

**BOARD OF COMMISSIONERS
THE FABULICH CENTER, ROOM 104
3600 PORT OF TACOMA ROAD, TACOMA, WASHINGTON**

COMMISSIONERS PRESENT:

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

STAFF PRESENT:

1. John Wolfe, CEO
2. Carolyn Lake, Port Counsel
3. Judi Doremus, Executive Assistant/Clerk of the Port
4. Tong Zhu, CCO
5. Sean Eagan, Director, Government Affairs
6. Evette Mason, Local Government Affairs Manager
7. Louis Cooper, Sr. Director, Security & Labor Relations
8. Mark Rettmann, Environmental Project Manager II
9. Rob Healy, Sr. E Environmental Project Manager

10:00 AM: EXECUTIVE SESSION

1. CALL TO ORDER:

Commissioner Marzano called the meeting to order at 10:02 am and then recessed into Executive Session for approximately two hours.

2. RECESS INTO EXECUTIVE SESSION:

- A. Four (4) Litigation Items-RCW 42.30.110 (1)(i)

12:00 NOON: COMMISSION MEETING

1. RETURN TO ORDER:

Commissioner Marzano returned the meeting to order at 12:03 pm and a flag salute was performed.

2. CONSENT AGENDA:

- A. Minutes of September 21, 2017
- B. Check Certification Report
- C. West Sitcum Terminal Stormwater Treatment Agreed Order (AO) with Ecology

Discussion Included:

1. The issue of responsible parties for the Agreed Order was discussed.
2. Having the Port of Tacoma Commission approve the AO rather than the NWSA does not change who is making the financial commitment.
3. Transferring the permit (an operating permit) and the Agreed Order from the Port of Tacoma to the NWSA was discussed. The plan is to transfer the permit to the terminal operator once the stormwater treatment system is up and proven to work.
4. The West Sitcum Terminal is managed by the NWSA and it is an NWSA project.

“Approve the above Consent Agenda”.

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

VOTE: MOTION CARRIED 5-0

3. PUBLIC COMMENT:

Nicki Walters: Stated that she feels the Commissioners are lying. People are trying to do good things and the Commission is only listening to “PSE LNG lovers”. They need to listen to scientific data. She feels the Commission is listening to outdated information.

Noah Davis: Stated that he spoke to the Puget Sound Clean Air Agency today. Apparently there was a notice of violation at the PSE LNG site. He hasn’t seen the notice of a violation on the Port’s website.

4. STAKEHOLDER UPDATES:

- A. **TRADE DEVELOPMENT ALLIANCE:** Samantha Paxton, Delegation Manager; Joe Ritzman, TDA Board Co-Chair:
 1. The current and upcoming programs were discussed.
 2. Target Market Report was discussed.
 3. 2018 Work Plan was discussed, including inbound and outbound missions.
 4. Meetings in Tacoma: TDA sponsored a meeting in Tacoma with a Japanese consultant in 2017. Two delegations were brought to Tacoma, to include a Korean delegation with 20 delegates. Activity in Pierce County is limited. TDA represents the region, from Snohomish County down to Pierce County.

5. Regional Economic Development office (REDO) process: This is not in the current work plan. Pierce County has a very robust EDB. Commission asked how TDA's economic development board would affect Pierce County. TDA staff responded that the ongoing discussion of a regional ED office is separate from TDA. Their budget is only \$600,000 for a full year. The public sector funds approximately 60% to 70% of this. There are not enough resources to have a separate office in Pierce County. There is a staff of only three currently. No decision has been made on establishing a REDO. Ms. Paxton stated that Commissioner Petrich and Tong Zhu both sit on the Executive Board, so South Sound is well represented in this effort.
6. TDA has conducted a board meeting in Tacoma: Private sector funders in Pierce County: Chair Ritzman was not sure which private companies are funding TDA. Boeing in King County is one of the largest private funders.
7. Commission asked what services TDA renders that differ from the World Trade Center Tacoma. TDA staff responded that TDA represents the whole region and not just Tacoma.

B. ECONOMIC DEVELOPMENT BOARD: Bruce Kendall, President/CEO:

1. Over the last five years wages and salaries generated \$221,703,994.
2. Private/public sector funding is approximately 50/50, with the Port of Tacoma being the largest contributor.
3. Companies that EDB has worked with to expand include Toray, Infoblox and Newcold.
4. "Live Like the Mountain Is Out" campaign: This is an internal project by South Sound Together.
5. EDB submitted an RFP for the HQ2 for Amazon in North America yesterday; a decision will be made on location of the new headquarters in 2018. EDB, Chamber and others came together as a team to put this RFP together.
6. Currently working with 25 companies in the aerospace, cyber and health services markets.
7. EDB has a priority of looking for clean technologies: Mr. Kendall stated that Washington and California have some of the most rigorous environmental standards in industrial businesses in the world. Every company the EDB works with are training staff how to decrease their carbon footprint and become as sustainable as possible. Boeing Frederickson is working toward becoming 100% carbon neutral. They are looking at putting solar panels on the large roof of that facility.
8. Discussed the possibility of cybersecurity businesses exporting.

PUBLIC COMMENT:

Noah Davis: He stated that he doesn't feel that California and Washington are the most environmentally stringent in the world; Finland and Iceland are more stringent. He doesn't agree that LNG is the future for shipping. Rather, he feels biofuel is the future.

C. WORLD TRADE CENTER TACOMA (WTCT): Tom Pierson, Tacoma-Pierce County Chamber, President/CEO; Michael Fowler, Sr. Trade Director:

1. After the restructuring of the WTCT, Mr. Fowler updated the Commission on their new financial direction. Expenses have been reduced and are now lower than income, and activities have been refocused on trade.
2. The 2017 events and activities were reviewed.
3. The services that the WTCT provide were reviewed, to include the China Crossborder Business-to-Business e-Commerce.
4. Commission thanked Tom Pierson for taking on the management of the WTCT and Dale King, President of the Board, for his leadership.
5. Contracts for services now include a commission payment to the WTCT.

5. ACTION AGENDA:

A. ILWU LOCAL 28 TERMINAL SECURITY OFFICERS COLLECTIVE BARGAINING AGREEMENT EXTENSION:

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

"Authorize the fully executed Collective Bargaining Agreement (CBA) between ILWU Local 28 Terminal Security Officers and the Port of Tacoma, which extends the agreement through April 30, 2018."

Discussion Included:

1. The CBA was transferred from APMT (former terminal operator) to SSAT, LLC Tacoma (the new terminal operator) and all terms remain the same for security services through April 30, 2018.
2. This action comes at the request of the customer, our new terminal operator, SSAT, LLC Tacoma.

PUBLIC COMMENT:

LaDonna Robertson: She asked who the customer is. Staff responded that SSA Terminals LLC, Tacoma is the new terminal operator at the West Sicum Terminal.

VOTE: MOTION CARRIED 4-0

Commissioner Marzano recused himself from this vote, as he is a member of ILWU Local 23

B. UPPER CLEAR CREEK MITIGATION BANK INTERLOCAL AGREEMENT:

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

“Authorize the Chief Executive Officer or his designee to enter into the Upper Clear Creek Mitigation Bank Interlocal Agreement (ILA) with the U.S. Army Corps of Engineers, Washington Department of Ecology and National Marine Fisheries Service.”

Discussion Included:

1. The uses of the mitigation bank were reviewed, including the ability to sell the credits.
2. Upper Clear Creek is protected as habitat in perpetuity.
3. Value of 270 fish credits: This is based on a NRDA calculation, an evaluation tool by Marine Fisheries Service. It is a habitat functional equation.
4. Puyallup and Muckleshoot tribes were involved in this project.
5. The prevalence of mitigation banks in Washington State was discussed.
6. The advantages of advanced mitigation as environmental stewardship was also discussed.
7. The Clear Creek habitat site north of the Upper Clear Creek site has been functioning well.
8. A possible levy setback along the Puyallup River and habitat credits were discussed.

PUBLIC COMMENT:

Noah Davis: Stated that the idea of this project is wonderful; however, he feels the idea of selling credits is a bad idea. He thinks it allows companies to violate the environment. He did not explain what he meant by this statement.

Nicki Walters: Stated that last week the Seattle Times reported that no juvenile salmon were found in a sample of fishing nets. Another report has found salmon dead on the banks that can't spawn. Everything has a trickledown environmental effect.

VOTE: MOTION CARRIED 5-0

C. HEAD OF THE HYLEBOS CLEAN-UP:

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

“Authorize \$241,000, for a total authorized amount of \$595,900, for the Head of Hylebos Cleanup, Master Identification No. 092762.”

Discussion Included:

1. Cost recovery: When the Port bought the property the previous owners had a complete walk-away.
2. Frustration was expressed by the Commission regarding potential recontamination.
3. Currently staff is determining the state of the water quality.
4. The Port has spent millions of dollars on this and other clean-up projects in the Tidelands.

PUBLIC COMMENT:

Noah Davis: Stated that it is important that people understand that the Port is a business. Clean-up projects aren't benevolent actions of the Port. The Port purchases contaminated land at a discount price to clean and then sell. He asked how much has the Port made on those investments. While the Port is not responsible for most of the contamination, they have leased to companies that have contaminated.

VOTE: MOTION CARRIED 5-0

6. GENERAL BUSINESS:

A. COMMUNITY NEWS, EVENTS AND RECOGNITIONS:

1. Salmon Homecoming – 10/07/14: CEO Wolfe highlighted our involvement in the Puyallup Fish Hatchery's "Salmon Homecoming", which occurred on October 7th. The Port's Biologist & Community Relations Manager focused the booth on 'Salmon Arts and Crafts', which included decorating Port of Tacoma rocks, coloring and decorating cutouts of salmon and sharing habitat information.
2. Green Tacoma Event – 10/14/17: Port Environmental staff, CHB staff and citizens volunteered to plant trees, remove invasive species and weeds and helped with overall maintenance at the Port's Gog Le Hi Te habitat site.

7. COMMISSIONER COMMENT:

Commissioner Petrich: Stated that she has seen some phenomenal photos recently of the Port. She went on to suggest that some of our photos could be placed on coasters as gifts for customers.


Commissioner Marzano: Stated for the record that the Commission supports Commissioner Petrich's comments made at the Tidelands Interim Regulations public hearing on Tuesday, October 17, 2017.

Commissioner Meyer: Stated that the recent visit to the Port from Representatives Shuster and Reichert was very beneficial. He added that working with labor groups, business groups and tribes is very important to me. Given the community's hypersensitivity to PSE project, he would like the Port to post any information on violations on our website for full disclosure.

Commissioner Johnson: Stated that he supports Commissioner Petrich's comments at the Public Hearing for the Tidelands Interim Regulations. With all of the Port's and NWSA's infrastructure investments the net income is now down to 2%. Private business wouldn't make these kinds of sacrifices with their bottom line.

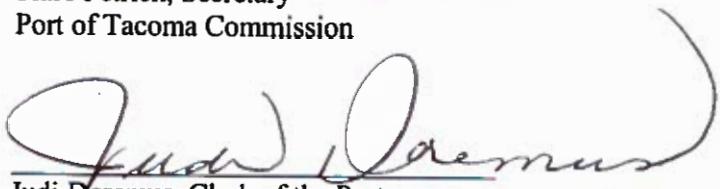
8. ADJOURNMENT:

There being no further business, President Marzano adjourned the meeting at 2:15 pm.


Richard P. Marzano, President
Port of Tacoma Commission

ATTEST:


Clare Petrich, Secretary
Port of Tacoma Commission


Judi Doremus, Clerk of the Port
Port of Tacoma