



Minutes

Managing Member Meeting Regular & Port of Tacoma Special

Wednesday, September 4, 2024

9:30 a.m. Closed Session

11:30 a.m. Open Public Meeting

The Fabulich Center, 3600 Port of Tacoma Road, Tacoma, Washington

Live streamed on the meetings page at www.nwseaportalliance.com

Commissioners present:

Port of Seattle:

Ryan Calkins

Sam Cho

Fred Felleman

Toshiko Hasegawa

Hamdi Mohamed

Port of Tacoma:

Kristin Ang

Deanna Keller

John McCarthy

Dick Marzano

Commissioners excused:

Port of Tacoma Commissioner Don Meyer.

1. Call to Order

Commissioner Mohamed called the meeting to order at 9:32 a.m.

2. Recess

The Managing Members immediately went into executive session to discuss with legal counsel representing the agency three matters related to litigation, potential litigation to which the agency is or is likely to become a party and the legal risks of a proposed course of action when public knowledge regarding the discussion is likely to result in an adverse legal or financial consequence to the agency. Immediately following, the Managing Members will continue in closed session allowable pursuant to Federal Maritime Commission (FMC) regulations and related laws found at 46 U.S.C. § 40306, 46 C.F.R. § 535.608, 46 C.F.R. § 535.701(i)(1) and as authorized by the Port of Seattle/Port of Tacoma Alliance Agreement, FMC Agreement No. 201228. Closed session was extended by announcement in the public meeting room.

3. Return to Order

Commissioner Mohamed returned the meeting to order at 12:18 p.m.

4. Flag Salute

The Pledge of Allegiance was recited.

5. Chief Executive Officer's Report

CEO John Wolfe summarized the agenda.

6. Public Comment

None.

7. Work Group Reports

None.

8. Consent Agenda

It was moved and seconded (Keller/McCarthy) to approve the consent agenda approving the minutes of the August 6, 2024 meeting (8A) and authorizing the CEO to accept a new EPA DERA grant in the amount of \$900,000 to provide an additional 30 truck scrapping bonuses in the existing Domestic Truck Scrapping Program.

The motion carried by the following vote:

Port of Seattle:

Ryan Calkins - Aye

Sam Cho - Aye

Fred Felleman - Aye

Toshiko Hasegawa - Aye

Hamdi Mohamed - Aye

Port of Tacoma:

Kristin Ang - Aye

Deanna Keller - Aye

John McCarthy - Aye

Dick Marzano - Aye

Don Meyer – Absent/Excused

9. Actions

- A. Interlocal Agreement between the Port of Tacoma and NWSA regarding the 11th Street Right of Way Occupancy (ROCC) and SSAT (Tacoma) Lease Amendment including its related \$620,000 project.

David Morrison, NWSA CFO, Debbie Shepack, Sr. Director Port of Tacoma Real Estate and Curt Stoner, Sr. Manager NWSA Real Estate gave the presentation.

The dual action (9A(1)) was moved and seconded by Port of Tacoma Commissioners Ang and Marzano acting in a dual role on behalf of the Alliance Managing Members and as commissioner of the Homeport, Port of Tacoma that the NWSA Managing Members authorize its CEO, and the Port of Tacoma Commission authorize its Executive Director, or their respective delegates, to enter into an Interlocal Agreement in substantially the same form as presented authorizing the Northwest Seaport Alliance's use of City of Tacoma right-of-way subject to the terms and conditions of the City's Right-of-Way Occupancy Permit issued to the Port of Tacoma. It was then moved and seconded by Commissioners Keller and Ang to authorize the NWSA CEO, or his delegate, to execute the Fifth Amendment to the SSAT (Tacoma) Lease at the West Sitcum Terminal to include additional acreage and authorize \$620,000 for work required by the lease amendment (9A(2)).

Discussion:

- Commissioner McCarthy is hopeful that one day the 11th Street bridge will be improved across the Puyallup River for additional ingress and egress to the Central Peninsula. Although there is not specific language in the agreement addressing such a future scenario, the agreement term does not preclude it. Additionally, within the ROCC the City of Tacoma has the right to reconstruct the viaduct. Commissioner McCarthy commented that though the Port/NWSA may not reconstruct the viaduct, it may consider using the land to reconfigure entry or exit ramp to the bridge in the future.

The dual action motion (9A(1)) carried for the Alliance Managing Members and the Port of Tacoma Commission by the following vote:

Port of Seattle:

Ryan Calkins - Aye

Sam Cho - Aye

Fred Felleman - Aye

Toshiko Hasegawa - Aye

Hamdi Mohamed - Aye

Port of Tacoma:

Kristin Ang - Aye

Deanna Keller - Aye

John McCarthy - Aye

Dick Marzano - Aye

Don Meyer – Absent/Excused

The Alliance Managing Member action (9A(2)) carried by the following vote:

Port of Seattle:

Ryan Calkins - Aye

Sam Cho - Aye

Fred Felleman - Aye

Toshiko Hasegawa - Aye

Hamdi Mohamed - Aye

Port of Tacoma:

Kristin Ang - Aye

Deanna Keller - Aye

John McCarthy - Aye

Dick Marzano - Aye

Don Meyer – Absent/Excused

10. Briefings

A. 2025-2029 Capital Investment Plan (CIP) and 2024 Forecast (Study Session)

CEO Wolfe highlighted major investments in the CIP for the North and South Harbors. He noted unknown costs are not reflected in the CIP. Once more there is more certainty around those project costs, the CIP will be updated.

CFO Morrison reviewed the budget schedule, reviewed the 2024 spending, and the draft 2025-2029 CIP. The top five projects per harbor were identified. Major projects excluded from budget due to lack of commercial agreement or further design efforts are required before solidifying scope and cost estimates. The CIP by category was presented and Harbor Maintenance Tax (HMT) eligible projects were listed. Projects over \$1 million were itemized. In summary, the 2025-2029 5-year CIP totals \$484.3 million, the 6-year CIP totals \$570.9 million. Requests for Managing Member approval in 2024 primarily include construction of the T18 pile cap, several Terminal 5 projects, design for future maintenance and upgrades and some maintenance and operational upgrades. Staff noted that between 2026-2029 there may be requests for significant maintenance and operational upgrades.

Discussion

- Inflation rate estimates are built in to the CIP.
- Net CIP with anticipated grants and payback for amortized projects is roughly \$300 million. Any funds awarded from the EPA Clean Ports Program grant proposal submitted this summer are not included. If awarded the entire \$500 million requested, staff estimated \$40 million would be available for CIP projects, the remaining \$460 would be passed through to partners, for example truck programs.

- Some of the projects at Terminal 5 are to complete the original scope. Approximately \$50 million is in additional spending associated with the Third Amendment to Lease with SSA.
- Discussion took place regarding possible additional environmental infrastructure cost in the CIP due to potential National Marine Fisheries Service (NMFS) calculator and stormwater permit iterations including potential negative impacts to Northwest Ports Clean Air Strategy work and/or the ability to fund optimization of Terminal 18, Husky or any sort of expansion project.
- Discussion took place regarding the Managing Members role in the Investment Decision and Development Process (IDPP) and the overall IDPP process.

11. General Business

A. Cargo/Operations Update

- Deputy CEO, Don Esterbrook, provided an operations update. He reported the largest military outload is taking place today in the South Harbor. Cargo at oversubscribed terminals in the South Harbor was able to shift to North Harbor rather than leaving the gateway. Intact intermodal cargo hit a record. Volume increases have created some pinch points. Staff, marine terminal operators, labor and the railroads are working to address those issues.
- Chief Commercial and Strategy Officer, Tong Zhu, shared with Managing Members key takeaways from recent trips to Eastern Washington the Port of Portland. Hay and tree fruit exporters in Eastern Washington emphasized the need for full weekend gates during their peak season. They expressed intrigue with off dock options to support reefer movement. Meetings with Beneficial Cargo Owners (BCOs) and supply chain partners from the Port of Portland are engaged in the success of the Gateway and expressed interest in the Alliance role and the role of the railroads in pushing for increased service delivery. Ms. Zhu also reported that 33 nominations were received for the Alliance North Star Awards program.
- The Alliance received recognition as the best-performing port on the west coast at the Logistics Management's (LM) 41st Annual Quest for Quality Awards
- Discussion took place regarding factors impacting balance of cargo through the gateway between the North and South harbors.
- The IMO as a mechanism to creating a new market for alternative fuels was discussed and the role of the Alliance gateway in that market. This is a topic to consider for additional discussion at the next Alliance huddle. Commissioner Hasegawa noted Alliance retreats are currently on an annual cadence. She supports a semi-annual schedule.

B. CEO Announcements

- Commented on positive recognition the Alliance gateway has received from the industry. Recognized labor, workforce and terminal operators. Commented on customer feedback from the Eastern Washington and Tri-Cities trips and Port of Benton.

C. Commissioner Comments

- Commissioner Marzano thanked the Port of Seattle’s equity team for their recent presentation.
- Commissioner McCarthy suggested hosting a public work session inviting longshore, labor, railroads, and terminal operators to provide feedback to all 10 commissioners.
- Commissioner Ang shared feedback from a recent “Coffee with Commissioners” meeting she participated in along with Commissioner McCarthy. She also supports holding an event where constituents can share their views on challenges directly with Commissioners. She would like an update on the inland hubs.
- Commissioner Felleman reiterated his desire to talk about ways to incentivize behavior and prepare for infrastructure. He would like more information on grants regarding a hydrogen hub. Staff will be bringing the topic to the Managing Members next month.
- Commissioner Mohamed informed on roundtable facilitated by the Alliance Q2 where the trucking community terminal operators were brought together to discuss challenges and solutions. She commented on the role of the Alliance in achieving best-in-class status.

12. Adjournment

With no further business, the meeting adjourned at 2:10 p.m.



Kristin Ang, Co-Chair
The Northwest Seaport Alliance



Hamdi Mohamed, Co-Chair
The Northwest Seaport Alliance

ATTEST:



Ryan Calkins, Co-Secretary
The Northwest Seaport Alliance



Dick Marzano, Co-Secretary
The Northwest Seaport Alliance

Prepared by:



Juliet Campbell, Clerk
The Northwest Seaport Alliance