

**MINUTES
PORT OF TACOMA COMMISSION REGULAR MEETING
MARCH 18, 2021**

The Port of Tacoma Commission met for a regular meeting, March 18, 2021. Commissioners Ang, Keller, McCarthy, Marzano and Myer were all present via telephone/video conference.

1. CALL TO ORDER

The meeting was called to order at 10:00 a.m.

2. RECESS TO EXECUTIVE SESSION

The Commission immediately recessed to an executive session pursuant to RCW 42.30.110(1)(i), to discuss with its legal counsel, three items of litigation or potential litigation.

3. RETURN TO ORDER AND FLAG SALUTE

The Commission reconvened in public session at 12:00 noon. Commissioner Marzano lead the Pledge of Allegiance.

4. APPROVAL OF THE AGENDA

The agenda was approved by unanimous consent.

5. SPECIAL ORDERS OF BUSINESS / PROCLAMATIONS

None.

6. CONSENT AGENDA

It was moved and seconded (Meyer / Keller) to approve the consent agenda consisting of items 6A, 6B1, 6C and 6D, consisting of:

- A. Minutes of the January 12, 2021 and February 18, 2021 Port Commission Meetings
- B1. Approval of the payment of checks 229139 to 229321, checks 229323 to 229332, and wire transfers in the total amount of \$11,670,098.92 during the period, January 30, 2021 through February 26, 2021.
- C. Adoption of Resolution 2021-06-PT (amending and superseding Resolution 2005-09) designating Eugene Britt Doughtie III, Director of Financial Planning and Treasury, the Treasurer of the Port of Tacoma.
- D. Adoption of Resolution 2021-08-PT (amending and superseding Resolution 2020-11-PT), which amends the Master Policy Delegation of Authority.

The motion passed unanimously.

It was moved and seconded (Meyer / Keller) to approve consent agenda item 6B2 consisting of:

Approval of the payment of check 229322 in the amount of \$10,506.99 during the period of January 30, 2021 through February 26, 2021 to the State Auditor's Office.

The motion passed 4-0. (McCarthy abstained)

7. PUBLIC TESTIMONY

None.

8. EXECUTIVE DIRECTORS REPORT

- Britt Doughtie, Director of Finance and Treasury, provided an update regarding the refinancing of an outstanding General Obligation 2016 series bond.
- Eric Johnson, Executive Director, thanked former Port of Tacoma Director of Finance and Treasury, David Morrison, for his work. Mr. Morrison accepted a position as Chief Financial Officer for The Northwest Seaport Alliance.
- Mr. Johnson provided an update on the status of the City of Tacoma's Tideflats Industrial Land Use Regulations. The City Planning Commission did not adopt non-interim regulations. The City Attorney

recommended a closer look at the Port of Tacoma's comments. Commissioner Ang commented that to an outsider, it may look as though the Port was trying to delay the process. Mr. Johnson ensured that that isn't the case. The Port has been providing input for a long time. Mr. Johnson commented that it didn't appear that the Port's comments/concerns were truly understood or digested by the Planning Commission. Comments from the Port were submitted at least two weeks ago and the Port also testified testimony at the public hearing.

- Mr. Johnson condemned hate crimes extended toward Asians, Asian Americans and Pacific Islanders.

9. COMMISSION ACTIONS

A. Draft 2021-2026 Port of Tacoma Strategic Plan

Presenters: Eric Johnson, Executive Director, Deirdre Wilson, Senior Planning Manager and Jim Darling, Maul Foster & Alongi, Inc.

It was moved and seconded (Meyer / Keller) to approve the final draft of the Port's Strategic Plan for public comment.

The motion passed unanimously.

Discussion:

- Staff highlighted the changes made to the draft since the last meeting.
- The next step, after approval of the draft by the Commission, is to publish the draft plan for public comment. Once the public comment period has ended, staff intends to bring the final Strategic Plan for Commission adoption via resolution.
- Commissioner Meyer remains concerned that key performance measures are not identified. Once the framework is approved, staff will pivot to putting details in the implementation plan so the Commission will have full awareness, discussion opportunity, input and direction of the Plan.

B. Interlocal Agreement (ILA) between the Port of Tacoma and Washington State Department of Transportation (WSDOT) related to Phase 1B State Route 167 Completion Project

Presentation by Sean Eagan, Director, Government Affairs

It was moved and seconded (Meyer / Keller) to authorize the Port of Tacoma Executive Director to sign an Interlocal Agreement (ILA) with the Washington State Department of Transportation (WSDOT) regarding an in-kind contribution to Phase 1B of the State Route 167 (SR 167) Completion Project.

The motion passed unanimously.

Discussion:

- Staff provided a background and description of the Puget Sound Gateway Program through the Connecting Washington statewide transportation package and the Port's \$30 million contribution to the financing plan.
- In 2018 the Port Commission authorized entry into an ILA with WSDOT for a \$3 million contribution for Phase 1A of the SR 167 project. The ILA being considered today is a step toward meeting the remaining \$27 million contribution and is targeted at Phase 1B of the SR 167 project. The Port recognized the \$27 million contribution on its 2019 balance sheet as a Special Item Expense and Deferred Liability.
- The location and scope of Phase 1B SR 167 project were described.
- The ILA contemplates a series of in-kind contributions totaling an estimated \$11,263,688.00:
 - Right of way along the north edge of Parcel 14 - approximately 11.1 acres.
 - Roughly 103,000 cubic yards of fill material at \$27 per cubic yard for the first 103,000 cubic yards. Anything above the 103,000 cubic yards would be at \$20 per cubic yard.
 - Silt fence donated at \$4 per linear foot.
 - 278 linear feet of perimeter fencing at \$15 per linear foot.

C. PUBLIC HEARING and ACTION: Surplus of Approximately 11.1 Acres of Parcel 14 (located along and near SR 509) / Amend the Ports Comprehensive Scheme of Harbor Improvements (CSHI)

Presentation by Scott Francis, Director, Real Estate

Following the presentation, the Commission President called for public comment. There was none.

It was moved and seconded (Meyer / Keller) to Declare, via Resolution 2021-01-PT, certain Port owned property (described below) as no longer needed for Port District purposes and surplus to the Port's needs; amend the Port's CSHI to remove the property from the Port's Comprehensive Scheme of Harbor Improvements; and authorize the Port's Executive Director to transfer the property to Washington State Department of Transportation (WSDOT).

Property located in S01 T20N R03E WM and more particularly described: land with irregular dimensions being approximately 11.1 acres total, described as Revised Parcels H and K of City of Tacoma Boundary Line Adjustment No. LU17-0187, recorded under Recording No. 201909055001, records of Pierce County, Washington, Pierce County Tax Parcel Nos. 0320011117 and 0320011120, Pierce County addresses 5101 E 12th St and 5252 Marshall Ave, Tacoma WA 98421, located along and near SR-509.

The motion passed unanimously.

Discussion:

- None.

D. Taylor Way and Alexander Avenue Fill Area (TWAFA) Enforcement Order

Presenter: Scott Hooton, Director, Environmental Project Manager II

It was moved and seconded (Meyer / Keller) to authorize additional project authorization in the amount of \$830,000, for a total authorized amount of \$1,367,000, for the Taylor Way and Alexander Avenue Fill Area remedial actions and Ecology Enforcement Order DE 19410, M.I.D. 101082.01.

The motion passed unanimously.

Discussion:

- The Port purchased three parcels of property adjacent to a former landfill around 2008. The adjacent landfill contained hazardous substances from Occidental Chemical and General Metals. Dangerous waste facilities were developed on the landfill and were responsible for the release of hazardous substances. One of those facilities was Clean Care, which abandoned the property in the early 2000s. The other facility is operated by Clean Earth. The hazardous substances present in soil and groundwater on the Port Parcels of most concern to the Department of Ecology at the TWAFA site originate from the adjacent properties, on which hazardous waste treatment facilities and the illegal landfill operated.
- Neither the Port nor any of its tenants caused or contributed to the TWAFA Site impacts subject of the Department of Ecology (Ecology) Enforcement Order (EO). The Port's liability as a Potentially Liable Party (PLP) status stems solely from its current ownership of the Parcels potentially impacted by the adjacent TWAFA properties.
- The Port agreed to equally share costs to develop a Workplan to investigate the landfill with the other PLPs. The Port would not commit to funding an equal share (25 percent) of costs for the implementation of the Workplan to investigate and remediate the abandoned dangerous waste facility and illegal landfill to which the Port has no connections.
- The purpose of this request is to provide funding for staff and outside counsel to formulate a favorable strategy allowing for good faith compliance with EO 19410, while safeguarding the Port's right to seek cost recovery from other TWAFA parties, including Ecology.
- Staff described the work done to date and the scope of the work going forward from this request.
- The Port's Capital Investment Plan allocates \$76,000 for this project. It will need to be adjusted as part of the 2021 budget process.
- Staff confirmed for Commissioner Ang, that Stericycle (owned by Clean Earth), General Metals (owned by Schnitzer Steel), and Occidental Petroleum / OxyChem are the parties that contributed to the contamination.

- Commissioner Ang then commented that the Port has a leadership role and is trying to clean up sites as ethically and efficiently as possible. She finds it highly upsetting and unjust that the billion-dollar companies that made the messes and created the contamination are delaying and refusing to clean up as fast as possible. She noted the negative impacts to property values around the Tideflats and lost opportunity costs. She emphasized that the companies responsible for the contamination can afford to pay, noting Occidental Petroleum made over \$21 billion in revenue in one year. She also noted that this same company has a cleanup site that is listed as a superfund site and is the largest contaminate site on the Tideflats (the former Hooker Chemical site). Stericycle was fined \$2.2 million in 2018 for a fire, one of the highest fines seen in this state. The concerns with these companies are not solely for past contamination, but for their actions or inactions in the present and future. She commented that it is ironic that Harsco, parent company of Clean Earth, was named as one of Newsweek's 2021 most responsible companies while they pollute in Washington state. She commented that scenarios such as these are likely the reason people have concerns and why the Tideflats Subarea Plan was initiated. She stated these businesses need to clean up whatever messes they made, for this particular clean up and in the future, in an ethical and efficient manner, without cost to the taxpayer through the Port of Tacoma.
- Commissioner Keller agreed and added that the Department of Ecology is also part of this situation. Port staff has provided evidence that Port activity is not part of the contamination, yet they still list the Port as a PLP. She also noted the City of Tacoma is suing the Ecology which she believes shows there is something not right there governmentally.
- Commissioner Meyer stated his frustration that the Port is named as a PLP in the EO simply by title holder of the land. He said instead of being tied up in this EO, the Port's efforts should be on redeveloping the property. He noted the Commission represents the taxpayers and voters who expect the Port to be able to deploy its assets in the most efficient way
- Commissioner Marzano added that he is also frustrated that, through no fault of the Port, Ecology is holding the Port liable rather than the parties that caused the contamination. If Ecology continues to hold the Port responsible for this, somewhere along the line the Port will have trouble doing the things the Port is responsible for.

E. Parcel 40 Building 600 Vapor Intrusion Mitigation

Presenters: Sarah Weeks, Environmental Project Manager I and Elly Bulega, Engineering Project Manager II

It was moved and seconded (Keller / Ang) to grant project authorization in the amount of \$316,000, for a total authorized amount of \$604,000, for work associated with the Parcel 40 Building 600 Vapor Intrusion Mitigation, M.I.D.s 101486.01 and 101486.02.

The motion passed unanimously.

Discussion:

- Parcel 40 is part of West Sitcum Terminal leased to SSA Marine. Building 600 is the maintenance garage used by the tenant to maintain terminal equipment.
- Contaminated soil and groundwater beneath Building 600 is impacting indoor air quality. Contaminant concentrations in the indoor air are below OSHA standards but above acceptable risk levels prescribed by State cleanup law (MTCA). Vapor mitigation is necessary to reduce indoor concentration levels. The contamination is considered legacy contamination, so costs are considered the responsibility of the homeport.
- Staff provided a background and overview of the environmental investigative work done to date and the scope of work associated with this request. The preliminary schedule and source of funds were presented. The CIP allocates \$670,000 for this project.
- Additional investigation and cleanup work are required to address petroleum impacts in soil and groundwater. Port staff will return to the Commission later in the year to request additional investigation authorization.

- The amount the Commission is being asked to approve is expected to deal with all of the vapor issues being experienced now in the building.

10. NON-ACTION – NEW BUSINESS

- Commissioner And requested the Diversity and Inclusion Committee convene and to be presented with the staff's suggestions and recommendations from their work this past year on the Port's Diversity and Inclusion efforts.

11. COMMITTEE REPORTS

A. Workforce Development:

Commissioner Keller reported that the Committee has met. They are in the process of developing an agenda to take a look the Port's role, potential partnerships, what is being done currently and opportunities to amend and expand efforts in workforce development.

Commissioner Meyer added that once an agenda gets squared away, the Committee intends to include outside parties to look at the issues as well. Metro Parks and Pierce County Skills Center representatives were named. Commissioner Ang suggested Sea Scouts. Tacoma Boat Builders, Boys and Girls Clubs and others were also identified.

12. ISSUE BRIEFINGS

A. Port of Tacoma's Northwest Ports Clean Air Strategy (NWPCAS) Implementation Plan.

Presenters: Jason Jordan, Director of Environmental and Planning Programs and Steve Nicholas, Environmental Senior Project Manager.

Staff provided an overview of the emerging draft Port of Tacoma Implementation Plan to advance the NWPCAS. The draft implementation plan focuses primarily on buildings/facilities, vehicles/fleets owned and operated by the Port and its tenants. Draft priorities, actions categories and milestones were presented to the Commissioners seeking feedback. Preliminary cost estimates were presented.

Discussion:

- Staff clarified that 3 percent of DPM is attributed to the Port of Tacoma, the other 97 percent is attributed to The Northwest Seaport Alliance (NWSA). GHG emissions are attributed 7 percent to the Port of Tacoma, 93% to the NWSA. The emissions attributed to the Port of Tacoma are primarily associated with the grain terminal. The portion attributed to the NWSA is associated with cargo ships, cargo handling equipment, drayage and harbor vessels.
- Commissioner McCarthy commented the Port isn't a microcosm and the need to consider how strategies of the Port, Pierce County and the City of Tacoma align. Staff informed that the City of Tacoma is updating its own environmental action plan and the Port and City are engaged in each other's planning.
- Commissioner McCarthy also commented on the draft five-year milestones and the staggering of projects.
- Discussion took place regarding moving from natural gas to electricity and how to determine the timing, what is feasible, which buildings and facilities, etc. Those questions are part of the process work groups will be addressing to find out what makes sense. Commissioner McCarthy asked if any other governments have adopted policies that write-off natural gas as an option. Staff will need to do some research to find that answer. It was mentioned that the City of Seattle is looking to ban natural gas for its commercial buildings. It was also noted a tribal casino and its adjacent building recently completed the buildings and they are using natural gas. Commissioner McCarthy stated to adopt a policy to eliminate it seems like a big leap. He would like more information about the appropriateness and feasibility.
- Commissioner Ang asked whether the Washington State University (WSU) Pollution Exposure Study was incorporated into the development of the strategies and whether Pierce County coordinated with the Port in development of its Pierce County Sustainability 2030 Plan. Staff informed that the WSU study is just shy of completion. Once completed, they will coordinate on how any findings will be worked into the

- Port's Implementation Plan. Staff also confirmed that the Port did coordinate with Pierce County in their 2030 Plan. Funding efforts through grants, legislation and assistance from the federal government are needed. She likes the discussion on priority actions and milestones. Regarding electrification, she was shocked when we approved Husky changing out the light bulbs and felt that this should have already been a priority for energy conservation.
- Commissioner Meyer would like an inventory on energy efficient lighting at the Port's major terminals and likes the idea of moving from natural gas to electricity. He supports collaboration among the Port, City of Tacoma and Pierce County.

13. ANNOUNCEMENTS/COMMISSIONER COMMENTS

Commissioner Ang condemned violence against Asian Americans and noted 1885 "Tacoma Method." She acknowledged the Port's Asian trading partners.

Commissioner McCarthy noted the one-year pandemic anniversary. He asked the public to continue to wear masks, social distance, and, if eligible, get vaccinated. He asked the Executive Director to provide the return to office plan. There is a meeting Monday morning to discuss the plan.

Commissioner Meyer commented on the announcement of Safe Boats coming to our community and he is glad for the diversity and jobs they forecast bringing to this community.

Commissioner Keller is pleased with how the local governments are working together. She is glad that the City of Tacoma is taking a step back with the proposed non-interim regulations. She appreciates the support of the Mayor and City Council.

Commissioner Marzano informed that he is hoping for an in-person meeting in July. He thanked his fellow Commissioners for their committee work. He reminded all that the annual breakfast is being held virtually on March 30, 2021.

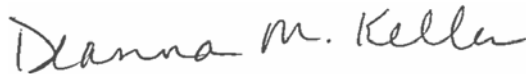
14. ADJOURN

The meeting ended at 2:19 p.m.



Dick Marzano, President
Port of Tacoma Commission

Attest:



Deanna Keller, Secretary
Port of Tacoma Commission



Juliet Campbell, Clerk of the Port
Port of Tacoma