

MINUTES
COMMISSION MEETING
SEPTEMBER 17, 2020

The Port of Tacoma Commission met for its regular meeting, September 17, 2020. Commissioners Ang, Keller, McCarthy, Marzano and Meyer were all present via telephone/video conference.

10:30 AM EXECUTIVE SESSION

1. CALL TO ORDER:
Commissioner McCarthy called the meeting to order at 10:30 a.m.
2. RECESS TO EXECUTIVE SESSION:
After calling the meeting to order, the Commission immediately recessed into executive session to discuss three matters of litigation or potential litigation (RCW 42.30.110(1)(i)). The executive session lasted one hour and two minutes, ending at 11:32 a.m. No votes or actions were taken.

12:00 NOON PUBLIC SESSION

1. RETURN TO ORDER AND FLAG SALUTE:
Commissioner McCarthy reconvened the public meeting at 12:00 Noon and lead the Pledge of Allegiance.
2. APPROVAL OF THE AGENDA:
It was moved and seconded to approve the agenda as modified with two amendments to the order of business. (1) move the World Trade Center Tacoma's annual briefing from item 3A to 10C and (2). place item 7A on the consent agenda as item 4D.
The motion carried unanimously.
3. SPECIAL ORDERS OF BUSINESS:
 - A. Resolution 2020-06-PT – Diversity Equity and Inclusion.
Presented by Eric Johnson, Executive Director
It was moved and seconded to adopt Resolution 2020-06-PT adopting diversity, equity and inclusion as core values that the Port of Tacoma shall incorporate into its Strategic Plan and into Diversity, Equity and Inclusion initiatives; and adopting the following guiding principles as the basis for the Port of Tacoma's Diversity, Equity, and Inclusion initiatives: Undoing and understanding the history of racism, embracing differences, and developing leadership; and directing and empowering its leaders and employees to implement Diversity, Equity and Inclusion initiatives.
The motion carried unanimously.
Discussion:
 - Commissioner Meyer supports the Resolution. He noted the lack of implementation measures in the document. Executive Director Johnson explained that the Resolution sets out the foundational policy of the Commission. Once in place, he can move on the actions.
 - Commissioner Ang thanked staff for bringing the Resolution forward. The Commission is empowering its Executive Director to pursue initiatives and make a commitment to diversity, equity and inclusion. She wants to see an evaluation of the Port in this area included as a performance indicator, not just a one-time statement. Commissioners Keller and McCarthy agreed with the need to revisit and reaffirm this commitment.

- Executive Director Johnson made the comment that the Resolution is not limited to within the Port of Tacoma. He views the Resolution as a foundational tool to connect with the Pierce County community at large.

4. CONSENT AGENDA:

It was moved and seconded to approve consent agenda

- A. Approval of the Minutes of July 23, 2020 and August 20, 2020 regular commission meetings and the August 20, 2020 TEFRA hearing.
- B. Approval of the payment of checks 227785 through 228040 and wire transfers in the total amount of \$7,863,366.99 during the period of August 8, 2020 through September 4, 2020, certified by the Port of Tacoma auditor.
- C. Approval of Resolution 2020-11-PT amending Resolution 2020-04-PT Master Policy Delegation of Authority *(to correct scrivener's error)*.
- D. *(formerly item 7A)* Authorize the Executive Director or his designee to approve and execute the Fourth Amendment to Lease and First Amendment to Memorandum of Lease to revise the legal description attached to the Lease dated November 20, 2015 with Prologis, L.P. for property located at 5200 12th Street East, Tacoma, Washington, based on a new Boundary Line Adjustment for the property, and make other minor changes.

The motion carried unanimously.

5. PUBLIC TESTIMONY: None.

6. EXECUTIVE DIRECTOR'S REPORT:

- It is approaching the time to consider tax levy options for 2021. Pierce County has not yet reported its assessed values. They should be available soon.
- A Strategic Plan study session is scheduled for next week. Outreach continues.
- The Port has hired Carol Bua as its communications director.
- He recently made a presentation at the Transportation Club.
- Public comment procedures have been updated.
- Pandemic procedures and protocols are still going well at the Port.

7. ACTIONS:

A. Prologis, L.P. Lease Amendment: This action was added to consent agenda as item 4D.

B. Parcel 1B Earley Business Center Cleanup Action, Grant Agreement Agreed Order.

Presented by Sarah Weeks, Environmental Project Manager I

It was moved and seconded to: authorize (1) project authorization in the amount of \$100,000 for a total authorized amount of \$2,363,000 for work associated with Parcel 1B Earley Business Center, Master Identification No. 095208 and (2) authorization to enter into a grant agreement with the Washington State Department of Ecology for \$1,548,000 for Parcel 1B Earley Business Center, Master Identification No. 095208.

The motion carried unanimously.

Discussion:

- The Washington State Department of Ecology (Ecology) has changed its expectation for the investigation and environmental cleanup of the Earley Business Center. In 2017 Ecology provided written notice that the provisions of the 2013 Agreed Order for completion of a Remedial Investigation, Feasibility Study (RIFS) and draft Cleanup Action Plan (dCAP) had

been fully satisfied. Ecology has now rescinded their prior approval and notified the Port additional work is required.

- Staff presented the points of disagreement between the Port and Ecology. Additional funds are needed to engage the Port project team to negotiate a path forward with Ecology.
- The project was awarded a Remedial Action Grant by Ecology in the amount of \$1,548,000. There is a 100% match requirement.
- Cost recovery claims will be made against potential liability parties Todd Shipyard (i.e. Vigor Marine as current successor to Todd), US Navy and Zidell Dismantling.
- Commissioner Keller expressed her disappointment with Ecology for changing the scope of the work, at an additional cost, after having previously provided written notice that the AO had been fully satisfied.
- Commissioner Ang thanked the Port's state partners in legislature and Ecology for Remedial Action Grants. She noted that the Port and Ecology have been effective partners in environmental cleanup. Good partnerships include certainty and better collaboration is needed.
- Commissioner Meyer expressed frustration that Ecology changed the game rules in the middle of the game. He asked for clarification regarding OxyChem. Staff explained OxyChem is carved out of the cleanup plan. The Port has no liability for OxyChem. It is one of the most contaminated, but also prime real estate.
- Commissioner Marzano echoed frustration with Ecology and said staff should convey the Commission's frustration. He wanted to know if staff has already reached out to the other potentially liable parties. Staff informed that they have not regarding this property, but they have for the Hylebos and this project is on the other parties' radar.

C. Resolution 2020-07-PT Revised Port Management Structure

Presented by Erin Galeno, Chief Financial and Administrative Office

It was moved and seconded to adopt Resolution 2020-07-PT which amends Resolution 201-05-PT to address the Revised Port of Tacoma Management Structure.

The motion carried unanimously.

Discussion:

- When The Northwest Seaport Alliance (NWSA) was formed leadership looked to effectively leverage existing staff. John Wolfe served as CEO of both the NWSA and the Port during the transition period. Approximately one year ago, the Port hired its own Executive Director. With that came the opportunity to revisit the management structure to ensure the most efficacy in serving both the NWSA and the Port with existing resources.
- A high-level summary of the changes was provided. The proposed structure returns key support functions back to the homeport under the leadership of its Executive Director. Port staff will continue to support the NWSA through support services agreements. The proposed resolution 2020-07-PT does not address cost, only structure. The NWSA CEO and Port Executive Director worked on this together. The Executive Director reported he has received universal support.
- Commissioner Marzano thanked both leaders and staff for their partnership.
- Commissioner McCarthy opposed the last structure as flawed in several respects. He thanked all for putting this new structure forward and fully supports it.

8. NON-ACTION - NEW BUSINESS:

- Commissioner Keller wants to review all the data/feedback received regarding the Port's Strategic Plan, not just a summary.

9. COMMITTEE REPORTS:

A. Tribal Liaison Committee

- Staff will be sending a request for consultation with the Puyallup Tribe on a number of projects and asked Committee members Commissioners Ang and McCarthy to weigh in.
- The pandemic and virtual meetings have impacted the Port's ability to meet easily and in an appropriate way with the Tribal Council. While Port staff is able to meet with Tribal staff on a staff level on several, primarily maintenance projects, meeting on a government-to-government level is more challenging. The Port will be requesting a virtual consultation on several projects.
- Commissioner Ang added that the Port met with the Puyallup Tribal Council at its Tribal Administration Building prior to Covid-19. Most of the discussion surrounded the harbor deepening project. While difficult to see Tribal Council as a whole, Commissioner Ang has had conversations. Tribal Council was invited to tour the habitat mitigation site. Those plans had to be changed due to the wildfire smoke and air quality issues. She would like an invitation extended to Tribal Council for a Port, as is extended to other newly electeds and legislature.
- Tribal elections were recently held. Bill Sterud is once again Chairman and there is a new council person.
- The Port's response to Electron Hydro's release of rubberized pellets into the Puyallup River was discussed. Staff has been instructed to reach out to the Puyallup Tribe to see how the Port can help. The Port's biologists have been in contact with the Tribe.

B. Public Comment Committee:

- The Public Comment Committee drafted guidance for public comment at Commission meetings. The public needs to be involved in the meetings and the Commission needs to balance with completing the work of the Commission.

10. ISSUE BRIEFINGS:

A. Transportation Update

Presented by Christine Wolfe, Senior Planner

- The Commission was updated on the status of various transportation projects effecting access and egress to the Tidelands and the Port of Tacoma. The updated included projects of Washington State Department of Transportation, City of Fife, City of Tacoma and Pierce County.
- Discussion took place regarding the 11th Street Bridge. There was disagreement amongst the Commissioners as where this issue falls as a priority. It was recommended that a study session on the issue be scheduled to have the necessary conversations.

B. Investment Portfolio and Investment Guidelines

Presented by Josh Adams, Senior Financial Analyst and Deputy Treasurer

- The Commission was provided with an overview of the Port's investment guidelines and the portfolio composition as of May 31, 2020. With the Covid slowdown, the Port's portfolio composition has not changed much since then.

C. *(formerly item 3B)* World Trade Center Tacoma (WTCT) Annual Briefing.

Presented by Evette Mason, Government Affairs Manager, Tom Pierson, President and CEO Tacoma-Pierce County Chamber, and Mike Fowler, Senior Trade Consultant, WTCT

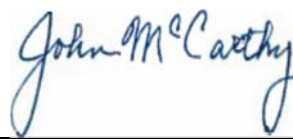
- The Commission was provided with an update on operations at the World Trade Center Tacoma.
- Virtual events have increased. Some recent events and upcoming events were described. The reach of technology has expanded the number of participants.
- Local firms and the WTCT have shifted to trade with the emerging markets of Vietnam and India.
- Small and medium sized enterprises tend to sprout up during recession. The WTCT export store and consulting services have been modified to support them.
- Commissioner Meyer asked how WTCT was doing financially. WTCT has been carrying some debt but continues to make progress. Mr. Pierson indicated they expect debt to be paid fully by the next 12 months.

11. ANNOUNCEMENTS / COMMISSIONER COMMENTS:

- Commissioner Marzano recommended a Seattle Times article by Washington Farm Bureau president and Pacific Merchant Shipping Association president published today regarding ports and agriculture.
- Commissioner Keller thanked those that participated in the Port's on-line open house related its Strategic Plan. She encouraged those that have not yet participated to do so.
- Commissioner Ang commented that last week was Tacoma Ocean Fest. This year it was a virtual event. Commissioner Ang was honored to present prizes to the Youth Story contest in film and poetry. She shared the link <https://tacomaoceanfest.org/home/youthstory/>. She thanked WTCT for their work, and again expressed her appreciation regarding the diversity equity and inclusion resolution.
- Commissioner McCarthy reminded everyone about the Tacoma Waterfront Association's Crab Feed fundraiser on September 29, 2020. He is participating in several virtual speaking events regarding the Port's Strategic Plan. The NWSA retreat is September 29, 2020. He asked that fellow commissioners be cognizant about the impacts to the Port of Tacoma budget when the NWSA takes action, and to advocate for projects needed in Tacoma.

12. ADJOURNMENT:

There being no further business before the Commission, the meeting adjourned at 2:23 p.m.



John McCarthy, President
Port of Tacoma Commission

Attest:



Don Meyer, Secretary
Port of Tacoma Commission



Juliet Campbell, Clerk of the Port
Port of Tacoma