

MINUTES OF EVERETT PORT COMMISSION  
SPECIAL MEETING  
JUNE 17, 2014

ORIGINAL

PRESENT:

|                 |                       |
|-----------------|-----------------------|
| Tom Stiger      | President             |
| Troy McClelland | Vice President        |
| Glen Bachman    | Secretary             |
| John Mohr       | Executive Director    |
| John Carter     | Chief Finance Officer |
| Brad Cattle     | Port Attorney         |

CALL TO ORDER: The Special Commission Meeting of June 17, 2014 was called to order at 5:00 p.m. by Commission President Tom Stiger.

Commissioner Stiger announced that Commissioner McClelland's participation in the meeting via teleconference has been approved.

CONSENT AGENDA FOR JUNE 17, 2014

- Approval of May 6, 2014 Regular Meeting Minutes and May 13, 2014 Regular Meeting Minutes
- Approval of Bills for May 2014

Commissioner Glen Bachman moved to approve the Consent Agenda for June 17, 2014. Commissioner McClelland seconded the motion. A vote was called for:

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

Motion carried.

1. EXECUTIVE DIRECTOR'S REPORT

**September Commission Meetings**

Executive Director John Mohr reported that in September, the first meeting in September is held the day after Labor Day this year. John Mohr brought this to the Commission's attention now to be able to check with the Commission in July if they want to hold the September meetings as they are currently scheduled or otherwise. On several occasions, the past Commission has opted to move the meeting that falls directly after a national holiday to a later date. Staff will check back with the Commission in July.

**Edgewater Beach Ribbon Cutting Ceremony**

There will be a ribbon cutting for the Edgewater Beach public access facility. Mayor Gregerson is holding a ribbon cutting to commemorate the temporary access to Edgewater Beach before the regular roadway is completed. The event is scheduled for June 23, 2014 at 10:00 am and is to be held adjacent to Mt. Baker Terminal.

2. DEPUTY EXECUTIVE DIRECTOR'S REPORT

**Everett Shipyard Cleanup Site In-Water Cleanup & Central Marina Improvements Phase 1**

Erik Gerking, the Port's Environmental Cleanup Administrator, reported that Port Staff is currently reviewing the bids received for the Everett Shipyard In-Water Cleanup & Central Marina Improvements Phase 1 project to determine the lowest responsive responsible bidder. Because of the complex scope of this project and the materials provided in the bids received, Port Staff is conducting further review and evaluation of the bids. Port Staff plans to provide a recommendation to the Commission for the lowest responsive and responsible bidder at or prior to the June 17, 2014 Commission meeting.

Port Staff plans to seek authorization for Schedules A (base bid) and Schedule B (additive bid), and will not seek authorization to award Schedule C (additive bid). The lowest bid will be based on the sum of Schedules A and B values. The Engineer's estimate for Schedules A and B was \$5,651,373. Contractor bids for Schedules A and B ranged from \$6,143,172.13 (Magnus Pacific) to \$9,953,044.92 (Manson Construction), including Washington State Sales Tax (WSST).

The base bid (Schedule A) is eligible for reimbursement under the Port's Ecology Remedial Action Grant at a rate of 50 percent of the Port's costs. Because this work will span two budget years (2014 and 2015), a majority of the budget for the base bid was included in the 2014 budget (\$4,400,000) and the remaining balance was planned for the 2015 budget (\$2,300,000) under CLIP 3-2-012-02. Schedule B is the City Combined Sewer Overflow Pipe Replacement, including relocation of the City's CSO, Puget Sound Outfall Number 2 (PSO-2). This item is funded 100% by the City of Everett under the Port and City Interlocal Agreement.

Deputy Executive Director Les Reardanz reported that Port Staff received a letter from the second low bidder, IMCO, alleging some irregularities in the low bidder's (Magnus Pacific) submittal. IMCO alleges that the low bidder (Magnus) failed to provide language in its subcontractor agreement that was sufficient to meet RCW 39.06.020 regarding verifying subcontractor responsibility, as well as Magnus's procedure for verifying subcontractor responsibility was not responsive. IMCO was not protesting Magnus's low bid or that they were not responsible. The legal standard for awarding a bid is that it goes to the lowest responsive, responsible bidder. The issue that IMCO is raising is the responsiveness of Magnus's bid and just solely related to the subcontractor verification under RCW 39.06.020. Port Staff believes that IMCO's protest – the letter that they sent to the Port – was untimely and not submitted in a correct manner, and the irregularity they allege is immaterial because it doesn't provide Magnus any sort of material advantage. Magnus's subcontract and their subcontractor responsibility verification due comply with RCW 39.06.020.

The bid opening was on Thursday, June 5. The bid tab was posted on the Port's website the next day, on June 6. At that point, all of the bidders were aware of who was the presumptive lowest responsive, responsible bidder. IMCO submitted a public records request on June 6 asking for Magnus's bid which was provided to them on that same day. IMCO was then notified on Monday, June 9 verbally, and in writing on June 10 of which bids the Port was awarding, Schedules A and B. IMCO had all of the information on which bids were being awarded, who the presumptive low bidder was as well as having Magnus's bid on June 9. IMCO should have had their bid protest filed within two days. IMCO did not submit the protest until Friday, June 13 by email. Based on the foregoing, Port Staff believes the protest to be untimely and not in accordance with the Port's bid procedures and believe procedurally that the protest should be rejected.

On the substantive side, RCW 39.06.020 says that the public works contractor shall have subcontractor bidder verification on their subcontractors. The intent is to make sure that there are responsible subcontractors. Magnus has submitted a subcontractor form that does require the subcontractors to provide their license number and other information to make sure that they are a responsible contractor. Based on that and the fact that they have a procedure and process, Port Staff believes that the protest should also be rejected on the substantive basis for the foregoing reasons.

Port Staff is recommending that the Commission rejects the bid protest, and to find that Magnus Pacific is the lowest responsive, responsible bidder and award the contract to them and authorize the Executive Director to enter into the contract.

Port attorney Brad Cattle said that the motion Staff is proposing is that the Commission reject IMCO's June 13, 2014 letter on procedural and substantive grounds because it is not technically a bid protest.

There being no questions, Commissioner Glen Bachman moved that the Commission reject IMCO's June 13, 2014 letter on procedural and substantive grounds finding that the IMCO letter was not properly submitted to qualify as a bid protest and notwithstanding the procedural deficiencies, that any irregularities cited in the letter are immaterial and should be waived based on the information presented at this Commission meeting. Commissioner Troy McClelland seconded the motion. A vote was called for:

Vote: 3-0  
Yes: Bachman, McClelland, Stiger  
No: None  
Abstained: None  
Motion carried

Commissioner Glen Bachman moved that the Commission award the Everett Shipyard Site In-Water Cleanup and Central Marina Improvements Phase 1 to Magnus Pacific as the lowest responsive, responsible bidder in the amount of \$6,143,172.13, including WSST and authorize the Executive Director to enter into the contract. Commissioner McClelland seconded the motion. A vote was called for:

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

Motion carried

**Job Order Contracting (JOC) – Authorization Use**

Procurement and Contracts Administrator Maija Lampinen reported that Job Order Contracting (JOC) is an alternative delivery method primarily used for repair, renovation and small construction projects. The contract is structured as an on-call “umbrella” or “master” contract with a general contractor.

JOC is specifically authorized under RCW 39.10 which indicates that “public bodies may use a job order contract for public works projects when a determination that the use of job order contracts will benefit the public by providing an effective means of reducing the total lead-time and cost for construction of public works projects for repair and renovation . . . “

Port Staff has identified that the use of the JOC will reduce the lead time on many of the repair, renovation and minor construction projects in this year’s CIP budget, as well as many of the projects proposed for Fiscal Year 2015. Many of the projects require the Port to be nimble and respond immediately to needs of prospective tenants and other stakeholders and the JOC process will provide a method to complete projects in a timely manner. Maija reported that the JOC will also reduce administrative time and expense, reduce and/or eliminate design fees on many of the smaller projects, resulting in fewer change orders and claims and result in a collaborative partnership between the JOC Contractor and the Port.

Commissioner Glen Bachman moved to recognize the Job Order Contracting process as an effective tool for procurement and to authorize the use of job order contracting to complete Port of Everett’s public work projects. Commissioner McClelland seconded the motion. A vote was called for:

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

Motion carried.

**Approval of Contract: JOC Consultant**

Maija Lampinen reported that the Gordian Group provides job order contract support services which will enable the Port to establish a JOC program. Services include development of a Request for Proposal, general conditions, technical specifications, JOC contract and providing a customized Construction Task Catalog (a unit price book). In addition, the Gordian Group provides JOC management software (eGordian) which contains the Construction Task Catalog allowing the Contractor to provide price proposals and the Port to generate independent cost estimates, issue and manage Job Orders (work orders), and create management reports and forms. The Gordian Group is responsible for updating the Construction Task Catalog as market conditions change.

There is no upfront cost to the Port for the Gordian Group’s services. The Gordian Group will receive 5.06% of each work order as payment for job order contract support services.

After discussion, Commissioner Glen Bachman moved to award a contract to the Gordian Group to provide job order contract support services and authorize the Executive Director to sign the Gordian Group agreement. Commissioner McClelland seconded the motion. A vote was called for:

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

Motion carried.

**Authorization to Solicit Request for Proposals: Job Order Contracting**

Maija Lampinen reported that the first steps to implement a JOC program are to develop the Request for Proposals to select one or two Job Order Contractors. Staff anticipates issuing the Request for Proposals in August or September 2014.

The Port is implementing its JOC program parallel to the City of Everett and will work with the City to create efficiencies in the process. Each entity would issue their own Request for Proposals, evaluate their own proposals and execute agency specific contracts.

Upon discussion, Commissioner Glen Bachman moved to authorize Staff to solicit Requests for Proposals for Job Order Contracting. Commissioner Troy McClelland seconded the motion. A vote was called for:

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

Motion carried.

**Commission Retreat Follow Up**

Deputy Executive Director Les Reardanz asked to defer the Commission Retreat follow up report schedule to September. The Commission concurred.

3. **DEPARTMENT REPORTS**

**Properties**

Chief of Property Development Terrie Battuello reported that Port Staff has completed its application for Waterfront Place Major Modifications and found it to be consistent with the direction given by the Port Commission. It has reviewed its approach with interested members of the Ad Hoc Committee and is ready to proceed to formal application. The application will include city-required forms, multiple exhibits depicting elements and aspects of the proposed project, illustrations and narratives along with updated reports on acoustics and traffic/parking; a proposed SEPA Amendment, a proposed City Shoreline Master Plan Amendment, and revised and proposed Design Guidelines necessary for a complete application. Port Staff requests the Commission authorize its Executive Director to execute the application for “major modifications” to the Waterfront Place Central (former Port Gardner Wharf plan approved in 2003 and revised in 2005).

Terrie Battuello said that one of the things that the Port did as the master developer, a branding study was performed to understand how the Port should tell the story about Waterfront Place Central. As Staff worked through that process using the historical information that has been collected by the Port, the names emerged from the branding study. Commissioner Stiger asked Terrie Battuello to consider naming one of the streets after Charles Jordan who was a civic leader in the community for many years. The port used to have a park named after him where music events were held, etc. The park was removed along with several of the buildings in the Everett Yacht Club area.

Commissioner Glen Bachman moved to authorize the Executive Director to approve an application to the City of Everett requesting modifications to the Port Gardner Wharf Plan. Commissioner Troy McClelland seconded the motion. A vote was called for:

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

Motion carried.

**Operations – Equipment Purchase at Marine Terminals**

Chief Operating Officer Carl Wollebek reported that in March 2014, the Commission authorized Port Staff to issue a public solicitation in the form of a Request for Proposals (RFP) for the purchase of 1-2 new Mobile Harbor Cranes and up to 4 new reachstackers and pricing proposals for the sale of the Port's existing 3 x Linde reachstackers and 1 x Gottwald Mobile Harbor Crane.

The RFP was issued on April 15, 2014. The Port received 2 submittals for harbor cranes, 4 submittals for reachstackers, 2 submittals to purchase our existing mobile harbor crane and 1 submittal to purchase our reachstackers.

Teams from Port management, maintenance and an ILWU representative visited Manzanillo, Mexico, Long Beach, Stockton and Sacramento, California and Portland, Oregon to review the cranes and reachstackers in operation.

The proposals were reviewed by an internal team of Port Staff and the Port's consultant Advanced Motion Industries, and both mobile harbor crane manufacturers and 3 of the reachstackers manufacturers were invited to the Port to review their proposals and discuss terms and options.

After much consideration, Port Staff is making the following recommendation:

- Purchase 1 Terex Model 7608 Mobile Harbor Crane with 2 x Bromma Spreaders in the amount of \$5,049,778 (not subject to Washington State Sales Tax, WSST);
- Contract with Terex to upgrade the Port's existing 280E Mobile Harbor Crane in the amount of \$550,000;
- Purchase 3 x Hyster 45-46 Reachstackers in the amount of \$1,633,702 plus WSST (net of trade-in below)
- Sell one Linde Reachstacker to Pap'e Material Handling for \$245,000.

Commissioner Glen Bachman moved to authorize the Executive Director to sign a sole source contract with Terex Port Solutions for electronic and mechanical upgrades to our existing Gottwald Mobile Harbor Crane 280E for a contract amount not to exceed \$550,000 plus WSST. Commissioner McClelland seconded the motion. A vote was called for:

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

Motion carried.

Commissioner Bachman moved to authorize the Executive Director to sign a contract with Pap'e Material Handling for purchase of 3 x Hyster Model 45-46 Reachstackers and trade in Port owned Linde Reachstacker Model C4531TL5 Serial # E1X357T00056 for \$1,633,927 plus WSST. Commissioner McClelland seconded the motion. A vote was called for:

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

Motion carried.

Commissioner Bachman moved to authorize the Executive Director to sign a contract with Terex Port Solutions to purchase a Model 7608 Mobile Harbor Crane for \$5,049,778. Commissioner McClelland seconded the motion. A vote was called for:

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

Motion carried.

### **Projects Update**

#### **Marina District / Waterfront Place Signage Contract Closeout**

Public Affairs Director Lisa Lefeber reported that the intent of the Waterfront Place Marina District Signage Program was to brand the marina district as Waterfront Place, enhance wayfinding throughout the district, and improve naming throughout the district to better assist first-responders between 10<sup>th</sup> and 18<sup>th</sup> Streets along West Marine View Drive.

The scope included:

- Renaming the marinas to South Docks, Central Docks and North Docks
- Color-coding, re-alphabetizing and re-numbering the Marinas
  - ~ South Docks: Orange
  - ~ Central Docks: Blue
  - ~ North Docks: Green

The project also included replacing and installing all new signage in the Marina District.

Chief of Engineering & Planning John Klekotka reported that in June 2013, the Port Commission authorized Staff to bid the project, and in July the Commission awarded the project to the low bidder, YESCO, LLC, who began work on August 16, 2013. YESCO did a quality job with the sign fabrication, but due to issues with an out-of-state concrete subcontractor, YESCO requested 45 additional contract days and then further asked for contract suspension, which was granted for 30 days from November 11, 2013 to December 13, 2013. Work resumed in mid-December 2013, but subcontractor issues persisted. In January 2014, YESCO replaced their concrete subcontractor with a new local concrete subcontractor to complete the work.

The contract provided for 120 calendar days to achieve Substantial Completion, with another 30 calendar days to achieve Final Completion. The work was substantially completed on March 21, 2014, and a total of 62 additional contract days were requested by YESCO. Staff may only grant up to 45 contract days per the Delegation of Authority, so Port Staff is requesting Commission approval of Change Order No. 1, which grants YESCO a total of 62 additional contract days.

John Klekotka reported that even with the requested number of days, YESCO was still over the contract time by 22 days, and liquidated damages were incurred in the amount of \$22,000 (\$1,000 per day). Staff has compiled a tally of actual incurred Port costs (mainly Staff time), and recommends that the liquidated damages be reduced to \$5,000. With the amount of extra work performed, less the \$5,000 in recommended liquidated damages, Port Staff is recommending to the Commission that the contract be closed out by granting YESCO an additional 62 contract days and a deduction (credit to the Port) of \$5,000 in liquidated damages. Additionally, all construction phase changes on the project were

paid for under the Minor Change bid item, which had an amount of \$20,000 established in the bid. The total amount of minor changes actually used was \$16,559.06, before tax, so a credit of \$3,440.94, before tax, is also due to the Port. With the additional contract time, the credit for unused Minor Changes, and the credit for liquidated damages, the final total contract amount is \$512,915.98, including WSST. Change Order No. 1 will document these changes to the contract and close out the contract with YESCO.

Commissioner Glen Bachman moved to approve the close out Change Order No. 1, and accept the Waterfront Place Marina District Signage contract as complete, and authorize Staff to close out the project with YESCO, LLC, in the total final amount of \$512,915.98, including WSST. Commissioner McClelland seconded the motion. A vote was called for:

Vote: 3-0  
Yes: Bachman, McClelland, Stiger  
No: None  
Abstained: None  
Motion carried

### **Weyerhaeuser Building Painting Phase 2**

John Klekotka reported that the Port received 5 bids for the Weyerhaeuser Building painting small works project. The low bidder was Five Star Services out of Arlington and they began their work on May 28 and have 90 calendar days to complete the project that consists of painting 3 sides of the building. So far the project is going very well.

### **COMMISSION PRESIDENT'S REPORT**

Commissioner Stiger announced that last Friday, the ORCA program graduated 42 students and wished the students well.

### **COMMISSION DISCUSSION**

Commissioner Bachman said that last Saturday, he attended the ribbon cutting for the Japanese Gulch project that the City of Mukilteo put together. Also, last Saturday was National Marina Day and Marina Cleanup Day.

### **CITIZEN COMMENTS**

There were no Citizen comments.

THE REGULAR COMMISSION MEETING was recessed into Executive Session at 6:59 pm - to conclude by 7:45 pm. The purposes of the Executive Session were to discuss with legal counsel (1) contract negotiations of which public discussion could disadvantage the Port's negotiating position; 2) a potential litigation matters; and (3) the acquisition of real estate for which public knowledge may disadvantage the Port's negotiations.

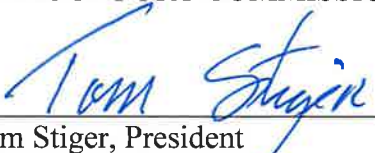
At 7:45 pm, Port legal counsel announced in the open meeting that the Executive Session was to be extended by 20 minutes.

At the conclusion of the Executive Session, there was no action taken by the Commission and there were no announcements. The Regular Meeting was adjourned at the conclusion of the Executive Session.

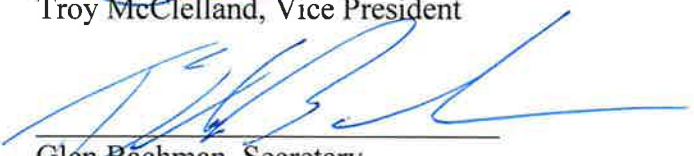
THE REGULAR COMMISSION MEETING WAS ADJOURNED at 8:05 p.m.

APPROVED: this 8<sup>th</sup> day of July, 2014.

EVERETT PORT COMMISSION

  
Tom Stiger, President

  
Troy McClelland, Vice President

  
Glen Bachman, Secretary



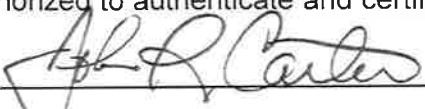
Port of Everett

**ORIGINAL**

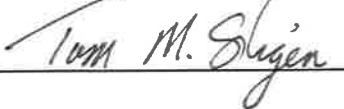
**Port of Everett  
Voucher Certification and Approval  
for the month of  
MAY  
2014**

|                                   |   | <b>Total</b>           |
|-----------------------------------|---|------------------------|
| Claims Voucher Nos                | 69645 - 69927                           | \$1,859,563.87         |
| Claims Electronic/Wire Transfers: |   |                        |
| 5/8, 5/16, 5/30                   | Electronic Transfer - Health Equity     | \$ 3,568.39            |
| 5/1, 5/16                         | Electronic Transfer - IRS               | \$ 168,829.10          |
| 5/23                              | Electronic Transfer - WA St Dept of Rev | \$ 45,548.32           |
| 5/29                              | Wire Transfer - Hirofumi Oshio          | \$ 3,092.00            |
| 5/3, 5/13, 5/15, 5/20, 5/27       | Wire Transfer - Bank of New York        | \$ 6,028,892.27        |
| Total Claims                      |   | \$8,109,493.95         |
|                                   |   |                        |
| Payroll Voucher Nos.              | 42948 - 43145                           | \$ 418,651.53          |
| Payroll Wire Transfers:           |   |                        |
| 5/6, 5/13, 5/20, 5/28             | PMA Payroll (Longshore Labor)           | \$ 260,653.39          |
| Total Payroll                     |   | \$ 679,304.92          |
|                                   |   |                        |
| Total Expenditures                |   | <b>\$ 8,788,798.87</b> |

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 an 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 17th day of June, 2014:

 President

\_\_\_\_\_  
Vice President

\_\_\_\_\_  
Secretary



**INDUSTRIAL DEVELOPMENT CORPORATION  
OF THE PORT OF EVERETT  
ANNUAL MEETING MINUTES  
June 17, 2014**

|          |                 |                       |
|----------|-----------------|-----------------------|
| PRESENT: | Tom Stiger      | President             |
|          | Troy McClelland | Vice President        |
|          | Glen Bachman    | Secretary             |
|          | John Mohr       | Executive Director    |
|          | John Carter     | Chief Finance Officer |
|          | Brad Cattle     | Port Attorney         |

**CALL TO ORDER:** The meeting was called to order at 4:51 p.m. by Commission President Tom Stiger.

**1. TREASURER'S REPORT**

Chief Finance Officer John Carter presented the Industrial Development Corporation's (IDC) Statement of Revenues, Expenses and Changes in Equity for the years ending December 31, 2004 – 2013, with total assets as of December 31, 2013 of \$41,729.

John Carter reported that at December 31, 2013, no bonds issued through the Corporation were outstanding. During the fiscal year, the only Revenues received by the Corporation were for interest on investments of surplus funds. The Corporation recorded no expenses for the fiscal year.

There being no further business, the Industrial Development Corporation's Annual Meeting was recessed to the Port Commission Regular Meeting at 5:00 p.m.

APPROVED: This 8<sup>th</sup> day of July, 2014.

INDUSTRIAL DEVELOPMENT CORPORATION  
OF THE PORT OF EVERETT

By: Tom Stiger  
Tom Stiger, President

By: Troy McClelland  
Troy McClelland, Vice President

By: Glen Bachman  
Glen Bachman, Secretary

**ORIGINAL**

June 10, 2014

To: The Governing Board of the INDUSTRIAL DEVELOPMENT CORPORATION  
OF THE PORT OF EVERETT

From: John Carter, Port of Everett Chief Financial Officer



**2013 Fiscal report of the INDUSTRIAL DEVELOPMENT CORPORATION OF  
THE PORT OF EVERETT.**

The Industrial Development Corporation of the Port of Everett (Corporation), a public corporation, was established in March of 1982, and it is authorized to facilitate the issuance of tax-exempt nonrecourse revenue bonds to assist in the development of industrial facilities within the geographic boundaries of the Port.

Revenue bonds issued by the Corporation are payable from revenues derived as a result of the industrial development facilities funded by the revenue bonds. The bonds are considered to be “conduit bonds” and as such are not a liability, a contingent liability of the Port, nor a lien on any of its properties or revenues other than upon the industrial facilities for which they were issued.

The Port’s Board of Commissioners serves as the governing board of the Corporation. The Corporation’s revenues are based upon application fees received from entities that anticipate, or have received, funding for their industrial projects from the issuance of industrial revenue bonds.

The application fees cover estimated future costs of the Corporation and consist of directly charged expenses of attorneys and auditors and non-billed administrative and overhead costs of the Port of Everett. The account balances and transactions are included as a blended unit within the Port’s financial statements.

Upon dissolution of the Industrial Development Corporation of the Port of Everett, all unspent application fees will be paid to the Port of Everett.

At December 31, 2013, no bonds issued through the Corporation were outstanding. During the fiscal year the only Revenues received by the Corporation were for interest on investments of surplus funds. The Corporation recorded no expenses for the fiscal year.

Enclosed is the Statement of Revenues, Expenses, and Changes in Equity for the years ending December 31, 2004 – 2014, with total assets at 12-31-2013 of \$41,729.

**INDUSTRIAL DEVELOPMENT CORPORATION OF THE PORT OF EVERETT  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN EQUITY (CASH BASIS)**

For the Year Ending December 31

|                         | 2004          | 2005          | 2006          | 2007          | 2008          | 2009          | 2010          | 2011          | 2012          | 2013          |
|-------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| <b>Revenues</b>         |               |               |               |               |               |               |               |               |               |               |
| Interest                | 467           | 563           | 1,057         | 1,549         | 1,523         | 1,088         | 444           | 265           | 140           | 78            |
| Application Fee         |               |               |               |               |               |               |               |               |               |               |
| <b>Total Revenues</b>   | <b>467</b>    | <b>563</b>    | <b>1,057</b>  | <b>1,549</b>  | <b>1,523</b>  | <b>1,088</b>  | <b>444</b>    | <b>265</b>    | <b>140</b>    | <b>78</b>     |
| <b>Expenses</b>         |               |               |               |               |               |               |               |               |               |               |
| Legal Fees              |               |               |               |               |               |               |               |               |               |               |
| Banks Fees              |               |               |               |               |               |               |               |               |               |               |
| Auditor                 |               |               |               |               |               |               |               |               |               |               |
| Misc                    |               |               |               |               |               |               |               |               |               |               |
| <b>Total Expenses</b>   | <b>-</b>      | <b>-</b>      | <b>-</b>      | <b>-</b>      | <b>-</b>      | <b>-</b>      | <b>-</b>      | <b>-</b>      | <b>-</b>      | <b>-</b>      |
| <b>Net Income</b>       | <b>467</b>    | <b>563</b>    | <b>1,057</b>  | <b>1,549</b>  | <b>1,523</b>  | <b>1,088</b>  | <b>444</b>    | <b>265</b>    | <b>140</b>    | <b>78</b>     |
| <b>Beginning Equity</b> | <b>34,554</b> | <b>35,021</b> | <b>35,584</b> | <b>36,641</b> | <b>38,190</b> | <b>39,712</b> | <b>40,801</b> | <b>41,245</b> | <b>41,510</b> | <b>41,650</b> |
| <b>Ending Equity</b>    | <b>35,021</b> | <b>35,584</b> | <b>36,641</b> | <b>38,190</b> | <b>39,712</b> | <b>40,801</b> | <b>41,245</b> | <b>41,510</b> | <b>41,650</b> | <b>41,729</b> |
| <b>Assets</b>           |               |               |               |               |               |               |               |               |               |               |
| Money Market            | 5,021         | 5,584         | 6,641         | 8,190         | 4,712         | 5,801         | 6,245         | 6,510         | 6,650         | 6,729         |
| CD's                    | 30,000        | 30,000        | 30,000        | 30,000        | 35,000        | 35,000        | 35,000        | 35,000        | 35,000        | 35,000        |
| <b>Total Assets</b>     | <b>35,021</b> | <b>35,584</b> | <b>36,641</b> | <b>38,190</b> | <b>39,712</b> | <b>40,801</b> | <b>41,245</b> | <b>41,510</b> | <b>41,650</b> | <b>41,729</b> |
| <b>Equity</b>           | <b>35,021</b> | <b>35,584</b> | <b>36,641</b> | <b>38,190</b> | <b>39,712</b> | <b>40,801</b> | <b>41,245</b> | <b>41,510</b> | <b>41,650</b> | <b>41,729</b> |