

THE NORTHWEST SEAPORT ALLIANCE MINUTES
January 3, 2017
THE FABULICH CENTER, ROOM 104
3600 PORT OF TACOMA ROAD - FIFE, WASHINGTON

TACOMA COMMISSIONERS PRESENT:

1. Dick Marzano, Co-Chair
2. Don Meyer, Vice President
3. Clare Petrich, Co-Secretary
4. Don Johnson, 1st Assistant Secretary
5. Connie Bacon, 2nd Assistant Secretary

SEATTLE COMMISSIONERS PRESENT:

1. John Creighton, Co-Chair
2. Stephanie Bowman, Co-Secretary
3. Courtney Gregoire, Assistant Secretary
4. Fred Felleman, Commissioner At Large

COMMISSIONERS EXCUSED:

1. Tom Albro, Port of Seattle, Vice President

NWSA STAFF PRESENT:

1. John Wolfe, CEO
2. Don Esterbrook, Deputy CEO
3. Kurt Beckett, Deputy CEO
4. Carolyn Lake, Legal Counsel
5. Tom Tanaka, Legal Counsel
6. Judi Doremus, Clerk of the Port
7. Leilani Berinobis, Executive Administrative Assistant
8. Mike Campagnaro, Director, NWSA Real Estate
9. Josh Peterson, Sr. Real Estate Manager
10. Sean Eagan, Director, Government Affairs
11. Ryan McFarland, Federal Government Affairs
12. Evette Mason, Local Government Affairs, Pierce County
13. Lindsay Wolpa, Local Government Affairs, King County
14. Scott Francis, Director, Port of Tacoma Real Estate
15. Tom Bellerud, Director, Business Development
16. Christine Wolf, Sr. Planner
17. Geri Poor, Regional Transportation Manager

9:30 AM EXECUTIVE SESSION:

1. CALL TO ORDER:

Commissioner Marzano called the meeting to order at 9:32 and recessed into Executive Session.

2. RECESS INTO EXECUTIVE SESSION:

- A. One (1) Real Estate Selling/Leasing Item-RCW 42.30.110 (1)(c)
- B. Two (2) Potential Litigation Items-RCW 42.30.110 (1)(i)

11:30 AM – SPECIAL JOINT NWSA / PORT OF SEATTLE MEETING:

1. RETURN TO ORDER:

Commissioner Marzano returned the meeting to order at 11:37 am and a flag salute was performed.

2. PUBLIC COMMENT: None.

3. CONSENT AGENDA:

- A. Minutes of December 12 and 19, 2016:
- B. Check Certifications: Checks #701030 through #701108 and wire transfer in the total amount of \$1,376,151.46 during the period of December 3, 2016 through December 27, 2016.

Motion was made by Commissioner Gregoire, seconded by Commissioner Johnson:

“Approve the above Consent Agenda.”

PORT OF SEATTLE VOTE:

Commissioner Bowman	Aye
Commissioner Creighton	Aye
Commissioner Felleman	Aye
Commissioner Gregoire	Aye

PORT OF TACOMA VOTE:

Commissioner Bacon	Aye
Commissioner Johnson	Aye
Commissioner Marzano	Aye
Commissioner Meyer	Aye
Commissioner Petrich	Aye

MOTION CARRIED 4-0 / 5-0

4. PUBLIC HEARING AND ACTION:

- A. **DUAL VOTE: NWSA/PORT OF SEATTLE - First Reading:** Resolution 2017-01: Surplus of North Harbor Cranes No. 70, 71 and 72:

Motion was made by Commissioner Marzano, seconded by Commissioner Johnson:

Discussion Included:

1. In the valuation process, these cranes were not assigned any value, as the agreement to sell them to SSA Terminals LLC was authorized by the Port of Seattle prior to the formation of the NWSA.
2. These are still functional cranes with some life expectancy left, but are smaller. They will be utilized by SSA at Terminal 18, which has power limitations and cannot accommodate the larger cranes.

"Authorize moving Resolution 2017-01 to a Second Reading in February 2017."

PORT OF SEATTLE VOTE:

Commissioner Bowman Aye
Commissioner Creighton Aye
Commissioner Felleman Aye
Commissioner Gregoire Aye

PORT OF TACOMA VOTE:

Commissioner Bacon Aye
Commissioner Johnson Aye
Commissioner Marzano Aye
Commissioner Meyer Aye
Commissioner Petrich Aye

MOTION CARRIED 4-0 / 5-0

5. ACTION AGENDA:

A. 2017 Legislative Agenda:

1) FEDERAL LEGISLATIVE AGENDA:

AMENDED MOTION was made by Commissioner Meyer, seconded by Commissioner Gregoire:

"Authorize the Federal Legislative Agenda with the addition of language to include advocacy for Puget Sound clean-up."

Discussion Included:

1. Commissioners would like to see an emphasis on export-driven port policies as opposed to solely import-driven policies in the national freight policy.
2. The importance of TIGER grants and Harbor Maintenance Tax was discussed.
3. Difficulty of moving cargo efficiently with radiation monitors and straddle carriers was discussed.
4. Commissioner Meyer would like to see "Advocacy for Puget Sound clean-up" added to our legislative agenda.
5. Trade advocacy and the need to stay nimble were discussed. Commissioners would like to see strategies that staff will utilize to educate legislators with this new administration.

PORT OF SEATTLE VOTE:

Commissioner Bowman Aye
Commissioner Creighton Aye
Commissioner Felleman Aye
Commissioner Gregoire Aye

PORT OF TACOMA VOTE:

Commissioner Bacon Aye
Commissioner Johnson Aye
Commissioner Marzano Aye
Commissioner Meyer Aye
Commissioner Petrich Aye

AMENDED MOTION CARRIED 4-0 / 5-0

(2) STATE LEGISLATIVE AGENDA:

AMENDMENT #1 was made by Commissioner Meyer, seconded by Commissioner Felleman:

"Add language in support for preserving the MTCA fund."

PORT OF SEATTLE VOTE:

Commissioner Bowman Aye
Commissioner Creighton Aye
Commissioner Felleman Aye
Commissioner Gregoire Aye

PORT OF TACOMA VOTE:

Commissioner Bacon Aye
Commissioner Johnson Aye
Commissioner Marzano Aye
Commissioner Meyer Aye
Commissioner Petrich Aye

AMENDMENT #1 CARRIED 4-0 / 5-0

AMENDMENT #2 was made by Commissioner Gregoire, seconded by Commissioner Creighton:

(2) "Add language for dedicating funding from the NOX Volkswagon Settlement to port-related infrastructure."

PORT OF SEATTLE VOTE:

Commissioner Bowman Aye
Commissioner Creighton Aye
Commissioner Felleman Aye
Commissioner Gregoire Aye

PORT OF TACOMA VOTE:

Commissioner Bacon Aye
Commissioner Johnson Aye
Commissioner Marzano Aye
Commissioner Meyer Aye
Commissioner Petrich Aye

AMENDMENT #2 CARRIED 4-0 / 5-0

Discussion Included:

1. The Volkswagon Settlement fund and how the alliance can benefit from this were discussed.
2. MTCA funding: Not currently listed on the State NWSA agenda, as remediation is a homeport issue. Discussed adding this, as well as environmental concerns in the agenda. MTCA projects are preserved as homeport responsibilities, and the specifics of which projects should receive funding will remain a homeport issue.
3. Support of HPA projects through the Department of Fish and Wildlife was discussed.
4. This legislative agenda is meant to be a general outline of our priorities and not inclusive of all bills that may be proposed during the legislative session.
5. Commission requested staff give a written briefing on funding secured during this legislative session as it occurs, and then return at the end of session for an overall debrief to review during a public Managing Member session.
6. What role ports play in the arena of community safety, for example with oil trains, was addressed. Commission asks that this be brought to a future meeting when more information is available and time is set aside for this discussion.

MOTION INCLUDING AMENDMENTS #1 AND #2 was made by Commissioner Petrich, seconded by Commissioner Meyer:

"Authorize the State Legislative Agenda with the addition of language in support for preserving the MTCA fund and for dedicating funding from the NOX Volkswagon Settlement to port-related infrastructure."

PORT OF SEATTLE VOTE:

Commissioner Bowman Aye
Commissioner Creighton Aye
Commissioner Felleman Aye
Commissioner Gregoire Aye

PORT OF TACOMA VOTE:

Commissioner Bacon Aye
Commissioner Johnson Aye
Commissioner Marzano Aye
Commissioner Meyer Aye
Commissioner Petrich Aye

AMENDED MOTION CARRIED 4-0 / 5-0

(3) LOCAL LEGISLATIVE AGENDA:

Motion was made by Commissioner Meyer, seconded by Commissioner Petrich:

"Authorize the Local Legislative Agenda as presented."

Discussion Included:

1. How staff plans to support preserving industrial lands was discussed.
2. Safety of our rail corridors as a priority and supporting compatible uses were discussed.
3. Concern was expressed by Commissioner Felleman for committing the alliance or the homeports to threatening legal action through a letter, such as the one from the WPPA, without discussing it in a public meeting was discussed.
4. Government Relations will increase their updates during the legislative session.

**Commissioner Bowman left the room at 1:00 pm*

PORT OF SEATTLE VOTE:

Commissioner Creighton Aye
Commissioner Felleman Aye
Commissioner Gregoire Aye

PORT OF TACOMA VOTE:

Commissioner Bacon Aye
Commissioner Johnson Aye
Commissioner Marzano Aye
Commissioner Meyer Aye
Commissioner Petrich Aye

MOTION CARRIED 3-0 / 5-0

**Commissioner Petrich left the room at 1:37 pm*

(4) CATALOGUE OF GOVERNMENT RELATIONS POSITIONS:

Amended motion was made by Commissioner Meyer, seconded by Commissioner Gregoire:

"Authorize the Catalogue of Government Relations Position to include (1) the language on climate change, (2) the substitution of the word "consequential loss" for "net loss", and (3) with the addition of the words "and equipment" to follow "infrastructure."

Discussion Included:

1. Commission would like to be consulted prior to the alliance taking a stance on any particular bill.
2. Rather than "...net loss of cargo...", use "consequential loss of cargo..."
3. Add "equipment" after infrastructure.

PORT OF SEATTLE VOTE:

Commissioner Creighton Aye
Commissioner Felleman Aye
Commissioner Gregoire Aye

PORT OF TACOMA VOTE:

Commissioner Bacon Aye
Commissioner Johnson Aye
Commissioner Marzano Aye
Commissioner Meyer Aye

AMENDED MOTION CARRIED 3-0 / 4-0

**Commissioner Meyer left the room at 1:41 pm*

**Commissioner Petrich returned to the room at 1:43 pm*

**Commissioner Meyer returned to the room at 1:50 pm*

B. NWSA Federal Lobbying Services:

Motion was made by Commissioner Marzano, no second:

Original Motion: *"Request authorization for the CEO or his delegate to enter into a Personal Services Agreement with Signal Group Consulting, LLC, for federal lobbying services in the amount of \$720,000 for the period of February 2017 through January 2021 [the original two years plus the additional two-year option (four years total)]."*

Amendment was made by Commissioner Marzano, seconded by Commissioner Bacon:

"Request authorization for the CEO or his delegate to enter into a personal services contract with Signal Group Consulting, LLC for federal lobbying services in the amount of \$360,000 for the two-year period of February 2017 through January 2019, with an additional two-year option at the NWSA's discretion (two years total)."

Discussion Included:

1. Commissioner Meyer requests seeing the scores on personal service contract (PSC) proposals and the financial results of proposals in the memo. He feels strongly about staying within the budgeted amount. Commissioner Johnson cautions against using price as the most important criteria when choosing a lobbyist. Staff confirms there are funds in the budget to cover the amount over the projected cost of the federal lobbyist during the budget process.
2. Discussed the options of:
 - (a) Approving just the two-year contract (February 2017 through January 2019) for a total of \$360,000; versus
 - (b) Approving the two-year contract plus the option of two additional years (February 2017 through January 2021) for a total of \$720,000.
3. Discussed the potential for an increase in the cost of those additional two years if they are not locked in now.
4. Amend to say "\$360,000 for 2/01/17 through 1/30/19 with an additional two-year option..."
5. Concern was expressed for a Commissioner not being included on the review panel for this PSC. Other commissioners felt it would not be appropriate to have a commissioner on a review panel.
6. The accountability of the federal lobbyist was discussed.

**Commissioner Bowman returns to the room at 2:01 pm*

PORT OF SEATTLE VOTE:

Commissioner Bowman Aye
Commissioner Creighton Aye
Commissioner Felleman Aye
Commissioner Gregoire Aye

PORT OF TACOMA VOTE:

Commissioner Bacon	Aye
Commissioner Johnson	Aye
Commissioner Marzano	Aye
Commissioner Meyer	Nay
Commissioner Petrich	Aye

MOTION CARRIED 4-0 / 4-1

C. TOTE Maritime Lease and Operating Agreement First Amendment:

Motion was made by Commissioner Johnson, seconded by Commissioner Petrich:

“Authorize the Chief Executive Officer or his designee to enter into the First Amendment to the Lease and Operating Agreement between The Northwest Seaport Alliance and TOTE Maritime Alaska, Inc. to reduce the Lease Premises by the previously approved Bunkering Easement area.”

Discussion Included:

1. With PSE controlling this facility, other shipping lines or Washington State ferries would be able to utilize LNG as a cleaner fuel as opposed to diesel.
2. **Public Comment: Claudia Reidener:** Stated that the easement was only for TOTE’s use when described originally. She asked if other ships would be able to use it as well. She gave statistics on LNG liquefaction emissions. She feels that ships switching from diesel to LNG would not clean our air locally. She asked that the NWSA look at the economic analysis. She does not feel that PSE’s data facts are credible, and would like the NWSA to do an independent analysis.

PORT OF SEATTLE VOTE:

Commissioner Bowman	Aye
Commissioner Creighton	Aye
Commissioner Felleman	Aye
Commissioner Gregoire	Aye

PORT OF TACOMA VOTE:

Commissioner Bacon	Aye
Commissioner Johnson	Aye
Commissioner Marzano	Aye
Commissioner Meyer	Aye
Commissioner Petrich	Aye

MOTION CARRIED 4-0 / 5-0

D. Ports America Group Terminal 7D Lease and Operating Agreement:

Motion was made by Commissioner Meyer, seconded by Commissioner Johnson:

“Authorize the Chief Executive Officer or his delegate to execute the Ports America Group (PAG) Terminal 7D Lease and Operating Agreement.”

Discussion Included:

1. This represents a reduction in per acre cost to reflect the assets currently at the OCT footprint.
2. PAG is current on payables. This is for a one-year lease and PAG has agreed to a one-year deposit.

PORT OF SEATTLE VOTE:

Commissioner Bowman	Aye
Commissioner Creighton	Aye
Commissioner Felleman	Aye
Commissioner Gregoire	Aye

PORT OF TACOMA VOTE:

Commissioner Bacon	Aye
Commissioner Johnson	Aye
Commissioner Marzano	Aye
Commissioner Meyer	Aye
Commissioner Petrich	Aye

MOTION CARRIED 4-0 / 5-0

E. Olympic Container Terminal Lease and Operating Agreement Second Amendment:

**Commissioner Creighton left the room at 2:50 pm*

**Commissioner Creighton returned to the room at 2:55 pm*

Motion was made by Commissioner Meyer, seconded by Commissioner Creighton:

“Authorize the Chief Executive Officer or his delegate to execute the Second Amendment to the Lease and Operating Agreement (LOA) between the NWSA and Olympic Container Terminal.”

Discussion Included:

1. Key terms and rationale were discussed.

PORT OF SEATTLE VOTE:

Commissioner Bowman Aye
Commissioner Creighton Aye
Commissioner Felleman Aye
Commissioner Gregoire Aye

PORT OF TACOMA VOTE:

Commissioner Bacon Aye
Commissioner Johnson Aye
Commissioner Marzano Aye
Commissioner Meyer Aye
Commissioner Petrich Aye

MOTION CARRIED 4-0 / 5-0

6. GENERAL BUSINESS:

A. 2017 CEO Goals and Expectations: **This was moved to the February 2017 NWSA Managing Member Meeting.**

- *Commissioner Johnson left the room at 3:00 pm*
- *Commissioner Bowman left the room at 3:10 pm*
- *Commissioner Gregoire left the meeting at 3:13 pm*
- *Commissioner Johnson returned to the room at 3:17 pm*
- *Commissioner Bowman returned to the room at 3:22 pm*

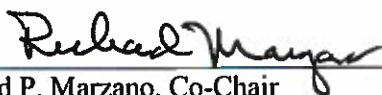
B. Puget Sound Gateway Project Briefing:

1. The proposed scenarios for both SR-167 and SR-509 were briefly reviewed.
2. A subcommittee to discuss the local match is being formed. Commissioners Creighton and Marzano may be asked to serve on this subcommittee.
3. Monetary commitments for a local funding match have not been put into writing at this point. The new subcommittee will address this issue.

7. MANAGING MEMBER COMMENT: None

8. ADJOURNMENT:

There being no further business, Commissioner Marzano adjourned the meeting at 3:27 pm.



Richard P. Marzano, Co-Chair
The Northwest Seaport Alliance



John W. Creighton, III, Co-Chair
The Northwest Seaport Alliance

ATTEST:



Clare Petrich, Co-Secretary
The Northwest Seaport Alliance



Stephanie Bowman, Co-Secretary
The Northwest Seaport Alliance



Judi Doremus, Clerk of the Port
The Northwest Seaport Alliance