

MINUTES  
COMMISSION REGULAR MEETING  
DECEMBER 19, 2019

The Port of Tacoma Commission met in a regular meeting Thursday, December 19, 2019, in the Fabulich Center, 3600 Port of Tacoma Road, Tacoma, Washington. Commissioners Johnson, McCarthy, Marzano, Meyer and Petrich were all present.

CALL TO ORDER AND EXECUTIVE SESSION

Commissioner Petrich called the meeting to order at 11:00 a.m. and recessed into executive session for 55 minutes to review the performance of a public employee RCW 42.30.110(1)(g) and discuss one litigation/potential litigation item RCW 42.30.110(1)(i). No votes or actions were taken.

PUBLIC SESSION

1. RETURN TO ORDER:

Commissioner Petrich reconvened the meeting at 12:08 p.m. and lead the Pledge of Allegiance.

2. CONSENT AGENDA:

- A. Approval of the minutes of the minutes of the November 7, 2019 and November 25, 2019 special meetings.
- B. Approval of the check/wire certification: Approving the payment of checks 225153 through 225304 and 225306 through 225446, and wire transfers in the total amount of \$34,533,130.01 during the period of November 9, 2019 through December 6, 2019, certified by the Port of Tacoma auditor.
- C. Approval of the check certification: Approving the payment of check 225305 in the total amount of \$10,810.80 during the period of November 9, 2019 through December 6, 2019 certified by the Port of Tacoma Auditor.

**It was moved and seconded to approve consent agenda items 2A and 2B.**

David Morrison explained check no. 0225355 in the amount of \$133,427.69 to the Internal Revenue Service (IRS). The IRS limits the interest that can be earned from bond proceeds. If more is earned than allowed for each Senior bond, the extra is paid back to the IRS.

**The motion carried unanimously.**

**It was moved and seconded to approve consent agenda item 2C.**

**The motion carried 4-0. Commissioner McCarthy abstained.**

3. PUBLIC COMMENT:

Public comment was received from the following individual:

Ralph Ibarra, Diverse America Network. Thanked Commissioners Johnson and Petrich for their public services. Supports Resolution 2019-15-PT Gateway project. Supports the Port funding the World Trade Center Tacoma

Kristin Ang, Commissioner-elect seat #5 Thanked commissioners and provided brief comments.

Deanna Keller, Commissioner-elect seat #3. Thanked commissioners and provided brief comments.

4. ACTIONS:

- A. Second Reading: Three-Year Lease with KAG West, LLC  
Presented by Scott Francis, Director Real Estate

**It was moved and seconded** to authorize the executive director or his designee to enter into a three-year lease with KAG West, LLC for the premises located at 401 Alexander Avenue, Tacoma, Washington.

**The motion carried unanimously.**

Discussion:

Since first reading, the lease term changed from five years to three years with two one-year options. Commissioner Meyer commented that that he does not want to commit to five years on property near the water without first settling on a strategic plan for the Port.

- B. Second Reading: Five-Year Lease with Thermo Fluids, Inc.  
Presented by Scott Francis, Director Real Estate

**It was moved and seconded** to authorize the executive director or his designee to enter into a five-year lease with Thermo Fluids, Inc. for warehouse, office, and yard space located at 1851 Alexander Avenue, Tacoma Washington.

**The motion carried unanimously.**

Discussion:

Since the first reading, staff confirmed with the City of Tacoma that the intended use of the property will not implicate Interim Regulations.

Prior to moving forward with the lease, staff researched public information available for any environmental issues or violations reported on the tenant and found they had a good record.

- C. Resolution 2019-15-PT State Route 167 Local Match  
Presented by Sean Eagan, Dir. Government Affairs

**It was moved and seconded** to adopt Resolution 2019-15-PT committing the Port of Tacoma to providing a contribution to the State Route 167 project of up to \$27 million in the form of cash and/or other in-kind contribution.

**The motion carried unanimously.**

Discussion:

Commissioner Meyer asked about the in-kind \$5 million contribution. Before any Interlocal Agreement (ILA) is presented there will be an appraisal. The number is based on comps in general area. In-kind also include fence and fill material.

By adopting the resolution now, the port would recognize the entire expense in 2019. The Commission would still vote on any ILA on the specific details.

The effect of initiative I-976 was discussed. It creates a question mark over the transportation budget. The sense of staff is that the project will not be targeted due to a preference to preserve projects and programs already under contract or that are leveraging outside dollars. The supplemental budget came out and had no changes to the recommendations regarding this project.

Ralph Ibarra: Spoke about Sound Transit's contribution to the 1A portion of the gateway project. He mentioned public works projects and federal funding requirements and the economic opportunity they provide for disadvantaged business enterprises those businesses with a federal small business enterprise designation.

D. World Trade Center Tacoma 2020 Personal Services Agreement  
Presented by Evette Mason, Mgr. Government Affairs

**It was moved and seconded to approve to delegate signing authority to the Port's executive director or his designee to enter into a Personal Services Agreement with the World Trade Center (WTCT) for 2020 trade services.**

**The motion carried unanimously.**

Discussion:

The scope of the agreement and reciprocity program process were discussed.

Ralph Ibarra, Volunteer Washington District Export Council. Thanked the Port for supporting the WTCT.

E. Strategic Planning Consulting Services Contract.  
Introduced by Eric Johnson, Executive Director  
Presented by: Mark Little Dir. Contracts and Purchasing

**It was moved and seconded to authorize the Port's executive director or his designee to enter into Personal Services Contract Agreement 071173 with Maul Foster & Alongi, Inc. for strategic plan consultant services in the amount of \$291,900.**

**The motion carried 4-1 by the following vote:**

**In favor: McCarthy, Marzano, Meyer and Petrich**

**Opposed: Johnson**

Discussion:

Commissioner Johnson supports the idea but not the process, specifically the timeline.

The biggest issue is from his perspective is the Capital Improvement Program (CIP). He suggested it would be better for the Commission to meet and gain understanding of the total financial situation for the Port and establish ground rules for how to make decisions on projects before deciding which projects to include in a CIP. He also emphasized full Commission participation in the process instead of a committee format.

The Port's Executive Director highlighted the expertise of the consultant team emphasizing the strong financial planning dimension.

*[Commissioner Meyer left at 1:41 p.m.]*

F. Port Administration Work Space Plan Authorization  
Presented by Erin Galeno, Chief Financial and Administration Officer

Staff presented to the Commission three alternatives for future administration office work space and asked for further guidance. Currently the Port and the NWSA executive, commercial/real estate, operations and administrative departments are co-located in the Port Administration Building at One Sitcum Way in Tacoma. The 2017 Management Support Agreement created a long-term need to co-locate both staff in a primary location in the South Harbor. Major maintenance and repairs are necessary to prolong the useful life of this building. The initial rough cost estimates of the three alternatives were presented. Other options were discussed and the Commission will continue the conversation when the new commissioners begin next month.

G. Port Administration Building Carpet Replacement:  
Introduced by Erin Galeno, Chief Financial and Administrative Officer  
Presented by Christine Disnute, Facility Management Specialist

**It was moved and seconded** to authorize project authorization in the amount of \$435, 458.78 for work and materials associated with replacement of the flooring in all quadrants, offices, common areas and kitchens at the Administration Building located at One Sitcum Way, Tacoma Washington [MID:101478.01]

**The motion carried 3-1 by the following vote:**

**In favor: Johnson, Marzano, Petrich**

**Opposed: McCarthy**

Discussion:

This current flooring is 16 years old. Lifting of carpet tile and broadloom installed in the walkways and subfloor deterioration are causing safety hazards throughout the building. Efforts by Port Maintenance to reduce risk of safety hazards were described.

Mike Pool from Great Floors described the flooring materials proposed as "middle of the road" and the difference between low grade industrial carpet and what has been proposed for this project is approximately 5 – 10 percent at the most. Commissioner Marzano noted that the Port of Tacoma is a world class port and the way the Port presents itself matters. Commissioner McCarthy explained his hesitancy to authorize spending \$400,000 on flooring for the building when the short- and long-term plan for the building is not determined. He is not convinced this is a decision that cannot wait.

5. GENERAL BUSINESS:

A. Executive Director Announcements.

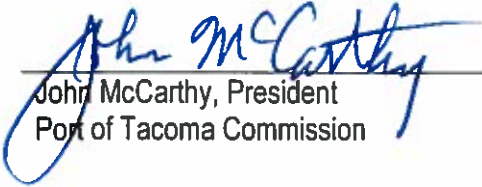
- Last parcels of Frederickson close today.
- The U.S. Army Corp of Engineers draft feasibility report and environmental assessment for the deepening of the Blair waterway.
- Commissioners-elect orientation continues.
- Outgoing commissioners Petrich and Johnson recognized with a token gift.

6. COMMISSIONER COMMENTS:


Commissioners provided brief comments welcoming commissioners-elect and recognizing outgoing commissioners. Outgoing commissioners reflected on their time with the Commission.


7. ADJOURNMENT:

There being no further business before the Commission, Commissioner Petrich adjourned the meeting at 2:27 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

