

COMMISSION AGENDA

Item No. 4A

DATE: March 31, 2020

Meeting: 04/16/20

TO: Port Commission

FROM: Eric Johnson, Executive Director

Sponsor: Commissioners John McCarthy and Deanna Keller

Project Manager: Leslie A. Barstow

SUBJECT: LOCAL ECONOMIC DEVELOPMENT INVESTMENT FUND PROGRAM

A. ACTION REQUESTED

Request approval of funding recommendations at the May 2020 Port of Tacoma Commission meeting if budget review concurs, provided by the Local Economic Development Investment Fund program review committee for 2020, for a total authorized amount of \$150,000.

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: the Local Economic Development Investment Fund and 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; or
- 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-profits in Pierce County and typically will involve the port as a minority investor. Municipal entities must agree to enter into the Port of Tacoma's Interlocal Agreement in accordance with § RCW 39.34.

On December 27, 2019 the Port of Tacoma issued a request-for-proposals; 26 projects were received. A review committee composed of Commissioner John McCarthy, Commissioner Deanna Keller, Leslie Barstow, Evette Mason and Don Kelly reviewed the proposals. At this time, the committee is only recommending funding for projects which meet the Local Economic Development Infrastructure Investment Fund criteria. Pending budget priorities, the review committee may request funding for additional qualifying projects at a separate time in 2020.

C. SCOPE OF WORK

The review committee recommends funding four infrastructure projects for a total investment of \$150,000 across a wide geographic area of Pierce County.

The committee's recommendation is as follows:

Organization	Project	Requested	Total Project	Award Recommendation
City of Lakewood	146 th Street SW industrial park road improvements	\$60,000	\$2.4 million	\$50,000
City of Puyallup	Meridian Ave. Restoration Project	\$50,000	\$6 million	\$25,000
City of Sumner	Stuart Road Bridge Replacement	\$75,000	\$29 million	\$50,000
City of Sumner	166 th Ave. E reconfiguration project	\$75,000	\$9.5 million	\$25,000

D. TIMEFRAME/PROJECT SCHEDULE

The port's allocation to a project will be 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 Government Affairs Department's 2020 non-operating budget.

Item	Budget Estimate	Expenditure to Date	Anticipated Future Expenditures
Local Economic Development Investment Fund	\$250,000	\$0	\$150,000
TOTAL	\$250,000	\$0	\$150,000

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. Each of these municipal projects have long-term impacts associated with improving freight corridors. Many municipalities seeking grant funding have application deadlines in the next few months of 2020. A financial commitment by the port now assists those applications. In some cases, the port's commitment also assists in the solicitation of private funds to create private/public partnerships. An example of this would be the City of Sumner's Stuart Bridge project, which is soliciting \$50,000 in private funds. This bridge project directly benefits to port customers such as Helly Hanson and Penny's Salsa, named in their application, by improving transportation for their companies to and from the port.

H. ALTERNATIVES CONSIDERED

1. **Do nothing:** The port could decline to fund any project this year. The committee felt, however, that some continued investments during this time of economic uncertainty would be helpful for regional economic development.
2. **Fund infrastructure and non- infrastructure projects:** The port could fund additional projects that meet the program's non-infrastructure criteria. Given the slowdown in the economy and potential reductions in port revenue, however, the committee felt a more incremental approach made sense.
3. **Recommended alternative:** Fund the recommended infrastructure projects and, pending a subsequent review of the port budget by the commission, revisit additional investments at a later date.

I. ATTACHMENTS TO THIS REQUEST

Please refer to the submitted proposals notebook for additional information on the recommended investments.

J. CONCLUSION

Request approval of funding recommendations provided by the Local Economic Development Investment Fund program's review committee for 2020 at the May 2020 Commission meeting, for a total authorized amount of \$150,000.

Local Economic Development Investment Fund program 2020

Item No.: 4A

Date of Meeting: April 16, 2020



Action requested



This is a review of the funding recommendations provided by the Local Economic Development Investment Fund program review committee for 2020, for a total authorized amount of \$150,000. Funding of \$250,000 for these investments was included in the 2020 non-operating budget.

This recommendation only addresses applications received under the long-term, job-creating road and freight infrastructure projects category of qualification. Pending budget priorities, the review committee may request funding for additional qualifying projects at a separate time in 2020.

Summary of Projects



Organization	Project	Requested	Total Project	Award Recommendation
City of Lakewood	146 th Street SW industrial park road improvements	\$60,000	\$2.4 million	\$50,000
City of Puyallup	Meridian Ave. Restoration Project	\$50,000	Aprox \$6 million	\$25,000
City of Sumner	Stuart Road Bridge Replacement	\$75,000	Aprox \$29 million	\$50,000
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Financial summary



Funding of \$250,000 for these investments was included in the 2020 non-operating budget.

ITEM	BUDGET ESTIMATE	EXPENDITURE TO DATE	ANTICIPATED EXPENDITURE
Local Economic Development Investment Fund program	\$250,000	\$0	\$150,000
TOTAL	\$250,000	\$0	\$150,000

Conclusion



Request approval of these funding recommendations at the May 2020 POT Commission meeting if budget review concurs, as referred by the Local Economic Development Investment Fund program review committee for long-term, job-creating road and freight infrastructure projects for 2020, for a total authorized amount of \$150,000. Funding of \$250,000 for these investments was included in the 2020 non-operating budget.