

## i.) Executive Summary

The Port of Everett, located 25 miles north of Seattle, is a strategic self-operating seaport that supports nearly \$25 BILLION worth of U.S. exports annually, the largest customs district in Washington State. Everett is home to The Boeing Company’s largest manufacturing facility and also homeport to Naval Station Everett.

Its regional transportation network supports more than 35,000 jobs and \$313 million in state and local tax revenue. Everett’s seaport is a strategic port that specializes in high-value, over dimensional cargoes.

Most notably, the Port of Everett serves as an extension of the aerospace manufacturing process, and plays a critical role in the industry’s just-in-time-delivery schedule. The Port has also been 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 (NW Seaport Alliance). It also serves as backup support for the U.S. Army’s 833<sup>rd</sup> Transport Command.

*“The Boeing Company supports the Port of Everett’s applications to upgrade its South Terminal Intermodal Freight Shipping Facility. The project is a lasting investment that will enhance the Northwest economy’s global competitiveness.”*

Shawn Wattles  
Director, Supply Chain  
Logistics  
The Boeing Company

## Project Description



The Port of Everett’s South Terminal Intermodal Modernization Project ([authorizing resolution](#)) is a transformative project that will dramatically improve the status quo by providing significant and measurable improvements over the existing conditions to meet current and future multimodal freight shipping needs of the region and nation. This modernized terminal will create ladders of opportunities in the community supporting an estimated 382 new direct jobs in the projects first year. Total jobs including direct, indirect and induced jobs are estimated to be over 900 in the first year, growing to more than 2,900 over the 20 years of the project. This will provide new opportunities for the community to reduce its current unemployment rate of 6.3%, 1.4% higher than the U.S. average of 4.9%.

This project, which is included in Washington State’s Freight Plan, will modernize the Port’s facilities to meet 21<sup>st</sup> Century demands to efficiently and safely serve larger vessels that are currently being chartered by our eight shipping lines, in particular as Panamax class ships

carrying containerized aerospace cargo are inserted into the rotation. Most notably, the Port of Everett serves as an extension of the aerospace manufacturing process, and plays a critical role in the just-in-time-delivery schedule. It transports ALL the oversized parts for the 747, 767 (military and commercial), 777, K-C46 Tanker and soon to be 777X airplane programs. It also serve as a backup facility to the 787 Dreamliner. [Click here to see a video of the Port’s role in the aerospace logistics chain.](#)

This project is a transformative surface transportation project that aligns with local and regional economic development plans and will show significant measurable improvements over its current condition. The project is necessary for the Port to accommodate the heavier containers being used to transport the airplane parts for the new Boeing 777X program and other breakbulk export cargoes that utilize port facilities. The wharf strengthening is needed for the intermodal transfer of goods from ship to shore, and the rail infrastructure is needed to stage the cargo for transport to the inland states without creating congestion on the BNSF Railway mainline to the Midwest. The Port needs this project, because by the end of 2016, we will have three of the larger charter ships calling our port on a routine basis. We have reached a point where our infrastructure is no longer keeping pace with the industry changes. We are now on an aggressive path to complete the strengthening of the South Terminal as soon as possible to meet our customer’s needs.

The project includes:

- Strengthening 560-feet of dock to 1,000 pounds per square foot (psf) and installing crane rail to create a 700 foot modern berth, additional Roll-on/Roll-off cargo berthing capacity that allows for the intermodal transfer of goods from ship to shore in support of the local aerospace industry, as well as other industries that serve the global marketplace. In 2015, the Port completed Project I of this dock strengthening project, to construct a “heavy-lift” section on a 140’ X 110’ square foot area at the north end of the wharf.
- Extending new high voltage power systems into the Port’s existing South Terminal to provide power and equipment to allow shipping vessels to “cold iron” while at berth.
- Constructing approximately 3,300 lineal feet of additional rail sidings to increase on-site storage from 46 cars to a total of 106 cars.
- Constructing a new warehouse to support intermodal cargo movement at the South Terminal.

Improvement	Current Condition	Future Condition
Berth Length for Cargo Equipment	140-feet	700-feet
Roll-on/Roll-off Cargo Berth	One (1)	Two (2)
Dock Strength	140 ft. (1,000 psf.)  560 ft. (500 psf.)	700 ft. (1,000 psf.)
Gantry Cranes	None	Two (2)-100-foot gauge cranes*
Shore Power	None	Shore power availability
Terminal Rail Improvements	5,000 lineal feet	9,000 lineal feet
Warehouse Space	None	Yes, size to be determined

\*Gantry cranes not to be acquired with federal funds

**Ladders of Opportunity**

The South Terminal Modernization project provides workforce development and recreational opportunities for economically disadvantaged populations, it supports short and long-term job creation for the community, the project supports local and regional economic development goals and emphasizes high-demand careers in Snohomish County, such as welding and manufacturing.

**Project Location**

The Project, located at 3410 Terminal Avenue; Everett, Washington (25 miles north of Seattle), is a regionally significant multimodal project that will enhance the region’s freight mobility, economic vitality and environment.

**Project Parties**

The South Terminal Intermodal Modernization Project has broad-based, multi-jurisdictional support from the community, stakeholders and elected officials including: The Boeing Company, shippers, labor, the U.S. Navy, members of the U.S. Senate and Congress, local governments, higher education institutions, and many more. [Click here for the full list.](#)

**Grant Funds, Sources and Uses of Project Funds**

The Port respectfully requests a TIGER grant at **\$10 million to fully execute** the completion of this project by 2019 to transform the South Terminal to dramatically improve the current condition. If grant funding were not awarded at the requested amount, the Port would be required to scale the project, as we do not have enough financial resources to achieve full build-out of the project without federal support. Each of the projects listed below have independent utility.

- \$10 million grant award achieves project goals described in the grant application in its entirety.
- \$5 million grant award would only complete the on-terminal rail investments.

**Selection Criteria**

***Project Meets Grant Statutory Criteria***

<ul style="list-style-type: none"> <li>✓ The South Terminal Intermodal Modernization Project is cost effective (calculated very conservatively the BCA results in 2.5:1 at 7%. 4.8:1 at 3%).</li> <li>✓ As an urban project, the project exceeds the match requirements of funding as the TIGER funding request comprises 18% of the project cost.</li> </ul>	<ul style="list-style-type: none"> <li>✓ This project is low risk, and can be under construction well before the required obligation date of September 30, 2019.</li> <li>✓ The Port is a proven, steady and reliable federal partner.</li> <li>✓ Federal Wage Rate Certification</li> </ul>
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Project Meets Primary Criteria	Description												
<b>State of Good Repair</b>	<ul style="list-style-type: none"> <li>• This project removes trucks off the regional and interstate highways, reducing commercial vehicle miles traveled on the highways reducing maintenance requirements for Departments of Transportation along the route.</li> <li>• It improves a critical trade facility that if left unimproved, would threaten the future transportation network efficiency, and jeopardize the economic prosperity of the region.</li> <li>• The project creates disaster recovery resiliency and additional capacity to support U.S. Naval Station Everett’s operations.</li> </ul>												
<b>Economic Competitiveness</b>	<ul style="list-style-type: none"> <li>• This project improves the efficiency and reliability of the intermodal movement of cargo to the global marketplace, and enhances the regional surface transportation system allowing for continued global economic competition of Port customers, including support of the nation’s largest exporter, Boeing.</li> <li>• It addresses the local and regional impact of freight on the general public by converting truck trips to rail.</li> <li>• This project improves economic competitiveness of the Port’s customers, which in turn results in short and long-term job creation and workforce development opportunities.</li> </ul>												
<b>Quality of Life</b>	<ul style="list-style-type: none"> <li>• This project aligns with the City of Everett and Region’s land-use planning and economic development strategy.</li> <li>• This project modernizes port infrastructure to enhance the efficient intermodal transfer of goods from the ship to be moved inland by rail, improving local and regional freight mobility.</li> <li>• It enhances the on-dock terminal rail, in turn, reducing the number of truck trips on congested highways; creates savings in fuel and reduces emissions</li> <li>• Through the Port’s 2% for public access policy related to capital investments, the public’s access to the shoreline will be significantly improved.</li> <li>• Creates 382 new direct jobs in the first year; grows to 1,275.</li> </ul>												
<b>Environmental Sustainability</b>	<ul style="list-style-type: none"> <li>• This project reduces emissions and energy use from the transfer and intermodal movement of freight by using electricity. Potential Lifetime Hoteling Emission Reductions, tons per year:</li> </ul> <table border="1" data-bbox="849 1633 1453 1759"> <thead> <tr> <th>Percent of Calls</th> <th>NOx (tpy)</th> <th>PM<sub>2.5</sub> (tpy)</th> <th>CO<sub>2</sub> (tpy)</th> </tr> </thead> <tbody> <tr> <td>50%</td> <td>172</td> <td>3</td> <td>9,698</td> </tr> <tr> <td>100%</td> <td>345</td> <td>7</td> <td>19,396</td> </tr> </tbody> </table> <ul style="list-style-type: none"> <li>• The project is staying within the existing footprint, therefore minimizes additional impacts to the marine environment.</li> <li>• Using rail vs. truck, saves 152,000 metric tons of CO<sub>2</sub>.</li> </ul>	Percent of Calls	NOx (tpy)	PM <sub>2.5</sub> (tpy)	CO <sub>2</sub> (tpy)	50%	172	3	9,698	100%	345	7	19,396
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<p><b>Safety</b></p>	<ul style="list-style-type: none"> <li>Removing cargo from the National Highway System achieves a significant reduction in potential fatal traffic accidents and injuries. It is estimated that this project will take 423 million VMT off our highways, reducing potential highway deaths by 5.1 over the 20 year period analyzed.</li> </ul>
<p><i>Secondary Selection Criteria</i></p>	
<p><b>Innovation</b></p>	<ul style="list-style-type: none"> <li>This project is preparing the terminal for cold ironing. Although, this is not innovative in the industry, it is innovative for Washington state’s non-cruise seaports. We are taking a concept that has been proven at larger ports and applying it to our community to ensure our terminal meets standards into the future and is ahead of future regulatory requirements.</li> </ul>
<p><b>Partnerships</b></p>	<ul style="list-style-type: none"> <li>This partnership starts with the nearby residents. We work diligently with our neighbors to ensure we will build a project that meets economic needs, but does so in a socially responsible way.</li> <li>The Port of Everett has more than 42 letters in support of this project, including The Boeing Company, shippers, the U.S. Navy, Congress, local governments, BNSF, higher education institutions, and many more.</li> <li>The Port has worked diligently to coordinate these improvements to leverage other surface transportation projects being undertaken by other agencies (such as the City’s first/last mile port connector project that is underway).</li> <li>In 2015, the Port and the City of Everett worked to implement the first-ever Marine Port Element in the City’s Comprehensive Plan. This public planning initiative helped delineate the importance of both a working waterfront and a recreational waterfront.</li> </ul>
	<ul style="list-style-type: none"> <li>Through the Port’s 2% for public access policy related to capital investments the public’s access to the shoreline will be significantly improved.</li> <li>Creates 382 new direct jobs in Year 1, growing to 1,275 by Year 21.</li> </ul>

**Results of Benefit-Cost Analysis**

A Benefit-Cost Analysis (BCA) was performed on this project. The results of the project’s BCA demonstrate that the project’s social benefits exceed the project costs. It determines that the project is likely to deliver its anticipated public benefits at a reasonable cost. Thus, the investment of public funds in the project is beneficial to the nation and the affected populations. The following highlights the findings of the analysis. An Executive Summary of the complete BCA can be found in Appendix A. [Click here.](#)

**Benefits – Long Term *Quantified* Outcomes**

This project demonstrates a **BCA that exceeds 1** and demonstrates that the following public benefits can be achieved at a reasonable cost:

Long-Term Outcomes	Societal Benefits of the Project
State of Good Repair	Maintenance & repair savings due to the reduction of Vehicle Miles Traveled (VMT) on the Freight Network
Economic Competiveness	Operating cost savings; job creation
Quality of Life	Decreased fuel usage by trucks construction and long-term jobs
Environmental Sustainability	Environmental benefits from reduced emissions due to modal shift from truck to rail, the availability of shorepower and electrified cranes
Safety	Prevented accidents due to reduced VMT by Trucks

**Project Readiness**

Plans are in place to *easily* meet the requirement to obligate by September 2019. The Port has prepared a low-risk, high-benefit project that can quickly move into construction upon obligation of the federal grant funds. The project would be substantially complete in 2019 if funding is awarded this year.