

BOARD OF COMMISSIONERS
The Fabulich Center
3600 Port of Tacoma Road, Tacoma, WA

Commissioners Present:

Clare Petrich, President
Don Johnson, Vice President
John McCarthy, Secretary
Dick Marzano, 1st Assistant Secretary
Don Meyer, 2nd Assistant Secretary
(telephonically)

Staff Present:

John Wolfe, CEO
Carolyn Lake, Port Counsel
Erin DeBroux, Real Estate Analyst
Ricardo Charlton, Director Maintenance
Michael Dehner, HR Manager
Evette Mason, Government Relations Manager
Scott Francis, Director Real Estate
Erin DeBroux, Real Estate Analyst
Loni Shorten, HR Manager
Jean West, Chief HR Officer
David Morrison, Financial Planning & Treasury Director
Juliet Campbell, Clerk of the Port

10:00 AM: CALL TO ORDER AND EXECUTIVE SESSION:

Commissioner Petrich called the regular meeting to order at approximately 10:00 a.m. and then recessed into executive session. Commissioners met for two hours to discuss two real estate selling/leasing item RCW 42.30.110(1)(c); two real estate purchasing items RCW 42.30.110(1)(b); and one litigation/potential litigation item RCW 42.30.110(1)(i). No votes or actions were taken.

12:00 PM: COMMISSION MEETING:

1. RETURN TO ORDER:

Commissioner Petrich reconvened the regular meeting at 12:00 noon and lead Pledge of Allegiance.

2. CONSENT AGENDA:

A. MINUTES OF FEBRUARY 7, 2019

B. CHECK/WIRE CERTIFICATION:

1. Approve payment of checks 222264 through 222460 and 222462 through 222562, and wire transfers in the total amount of \$5,388,173.10 during the period of February 9, 2019 through March 8, 2019.

It was moved and seconded (Marzano/Johnson) to approve items 2A and 2B1 of the consent agenda.

Vote: 5-0, motion carried.

2. Approve payment of check 222461 in the total amount of \$1902.00 paid to the State Auditor during the period of February 9, 2019 through March 8, 2019.

It was moved and seconded (Marzano/Johnson) to approve item 2B2 of the consent agenda.

Vote: 4-0, motion carried. (McCarthy abstained due to check 222461 in the amount of \$1902.00 paid to the Office of the State Auditor for auditing services. His wife is the State Auditor).

3. PUBLIC COMMENT:

Todd Iverson, Port of Tacoma Longshore spoke in opposition to agenda item 5C.

4. STAKEHOLDER UPDATES:

A. Tacoma Dome Link Extension (TDLE) Project.

Presenter(s): Introduced by Evette Mason and presented by Austin Neilson, and Curvie Hawkins, Jr. of Sound Transit.

- Sound Transit staff provided an update on the TDLE project which would connect the Federal Way Transit Center to the Tacoma Dome. An operations and maintenance facility for the south corridor included in this project. Currently this project is in the public scoping period. Sound Transit is seeking comments on six possible sites for that project all in South King County.
- Sound Transit is in the "Detailed Level 2" phase of the alternative's development process. Findings will be presented to the public as part of scoping beginning April 1, 2019. Mr. Hawkins noted that the purpose is not to identify one alternative over another at this point but a way to describe the technical evaluation.
- Alternative station locations studies included areas around the Tacoma Dome, East Tacoma, South Federal Way and the Fife. Areas of more concern for the Port of Tacoma were identified and discussed.
- Commissioner Meyer said that evaluation criteria should include relationship to new or existing transportation corridors. He's concerned about interference with vehicle and freight traffic especially near Portland Avenue, noting that it serves the whole area of the Foss Waterway. Other concerns discussed included, finances of the project, how the project may impact the gateway project for SR-167, parking issues, and whether more weight is given to commuter service getting people to and from work than getting people to recreational sites/venues in selecting sites.

5. ACTION AGENDA:

A. Port Patrol of Tacoma / ILWU Local 22 Port Patrol Agreement.

Presenter(s): by Michael Dehner

It was moved and seconded (Johnson/McCarthy) to authorize the Executive Director or delegate on behalf of the Port of Tacoma, to enter into a four and one-half year labor agreement with ILWU Local 22 (Port Patrol) for the period of April 1, 2018 to September 30, 2022.

Public Comment: Dax Koho, Local 22 President spoke in favor of approving the labor agreement.

Vote: 4-0, motion carried. (Marzano abstained. He is an ILWU member).

B. PUBLIC HEARING AND ACTION FOR SURPLUS OF PORT-OWNED REAL PROPERTY

Presenter(s): Scott Francis

At 12:54 PM, Commissioner Petrich opened a public hearing to take comment on the Port of Tacoma's proposed action to request adoption of Resolution No. 2019-04-PT declaring as surplus certain real property described as approximately 290 square feet of land in the northeastern portion of Tax Parcel 0321351052, located near the intersection of Taylor Way and Lincoln Avenue, and commonly known as 2000 Taylor Way, Tacoma, WA 98421.

- Tacoma Rail requested to purchase this property to support a rail expansion project. The property is not contiguous to other Port property and does not impact usability or other Port properties. The Port's CEO has certified the real Property as surplus to the Port's needs.
- Port staff intends bring forth a purchase and sale agreement for Commission approval with the City of Tacoma to sell the real property at a later date.

Commissioner Petrich called for public testimony. There being none, she closed the public hearing.

It was moved and seconded (Meyer/Johnson) to adopt Resolution No. 2019-04-PT declaring as surplus certain real property described as approximately 290 square feet of land in the northeastern portion of Tax Parcel No. 0321351052, located near the intersection of Taylor Way and Lincoln Avenue, and commonly known as 2000 Taylor Way, Tacoma, WA 98421.

Vote: 5-0, motion carried.

C. DECLARATION OF PERSONAL PROPERTY AS SURPLUS PORT PARCEL 32.

Presenter(s): Scott Francis

It was moved and seconded (Johnson/Marzano) to declare by Resolution No. 2019-05-PT, certain Port-owned personal property consisting of two buildings totaling approximately 204,800 square feet at 2602 and 2608 Port of Tacoma Road (located on a portion of Tax Parcel No. 0320021002, as surplus to the Port's needs.

- The buildings are currently leased to PCC Logistics. In 2018 a building condition assessment identified needed repairs. The cost to repair the buildings is estimated at approximately \$12.5 million. In 2018 there were 751 hours of work orders by maintenance at this location. There were 291 workorders not completed due to priorities and overall workload. Displacement of workers is not anticipated if this action moves forward.
- Options to keep the facility operational were discussed. The costs and benefits of each of the options were also discussed and included:
 - The Port completes the repairs and leases the building long-term
 - The Port sells the building to the lessee or a developer and leases the land long-term.
 - The Lessee assumes the maintenance responsibilities and leases long-term.
- The Lessee has expressed interest in assuming maintenance responsibilities, but it is unclear whether the resources are available to fund the estimated \$12.5 million in repairs. Staff intends to evaluate all three options, then come back and report to the Commission.
- If the buildings are not surplus, the option of selling the building to the tenant or a developer and leasing the land long-term comes off the table. Surplusing the buildings does not obligate the Port to sell the buildings.
- Commissioners and staff agreed that this facility supports the Port's core business of moving international and domestic cargo through the Port of Tacoma. Commissioner McCarthy noted that what makes the buildings valuable, is the access to rail, the freezer and proximity the Port's shipping terminal. He recommended that the Port first explore with the current lessee. He also expressed that he would like this project prioritized over other projects the Port is considering investing in. Commissioners Meyer and McCarthy expressed they do not see these buildings as surplus to the needs of the Port.

PUBLIC COMMENT: Dax Koho, Local 22 President spoke in opposition to declaring this personal property surplus.

Vote: 3-2, motion carried. (McCarthy and Meyer oppose).

D. WAIVER OF RIGHT OF FIRST REFUSAL 1906 MARC AVENUE

Presenter(s): Scott Francis

It was moved and seconded (Johnson/Marzano) to authorize the CEO or his delegate to approve a partial release of the Port's Right of First Refusal (ROFR) for the Purchase and Sale Agreement between Fred Tebb & Sons, Inc. (Seller) and CenterPoint Properties Trust (Buyer) for the property located at 1906 Marc Avenue, Tacoma, WA. The Port's ROFR shall continue to apply to all future sales of the Property and shall be stated in the deed.

- The property is not a parcel that the Commission would consider attractive to the Port at this time and the right of ROFR remains in the deed and in future deeds.

Vote: 5-0, motion carried.

Commissioner Meyer was excused for the remainder of the meeting at 1:35 p.m.

E. SECOND READING: ILWU-PMA WELFARE FUNDS LEASE AT THE FABULICH CENTER

Presenter(s): Erin DeBroux

It was moved and seconded (Johnson/McCarthy) to authorize the CEO or his designee to enter into a three-year lease with the ILWU-PMA Welfare Fund for office space located in the Fabulich Center at 3600 Port of Tacoma Road, Tacoma, WA.

- The first reading of the lease was at the February 21, 2019 Commission meeting.
- ILWU-PMA administers healthcare and pension benefits to the active and retired longshore workers of the West Coast as well as their dependents and survivors. They have been a tenant at the Fabulich Center since 2005 and now wish to convert to a long-term lease. Staff provided an overview of the primary lease terms.
- The lease commencement date is April 1, 2019.

Vote: 3-0, motion carried. (Marzano abstains. He is a member of the ILWU).

F. MASTER BENEFIT AND SALARY RESOLUTION 2019-01-PT

Presenter(s): Loni Shorten

It was moved and seconded (Johnson/Marzano) to adopt Resolution 2019-01-PT, the Master Benefit and Salary Resolution (MBSR).

- Resolution 2019-01-PT updates the leave of absence without pay benefit to state it will be granted consistent with state and federal laws; adds the state mandated Washington Paid Family & Medical Leave program; specifies the main components of the Salary Program including how budgeted amounts are calculated and the approval process by the Port commissioners; and provides a salary range adjustment of 2.2 percent for non-represented employees.

Vote: 4-0, motion carried.

G. COMMISSION INTERNATIONAL TRAVEL

Presenter(s): Commissioner Petrich

This item was added to the action agenda of today's regular meeting without objection.

It was moved and seconded (Johnson/Marzano) to approve additions to Commission possible international travel for January 1 through June 30, 2019 to include the Marine Economy and Urban Development – Coastal and Port Cooperation forum in Fuzhou, China and the Seattle Chamber of Commerce International Leadership Mission to Dublin, Ireland.

Vote: 4-0, motion carried.

6. STAFF BRIEFING:

A. 2019 REFUNDING OPPORTUNITY

Presenter(s): David Morrison

- Staff provided a reviewing the Port's current debt structure and outlined a refunding opportunity to reduce the Port's interest expense by modifying its subordinate lien debt.
- Concern that the Port is the most leveraged port on the West coast was expressed. Staff highlighted structural difference in how debt is carried by the various ports noting in California the city carries the debt, on the East coast, the state carries the debt. Assets versus debt should be considered as well.

7. GENERAL BUSINESS: None.

8. COMMISSIONER COMMENT: None.

9. ADJOURNMENT: There being no further business, the meeting adjourned at 2:36 p.m.

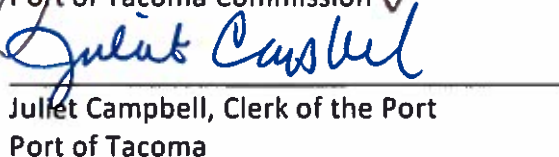


Clare Petrich, President
Port of Tacoma Commission

ATTEST:



John McCarthy, Secretary
Port of Tacoma Commission



Juliet Campbell, Clerk of the Port
Port of Tacoma



Tacoma Dome Link Extension

EAST TACOMA

Level 2 Technical Evaluation: Notable Advantages and Disadvantages

The purpose of the information provided in the table below is to compare light rail segment alternatives to each other for public review and comment. This table details key takeaways from the technical evaluation for route and station alternatives in the East Tacoma station area. Alternatives are separated into two initial groups, those demonstrating more potential and those with greater challenges, based on the technical evaluation.

Alternatives	Technical Analysis
Alternatives with MORE POTENTIAL	
ET 3A E 26th Street to E 25th Street	Notable Advantages: <ul style="list-style-type: none"> • Closest to destinations and neighborhood south of I-5 • Fewer non-motorized barriers to access; better access to multi-modal connections • More existing and potential development opportunity south of I-5 within walking distance Notable Disadvantages: <ul style="list-style-type: none"> • Highest preliminary estimate¹
Alternatives with GREATER CHALLENGES	
ET 1 Puyallup Avenue	Notable Advantages: <ul style="list-style-type: none"> • Closest to existing transit connections (bus) Notable Disadvantages: <ul style="list-style-type: none"> • Lower ridership potential • Farther from destinations south of I-5; more non-motorized barriers, and more difficult car access • Highest potential property impacts • Higher potential for additional freight delay
ET 2 E 25th Street	Notable Advantages: <ul style="list-style-type: none"> • None compared to other alternatives in the criteria measured Notable Disadvantages: <ul style="list-style-type: none"> • Lower ridership • More barriers for pedestrians and bicyclists • Farther from destinations south of I-5 • Difficult vehicular access • Higher potential for additional freight delay
ET 3B 26th Street East	Notable Advantages: <ul style="list-style-type: none"> • Closest to destinations and neighborhood south of I-5 (shares station location with ET 3A) • Fewer non-motorized barriers to access; better access to multi-modal connections • More existing and potential development opportunity south of I-5 within walking distance • Lowest preliminary estimate¹ Notable Disadvantages: <ul style="list-style-type: none"> • Connects to TD 4 East and since TD 4 East is more challenging alternative, this alternative is more challenging
ET 5 E 27th Street	Notable Advantages: <ul style="list-style-type: none"> • Fewest businesses potentially impacted Notable Disadvantages: <ul style="list-style-type: none"> • Connects to TD 4 West and since TD 4 West is more challenging alternative, this alternative is more challenging
ET 6 26th Street West	Notable Advantages: <ul style="list-style-type: none"> • None compared to other alternatives on the criteria measured Notable Disadvantages: <ul style="list-style-type: none"> • More difficult car access • Higher potential for additional freight delay • Farther from destinations and neighborhood south of I-5

¹ Preliminary estimates are not the project's budget. They are for use as comparisons between alternatives.



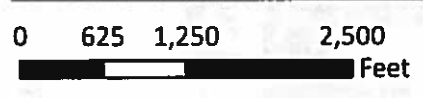
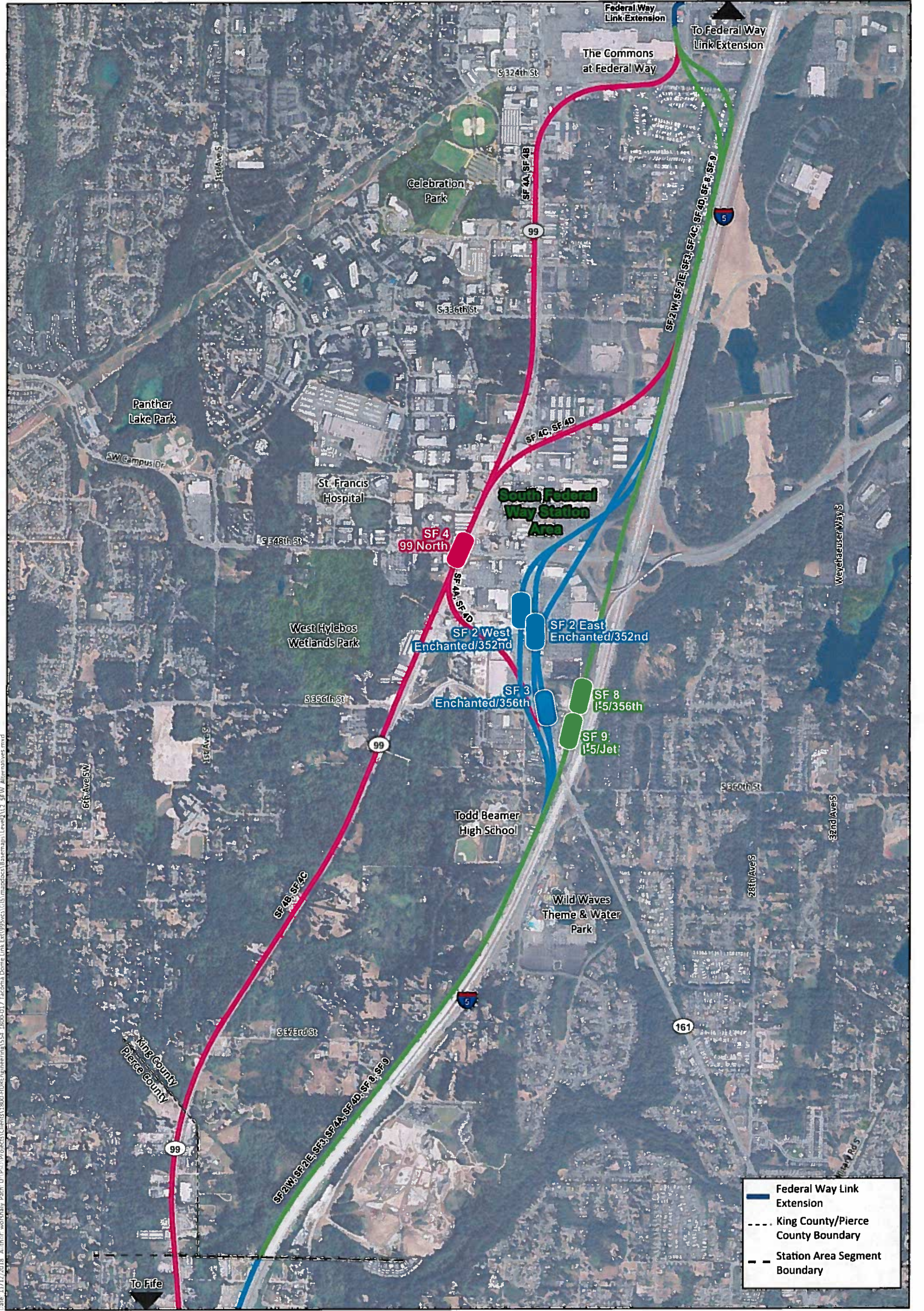
FIFE

Level 2 Technical Evaluation: Notable Advantages and Disadvantages

The purpose of the information provided in the table below is to compare light rail segment alternatives to each other for public review and comment. This table details key takeaways from the technical evaluation for route and station alternatives in the Fife station area. Alternatives are separated into two initial groups, those demonstrating more potential and those with greater challenges, based on the technical evaluation.

Alternatives	Technical Analysis
Alternatives with MORE POTENTIAL	
Fife 3A North of 15th Street (I-5)	Notable Advantages: <ul style="list-style-type: none"> Location in planned City Center indicates greater support for potential development opportunities near station Lower potential impacts to natural environment Lower potential property impacts than 3B and lower residential displacements than 4A/4B Lowest preliminary estimate¹ Notable Disadvantages: <ul style="list-style-type: none"> None compared to other alternatives on the criteria measured
Fife 3B North of 15th Street (SR 99)	Notable Advantages: <ul style="list-style-type: none"> Location in planned City Center indicates greater support for potential development opportunities near station Lower potential impacts to natural environment Lower residential displacements than 4A/4B (shares station location with Fife 3A) Notable Disadvantages: <ul style="list-style-type: none"> Higher potential property impacts due to alignment location on Pacific Highway Higher preliminary estimate¹ than Fife 3A based on alignment
Alternatives with GREATER CHALLENGES	
Fife 1 12th Street	Notable Advantages: <ul style="list-style-type: none"> Better car access Notable Disadvantages: <ul style="list-style-type: none"> Lower ridership potential Zoning and a limited road network north of station show less support for potential development opportunities near station Higher potential ecosystem impacts Higher potential impacts to major economic activity generators Highest preliminary estimate¹
Fife 4A South of 15th Street (I-5)	Notable Advantages: <ul style="list-style-type: none"> Location in planned City Center indicates greater support for potential development opportunities near station Lowest preliminary estimate¹ Notable Disadvantages: <ul style="list-style-type: none"> Greatest potential residential property impacts (including Rainier View Senior Apartments) More difficult car access Higher potential impacts to freight movement
Fife 4B South of 15th Street (SR 99)	Notable Advantages: <ul style="list-style-type: none"> Location in planned City Center indicates greater support for potential development opportunities near station (shares station location with Fife 4A) Notable Disadvantages: <ul style="list-style-type: none"> Higher potential property impacts due to alignment on Pacific Highway and residential property impacts (including Rainier View Senior Apartments) Higher potential effects on freight movement

¹Preliminary estimates are not the project's budget. They are for use as comparisons between alternatives.



South Federal Way Alternatives

- SF 2 East: Enchanted/S 352nd St
- SF 2 West: Enchanted/S 352nd St
- SF 3: Enchanted/S 356th St
- SF 4A: 99 North (SR 99 to I-5)
- SF 4B: 99 North (SR 99)
- SF 4C: 99 North (I-5 to SR 99)
- SF 4D: 99 North (I-5 to SR 99 to I-5)
- SF 8: I-5/S 356th St
- SF 9: I-5/Jet

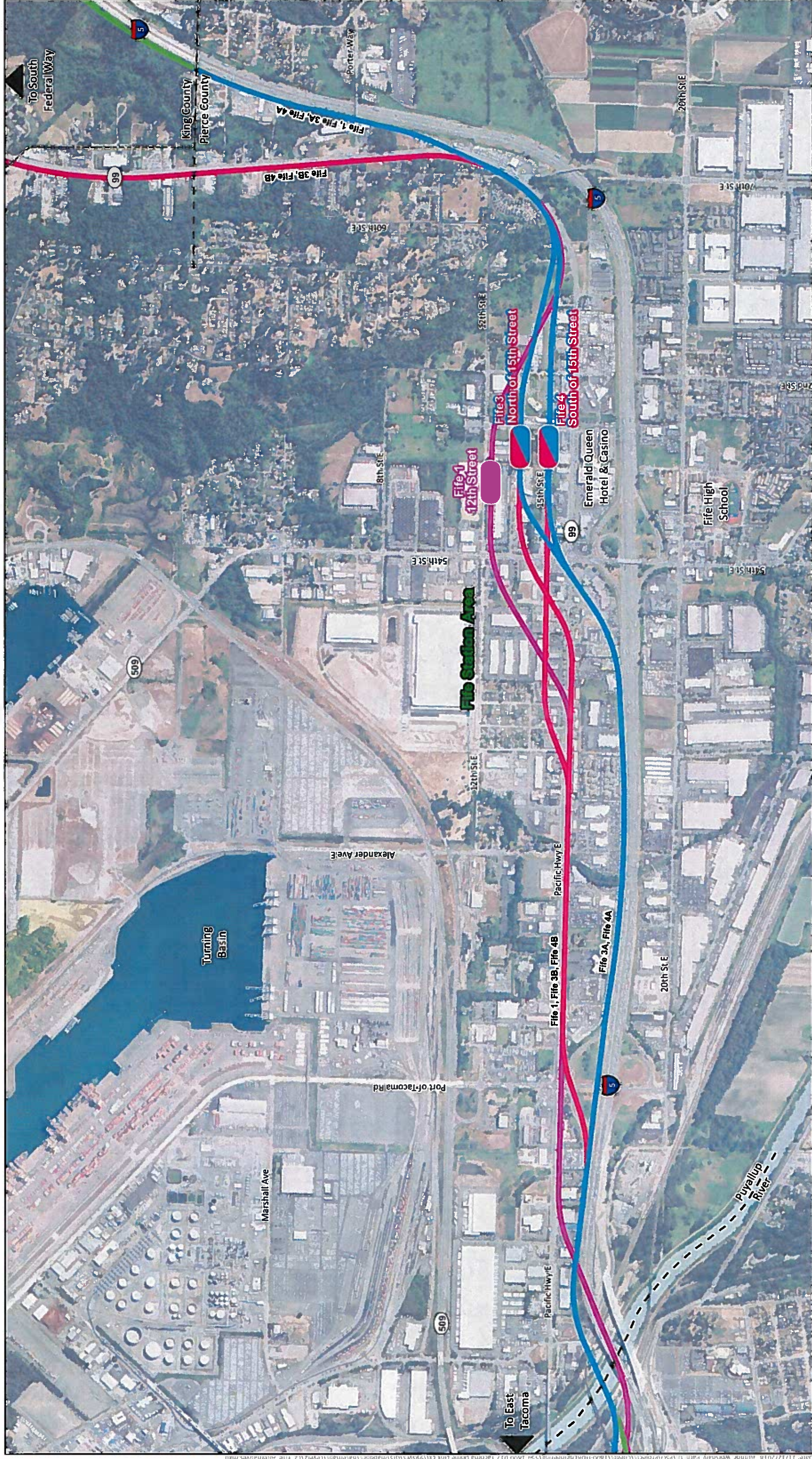
**LEVEL 2 ALTERNATIVES
SOUTH FEDERAL WAY**

TACOMA DOME LINK EXTENSION

PRELIMINARY; SUBJECT TO REVISIONS; DRAFT 1/3/2019



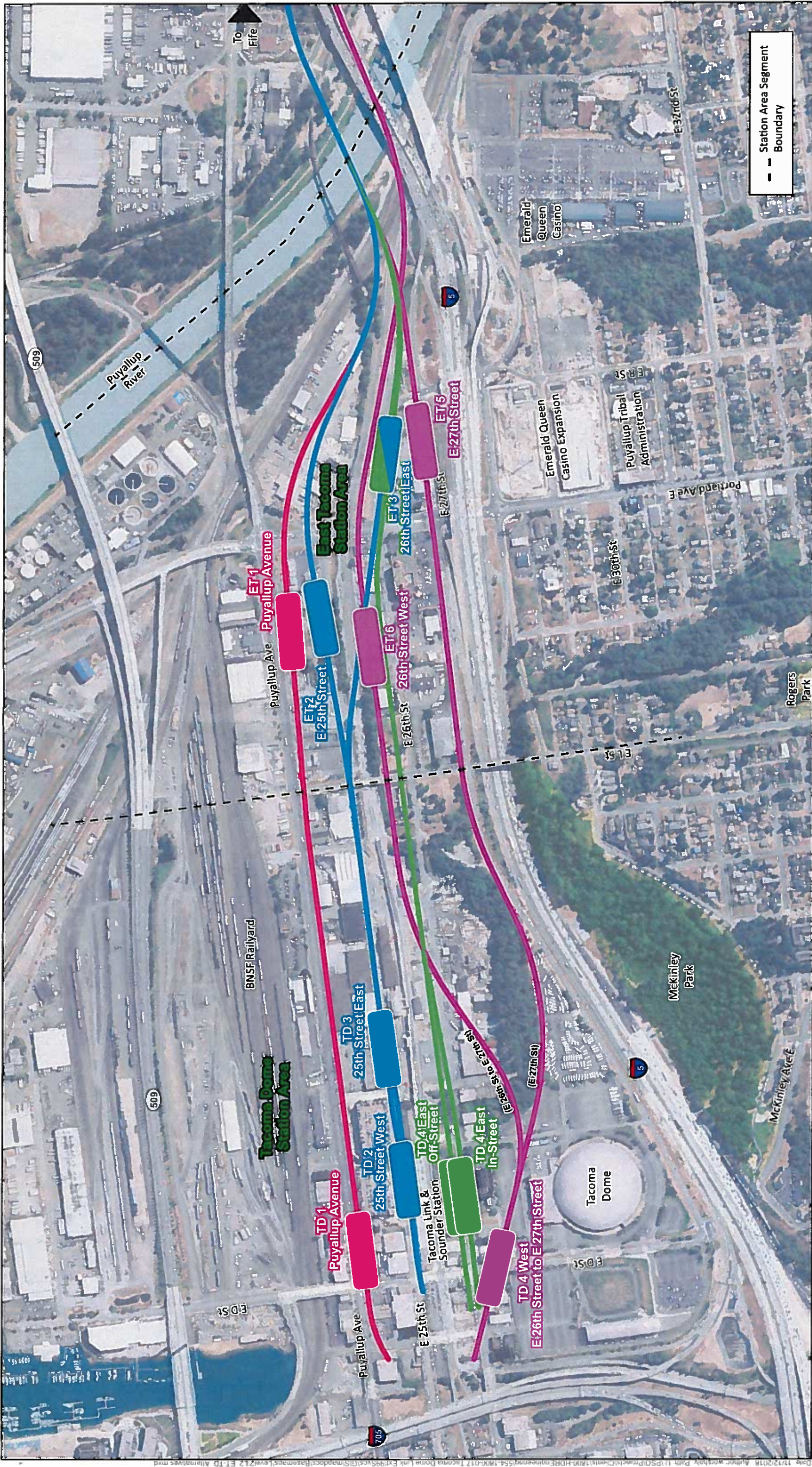
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- Fife Alternatives**
- Fife 1: 12th St E
 - Fife 3A: North of 15th St E
 - Fife 3B: North of 15th St E
 - Fife 4A: South of 15th St E
 - Fife 4B: South of 15th St E

LEVEL 2 ALTERNATIVES
FIFE

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- Tacoma Dome Alternatives**
- TD 1: Puyallup Ave
 - TD 2: 25th St West
 - TD 3: 25th St East
 - TD 4 East: E 26th St
 - TD 4 West: E 26th St to E 27th St

- East Tacoma Alternatives**
- ET 1: Puyallup Ave
 - ET 2: E 25th St
 - ET 3A: E 26th St to E 25th St
 - ET 3B: 26th St East
 - ET 5: E 27th St
 - ET 6: 26th St West

--- Station Area Segment
 - - - Boundary

LEVEL 2 ALTERNATIVES

EAST TACOMA & TACOMA DOME



TACOMA DOME LINK EXTENSION
 PRELIMINARY; SUBJECT TO REVISIONS; DRAFT 1/3/2019