



**MILLS to
MARITIME**
RESTORING JOBS. STRENGTHENING ECONOMY.

Port of Everett Update

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Public Affairs Manager

March 18, 2021



@portofeverett | #portofeverett





ABOUT THE **PORT OF EVERETT**

✓ The Port District and boundaries formed in 1918; serves nearly 100,000 people

✓ Not countywide

✓ Governed by three elected commissioners

✓ Special Purpose District
'economic development'

✓ Supports 40,000 jobs in the region

✓ Contributes \$433M in state & local taxes

✓ Operate three lines of business; Seaport, Marina, Real Estate

✓ Homeport to Naval Station Everett

✓ Largest public marina on the West Coast

✓ Everett's customs district ranks 2nd in the state at \$21 BILLION in exports (including airplanes)

✓ 3rd largest container port in the state

Port Leadership



**DAVID
SIMPSON**
DISTRICT 1



**TOM
STIGER**
DISTRICT 2

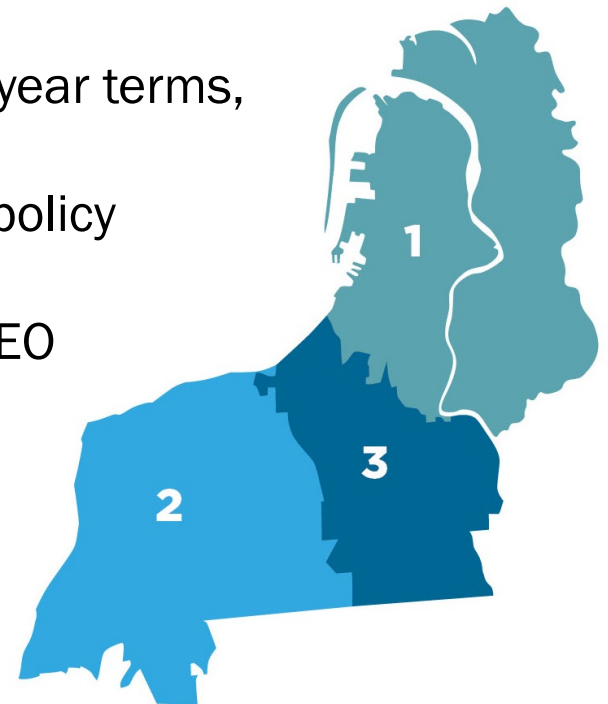


**GLEN
BACHMAN**
DISTRICT 3



**LISA
LEFEBBER**
EXECUTIVE DIRECTOR

- ✓ Governed by three elected commissioners; six-year terms,
- ✓ The Commission is responsible for setting the policy
- ✓ The Commission hires an Executive Director/CEO to carry out its policies
- ✓ The Port District encompasses most of Everett and portions of Mukilteo and Marysville



ESSENTIAL BUSINESS BALANCED WATERFRONT



Balances industry and recreation to create a vibrant community where people can live, work, play and thrive



Working waterfront provides revenue base to invest in a clean recreational waterfront with a diversity of uses



Supports nearly 40,000 family-wage jobs (\$86K average annual salary); 60% of jobs in County tied to trade



Contributes \$433 million annually in state and local taxes to support funding for community services



Economic Impact + JOBS

39,225

Jobs are supported
by Port activity

- ✓ 14,961 Direct Jobs
- ✓ 19,973 Induced Jobs
- ✓ 4,390 Indirect Jobs

\$7.9B

Economic value
supported in
the region

- ✓ \$4.9B of Direct Business Revenue
- ✓ \$3.0B of Re-Spending of Direct & Local Consumption

\$4.7B

Total personal
income/local
consumption

- ✓ \$1.4B: Direct personal income, average salary = \$96,800
- ✓ \$3.0B: Re-Spending/Local Consumption
- ✓ \$184.4M: Indirect Income

\$433.4M

State & Local Taxes

- ✓ \$233.8M State Level Taxes
- ✓ \$199.6M Local Level Taxes



4,095 JOBS

Grew direct, induced and indirect jobs grew by nearly 4,095 from 2014



\$1B VALUE

Grew overall economic value of the Port from \$6.9B in 2014 to \$7.9B in 2019



2020 COVID Impacts

- Lost double our gains over five-year growth period; impacts set back by a decade
- Aerospace industry was severely impacted, as well as tourism/hospitality
- In 2020, the Seaport experienced a 25% decrease in aerospace cargo; Waterfront Place restaurants/hotels/tourism saw significant job and revenue losses

29,371

Jobs are supported
by Port activity

- ✓ 11,203 Direct Jobs (-3,758)
- ✓ 14,911 Induced Jobs (-4,962)
- ✓ 3,257 Indirect Jobs (-1,133)



9,853 JOBS

Direct, induced and indirect jobs
declined by nearly 9,853 from 2019

\$5.9B

Economic value
supported in
the region

- ✓ \$3.6B of Direct Business Revenue (-\$1.3B)
- ✓ \$2.3B of Re-Spending of Direct & Local Consumption (-\$700M)



\$2B ECONOMIC VALUE

Shrunk overall economic value of the Port
from \$7.9B in 2019 to \$5.9B in 2020

\$3.5B

Total personal
income/local
consumption

- ✓ \$1.1B: Direct personal income, average salary = \$96,800 (-\$300M)
- ✓ \$2.3B: Re-Spending/Local Consumption (-\$700M)
- ✓ \$136.5M: Indirect Income (-\$48M)



\$1.2B PERSONAL INCOME

Total personal income & local consumption
declined roughly \$1.2B from 2019

\$325M

State & Local Taxes

- ✓ \$325M in state and local tax revenues generated (-108.4M)



\$108.4M TAX REVENUE

State & local taxes declined over \$100M
from 2019

Port 2021 Budget Supports Economic Recovery and Diversification

- No layoffs
- Beginning construction of Norton Terminal at the former K-C mill site
- Continuing to develop Fisherman's Harbor, the first phase of the Port's 65-acre Waterfront Place Central mixed-use development, with an expected groundbreaking of two new buildings
- Shoreline restoration at the Bay Wood site (Preston Point) and dike breaching at Blue Heron Slough
- A new restroom adjacent to the boat launch
- Continuing cleanup of legacy contamination



Citizen Budget Guide 2021

Published November 10, 2020

Enhancing
maritime commerce,
jobs and a
healthy community

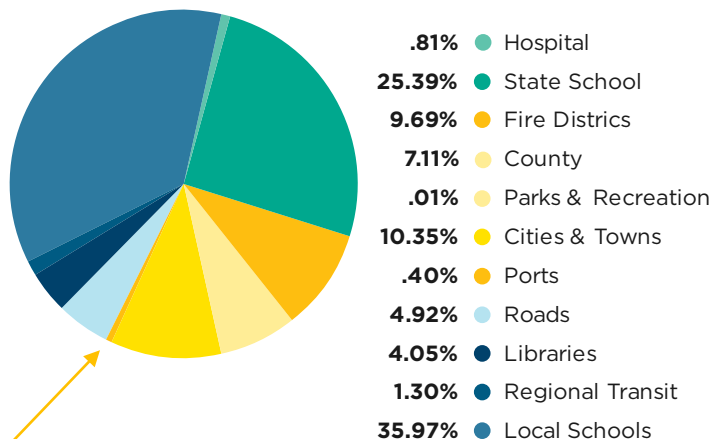
www.portofeverett.com

Port of Everett & Taxes

Port Taxes

- **Millage rate:** \$.236-cents per assessed \$1,000
- **Total tax collection:** \$5 million (7.5% of budget)
- **How are the taxes used?** Capital projects (i.e., environmental restoration, public access), and debt service
- **How are the taxes not used?** Any operating costs, including salaries and benefits

Snohomish County Distribution of Taxes 2019



Leasehold Excise Tax

- The Port of Everett, its customers and tenants pay a 12.84% Leasehold Excise Tax (LET) in lieu of property tax
- For every \$1 of Leasehold Excise Tax collected, the state receives .53, the City of Everett receives .31 and Snohomish County receives .16
- Port collected approx. \$1.35M in Leasehold Excise Tax in 2019; City of Everett received approx. \$418K
- The Port's economic development activities generate high value to the City (jobs, revenues, income, taxes)



Current Operations Status - MODIFIED

- Level 2: Modified Operations; extensive social distancing/teleworking
 - Full operation of Seaport
 - Modified operations at Marina
- Port Offices closed to public; virtual
- Boating is a socially-distanced, authorized activity; boat launch & guest moorage open; fuel dock modified
- Public trails, open spaces & restrooms open
- Most events suspended/some modified
- Public & private construction continues
- Offering rent relief for commercial tenants; offered EDGE grants
- Allowed restaurants to expand patio seating

CURRENT PORT OPERATIONS STATUS As of August 2020



Seaport: Full operation of the international seaport

Port Offices: Port Administration and Marina Offices remain closed to the public, staff available via phone and e-mail

Boat Launch: Full access to all 13 lanes of the public boat launch; dawn to dusk

Haulout: Operating daily 8:30 a.m. - 3:30 p.m. with virtual scheduling

Fuel Dock: Remains on modified hours, open Tues. – Sun.; 8 a.m. – 4 p.m.; card payments only

Trails & Open Space: All Port trails and open spaces are open for responsible public use; dawn - dusk

Restrooms: All public restrooms are open for use 6 a.m. – 9 p.m. daily (with 24/7 fob access for slipholders)

Events & Gatherings: Continued suspension of waterfront events and gatherings, unless exempted under the states 'Safe Start' phased reopening

Projects: Permissible public and private construction moving forward

International Seaport



SEAPORT MODERNIZATION



✓ \$57M South Terminal Modernization Investment

✓ Development of new marine cargo terminal at former KC site



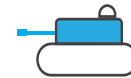
WORKING WATERFRONT



Strategic seaport supports \$21 BILLION in exports; 2nd largest export customs district in the state



Trade support for top two employers in the County – Boeing & U.S. Navy



Supports military, construction, aerospace, manufacturing, forest products agriculture, and energy industries



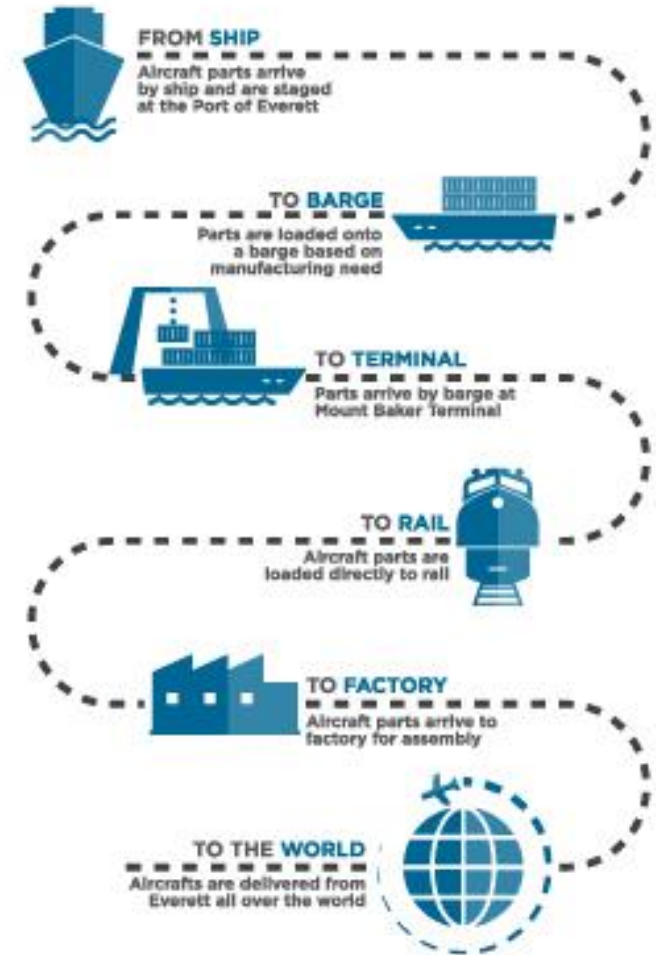
Modernization keeps region competitive; grows jobs and commerce

Port of Everett & Aerospace

- The Port of Everett handles 100 percent of the oversized fuselage aerospace parts for the 747, 767, 777 and 777X
- Project Olympus Agreement calls for investments at the Port's South Terminal – now complete
- 777X containers approximately 10-tons heavier than current 777
- Served as a backup to the 787 airplane program – focus on supporting efforts to secure new airplane line for Everett



AEROSPACE LOGISTICS



Cargo Snapshot

RO/RO



MILITARY



BREAKBULK



BULK



ENERGY



LOGS




Planned Investments



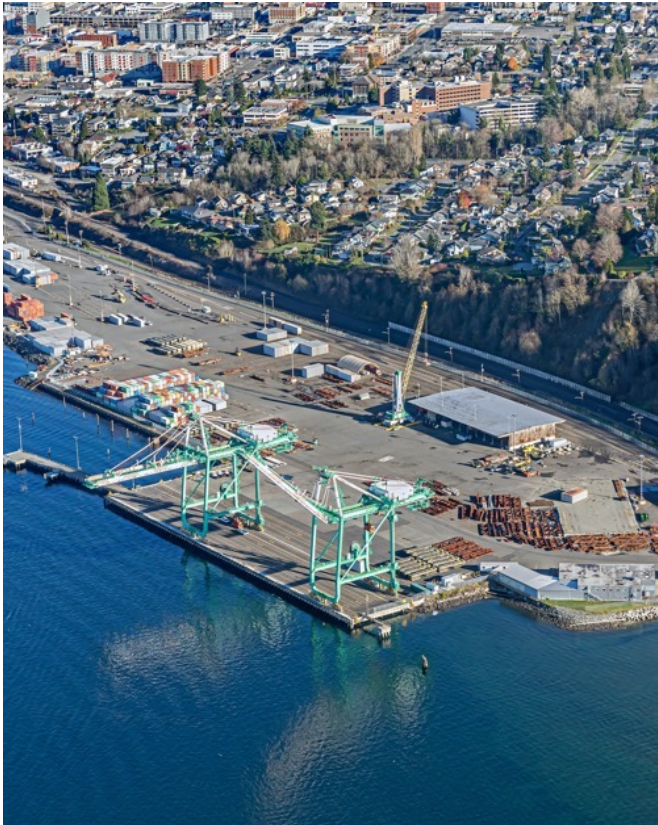
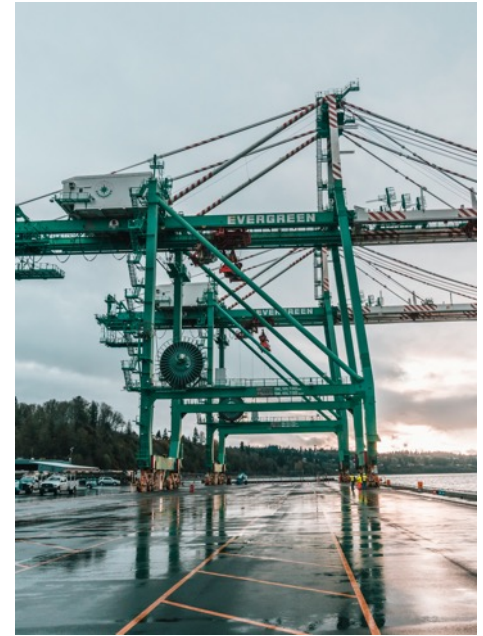
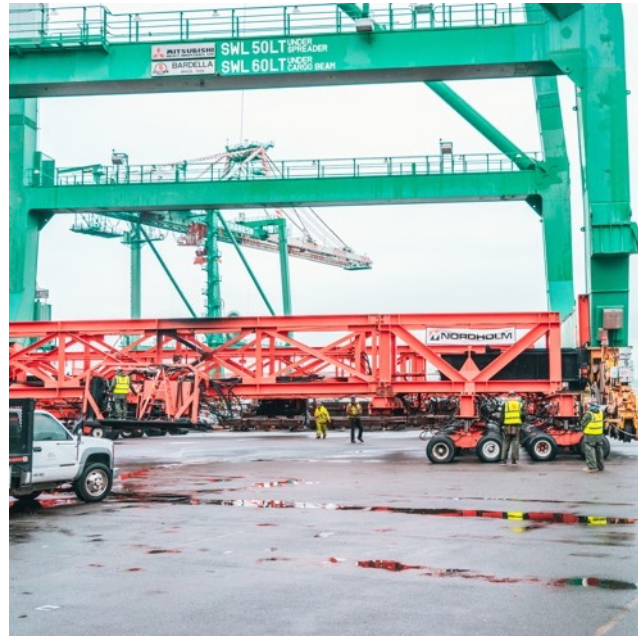
 South Terminal Modernization (Complete)

 Terminal Rail Improvements (Complete)

 Mill A Cleanup

 Pacific Terminal Wharf Extension and Infrastructure near cleanup location


 Maritime Industrial Expansion



South Terminal Modernization

- Completed wharf strengthening late-2019
- First vessel using dock January 2020
- Cranes relocated in November 2020
- Modernized terminal complete January 2021

Ecology Interim Cleanup Action + Maritime Industrial Expansion



\$17.75 M
BUILD GRANT
SECURED



Maintains critical infrastructure in public ownership



Will create 950 jobs; bring tax revenue and investment to City



Proven track record leveraging public-private dollars to restore former mill sites

Milestones



K-C rubble removal/interim cleanup



Power the site



Warehouse reuse



Shipyard + cargo



Off-site public access



Recent Seaport Highlights

- Secured lease with Everett Ship Repair
- New pulp cargo contract
- Westwood vessels now bringing breakbulk
- International recognition; Heavylift Top 5 Port/Terminal Operator of the Year

Destination Waterfront



WATERFRONT PLACE



- ✓ 65-acre mixed-use project
- ✓ \$550M in public-private investment
- ✓ Add 2,000+ jobs; generate \$8.6M in tax revenue



Waterfront Place



Transforming former 65-acre brownsfield site into destination where you can live, work, play



Quality public access; boating facilities for water-dependent recreation



Supports approx. 1,000 jobs; creating 2,000+ more jobs



\$165M+ in capital investment at destination waterfront since 2001 (excludes maint./operations)



\$25M for site cleanup; removed 185K+ cubic yards contaminated soil

Waterfront Place Central



Fisherman's Harbor



**South Building 4-Alarm
fire on July 16**
Photo courtesy of Everett Fire Department

Waterfront Place Apartments

**Grand Avenue
Park Bridge**

**A-8
South Fork Bakery**

A-12

**Hotel Indigo
Jetty Bar & Grille**

**Pacific Rim Plaza
& Splash Fountain**

Guest Dock 5

**A-17
Office/Restroom**

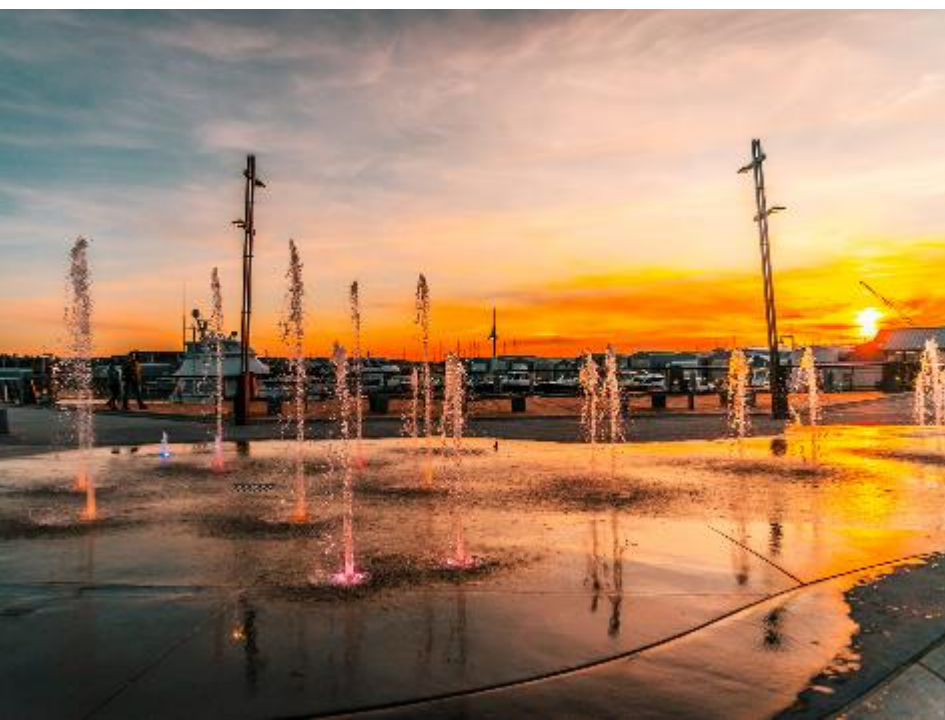


Waterfront Place Housing Opening 2021





Hotel Indigo Jetty Bar & Grille



\$50+ Million in Port Completed Projects in Fisherman's Harbor

- Hotel Indigo (Private)
- Pacific Rim Plaza
- Splash Fountain
- Guest Dock 5 & Dock Walk
- New Central G, I, K, L Docks



Completed Projects, continued

- Millwright Loop SE
- Esplanade
- Seiner Wharf
- Grand Avenue Park Bridge
- PUD Substation





Central Marina Improvements

- Completed multi-year, \$36M recapitalization
- Updated aged infrastructure (1960s)
- Final phase in 2021 with boathouse moves



REQUEST FOR INFORMATION | RFI #AD-GN-2020-08

Historic Weyerhaeuser Building at Boxcar Park Business Opportunity

THIS IS A UNIQUE OPPORTUNITY TO START OR GROW
YOUR BUSINESS IN THE EVERETT WATERFRONT'S ICONIC STRUCTURE

PROPOSAL SUBMITTAL DUE DATE: FEBRUARY 1, 2021 @ 1P.M.



- 1923**
Building completed at the Company's first Everett Lumber & Shingle Mill Plant.
- 1938**
Moved to its second location at Mill B, located on the Snohomish River.
- 1983**
Donated to the Port of Everett & barged down to the river to the Port's South Marina.
- 2016**
Building makes its final move to serve as the centerpiece of the new Boxcar Park.
- NOW**
Your Opportunity Starts Here!

THE NUMBERS

What makes this opportunity so unique?

The building's history, architectural features, National prominence and waterfront location make this a unique opportunity.

6,000
Square Feet

1986
Placed on National Historic Registry

350
Weight of the building in tons

160
Weight of the unique two-story safe



May 2021

NOTICE: Revised Port Parking Plan Maintains Free Year- Round Access to the Waterfront

- Port's revised waterfront parking program goes into effect May 1, 2021
- **FREE YEAR-ROUND parking for up to 2 hours daily, site wide (including Jetty Landing Park, historically \$3/day since 2010)**
- Sustainable and efficient parking plan is necessary to support site uses; provides consistency and equity across the site, while maintaining *free* parking access -- *a rarity for mixed-use waterfronts*
- Modest Visitor Parking rates for those wishing to park longer + convenient pay options
- About 85% of visitors coming to recreate, go to restaurants, etc. fall within 2 hours timeframe



Industrial Real Estate



Bay Wood

This aerial photograph captures a wide river flowing through a landscape of green hills and developed areas. A residential neighborhood with numerous houses and trees is visible on the left. A large industrial or commercial area, identified as Riverside Business Park, is situated along the riverbank in the lower center. A bridge crosses the river to the right. Two blue circular markers with white centers are placed on the image: one near the residential area and another near the business park. The sky is blue with scattered white clouds.

Riverside Business Park

Award-Winning Riverside Business Park

- Restored 85-acre former brownfield mill site into a job center that now supports around 800 jobs
- Returned to City tax rolls through land sales and subsequent development
- Today, the site serves a variety of light-industrial users representing regional service functions from aerospace supply chain to trucking and distribution;
- To support 800+ direct jobs, 2,300+ indirect jobs, 700+ temporary construction jobs and generate \$730,000 in state and local tax base

1915



PROJECT QUICK FACTS



VALUE

Prime example of the Port's proven track record to leverage public-private investment to restore former mill sites.



ECONOMIC

Riverside Business Park is designed to support 800 family-wage jobs to Snohomish County, as well as create 700 temporary construction jobs.



ENVIRONMENT

Part of the Puget Sound Initiative and has undergone extensive environmental cleanup to remediate legacy contamination from its mill town days.



COMMUNITY

Development integrates trails and open space into the industrial park to enhance quality of life in our community and for employees of the business park.

2019



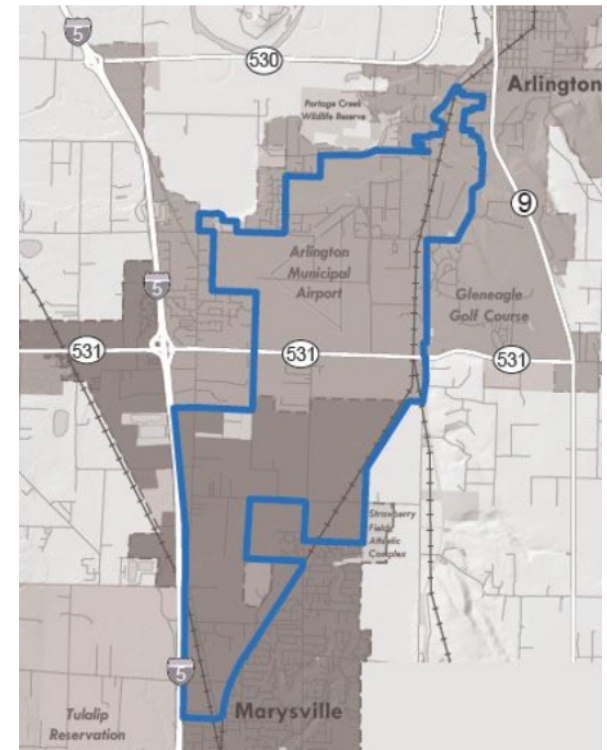
Bay Wood Industrial Development

- Interim action shoreline cleanup & habitat restoration at former mill site; 1,300 LF shoreline restoration & 2,600 LF upland buffer restoration
- Working in partnership with the Washington State Department of Ecology; Ecology funding 90-percent of project with grant
- Cleanup prepares site for an approx. \$30M, light industrial private upland development; restores jobs to site for first time in nearly 30 years and return property to tax rolls
- In partnership with future site development, a following project will deliver public access to the site for the first time in its history; nature trail



Cascade Industrial Center

Partnership with Cities of Arlington & Marysville



**North
Docks**

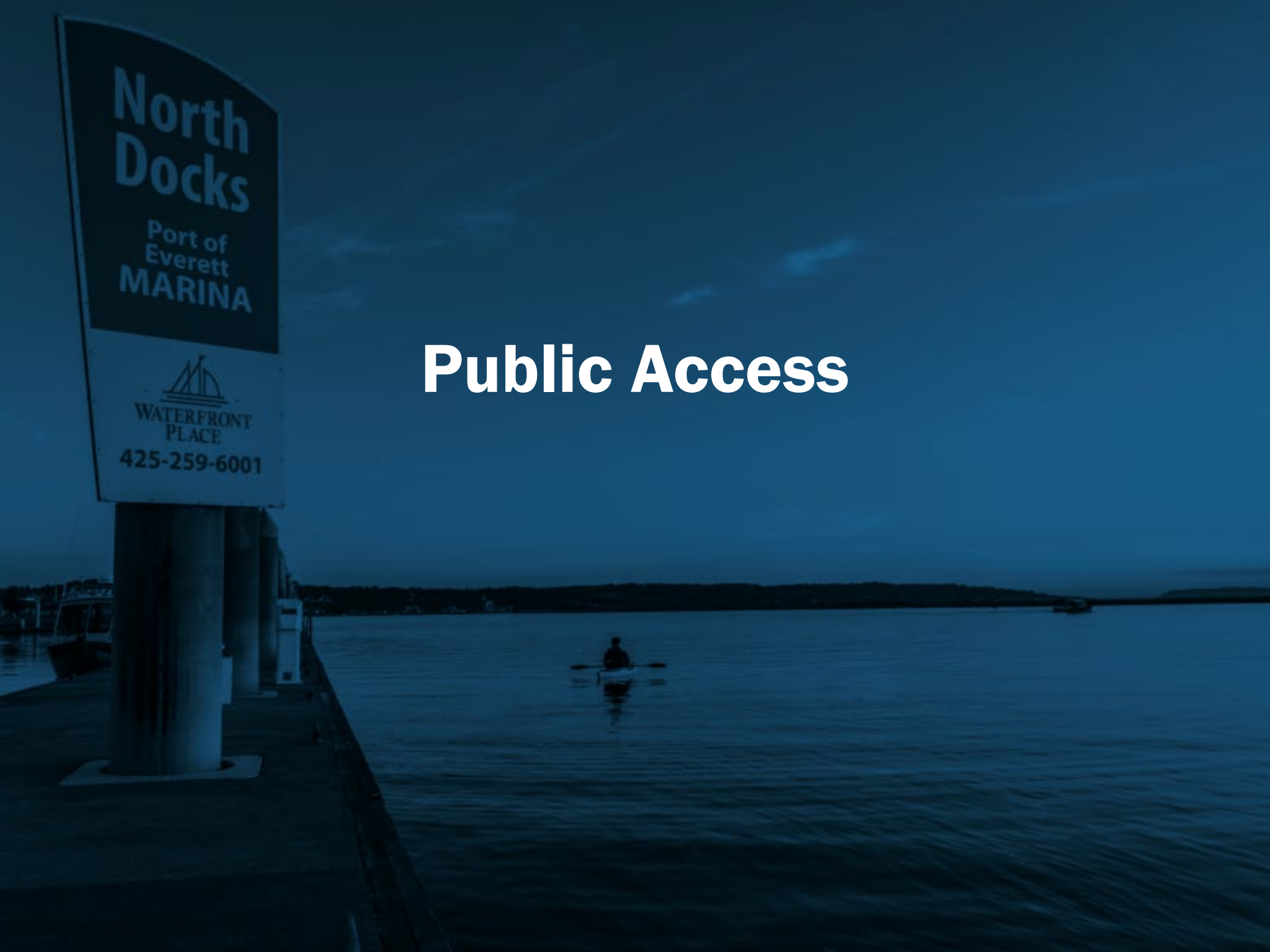
Port of
Everett
MARINA



WATERFRONT
PLACE

425-259-6001

Public Access



PUBLIC ACCESS & RECREATION



Investing and maintaining more than 1,500 acres (more than 50% of landholdings) of appropriate public access



Balance public access and recreation with habitat and environment (i.e. Jetty Island, Union Slough)



Working waterfront supports City-wide public access through Port's 2% for public access policy



Have invested more than \$26 million in new waterfront public access projects since 2006; millions more in the works

Kite Shelters



Commodore Plaza



Riverside Business Park Trails & Viewpoints



Jetty Landing Restroom



Sail In Cinema / Drive-in



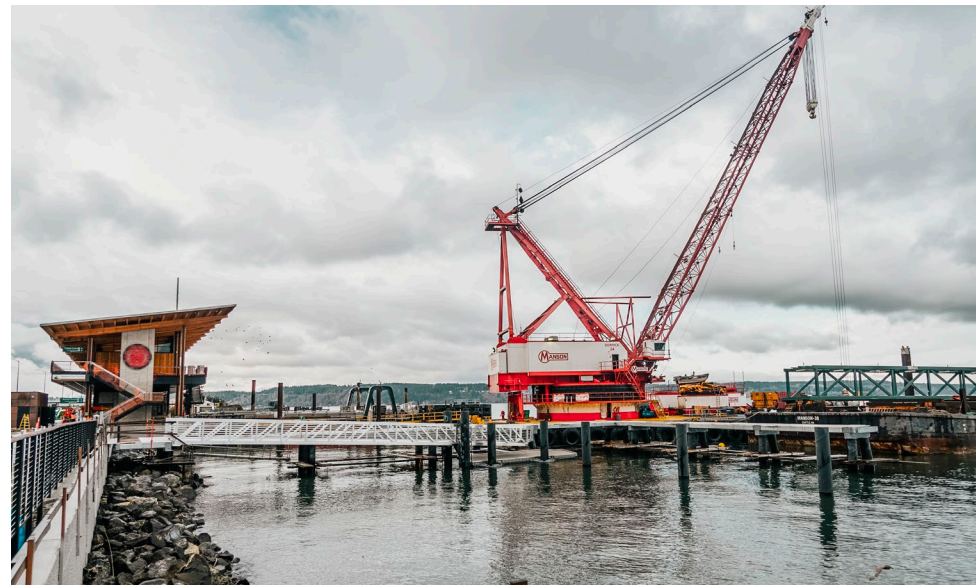
Non-motorized Rentals



Largest Launch in the State




New Mukilteo Fishing Pier/Moorage



A blue-tinted photograph of a seal resting on a metal structure, possibly a ship's deck or hull. The seal is positioned horizontally, facing left. The metal structure consists of several horizontal beams with visible bolts and rivets. In the foreground, there is a pool of water reflecting the scene. The overall image has a monochromatic blue color scheme.

Environmental Stewardship

 **Active Cleanup Projects**

 **Completed Cleanup Projects**

Weyerhaeuser
Everett East

Kimberly-Clark
East Waterway

14th Street VCP
Everett Shipyard
ABW VCP
Ameron-Hulbert
Phase 1 VCP
West End
TC Systems

Bay Wood

WHY CLEANUPS MATTER



Restores healthy land and water from our City's mill town past; Port works in partnership with legacy parties to clean up sites



Puget Sound Initiative (2006) identified 215 acres to be cleaned up, all either complete or under cleanup action now



Facilitated more than \$33M in cleanup since early 2000s; \$25M at the destination waterfront



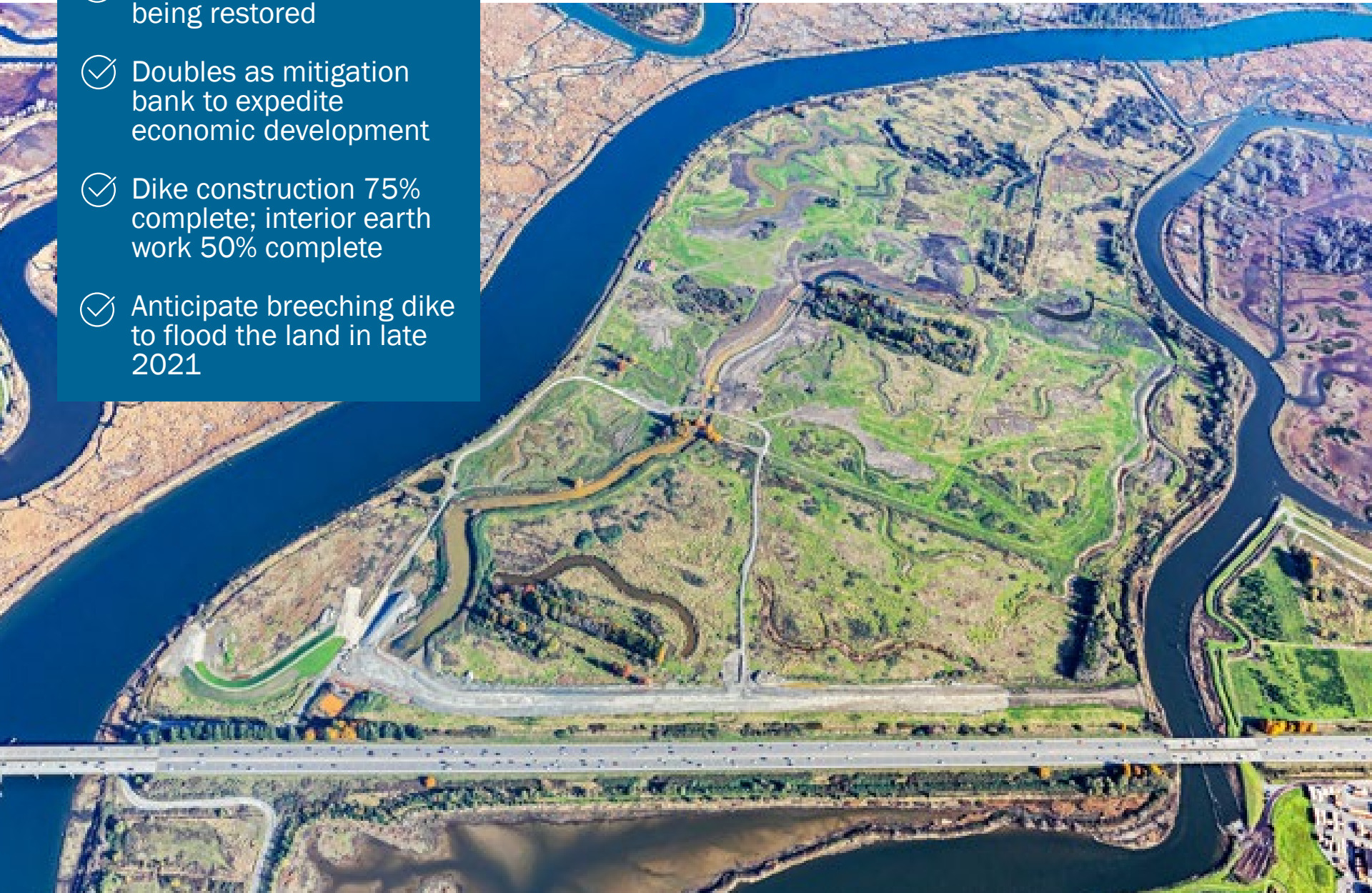
For every \$1 spent on environmental cleanup, \$7 in economic output is generated



In the next few years, the Port will double its environmental cleanup investment on the waterfront

Blue Heron Slough

- ✓ 353 acres salmon habitat being restored
- ✓ Doubles as mitigation bank to expedite economic development
- ✓ Dike construction 75% complete; interior earth work 50% complete
- ✓ Anticipate breaching dike to flood the land in late 2021



Environmental Stewardship & Sustainability Report 2020

Environmental Commitment

The Part of Power demonstrates its commitment to environmental stewardship in its proprietary by winning compliance with legal and regulatory requirements, implementing best management practices, addressing injury, contamination, and air quality and addressing natural resource issues. In some of the most recent, where effort is ongoing, The Part shows environmental stewardship and responsibility as a core value of its organization's mission and a significant element of its Strategy Plan.

Smith's Institute of working and non-working material is currently challenged by legacy and new research considerations and areas of more vibrant interaction. The IMR has been successful in policy and various knowledge programs are specifically shaped to address the current state of these challenges and rising operational conflicts. They are updated as necessary to stay current with IMR Commission direction, the state of the environment, and the evolving needs, state and federal regulatory framework.

Our environmental commitment is delivered through:

- [illegible]

Stewartship & Neutrality 2019 | 4

Environmental Cleanups

Taking the Lead in Remediating Historic Contamination

Since the early 1980s, the Port of Everett has invested more than \$35 million in cleanup and restoration of the waterway. The Port's cleanup program, the Puget Sound Initiative and regulated by our partners at the Washington State Department of Ecology, represents 35 years of sustained river clean-up and urban cleanup action. The Port is restoring these former mill sites into sustainable, 21st Century job-producing hubs to support trade and industry at the existing waterfront and residential, hospitality and recreation at the destination waterfront. In the next few years, the Port will double its environmental cleanup investment on the waterfront.

Cleaning Up Historic Contamination

This project found initiatives were contributed in 2007 by Governor Washington state governor Christine Gregoire with the goal of restoring the health of Puget Sound. The initiative facilitates cleanup of mariculture facilities through the state's Model Aquaculture Act regulated in the Department of Ecology. Puget Sound was identified by the Department of Ecology as a priority area that should be addressed under the initiative. Significant state funds have been and will continue to be allocated to cleanup efforts. The best has been a strategic approach to aggressively pursue the cleanup of its properties, as a key component of its economic development

most successful plan for the waterfront — facilitating jobs, public access and a clean environment. As the initiative has progressed, the Port of Everett has strategically initiated cleanup of more than 250 acres of waterfront property.

The Port Commission committed to environmental cleanup efforts and took an aggressive approach stating, "It is in the best interest of the community and the Port to turn these unfortunate sites into productive assets, which is why we have taken an aggressive approach to our environmental cleanups. These cleanups don't get less expensive or less complex."

through its partnership with the Department of Biology and its commitment to environmental sustainability, the University of Toronto is successfully transitioning its collection of thousands of types of environmental study materials from print to digital. The move from more than a century of water-filled industrial vials. The ongoing work represents a significant set of programs that realize the environmental and economic goals of the University. *Ecology, marine life, and plants are just a few of the subjects under study.*

IS IN THE BEST INTEREST OF THE COMMUNITY AND THE PORT TO REDEVELOP THESE BROWNFIELD SITES AS ECONOMIC ASSETS, WHICH IS WHY WE HAVE TAKEN AN AURALLY-APPROACH TO OUR ENVIRONMENTAL CLFAMPS. THESE CLFAMPS WON'T GET LESS EXPENSIVE OR COMPLEX."

Air Quality & Protection

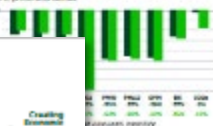
Puget Sound Maritime Air Forum

The Port of Tuenmui serves almost all container freighters. We actively work with other major South ports to ensure no container ships, being very well served, are going elsewhere, and improve economic welfare measures. The Port is an active member of the Tugot Solid Maritime (TSM) Forum, a voluntary association of private and public waterfront organisations, ports, or agencies, environmental and other local bodies and groups and other parties not operational or regulatory responsibilities related to the maritime industry. The Forum is committed to accurately report flying and voluntarily not doing air emissions associated with the maritime transportation of freight and passengers.

A 2010 report compiled by the Puget Sound Maritime Air Forum shows overall two-fold air pollution emissions decreased in nearly every sector between 2005 and 2008. Results showed that air pollutant emissions decreased by up to 95%, depending on the type, including 76% for fine particles, which are harmful to human health. The emissions reductions resulted from voluntary investments by the maritime industry and efforts by government agencies in cleaner engines, fuels and operational efficiency, as well as regulations that stipulated more stringent emission standards for new engines and cleaner fuels. The first inventory was conducted in 2005, with a follow-up performed every two years (2011 and 2018). It tracks emissions reductions over time and predicts that emission reductions remain ongoing.

PORT OF EVERETT EMISSION CHANGE, %

The Port's emissions report card shows a continued reduction of air-pollutant emissions, primarily due to the International Maritime Organization's clean fuel requirements. A summary of the Port's 2016 results is presented below.



Active Cleanups

Former Kimberly-Clark Mill Site
Now Norton Terminal

[illegible]

Former Weyerhaeuser Mill-A Site
Now South Terminal

In 2002, the Port of Everett is working with the Washington Department of Ecology and the Washington State Department of Ecology to conduct a study that will determine the range of cleanup options for Weyerhaeuser's former PBB A site that encompasses the Port's South and Picher Terminal berths at the Seaport, and the surrounding Bay. The work involves an initial data review from the former mill operations on-site, and the development of a list of cleanup options for the site. The cleanup options will take into account the requirements of the Port's efforts to modernize its South and Picher terminals, which are being prepared to handle a new modern class of ships as the refinery levels behind larger and more efficient ships. Additionally, the Port is also in the process of reviewing its plans and grants to fund the project to ensure maximum status. The Port was recently awarded the first

Ecology loan in many parts, which will provide critical grant match funding as the Port pursues cost recovery from Weyerhaeuser. The Port is targeting cleanup-to-commence by 2004, since Ecology has decided on the final cleanup plan the engineering design is completed, and necessary permits are in hand.

500