

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

Staff Present:

John Wolfe, CEO
Kurt Beckett, Deputy CEO
Carolyn Lake, Port Counsel
Evette Mason, Government Affairs Manager
Jason Jordan, Director Environmental & Planning Services
Tong Zhu, Chief Commercial Officer & Chief Strategy Officer
Sean Eagan, Government Affairs Director
Scott Francis, Director Real Estate
Erin Galeno, Chief Administrative & Financial Officer
Judi Doremus, Executive Assistant
Juliet Campbell, Clerk of the Port

11:00 AM: CALL TO ORDER AND EXECUTIVE SESSION:

Commissioner Petrich called the Special Meeting to order at 11:00 a.m. and then recessed into executive session for approximately one hour to discuss two litigation/potential litigation items. RCW 42.30.110(1)(i). No votes or actions were taken.

12:00 PM: SPECIAL COMMITMENT MEETING:

1. RETURN TO ORDER:

Commissioner Petrich reconvened the Special Meeting at approximately 12:04 p.m. and lead Pledge of Allegiance.

2. CONSENT AGENDA:

Commissioner McCarthy requested a separate vote for the Check/Wire Certification.

A. MINUTES OF DECEMBER 20, 2018:

It was moved and seconded (Meyer/Johnson) to approve the minutes of December 20, 2018.

Vote: 5-0 Motion carried unanimously.

B. CHECK/WIRE CERTIFICATION:

It was moved and seconded (Johnson/Meyer) to approve the payment of checks 221460 through 222014, and wire transfers in the total amount of \$14,850,026.07 during the period December 8, 2018 through January 11, 2019.

- Commissioners would like to see more specificity in the descriptions when large amounts of dollars are transferred to the Port of Seattle. Commissioners would also like to be able to trace the transfer of any capital funds back to the specific project. The descriptions in the report will not change, however this information will be captured in the supplement explanation submitted to the commissioners in their packets along with the report.
- The check certification reflects a payment made to the State Auditor's Office. The office is held by family member of Commissioner McCarthy who will abstain from voting.

Vote: 4-0 Motion carried. Commissioner McCarthy abstained

3. PUBLIC COMMENT: None. Commissioner Petrich called upon those that signed up for public comment. It was clarified that they were actually scheduled presenters on the agenda. (Erin Dilworth and Melissa Malott of CHB, Norman Gollub of Foss Waterway Development Authority, and Wes Wenhardt Foss Waterway Seaport Museum).

4. STAKEHOLDER BRIEFINGS:

A. 2018 CRUISE SHIP BUSINESS IN TACOMA

Introduced by Evette Mason; Presented by Wesley Wenhardt, Foss Waterway Seaport Museum and Wesley Wenhardt, Foss Waterway Development Authority

- The American Constellation ship called Commencement Bay twice in 2018. There are five visits on the calendar for 2019. Marketing continues to offer more on shore excursions in partnership with local attractions to increase tourism of the areas attractions, museums, restaurants.
- As the Port of Seattle contemplates expansion to accommodate large cruise vessels in their port, perhaps there is a conversation to be had between Foss Waterway Development and the Port of Seattle regarding how they can accentuate what they are doing in Seattle by taking advantage of what Tacoma has to accommodate/attract some of the smaller vessels. The commissioners would like to pursue facilitating such a discussion.

B. CITIZENS FOR A HEALTHY BAY (CHB) BAY PATROL UPDATE

Introduced by Jason Jordan; Presented by Melissa Malott, CHB

- The Port has a contractual relationship with CHB. From 2009-2017 they were contracted in a stewardship role related to the Port's developed habitat sites post the 10-year performance period. Work provided included, by way of example, invasive removals, trash collection, and plantings. From 2012 to current there is an annual contract for CHB to perform bay patrol activities.

- The Port and surrounding community has contributed \$247,380,550.66 toward cleanup of Commencement Bay since it was listed as a superfund site. Of that number, the Port has contributed approximately \$156,339,192.96.
- Ms. Malott provided a background and overview of CHB's work in patrolling the waters of Puget Sound to prevent and address contamination. CHB has performed 100 bay patrols in 2018.
- CHB identified that OxyChem is their highest priority pollution issue. Commissioner Meyer noted that the Port, CHB, and the Puyallup Tribe should be working closely together to address this issue. OxyChem is the last major superfund site in Commencement Bay.
- CHB noted certain areas of concern they have noticed in the past 2 to 5 years include the Tyee Marina breakwater appears to be releasing Styrofoam into the waterway. They've also observed a storm drain spill of motor oil last month. CHB noted this is rare. They have observed what appeared to them to be dust, possibly from grain ships, that they believe could be linked to an approximately ½ mile "smudge" that collects debris across the waterway during the warmer months. CHB emphasized they do not know what this substance is.

5. ACTION AGENDA:

A. COMMISSION INTERNATIONAL TRAVEL

Presented by Tong Zhu

It was moved and seconded (Meyer/McCarthy) to approve possible international travel as proposed for January 1 through June 30, 2019.

- Staff identified two events, in addition to international customer visits as needed, as possible international travel for commissioners. 1. Association of Washington Business (AWB) Trade Mission in Tokyo Japan, and 2. International Association of Ports & Harbors (IAPH) World Ports Conference in Guangzhu, China.
- Discussion took place regarding IAPH's involvement in helping set environmental standards and its role in International Maritime Organization (IMO).

Vote: 5-0 Motion carried unanimously.

B. WORLD TRADE CENTER TACOMA (WTCT) 2019 PERSONAL SERVICES AGREEMENT

Presented by Evette Mason

It was moved and seconded (McCarthy/Meyer) to approve to delegate signing authority to the Port's CEO or his designee to enter into a Personal Services Agreement with the World Trade Center (WTT) for 2019 trade services.

- The Port's Local Economic Development Policy authorizes the Port to enter into contracts between the Port and federally registered non-profit organizations that seek to promote Washington-state based international trade or business retention and recruitment efforts in Pierce County. The contract with WTCT is one of those contracts.
- Staff provided the scope of the 2019 contract highlighting specific items including: opportunities for the Port to host or meet with inbound delegations, a quarterly electronic newsletter, and educational events for small to medium businesses to help them grow by learning how to export.
- The Chamber is currently under contract with the WTCT Executive Committee for the administrative management of the WTCT.
- The WTCT Reciprocity Program as a resource was discussed.
- WTCT will be back before the commission for an update including payment for services and the WTCT's on-line export store.

Vote: 5-0 Motion carried unanimously.

C. LOCAL ECONOMIC DEVELOPMENT POLICY

Presented by Sean Eagan

1. **It was moved and seconded (Meyer/Marzano) to recommend the CEO adopt changes to Policy #PA03 (Local Economic Development Policy) and to Procedure #PA03 (Local Economic Develop Investment Fund Procedure), and to adopt a new procedure #PA04 (Local Economic Develop Infrastructure Investment Fund Procedure. (proposed amendment).**
 - Scope of policy change is to eliminate projects supporting business retention and recruitment and industrial and commercial development as an eligible use under the Local Economic Development Investment Fund (LEDIF). Striking projects supporting business retention from the policy does not mean the Port doesn't support it, rather it supports this through other avenues, specifically, through its funding of the Economic Development Board (EDB). Commercial development is its own category.
 - Split the LEDIF into two funds – one for road and rail freight infrastructure and one for the remaining eligible categories (marine tourism infrastructure, events promoting international trade, and tourism).
 - Commission participate in review of LEDIF and LEDIIF proposals and full commission approval of final slate of investments.
 - Clarification that investments for the LEIF and LEDIIF are one-time decisions.
 - It was moved and seconded (McCarthy/Johnson) to amend the proposed action to limit tourism related investment to those intended to attract a minimum of 50,000 tourists to Pierce County from outside locations.

Discussion took place and Commissioner McCarthy withdrew his motion without objection.

Vote: 5-0 Motion carried unanimously.

2. **It was moved and seconded (Meyer/Johnson) to recommend a targeted investment split of 70-percent for the Local Economic Development Infrastructure Investment Fund and 30-percent for the Local Economic Development Investment Fund.**
 - No funds are being expended/requested with this action, it is the proposed framework for existing \$250,000 budgeted funds. This would allocate \$175,000 to the LEDIF and \$125,000 to the LEDIIF (infrastructure).
 - Flexibility within the policy split percentages was discussed. The investment split is “targeted.” If the commission were to go radically outside of those policy goals, there could be risk of compliance audit risk.

Vote: 5-0 Motion carried unanimously.

D. FIRST READING – ATKINSON CONSTRUCTION, LLC AT THE FABULICH CENTER
Presented by Scott Francis

- This was a first reading and no action is requested. The second reading is anticipated at the February commission meeting. At that time, staff will request Commission authorization for the Chief Executive Officer or his designee to enter into a three-year lease with Guy F. Atkinson Construction, LLC for office space located in the Fabulich Center at 3600 Port of Tacoma Road.
- They are currently renting on a month-to-month basis but would like to convert the lease to a long-term lease.
- Terms of the lease include rent at \$16,425.63/mo. beginning March 1, 2019. Rent escalation of 2.5% annually.
- This lease would bring the occupancy rate of the Fabulich Center to 96 percent occupancy.

6. GENERAL BUSINESS:

A. FINALIZE 2019 PORT OF TACOMA GOALS AND EXPECTATIONS

Commissioner Discussion

- Five overarching categories identified include
 - Sustain and enhance business development and job creation
 - Deliver superior financial performance
 - Strengthen organizational capability and performance
 - Demonstrate environmental stewardship
 - Communication/public affairs

- Discussion took place regarding the development plan for the Wheeler Osgood waterway and the approach to its development. It was stressed that the development shouldn't be developer driven.
- Staff provided an update on the environmental review of the BN property.
- Strategic plan work continues.
- Reference to the OxyChem cleanup objection should be included in the environmental section.

B. FINALIZE COMMISSION BOARD INVOLVEMENT

Presented by Commissioner Petrich

- Commissioner Meyer will serve as board member to MIC: Manufacturing & Industrial Council (Pierce County). Commissioner Johnson will serve as alternate.
- Commissioner Petrich will continue to serve as board member on PSRC – Economic Development Board. Commissioner Meyer will serve as alternate.
- Commissioner Meyer will continue to serve along with commissioner McCarthy on the Tideflats Subarea Plan Committee through the completion of a Work Plan. Once that work is complete, they may consider transferring the 2nd chair role to Commissioner Petrich as Commission President.

C. TACOMA TIDEFLATS SUBAREA PLAN UPDATE

Presented by Deirdre Wilson

- Regarding the Tideflats Subarea Plan Process, on September 10, 2018, the Steering Committee met and obtained verbal agreement of four government jurisdictions on an Intergovernmental Agreement (funding agreement). The necessary signatures to that agreement were obtained on November 15, 2018. The signing initiated 60-day period for completion of a Work Plan. The 60-day period was extended to February 15, 2019.
- There is another Steering Committee meeting on February 8, 2019. Staff plans to provide a draft by February 1, 2019. Discussion took place whether this process is being rushed and whether 7 day's-time is adequate to evaluate the draft.
- The Work Plan is important to Port of Tacoma. The Port does not have the opportunity to vote on the final comprehensive land use plan – that will be the City Council's prerogative. The Work Plan needs to assure the Port that the city will collaborate with the Port as is required by the Port Container Element. Funding from the Port is condition on Commission action on an agreed upon Work Plan.

7. COMMISSIONER COMMENT:

Commissioner Petrich: The new Port of Tacoma Executive Director job description has been posted.

Commissioner Marzano: Attention needs to be given relocating Port offices.

Commissioner Meyer: Would like the Commission President to consider a draft letter going to the various chairs of the transportation committees, House and Senate, related to a \$350,000, study on fast passenger ferry service in the Puget Sound. Would like a one-page summary from staff on the recommendations in the Washington State Strategy for a Sustainable Maritime Industry.

Commissioner Johnson: Passed.

Commissioner McCarthy: Visited legislators in Olympia with the Port Competitiveness Committee. Talked about creating a caucus of legislators to get behind issues to impact the economic wellbeing of our ports so we can be more competitive. Spent two days in Olympia with the Freight Mobility Strategic Investment Board. Would like staff and commissioners to contemplate the extent of the Port of Tacoma's involvement with Governor Inslee's Washington Maritime Blue initiative. Terminal 5 is a NWSA project with substantial impact on the Port of Tacoma. A review of the Master Policy is needed. It is too broad. Requested that staff prepare a comparison showing soft costs versus actual cleanup costs as it relates to environmental cleanup. An opinion piece on LNG ran in the paper that contained information that he does not agree with. He is evaluating whether a response is appropriate.

8. ADJOURNMENT: There being no further business, the meeting adjourned at 2:44 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

