

MINUTES OF EVERETT PORT COMMISSION SPECIAL MEETING
July 31, 2012

PRESENT:

Troy McClelland	President
Michael Hoffmann	Vice President
Tom Stiger	Secretary
John Mohr	Executive Director
Karen Clements	Chief Finance Officer
Brad Cattle	Port Legal Counsel

CALL TO ORDER: The Special Meeting was called to order at 5:00 p.m. by Commission President Troy McClelland.

1. EXECUTIVE DIRECTOR'S REPORT

Washington Finance Officers Association

Executive Director John Mohr reported that Chief Finance Officer Karen Clements has once again earned the Professional Finance Officer Award for the State of Washington from the Washington Finance Officers Association. This award requires ongoing educational and professional excellence on the part of each individual and Karen Clements has been the recipient of this award for 23 years.

2. PUBLIC HEARING

Amendment to the Port's Comprehensive Scheme of Harbor Improvements to update and reflect that Lot 8 at Riverside Business Park is surplus to the Port's needs and its sale is in the best interest of the Port District.

Chief Administrative Officer Les Reardanz reported that the Port originally purchased property what is now known as the Riverside Business Park from the Weyerhaeuser Company in 1998, and assumed the 1993 lease with Rabanco (Regional Disposal Company). In 2008, the Port of Everett signed a new 20 year lease with Regional Disposal Company.

The Port has been in ongoing negotiations with Snohomish County for the sale of Lot 8, which comprises 15.77 acres of the Port's Riverside Business Park. The site's infrastructure includes railroad tracks and a spur off of the Burlington Northern Santa Fe rail yard, two small field office buildings, a large pole building structure for maintenance of containers and loading machines, and a lay down area for storage and maneuvering of machinery.

Les Reardanz said the negotiated sales price for the property is \$7.8 million. The Port will retain the rights to pursue additional railroad track improvements adjacent to the site to facilitate additional development of the remaining parcel. The County will assume the Port's lease with Regional Disposal Company. The closing date for the transaction is expected at the end of August.

As part of the purchase and sale agreement, the Port would indemnify the County for any releases of hazardous substance that were released during the Port's ownership time period or pre-existing arsenic related contamination. The property is part of the Asarco cleanup area, and there is some arsenic. The Department of Ecology is doing the cleanup for the property and there is money from the Asarco settlement fund to pay for the cleanup. Also as part of the agreement, the Port and the City of Everett are in negotiations for a perpetual easement for a 42 inch underground waterline that would go across the parcel; and the County, as purchaser, would consent to the execution and recordation of the Waterline Easement.

Once the public hearing closes, Staff will be asking the Commission to consider adopting Resolution No. 971 to declare Lot 8 of the Riverside property as surplus and authorize that it be removed from the Port's Comprehensive Scheme or Harbor Improvements. If the sale does not close, then the property would not be removed from the Comprehensive Scheme of Harbor Improvements. A second action would be for the Commission to

authorize the Executive Director to enter into the Purchase & Sale Agreement in substantially the form as presented.

Port attorney Brad Cattle added that proper notice pursuant to RCW 53.20.010 has been given for the public hearing and all of the procedural requirements for the public hearing to proceed have been performed.

OPEN PUBLIC HEARING:

Commissioner Troy McClelland opened the Public Hearing and asked for comments for the Port Commission to consider Resolution No. 971 which amends the Comprehensive Scheme of Harbor Improvements to allow for declaring surplus the sale of the property commonly known as the Intermodal Transfer Site at Riverside Business Park.

There were no public comments received.

Commissioner Stiger commented that all of his questions had previously been answered by staff and port legal counsel. Commissioner Stiger did ask, however, how close the northeast corner of the parcel was to the river and if there were provisions for public access. Les Reardanz said the property curves at the northeast corner and follows the railroad track and there is a road. Port staff is in discussions with the City of Everett who manages the shoreline public access program for the whole Riverside Business Park. The public access component is dependent on how the property develops as to whether it is a water-dependent or non-water dependent use.

Commissioner Hoffmann did not have any questions.

Commissioner McClelland said he has also worked with staff relating to the indemnification portion, rail access and the concept to have the bridge and other public works facilities go to the City and was comfortable moving forward with taking action.

Les Reardanz acknowledged Port attorney Brad Cattle and Properties Director Steve Hager for all of the effort they put into gathering all of the documents and exhibits. Commissioner McClelland echoed the comments by Les Reardanz and said it was a good and appropriate package.

There were no other comments.

CLOSE PUBLIC HEARING:

Commissioner Troy McClelland closed the Public Hearing.

3. RESOLUTION NO. 971

Commissioner Stiger moved to adopt Resolution No. 971. Commissioner Hoffmann seconded the motion. A vote was called for:

Vote: 3-0
Yes: Stiger, Hoffmann, McClelland
No: None
Abstained: None

Motion carried.

4. AUTHORIZATION TO ENTER INTO PURCHASE & SALE AGREEMENT WITH SNOHOMISH COUNTY FOR PORT PROPERTY COMMONLY KNOWN AS THE INTERMODAL TRANSFER SITE AT RIVERSIDE BUSINESS PARK.

Commissioner Michael Hoffmann moved to authorize the Executive Director to enter into the Purchase & Sale Agreement with Snohomish County in substantially the form as presented. Commissioner Stiger seconded the motion. A vote was called for:

Vote: 3-0
Yes: Hoffmann, Stiger, McClelland
No: None
Abstained: None

Motion carried.

Port attorney Brad Cattle stated that Staff will not make any substantive changes to the Purchase & Sale Agreement, but there are items that are still needed such as adding the legal description to the Covenants, Conditions & Restrictions, and there are a number of blanks that need to be filled in with either legal descriptions or things to complete the package of terms and conditions. There will be some minor modifications, but none of them substantive.

5. DEPARTMENT REPORTS

Projects Update

Everett Shipyard Cleanup – Environmental Engineering Contract

Les Reardanz reported that Erik Gerking who was scheduled to do this presentation was ill today and could not make it to the meeting. Staff would like to continue this item to the August 7th, 2012 Commission meeting. The Commission concurred.

COMMISSION PRESIDENT'S REPORT

Commissioner McClelland reported that Navy Seafair is underway and he and Executive Director Mohr had a chance to spend part of the day with Navy officials. Naval Station Everett and the Port have a positive and good working relationship and that was proven through some kind comments received from the base Commanding Officer.

COMMISSIONER DISCUSSION

Commissioner Stiger said that he had the honor of joining Port staff this afternoon in greeting 18 Japanese students from Iwakuni Japan. The students came prepared with questions and Port staff was able to answer those questions. The students and staff had a good time.

CITIZEN COMMENTS

There were no Citizen comments.

THE SPECIAL MEETING WAS RECESSED into Executive Session at 5:22 pm for approximately 30 minutes (to conclude by 6:30 p.m.) to discuss with legal counsel the acquisition of real estate for which public discussion could disadvantage the Port's negotiations.

At 6:30 p.m., at the direction of Port Commission President Troy McClelland, Port legal counsel, Brad Cattle, announced in the public meeting area that the Executive Session would be extended to 7:00 p.m.

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

THE SPECIAL COMMISSION MEETING WAS ADJOURNED at 7:00 p.m.

APPROVED: this 14th day of August, 2012.

EVERETT PORT COMMISSION

By:


Troy McClelland, President


Michael Hoffmann, Vice President


Tom Stiger, Secretary