

MINUTES OF EVERETT PORT COMMISSION
REGULAR MEETING
June 9, 2015

PRESENT:

Glen Bachman	Vice President
Tom Stiger	Secretary
Les Reardanz	Executive Director
John Carter	Chief Finance Officer
Brad Cattie	Port Attorney

ABSENT: Commissioner Troy McClelland's absence was excused due to a previously scheduled business trip.

CALL TO ORDER: The Regular Commission Meeting of June 9, 2015 was called to order at 5:00 p.m. by Commission Vice President Glen Bachman.

CONSENT AGENDA

- Approval of Regular Meeting Minutes of May 5, 2015, and Regular Meeting Minutes of May 12, 2015;
- Approval of Bills for May 2015

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

Vote:	2-0
Yes:	Stiger, Bachman
No:	None
Abstained:	None
Absent:	McClelland

Motion carried.

1. CEO/EXECUTIVE DIRECTOR'S REPORT

August Meetings

Executive Director Les Reardanz reminded the Commissioners and public that the Port is holding a single meeting on August 4, 2015. The August 11th meeting has been cancelled.

Paul Brachvogel

Les Reardanz introduced Paul Brachvogel who has accepted the position of the Port's Chief of Legal Affairs. Paul will be starting with the Port on the 23rd of June. Paul is currently the general counsel for the Cowlitz County PUD, and has been a former city manager and city attorney.

Summer Events

The Farmer's Market is open every Sunday from 11 am – 4 pm; the 4th of July Color of Freedom's Festival is right around the corner; the Waterfront Concert Series begins July 2, and the Saturday night concerts start on July 11th. On July 30, the Working Waterfront Harbor Tours begin.

2. CHIEF FINANCE OFFICER'S REPORT

First Amendment to the Interagency Agreement between Port of Everett and City of Bellevue

Maija Lampinen, the Port's Procurement and Contracts Administrator, reported that in April 2015, the City of Bellevue requested to piggyback on the Port's Job Order Contract with Saybr Contractors. At the April 14, 2015 Commission meeting, the Commissioners approved an Interagency Agreement authorizing the City of Bellevue to utilize Saybr's contract not to exceed \$250,000.

The City of Bellevue has requested an additional \$100,000 capacity to complete another project by August 2015. This request would bring their total requested amount to \$350,000. The Port has sufficient contract capacity to grant this request. The proposed Amendment to the Interagency Agreement would increase the piggyback amount to

\$350,000, but all other conditions of the Interagency Agreement would remain unchanged.

Maija Lampinen recommended that the Commission approve the First Amendment to the Interagency Agreement between the Port of Everett and the City of Bellevue substantially as presented and authorize the Executive Director to sign the amendment.

After discussion, Commissioner Tom Stiger moved to approve the First Amendment to the Interagency Agreement between the Port of Everett and the City of Bellevue substantially as presented, and authorize the Executive Director to sign the amendment. Commissioner Glen Bachman seconded the motion. A vote was called for:

Vote:	2-0
Yes:	Stiger, Bachman
No:	None
Abstained:	None
Absent:	McClelland

Motion carried.

Revenue Bonds - Presentation

Chief Finance Officer John Carter reported that Port Staff has been working on a scope of work for a financing plan for issuing some revenue bond debt during the summer/fall period. Staff has been working with underwriters Dick Shoeber and Lindsey Sovde of Piper Jaffrey on this potential revenue bond issuance.

John Carter said the Port's current financing plan had the Port issuing debt of approximately \$10 million per year for each of the next five years starting in 2015. In looking at the favorable market place and our capital improvement plan including several new projects, it makes sense to take advantage of the favorable marketplace now. John Carter said that he has concluded that it would be good for the Port to not only issue some additional new long-term revenue bonds for \$10 million, but the Port could also issue an additional \$10 million with a subordinate lien on a variable rate basis. The variable rate basis has some advantages as it would capture the lower interest costs now. It would save us total interest costs on the short-term portion of the Port's debt, the short-term debt could be issued with lower fees and costs and the short term debt can be subordinated to all of the other Port debt.

John Carter recommended that the Port move forward with a financing plan of \$10 million in fixed rate long-term revenue bonds on a parity lien basis with our existing revenue bonds, and then an additional \$10 million in a subordinated lien that is a short-term variable debt.

Dick Shoeber and Lindsey Sovde of Piper Jaffrey briefed the Commissioners and Staff on what it means to issue variable rate debt since the Port has had not any of this type of funding in its portfolio.

John Carter said that Staff will proceed forward with the financing plan and continue to report back at each Commission meeting on progress. The Commission concurred.

Update on CIPs -- Budget Transfers

John Carter reported that as of March 31, 2015, the Port has approximately \$59,864,677 in open capital projects. There are 137 capital projects that are currently open and to be worked on this year. Projects by Division include 46 at the Marine Terminals, 33 at the Marinas, 30 in Properties, 17 in Public Access and 11 in Clips (Environmental Remediation projects) for a total of 137 capital projects.

The following represent a summary of the 2015 budget transfers to date:

1. \$500,000 was moved from the East Waterway cleanup to the Mill "A" Site due diligence as it needed more funding capacity;
2. \$75,000 was moved from the Terminal Storage Yard Shore Protection project to the South Terminal Bulkhead Renovation due to increased project costs;

3. \$663,533 was moved from the Waterfront Place (build to suit) to Tenant Improvements in the leased space;
4. \$400,000 was moved from the Waterfront Place Infrastructure to the Waterfront Place NE Bulkhead Segment C;
5. \$2,210,000 was moved from the Central Marina Improvements Phase 1 to the Central Marina I Dock Consolidation project (includes \$855,000 from 2016); \$64,000 was moved to O Dock Demolition; \$735,000 was moved from Central Marina Improvements Phase 1 S. Docks Electrical Upgrades project to Central Marina I Dock Consolidation project as the estimate in the 2015 budget was not sufficient for the complexity of the project;
6. A total of \$75,000 was moved from three different Marina projects (Waterfront Place Central Wharf Rebuild Segment E, Waterfront Center HVAC Enhancements, and Marina Pavement Upgrade) to the Waterfront Center Canopy Electrical Upgrades;

John Carter added that in the Waterfront Place plan that was put in place and approved by the City in January 2015, Port Staff did not have the full timing of all of the improvements in place when the budget was prepared last fall. Terrie Battuello has requested that the Port move forward with three projects that are public access projects that would help with the timing of the improvements that were committed to the City of Everett as follows: Waterfront Place Picnic Shelters at \$156,000, Waterfront Place S. Marina Plaza at \$150,000, and Waterfront Place Central No. Esplanade at \$43,000.

John Carter asked the Commissioners to authorize a budget amendment moving 7)Waterfront Place Picnic Shelters at \$156,000, 8)Waterfront Place S. Marina Plaza at \$150,000, and 9)Waterfront Place Central No. Esplanade at \$43,000 from the 2016 budget to 2015 budget.

Commissioner Stiger moved to approve a budget amendment moving projects 7, 8 and 9 (the Waterfront Place Picnic Shelters at \$156,000, Waterfront Place S. Marina Plaza at \$150,000, and Waterfront Place Central No. Esplanade at \$43,000) from the 2016 budget to 2015 budget. Commissioner Glen Bachman seconded the motion. A vote was called for:

Vote:	2-0
Yes:	Stiger, Bachman
No:	None
Abstained:	None
Absent:	McClelland

Motion carried.

2016 Budget Schedule

John Carter presented to the 2016 Budget Schedule to the Commission and asked that the Commission review the Budget Schedule for any conflicts or dates that need to be changed, or additional steps that the Commission would like to see added and alert Staff to the same.

3. DEPARTMENT REPORTS

Properties

Waterfront Place Central Development –

Terrie Battuello provided a briefing on the status of the Waterfront Place Central Development including project work under the categories of Planning, Design, Entitlements, Construction, Sales / Acquisitions and Marketing as of June 2015. A copy of the presentation is attached hereto as part of the record.

Projects

Mt. Baker Terminal Access Roadway & Utilities Improvements – Contract Closeout

Project Manager Steve Hager reported that the Mt. Baker Terminal was completed and placed into operation in early 2008. The construction of roads, utilities and landscaping was deferred until resolution of the transfer of the Mukilteo Tank Farm from the Air Force to the Port of Everett was completed – which has now been accomplished. The Access Road and Utility Improvements project completed the necessary services to the

Mount Baker Terminal and provided sewer and water service to the Tulalip Tribes' lot in support of the future Washington State Ferries Terminal relocation.

The contract was awarded to Strider Construction on October 28, 2014 in the amount of \$1,787,889.76. There were a couple of minor change orders and overruns resulting in a total closeout contract price of \$1,828,302.52, including Washington State Sales Tax (WSST). This represents a 2.3 percent increase from the original contract price.

The project was completed on time and under budget with minor change orders.

Staff is requesting that the Commission accept the Mount Baker Terminal Access Road and Utility Improvement project as complete and authorize Staff to close out the contract with Strider Construction Co., Inc. in the final total amount of \$1,828,302.52, including WSST.

Commissioner Stiger inquired if there were any plans for restrooms. Les Reardanz said that the City of Mukilteo will install restrooms if they decide they are needed.

Commissioner Tom Stiger moved that the Commission accept the Mount Baker Terminal Access Road and Utility Improvements project as complete and authorize Staff to close out the contract with Strider Construction Co. Inc in the final total amount of \$1,828,302.52, including WSST. Commissioner Glen Bachman seconded the motion. A vote was called for:

Vote:	2-0
Yes:	Stiger, Bachman
No:	None
Abstained:	None
Absent:	McClelland

Motion carried.

COMMISSION PRESIDENT'S REPORT

Commissioner Bachman reported that on June 5, Les Reardanz did a presentation about the Port's rail yards and rail improvements to the Puget Sound Regional Council Freight Mobility Committee which was very well received by the group. Burlington Northern Santa Fe (BNSF) was in attendance.

Les Reardanz also gave a presentation about the Port of Everett to the Everett Rotary Club which was well received.

COMMISSION DISCUSSION

Commissioner Stiger said that the EASC sponsored Port Report is being held on July 9 in the Waterfront Center's Blue Heron Room. The Everett Yacht Club will have an Open House on July 11, 2015.

WPPA presented an Environmental Stewardship Award for the ESY Cleanup project to the Port of Everett at the spring meeting in Spokane recently.

CITIZEN COMMENTS

There were no Citizen comments.

THE REGULAR COMMISSION MEETING was recessed into Executive Session at 6:59 pm - to conclude by 7:15 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 negotiations.

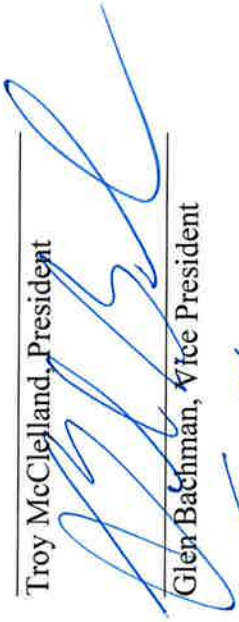
At the conclusion of the Executive Session, there was no action taken by the Commission and there were no announcements. The Regular Meeting was adjourned at the conclusion of the Executive Session.

THE REGULAR COMMISSION MEETING WAS ADJOURNED at 7:15 pm.

APPROVED: this 14th day of July, 2015.

EVERETT PORT COMMISSION

Troy McClelland, President



Glen Bachman, Vice President



Tom Stiger, Secretary

PORT OF EVERETT
We Provide Value. We Create Economic Opportunities

**Waterfront Place Neighborhood
Monthly Briefing**

Terrie Battuello, Chief of Business Development
June 9, 2015



Presentation Overview

- Planning
- Design
- Entitlements
- Construction
- Sales/ Acquisitions
- Marketing

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PLANNING

- Utility Master Design
- Binding Site Plan/ Final Site Plan
- Boatyard Phase Three Plan
- Marina Business Plan
- Jetty Facilities Capital Needs Assessment
- Parking Management Plan/ Forming Assoc.

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DESIGN

- Weyerhaeuser Move and Site Redevelopment
- Seiner Wharf Segment D and E
- Interim Public Access Improvements

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ENTITLEMENTS

- SEPA and design matrix in review
- Evaluation to maximize existing shorelines permit
- Public comment on Shoreline Master Amd
- Vacation Ordinance Amd in process

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CONSTRUCTION

- Solicitation Dock I Consolidation/ Bulkhead C
- Completion of ESY and PSO Project
- Tenant Improvements Waterfront Center

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SALES

- On site graphics being installed
- Marina Marketing print and electronic media
- Sales collaterals in development
- Initial offering package in development
- Grand Opening July 9 kicks off marketing effort
- Award applications and recent accolades

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ACQUISITION

- Energy expansion site acquisition progressing
- City Bridge Landing anticipated to impact 2016 Farmer's Market
- Utilities easements from Port will be required for public and private agencies

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Port of Everett

**Port of Everett
Voucher Certification and Approval
for the month of
MAY
2015**


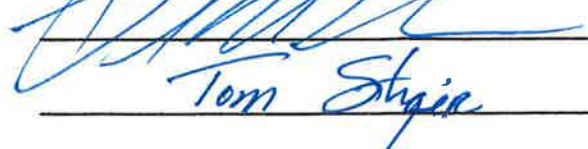
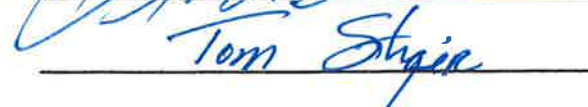
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		Total	
Claims Voucher Nos	73447 - 73725		\$2,874,607.84
Claims Electronic/Wire Transfers:			
5/18	Electronic Transfer - Health Equity	\$	1,431.83
5/1, 5/18	Electronic Transfer - IRS	\$	189,685.55
5/26	Electronic Transfer - WA St Dept of Rev	\$	64,839.75
	Total Claims		\$3,130,564.97
Payroll Voucher Nos.	45445 - 45552 (Void 45439 - 45444)	\$	226,940.63
Payroll Wire Transfers:			
5/5, 5/12, 5/19, 5/27	PMA Payroll (Longshore Labor)	\$	432,330.44
	Total Payroll	\$	659,271.07
Wire Transfers:			
5/12, 5/13	Wire Transfer - Umpqua Bank Investment	\$	2,500,000.00
5/29	Wire Transfer - US Bank	\$	674,800.01
Total Payments			\$6,964,636.05

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 9th day of June, 2015:

 _____ President
 _____ Vice President
 _____ Secretary