

BAY WOOD

SHORELINE RESTORATION/CLEANUP & ECONOMIC DEVELOPMENT

1) A SUMMARY OF THE PROJECT OR PROGRAM

The Port of Everett is accomplishing its mission of economic development at former waterfront mill and industrial sites, enabled in large part by its comprehensive regulatory and environmental restoration strategy. The Port's Bay Wood Shoreline Restoration/Cleanup and Economic Development project is a prime demonstration of the Port's ability to deliver transformational results using this coordinated approach. For this particular project, the Port has been able to turn an effectively unused, unmarketable, contaminated waterfront property into a highly attractive, market ready, parcel that is guaranteed to generate between 130 and 300 new family wage jobs — on a fast track, and against the background of COVID-19 economic challenges. The key to unlocking the economic potential of this site was the nearly \$2.3 million shoreline restoration and cleanup, as it accomplished the following triple-bottom-line outcomes:

- ✓ Creates **salmon habitat** at the mouth of the Snohomish River
- ✓ Provides new **shoreline public access nature trail** to a shoreline that has never had public access and at a time when connecting to the outdoors couldn't be more important for public health
- ✓ **Cleans up the environment** solving a serious impediment to potential developers
- ✓ **Enables the economic development** by increasing the developable acreage through a shoreline buffer reduction, meeting the minimum acreage requirements for a 130-300 job creating economic development,
- ✓ It is funded by the Department of Ecology (Ecology) using a rare 90% cleanup grant

The project concept was hatched in 2018 with the private economic development partner Latitude Development, and the Port and Ecology sprinted and delivered the permitting entitlements for the future development and started construction on the complex shoreline restoration and cleanup in November 2020, in record time.

The Bay Wood property, is a former waterfront mill site located at the northern end of Everett's waterfront, and prior to this action had been inactive since 1994 when the mill was decommissioned. Ecology, who funded 90-percent of the nearly \$2.3 million project through its grant program, set the regulatory framework for the restoration, which includes 1,600 lineal feet (LF) of shoreline restoration and 2,300 LF of upland buffer restoration and plantings to create new, protected nearshore habitat for salmon and other native wildlife. Additionally, an area of soil contamination in the southern portion of the site was addressed as part of this work, including the removal of about 1,000 cubic yards (CY) of contaminated soil stemming from off-site sources.

This work represents a significant undertaking that set out to clean up the site to prepare it for an approximate \$30 million, light industrial upland development that is now getting underway to restore jobs to the

vacant waterfront site for the first time in nearly 30 years. This project has paved the way to bring this brown-field site back into productive use with a new job complex to support between 130 and 300 direct (on-site) jobs, 1,000 indirect (off-site) jobs and return the site to City tax rolls, generating an estimated \$330,000 a year in state and local taxes. Future plans also bring public access to the site for the first time in its history with the creation of a new public access shoreline nature trail, expected to open in 2023.

This project is a prime example of the how the Port of Everett strives to dovetail its environmental cleanups with economic development opportunity as a way to facilitate job producing developments and maximize environmental and community benefits.

2) GOALS AND OBJECTIVES

The Port's goals in this project were simple — cleanup the site to remediate legacy contamination stemming from its former mill days and return this site to productive use to create family wage jobs. Our goal was to find a developer who would deliver the jobs, and the Port and Ecology would deliver the environmental cleanup and restoration. Latitude Development has been a wonderful partner for a similar light industrial job complex at the Port's former Riverside Business Park and was selected for the Bay Wood property. Latitude was selected based on its ability to deliver on its commitment to create light-industrial, family wage jobs to support our community.

Bay Wood was the first property, along with Jetty Island, that the Port bought when it was established as a Port District in 1918. The Port's priority is to transform underutilized, contaminated sites back into job creation centers and tax generators, and the sale of the now clean property to Latitude is proving to do just that. However, specific to the shoreline restoration and cleanup, the Port had several goals:

- 1** Cleanup and create high value habitat along the shoreline buffer to address environmental and public safety concerns, and community and tribal interests
- 2** Remove the environmental liability impediment to facilitate the economic development
- 3** Obtain a 50-percent reduction in the critical areas habitat buffer from the City of Everett, instrumental to achieving minimum acreage for achieving the job creation requirements
- 4** Utilize Ecology grant funds to accomplish the shoreline and cleanup restoration

3) DISCUSSION

The reason the property was in poor condition and required cleanup and shoreline restoration, was from the long industrial use of the property by several sawmill, log handling and lumber storage operations dating back to 1946. Areas on the eastern, northern, and southern portions of the Site were filled in various stages beginning in the late 1800s or early 1900s when the adjacent railroad was being constructed along Port Gardner Bay.

The Port has taken several historic steps to cleanup and prepare the site for redevelopment. The most significant cleanup of the historical cleanups occurred in the mid-1990s after the Bay Wood mill had vacated the property and involved the removal of nearly 150,000 cubic yards (CY) of wood waste. In 2012, the Port and Ecology removed nearly 10,000 CY of contaminated soil from the property.

Even after these actions, the Site's shoreline remained challenged by a low functioning, publicly inaccessible shoreline that was overgrown with invasive plant species, had scattered industrial debris, had over-steepened shoreline embankment made of quarry spalls and wood debris, dilapidated creosote-treated bulkheads, and other unnatural features.

In April 2020, the Port of Everett Commission authorized a Purchase and Sale Agreement for the entire approximately 13 acres of upland of the former Bay Wood mill site to Latitude Development. The sale's closing was dependent on multiple conditions. The Port required that the purchaser first secure a high-quality tenant who will provide at least 10 family wage jobs per acre, and the Port was to accomplish the shoreline cleanup restoration and critical buffer areas reduction. In September 2020, the Port of Everett Commission awarded an approximate \$1.54 million contract to Strider Construction to complete an interim action shoreline cleanup and habitat restoration project. This work wrapped up in spring 2021.

OBJECTIVES AND METHODOLOGY

One of the Port's key objectives was to bring the various interested parties and stakeholders together on a unified site cleanup, habitat restoration, economic development, public access, grant funding, and permitting strategy. These parties and stakeholders included the Department of Ecology, City of Everett, Department of Natural Resources, Latitude Development, and the Tulalip tribes.

PROJECT DESIGN CRITERIA TECHNICAL MEMORANDUM

Once the parties had agreed to the initial vision of the project, the challenge was to elaborate and address all of the parties concerns and interests as quickly as possible. The Port proposed a novel methodology, known as a Project Design Criteria Technical Memorandum, which facilitated a rapid and detailed agreement at the outset of the project and addressed the scope and desired outcomes of the cleanup, restoration, critical areas buffer reduction, documentation requirements, permitting requirements, and review and approval schedule. This process aligned the parties.

The final Design Criteria Memorandum was then used as a foundation and guide for the project, providing the predictability and confidence needed for the implementing parties to sign binding agreements and raise necessary funding for the cleanup and restoration and economic development.

ON-SITE SHORELINE CLEANUP & HABITAT RESTORATION

With this shoreline work being tidally dependent, project contractor Strider Construction had to work around the clock, including nights and weekends, to time the work with optimal low tides.

Crews have completed all of the low area soil cleanup and lower bank shoreline grading to set back the shoreline, along with upper bank grading, as well as placement of logs and native plantings along the shoreline as part of the buffer enhancement efforts (see attached for project progress images from start to finish).

PRIVATE DEVELOPMENT

With the on-site work now complete, Latitude Development is anticipated to execute its \$5 million Purchase and Sale Agreement to acquire the site from the Port and begin construction on the approximate \$30 million light industrial complex that restores jobs to the vacant site for the first time in nearly 30 years. This creates a new job hub to support up to 300 direct (on-site) jobs, 1,000 indirect (off-site) jobs and returns the property to City tax rolls, generating an estimated \$330,000 a year in state and local taxes. Development also brings public access to the site for the first time in its history, with a new nature trail along the cleaned-up shoreline.

HOW THE PROJECT FULFILLS THE AWARD CRITERIA (DESCRIBED BELOW)

1 THE LEVEL AND NATURE OF BENEFITS TO ENVIRONMENTAL QUALITY, BEAUTIFICATION

OR COMMUNITY INVOLVEMENT

The Bay Wood Shoreline Restoration/Cleanup and Economic Development project provides a significant enhancement of the waterfront environment at the mouth of the Snohomish River, creating over 2,600 linear feet of restored shoreline habitat and buffer area, beautification, and public access. In order to accomplish this work, the Port of Everett conducted significant tribal and stakeholder outreach as part of our tribal engagement process, and community meetings associated with the shoreline substantial development permit.

The following bullets detail the nature and level of benefits.

- ✔ **Cleanup:** Since the 1990s, the Port has removed more than 160,000 cubic yards of contaminated material from the property. As for the recent shoreline restoration, the Port removed 1,000 tons of industrial debris, 4,000 tons of contaminated soil and wood-waste, and 300 linear feet of creosote treated bulkheads.
- ✔ **Shoreline Slope Restoration:** Prior to this project, the shoreline was over steepened and industrial waste was calving off and eroding into the water. This project removed thousands of tons of waste and soil to create a natural stable shoreline, generally a 5:1 slope.
- ✔ **Wetlands:** The Project involved extensive plantings, including the installation of over 4,000 wetland plants. As a result of the shoreline grade changes and plantings, the project boasts a net increase in wetlands at a ratio of 27:1. This increase in wetlands was viewed by the regulatory and permitting agencies and stakeholders as highly desirable, and was instrumental at expediting our permits and obtaining the critical areas buffer reduction.
- ✔ **Buffer Enhancement:** All invasive plant species were removed from the project area, and nearly 10,000 native buffer plants were installed within the project limits. These plants will be monitored and maintained for an approximate 10-year period, including the removal of invasive plants, and then will be managed in perpetuity through long term stewardship efforts.

Additionally, in coordination with this shoreline work, and in partnership with the future site developer, in the coming years, a following project will also deliver public access to the site for the first time in its history with the creation of a new Americans with Disabilities (ADA) compliant, 8-foot-wide continuous public nature trail along the entire shoreline frontage, as well as a viewpoint to overlook the new shoreline habitat and Port Gardner Bay.

Furthermore, the restored shoreline is expected to be environmentally resilient. The shoreline slope is engineered with respect to the plantings and backfill materials to withstand the test of time, including the effects of sea level rise. This approach to shoreline resilience will be a great comparison over time to the more traditional bulkhead or rip-rap protection measures. It should be noted that the Port was instrumental in working with the Developer and City to ensure the development will be constructed at an elevation considerate of sea level rise as well.

In all, this is a very modern and environmentally rich and resilient approach to economic development on the waterfront.

2 THE LEVEL OF INDEPENDENT INVOLVEMENT AND EFFORT BY THE PORT

Environmental cleanups are extremely important to the Port of Everett. Since the early-2000s, the Port of Everett and the Washington State Department of Ecology (Ecology) have invested more than \$33 million to cleanup historic contamination at the Port's waterfront properties. The Port's efforts, guided by the State's Puget Sound Initiative and regulated by our partners at Ecology, represents 215 acres of waterfront now clean or under cleanup action. The Port is restoring these former mill sites into sustainable, 21st Century job producing hubs to support trade and industry at the working 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.

The environmental policies set forth by the Port Commission and Port leadership, the Port's unique strategic partnership with the Department of Ecology, and expert staff created optimal working conditions to identify, incentivize and accomplish this integrated economic development and environmental cleanup and restoration. The Project scope and strategy was identified and executed by Port, and its project partners.

3 THE CREATIVITY OF THE SOLUTION OR PROGRAMS

This project is a great example of how to solve multiple problems and achieve multiple goals with a shoreline environmental restoration. Sometimes looking back at the solution, its hard to think of how it could have been done differently. But prior to the strategy, and design criteria process, none of the parties were pulling in the same direction. But once the Port took leadership and identified the great benefits of the shoreline restoration to all parties involved, the Port was able to gain the momentum and support to plan, permit, design, finance and execute this project.

4 WHETHER THE PROJECT OR PROGRAM RESULTS ARE APPARENT

Project Benefits & Results:

Environment:

- ✔ Soil contamination in the southern portion of the site is cleaned up, including removal of about 1,000 cubic yards of contaminated soil stemming from off-site sources,
- ✔ More than 160,000 cubic yards of waste from legacy uses has been removed from the site since the 1990's,
- ✔ Restoration of 2,300 LF of upland buffer and plantings for native wildlife and public access has been accomplished, and
- ✔ Creation of 1,600 LF of shoreline intertidal habitat for salmon and shorebirds has been accomplished.

Economy:

- ✔ Cleanup prepares the Bay Wood site for an approximate \$30 million light industrial future upland development
- ✔ Future development to restore jobs to the vacant waterfront site for the first time in nearly 30 years
- ✔ New job complex expected to support up to 300 direct (on-site) jobs, and create up to 1,000 indirect (off-site) jobs
- ✔ Returns the site to tax rolls, generating an estimated \$330,000 a year in state and local taxes

Community:

- ✔ Future development plans bring public access to the site for the first time in the property's history
- ✔ In the coming years, a following project will deliver a new Americans with Disabilities Act (ADA) compliant gravel nature trail along the entire shoreline frontage
- ✔ Future public access includes a viewpoint to overlook the new shoreline habitat, at the mouth of the Snohomish River and Port Gardner Bay

5 THE COST EFFECTIVENESS OF THE ACTIVITY OR THE PROGRAM

Because of the significant environmental and economic benefits of this project, the Port was awarded a very rare Washington State Department of Ecology 90-percent remedial action grant to fund the nearly \$2.3 million project. This project has been very cost effective for the Port of Everett because of our partnership with Ecology and because of the resulting critical areas buffer reduction, which made the economic development possible.

6 THE TRANSFERABILITY OF THE TECHNOLOGY OR IDEA TO THE PORT INDUSTRY

This project represents the Port's triple bottom line, providing economic, environmental and community benefit. Restoring jobs and tax base with a working waterfront upland development, supporting the environment through cleanup and shoreline restoration and enhancing the overall quality of life in our community by providing a new waterfront public access opportunity is a great success of this project. Generally, in Washington

State, it is been found that for every \$1 spent on environmental cleanup, \$7 in economic output is generated. This project method is transferable across the Port industry as cleanup and economic development work are both integral parts of a port's mission and values. In this particular case, the shoreline restoration combined with an upland economic development is a very modern and highly approvable approach that maximizes the developable area of waterfront property and maximizing shoreline habitat.

See attachments for detailed images of the project.