

COMMISSION AGENDA

Item No. 4F

DATE: July 6, 2020

Meeting of 07/16/20

TO: Port Commission

FROM: Eric Johnson, Executive Director

Sponsor: Local Economic Development Committee,
Commissioners John McCarthy, Commissioner Deanna Keller, Don Kelley,
Evette Mason, and Leslie Barstow

Project Manager: Leslie A. Barstow, Manager, Manager, Community Relations

SUBJECT: LOCAL ECONOMIC DEVELOPMENT INVESTMENT FUND PROGRAM

A. ACTION REQUESTED

Request authorization for the Executive Director, or his designee, to execute an Interlocal Agreement with Pierce County and to fund investments to four Pierce County non-profit organizations at the following amounts, from the Local Economic Development Investment Fund, for a total authorized amount of \$74,000:

Asia Pacific Cultural Center	\$25,000
Chambers Creek Foundation	\$ 4,000
Gig Harbor Canoe and Kayak Racing Team	\$10,000
Pierce County Economic Development Department	\$10,000
Points Northeast Historical Society	\$25,000

B. BACKGROUND

State law grants public port districts a variety of powers to bring economic development to their community. At the Port of Tacoma, economic development occurs in both direct ways—such as through the development of publicly-owned marine terminals, railroads and industrial parks (RCW 53.04.010)—as well as indirect ways through economic development investments (RCW 53.08.245).

The port's Local Economic Development Policy authorizes the port to make investments with local governments and federally registered non-profit organizations that seek to promote Washington state based international trade, tourism, or infrastructure efforts in Pierce County. These investments include reporting requirements on how the contracted organization is performing relative to the measurements identified at the time the award is made.

These investments are made through two programs: the Local Economic Development Investment Fund and Local Economic Development Infrastructure Investment Fund. These programs are matching programs designed to assist non-profit organizations and municipal agencies in Pierce County with eligible economic development projects. The investment focus and priorities are:

- a. Road and freight rail infrastructure projects that create long-term jobs;
- b. Marine tourism infrastructure projects intended to attract tourists to Pierce County from outside locations;
- c. Planning activities or events promoting international trade; or
- d. Planning activities or events promoting tourism intended to attract tourists to Pierce County from outside locations.

Activities cannot be political or religious in nature.

Investments shall be limited to county, city, and town government agencies or non-profit organizations in Pierce County and typically will involve the Port as a minority contributor. As a condition of the grant application, municipal entities must agree to enter into the Port of Tacoma's Interlocal Agreement in accordance with § RCW 39.34.

On December 27, 2019 the Port of Tacoma issued a request-for-proposals; 26 projects were received. A review committee composed of Commissioner John McCarthy, Commissioner Deanna Keller, Leslie Barstow, Evette Mason and Don Kelly reviewed the proposals. Committee recommendations to fund four infrastructure projects were approved by the Commission on May 21.

Since the COVID-19 pandemic has altered many business operations in Pierce County, each applicant remaining for consideration was contacted to see if the project they had applied to the Local Economic Development Investment Fund was still viable. On June 24, 2020, the review committee, which includes Commissioners Keller and McCarthy, met to discuss if additional recommendations should be made. After reviewing the status updates of each application, the review committee is recommending funding for the following five projects which meet the Local Economic Development Investment Fund criteria. These recommendations fall \$53,000 below the amount budgeted for these investments in 2020.

C. SCOPE OF WORK

The review committee recommends funding five projects for a total investment of \$74,000 across a wide geographic area of Pierce County.

The committee's recommendation is as follows:

Organization	Project	Requested	Total Project	Award Recommendation
Asia Pacific Cultural Center	Architectural Design of a new APCC building	\$50,000	\$100,000	\$25,000
Chambers Creek Foundation	Enhanced Interpretive Signage Program	\$4,000	\$17,880	\$4,000
Gig Harbor Canoe and Kayak Racing Team	Marine infrastructure for a human-powered craft dock	\$25,000	\$400,000	\$10,000
Pierce County	Global marketing of Pierce County	\$10,000	\$30,882	

	Commercial/Industrial Opportunities web portal			\$10,000
Points Northeast Historical Society	Restoration of the Browns Point Lighthouse	\$30,000	\$100,000	\$25,000

D. TIMEFRAME/PROJECT SCHEDULE

The Port's allocation to a project will be committed for up to two years and payable on a reimbursement basis.

E. FINANCIAL SUMMARY

Funding of \$250,000 for these investments was included in the 2020 non-operating budget.

Item	Budget Estimate	Expenditure to Date	Anticipated Future Expenditures	Total Anticipated Expenditure
Local Economic Development Investment Fund	\$250,000	\$150,000 (committed)	\$74,000	\$197,000
TOTAL	\$250,000	\$150,000	\$74,000	\$197,000

F. ENVIRONMENTAL IMPACTS/REVIEW

N/A

G. ECONOMIC INVESTMENT/JOB CREATION

This program was created to assist local municipalities and non-profits in the creation of economic development within Pierce County. Each of these projects has long-term impacts to the communities of Pierce County.

- The Asia Pacific Cultural Center will continue to provide supportive, educational and culturally important services to the community, and a new building will only expand their outreach.
- The Chambers Creek Foundation will contribute to preserving important marine history in Pierce County.
- A new human-powered dock in Gig harbor not only will serve the local and water tourism communities, but potentially could attract National and International competitive water sports.
- The website Pierce County has developed to promote the economy of Pierce County is already proving effective, notably in the area of real estate inquiries.
- The Points NW Historical Society's restoration of the Browns Point Lighthouse restores the only lighthouse in Pierce County and preserves its historical value.

Financial commitment by the port now assists these organizations and Pierce County in fulfilling the mission of the Local Economic Development Investment Fund by benefitting the entire county.

H. ALTERNATIVES CONSIDERED

1. **Do nothing:** The Port could decline to commit funding to any additional projects this year. The committee felt, however, that some continued investments during this time of economic uncertainty would be helpful for regional economic development.
2. **Use the entire budgeted amount to fund infrastructure and non- infrastructure projects:** The Port could fund the entire budgeted amount of \$250,000. After reviewing the status of projects submitted, however, the committee is recommending a more measured approach and noting where investments can be most effective in the near future.
3. **Recommended alternative:** Fund these five projects at the levels recommended. This would be \$53,000 under the amount budgeted to these two funds for 2020.

I. ATTACHMENTS TO THIS REQUEST

Please refer to the submitted proposals notebook for additional information on the recommended investments.

J. PREVIOUS ACTIONS

May 21, 2020, Commission approval of four infrastructure projects through the Local Economic Development Infrastructure Investment Fund.

K. CONCLUSION

Request authorization for the Executive Director, or his designee, to execute an Interlocal Agreement with Pierce County and to fund investments to four Pierce County non-profit organizations at the following amounts, from the Local Economic Development Investment Fund, for a total authorized amount of \$74,000:

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Date of Meeting: July 16, 2020

Local Economic Development Investment Fund program 2020



Action requested



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Summary of Projects



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Financial summary



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Item	Budget Estimate	Expenditure to Date	Anticipated Future Expenditures	Total Anticipated Expenditure
Local Economic Development Investment Fund	\$250,000	\$150,000 (committed)	\$74,000	\$224,000
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Conclusion/Action requested



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