

**REGULAR COMMISSION MEETING AND 2023 BUDGET ADOPTION MINUTES**  
**Fabulich Center: 3600 Port of Tacoma Road, Fife, WA**  
**November 17, 2022**



The Port of Tacoma Commission met for a regular meeting and 2023 Budget Adoption on November 17, 2022 at the Fabulich Center, 3600 Port of Tacoma Road, Fife, WA. Commissioners Meyer, Ang, Keller, McCarthy and Marzano were present.

**CALL TO ORDER | EXECUTIVE SESSION:**

Commissioner Meyer called the meeting to order at 10:02 a.m. and announced that the Commission would recess into a closed Special Order of Business until 10:30 a.m. to discuss a labor collective bargaining agreement.

At 10:30 a.m. the Commission then recessed into an Executive Session until 11:51 a.m. to discuss:

1. One item of Infrastructure and security of agency computer and telecommunications network RCW 42.30.110(1)(a)(ii)
2. One item of Real Estate Leasing RCW 42.30.110(1)(c)
3. One item of Litigation RCW 42.30.110(1)(i)
4. One item of Litigation and Real Estate Acquisition RCW 42.30.110(1)(i) and RCW 42.30.110(1)(b)

Executive Director, Eric Johnson, then stated that the factors that go 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 recessed into Executive Session until 11:51 a.m.

**RETURN TO ORDER**

Commissioner Meyer returned the meeting to order at 12:03 p.m., followed by 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.

**CONSENT AGENDA:**

- A. Minutes: October 20, 2022 and November 3, 2022
- B. Check Certifications: Checks during the period of 10-07-22 to 11-04-22, totaling \$7,602,646.56

**MOTION: "Approve the above Consent Agenda".**

*Motion was made and seconded.*

**VOTE: MOTION CARRIED 5-0**

**SPECIAL ORDER OF BUSINESS: PORT OF TACOMA 2023 BUDGET ADOPTION**

**2023 Budget Public Hearing:**

**A. Resolution 2022-16-PT: Tax Levy Certification**

**AMENDED MOTION: "Adopt amended Resolution 2022-16-PT, certifying the 2023 tax levy, limiting the tax levy to a 3% net increase over the previous year".**

*Motion was made and seconded.*

**VOTE: AMENDED MOTION CARRIED 5-0**

**AMENDMENT: "Limit the tax levy to a 3% net increase over the previous year".**

*Motion was made and seconded.*

**AMENDMENT VOTE: MOTION CARRIED 5-0**

**B. Resolution 2022-17-PT: Establish Tax Levy Ceiling**

**MOTION: "Adopt Resolution 2022-17-PT, establishing the 2023 tax levy ceiling".**

*Motion was made and seconded.*

**VOTE: MOTION CARRIED 5-0**

**C. Resolution 2022-18-PT: Adopt the 2023 Statutory Budget**

**AMENDED MOTION: "Adopt Resolution 2022-18-PT, adopting the 2023 statutory budget and increasing the Workforce Development Initiative funding by 25% (\$42,500)."**

*Motion was made and seconded.*

**VOTE: AMENDED MOTION CARRIED 5-0**

**AMENDMENT: "Increase the Workforce Development Initiative funding by 25% (\$42,500)."**  
*Motion was made and seconded.*

**AMENDMENT VOTE: MOTION CARRIED 5-0**

**D. Service Level Agreements with the NWSA**

**MOTION: "Authorize the 2023 Service Level Agreements with The Northwest Seaport Alliance."**  
*Motion was made and seconded.*

**VOTE: MOTION CARRIED 5-0**

**DISCUSSION INCLUDED:**

1. Two small changes have been made since the Budget Study Session:
  - A. The World Trade Center 2023 amount is flat (originally it was shown to be increased).
  - B. The WPPA annual membership dues have been received and are now reflected in the budget document.
2. Maintenance Staffing: This has decreased as we elected to not replace the maintenance director position; rather, we have two assistant director positions. There have also been some retirements.
3. The Harbor Maintenance Tax (HMT) income is broken out on our net income. Starting in 2023 this will be a significant net income for the Port. Commission stated that the federal government is finally recognizing the importance of U.S. ports and the need to remain competitive.
4. Capital Investment Plan (CIP): Commission asked if the revenue forecast is off, how close we are to having to issue debt. First, staff would look at the CIP and see if there are projects or expenditures that could wait. We would only issue debt if the Port couldn't do the minimum that is necessary.
5. Commissioner Meyer stated that he doesn't feel the Port needs to increase the tax levy by 4%; he feels our financial position allows us to reduce this to a 3% net increase over last year. Commissioner Marzano stated that the Port has \$61 million in projects that we'd like to do. He doesn't want to reduce the tax levy to a point that would delay important projects. Commissioner Keller added that with tax levy funding we do a lot of environmental work. With more funding we can do these faster. Commission stated that although the Port establishes a ceiling on their tax levy, they have never used it.
6. Because HMT is only for specific uses, the Commission requests a list projects the Port could use the HMT funding for in the next five years.
7. Commissioner McCarthy stated that he wants to ensure that The Northwest Seaport Alliance (NWSA) is held accountable in regard to the Port of Tacoma receiving sufficient return on valuable marine terminal properties, so we can accomplish what we need in Pierce County.
8. Commissioner McCarthy stated that the CIP in the Port of Tacoma budget includes the NWSA CIP, as each homeport funds 50%, and he voted against the NWSA statutory budget, as he opposed the 2023 NWSA capital project program. Staff assured him that approving this budget does not blanket approve the dollars to spend on each project. Funding for specific projects will be brought individually to the Commission for approval. Commissioner McCarthy stated that historically the NWSA has spent about 60% of the CIP funding for projects in King County as opposed to Pierce County. He feels there is a disparity between projects for the two counties and he is not seeing a turnaround any time soon. Staff replied that much of this has to do with the Terminal 5 delay and additional Terminal 18 costs. The identified NWSA CIP projects have needed more work than was anticipated.
9. Commissioner Ang states that she supports increasing the workforce development funding by 25% over what was originally budgeted, as Commissioner Keller proposed. She would like to discuss our investments and make sure there is equity in investments between Pierce County and King County. This will require some strategic thinking.
10. Commissioner Marzano stated that the NWSA's objectives are to grow our gateway throughput as a whole (both north and south harbors) and increase jobs; it is not Tacoma versus Seattle. Commissioner McCarthy replied that with the formation of the NWSA our goal was to improve market share and we've lost market share. Commissioner Marzano replied that all of the West Coast ports have recently lost market share due to labor negotiations.

*Moton was made and seconded.*  
**VOTE: MOTION CARRIED 5-0**

**PUBLIC TESTIMONY:**

**Adam Kulaas, Tacoma Public Schools:** He thanked the Commission for their partnership with the maritime skills center project. Leadership can sometimes seem like a thankless endeavor. Tacoma Public Schools is exploring opportunities to increase their curriculum with intentionality around youth development. He appreciates the Port's efforts in the workforce development space.

#### EXECUTIVE DIRECTOR'S REPORT

- **Environmental Award:** Executive Director Eric Johnson stated that AAPA awarded the Port of Tacoma with an environmental award for our stormwater educational tool that was created by Deanna Seaman, Heather Curbow, Brian Archer, Anita Fichthorn, and Ben Nield.
- **Grant Steering Committee:** Executive Director Johnson stated that the Port's Grant Steering Committee is busy identifying federal grants the Port can apply for. He stated that there are big pots of money out there and now that we have a grant coordinator on staff we are poised to go after them.
- **Commission Clerk:** The Port has hired a Commission Clerk, Helen Hickman. Helen starts on December 5<sup>th</sup> and we are very excited for her to join the team.
- **October Financials:** The October financials have been issued and show the Port's revenue higher than budgeted and spending lower than budgeted. Overall, our financials look very solid.
- **Real Estate Work Session:** We have added a Real Estate line of business study session on 12-12-22. Alisa Praskovich and her team will provide the Commission with a thorough briefing on the Port's real estate portfolio. Staff is looking for clear direction on land management issues. It has been about five years since the last time we did a deep dive into this and the market has changed since that time.
- **New Puget Sound International Airport:** The Washington State legislature feels the Puget Sound needs another international airport to keep up with demand. They set up the Commercial Aviation Coordinating Commission (CACC) and this body started meeting in 2019. They need to give the legislature the findings of their study into possible new airport locations in June of 2023. The CACC has reached two conclusions:

- (1) The state must complete the SeaTac Master Plan, as well as maximum the use of Paine Field in Everett.
- (2) They are looking at three rural locations for a new airport, two in Pierce County and one in Thurston County.

The Vice Chair of CACC will address us on this topic at our December Commission Meeting. Unfortunately, we are outgrowing our capacity, but there are many concerns and questions with siting an international airport in a rural area that lacks the necessary infrastructure. The public has expressed concerns that the Port would use eminent domain to take their homes for the airport. The Port has never talked about this and it is not our plan. Up to this point, the Port of Tacoma has not been involved in these discussions.

- **Coffee with Commissioners:** Our Communications Department recently held another virtual fireside chat-type of event called "Coffee with Commissioners". Commissioners Meyer and Keller participated and had about 30 citizens tune in to ask questions.
- **Birthday:** Executive Director Johnson also announced that today is Commissioner Ang's birthday. We have a cake for her following the meeting.

#### COMMISSION ACTIONS

##### A. Transportation Priorities

**MOTION: "Adopt the Port of Tacoma Bridge and Road Priorities presented on November 17, 2022."**

*Motion was made and seconded.*

##### DISCUSSION INCLUDED:

1. Staff took another look at the 11<sup>th</sup> Street corridor, but this did not change any of their recommendations.
2. The scope of this presentation is based on feedback from the Commission at the September meeting.
3. Staff looked at four buckets:
  - A. **Finish what we started:** This would include SR-167 and the I-5/Port of Tacoma Road Interchange.

- B. **River Crossings:** Staff looked at the impacts of improvements to the 11<sup>th</sup> Street Bridge, Lincoln Avenue Bridge and the Fishing Wars Memorial Bridge. However, we have to focus on just one bridge and the most important for freight is the Fishing Wars Memorial Bridge.
  - C. **Small Scale Path Improvements:** This bucket includes projects in the \$500,000 to \$2 million range. Staff looked at Portland Ave improvements, signalization at the SR-509 off-ramp onto Portland Avenue, and intersection improvements at Lincoln and Portland Avenues.
  - D. **Secondary Regional Priorities:** Three projects have been identified:
    - 1. Canyon Road Regional Connection
    - 2. 1-5 Nisqually River Bridge replacement
    - 3. 1-5/SR-18 interchange in Federal Way
4. **Next Steps:**
- A. Staff have been working on a Street Vacation Comprehensive Roadmap, which should be ready in a month or so. Commission stated that we need to be extremely careful and make sure our emergency response needs are built into our roadmap.
  - B. Staff will continue advocating for state funding for the completion of SR-167 in the 2023 legislative session.
  - C. They will also advocate with the City of Tacoma to get funding for improvements to the Fishing Wars Memorial Bridge.
  - D. Staff will support the cities of Tacoma and Fife to obtain funding for Portland Avenue and the 54<sup>th</sup> Street/SR-509 project and also scoping and design work for the Milwaukee/Pacific Avenue and Portland/Lincoln Avenue intersections. The cities are generally supportive of our plan, but it is still early in the process.
5. Staff recommended deleting the 11<sup>th</sup> Street Bridge replacement from their recommendations. They felt the report was conclusionary and did not show enough of a freight corridor improvement when compared to the other projects. Commissioner McCarthy stated he questions the assumptions and costs associated with replacing the 11<sup>th</sup> Street Bridge.
6. Commission stated that our planned projects are other entities' projects. Commissioner McCarthy is concerned that we don't have our own project that just benefits the Port. The 11<sup>th</sup> Street Bridge would qualify for this. Staff stated that the study showed a significant future increase in personal vehicles over the 11<sup>th</sup> Street Bridge, but not trucks. Commissioner McCarthy suggested using the 11<sup>th</sup> Street Bridge just for trucks and the Lincoln Avenue Bridge for bicycles and personal cars. This could provide a direct route to Husky and this option was excluded from the study. Staff replied that Husky is looking at expansion and possibly utilizing Thome Road. Right now, staff does not recommend improvements to the 11<sup>th</sup> Street corridor with limited funds. The study showed we would get more bang for the buck with the other projects. Dustin Stoker from Husky spoke at the Propeller Club meeting recently. They don't oppose the vacation of 11<sup>th</sup> Street. Commissioner Meyer stated that the 11<sup>th</sup> Street corridor is not a priority for him.
7. Staff showed a rendition of a Lincoln Avenue roundabout that trucks could handle. Commissioner Marzano would really like to explore this. Improvements at Milwaukee Way/Pacific Avenue could also help us a lot.
8. The Commission wants to see how we are implementing intelligent transportation systems (ITS). ITS can help emergency responses by not sending first responders down a corridor with a train blocking, etc. Staff will have those conversations with the City of Tacoma whenever there is an opportunity.

**VOTE: MOTION CARRIED 4-1**

Commissioner Ang	Aye
Commissioner Keller	Aye
Commissioner McCarthy	Nay
Commissioner Meyer	Aye
Commissioner Marzano	Aye

**AMENDMENT: "Add the East 11<sup>th</sup> Street Bridge replacement to the list of projects."**  
Motion was made, but not seconded.

- B. Letter of Support: Tacoma Public Schools – Maritime and Logistics Skills Center Partnership

**MOTION: "Authorize the Executive Director to sign the letter of support to Tacoma Public Schools dated November 18, 2022 regarding the Maritime and Logistics Skills Center."**

*Motion was made and seconded.*

**DISCUSSION INCLUDED:**

1. Commissioner Keller read the letter into the record.
2. Commissioner Ang supports this partnership and working with students.
3. The Commission likes the model of a skills center and it being close to employers.
4. The Commission is looking forward to accomplishing something big with the Maritime and Logistics Skills Center.
5. The Commission also stated that they want to increase our outreach to the BiPOC community and make sure they are aware of the family wage opportunities that exist in the maritime sector.

**VOTE: MOTION CARRIED 5-0**

**NONACTION NEW BUSINESS:** Commissioner Keller: She stated that she is looking forward to hearing from the CACC. After this briefing it might be important for the Commission to make a statement to oppose a rural Pierce County site, as well as to oppose moving JBLM to Eastern Washington to make room for the airport.

**COMMITTEE REPORTS:**

**Audit Committee:** They met with Moss Adams, the Port's new external auditor, for the upcoming financial audit. The State Auditor's Office put the Port on an every-other-year audit schedule because of staffing shortfalls and the fact that we are considered compliant and low-risk. In 2023 they will audit both 2021 and 2022 and then in 2025 they will audit both 2023 and 2024 and so forth.

**ISSUE BRIEFINGS:**

**A. 2023 Boards and Work Groups:**

1. The Commission feels that if we allocate funds to an organization, then the organization should be on the list.
2. Bylaws state that commissioners should not expect to stay on the same board for more than four years. However, this is a suggestion and not a mandate. This does not pertain to Work Groups. Sometimes it is important to keep the expertise on certain boards.
3. Commissioner Keller stated that she would like to offer her seat on the Pierce County Flood Control Zone and JMAC to other commissioners in 2023. Her tenure on both of these boards has been a good learning experience. These are great groups, but she would like to try something else. The Commission will send Judi their preferences for boards to add or drop. They should include how long they've been on the boards they'd like to continue on.

**B. Environmental Action Plan Briefing**

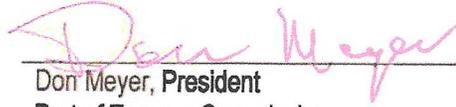
1. Jason Jordan recognized Heather Curbow, the Port's Environmental Planner. She and Leah Ammon worked hard on this Environmental Action Plan.
2. Last year when staff presented the five-year implementation of the air quality program, Commissioner Meyer asked for this Environmental Action Plan that the Commission could share with the community that shows our priorities and steps to achieve them.
3. This plan is directly tied to the CIP. This includes our environmental action plan for both the homeport and the NWSA, as the community doesn't care if it is Port of Tacoma or the NWSA.
4. A preliminary draft will be available to the NWSA Environmental Work Group in 2023 Q1 and then staff will share it with all Managing Members.
5. Regional Community Outreach Groups: Commissioner Keller would like to go out and present to some of these groups. She has participated in two podcasts on this. Leslie Barstow and Katie Skelton of Community Relations do give regular updates to the neighborhood councils set up by the City of Tacoma.
6. Commissioner Meyer asked about our strategy on HMT and what are we trying to do. He would like us to put together a list of the environmental work we are doing toward achieving carbon neutral operations by 2040.

**ANNOUNCEMENTS / COMMISSIONER COMMENTS**

**Commissioner Marzano:** Suggested perhaps going out in the community for in-person "Coffee with Commissioners". He also wished Commissioner Ang a happy birthday and everyone a happy Thanksgiving.

**ADJOURNMENT**

With no further business, Commissioner Meyer adjourned the meeting at 1:59 p.m.



---

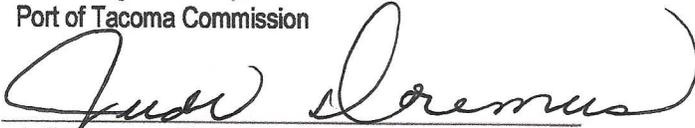
Don Meyer, President  
Port of Tacoma Commission

Attest:



---

Kristin Ang, Secretary  
Port of Tacoma Commission



---

Judi Doremus, Clerk of the Port  
Port of Tacoma