They are leaving the four cranes inside the building and an engineer is working on an adaptive reuse floor plan for the building.

The Central G-Dock is underway, and the team is working on getting the boathouses moved. The Grand Avenue Bridge temporary construction easement has been extended through June 30, 2020. The Port Gardner PUD substation is up and running. PND Engineers contract will be updated in February 2020. The 13th Street sewer claim declaration of emergency will start in the next couple of days. The Port is working with Nelson Northwest on the Ameron redevelopment plan in addition to doing the floor plan. The Port has set up a bi-weekly meeting to meet with the architect group and start working on concept plans for buildings.

The Port continues to work with LAZ for parking services. Parking permits have been issued for 2020. The Port plans to go to a license reader program which would have an online interface where employers in the marina and various people would be able to enter their license plate information. A master plan parking map is being developed so the Port can have better wayfinding for parking.

The Port also hopes the Central Marina restroom project to be constructed parallel with the Jetty Island restroom. Puget Sound Energy natural gas has requested a location to place a very large utility cabinet, the size of four parking spots, which will be located near Dunlap and Ameron. PSE will pay for the easement.

Terrie is working Catherine Soper, Public Affairs Manager, on outreach and updating the Port's website. She would like to develop an office brochure for the third phase of the Millwright District, an RFP solicitation for housing, the annual open house and the various request for presentations to small groups.

In terms of leasing activities, the Port is working on retail and restaurants. A new marketing sign will be put on 13th Street. The opportunity sites are D1, A7, A8, A12, DA, Port Gardner Landing Corner and Ameron, A1 and A2.

7. DEPARTMENT REPORTS

MARINE TERMINALS

East West Gold Port Services Agreement Amendment

Marine Terminal Director Walter Seidl reported that the Port of Everett supports East West Gold in their annual sealift of Russian mining equipment. East West Gold wishes to extend the existing Port Services Agreement for another two (2) years with an option to extend one additional year. The agreement includes the lease of three (3) acres of terminal space to store cargo and containers and includes pricing for labor and equipment to move cargo between trucks and alongside vessels. The land lease, dockage, and equipment rental rates are subject to annual CPI increases. Labor related rates are subject to annual increases based on the increases in the ILWU wage and benefit package.

After discussion, Commissioner David Simpson moved that commission authorize the Executive Director to sign the First Amendment Agreement with East West Gold substantially as presented. Commissioner Tom Stiger seconded the motion. A vote was called for:

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

Motion carried.

Terminal Statistics 2019

Marine Terminal Director Walter Seidl reported that for the entire year of 2019, the Port had a 151 Port calls, 99 were ships and 52 were barges, an overall increase of 29 from 2018. Unfortunately, none of the 151 Port calls were log vessels as the log market continues to suffer due to sanctions and tariffs. There was a total of 33 break-bulk vessels; eight steel, 19 project cargo, four military and two large yacht operations. There were 21 Lehigh barges. All together Westwood, Eastern Car Liner and Kinross had 66 vessel calls. Executive Director Lisa Lefebber added that this was the second-best year revenue wise out of the last ten years at the Seaport and that's with one of the Port's major terminals down.

Walter Seidl continued to report on tonnage and container volumes. Through the end of 2019, import tonnage increased by 48% due to Canadian diversions, Washington State Convention Center steel and continued support for Canadian markets. Export tonnage decreased by 10% over 2018 due to global trade issues. Cement import increased slightly and no log vessels in 2019. Westwood container volumes were slightly up with more Canadian auto parts discharging in Everett, soy containers were transloaded in Everett and exported by Westwood and only one vessel for Kinross in October.

Some highlights from fourth quarter, the first pulp rail cars arrived, USN tug was exported to Japan, Tote LNG tanks were exported, one Washington State Convention Center vessel was discharged and one vessel for Vogt power.

The outlook for 2020, the Port will continue to see imports for the Washington State Convention Center, trial shipment of pulp export to China, Canadian project work in first quarter for Alberta, Canada and working on the industrial property development.

Commissioner Stiger made a comment regarding the reduction of the tariffs and the agreement with China, a good share of that will be agriculture products and he thinks the Port should start looking at agriculture products and other export products.

Commission President's Report

Commissioner Glen Bachman reported on his earlier trip to Washington D.C.

Commission Discussion

Commissioner David Simpson reported that on January 7, he, as well as Commissioner Bachman and Lisa Lefebber attended the regional apprenticeship program and was glad to be part of that. On January 8, he was glad to be involved with the signing ceremony with Cities of Arlington and Marysville for the Cascade Industrial Center. On January 19, he attended the Dr. Martin Luther King Jr. community event.

Citizen Comments

There were no citizen comments.

No Executive Session was held.

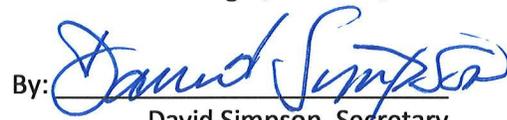
THE REGULAR MEETING WAS ADJOURNED at 6:03 p.m.

APPROVED this 11th day of February, 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
DECEMBER
2019

AP Claims Transactions		Total
Claim Checks Issued	88285 - 88475	\$1,791,596.18
P-Card Transactions		58,428.43
ACH Transactions	#185 - 220	2,708,778.04
Total Claims Check Register		4,558,802.65

Electronic Claims Transactions:

12/5, 12/6, 12/13, 12/16, 12/19, 12/20, 12/31	Electronic Transfer - Health Equity/Navia/Guardian	\$26,731.92
12/17, 12/31	Electronic Transfer - IRS	187,501.23
12/26	Electronic Transfer - WA St Dept of Rev	44,841.19
12/2	Electronic Transfer - U.S. Bank	6,205.53
12/2	Electronic Transfer - U.S. Bank LOC Fees	29,376.13
12/6	Electronic Transfer - Fid Tigor-Norton Acq	9,682,859.92
12/16	Electronic Transfer - DOJ Settlement	28,866.80

Total Electronic Claims 10,006,382.72

Total Claims 14,565,185.37

Payroll Transactions

Payroll Checks Issued	50376 - 50412	\$510,343.59
12/3, 12/10, 12/17, 12/24, 12/31	PMA Payroll (Longshore Labor)	189,542.14

Total Payroll 699,885.73

Total Payments 15,265,071.10

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