

MINUTES OF EVERETT PORT COMMISSION
REGULAR MEETING
January 13, 2015

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

CALL TO ORDER: The Regular Commission Meeting of January 13, 2015 was called to order at 5:06 p.m. by Commission President Troy McClelland.

CONSENT AGENDA

- Approval of Regular Meeting Minutes of December 2, 2014;
- Approval of Bills for December 2014

Commissioner Tom Stiger moved to approve the items of the Consent Agenda. Commissioner Glen Bachman seconded the motion. The vote was called for:

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

Motion carried.

1. CEO/EXECUTIVE DIRECTOR'S REPORT

Commission Retreat

Executive Director Les Reardanz reported that the Commission Retreat is scheduled for March 17-18, 2015. The first regular commission meeting will be held on March 3, and the second meeting will be held as a special meeting in conjunction with the Retreat on March 17-18. The March 10th meeting is cancelled.

Les Reardanz added that it was Staff's recommendation that the Retreat be held in the Blue Heron Room. Staff will also work with the Commission President on the Retreat Agenda.

The Commission agreed with the Retreat dates and the recommended location.

Legislative Agenda

Les Reardanz reported that a coalition of Snohomish County local governments, including County, Cities, Port of Everett, Economic Alliance of Snohomish County and the Snohomish County Committee for Improved Transportation developed regional priorities for 2015. The priorities center around Education/Workforce, Transportation/Infrastructure and Competitiveness. This is similar to what the Port Commission adopted in 2013 and 2014 and was very effective in giving the legislators a unified list of what our region considers priorities for legislative action. The Port was involved in developing the attached regional priorities again this year and Staff recommends the Commission adopt them.

Commissioner Glen Bachman moved to adopt the 2015 Regional Priorities for Snohomish County. Commissioner Tom Stiger seconded the motion. A vote was called for:

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

Motion carried.

Legislative Session

Lisa Lefebber reported that the legislative agenda has been organized by way of priorities, things for which the Port is actively seeking funding and things that the Port is supporting. Staff will be in Olympia for Washington Maritime Day and Washington Port Day next Tuesday and will be meeting in groups with members of the legislative delegation. This will provide an opportunity to give the legislators the regional agenda and Port priorities.

Attached is the 2015 Legislative Agenda that represents Port priorities.

Seattle Boat Show

Les Reardanz reported that the Seattle Boat Show is scheduled for January 23 through February 1, 2015 at the Century Link Exhibition Hall. The Port of Everett’s show booth has a new look. The Boat Show may close one day early this year because the Seahawks will be at the Super Bowl.

2. DEPARTMENT REPORTS

Properties

Port Attorney Brad Cattle reported that as part of the development of Riverside Business Park, the Port is obtaining three easements from the Benson & Wolken property interests. Two easements are sewer easements, one is owned by Benson & Wolken Properties LLC, and one is owned by Boyd Benson, personally. The third easement is an access and utility easement and that easement will be in favor of the City of Everett. The total compensation for the three easements is \$20,000 (\$6,666/easement).

Brad Cattle added that the easements each contain a reciprocal indemnity provision that should be ratified by the Commission. Obtaining the two sewer easements may allow the Port to transfer the sanitary sewer system to the City of Everett in the future.

Port Staff recommends that the Port Commission ratify and approve the Executive Director’s acceptance and signing of the Benson & Wolken Properties LLC and Boyd Benson Sanitary Sewer Easements.

Commissioner Glen Bachman moved that the Port Commission ratify and approve the Executive Director’s acceptance and signing of the Benson & Wolken Properties LLC and Boyd Benson Sanitary Sewer Easements. Commissioner Tom Stiger seconded the motion. A vote was called for:

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

Motion carried.

Waterfront Place Central – RMC Architects – Contract Modification

Chief of Business Development Terrie Battuello reported that the Port is pursuing a redevelopment strategy for the Marina District and intends to market this project beginning February 2015. In 2012, an original work scope was developed to complete the redesign of Port Gardner Wharf in two phases. Both phases were executed and completed. Since that time, the Port has entered into a lengthy entitlement process in which new information has been required and developed that was unanticipated. In the second modification, additional work required by City Staff was completed. In the third modification, additional unanticipated work was completed based on the requests of the Planning Commission.

The Port has entered into the final stages of the entitlement process before the City Council. Several additional exhibits and drawings have been required. The modification to the contract provides resources to complete the City Council phase. Future phases of the project will be completed under a new contract secured through the current solicitation for Architectural and Engineering services.

Commissioner Stiger moved to authorize the Executive Director to approve Modification No. 4 to the Personal Services Agreement with RMC Architects in the amount of \$19,000

for completion of entitlements for the Marina District Master Plan Development. Commissioner Bachman seconded the motion. A vote was called for:

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

Motion carried.

ESY Update

Erik Gerking, Director of Environmental Programs, provided a brief construction update on the Everett Shipyard cleanup project. The Port is roughly 60 percent complete with the contract and to date, there have been no requests for change orders that would change the contract value or the schedule to complete. The Landau Associates Construction Phase Services contract was budgeted through December 2014. Currently, the project is under budget. Some of the risks that Staff planned for did not emerge.

Activities completed to date included removal of all contaminated materials. There was upland cleanup work that was required and in-water cleanup work. The upland cleanup work consisted of removing underground storage tanks (UST) and soil and that has been completed. The Department of Ecology (Ecology) has confirmed completion. The temporary shoring and sheet pile tie back rods have been installed to allow the deep dredging to be done that is in front of the bulkhead. The dredging is nearly complete – there are a few more activities to complete but is nearing completion. The installation of the waterline re-route has been completed as well.

Erik commented that the schedule is tight for the in-water work. There are tasks yet to complete and there is about 30 days left for the in-water work to be completed (February 15). Port Staff is working with the Contractor and Ecology in a very collaborative way to make sure the project gets done by February 15.

There will be upland work after the in-water work is done to complete the bulkhead, restore the site and pull up the haul road and the transload facility. Per the contract, the date of substantial completion is February 28. The Contractor has not formally requested an extension of time, but they have alluded to requesting a little bit more time for the upland work.

Marina

Surplus of Munson Boat – Resolution No. 1024

Marina Director Jeff Lindhout reported that the Port currently owns a 1985 24 foot Munson Hammerhead vessel which was being operated by the Everett Police Department (EPD) under an agreement with the Port of Everett. The EPD recently purchased a new patrol boat, eliminating the need for the Munson vessel. A letter dated October 28, 2013 references the return of the vessel to the Port of Everett where it is currently located. The Port does not have an operational need for the vessel and as such recommends auctioning the vessel via an online auction process. If the vessel does not sell by this process, the Port will attempt to auction the vessel via an annual Port auction. The value of the vessel has been estimated at between \$10,000 and \$20,000.

Pursuant to RCW 53.08.090, the Commission must declare personal property valued at \$15,000 or higher that is no longer needed for Port District purposes as surplus and authorize the Executive Director to sell and convey such property.

Staff recommends that the Commission adopt Resolution 1024 declaring the 1985 Munson boat as surplus property and authorize the Executive Director to sell, convey, through auction, trade-in or other means of sale deemed to be in the best interest of the Port.

Commissioner Tom Stiger moved to adopt Resolution 1024 declaring the 1985 Munson boat as surplus and authorizing the Executive Director to sell or convey through auction, trade-in or other means of sale deemed to be in the best interest of the Port. Commissioner Glen Bachman seconded the motion. A vote was called for:

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

Motion carried.

Marina Strategic Plan

Chief of Business Development Terrie Battuello reported that the Port of Everett provides more than 2,000 moorage slips, guest moorage, fueling, launching and other boating service to the public. The Port Commission directed Staff to comprehensively evaluate the market and facilities needs to formulate a plan for the Marina for the next 30 years. The existing facilities, particularly in the central and south marinas, were constructed at various times and range from 25 to 50 years of age. In the last 15 years, there has been an accumulation of deferred maintenance expenses in favor of other priorities. The current study estimates the capital investment needed would require greater than \$50 million of investment to maintain the current program. Given the current rate of investment, it would take more than 35 years to complete the capital program.

In 2014, Port Staff completed a study of market conditions, development needs and alternatives, and developed financial models. Port Staff will be presenting these findings to the Commission through a series of meetings leading up to the Port's Commission Retreat. As part of these presentations, Staff will begin to frame strategic questions for the Retreat to receive direction from the Commission on the development of an implementing business plan for the marina's needs.

Economist Paul Sorenson of BST Associates provided an overview about market place trends and marina occupancy. The study included information about recreational and commercial fishing demands, and provided insights into the current utilization of the Port's marina.

Paul Sorenson made the following recommendations for Marina planning purposes:

- Stay realistic and flexible
- Focus on maximizing use of existing facilities
- Seek new markets, if they meet financial objectives
- Expand market share without price competition
- Weed out inferior products but meet the needs of existing tenants

Projects

Pier 1 Oil/Water Separator Upgrades – Contract Close-Out

Project Manager Steve Hager informed the Commission that a large underground vault was constructed in 1992 to collect and treat stormwater prior to discharging it into Puget Sound. Part of this treatment system consists of oil coalescing plates, which cause oil to separate from stormwater and float to the surface where it can be extracted and disposed of properly. The coalescing plates were the original ones installed in the vault in the early 1990s. In 2009, the plates were inspected and found to be caked with oily matter. An attempt was made to clean the plates to prolong their life, but was unsuccessful. Replacement of the plates is necessary to keep the vault functioning properly and to assure that stormwater discharge quality is being met.

Port Staff was authorized to solicit public works bids on March 4, 2014. Bids were opened on April 8, 2014, with Gary Harper Construction as the low bidder at \$491,727.60, including Washington State Sales Tax (WSST). The engineer's estimate was \$570,024.00.

The contract was awarded to Gary Harper Construction on May 6, 2014, and the work was conducted during the late summer. Substantial completion was achieved on October 11, 2014.

Steve Hager requested that the Commission accept the Pier 1 Oil/Water Separator Vault Upgrades project as complete and authorize Staff to close out the contract with Gary Harper Construction in the final amount of \$491,720.57, including WSST.

Commissioner Glen Bachman moved that the Commission accept the Pier 1 Oil/Water Separator Vault Upgrades project as complete and authorize Staff to close out the contract with Gary Harper Construction in the final amount of \$491,720.57, including WSST. Commissioner Tom Stiger seconded the motion. A vote was called for:

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

Motion carried.

Maintenance Building Re-Roof – Contract Close-Out

Project Manager Steve Hager reported that a Facility Condition Survey performed in 2007 determined the life of the current roofing material at the Marine Terminal Maintenance Building was nearly expended. This was further verified over the last couple of years with leaks and emergency repairs. Wetherholt & Associates contracted with the Port in February 2014 to perform the design and specifications for a new roof system. This was completed and went out for bid as a Small Works project on May 29, 2014. A single bid of \$326,428.28 was received on June 19, 2014. The bid was rejected and the project redesigned to match the existing roof system and reduce costs. The project was rebid on July 2, 2014. A single bid of \$309,719.59, including Washington State Sales Tax (WSST) was received from Pacific Rainier Roofing. This was over the engineering estimate of \$238,920.00 and the construction budget of \$300,000.

Because this was a critical component to the ongoing maintenance services at the Marine Terminals, the Commission authorized Staff to move forward with the project on August 19, 2014 and \$60,000 from the Pier 3 Utility Upgrades project was transferred to cover the additional construction costs, staff time, and consultant re-design. Substantial completion was achieved on October 26, 2014.

Staff requests that the Commission accept the Marine Terminal Maintenance Building Re-Roof, Re-Bid project as complete and authorize Staff to close out the contract with Rainier Pacific Roofing, Inc. in the final total amount of \$299,936.76, including WSST.

Commissioner Glen Bachman moved that the Commission accept the Marine Terminal Maintenance Building Re-Roof project as complete and authorize Staff to close out the contract with Rainier Pacific Roofing, Inc in the final total amount of \$299,936.76, including WSST. Commissioner Tom Stiger seconded the motion. A vote was called for:

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

Motion carried.

Pier 3 Pile Repairs - 2014

Project Manager Steve Hager reported that Pier 3 was originally reconstructed in the early 1970s. In the early 1990s, premature deterioration of concrete piles was found to have occurred. Since that time, several cycles of pile jacketing have been performed to preserve the pier's structural integrity. In the current cycle of work, the Port proposed jacketing 19 piles. The Port is contractually obligated to perform this work under the terms of our lease agreement with Lehigh Cement.

Bids were received on May 1, 2014. Neptune Marine LLC submitted the apparent low bid at \$293,765.47 (including base bid, all additive bid items and WSST). Within 24 hours of bid opening, Neptune Marine LLC requested to withdraw its bid citing a mathematical error. Port Staff reviewed the request and supporting documentation and

accepted Neptune Marine LLC's request. With Neptune's bid withdrawal, Ballard Marine Construction, Inc. became the lowest responsive, responsible bidder at \$383,570.46, including the base bid, all additive bid items and WSST. On May 13, 2014, the Commission awarded the contract to Ballard Marine Construction, Inc.

After entering into a contract with Ballard Marine, an error was noted in the Bid Tab that incorrectly calculated the contract amount and omitted three of the six steel piles that were to be included as additive bid items. A Change Order was issued increasing the contract amount by \$28,501.20, including WSST, to \$412,071.66, including WSST.

During construction, it was noted that there was an error in the plans that mislabeled the repair detail for several piles. This resulted in the need to excavate around the base of several piles on an extra time and material basis. Funds for this extra work were found by deleting the repair of one pile which was determined could be deferred into the future and moving those funds in to the Additional Work for Minor Changes bid item. After excavating 3 additional piles, it became evident that the cost of this work was exorbitant to the benefits. Additional excavation was abandoned resulting in the closeout Change Order with a savings of \$19,421.35.

Steve Hager asked the Commission to accept the project as complete and authorize Staff to close out the contract with Ballard Marine Construction, Inc. in the final total amount of \$392,650.31, including WSST.

Commissioner Glen Bachman moved that the Commission accept the Pier 3 Pile Restoration 2014 project as complete and authorize Staff to close out the contract with Ballard Marine Construction, Inc. in the final total amount of \$392,650.31, including Washington State Sales Tax. Commissioner Tom Stiger seconded the motion. A vote was called for:

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

Motion carried.

41st Street – West Marine View Drive Freight Corridor Improvements Update

Chief of Engineering & Planning John Klekotka provided a briefing to the Commission about the freight mobility project for 41st Street to West Marine View Drive which will ease over-dimensional freight traffic at three key intersections along the freight route. Through an Interlocal Agreement with the City of Everett, the Port will provide a contribution of \$430,000 for the construction phase of the project. The Port's funding contribution is a portion of the project's overall construction phase budget of \$2,825,507, which also includes funds from the City of Everett, the Freight Mobility Strategic Investment Board (FMSIB), and the Surface Transportation Program (STP). The City expects to construct the project improvements in 2015.

COMMISSION PRESIDENT'S REPORT

Troy McClelland reported that the Legislative Session is underway. The Port will be well represented in Olympia.

COMMISSION DISCUSSION

Commissioner Stiger reported that tomorrow there will be a work shop at the Port for the JOC program and approximately 25 subcontractors will be in attendance.

On January 21, there is a community welcoming event for Les Reardanz. The event is to be held in the Blue Heron Room and lobby.

The Mayor has his State of the City presentation on the morning of January 29, 2015.

CITIZEN COMMENTS

There were no Citizen comments.

THE REGULAR COMMISSION MEETING was recessed into Executive Session at 7:34 pm - to conclude by 8:00 pm. The purpose of the Executive Session was to discuss with legal counsel the acquisition of real estate for which public discussion could disadvantage the Port's negotiating position.

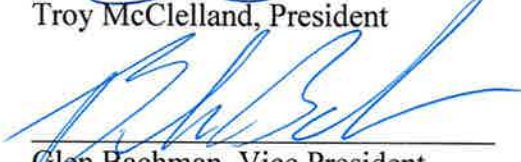
At the conclusion of the Executive Session, there was no action taken by the Commission and there were no announcements. The Regular Meeting was adjourned at the conclusion of the Executive Session.

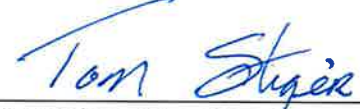
THE REGULAR COMMISSION MEETING WAS ADJOURNED at 8:00 pm.

APPROVED: this 10th day of February, 2015.

EVERETT PORT COMMISSION


Troy McClelland, President


Glen Bachman, Vice President


Tom Stiger, Secretary

2015

LEGISLATIVE AGENDA SNOHOMISH COUNTY



Snohomish County is a critical center and driver of Washington State's 21st century technology-based economy. We ask that you support the following strategic capital and program investments that will help sustain Washington's leadership in America's new economy.

TRANSPORTATION & INFRASTRUCTURE

Invest in World-Class Systems

- A statewide multimodal transportation package that includes at least \$1 B for Snohomish County or 10% of any revenue package
- Port of Everett rail investments to facilitate movement of key export cargo —
 - Capital funding for a double rail siding — \$3 Million
 - Funding from the Freight Rail Assistance Program to construct a rail connection to the mainline — \$1.3 Million
- Transit funding through the Regional Mobility Grant program to support core of State's aerospace manufacturing; Community Transit: Seaway Transit Center — \$6.8 M, Snohomish County: Mukilteo Park & Ride — \$2.7 M
- Enact legislation to allow local transportation, including transit, revenue options and a 2016 ballot measure to fund Sound Transit 3 extensions.

EDUCATION & WORKFORCE

Invest in the Workforce of Tomorrow

- Everett University Center program expansions - WSU and University Center partners request to add new FTE/degree programs in WSU-software engineering, WSU-sustainable ag/food systems, WSU-STEM Academy, CWU – Aviation Technology – \$4.5 M
- Capital funding for a permanent facility for the Everett University Center – \$61 M
- UW Bothell – capital funding for predesign of a new Academic STEM building – \$500,000
- Capital funding to renovate Snohomish County's Carnegie Bldg. for Rapid Recidivism Reduction Program – \$1.6 M

COMPETITIVENESS

Invest in Globally Attractive Manufacturing Communities

- Reauthorize High Technology B&O Credit for R&D Spending and High Technology Sales & Use Tax Deferral/Waiver incentives
- Support legislation – "Providing for property tax exemption for the value of new construction of industrial/manufacturing facilities in targeted urban areas"

MANUFACTURING



1st in concentration of **manufacturing jobs** with 64,000 direct jobs, and 750+ companies. 2nd in aerospace manufacturing employment with 43,000 direct jobs and 215+ companies.

TECHNOLOGY



2nd in the number of **technology-based jobs**, with over 66,000.

WAGES



\$5.5 billion in wages supported by manufacturing and aerospace.

Expresses regional priorities from:



2015

POLICY PRIORITIES

SNOHOMISH COUNTY



Snohomish County is a critical economic center for Washington State. To properly support this vital region we are asking for the state to partner with us to implement the following key priorities:

TRANSPORTATION & INFRASTRUCTURE

- Support a statewide multimodal transportation funding package that protects and grows the State's key economic drivers, such as the Snohomish County North Puget Sound Manufacturing Corridor; while supporting effective reforms that improve ROI for projects.
- Support an expanded multimodal transportation system in Snohomish County.
 - Continued support for Community Transit SWIFT II
 - Support expanded Sound Transit 3 – via Paine Field to Everett Community College/WSU
- Develop a funding strategy for freight rail investments maximizing use of existing regional rail systems that eliminate at-grade crossings and expand short-line rail capacity.
 - Support improvements to the Eastside Railroad corridor
- Improve the Port of Everett's ability to transport and handle a variety of strategic cargo through capital investments in dock, rail, and surface transportation improvements.
- Maintain sufficient funding in support of state Public Works Assistance Account (PWAA), Transportation Improvement Board (TIB), County Road Administration Board (CRAB), and Regional Mobility Grant programs.

EDUCATION & WORKFORCE

- Support Everett University Center under WSU leadership to add new degree programs and provide a permanent facility for the Everett University Center.
- Provide appropriate capital and program funding for UW Bothell, Everett CC and Edmonds CC to expand STEM programs.
- Continue funding and support of WA STEM and regional STEM networks.
- Support locating of Advanced Composites Center in Snohomish County as the State's advanced manufacturing hub.
- Implement innovative approaches treating mental health disabilities and homelessness that enable citizens to fully participate and succeed in the local workforce as well as contribute to the community.

COMPETITIVENESS

- Maintain aerospace and other high-tech business incentives.
- Maintain a balanced rational approach to water-quality human health criteria (i.e. fish consumption rates) in proposed standards.
- Undertake strategies to improve broadband access and quality, including wireless services, particularly to underserved and rural areas.
- Protect local economic development organizations' state funding (i.e. protect funding for ADOs like EASC).
- Provide local options and tools to local governments and agencies to fund infrastructure that enables economic development; for example Value Capture Financing.

ECONOMY



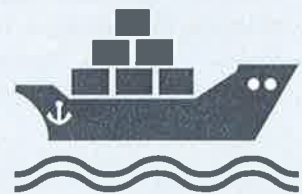
2nd in the state for **Gross Regional Product at \$36.2 billion**, driven by \$22.7 billion in exports.

EDUCATION



Most sophisticated network of education opportunities with 6 higher education, 2 community, and # technical colleges.

JOBS



Highest percentage of jobs tied to international trade in Washington State at 60% of our workforce.

Expresses regional priorities from:





Port of Everett


Port of Everett
Voucher Certification and Approval
for the month of
DECEMBER
2014

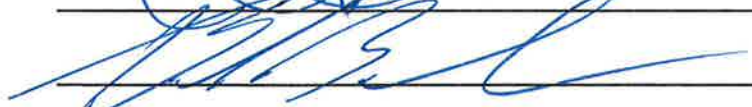
		Total
Claims Voucher Nos	71841 - 72183	\$3,032,119.74
Claims Electronic/Wire Transfers:		
12/1, 12/15, 12/30	Electronic Transfer - Health Equity	\$ 3,681.34
12/2, 12/16, 12/30	Electronic Transfer - IRS	\$ 271,211.15
12/26	Electronic Transfer - WA St Dept of Rev	\$ 38,356.88
	Total Claims	\$3,345,369.11
Payroll Voucher Nos.	44339 - 44638	\$ 667,515.00
Payroll Wire Transfers:		
12/2, 12/9, 12/16, 12/23, 12/30	PMA Payroll (Longshore Labor)	\$ 343,143.20
	Total Payroll	\$ 1,010,658.20
Wire Transfers:		
12/18	Wire Transfer - Umpqua Bank Investments	\$ 2,000,000.00
Total Payments		\$6,356,027.31


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 13th day of January, 2015:

 _____ President

 _____ Vice President

 _____ Secretary