

**BOARD OF COMMISSIONERS
THE FABULICH CENTER, ROOM 104
3600 PORT OF TACOMA ROAD, TACOMA, WASHINGTON**

COMMISSIONERS PRESENT:

1. Dick Marzano, President
2. Don Meyer, Vice President
3. Don Johnson, 1st Assistant Secretary
4. Connie Bacon, 2nd Assistant Secretary

STAFF PRESENT:

1. John Wolfe, Chief Executive Officer
2. Carolyn Lake, Port Counsel
3. Judi Doremus, Executive Assistant
4. Don Esterbrook, Deputy CEO
5. Mark Little, Director, Contracts & Purchasing
6. Scott Francis, Director Real Estate
7. Evette Mason, Government Relations Manager

COMMISSIONERS EXCUSED:

1. Clare Petrich, Secretary

11:00 am: EXECUTIVE SESSION

Commissioner Marzano called the meeting to order and then recessed into Executive Session:

1. One Real Estate Selling/Leasing Item: RCW 42.30.110 (1)(c)
2. One Litigation Item: RCW 42.30.110 (1)(i)

12:00 noon: SPECIAL COMMISSION MEETING

1. RETURN TO ORDER:

- A. Flag Salute

2. CONSENT AGENDA:

- A. Minutes of December 15, 2016
- B. Voucher Certification: Checks #211049 through #211524 and wire transfers in the total amount of \$37,273,716.03 during the period of November 28, 2016 through January 5, 2017 were certified.

“Approve the above Consent Agenda”.

Motion was made by Commissioner Johnson, seconded by Commissioner Meyer:

VOTE: MOTION CARRIED 4-0

3. AGENDA:

- A. Resolution 2017-01-PT: Master Policy:

Motion was made by Commissioner Meyer, seconded by Commissioner Johnson:

"Adopt Master Policy Resolution 2017-01-PT, which addresses the Commission's delegation of administrative authority to the CEO."

Discussion Included:

1. Changes from the last Master Policy were reviewed. These include changes to closely align the Master Policy of the NWSA (Northwest Seaport Alliance) with the Port of Tacoma Master Policy.
2. For real estate leases greater than one year there will be two readings. At the Commission's discretion a study session can be called between the two readings for significant projects. Twice per year the properties being marketed and their uses will be presented. The second reading can be waived at the Commission's discretion for standard leases that the Commission feels do not warrant two readings.
3. The CEO's approval authority will be capped at \$300,000 cumulatively. If a personal service contract increases by 50% or more it has be filed with the Commission and posted on the website. Language will be added to clarify this.
4. Staff affirmed that the Commission receives a quarterly report of contracts authorized under the CEO's authority.

VOTE: MOTION CARRIED 4-0

- B. *FIRST READING:* Trident Lease:

Discussion Included:

1. Port Maintenance staff were recognized for their efforts and emergency repairs to keep this older building operational.
2. The many direct and indirect jobs generated by Trident Seafoods were reviewed.
3. The long-term lease will include capital improvements to the building and pier by Trident. In the past the Port has been responsible for all repairs of the pier and building. Rent will be waived for 21 months, which will allow Trident to invest major capital improvements to the deck of the pier to ensure its safety. The roof must be replaced within the first two years.
4. What falls into the category of normal maintenance was discussed. The labor for this will be provided by the Port of Tacoma. Historical costs that will fall to the Port with the new lease (labor only) have been approximately \$50,000/year.

5. Ron Hildebrandt, Trident: Stated that the \$300,000 that the Port invested did not cover the necessary repairs. He briefed the Commission on Trident's capital improvement plan. The dock will be repaired in sections to allow the pier to stay functional. This is a family business that plans to be at the Port of Tacoma for many decades to come.
6. Environmental concerns: Anything galvanized is stored indoors. There is a cap that the Port Environmental Department has overseen.
7. Whether to go ahead with the second reading was discussed. Even though there is great support for this lease, as it is a 20-year lease the second reading will not be waived. This lease will be brought for approval in February.

PUBLIC COMMENT:

Deb Blakeslee: She stated that the 30% of the lease going to maintenance seems high. She noted that the new lease will yield about 25% less income than the prior lease. Commission responded that the Port is reducing the rent secondary to the large financial investment (in the millions) that Trident will make to keep the pier usable and safe, as this facility is now beyond its useful life.

Dax Koho, Local ILWU 22 President: Thanked the Port for working with ILWU Local 22 on the reduction of the maintenance on this building. They support this lease.

C. Land Sale/Waive Right of First Refusal at 1501 Port of Tacoma Road to the City of Fife:

Motion was made by Commissioner Meyer, seconded by Commissioner Johnson:

"Authorize the CEO or his designee to sign a Letter of Consent for the sale of a portion of land owned by Loves Travel Stop & Country Stores at 1501 Port of Tacoma Road (Parcels #0320024101 and #0320024102) to the City of Fife and waive the Port of Tacoma's right of first refusal on the sale."

Discussion Included:

1. This is a housekeeping item for the Port of Tacoma Road project. There is no cost to the action for the Port of Tacoma.
2. The timeline of this project was discussed.

VOTE: MOTION CARRIED 4-0

D. World Trade Center Tacoma 2017 Personal Services Agreement No. 070530:

ORIGINAL MOTION was made by Commissioner Johnson, seconded by Commissioner Meyer:

"Authorize the CEO or his designee to enter into Personal Services Agreement No. 070530 with the World Trade Center Tacoma for 2017 trade services for the term of January 18, 2017 through December 31, 2017 in the total amount of \$110,000, which includes \$20,000 for the China Trade and Investment Program."

Discussion Included:

1. The additional financial oversight by the Commission with this new contract was reviewed.
2. The \$10,000 per year license fee is paid by the Port directly to the World Trade Center Association in New York rather than including that in the funding and having the local World Trade Center pay it as a pass through. This was done at Louise Tieman's request (WTCT CEO).
3. Commissioner Bacon has concerns that the general fund support for the WTCT is \$90,000 rather than \$100,000. In 2006 we paid 100,000, but this included the \$10,000 that the WTCT would pay for the license fee. In 2006 and in 2007 the Port also purchased extra services above the contracted amount.
4. Commissioner Johnson stated that a responsible business model is one that the consumers should pay for services, rather than be subsidized by public entities.

AMENDED MOTION: Motion by Commissioner Bacon, no second:

"Authorize the CEO or his designee to enter into a personal services agreement with the World Trade Center Tacoma for 2017 trade services for the term of January 18, 2017 through December 31, 2017 in the total amount of \$120,000, which includes \$20,000 for the China Trade and Investment Program."

VOTE: ORIGINAL MOTION CARRIED 3-1:

Commissioner Bacon	Nay
Commissioner Meyer	Yay
Commissioner Johnson	Yay
Commissioner Marzano	Yay

E. 2017 Commission Board Involvement:

The 2017 Commission Board Assignments as described were affirmed.

Discussion Included:

1. No changes to the list of boards were made.

4. GENERAL BUSINESS: None.

5. PUBLIC AND COMMISSIONER COMMENT:

Public Comment:

Deb Blakeslee: Spoke about public engagement. She conducted a poll and asked 100 people in Tacoma what their concerns were and if their elected officials asked about those concerns. Most felt that politicians didn't care about the public's concerns. She looked through minutes and strategic plans of various public entities. She was very happy with the Port of Tacoma's minutes, as they gave detail and gave a reader a good feel for the meeting. This level of detail was not found with other public entities.

Commissioner Comment:

Commissioner Meyer: Stated that he feels it is important to respond to questions from the public during our public meetings. If we can't answer them during the meeting then list the answer on the website. He wants to make sure that we are responding to the community's questions.

The City of Tacoma is holding a public hearing on the surface mining in NE Tacoma: The City stated that the public needs to respond by Jan. 27th. As the Port owns land adjacent to this land, he feels the Port needs to comment. There is residential zoning in this gravel pit. He feels we need a master plan for this whole bluff. This should be dedicated as a buffer area. He supports an EIS. This is not the Port's property and not the Port's project. Commissioner Meyer would like the CEO to ask for a 30-day extension of the City's public comment period.

Commissioners Johnson and Marzano: Both stated that they feel it would take more discussion and a vote of the full body before a statement could be made, as this is not our project.

Commissioner Marzano: He asked that staff contact the City and find out what it would take for the City to extend their comment period. He also asked staff to provide the Commission more information on this project.

Commissioner Johnson: Stated that an EIS and land planning are two different issues. He is not convinced the Port of Tacoma should get involved with a project that is not ours. The land is owned by a private party and is under the domain of the City of Tacoma.

CEO Wolfe: Stated that staff would provide the Commission a written report on the project and then the Commission could decide next steps.

Commissioner Bacon: Commented that no one has asked the Port of Tacoma for our opinion on this. This is private property. It is not our place to set a precedent to make demands on projects that are not ours.

Regarding her recent Cuba trade mission: She met with other regional leaders whom we partner with and discussed ways to improve relations. Port of Seattle Commissioners met with the Trade Minister of Cuba and discussed agricultural exchange. The delegation was able to establish relationships now so that when the embargo is lifted they are ready to trade. Commissioner Bowman is working on a MOU in regard to trade between Cuba and the NWSA.

Commissioner Marzano: Stated that PCRC has facilitated talking to legislators regarding the MTCA Fund for the benefit of our region. He also reminded listeners of the annual Propeller Club Spaghetti Feed tonight.

6. ADJOURNMENT:

There being no further business, President Marzano adjourned the meeting at 1:48 pm.

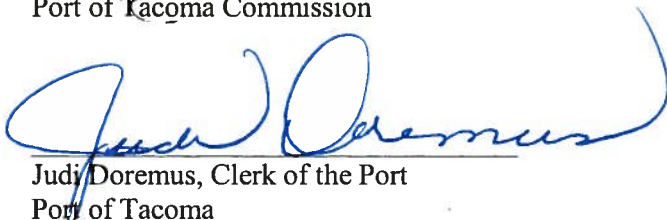


Richard P. Marzano, President
Port of Tacoma Commission

ATTEST



Donald C. Johnson, 1st Assistant Secretary
Port of Tacoma Commission



Judi Doremus, Clerk of the Port
Port of Tacoma

