

# COMMISSION AGENDA

Item No. 4A

Meeting: 03/16/17

**DATE:** March 3, 2017  
**TO:** Port Commission  
**FROM:** John Wolfe, Chief Executive Officer  
Sponsor: Evette Mason, Government Affairs Manager  
**SUBJECT:** World Trade Center Tacoma Proposed Management Change

## A. BRIEFING DESCRIPTION

The purpose of this briefing is to share visibility of possible management structure and personnel changes for the World Trade Center Tacoma.

## B. BACKGROUND

The Port of Tacoma purchased the franchise license for the World Trade Center Tacoma (WTCT) in 1979, and continues to work closely with the WTCT on the shared goal of promoting international trade in the south Puget Sound area. The World Trade Center Tacoma's mission is to help grow trade by providing assistance in trade research, providing targeted trade counseling and by connecting its members with local and global partners.

The Port Commission received two briefings by the World Trade Center Tacoma's CEO, Louise Tieman, in October and December of 2016. Based on Commission feedback, Port staff implemented greater financial oversight of the Port's 2017 contract with the WTCT.

The Tacoma-Pierce County Chamber formally expressed interest in contracting for the management of the WTCT in February 2017 and CEO, Tom Pierson, presented a proposal to the WTCT Board on February 24 to improve financials, manage the debt and continue with key WTCT services. Highlights of the proposal include:

- 1) Hire a new executive director;
- 2) Back-office support by Chamber staff for IT, accounting and communications;
- 3) Maintain the China Trade and Investment Program and Globe Awards Dinner;
- 4) Support the WTCT Board; and
- 5) Term: One-year agreement with review of success matrix for renewal consideration

Current WTCT CEO, Louise Tieman, also presented a significantly reduced budget through salary and staff reductions with savings earmarked for debt service.

The WTCT Board authorized the Executive Committee to negotiate and execute a management agreement with the Tacoma-Pierce County Chamber for a 12-month period.

The continuity of service and member benefits was recognized as critical to the WTCT's day-to-day operations, and WTCT Board Chair, Dale King, agreed to implement a short-term interim agreement with the Chamber during contract negotiations.

It was also agreed that the Port of Tacoma Commission would receive a briefing on the one-year agreement at the March 16th Commission Meeting.

**C. TIMEFRAME**

A short-term (60 days or less) interim agreement would begin on or around March 7<sup>th</sup>. A one-year agreement would begin with WTCT Executive Board approval.

**D. FINANCIAL SUMMARY**

The 2017 WTCT contract includes \$10,000 for the annual license renewal, \$20,000 for the China Trade and Investment Program and \$90,000 for services and deliverables of the WTCT. Staff does not believe any changes would occur to the financial impact should the Chamber assume the WTCT contract.

**E. ECONOMIC INVESTMENT**

WTCT has a beneficial impact on the local and regional business community. In recent years, the WTCT expanded its trade services to assist members with reducing supply chain costs, finding new channels of export distribution and serving as an outsourced export desk for small-to-medium enterprises. They anticipate increasing trade services to minority-owned businesses through a Minority Business Development Center grant awarded to the City of Tacoma.

In addition, the WTCT also contributes to the business community by referrals to local service providers in the industries of commercial and residential real estate, logistical services, travel and accounting and legal services. WTCT's role with local EB-5 projects contributes significantly to both the success of the project and to regional job creation and tax revenue.

**F. NEXT STEPS**

Develop and finalize the one-year management contract between the WTCT and the Tacoma-Pierce County Chamber of Commerce.