

APPENDIX E

Norton Terminal Addendum

INTRODUCTION

The Port of Everett (Port) Commission adopted the Marine Terminals Master Plan in 2008 (MTMP). The MTMP established plans for approximately 103 acres of Port waterfront properties known as the “Seaport”, the core of Everett’s working waterfront. See Figure 1.

Consistent with the MTMP’s goals and recommendations, in December 2019 the Port acquired 77 acres of waterfront property from Kimberly-Clark (K-C) as part of its K-C/Norton Strategic Initiative, also known and referred to in this document as the Maritime Industrial Expansion strategic initiative or Mills to Maritime (see Figure 2 for timeline highlights). This acquisition added two properties to the Port’s portfolio: 1) the former K-C pulp and paper mill site, which encompasses a 45-acre upland and 13-acre in-water property to the north of and abutting the Seaport, and 2) 19 acres of tidal flats on the north end of the waterfront. The Port determined acquiring the rare maritime property would support maritime commerce, critical to the state’s trade-dependent economy. Given the former mill site’s location just south of Norton Avenue, the Port named the newly acquired property the Norton Terminal. See Figure 3.

This addendum incorporates Norton Terminal into the Port’s MTMP. It summarizes the Maritime Industrial Expansion/Mills to Maritime initiative and rationale for property purchase and intended uses, site conditions, community engagement findings, and the Port’s initial site development plans.

The Port will assess the long-term operations needs of the Norton Terminal and Seaport when it revisits a comprehensive update to the MTMP.

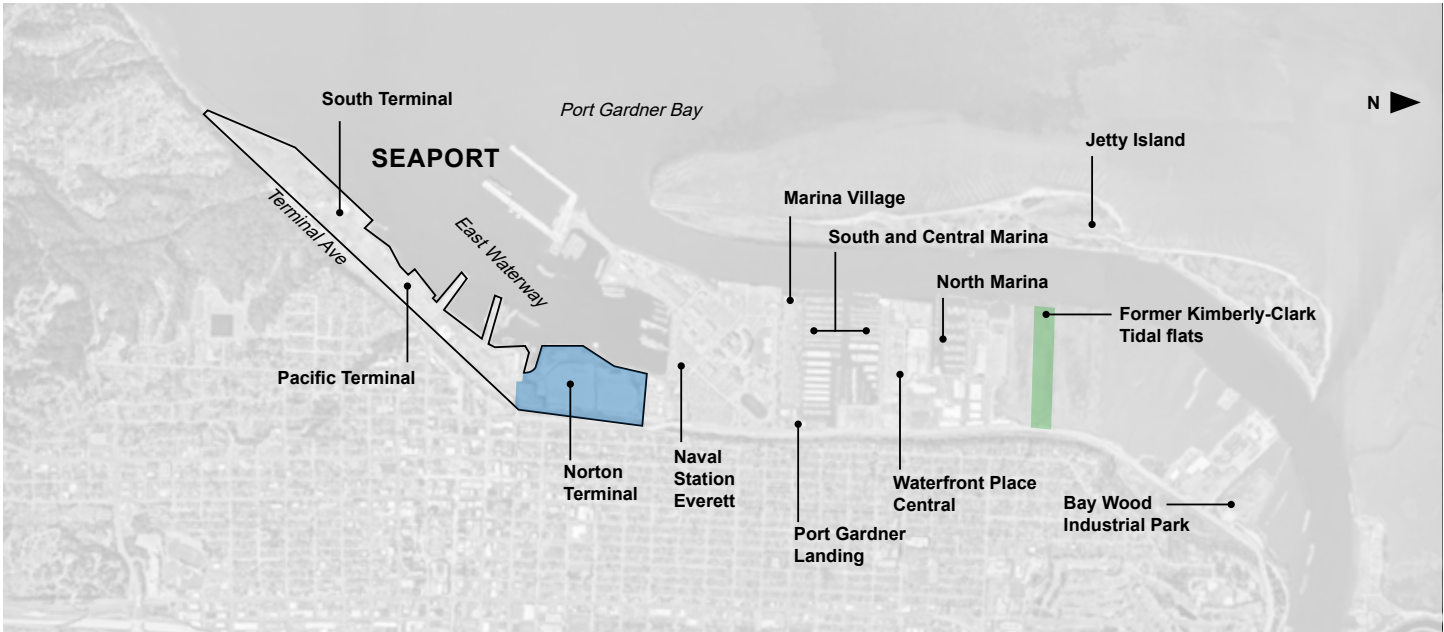


FIGURE 1 Everett context map

MTMP PROGRESS

Over the past decade, the Port has invested more than \$125 million to modernize its Seaport in alignment with the MTMP and in response to 21st century market demand and evolving customer needs.

- **South Terminal Modernization:** The Port's most recent \$57 million investment modernizes the infrastructure at the South Terminal. This work includes strengthening the 700-foot wharf to better serve the larger ships and heavier cargoes typical of the Port's service niche, including aerospace parts for the new 777X. It also created another full-service berth by increasing the Port's on-dock rail capacity, upgrading wharf electrical, and adding two Post-Panamax, 100-foot gauge gantry cranes to the wharf in November 2020.
- **Container-on-Barge Service:** The Port is also working to expand its Container-on-Barge service (also known as short sea shipping) to the Ports of Seattle and Tacoma. The Norton Terminal is necessary to standing up this service. In 2019, the Port received designation by the U.S. Secretary of Transportation as a Federal Maritime Administration Marine Highway Project for the Puget Sound Container on Barge Service under the America's Marine Highway Program. The Port is one of 25 marine highway projects in the nation, and at the time of designation, was the only marine project designation on the West Coast.
- **Environmental Clean-up:** The Port is actively working with the Washington State Department of Ecology and the Weyerhaeuser Company to accomplish the environmental cleanup required at the South and Pacific Terminals. The ultimate cleanup project is expected to involve dredging contamination from the ship berth areas to create the wider and deeper berths needed to serve Port customers into the future.



FIGURE 3 Seaport context map

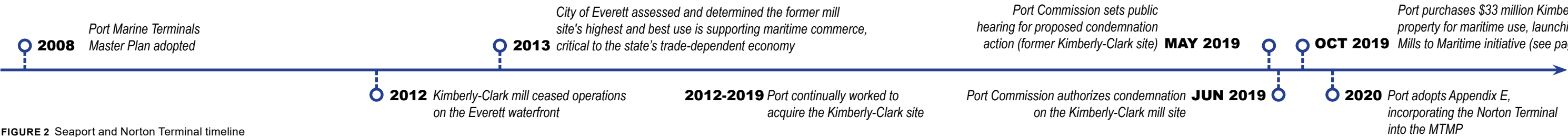


FIGURE 2 Seaport and Norton Terminal timeline

MILLS TO MARITIME

The Port’s Mills to Maritime initiative is an effort to restore polluted former waterfront mill sites into sustainable job producing hubs that support the next generation of maritime trade and industry. Transitioning the new Norton Terminal back into productive use under the Maritime Industrial Expansion strategic initiative is the cornerstone of this effort.

The Norton Terminal is strategically located in the heart of the Port’s urban deep-water maritime complex and working waterfront. It is located within a federally secure waterway adjacent to a federal navigation channel. Due to its lack of land for staging and processing prior to Norton Terminal's acquisition, the Port had missed business opportunities to handle cargoes, including but not limited to large-format breakbulk cargoes for the energy, forest products, automotive, and defense industries. These industries are essential to Everett’s economy, and protecting existing and future port and maritime operations is mission critical to the area’s economic stability. Near-term development of Norton Terminal will expand the Port’s marine terminal cargo yard/laydown space and improve the Port’s position to capture future opportunities in these industries.

Port of Everett Strategic Plan Alignment

Developing the Norton Terminal to accommodate cargo storage, staging, and shipping to support the maritime industrial economy accomplishes the Port’s strategic goals as set forth in the 2020 Strategic Plan. These goals include maintaining sustainable operations, expanding cargo shipping capacity, modernizing the Seaport, and generating revenue at the working waterfront to support its destination waterfront, boating, and recreation on Port properties north of Naval Station Everett.

City of Everett Alignment

The Marine Port Element of the City of Everett’s 2035 Comprehensive Plan focuses on maintaining the working waterfront and its connection to the area’s transportation corridors. Developing the Norton Terminal also aligns with the 2013 Central Waterfront Redevelopment Plan’s determination by maintaining the current marine industrial zoning, securing this part of the Port’s waterfront as a working industrial zone and strengthening the Port’s reputation as a major cargo transport center. Container-on-Barge service and future tenant-driven rail expansion will also enhance movement of maritime freight and relieve congestion on area highways and roads.

Naval Station Everett Alignment

Naval Station Everett (NSE) has long been concerned about the potential development of incompatible uses along its southern and western borders. Compatible uses are necessary to support NSE’s ability to safely and efficiently function and adapt to mission changes. The planned uses for the Norton Terminal support the sustainability of NSE operations and mission-readiness and protect the naval station’s contribution to the local economy and national defense.

In addition, the United States Maritime Administration is currently considering the Port of Everett for a Strategic Seaport Designation. This designation would demonstrate the Port’s ability to support major force and material deployments in times of war and national emergency. Adding Norton Terminal provides the land necessary to meet the designation’s upland capacity requirements.

The Port is also identified as a recovery port to provide resiliency within the region in the event of a man-made or natural disaster near the consumer ports of Seattle and Tacoma.

BENEFITS OF DEVELOPING NORTON TERMINAL



Job Creation

The Port’s ownership and operation of this property will support more than 800 direct jobs and an additional 1,800 to 2,200 indirect and induced jobs¹, as part of the nearly 35,000 regional jobs tied to Port operations².



Congestion Relief

Expanded use of marine cargo shipping removes truck traffic from local roads and highways.



Environmental Stewardship

Clean-up and redevelopment of the former pulp and paper mill site improves and protects soil and groundwater quality, as well as the health of Puget Sound. Norton Terminal development is being planned as a Model Toxics Control Act cleanup; paving the site will double as an environmental cap and provide state-of-the-art stormwater treatment for the first time in the property’s history. In addition, expansion of the Container-on-Barge service will help reduce air pollution by shifting cargo from trucks to barge.

1 The Concord Group. March 20, 2019. “Assessment of Impact of Port of Everett’s Development Plans for Kimberly-Clark Site in Everett, Washington.”
2 Martin Associates. April 20, 2015. “The 2014 Economic Impact of the Port of Everett.”

SEAPORT

MILLS to MARITIME

RESTORING JOBS. STRENGTHENING ECONOMY.

MARITIME INDUSTRIAL EXPANSION BEGINS AT FORMER PAPER MILL SITE

After more than eight years sitting idle, the former Kimberly-Clark mill site is slated to begin its long-awaited transformation into a maritime hub to support the next generation of jobs and commerce at the working waterfront.

This comes as a result of the Port of Everett's recent acquisition of the property that effectively expedites upland cleanup and site improvements to strengthen our local and regional economies through job restoration and expansion of trade opportunities.

"This is a win for the community and environment."

In December 2019, the Port closed on the \$33 million Purchase and Sale Agreement (PSA) with Kimberly-Clark Corporation, representing 77 total acres; 58 acres of the former mill site for maritime development and 19 acres of tidelands north of the Port of Everett boat launch for river management and public access.

"I am very pleased the Port and Kimberly-Clark were able to reach a negotiated agreement." Port of Everett CEO Lisa Lefebvre said. "Our respective teams did amazing work in a short amount of time to make this very complex land transaction come together. This property is critical to support our working waterfront for decades to come, and we will continue to work expeditiously to restore family wage jobs to the site, enhance trade and ensure compatible land use with Naval Station Everett."

The acquisition agreement helped spur Kimberly-Clark's upland Cleanup and removal of the crushed material at the former mill site using methods approved by the State of Washington's Department of Ecology and the Snohomish County Health District.

"We appreciate the work of numerous officials who helped to form this agreement," said Lisa Morden, Vice President of Safety and Sustainability for Kimberly-Clark. "For nearly 100 years, Kimberly-Clark had a presence in this city, and through this agreement, we can help ensure that the next generation of jobs can return to the site."

Per the negotiated post-closing agreement with K-C, the planned upland cleanup expected to kick-off in March 2020 and conclude by the end of the year, will be funded by Kimberly-Clark with no financial impact to the taxpayers of the Port District. The Port is supporting the effort by providing Kimberly-Clark access to local, clean fill to backfill the site. The PSA also provided the Port with a \$17 million credit from the former landowner to address environmental impairments in the 12 acres of tidelands located in the East Waterway.

"This is a win for both the community and the environment," said Jim Pendowski, Head of Ecology's Cleanup Programs. "The Department will work with both parties to ensure that the waterfront restoration continues."

This critical asset is strategically located in the heart of the Port's federally secure, urban deep-water maritime complex. The working waterfront has been under significant growth pressure, and the protection of port and maritime operations is mission critical to the area's economic stability. At the completion of Kimberly-Clark's upland cleanup actions, the Port will be prepared to put the site to use to support near-term maritime operations and jobs.

[Learn more @ **www.portofeverett.com/millstomaritime**](#)

"As a steward of our natural deep-water assets and economic prosperity, the Port had a responsibility to secure this vacant property to assure support for international trade and the needs of our public partners now and into the future. The Port plans to provide near-term and long-term job growth which is the key to resolving the site's impairments and putting this strategic maritime asset back into productive use."

Glen Bachman
Port Commissioner

"Bringing the vacant mill site back to life in a way that creates hundreds of jobs, protects the interests of our County's only urban deep-water maritime complex and facilitates cleanup of legacy contamination were the Port's top priorities with this site. I am pleased we were able to reach an agreement that ensured all three priorities will be achieved."

Tom Stiger
Port Commissioner

"I see the Mills to Maritime redevelopment of the former Kimberly-Clark property as a project that meets the Port's economic development vision for the region by generating new job and commerce opportunities. This effort will have a lasting economic impact on the City of Everett and our surrounding Snohomish County communities."

David Simpson
Port Commissioner

"I am thrilled to see that negotiations have led to a Purchase and Sale Agreement, which not only ensures that the former mill site is cleaned up, but also paves the way for job growth on our working waterfront."

Cassie Franklin
City of Everett Mayor

PORT AWARDS \$2.6M ON-CALL ENGINEERING SERVICE CONTRACT FOR MARITIME INDUSTRIAL EXPANSION

On February 11, 2020, the Port Commission authorized CEO Lisa Lefebvre to enter into a \$2.6 million on-call engineering services contract with Seattle-based KPFF Engineers to support the Port's priority maritime industrial expansion effort at the recently acquired former Kimberly-Clark mill site.

The contract, which is structured on an as needed, task order basis, provides Port staff ready-access to the key engineering services necessary to efficiently move the project into construction phase and get the property back into productive maritime use in short order. The Port's aggressive schedule for near-term site development targets the site being under construction, including paving of a cargo yard, as soon as Kimberly-Clark completes upland cleanup and crushed material removal at the site by December 31, 2020 (see page 8).

Engineering work can include services that support land surveying, geotechnical, site grading, drainage and paving, signage and striping, site security, storm-water collection and treatment, water distribution/fire protection, 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 elements as needed. In addition, KPFF will provide project management, cost estimating, environmental support services for any required permitting, as well as bid and construction phase services.

STATUS

Complete acquisition

Secure Shipyard

K-C cleanup

Construct Cargo Terminal

Warehouse reuse

Power the site

SHIPYARD SERVICES RETURN TO EVERETT

Last fall, the Port welcomed the return of a critical maritime service to the working waterfront — a commercial shipyard. Everett Ship Repair (ESR), a subsidiary of Ice Cap Holding, LLC and sister company to Nichols Brothers Boat Builders, has leased the north side of the Port's Pier 3 and adjacent 3.5-acre site that, over the years, has traditionally filled the shipyard services and repair niche. The Port has been working hard to restore this needed service in Everett to support U.S. military assets, including those located at neighboring Naval Station Everett, and commercial vessels, including Washington State Ferries. ESR operates one of four of the largest submersible drydocks in the Pacific Northwest, the *Faithful Servant* (pictured right), capable of docking vessels up to 430' x 110' with a lifting capacity of 7800 long-ton. They offer vast ship repair capabilities with 500' of dockside moorage for pier-side vessel service, as well as laydown and fabrication areas.

FIGURE 4 The Port of Everett’s PortSide Winter 2020 newsletter article focusing on Mills to Maritime initiative

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EXISTING CONDITIONS

The Norton Terminal is located between two federally secured facilities, the Port’s international Seaport to the south and NSE to the north (Figure 5). The site is further bound by the City of Everett’s Port Gardner stormwater facility to the north, Port Gardner Bay to the west, and the National Freight Network and BNSF Mainline to Chicago on the east. The site is accessed by and connected to the Port’s southern marine shipping terminals via Federal Avenue with secondary access at Norton Avenue.

Kimberly-Clark demolished the mill from 2012-2014. The following structures remain:

- Warehouse - 360,000 square foot structure formerly used as storage
- Snohomish County Public Utility District (PUD) substation - previously decommissioned
- Barge dock, wharf, and small dock - the concrete floating barge dock is usable but further investigation is needed to determine the access ramp’s capacity; the wharf is currently an unusable dilapidated timber dock; the small dock on the south side of the site is also in poor condition and unusable

The property includes 12.6 acres of submerged tidelands at depths of -20 to -30 Mean Lower Low Water (MLLW). At this time, shallow waters adjacent to Norton Terminal can accommodate barges and smaller vessels, as opposed to the deeper water (-40 MLLW) off the Port’s South and Pacific Terminals that can handle Panamax sized ships and required cranes. All in-water cargo movement will need to be coordinated with NSE as is the current practice.

Environmental Remediation

State-regulated environmental cleanup of the former K-C site has been underway since the mill’s closure in 2012 under an Agreed Order through the Washington State Department of Ecology’s (Ecology) Model Toxics Control Act (MTCA) program. Under the purchase and sale agreement with the Port, K-C was required to complete several significant environmental remediation activities at the site as defined in the Post Closing Work Agreement (PCWA):

- Remove ~200,000 tons of crushed demolition material
- Remove 15,000 tons of contaminated soil
- Import, place, and compact ~60,000 cubic yards of clean fill material across the site
- Cap and decommission existing stormwater pipes

These remediation activities are scheduled to conclude by the end of 2020. Once work is completed, low-level residual soil contamination will remain throughout the property.

Considering the residual soil contamination, Ecology is seeking to reduce stormwater infiltration to further stabilize the site, protecting soil and groundwater quality, and the health of the Puget Sound. To address this requirement, the Port is planning to implement what is expected to be the final element of the upland cleanup, which will involve installing a site-wide pavement cap and associated utilities. This is being planned as a formal Ecology cleanup action under the K-C Upland Agreed Order.

As part of the Port’s purchase and sale agreement, the Port will be responsible for the remaining cleanup requirements following K-C’s completion of the PCWA. Under the Agreed Order, in addition to the cleanup construction work underway or being planned, a remedial investigation and feasibility study and draft cleanup action plan must be completed for the site.

Geotechnical Analysis

Numerous geotechnical investigations and analyses have been performed on the Norton Terminal site. The site was historically mostly offshore west of the original beach and was filled in the early 1900s with up to 100 feet of sandy alluvial and fill deposits. The fill soils extending 15 to 40 feet below the ground surface may contain wood debris and old buried structures. Groundwater is located throughout the site at a depth of about 1 to 12 feet below the ground surface within the fill deposits. Dense glacially derived sediments are located below depths of about 100 feet.

Liquefiable soils could extend to estimated depths of 50 to 80 feet across the site, making liquefaction and related effects a geologic concern during a strong earthquake. Due to high organic content (wood waste) in the existing fill, site improvements will be designed to accommodate anticipated settlement.



FIGURE 5 Existing conditions

The Port engaged the community through a multi-faceted outreach program and was transparent in its intent to acquire the former mill site for maritime use. The Port regularly communicated and engaged with the public on this topic through the following activities over a number of years (note: list not inclusive of all communication efforts):

- **Port Commission Meetings:** Provided updates during regular and special meetings that the public is encouraged to attend
- **Presentations (approximately 25+/year):** Included updates to local government agencies (i.e. City council meetings), neighborhood associations and community groups (i.e. churches, retirement homes, etc.), and business and industry groups (i.e. rotaries, chambers, etc.)
- **Publications and Press Releases:** Included periodic press releases and articles in the bi-annual Port Side newsletter (mailed to approx. 52,000 Port District households/businesses twice a year), Port Report newspaper insert (published in the local Herald Business Journal) (Figure 6)
- **Tours:** Included as a topic of interest during working waterfront community bus and harbor tours (Figure 7)
- **Social Media:** Shared information on social media channels (Facebook, Twitter)
- **Regional Media Coverage:** Supported numerous media interviews, resulting in local, regional, and national media coverage in print, digital, TV and radio (Figure 8)



FIGURE 7 The Port partnered with Economic Alliance Snohomish County to host its Annual Port Report and Harbor Cruise where members of the business community provided feedback (Source: Port of Everett Strategic Business Plan Update 2019)



FIGURE 6 PortSide Summer 2020 newsletter informing the community of continued clean-up efforts at the Norton Terminal

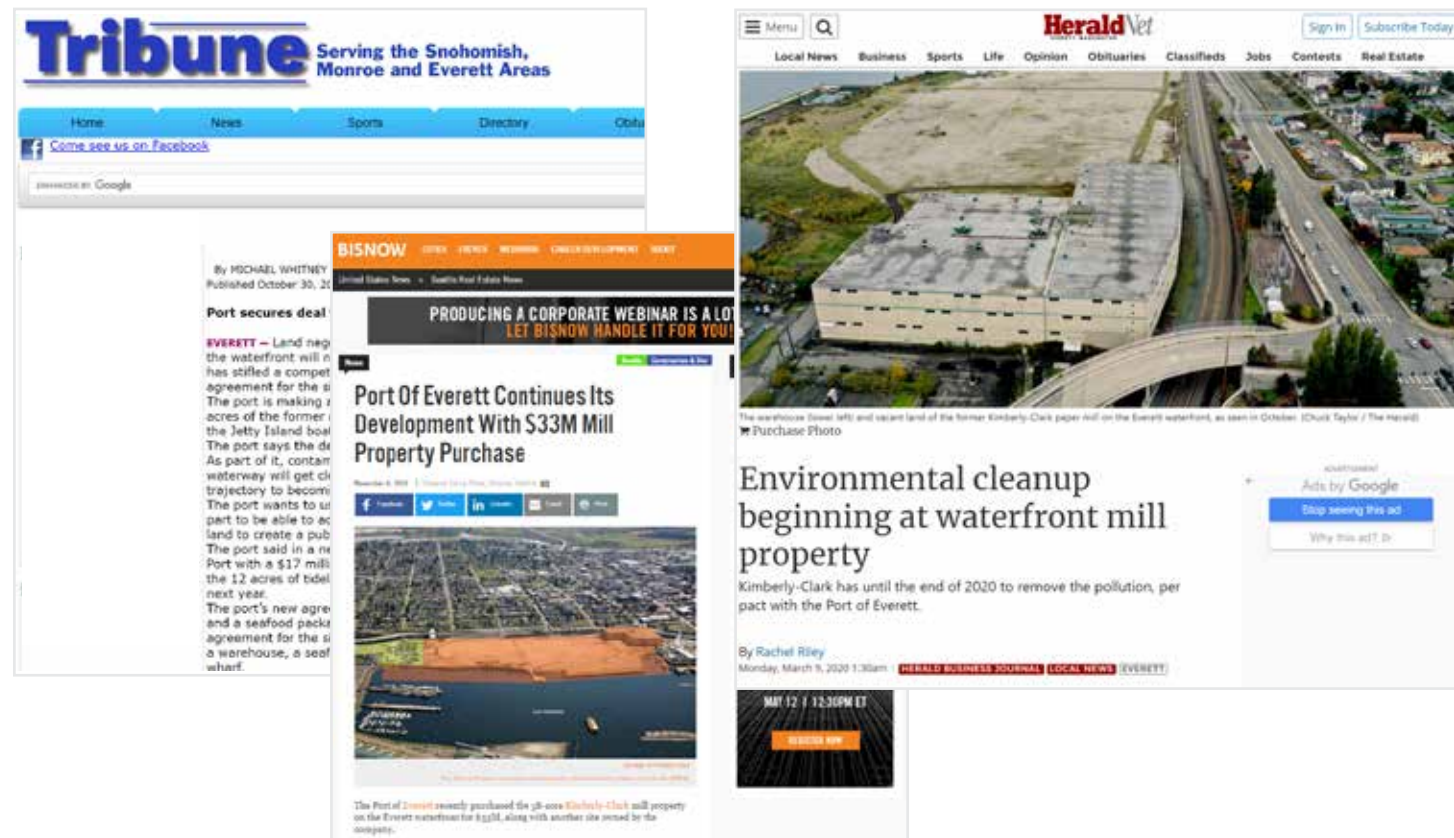


FIGURE 8 Regional publications covering the Port's purchase of and future plans for the former Kimberly-Clark property (Sources: Snohomish Tribune, Bisnow, Everett Herald)

STRATEGIC PLAN

More recent community engagement around the Port's K-C acquisition and future use occurred as part of the Port's Strategic Business Plan Update. This nearly two-year community outreach effort began during the Port's Centennial year in 2018 and asked the community to "see the future with us" and help shape the Port's next century of service. The illustration of the public's vision for the Port's next 100 years is shown in Figure 9.

The Port's comprehensive outreach campaign to promote community participation and gather feedback included hosting two public open houses, several community presentations, public tours, and a variety of other events. Outreach for the 2020 Strategic Plan confirmed the community's support for activating the former K-C site for compatible maritime use and to restore jobs in addition to providing enhanced amenities. This sentiment is reflected in the Port's vision of a balanced waterfront as illustrated in Figure 10. Revenues from the maritime, trade, and national defense industries along the waterfront from the Navy base south are essential to support the recreational opportunities and vibrant mixed-use and light industrial development to the north. This balanced vision allows the Port to provide economic opportunities and quality jobs while supporting a high quality of life.

The Port's acquisition and the Mills to Maritime initiative also received support across economic sectors, from more than 39 local, regional, national, and international agencies, and from numerous elected officials including Senator Murray, Senator Cantwell, and Congressman Larsen.



FIGURE 10 Balanced vision (Source: Port of Everett Strategic Plan 2020)

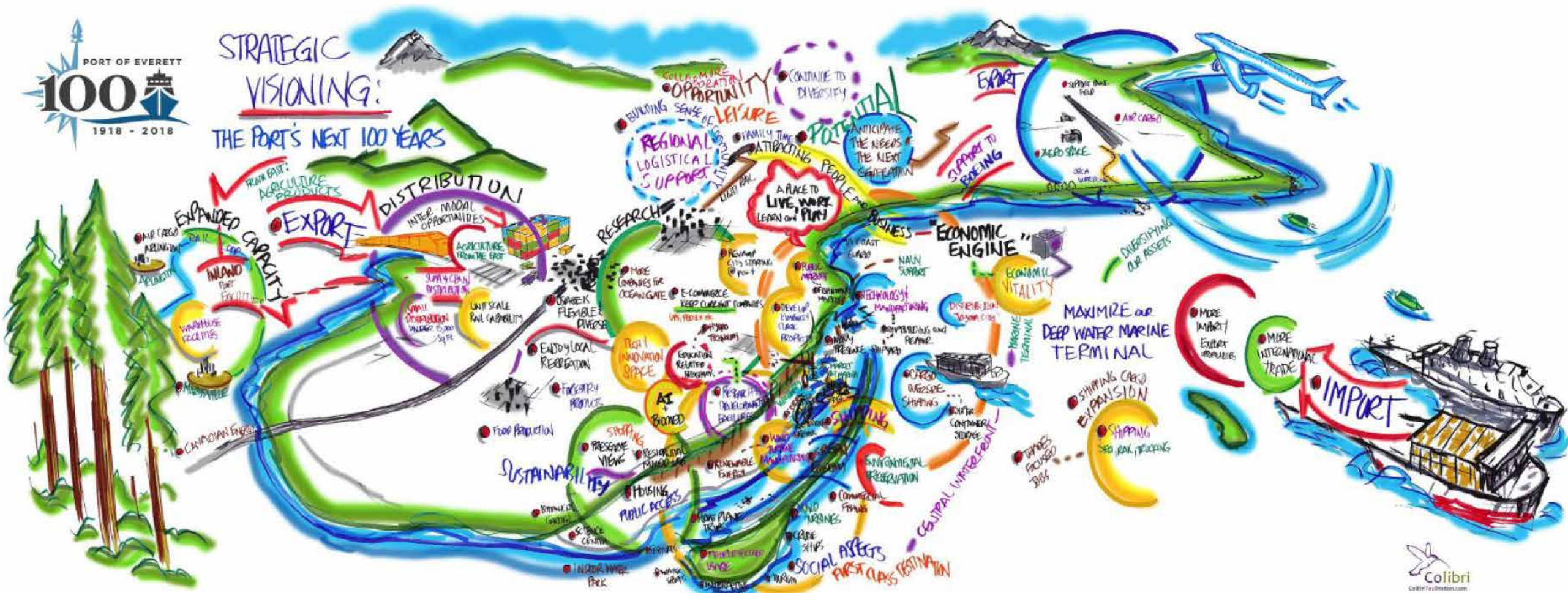


FIGURE 9 Centennial Community Celebration feedback graphic showing the public's vision for the next 100 years (Source: Port of Everett Strategic Business Plan Update 2019)

DEVELOPMENT PLAN

The Port began planning for potential future use of the property soon after the mill closed in 2012. In 2014, the Port analyzed alternative concepts in their Integrated Planning Grant support document, prepared by Moffatt & Nichol. Concepts explored a containerized cargo facility and a roll-on/roll-off (Ro/Ro) facility. Both concepts required the shipping channel to be dredged and deepened, paving the terminal yard, and adding incidental and landside transport facilities as well as a series of gates. The concepts differed strongly in their dockside and infrastructure requirements. The cargo facility had an estimated \$190 million cost while the Ro/Ro facility estimated costs were between \$69-72 million in 2014 dollars.

Given the environmental, geotech, and marine infrastructure condition, the Port decided to implement a phased approach to redevelop the site that aligns with grant funding opportunities. No Ro/Ro dock improvements are recommended at this time.

Given years of analysis, tenant and user demand, and community feedback, the Port hired KPFF Consulting Engineers in February 2020 to begin designing the first phase projects necessary to bring jobs and commerce back to the Norton Terminal. This section summarizes these plans as of October 2020. See Figure 11 on page 8 for a full site plan and Figure 12 and Figure 13 on page 9 for cross sections.

NEAR TERM IMPROVEMENTS

Environmental remediation and initial site development will prepare Norton Terminal for operation starting in September 2022. Initial development plans include:

- Paving approximately 34 acres of the site to support the movement of freight and maritime commerce in conjunction with the terminal. As previously noted, paving and interim improvements would also serve as a cap for soils with remaining low-level contamination under Ecology’s MTCA requirements.
- Adding a security fence to meet federally required shipping terminal specifications and allow other compatible activities on designated portions of the site.
- Connecting Norton Terminal to the existing Seaport through secured access.
- Installing a mobile break and restroom facility to support site workers.
- Installing minor maintenance facilities, such as a washdown pad as needed by future Port operations and tenants.
- Marketing the warehouse to cargo maritime industries and advanced manufacturing/food production.
- Coordinating with the Snohomish County PUD to demolish the decommissioned PUD substation and construct a new substation on a negotiated easement at the northeast corner of the site.
- Utilizing the barge facility to support cargo operations. Cargo and equipment will be moved using a mobile harbor crane. Though the barge dock is ready for immediate use, as demand grows, the ramp leading to the barge dock will need to be evaluated. Rolling stock and mobile harbor cranes will be used to move cargo throughout the site.
- Marketing and leasing a portion of the northwestern part of the terminal to a maritime industrial tenant.

Additional project details are summarized in the following sections.

SECURITY

The Norton Terminal will be a restricted area controlled by a security fence, gates, and signage that aligns with the Port’s Facility Security Plan (FSP). The FSP is approved by the U.S. Coast Guard under 33 CFR part 105 and the U.S. Customs Trade Partnership Against Terrorism (CTPAT) program. The connection between the existing Seaport to Norton Terminal will be secure while being used to transport cargo between the terminals. Authorized personnel will be able to access the secured area.

STORMWATER TREATMENT

A series of concrete gutters and trench drains will collect and convey the site’s stormwater by an above-grade treatment system. The tanks will house a state-of-the-art treatment system that exceeds Ecology’s treatment requirements. Historically, stormwater discharged through a series of outfalls. These outfalls will be combined into one or two discharge locations during site development. Long-term stormwater treatment plans are to utilize the City’s new facility north of Norton Terminal, planned for completion in 2027.

WAREHOUSE DEVELOPMENT AREA

The Port plans to market the approximately 4.5 acres of property and former mill warehouse to maritime industries and advanced manufacturing/food production. The warehouse will share access with the Norton Terminal from Federal Avenue. The Port is reviewing necessary building improvements and considering their preferred deal structure.

TRAFFIC

Future traffic volumes on the site are not expected to exceed historic volumes from when the K-C mill was operational. Further traffic analysis will be completed if warranted by future use plans.

CUSTOMER DEMAND AND TENANT-DRIVEN PLANS

When demand warrants, the Port can fully develop the site as a stand-alone cargo shipping terminal, with vessel loading and unloading directly at the site. This may entail a variety of improvements, including but not limited to:

- Strengthening the existing barge dock prior to its use directly handling cargo.
- Constructing rail siding to access the site via a small spur off the main BNSF railway to the east. Rail cars are to be uncoupled and moved through the secure fencing for cargo loading.
- Replacing the wharf structure to support vessel berthing, repair, and/or cargo loading/offloading services. This upgrade work would likely include berth deepening dredging.
- Adding the manned security gate and radiation portal monitoring (RPM) facility required for cargo terminal operations.
- Demolishing the small southern dock as mitigation, if required.
- Constructing a new dock at the northwest corner of the site for use by a future maritime tenant.

Other projects that meet the intended use and goals for the site may be pursued in response to future port operations needs or user demands. Projects would be refined through environmental review, community outreach, design, and permitting processes.

PUBLIC ACCESS

The Port of Everett is committed to improving public access. For all projects requiring a shoreline permit, the Port dedicates 2% of the engineer's estimate to appropriately sited public access improvements. Because on-site public access is often not safe or convenient at federally secured facilities, the Port Commission approved a policy in 1988 that supports transferring this investment to off-site projects within the City.

Since near term improvements to the Norton Terminal are part of a MTCA action, they are not anticipated to require issuance of a City of Everett shoreline permit. However, the Port has opted to contribute 2% of the engineer's estimate to support enhanced public access on or near the waterfront consistent with the City's Shoreline Master Program. Combined with prior Port contributions, this investment will fund approximately \$1.5 million in public access improvements in the City.

DEVELOPMENT PLAN FINANCING

Build Grant

The Port submitted an application in May 2020 for a federal BUILD grant in support of its Mills to Maritime Cargo Terminal Project. The Better Utilizing Investments to Leverage Development, or BUILD Transportation Discretionary Grant program, provides a unique opportunity for the U.S. Department of Transportation to invest in projects that promise to achieve national objectives. The Port of Everett was awarded a \$17.75 million grant in September 2020 to construct a cargo terminal on the former K-C property to restore jobs and commerce to the site.

The Beckett Group performed a Benefit-Cost Analysis (BCA) in May 2020 in support of the BUILD grant application. The BCA reviewed fulfillment of the following criteria:

- **Economic:** The project protects existing area jobs and creates additional jobs providing economic returns to the region and its citizens. It also relieves the region's surface transportation system by expanding over-water cargo movement, and makes the Port of Everett a key economic competitor.
- **Mobility:** The Port's expanded capacity maintains current operations while improving efficiency of transferred goods and helps to reduce truck traffic on the area's congested roads and highways.
- **Safety:** Removal of cargo from the National Highway System will significantly reduce traffic accidents and injuries, improving safety in the region.
- **Community & Environment:** Soil remediation and the terminal's eventual paved cap will help protect groundwater and Puget Sound water quality. Job restoration will further benefit the surrounding community.

The BCA evaluated the public benefits generated by the Mills to Maritime Initiative and showed a positive Benefit-Cost Ratio.

Marine Highway Grant Funding

In 2019, the Port received designation by the U.S. Secretary of Transportation as a Federal Maritime Administration Marine Highway Project for the Puget Sound Container on Barge Service under the America's Marine Highway Program. At the time of designation, the Port was one of 25 marine highway projects in the nation, and the only marine project designation on the West Coast. The designation makes the Port eligible for future grant funding from the Marine Highway Grant Program to fund infrastructure improvements or equipment to enhance the Port's ability to expand barge service along the Puget Sound marine corridor.

Other Funding

In addition to grant funding, the Port may fund Norton Terminal development through the sale of bonds. Funding for customer or tenant-driven improvements will be determined through negotiation and financing options during project planning and design.

PROJECTED COST SAVINGS - MOVING CARGO BY BARGE



Cost Per Ton Mile

The average cost to move cargo by truck is \$0.19 per ton per mile while shipping by barge is \$0.02 per ton per mile



Overall Cost Savings

Moving 501,168 containers with a combination of truck and barge is more than \$113.9 million in cost savings over a 20-year post construction period.



Travel Time

A savings of \$6.5 million in travel time is estimated from using barge service routing versus truck only routes.



Collision Prevention

Norton Terminal development is estimated to potentially prevent more than 5 fatalities and 20 severe injuries, resulting in savings of \$59.2 million in reduced collision costs.

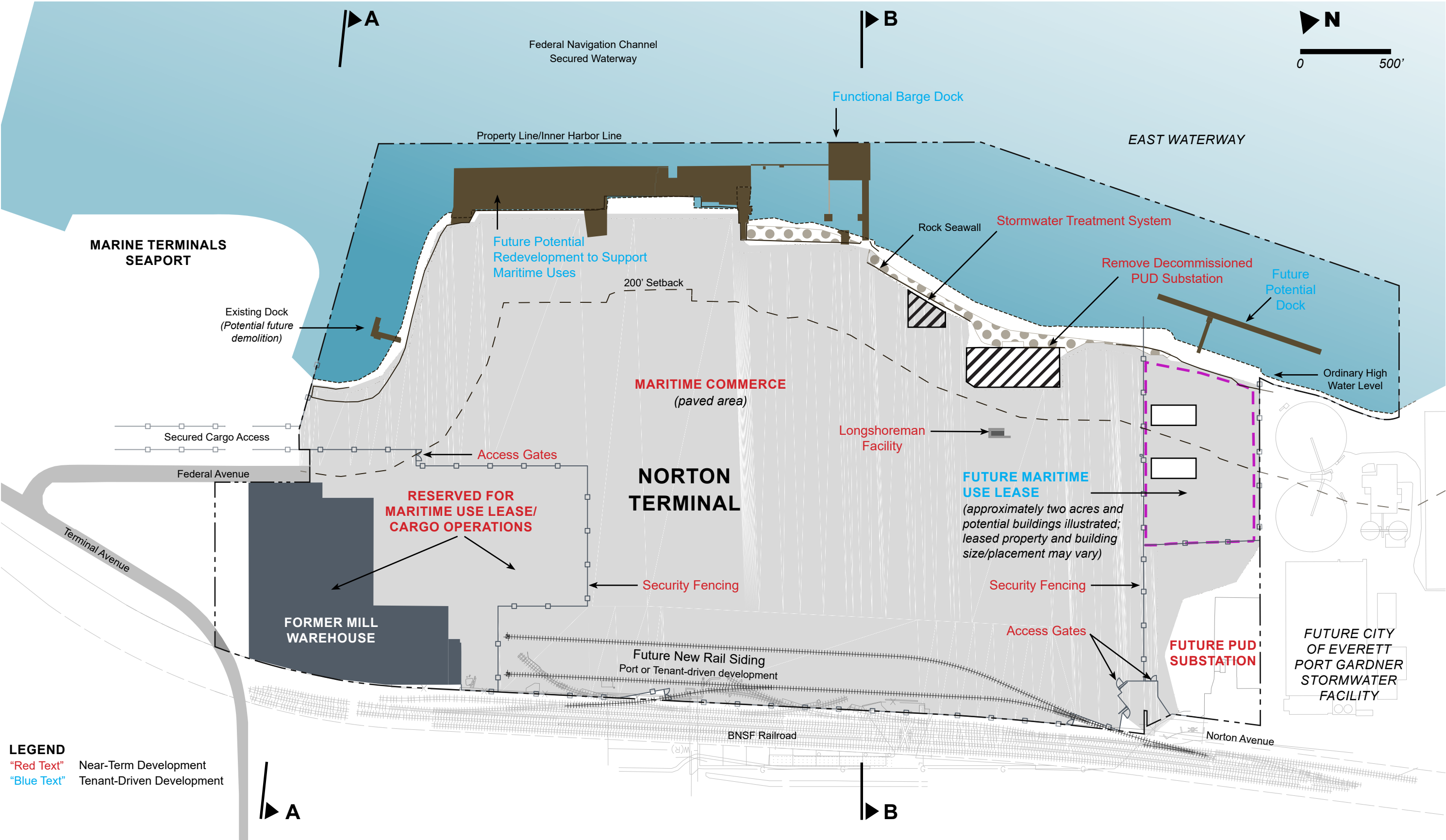


FIGURE 11 Norton Terminal site plan

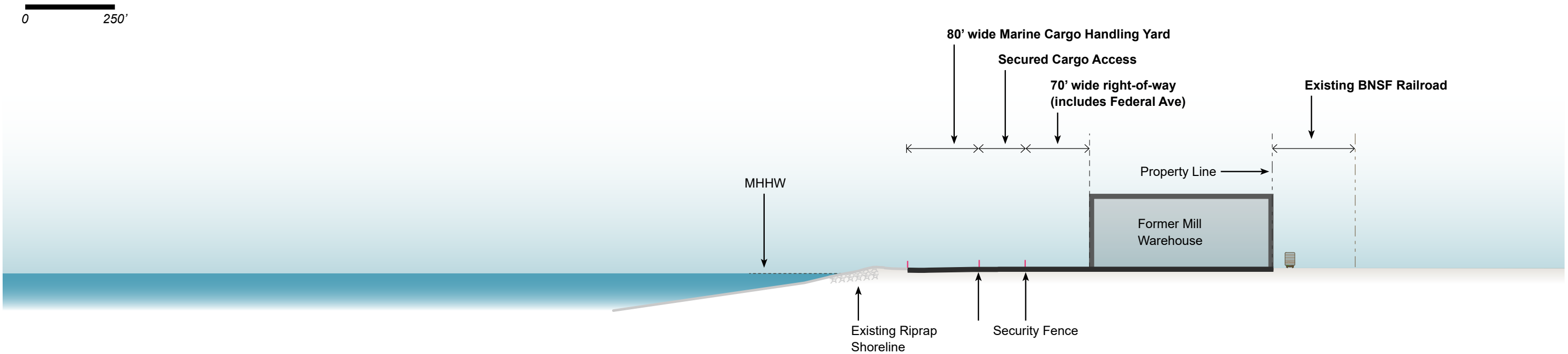


FIGURE 12 Section A showing entrance to Norton Terminal

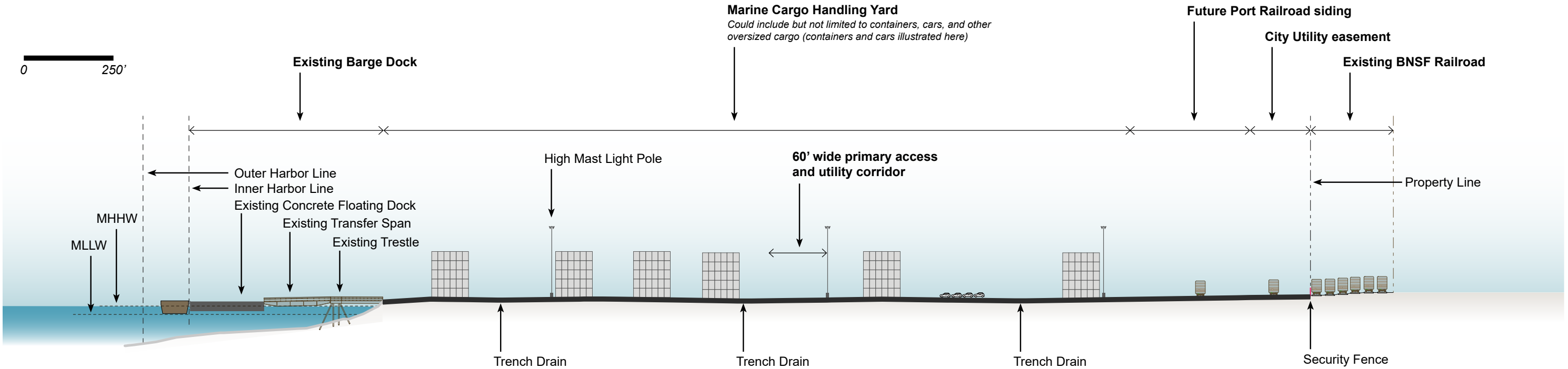


FIGURE 13 Section B displaying floating barge dock, cargo yard, and rail siding