

**MINUTES
PORT OF TACOMA COMMISSION MEETING
JULY 15, 2021**

The Port of Tacoma Commission met for its regular meeting, July 15, 2021 at the Fabulich Center, Room 104, 3600 Port of Tacoma Road, Tacoma, Washington. A call in number was also provided for public attendance 1-617-4257 Conference ID: 368 672 331#.

Commissioners Kristin Ang, Deana Keller, John McCarthy, Dick Marzano, and Don Meyer were all present.

CALL TO ORDER

The meeting was called to order at 10:03 a.m.

Eric Johnson, Port Executive Director, listed the factors impacting the price of real estate:

- Consistency with the Port's Strategic Plan
- Proximity to core Port properties
- Support for seaport cargo operations
- Linkages to key road and rail corridors
- Job creation

RECESS TO EXECUTIVE SESSION

The Commission then recessed to discuss items related to the purchase and sale of real estate RCW 42.30.110(1)(b) and (c) one item related to litigation RCW 42.30.110(1)(i) and one item related to the performance of a public employee RCW 42.30.110(1)(g). The executive session lasted two hours.

RETURN TO ORDER AND FLAG SALUTE

The Commission reconvened in open session at 12:07 p.m. The Pledge of Allegiance was received.

APPROVAL OF THE AGENDA

The agenda was approved by unanimous consent.

PUBLIC COMMENT

Commission President, Dick Marzano, without objection, revised the order of business and called for public comment.

- Claire Petrich, Tacoma resident and former Port Commissioner requested funding from the Port to replace the Peace Pole in Thea's Park.

SPECIAL ORDERS OF BUSINESS/PROCLAMATIONS

Commissioner Ang introduced resolution 2021-14-PT recognizing July 2021 as South Sound LGBTQ+ Month and recognizing the achievements of the LGBTQ+ community.

It was moved and seconded (Ang/Meyer) to adopt Resolution 2021-14-PT

The motion carried unanimously.

The Commission President, without objection, further revised the order of business announcing that item 12A, the World Trade Center Tacoma Update, would be heard following the Executive Director's report.

Item 6B(2) was removed from the consent agenda by The Commission President.

CONSENT AGENDA

It was moved and seconded (Meyer/Keller) to approve the consent agenda as amended including:

- 6A(1) and (2)
- 6B(1) the check certification approving the payment of checks 230132 through 230223, 230225 through 230374, 230376 through 230391, and wire transfers in the total amount of \$7,520,857.33 during the period, May 29, 2021 through June 30, 2021, as reported for the July 15, 2021 Commission meeting and certified by the Port of Tacoma Auditor.
- 6C authorizing the Port's Executive Director to enter into an interlocal agreement with the City of Fife making a technical amendment to a November 5, 2019 agreement between the two parties regarding a Port financial contribution to the 54th Avenue Corridor Study.
- 6D approval of Resolution 2021-13-PT (amending and superseding Resolution 2009-10) reappointing Darren Arakaki as Port Auditor and appointing Geul Lee (Brian Lee) as Deputy Auditor.

The motion carried unanimously.

ITEMS REMOVED FROM CONSENT

It was moved and seconded (Meyer/Keller) to approve item 6B(2), approving the payment of checks 230224 and 230375, in the total amount of \$3,732.30 to the State Auditor's Office for the Port of Tacoma's accountability audit and CPA audit review, during the period of May 29, 2021 through June 30, 2021 as reported for the July 15, 2021 Commission meeting and certified by the Port of Tacoma Auditor.

The motion carried 4-0 (McCarthy abstained).

PUBLIC COMMENT

The Commission President called a second time for public comment. There were no other commentors in the room, and no one from the public signed up to provide comment by telephone.

EXECUTIVE DIRECTOR'S REPORT

- Mr. Johnson thanked commissioners for the direction provided by the Commission at its July 13, 2021 study session on transportation advocacy.
- Staff is working on the implementation plan for the Port's Strategic Plan.
- A Commission retreat is scheduled for the third week of August.
- On July 21, 2021, the Commission will tour the Port of Kalama's port administration building and hold a study session there related to the Port of Tacoma's future headquarters.
- He announced to the public that he, all Port commissioners, and Port's legal counsel attending the meeting today are all vaccinated.
- He welcomed Port legal counsel, Heather Burgess, of Phillips Burgess PLLC to her first in-person meeting of Commission.
- The boat tours of the Port are returning this year. They will take place August 28, 2021. RSVPs required. Port bus tours will begin July 28, 2021. See the Port's website for information.
- The Port has hired its new local government affairs liaison.

BRIEFING

World Trade Center Tacoma (WTCT) Update

- Erin Galeno, Port Chief Financial & Administrative Officer, provided a brief overview of the Port's relationship with the WTCT and its partnership with the Pierce County Chamber. She then introduced Tom Pierson, President and CEO, Pierce County Chamber who made opening remarks.
- The WTCT has a solid, achievable financial plan and is ahead of budget.
- Mike Fowler, Managing Director & Senior Trade Consultant, WTCT updated the Commission on the operations of the WTCT, virtual events, support activities in Vietnam and India, small and medium sized

Port Commission Meeting Minutes

July 15, 2021

Page 3 of 5

enterprise projects and upcoming plans supporting the NWSA's Thailand outreach, preparing for the Globe Awards in September, virtual trade missions and consulting projects.

- The Commission supported an incubator program for diverse communities not otherwise involved in trade and provided a referral to the WTCT. Mr. Fowler reports that he has been in contact and has had conversations. He looks forward to supporting these efforts. Mr. Pierson added that in addition to the existing Black Business Accelerator, Pierce County Chamber is launching a Black and Brown incubator.
- WTCT has focused mainly on Asia, it was noted by Commissioner Keller that Ethiopia is a growing market. Mr. Fowler agreed and will be looking at that market.
- Commissioner Meyer suggested prioritizing manufacturing facilities vs. warehousing to support density in employment on limited industrial zone land.

COMMISSION ACTIONS

9A. 2302 Ross Way Roof Recover

Presenters: Scott Francis, Director, Real Estate and Brett Ozolin, Engineering Project Manager II.

Mr. Francis provided a history of the property, purchased in 2017 has been steadily leased since then. Tenants use the property for material storage. Annual rent for this property is over \$450,000 per year. The Northwest Seaport Alliance (NWSA) may need this area for terminal expansion in the next 5-10 years. The roof recover will keep the property leasable until that expansion is needed.

Mr. Ozolin provided an overview of the project. The Asphaltic roofing is at the end of service life, there is reported leaking at cutters, UV coating has degraded and water is ponding. The Asphaltic roofing is the focus of this request. Several condition images were shown. A five-year service life solution is recommended versus a 20-year solution due to the property's anticipated use for terminal expansion in the next 5-10 years. Though a "five-year" solution, the life expectancy is more than that and the system is easily patchable. The proposed improvements, schedule and source of funds were described.

It was moved and seconded (Meyer/Keller) to grant construction authorization in the amount of \$414,000 for a total authorized amount of \$475,000 for the 2302 Ross Way Roof Recover, MID # 101540.01.

The motion carried unanimously.

Discussion:

- The parcel is adjacent to Concrete Tech. At one time they were interested, however they did not realize there was a building on the property that would need to be demolished. There is no current interest by Concrete Tech for this property.
- The property is currently leased on a month-to-month basis. The tenant anticipates being on the property for one year. The project will not impact tenant operations.

9B. Data Center Disaster Recovery

Presenter: Mark Miller, Director, Information Technology.

Mr. Johnson provided introductory comments regarding the Port's redundancy server capabilities. Mr. Miller informed the Commission that during IT Disaster Recovery Plan review it was identified that the Port does not have a Data Center disaster recovery alternative site. He described worst case scenario and risks to critical IT services for Port operations. The current status was described and alternatives presented to the Port of Tacoma and NWSA IT steering committee. A "Warm Site" was recommended. The preferred location of the alternative data center is Eastern Washington. If approved, the Port will issue an RFP in Q3 with the goal of having the Warm Site available in early Q2, 2022.

It was moved and seconded (Keller/Ang) to grant authorization to proceed with a competitive RFP process for a Data enter Disaster Recovery Warm Site contract.

The motion carried unanimously.

Discussion:

- Commissioner Ang thought the Port already had a Hot Site. She questioned the location choices of Quincy and Spokane and not outside of the state of Washington. The preferred locations are outside the seismic zone per our insurers. Also, the sites would be easier to maintain as far as IT staff being able to physically get to the location. The Washington sites were also the most cost effective per their initial RFI responses. Commissioner Ang asked if they were also the most secure. Staff assured the Commission that they are speaking with the top industry providers. A formal RFP process will provide more detail.
- Staff clarified for Commissioner Meyer that the action requested is just to move forward with the RFP process. Staff will return to the Commission for authorization for funding the project. The project would be realized in the 2022 budget as an operational expense.

9C. Off-Dock Container Support Facility

Presenters: Tom Bellerud, CFO, NWSA and Trevor Thornsley, Senior Project Manager, Engineering

Mr. Bellerud provided an introduction on this strategic project for the gateway. The NWSA and MTOs have been successful in attracting additional volume, weather *ad hoc* or new and hopefully, permanent vessel strings to the gateway. All west coast ports have been overwhelmed. Fluidity at terminals is key. Projects such as this one can help deal with some of the congestion issues and missed growth opportunities in the future. Terminals are looking at changing their business model to consider moving non-revenue bearing services that are now on terminal to off terminal. Most ports don't have the luxury of having a near-terminal site the size of this one to expand into.

Developing the properties will create more operating space on terminal for the segregation of cargo on terminal increasing the likelihood for dual turns by truckers and the speed of those turns and providing the entire system more fluidity.

Commissioner Meyer is concerned with getting paid back for the investment in terms of negotiation in terms of rent. Mr. Bellerud commented that MTOs are already expressing interest.

Mr. Thornsley presented the background and project details. The full scope of the project is to design, permit and construct a facility capable of supporting nearby off-dock cargo operations and logistics. The scope of this particular request is to advance the current 30% design to 100% and bid ready documents and to apply for all necessary permits. The current CIP allocates \$3,820,000 for the project. The estimated budget for the project is \$42,185,000 including cost of wetland mitigation. The budget will be updated through the 2022 budget process. The environmental impacts, including remediation, stormwater and air quality.

It was moved and seconded (Meyer/McCarthy) to grant project authorization in the amount of \$735,000 for a total authorized amount of \$1,385,000 for the Port of Tacoma Off-Dock Container Support Facility, MID# 101241.01

The motion carried unanimously.

Discussion:

- The Port has applied for two federal grants for approximately 50% of the construction cost of the project.
- Commissioner McCarthy received an email from a constituent who communicated their amazement at the cost of this project - \$42 million for 24 acres. Commissioner McCarthy is in favor of the design work, it has to be done. However, before he can support a request to fund the construction, he will need a full understanding

Port Commission Meeting Minutes

July 15, 2021

Page 5 of 5

of what projects the NWSA is going to want the Port of Tacoma to fund out of its budget and the financial impacts to other priority projects.

- Commissioner Ang would like to discuss a mitigation credit policy at the Port's retreat. It appears to her that the mitigation credits may all be used for development in the Tideflats. That the credits may not go as far as previously thought to potentially contribute to other projects throughout Pierce County.
- The \$14.9 million to mitigate has already been authorized and will be spent at Parcel 14.

INTRODUCTION OF NEW EMPLOYEE

The Commission welcomed the Port's new Deputy Auditor, Brian Lee.

NON-ACTION – NEW BUSINESS

None.

COMMITTEE REPORTS

None.

11A. Work Force Development Committee.

There was no report as the meeting scheduled for July 14, 2021 did not take place due to a conflict with a NWSA meeting that ran long.

ANNOUNCEMENTS / COMMISSIONER COMMENTS

- Commissioner Keller, vaccinate or wear a mask. We need kids back and school and that businesses are thriving.
- Commissioner Meyer is so glad to be in person meetings. We noted in 18 months we have had only 1 in person meeting with commissioners Keller and Ang.
- Commissioner Ang read the Port of Tacoma's Pride Resolution.
- Commissioner Marzano thanked staff and wished Executive Director, Eric Johnson with a happy birthday.

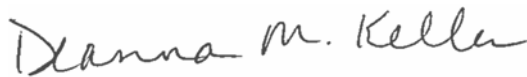
ADJOURN

The meeting ended at 1:57 p.m.



Dick Marzano, President
Port of Tacoma Commission

Attest:



Deanna M. Keller, Secretary
Port of Tacoma Commission



Juliet Campbell, Clerk of the Port
Port of Tacoma