

REGULAR COMMISSION MEETING MINUTES
August 18, 2022
Fabulich Center: 3600 Port of Tacoma Road, Fife, WA

The Port of Tacoma Commission met for a regular meeting on August 18, 2022 at the Fabulich Center, 3600 Port of Tacoma Road, Fife, WA. Commissioners Ang, Keller, Marzano and Meyer were present. Commissioner McCarthy participated via video teleconference.

CALL TO ORDER AND SPECIAL ORDER OF BUSINESS:

Commissioner Meyer called the regular meeting to order at 10:01 AM and announced that the Commission would recess into a closed, OPMA-exempt session from for 15 minutes, until 10:15 AM, to discuss a labor collective bargaining agreement. Commissioner Ang arrived at 10:02 AM.

EXECUTIVE SESSION

At 10:19 AM Commissioner Meyer announced that the Commission would now recess into Executive Session from 10:19 AM to 11:50 AM to discuss four items:

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| - One item of national security | RCW 42.30.110(1)(a)(ii) |
| - One item of performance review of a public employee | RCW 42.30.110(1)(g) |
| - One item of selling/leasing real estate | RCW 42.30.110(1)(c) |
| - One item of selling/leasing real estate and possible litigation | RCW 42.30.110(1)(c) and RCW 42.30.110(1)(i) |

Executive Director, Eric Johnson, then stated that the factors that weigh into a decision of selling or leasing property include, in this instance, the size and zoning of the property, the distance of the property to marine terminals, and the potential for job creation, consistent with the Port's Strategic Plan. The Commission then recessed into Executive Session.

RETURN TO ORDER

Commissioner Meyer returned the meeting to order at 12:01 PM. He then led the Pledge of Allegiance. Commissioner Meyer also acknowledged that we are situated on the shores of the Salish Sea and reside on the ancestral lands of the Puyallup Tribe of Indians.

APPROVAL OF THE AGENDA

The agenda was approved unanimously without revision.

CONSENT AGENDA

A. Approval of the Minutes: July 21, 2022

B. Approval of the Check Certification: July 2, 2022 – August 3, 2022, totaling \$12,043,570.56

MOTION: Approve the above Consent Agenda.

Motion was made and seconded.

VOTE: MOTION CARRIED 5-0

PUBLIC TESTIMONY:

We received one public testimony via email and this was read into the record:

Richard Dorsett:

"The Economist today writes about America's "incoherent" policy on Taiwan. An apt word and one that also well describes Tacoma's strategy to end homelessness. For any who may think things are working, come walk with me through a homeless encampment and make your points.

September 1970 rings a bell. Five of nine city Council members were recalled. I wait for a response to messages I left with one member. And wait and wait. Not to paint with too broad a brush, others do respond to messages, but enough. They are as stymied by the inept bureaucracy as are the citizens wanting to protect their business or those seeking services and affordable housing for those in the streets.

And say, "son, take a good look around"

This is your hometown

This is your hometown

This is your hometown
This is your hometown
-Bruce Springsteen

Out in the street today, the encampment at 11th & Cushman is stable, and has the impression that if they only have two tents, it is not ranked as an encampment. That may be true, or they may be so far under the radar that they are simply left alone for now.

Under 11th and Murray Morgan Bridge, the sweep continues, the numbers of vehicles get smaller by the day, and word is that chain link fencing is coming. A police cruiser gave a jump to an RV, I contributed a quart of brake fluid, and Mike may be on his way soon. An upright piano is available for anyone interested, or if there is a public spot for, it I can get it moved there.

Today's photo is of the NIMBY blocks along Milwaukee Avenue, a tragic failure of civic imagination. The Port authorized and seems to have spent up to \$300,000 for these mindless barricades and folks have moved on. They await discovery by Tacoma's graffiti taggers, blank surfaces for their vandalism. The sweep at 11th & Marine View Drive remains swept for now. An encampment grows on the Puyallup River levee near East Portland.

South Tacoma Way at the Tacoma Rescue Mission is a mess. Outside the TRM front door a man on the ground was being kicked in the upper body and head as we drove by. Numbers grow and the encampment spills over the fence erected to keep people away from the railroad tracks. Vehicular encampments seem to grow by the day on Washington and South Adams, near the Habitat for Humanity store. Some outreach might encourage people to move along, but still, where are they supposed to go?

Business owners seem livid; some are angry with the homeless while others recognize the civic breakdown these encampments represent. Were there a recall vote today, perhaps it would be more than five on the council that would be sent packing. Neighbors around the encampment at 40th & South Fife are getting organized and loud; they have a meeting scheduled for August 18th to meet with police. Why they don't push for a meeting today at 3:00 I fail to understand.

Hot weather comes again in a couple of days and we are stocking up on water. I sent the City Council and manager guidance from the United States Interagency Council on Homelessness on how to respond to homeless encampments. Don't hold your breath, the USICH advised a cross-agency, multi-sector response. We can't get a response from a Councilmember with homeless encampments in his district, much less a coordinated response from the entire Council to solve this problem. We won't have a mass recall, rest assured. But keep your eyes open. Some of these elected officials are eyeing higher office down the road. When it comes election time, don't forget which stepped up to end homelessness, and which didn't."

EXECUTIVE DIRECTOR'S REPORT

- **Thorne Road Off-Dock Container Project:** Eric Johnson reported there have been concerns over the Port's proposed off-dock container storage project off of Thorne Road. We have added a page on our website for this project with factual information for the public to answer questions and counteract the misinformation that has been spread through the community. This can be found in the Planning/Port Projects section of the website and is titled "Off-Dock Container Support Facility". This contains a description of the project, the rationale, as well as information on the advance mitigation habitat site that was built for this project, as well as others. The Lower Wapato Creek Habitat site is a beautiful, much larger habitat site in a much better location, as it connects with other habitat sites rather than being a small, standalone area in the middle of an industrial area. If the public has questions they are encouraged to go to our website for accurate information and pictures.
- **Diversity, Equity and Inclusion (DEI):** The Port is hiring a consultant for our DEI efforts. A Request for Proposals is on the street, which received a great deal of interest. The selection committee has reviewed these proposals. They selected a handful to interview and are now in the process of scoring them. We hope to have our DEI consultant onboard in September.
- **Safeboats:** Our tenant, Safeboats, received a small federal shipyard grant of \$700,000 to buy equipment or manufacture vessels. This is good news for one of our valued tenants.
- **Community Relations Department:** The Port has hired a new Community Relations staffer. Katie Skelton from Eatonville will begin in the next couple of weeks and we are looking forward to her coming onboard.

- **Commissioner McCarthy's Birthday:** Executive Director Johnson also noted that Commissioner McCarthy has a birthday coming up on September 1st.

COMMISSION ACTIONS

A. Habitat Mitigation Strategy:

MOTION: Adopt Resolution No. 2022-09-PT, superseding Resolution 2014-02 and establishing the 2022 Port of Tacoma Habitat Mitigation Strategy.

Motion was made and seconded.

DISCUSSION INCLUDED:

1. The changes to the Strategy presented today are based on the feedback staff received from commissioners.
2. Stewardship: The program budget and scope of work have been developed so that there are funds in the Port's budget to cover the monitoring program and the administration, as well as for the Maintenance Department for their work and the many nonprofit organizations who also do a good amount of this maintenance work.
3. The Army Corp of Engineers. received a letter from Puyallup Tribe of Indians on the Saltchuk restoration project. This pertains to the largest restoration that could be done on that site. Their concerns were around settling quality and changes to current habitat. They valued the site a little higher than what is actually there. They also have concerns for the future of this site and the large scope of work that is being proposed. They do, however, have a great interest in restoration of the beach.
4. Staff proposes placing wood on top of dead areas. The beach work is mitigation. Port staff will work with the Corp. and the Tribe to figure out what makes sense. The large area is just restoration, not mitigation. Staff would like to knock down some energy there to improve habitat and nourish the beach with that material. The outcome we are reaching for is resiliency of the Marine View Drive area for storms and to gain some habitat value.
5. Mitigation is the Port of Tacoma's core strength.
6. There is concern about the cost analysis of these projects, especially the Saltchuk site. Commissioner McCarthy wants to see the cost analysis to see if we can afford these projects before we get too far into the planning. He wants the Puyallup Tribe of Indians to become a funding partner with possible grant funds. Staff advised that we need to have a basis of design before we can formulate a cost estimate for the Saltchuk project.
7. Commissioner Meyer likes the idea of taking dead zones and creating fish habitat. He is pleased to see us working with the Tribe and taking their issues into consideration for our partnership. He feels this is the right direction, the right policy and right thing to do.

VOTE: MOTION CARRIED 5-0

B. 2022 Port of Tacoma Demolition Project:

MOTION: Authorize the following building demolition projects and amounts:

1. **\$176,000**, for a **total authorized amount of \$256,000**,
for the **2220 E 11th** building demolition,
Master Identification No. 101586.01.
2. **\$1,385,000** for a **total authorized amount of \$1,475,000**,
for work associated with the **2302 Ross Way** building demolition,
Master Identification No. 101587.01.
3. **\$253,000** for a **total authorized amount of \$313,000**,
for work associated with the **1110 Alexander** building demolition,
Master Identification No. 101588.01
4. **\$971,000** for a **total authorized amount of \$1,031,000**,
for work associated with the **2202 Port of Tacoma Road** building demolition,
Master Identification No. 101589.01

5. **\$256,000** for a **total authorized amount of \$306,000**, for work associated with the **2144 Port of Tacoma Road** building demolition, Master Identification No. 101590.01

Motion was made and seconded.

DISCUSSION INCLUDED:

1. The five buildings proposed to be demolished were reviewed. They are being recommended for demolition due to vandalism, their condition, and the fact that they are past their useful life.
2. The timeline, costs and environmental effects were reviewed for all buildings.
3. The total cost is estimated at \$3.3M. Commission asked if the design and construction costs for the demolition are complete. Staff needs to have the plans and then show the contractor what needs to be salvaged. The consultant will identify any hazardous materials. To obtain permits, the Port has to have the design phase complete.
4. 2302 Ross Way Warehouse: Commissioner McCarthy asked if staff knew the value of the timber beams in that large building. Staff advised that the beams have a lot of rot and are very dry. When we have tried to salvage dry timber in the past, we were not successful. The contractor may try to salvage some of the timber, but it is not likely, as many sections are damaged. The cost to try to salvage this timber would be high and it would slow the demolition project.
5. These buildings' usefulness has expired and it is time to move forward with demolition so that we may expand terminal operations. This will lead to more jobs and make us more competitive.
6. We will not be going into the dirt on these demolitions, as we will not remove the concrete floors. The walls will go down, but the slabs will remain, as they will not inhibit the temporary use of these spaces.

VOTE: MOTION CARRIED 5-0

C. Annual Executive Director Performance Review:

MOTION: Authorize a 4.2% salary increase for the Executive Director, bringing his annual salary to \$232,990, his car allowance continues at \$700 per month, for a total annual compensation of \$241,390, effective September 1, 2022.

Motion was made and seconded.

DISCUSSION INCLUDED:

1. A major responsibility of the Commission is the annual evaluation of the Executive Director of the Port of Tacoma. The memo from Commission President Meyer was read into the record.
2. Commissioners appreciate all of the work that Executive Director Johnson has done. His environmental background is key, as is his experience negotiating in Olympia.
3. The Commission thanked him for leading the Port through the many challenges of the last year, including surrounding the ongoing pandemic, his knowledge of ports, improving our relationship with the Puyallup Tribe of Indians, and for his commitment to the Port. His responsiveness to the Commission has increased and he has maintained a family atmosphere.

MOTION CARRIED 5-0

D. Workforce Development Strategic Plan:

MOTION: Authorize adoption of the Workforce Development Strategic Plan, increasing the Port of Tacoma's workforce development investments within Pierce County by \$169,750, for a total of \$404,744 in 2023.

Motion was made and seconded.

DISCUSSION INCLUDED:

1. The Workforce Development Work Group includes Commissioners Keller and Meyer. They led staff through the process of developing the Workforce Development Strategic Plan.
2. The rationale for this Strategic Plan was reviewed.
3. Major, medium and minor initiatives were reviewed, to include paid internships.

4. The Plan implementation is to start in 2023 Q1. The amounts we dedicate to the initiatives can be increased or decreased as the Commission prefers.
5. This is a request to approve the budget of the Workforce Development Strategic Plan, but it is not an approval of spending those funds.
6. The Port of Tacoma has spent money in this space before, but it has not been as transparent, organized or strategic as this Strategic Plan. This will result in community wealth-building in partnership with our community. A major goal of this Plan is to expose the BIPOC community to the maritime industry. We want to reach out into our community and show citizens the opportunities that are available to them in the maritime industry.
7. Concerns: Commissioner McCarthy has a concern about the Internship Program. He wants to ensure that choosing who will become an intern is a transparent process.
8. Commissioners all thanked Leslie Barstow and Sean Eagan for all of their great work on this initiative.
9. Staff started with our customers to see what they needed. It is good public policy direction. This was good staff work and the Commission is very appreciative.

VOTE: MOTION CARRIED 5-0

NONACTION NEW BUSINESS: None.

COMMITTEE REPORTS: None.

ISSUE BRIEFING:

Draft 2023-2027 Capital Investment Plan (CIP) and 2023 Budget Adoption Schedule:

1. All of actions today are being executed to support our Port Strategic Plan.
2. The budget calendar was reviewed. We are now in the information gathering stage. In September, staff will discuss the tax levy. Our Budget Study Session is scheduled for November 3rd, with adoption of the budget on November 17th.
3. Erin Galeno, CFAO, gave an overview of the five-year CIP. This is brought forward with the budget, but specific projects are brought individually to the Commission for approval.
4. Over the last year we have not spent as much as anticipated in our CIP due to supply chain issues, COVID and other challenges. Today's decisions will help move the Port forward on projects we anticipated completing in 2021 and 2022.
5. Open water dredging will affect the CIP increase in 2027. We budgeted \$20M for land acquisitions in 2022 and another \$20M in 2023. Significant items in 2023 will include the Off-dock container facility. The CIP does not take into account the grants we may receive; CIP shows the total investment. Staff will return with a Plan of Finance and Operating Budget in the study session to show the full balanced budget.
6. Staff will integrate CIP with the overall Port Strategic Plan, show focused outcomes of CIP, and the link to the implementation of our Strategic Plan.
7. Commissioner McCarthy would like to see a comparison of the 2022 CIP to the 2023 CIP, showing what has been completed and what has been added or deleted. He would also like to see a prioritization of CIP projects. The Operating and Capital Budget priorities will be shown. Staff is coming to the Commission sooner with more raw data earlier so that the Commission can have more impact and give more feedback.
8. CFAO Galeno will document how we account for our mitigation credits in a written briefing for the Commission.
9. Priorities sometimes change due to external priorities. When the City partnered with us on the 11th Street Viaduct Demolition, this increased the priority of the project because with the City's assistance, we were able to get it done. Staying nimble enough to respond to changing environments and priorities continues to be the Port's goal.

ANNOUNCEMENTS / COMMISSIONER COMMENTS

Commissioner Ang: Commissioners Ang and Meyer recently met with Senator Murray regarding investments in climate action for shore power and decarbonization. Commissioner Ang questions if the Port of Tacoma needs their own lobbyist for just the homeport. She would also like to focus on remediation action grants. Sometimes the Port can secure several sources of funding for a project. However, some agencies will decrease the amount of a grant if you are receiving funds from another agency.

Commissioner Keller: Commissioner Keller recently attended a maiden call celebration for an ONE ship's maiden call in North America. This was an 11,800 TEU ship that called at the Husky terminal. She presented the captain with a plaque and was informed emphatically that these ships are magenta, not pink.

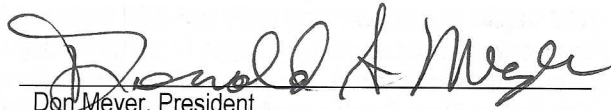
Commissioner McCarthy: No further comments.

Commissioner Marzano: Commissioner Marzano recently met with Senator Conway and Sean Eagan. We are working through the grant opportunities, federal versus state. With federal funding there are two factors you have to take into account: (1) We have to go through NEPA process, which costs more than a SEPA process and is much more complicated. (2) Many federal grants have a requirement that everything bought for a project be American. This is problematic, as a lot of cargo handling equipment cannot be bought in the United States. Could we possibly get a waiver for this requirement? Staff is currently working through these questions now.

Commissioner Meyer: With the new federal Inflation Reduction act there is not an allocation set aside for the state of Washington; it is a competitive process. He would like to know how we understand what is available at the federal level versus the state level and requests that staff provide a comparison of these two sources. He also would like to understand how federal programs work with state programs. The Commission just received a report of the grant applications and he feels our success in obtaining these grants has been quite impressive. We need to ensure that we do our job at the local level and compete for those dollars, as he doesn't want to miss this opportunity. A community that works together gets more money together.

ADJOURNMENT

With no further business, Commissioner Meyer adjourned the meeting at 1:27 PM.

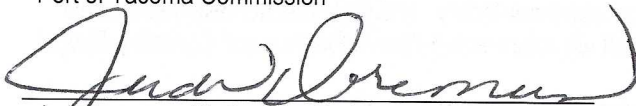


Don Meyer, President
Port of Tacoma Commission

Attest:



Kristin Ang, Secretary
Port of Tacoma Commission



Judi Doremus, Clerk of the Port
Port of Tacoma