

**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, 1<sup>st</sup> Assistant Secretary  
Don Meyer, 2<sup>nd</sup> Assistant Secretary

**Staff Present:**

John Wolfe, CEO  
Scott Francis, Director Real Estate  
Annika Bjorkman, Real Estate Property Manager  
Evette Mason, Manager Government Affairs  
Rob Healy, Sr. Project Mgr. Environmental Quality  
Jean West, Chief HR Officer  
Carolyn Lake, Legal Counsel  
Judi Doremus, Executive Assistant  
Juliet Campbell, Clerk of the Port

**10:00 AM EXECUTIVE SESSION**

**CALL TO ORDER AND RECESS INTO EXECUTIVE SESSION:**

Commissioner Petrich called the special meeting to order at 10:00 a.m. and recessed into executive session for two hours discuss the performance of a public employee and qualifications of applicants for public employment RCW 42.30.110(1)(g). No votes or actions were taken.

**12:00 NOON COMMISSION MEETING**

**1. RETURN TO ORDER:**

Commissioner Petrich reconvened the special commission meeting at 12:00 p.m. and lead the Pledge of Allegiance.

**2. PUBLIC COMMENT:** Commissioner Petrich revised the order of the agenda without objection, to take public comment ahead of the consent agenda. There were no comments from the public.

**3. CONSENT AGENDA:**

A. Approve the minutes of February 21, 2019, March 8, 2019, March 21, 2019, March 26, 2019 and April 11, 2019.

B. Approve the payment of checks 222700 through 223048, and wire transfers in the total amount of \$11,564,686.71 during the period of March 9, 2019 through April 12, 2109.

**It was moved and seconded (Johnson/Meyer) to approve the consent agenda.**

**Vote 5-0, motion carried.**

**4. STAKEHOLDER UPDATES:**

A. Presentation of the 2019 Excellent 10 Award.

*Presenter(s): Nick Demerice; Jenn Adrien EDB Tacoma-Pierce County*

- Each year the Economic Development Board (EDB) recognizes the top 10 economic development projects in Pierce County that contribute to the EDB's mission, to recruit and retain businesses in Pierce County.
- The Port of Tacoma was one of the recipients of the EDB's 2019 "Excellent 10" award related to the Port bringing super post-Panamax cranes to the Tideflats.

5. ACTION AGENDA:

A. CEO evaluation and consideration of compensation change.

*Presenter(s): Commissioner Petrich*

**It was moved and seconded (Meyer/Johnson) to maintain CEO Wolfe's Compensation at its current level, and that he remain CEO for the Port of Tacoma until the Port's new executive director is hired.**

- When the Port of Tacoma and Port of Seattle formed The Northwest Seaport Alliance (the Alliance), it was recognized in its charter that a transition period was necessary to develop the Alliance into a separate entity. The charter provided a five-year time frame for this transition. Since then, John Wolfe has served a dual role as CEO of both the Port of Tacoma and the Alliance. The charter requires that no individual shall hold dual executive management responsibilities for a period of more than five years. The Port is moving out of the 5-year transition phase, to meet its charter obligation, has commenced with an executive director search.
- Each of the commissioners expressed gratitude to CEO Wolfe for his leadership and dedication serving in this dual role. They also thanked the staff.
- CEO Wolf stated it is an honor to serve the Port of Tacoma. He will continue as the CEO of The Northwest Seaport Alliance, an alliance between the Ports of Seattle and Tacoma. He acknowledged the team, stating it is the team that gets the job done. Staff will continue to carry a dual role supporting the Port of Tacoma and the Alliance.

**Vote 5-0, motion carried.**

B. Consider final selection of a new Port of Tacoma Executive Director.

*Presenter(s): Commissioner Petrich*

**It was moved and seconded (Johnson/Meyer) to extend an offer of employment to Eric Johnson to serve as the Port's Executive Director and to delegate to Commission President, Clare Petrich, the authority to negotiate an employment agreement for that purpose.**

- Commissioner Petrich restated the reason for the new Port of Tacoma leadership search. She noted that this is an exciting time for the Port as it redefines itself.

- The Commission engaged the services of Shey-Harding Executive Search to assist in the search and selection process. Commissioner Petrich summarized the process.
- Eric Johnson was selected as a finalist for the position.
- Commissioner Meyer is the president of the Washington Public Ports Association (WPPA). WPPA is Mr. Johnson's current employer. The Port's legal counsel confirmed that Commissioner Meyer's role as president of WPPA does not present a conflict of interest that would preclude him from voting on this motion. Commissioner Johnson also noted that there is no familial relationship between him and Eric Johnson.
- Commissioners each expressed their confidence in the candidate. Commissioner Petrich noted his strength in environmental and government affairs. She also offered that the position will have the support of The NWSA CEO, the Commission.
- Mr. Johnson was invited to say a few words. He thanked the Commission for the opportunity and stated he is looking forward to partnering to create good paying jobs for hardworking people.

**Vote 5-0, motion carried.**

C. Divestiture of approximately 290 square feet of land at 2000 Taylor Way.

**It was moved and seconded (McCarthy/Johnson) to approve the Purchase and Sale Agreement dated March 29, 2019 with the City of Tacoma (Buyer) to sell real property described as approximately 290 square feet of land in the northeastern portion of Tax Parcel No. 0321351052 commonly known as 2000 Taylor Way, Tacoma, WA 98421, and authorize the CEO or his designee to execute any and all additional actions necessary or required with the completion of the sale.**

- This section of property was surplus at the March 21, 2019 meeting.
- The 290 square feet is surrounded by road right-of-way and rail right-of-way. There is no impact to other Port properties or Port operations. The City of Tacoma wishes to purchase the property to support a rail expansion project, increasing the radius of the curve.
- The sale price is \$4,100 and closing is expected to take place by May 31, 2019.

**Vote 5-0, motion carried.**

D. FIRST READING NTR Lease at 1702 Port of Tacoma Road.

*Presenter(s): Annika Bjorkman*

This is the first reading to consider authorizing the CEO to enter into a three-year lease with NTR Logistics, LLC (NTR) for yard space located at 1702 Port of Tacoma Road, Tacoma, WA. No action was requested as this was a first reading. The second reading and action request will be requested at next month's Port of Tacoma meeting.

- Staff provided a background of NTR Logistics. The business transloads and hauls tower flanges, hubs and bed frames for windmills.
- NTR wishes to change from a month-to-month lease to a three-year lease with the option of two, mutually approved, one-year extensions. The leased space will be used for transloading and truck/trailer parking.
- The rent will be \$12,000 a month or \$144,000 annually. Staff verified this is market value. This is an increase over the budgeted 2019 operating revenue.
- Lessee is responsible for stormwater expenses. Currently there is only stormwater on that site. If the lessee wants to bring in power, it will be at their expense. The leased space is crushed rock and is surrounded by wetlands and undeveloped grassy areas.
- The three-year time frame holds with the Port's master planning for the area. Additionally, there is a relocation clause within the lease.
- Commissioner Petrich expressed interest in the windmill parts being imported by this customer through the Port from an alternative energy perspective.

6. GENERAL BUSINESS:

A. Remediation Program and Environmental Cleanup Costs.

*Presenter(s): Rob Healy*

- Staff provided an overview of the program and a summary of the Port's environmental cleanup strategy, the internal and external costs, and costs to date.
- A background of why Ports perform remediation was also provided.
- The Port is able to clean up brownfields and take unusable property and bring the property back into productive use creating jobs and driving economic development in Pierce County. Remediation also protects the Port's investments in the waterway and by cleaning upland property, prevents potential recontamination of the waterways.
- Staff presented two graphics showing the changing landscape of the Tacoma Tideflats from 100 years ago to current. For the first 50 years there were no environmental laws, no solid waste rules or cleanup laws. Staff stated that the Port is in the contamination cleanup business.
- There are 394 cleanup sites in the Port of Tacoma as of January 2019. Of those, 44 percent have received a "no further action" designation from Ecology, 42 percent are in the cleanup process, and another 14 percent are waiting to get into the process. The Port has remediated 1100 acres in the past 32 years.
- Staff presented historical costs. According to the data collected over the past 32 years (The Port's database goes back to 1987), the Port has spent \$275,359,441.73 on mitigation, stormwater and remediation costs. Remediation accounts for \$209,327,702.14.
- Since September 2009, the Port has spent \$61,750,910 in remediation cost. Of that, 73 percent was spent on actual cleanup, 17 percent on investigation and Feasibility studies, and 11 percent on operation, monitoring and maintenance. Hard costs equate to \$38.3 million, soft costs \$23.5 million.
- Staff went into further detail of three of the more costly projects: Parcel 27 (Pier 4 Phase 1 Emergency Removal Action), Parcel 77 (former Kaiser), and Parcel 99 (former Arkema).

- Projected expenditures for Remediation projects were presented. The Port is moving from the design and investigation phase into the construction (actual cleanup) phase on projects.
- Commissioner McCarthy noted the amount of money spent is clear indication of the value the Port of Tacoma places on the environment.
- Commissioner Meyer would like to see how the money spend by the Port impacts the various cleanup sites' Superfund designation.
- Commissioner Johnson noted the timeliness of this information as the Port brings on new executive leadership. This is an important consideration, along finances, to keep in mind when prioritizing projects, and the addressing the Port's strategic plan.
- Marzano noted the importance of communicating the successful efforts of the Port in its environmental cleanup. It is also important to convey to the public the work that still needs to be done, and the reality of those costs, especially if the goal is to delist properties as Superfund Sites.

B. CEO Events, Announcements, and Recognitions: None.

7. COMMISSIONER COMMENT:

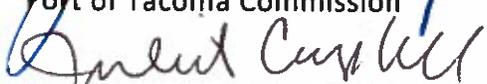
Commissioners thanked staff for their work on the NWSA Annual Breakfast. It was attended by over 400 people, and well received.

8. ADJOURNMENT: There being no further business before the Commission, the meeting adjourned at 1:07 p.m.

  
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Don Johnson, Vice President  
Port of Tacoma Commission

ATTEST:

  
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John McCarthy, Secretary  
Port of Tacoma Commission

  
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Juliet Campbell, Clerk of the Port  
Port of Tacoma

