

COMMISSION AGENDA

Item No. 7B

Meeting: 12/16/21

DATE: November 30, 2021

TO: Port Commission

FROM: Eric Johnson, Executive Director

Sponsor: Local Economic Development Committee: Commissioners John McCarthy and Deanna Keller, Darren Arakaki, Matt Mauer, and Leslie Barstow

Project Manager: Leslie A. Barstow, Manager, Community Relations

SUBJECT: Local Economic Development Investment Fund Program - Gig Harbor BoatShop

A. ACTION REQUESTED

Request authorization for the Executive Director or his designee to fund an investment to the Pierce County non-profit organization, Gig Harbor BoatShop, from the Local Economic Development Investment Fund for a total authorized amount of \$9,000.

B. BACKGROUND

State law grants public port districts a variety of powers to bring economic development to their community. At the Port of Tacoma, economic development occurs in both direct ways—such as through the development of publicly-owned marine terminals, railroads and industrial parks (RCW 53.04.010)—as well as indirect ways through economic development investments (RCW 53.08.245).

The port's Local Economic Development Policy authorizes the port to make investments with local governments and federally registered non-profit organizations that seek to promote Washington state based international trade, tourism, or infrastructure efforts in Pierce County. These investments include reporting requirements on how the contracted organization is performing relative to the measurements identified at the time the award is made.

These investments are made through two programs: (1) Local Economic Development Investment Fund and (2) Local Economic Development Infrastructure Investment Fund. These programs are matching programs designed to assist non-profit organizations and municipal agencies in Pierce County with eligible economic development projects. The investment focus and priorities are:

- a. Road and freight rail infrastructure projects that create long-term jobs
- b. Marine tourism infrastructure projects intended to attract tourists to Pierce County from outside locations
- c. Planning activities or events promoting international trade
- d. Planning activities or events promoting tourism intended to attract tourists to Pierce County from outside locations

Activities cannot be political or religious in nature. Investments shall be limited to county, city, and town government agencies or non-profit organizations in Pierce County and typically will involve the Port as a minority contributor. As a condition of the investment application, municipal entities must agree to enter into the Port of Tacoma's Interlocal Agreement in accordance with § RCW 39.34.

On January 4, 2021, the Port of Tacoma issued a request-for-proposals; 19 applications were received. A review committee composed of Commissioner John McCarthy, Commissioner Deanna Keller, and Port staff Leslie Barstow, Evette Mason and Darren Arakaki reviewed the proposals. Committee recommendations were for funding 12 of the 19 projects, totaling \$162,000.

In 2021, only two infrastructure project applications were received. As a result, these recommendations fell \$88,000 below the amount budgeted for these investments in 2021. In October of 2021, the Commission voted to award the non-profit Tacoma Sisters Cities \$9,900 from this fund, bringing the total 2021 investments to \$171,990 committed from the \$250,000 budgeted amount.

In 2019, the Gig Harbor BoatShop received an investment of \$25,000 from the Local Economic Development Fund for the restoration of the marine railway system at the boatyard. This Fall, the Gig Harbor BoatShop President made staff and commissioners aware that \$9,000 of the parts necessary to complete the project were not covered by the 2019 investment, so they have submitted a new application to receive a second investment of \$9,000 from the 2021 budget.

C. SCOPE OF WORK

The review committee recommends funding this project at the \$9,000 level to cover the actual expenses of the project.

D. TIMEFRAME / PROJECT SCHEDULE

The Port's allocation to a project is committed for up to two years and payable on a reimbursement basis.

E. FINANCIAL SUMMARY

Funding of \$250,000 for these investments was included in the 2021 non-operating budget. There is currently \$78,010 in the budget left after the previous \$171,990 investments.

Item	Budget Estimate	Estimated Expenditure
Local Economic Development Investment Fund	\$250,000	To Date: \$171,990
Gig Harbor BoatShop	\$9,000	\$9,000
TOTAL	\$250,000	\$180,990

F. ENVIRONMENTAL IMPACTS / REVIEW

N/A

G. ECONOMIC INVESTMENT/JOB CREATION

This program was created to assist local municipalities and non-profits in the creation of economic development and job creation in Pierce County.

H. ATTACHMENTS TO THIS REQUEST

Submitted proposals for recommended investments.

I. PREVIOUS ACTIONS OR BRIEFINGS

As stated above, in 2019 the Gig Harbor BoatShop received an award of \$25,000 from the Port of Tacoma Local Economic Development Investment Fund.

J. CONCLUSION

Request approval of funding recommendation provided by the Local Economic Development Investment Fund review committee for 2021, for a total authorized amount of \$9,000.

K. ATTACHMENTS TO THIS REQUEST

The Gig Harbor BoatShop's application is attached.