

ACTION ITEM MEMO

Port of Tacoma Commission



Item No: 5D
Meeting Date: 6/16/26

DATE: May 28, 2026
TO: Port of Tacoma Commission
FROM: Eric Johnson, Executive Director
Sponsor: Sean Eagan
Project Manager: Leslie Barstow
SUBJECT: ILA Amendment with City of Tacoma – McKinley Overlook Project

A. ACTION REQUESTED

Request authorization for the Executive Director, or his designee, to amend an Interlocal Agreement (ILA) with the City of Tacoma to allow the Port of Tacoma to reimburse the City for funds awarded in the amount of \$17, 412.24 in June of 2026 for the McKinley Overlook Redevelopment project.

Strategic Plan Initiative: CC-2

B. BACKGROUND

The Port's Local Economic Development Policy authorized the Port of Tacoma to make investments with local governments that sought to promote Washington state-based international trade, tourism, or infrastructure efforts in Pierce County. These investments included requirements regarding how the contracted organization is performing and when they would be reimbursed for expenses incurred.

The Port of Tacoma entered an ILA with the City of Tacoma in 2024 to invest \$30,000 into the McKinley Overlook Project, *"reimbursable up to 24 months from the Port signing for expenses incurred by the City for the Project"*.

The ILA also requested that invoice receipts be turned in by the City of Tacoma every 30 days throughout the project. Due to confusion over these conflicting directions, the City of Tacoma is turning in their receipts for reimbursement now, two years from the ILA signing as the initial direction stated.

C. SCOPE OF WORK

The project was completed \$12,588.24 under the \$30,000 budget the Port agreed to in the ILA, and the City of Tacoma is requesting reimbursement in June 2026 for expenses related to the Port of Tacoma's ILA agreement of the McKinley Overlook Project.

D. TIMEFRAME/PROJECT SCHEDULE

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

E. FINANCIAL SUMMARY

Cost: \$17,412.24 to current year operations

Fiscal Impact: Increase in net non-operating expense for fiscal year 2026. This expense was anticipated and budgeted in a prior year, but was delayed, therefore will impact current year results.

F. 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.

G. NEXT STEPS

Signature of the amended interlocal agreement by the Executive Director.