

MINUTES
COMMISSION MEETING
April 16, 2020

The Port of Tacoma Commission met for its regular commission meeting, Thursday, April 16, 2020. Commissioners Ang, Keller, McCarthy, Marzano and Meyer were all present via video conference.

10:00 AM EXECUTIVE SESSION

1. CALL TO ORDER AND EXECUTIVE SESSION ANNOUNCEMENT

Commissioner McCarthy called the meeting to order at 10:00 a.m. and immediately recessed to executive session for approximately 90 minutes to discuss one real estate leasing item, and two litigation/potential litigation items as authorized by RCW 42.30.110(1)(c) and (i). No votes or actions were taken during executive session.

12:00 NOON PUBLIC SESSION

1. RETURN TO ORDER AND FLAG SALUTE:

Commissioner McCarthy reconvened the meeting at 12:00 noon. He made a special announcement regarding meeting protocols in light of COVID-19 and the Governor's Stay Home, Stay Healthy" order and Proclamation 20-28 related to the Open Public Meetings Act. The public has been encouraged to stay at home and follow the meeting via live stream on the Port's website, or by telephone conference call. Members of the public also had the opportunity to submit public comment via email or by telephone. Commissioner McCarthy then lead the Pledge of Allegiance.

2. CONSENT AGENDA:

It was moved and seconded to approve consent agenda items 2A and 2B(1) and 2C

A. Approval of the minutes of March 19, 2020.

B1. Approval of the check/wire certification: Approving the payment of checks 226497 through 226677, 226679 through 22686 and wire transfers in the total amount of \$16,147,288.01 during the period of March 9, 2020 through April 3, 2020, certified by the Port of Tacoma auditor.

C. 2810 Marshall Warehouse Roof Allocation.

The motion carried unanimously 5-0.

It was moved and seconded to approve item 2B(2)

B(2). Approval of the check/wire certification: Approving the payment of check 226678 to the State Auditor's Office in the total amount of \$56.55 issued on April 2, 2020, certified by the Port of Tacoma auditor.

The motion carried unanimously 4-0 (McCarthy abstained – family relationship to the State Auditor)

An announcement was made by the Port of Tacoma Executive Director confirming that the items on today's action agenda were analyzed to ensure they fit within the Governor's Stay Home, Stay Healthy" order and Proclamation 20-28 related to the Open Public Meetings Act.

*Public comment was received from David Bluhm. He provided general comments related to toxic industries located on the Port and corrective actions to be taken. His written comments were also submitted.

3. ACTIONS:

- A. Amendment to the 2003 Settlement Agreement and Release to Disburse the Hylebos Waterway Cost Overrun Cash-out Proceeds
Presenter: Rob Healy, Environmental Senior Project Manager

It was moved and seconded to authorize the Executive Director or his delegate to execute an Amendment to the 2003 Settlement Agreement and Release to distribute the Hylebos Waterway Cost Overrun Cash-out Proceeds.

The motion carried unanimously 5-0.

Discussion:

- Staff presented the terms of the agreement. The Existing Cost Overrun Proceeds total \$5,249,745.25 and will be paid to the multiple parties. The Port will receive \$1,089,322.14. Of that, in accordance with the Slip 1 Agreement that governs the Occidental/Port cost-sharing relationship for Hylebos Waterway, the Port will disburse 70 percent, \$435,724.75, of its share to Occidental, leaving the Port with \$653,597.39.
- Commissioner Ang asked if this action has any effect on the cleanup plan for the Occidental/Hooker Chemical Company site, described as the worst contamination sites left on the Tideflats. Staff informed that this topic is related but separate and distinct from Occidentals cleanup that they will need to complete under Ecology and EPAs oversight.
- Commissioner Marzano asked how much more cost is expected as this cleanup moves forward. Staff informed that there are two environmental caps that must be monitored in perpetuity and at least one more round of sediment sampling anticipated. Sampling results have been favorable, especially with the last round. If that trend continues, further sampling may not be required.
- Commissioner Meyer voiced his frustration that any proceeds would be shared with Occidental based on the amount of contamination that still exists. He acknowledged that this is a negotiated agreement and that he hopes the Port can do better in the future.
- Commissioner McCarthy asked about the timeframe, noting that the original settlement agreement was entered into 17 years ago. Staff stated that the timeframe isn't unexpected, mentioning the time necessary to naturally recover after dredging and the complexity of the Slip 1 Agreement and other agreements. It is something the Port will have to engage with Occidental over the years as the continue to clean up their property.
- The EPA is completing its five-year review. Preliminary data shows reduced fish tissue levels from the 1980s when Commencement Bay was initially a superfund site.

- B. 1701 Port of Tacoma Road Roof Re-Cover
Presenters: Scott Francis, Director Real Estate and Brett Ozolin, Engineering Project Manager II

It was moved and seconded to grant project authorization in the amount of \$404,000, for a total authorized amount of \$449,000, for the Port of Tacoma Road Roof Re-Cover, Master Identification No. 101483.01.

The motion carried unanimously 5-0.

Discussion:

- The Port purchased the 9.1-acre property in December 2015 for \$7,250,000. The current lease terms were discussed. The property leased to PacVan and is used for storage, transport, repair, leasing and sale of lessee-owned storage containers, trailers and mobile offices. Businesses supported include Port customers, Evergreen, Matson, Husky, WUT, Concrete Tech and other shippers serving Alaska. The lease terms require the Port to maintain the buildings and the roof.
- The property was purchased via a right of first refusal. It is considered a strategic property due to its location, size and proximity to the Blair. The preliminary assessment did not present an issue with the roof. The asset sought by the Port was the acreage - not the buildings.
- The warranty and expected performance of the roof re-cover system was discussed.
- The possibility of extending the lease term from three to five years was discussed. Commissioners would like to ensure revenue continues after investing in the roof. Leases have been limited to three years based on input from The Northwest Seaport Alliance and the desire to maintain flexibility for the property. Staff noted that this is an attractive property and foresee no issues in the ability to lease the property.

C. First Amendment to the 2016 Interlocal Agreement with the City of Tacoma: Improvements to Taylor Way and the Blair-Hylebos Peninsula Intelligent Transportation System.

Presenter: Evette Mason, Local Government Affairs Manager

It was moved and seconded to authorize the Port of Tacoma's Executive Director or designee to approve the First Amendment to the January 21, 2016 Interlocal Agreement with the City of Tacoma to provide up to \$500,000 in improvements to Taylor Way and the Intelligent Transportation System (ITS) on the Blair-Hylebos Peninsula, upon conditions outlined in the presentation.

The motion carried unanimously 5-0.

Discussion:

- The original Interlocal Agreement with the City of Tacoma (City) for Taylor Way Road Rehabilitation Project (bid by the City PW 1900262F) was signed in 2016. In 2019 the City believed it had sufficient funds collected to rebuild Taylor Way to Heavy Haul standards.
- The project went to bid in January 2020. The low bid was approximately \$1.8 million over the engineers estimate.
- The port has reviewed its rail crossing needs and has identified three crossing that could be eliminated. By eliminating those three crossing, the savings is approximately \$500,000 leaving a funding gap of \$500,000. Staff is recommending the Port forego the three rail crossings and contribute the remaining \$500,000 conditioned upon the City may only request the Port's contribution after the project contingency fund is used, and that the city provides proof of expenses.
- Improvements will increase the capacity of the intersection of 509 and Taylor Way.
- Applicable ITS tools include signage and camera systems. ITS allows emergency response partners (Tacoma Fire/Tacoma Police) to plan for alternate routes when trains are across Taylor Way. During project work, there will always be alternate routes or detours. Emergency response vehicles will always be able to access.

- Commissioner Ang requested clarification on Puget Sound Energy's (PSE) contribution. PSE's mitigation was \$5.5 million of which the bulk was used for the fire station and the road. Commissioner Ang requested the staff provide the amount of tax revenues derived from PSE operating expenses and the number of PSE employees that are expected to be employed at that site. Staff will request that information from the City and PSE.
- City of Tacoma worked with the Puyallup Tribe of Indians to obtain right-of-way so alignment of the road could stay in the same place.
- McCarthy stated he would rather see PSE come up with the additional funds.
- The importance of Taylor way to the Port's breakbulk business and other customers and future customers was highlighted by Commissioner Marzano.

4. BRIEFINGS:

A. Local Economic Development Investment Fund Program Presenter: Leslie Barstow, Public Relations Manager

Discussion:

- Commissioner McCarthy provided a background on the LEDIF Program. Last year the program budget was expanded from approximately \$40,000 – \$50,000 to \$250,000. When the budget was raised, a committee was formed, comprised of Commissioners McCarthy, Keller and staff.
- This item was originally to come before the Commission as an action item, however with the economic uncertainty presented by COVID-19, staff is bringing this item forth as a briefing on the committee's recommendations. Municipal partners may not have the money for these projects and further budget analysis is needed over the next months to determine whether it is feasible to fund these non-operating budget items. Staff noted that the fund is handled on a reimbursement basis. If projects do not go forward, funds are not expended.
- The committee prioritized long-term, job-creating, road and freight infrastructure projects. Requests for proposals(RFPs) were issued in December 2019. Of the 29 responses received, four met the infrastructure investment fund criteria with the following recommended projects and award amounts:
 - City of Lakewood – 146th Street SW Industrial Road Park Improvements \$50,000
 - City of Puyallup – Meridian Avenue Restoration Project \$25,000
 - City of Sumner – Stuart Road Bridge Replacement \$50,000
 - City of Sumner – 166th Avenue E. Reconfiguration Project \$25,000

5. GENERAL BUSINESS

A. Financial Performance Update Presenter: David Morrison, Director, Financial Planning & Treasury

Discussion:

- Staff provided an update on the financial performance through February 2020 and the Port's financial response to economic conditions.

- Operating Budget and Capital Improvement Plan (CIP) savings opportunities were detailed as were the Port's actions in reducing interest expense given volatility in the interest rate market.
- Total operating expenses are slightly over budget, however, the Port is only two months into 2020 and staff is confident that discrepancy will be made up through the year.
- Non-operating and tax levy (net of GASB 87 Interest Income) investments went up in value as interest rates dropped. Gains to the Port could go down and interest rates increase.
- Budget actuals for net income as of February 2020 are approximately \$7.9 million compared to actuals as of February 2019 which were approximately \$8 million. Net income is tracking nearly as expected.
- In response to the economic conditions presented as a result of Corona virus, the management team has identified areas for reductions in spending including: delay of hiring of eight positions, reduction in travel and hosting, training, and postponing certain environmental mediation projects to next year.
- March rents were collected prior to the COVID-19 situation. Cash flow presented here are through February only. April and May numbers are expected to be down. Commissioners emphasized the importance of liquidity on bond ratings.

B. Executive Director Announcements, Events, Recognitions.

- Two virtual workshops were held last week on the strategic plan.
- Recognized how the entire organization has adapted to the Covid-19 situation.

C. PUBLIC COMMENT:

Public comment was received from David Bluhm for a second time. He suggested the Commission expand individual comment time from three minutes to five minutes and that the public be able to reserve time. He also suggested public comment take the form of a dialog. He asked how agenda item 3C impacted the SR 167 expansion. Staff confirmed the items are separate.

D. COMMISSIONER COMMENTS:

- Commissioner Ang informed the Commissioners that the Thurston County Commissioners voted to remove the Northpoint industrial proposal from any further consideration on their docket.
- Commissioner Kelle thanked workforce partners for keeping the Port open and our lease holders for keeping areas clean. She recognized efforts of Longshore Local 23 and Local 22, the trucking, rail, Port and Alliance staff.
- Commissioner Marzano agreed with Commissioner Keller's responses and reminded everyone to be safe.
- Commissioner Meyer expressed concern about the strategic planning process, particularly in light of the delay in The Northwest Seaport Alliance's gateway plan. He is also questioned whether the process hindered by the virtual environment. Discussion took place whether to pause and reevaluate the process. Commissioner Keller commented that the Port is an economic leader and it is important to not pause. She noted many of the boards commissioners serve on have cancelled but the Port needs this time to plan.
- Commissioner McCarthy stated the need for additional work sessions.

E. ADJOURNMENT:

There being no further business before the Commission, the meeting adjourned at 2:17 p.m.



John McCarthy, President
Port of Tacoma Commission

Attest:



Don Meyer, Secretary
Port of Tacoma Commission



Juliet Campbell, Clerk of the Port
Port of Tacoma

PUBLIC COMMENT 4-16-2020 PORT OF TACOMA COMMISSION MEETING

----- Forwarded message -----

From: **David** <wholenightsky@gmail.com>

Date: Thu, Apr 16, 2020 at 8:58 AM

Subject: Inquiries for the Commissioners of the Port of Tacoma (to be revised for City Council Members)

To: <comment@portoftacoma.com>

David D. Bluhm

(253) 566-2498

Agenda Item: Present and future Action Agendas, histories and trajectories with upcoming votes and projects.

These are inquiries that I now present to you. They are also comments.

If we were all able to be together in chambers at the Faublich Center I would hand them to you.

Interestingly enough, I nearly called those chambers the Fauci Center.

Are you all familiar with someone named Dr. Anthony Fauci?

Do you have any desire to call for the resignation of Dr. Anthony Fauci?

Are you prepared to submit your resignation as a Port of Tacoma Commissioner, attorney, other executive or administrator, staff person OR maintenance person because you have recently been wondering if you are incapable of critical thinking and/or decision making?

Do you understand what an inquiry is?

Will one of you please propose a motion that these chambers be renamed in honor of Dr. Anthony Fauci?

Are you aware that it is NOT necessarily a question, although often may seem like one?

Is there any element of doubt whatsoever in your mind, thoughts and beliefs that the business and industry located on the Port of Tacoma has unequivocally and undeniably contributed to Global Warming and Climate Change?

If so, WHEN will you

Are you finally ready to begin doing what is necessary to begin cleaning up the mess that has been made over the last 102 years on the Port of Tacoma?

What will be your first action?

When?

How will you be accountable to We the People of Pierce County, Washington State, the United States of America, and all Nations on this Planet Earth?

Better said, HOW OFTEN will you be accountable to We the People?

Please enjoy the inquiries that many of you SHOULD have been making long before you decided to run, some of you again and again and again, for Port Commissioner.

Thank you for your time and for your impending attention to cleaning up the Port of Tacoma, moving the truly and always toxic industries OFF these tideflats and former estuary lands AND beginning the greatest recovery effort the Salish Sea region and Coast Salish peoples that were here before us could have ever dreamed possibly.

Their and their ancestors' lives and deaths became and/or continued to be a nightmare, in part, because of what has occurred here on the Estuary of the Puyallup River (aka Port of Tacoma, Estuaries of Many Rivers throughout the Salish Sea Region AND on Seas throughout the World known as Planet Earth, OUR SHARED HOME with millions of other inhabitants, flora and fauna of the waters, lands, forests, air and