

BOARD OF COMMISSIONERS
City of Dupont Council Chambers
1700 Civic Drive, DuPont, WA

Commissioners Present:

Don Meyer, President
Clare Petrich, Vice President
Don Johnson, Secretary
John McCarthy, 1st Assistant Secretary
Dick Marzano, 2nd Assistant Secretary

Staff Present:

John Wolfe, CEO
Carolyn Lake, Port Counsel
Evette Mason, Government Affairs Manager
Sean Eagan, Government Affairs Director
Annika Bjorkman, Real Estate Property Manager
Scott Francis, Real Estate Director
Nick Demerice, Public Affairs Director
Sarah Weeks, Environmental Project Manager I
Deirdre Wilson, Senior Planning Manager
Christine Wolf, Senior Planner
Juliet Campbell, Clerk of the Port

EXECUTIVE SESSION:

CALL TO ORDER AND EXECUTIVE SESSION:

Commissioner Meyer called the meeting to order at 11:30 a.m. and recessed into executive session for approximately 1 hour and 15 minutes to discuss: RCW 42.30.110(1)(g) and RCW 42.30.110(1)(i). No votes were taken.

SPECIAL COMMISSION MEETING:

1. RETURN TO ORDER:

Commissioner Meyer reconvened the Special Commission Meeting for December 20, 2018 to order at approximately 1:11 p.m. and lead the Pledge of Allegiance.

Commissioner Meyer and City of DuPont Mayor, Mike Courts provided opening remarks.

2. CONSENT AGENDA:

- A. Approve the minutes of November 29 and December 3, 2018.
- B. Approve the payment of checks 221176 through 221459, and wire transfers in the total amount of \$31,613,436.91 during the period of November 17, 2108 through December 7, 2018.

It was moved and seconded (Petrich/Johnson) to approve the Consent Agenda.

Motion carried 5-0.

3. PUBLIC COMMENT:

Todd Iverson ILWU 23. It was reported at a Local 23 longshore stop-work meeting that \$150 million worth of wages have been dispatched out of the Local 23 hall to the Port of Tacoma. He reported that represents 1500 workers/families that have a “better than living wage.” He estimated that for every longshore job, there are another four jobs created in Pierce County. Thank the Port for all its done to create jobs.

4. STAKEHOLDER UPDATES:

- A. High-Speed Passenger-Only Ferry Service Feasibility Update
Introduced by Evette Mason, Government Affairs Manager
Presented by Max Henkle, Senior Planner from Pierce Transit and Carla Sawyer, Progressions Sawyer & Associates Consulting.

- The Port of Tacoma partnered with the Pierce Transit and the City of Tacoma to study the feasibility of a high-speed passenger only ferry service connecting the Pierce Transit area with the Seattle Central Business District. The feasibility analysis considered technology and policy considerations, route analysis, and site evaluation.
- The Port provided \$30,000 toward the study through its 2018 Local Economic Development Investment Fund.
- The five primary sites included in the assessment included 11th Street, Old Town, Pt. Ruston and Pt. Defiance Park and another location on Pt. Defiance. Estimates for ridership, capital costs, startup costs and operating costs were provided and compared between the studied sites.
- It was noted that Governor Inslee's proposed budget includes \$350 thousand to the PSRC to study this issue and will likely be informed to some extent by this feasibility study.

5. ACTION AGENDA

A. 70TH Avenue Street Bridge Relocation Project Interlocal Agreement (ILA)

Presented by Sean Eagan, Government Affairs Manager

- Background was provided by staff. In 2015 the Washington State Legislature and Governor Inslee acted to fund the Puget Sound Gateway Program through the Connecting Washington Revenue package. The project is comprised of two projects, the State Route 167 (SR-167) Completion Project and the State Route 509 (SR-509) project.
- The 70th Avenue East Bridge Relocation Project is an example of a local nexus projects contemplated under the 2018 Memorandum of Understanding with the Washington State Department of Transportation (WSDOT) and other local government project stakeholder laying out the local funding strategy.
- Through the ILA the Port would contribute \$3 million to WSDOT for the construction associated with the project to relocate and widen the 70th Avenue E. bridge over Interstate-5 (I-5) to four lanes. This is the first stage of the SR-167 Completion group of projects.
- The \$3 million would be credited toward the Ports contribution
- According to WSDOT a completed SR-167 could fuel job growth to the tune of \$10.1 billion. Short term impacts for jobs include approximately 2,437 construction jobs.

Public Comment: Craig Stone, the Washington State Department of Transportation. Port was critical in partnership for this. Looking forward to beginning construction.

It was moved and seconded (Johnson/McCarthy) to authorize the Chief Executive Officer to sign an interlocal agreement (ILA) with the Washington State Department of Transportation regarding a \$3 million port contribution to the 70th Avenue East Bridge Relocation Project.

Motion carried 5-0.

B. Second Reading: Evergreen Shipping Agency (America) Corporation Lease

Presented by Annika Bjorkman, Real Estate Property Manager

- Background was provided. Evergreen provides marine transportation services that support the Port's core business of moving international containerized cargo. They have operated the Pierce County Terminal since 2005. They have been a tenant at the Fabulich Center since 2009. The lease expires December 31, 2018 and they wish to continue as a tenant at the Fabulich Center.

- Lease is for professional office space and the premises is approximately 899 rentable square feet. The lease terms include three one-year extensions with mutual approval. Rent is \$1,498 per month (\$20/per square foot annually). Annual rent escalation based on CPI-U Seattle-Tacoma-Bellevue.

It was moved and seconded (Marzano/Petrich) to authorize the Chief Executive Officer or his designee to enter into a two-year lease with Evergreen Shipping Agency (America) Corporation for office space located in the Fabulich Center at 3600 Port of Tacoma Road, Tacoma, Washington.

Motion carried 5-0.

C. Purchase and Sale Agreement 13120 Tilley Road SW, Unincorporated Thurston County

Presented by Scott Francis, Director of Real Estate

- History of the property was given. The property was purchased in 2006. The Comprehensive Scheme of Harbor Improvements was amended in 2009 to divest the property. The property was surplus and authorized for sale in 2010, and it was sold. The property was relinquished back to the Port in 2013 and a Request for Offers to Purchase was initiated. Responders had until November 15, 2018 to respond. Multiple offers were received and NorthPoint Development was selected.
- Chad Meyer, President NorthPoint Development was present at today's meeting and offered background on NorthPoint. The company has executed more industrial manufacturing leases than any other privately held industrial developer in the United States for the last two years. They work with BNSF on several projects.
- Benefits of the NorthPoint project were discussed and included producing new family wage local Thurston County jobs, local tax revenues, local infrastructure improvements, and local training centers.
- The terms of the PSA include a sale price of \$24,860,000, the feasibility period is 180 days and the anticipated closing date is on or before December 2019.

It was moved and seconded (McCarthy/Petrich) to:

1. Approve the Purchase and Sale Agreement (PSA) dated December 6, 2018 with NorthPoint Development, LLC (Buyer) to sell portions of Sections 1, 2, 3, 11 and 12 of Township 1 North , Range 2 West, W.M., Thurston County Tax Parcel Number 12602340100, located at 13120 Tilley Road SW, Unincorporated Thurston County, Washington, and authorize the Chief Executive Officer or his designed to execute any and all additional documents and take any and all additional actions necessary or required in connection with the completion of the sale, consistent with the PSA, and
2. Commission determination that the Port's Master Policy condition to confirm the property's market value via two appraisals prior to the sale is satisfied based on the receipt of multiple offers in the response to a multi-year Request for Offers to Purchase the subject property, which serves as real time evidence that this proposed purchase of the site satisfied the test for market value.

Motion carried 5-0.

D. Centennial Project Interlocal Agreement with the City of Tacoma

Presented by Nick Demerice, Director of Public Affairs

- The item was previously before the Commission as a briefing in November. This relates to a budget item for the creation of a Port of Tacoma centennial "legacy" art project in partnership with the City of Tacoma.

- The location has not been secured. Commissioners want to make sure that it is part of the waterfront with public access and high visibility.
- The level of oversight by the Port was discussed.
- Some general criteria for the piece include that it should evoke a feeling of the Port of Tacoma, incorporate the Port's industrial heritage and that it be uniquely Tacoma.

It was moved and seconded (Petrich/Marzano) to authorize the Chief Executive Officer or his delegate to enter into an interlocal agreement (ILA) of not to exceed \$100,000 with the City of Tacoma for the creation of an art installation celebrating the Port's centennial.

Motion carried 5-0.

E. Alexander Avenue Petroleum Tank Facilities Cleanup Action

Presented by Sarah Weeks, Environmental Project Manager I

- Of the \$450,000 requested, \$150,000 is for new work related to cost recovery efforts, and \$300,000 is to continue negotiations with the Washington State Department of Ecology (ECY) on remedy selection.
- Staff provided a background of the site location, former owners, its uses, Agreed Order DE 9835, and prior related Commission authorizations and actions.
- The process in the state of Washington for environmental cleanup was reviewed. The process includes, discovery, investigation, evaluation of cleanup options, identifying the preferred cleanup option, design cleanup, construction and operations and monitoring of the site. The Port has completed the first two items and is currently in the stage of identifying the preferred cleanup plan.
- Staff reported that the priority of the cleanup is to stop dissolved petroleum from impacting the waterway.
- Commissioners expressed their frustration over millions of dollars being spent for consultants and oversight versus cleanup.
- One commissioner suggested a matrix that show how much money is spent on studying and on soft costs versus actual cleanup on all the environmental projects. This would be valuable information to have available in regulatory discussions.

It was moved and seconded (Petrich/Marzano) to authorize project authorization in the amount of \$450,000 for a total authorized amount of \$2,248,000, for work associated with the Alexander Avenue Petroleum Tank Facilities Cleanup Site, Master Identification Nos. 094217 and 101312.01.

Motion carried 5-0.

F. 2019 Port of Tacoma Commission Officers

It was moved and seconded (Marzano/Meyer) to authorize the proposed 2019 Port of Tacoma Commission Officers as presented:

President:	Clare Petrich
Vice President:	Don Johnson
Secretary:	John McCarthy
1 st Assistant Secretary:	Dick Marzano
2 nd Assistant Secretary:	Don Meyer

Motion carried 5-0.

G. 2019 Port of Tacoma Audit Committee Members

It was moved and seconded (Marzano/Meyer) to authorize the proposed 2019 Port of Tacoma Audit Committee members as presented:

Chair: Don Johnson
Vice Chair: Clare Petrich

Motion carried 5-0.

H. 2019 Commission Board Assignments. Postponed to a future meeting.

6. GENERAL BUSINESS

A. Transportation Update

Presented by Christine Wolf, Senior Planning Manager

- Staff provided a briefing on transportation projects that the Port of Tacoma has contributed funds to and that are either currently under construction or will be beginning relatively (in the next 3 years or so) soon.
- The briefing included updates on City of Fife, City of Tacoma, and WSDOT projects including:
 - Port of Tacoma Road Interchange.
 - State Route 99 and 54th Street Intersection
 - Puyallup River Bridge
 - East 11th Street Bridge
 - Taylor Way Rehabilitation

B. Draft Goals and Expectations: CEO Wolfe received proposed edits from individual commissioners outside of the meeting. He will prepare a revised incorporating those edits and present it to the Commissioners in January.

C. CEO Announcements, Events and Recognitions: CEO Wolfe thanked Commissioner Meyer for his leadership as Commission president 2018.


7. COMMISSIONER COMMENT: Commissioners thanked Commissioner Meyer for his leadership in his role as Commission president. They also thanked staff for their work over the past year. Wishes for a happy new year were shared.

8. ADJOURNMENT: There being no further business, the meeting adjourned at 3:06 p.m.



Clare Petrich, President
Port of Tacoma Commission

ATTEST:


John McCarthy, Secretary
Port of Tacoma Commission
Juliet Campbell, Clerk of the Port
Port of Tacoma

