

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

COMMISSIONERS PRESENT

Don Meyer, President
Clare Petrich, Vice President
Don Johnson, Secretary
John McCarthy, 1st Assistant Secretary
Dick Marzano, 2nd Assistant Secretary

STAFF PRESENT

John Wolfe, Chief Executive Officer
Carolyn Lake, Port Counsel
Scott Francis, Dir, Real Estate
Rob Healy, Sr. Project Manager, Environmental Quality
Juliet Campbell, Clerk of the Port

10:00 STUDY SESSION

1. CALL TO ORDER: Commissioner Meyer called the Special Study Session to order at 10:04 a.m. and lead the Pledge of Allegiance.

2. WHEELER OSGOOD PROPERTY DISCUSSION:

Prior to beginning the discussion, Commissioner Meyer invited public comment.

Public Comment: - Wendell Straud, President of Marine Float Corporation stated his company's interest in the Port's decisions regarding the property at issue. Marine Float has been a tenant for 30 years. The location is vital to how they operate.

A presentation was made by Scott Francis, Director of Real Estate for the Port of Tacoma and Rob Healy, Sr. Project Manager, Environmental Quality.

DISCUSSION INCLUDED:

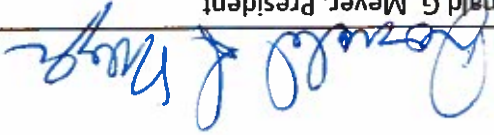
- Two parcels known as Port Parcel 94. There are 15 usable acres split into two 7-8-acre parcels split by an active rail spur. Currently vacant except for one month-to-month lease (Marine Floats Corporation).
- Two parcels known as Port Parcel 92. The property is approximately 4.42 acres with Four building. Urban Accessories leases one, Sound Lumber leases another and the two remaining buildings are boarded for demolition.
- Development opportunities for both parcels were discussed. Three likely development scenarios were described along with a financial comparison. Existing tenants must be considered.
- Whether and how Shoreline Master Program restrictions would impact the proposed development in the S8 areas was discussed.
- BNSF Railway owns the property surrounding the Port's property on the south side of the Wheeler Osgood waterway. The Port does not have water access on the south side of the Wheeler Osgood. The BNSF has indicated it is willing to sell the property. The property is involved in the Foss Waterway environmental clean-up area and its acquisition will require considerable environmental review.
- BNSF is a party to the Consent Decree for the Thea Foss cleanup. The construction remedial action work was done, but it is something that needs to be understood before potentially purchasing the property. Potential Due Diligence actions were discussed. It is a typical Phase 1 assessment, but more expensive due to the environmental history of the property. Phase 1 estimated cost is \$22k. Total Due Diligence cost is expected to be between \$50-\$100k. There is an environmental cap on the Wheeler Osgood property and slope rehabilitation has been done.

Public Comment: - Karen White, Urban Accessories, Inc. – Shared Urban Accessories' interest in purchasing the property. The company supports 50 jobs in the community. She expressed concern with the cost of rent if sold/leased to developers.

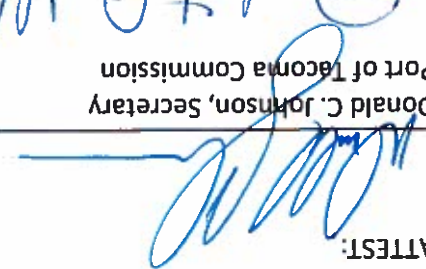
- Commissioners discussed not limiting its vision for the properties while remaining fiscally responsible. Alternative approaches to finding its use were discussed.
- The Commission directed staff to develop one RFP for both properties, and bring to the Commission for review.
- Next steps: Express interest in the BNSF property and begin Phase 1 Due Diligence. Prepare the draft RFP for Commission review. Reach out to the City and Foss Waterway Development Authority to see what ideas/visions they may have put together for the property.

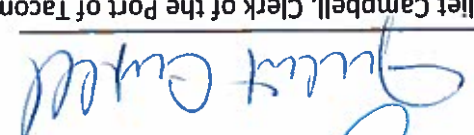
3. PUBLIC AND COMMISSIN COMMENT: Public comment was taken throughout discussion and incorporated above.

4. ADJOURNMENT: Commissioner Meyer adjourned the meeting at 11:18 a.m.



Donald G. Meyer, President
Port of Tacoma Commission

ATTEST:


Donald C. Johnson, Secretary
Port of Tacoma Commission


Juliet Campbell, Clerk of the Port of Tacoma
Port of Tacoma