



AAPA Lighthouse Award Project Highlight



Millwright Loop Roads Project Financing Partnership

Port of Everett
Everett, WA, USA

Project Overview

Millwright Loop Roads Project Financing Partnership
Award Category: Excellence in Financial Practices
Completion Date: Early 2025

Description:

When the Port of Everett faced a major financial hurdle to launching the second and largest phase of its Waterfront Place mixed-use redevelopment — the Millwright District — it didn't let traditional funding constraints stop the project. Instead, it found a bold solution that also paved the way for future economic development projects in Snohomish County.

The Port of Everett partnered with the Snohomish County Treasurer's Office to create a first-of-its-kind investment that allowed the Port to secure \$15 million in funding. It was the first investment of the Treasurer's Office's Community Investment Program into a port district.

As a result, the Port was able to finance a \$13 million public infrastructure project that was completed in early 2025, unlocking 10 acres of shovel-ready land for private development and advancing one of the region's most significant mixed-use waterfront redevelopment efforts: the \$1 billion Waterfront Place project. This unique partnership serves as a powerful example of creative problem-solving in public finance to move economic development forward and is a model that's already being expanded to support other community-focused projects across Snohomish County.

Inspiration

The Port is currently in its most transformational era in its 100-year-plus history with its billion-dollar Waterfront Place development that promises to continue to transform the Port of Everett into

Snohomish County's destination waterfront. Currently in its largest phase of development, the Port and its private development partner, Lincoln Property Company, is creating the 10-acre Millwright District. This area offers mixed-use real estate in a unique waterfront setting at the largest public marina on the West Coast.

To start this important work, however, the Port needed to construct critical public infrastructure in order to pave the way for private development to restore this former brownfield site. But the Port faced a funding issue. The Port of Everett is not a countywide port, and this significantly restricts the Port's overall borrowing potential and bonding capacity for projects that are critical for moving economic development forward like this one.

Thanks to a creative partnership between the Port and the Snohomish County Treasurer's Office, financing for this project was secured by a junior lien on Port revenues with notes to be issued to the Treasurer's Office by the Port for up to \$15 million. The new financing model was the pilot program through the Treasurer's Community Investment Program, which aims to invest in local economic development projects.

With this important financing secured in 2023, the Port Commission was able to award a \$13 million construction contract for the project and begin literally paving the way for future redevelopment. The sale of the final note occurred in October 2024. The Millwright Loop Roads construction project was completed and in use by early 2025, and the Port's private development partner, Lincoln Property Company, is in permitting right now and is expected to break ground before the end of the year on the private development of housing, retail, and commercial office.

Challenges

A major challenge was managing a large infrastructure project with limited local funding and a small Port District budget. The Port overcame this by carefully pre-planning and phasing work into defined zones, and by pre-procuring materials, which allowed for better cash flow management, smoother site operations, and timely completion of contracted work. This approach demonstrates how thoughtful project and financial planning can keep complex developments on track, even with constrained resources.

Lessons Learned

A key lesson learned is that large projects can succeed even with limited local budgets by exploring creative funding partnerships. By working with the Snohomish County Treasurer's Office, the Port secured innovative, locally driven financing — a model other ports can replicate to advance major infrastructure and economic development projects without overreliance on traditional funding sources.

Value

The Millwright Loop Roads project was the first time a port utilized the Snohomish County Treasurer's Community Investment Program — an innovative public infrastructure financing model. Faced with traditional borrowing limitations, the Port of Everett creatively partnered with the County Treasurer's Office to structure a junior lien revenue note investment, bypassing the need for general obligation bonds or outside debt markets. This pilot program not only funded a \$13 million infrastructure project but created a replicable and scalable financing tool that can serve as a model for ports nationwide. The innovation lies in both the funding structure itself and the public-sector partnership, establishing a new benchmark in public finance for ports and special districts with limited bonding capacity.

The project has profound impacts for the Port of Everett, Snohomish County, and the port industry at large. For the Port, the project delivered paved the way for the Millwright Loop Roads infrastructure project — on time and on budget. As a result, 10 acres of waterfront land were unlocked for private development, directly enabling residential, commercial, and office space investment and the Port can move into the next phase of development at Waterfront Place. Over the long term, the project catalyzes over \$1 billion in private/public investment through the full build-out of Waterfront Place, supporting 2,100 jobs and generating \$8.6 million annually in taxes at full build-out.

Beyond the Port of Everett, the partnership serves as a model for ports and public agencies nationwide to overcome financing barriers through intergovernmental cooperation and creative capital strategies. It also boosts the Port's financial flexibility for future infrastructure needs.

Quotes

"What a great opportunity this is to expand on our partnership with Snohomish County and further support economic opportunity. Waterfront Place is Snohomish County's destination waterfront with something for everyone. We are thankful to Snohomish County Treasurer Brian Sullivan for thinking outside of the box with us to find a creative and flexible way to invest in jobs and move this project forward."

- [David Simpson, Commissioner, Port of Everett]

"This infrastructure quite literally paves the way to bringing the next phase of Waterfront Place at the Millwright District to life. With all the momentum of current developments happening around the waterfront, we're excited to make this important move into the next phase of work to continue delivering the community vision for the waterfront."

— [Lisa Lefeber, Executive Director/CEO, Port of Everett]

Additional Information

Financing was secured through junior lien notes on Port revenues with notes to be issued to the Treasurer's Office by the Port for up to \$15 million. This allows the Port to avoid interest on borrowing until the funds are expended. The Port drew \$15 million in \$1 million increments over 21 months.

The initial interest rate is set at 0.75% over the 5-year treasury benchmark and would be adjusted upon execution of renewal options. The Port may renew up to three times. After 20 years, the notes must be redeemed. As part of the agreement, the Port deposited \$5 million into the Treasurer's investment pool. These funds will earn interest for the Port.

The Port is excited for its private development partner, Lincoln Property Company, to break ground on this transformative project by the end of the year. Pre-leasing opportunities are open now for office space and interested parties can learn more at www.portofeverett.com/office.

Contact

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Resources

Press Release (April 8, 2022): https://www.portofeverett.com/news_detail_T31_R1224.php

Construction video (March 6, 2024): <https://youtu.be/5TzKcFMklAw?si=2DBkQnW6gqf1Qf3w&t=1>