

## REGULAR COMMISSION MEETING MINUTES

JULY 21, 2022

Fabulich Center: 3600 Port of Tacoma Road, Fife, WA

The Port of Tacoma Commission met for a regular meeting on July 21, 2022. Commissioners Ang, McCarthy, Marzano and Meyer were present. Commissioner Keller participated via video teleconference.

### CALL TO ORDER AND SPECIAL ORDER OF BUSINESS:

Commissioner Meyer called the regular meeting to order at 10:01 am and announced that the Commission would recess into a closed, OPMA-exempt session from 10:00-10:30 AM to discuss a collective bargaining agreement.

### EXECUTIVE SESSION

At 10:30 AM Commissioner Meyer announced that the Commission would now recess into Executive Session from 10:30 AM to 1:00 PM to discuss four items:

- |  |                                   |
|--|-----------------------------------|
| - One item of performance review of a public employee      | as allowed by RCW 42.30.110(1)(g) |
| - One item of litigation                                   | as allowed by RCW 42.30.110(1)(i) |
| - One item of potential litigation                         | as allowed by RCW 42.30.110(1)(i) |
| - One item of considering the sale or lease of real estate | as allowed by RCW 42.30.110(1)(c) |

Executive Director, Eric Johnson, then stated that the factors that weigh into a decision of selling or leasing property include, in this instance, the size and zoning of the property, the distance of the property to marine terminals, and the potential for job creation, consistent with the Port's Strategic Plan. The Commission then recessed into Executive Session.

### RETURN TO ORDER

Commissioner Meyer returned the meeting to order at 1:21 pm. He then led the Pledge of Allegiance. Commissioner Meyer acknowledged that we are situated on the shores of the Salish Sea and reside on the ancestral lands of the Puyallup Tribe of Indians.

**APPROVAL OF THE AGENDA:** One action item was added to the agenda due to a short response timeframe:

**Add Item 6F:** Monsanto Class Action Settlement. The amended agenda was then approved unanimously.

### CONSENT AGENDA

- A. **Approval of the Minutes:** June 16, 2022
- B. **Approval of the Check Certification:** June 4, 2022 – July 1, 2022, totaling \$4,174,911.08
- C. **Resolution 2022-14-PT:** Designate Port Treasurer, Erin Galeno, Chief Financial and Administrative Officer

**MOTION:** Approve Consent Agenda Items A, B and C.

*Motion was made and seconded.*

**VOTE:** MOTION CARRIED 5-0

**PUBLIC TESTIMONY:** None.

### EXECUTIVE DIRECTOR'S REPORT

- **Clean up Milwaukee Way:** Eric Johnson reported a lot of progress in the last week. He thanked the City of Tacoma for their partnership on this, as well as our Maintenance, Security and Local Government Relations staff.
- **Viaduct ILA:** This agreement has been approved by the City of Tacoma and the project has been successfully completed.
- **Return to Office:** The return to office process begins this week. Staff will work from the office a minimum of two days per week, with the primary day being Wednesday. We had a celebration luncheon last week for staff, which was very well attended.

- **Outreach:** The Port's annual free Boat Tours return this year after a two-year hiatus due to COVID. Boat Tours are scheduled for Sunday, August 28<sup>th</sup>. The public can register for one of the six sailings, from 9:30 am to 4:00 pm, online. Also, our free bus tours continue.

## COMMISSION ACTIONS

### A. Proclamation 2022-05-PT – Pierce County Pride Month:

**MOTION:** Approve Proclamation 2022-05-PT, recognizing July 2022 as the South Sound Lesbian, Gay, Bisexual, Transgender, and Queer Pride Month and calling upon the people of Pierce County to recognize the achievements of the LGBTQ+ community, to celebrate the great diversity of the American people, and to wave their flags of pride high.

*Motion was made and seconded.*

#### DISCUSSION INCLUDED:

Commissioner Ang read the proclamation into the record.

**VOTE: MOTION CARRIED 5-0**

### B. SR-167 Completion Project, Phase II:

1. Resolution 2022-13-PT: Surplus and sale of up to two Mitigation Bank Credits to WSDOT
2. ILA: WSDOT and Port of Tacoma

#### **MOTION:**

1. Request adoption of Resolution 2022-13-PT, declaring two universal wetland bank credits surplus, pursuant to RCW 53.08.90.
2. Request authorization for the Executive Director to sign an interlocal agreement with the Washington State Department of Transportation regarding an in-kind contribution to Phase 2 of the State Route 167 Completion Project.

*These actions were made as a single Motion and seconded.*

#### DISCUSSION INCLUDED:

1. Commission congratulated the staff on building the bank credits.
2. Commission asked - If we don't sell these credits to WSDOT, would there be a delay to the next construction cycle? Staff responded that it could delay the project by approximately one year. With increasing construction costs, this could be substantially more expensive, as well as causing a time delay.
3. Commission clarified that \$15.8 million is the Port's outstanding total on our \$30 million contribution to the project. Commission asked if this amount will be cash or some other in-kind contribution. Staff is looking for ways to fulfill this other than cash.
4. The Commission stated that selling these surplus credits to WSDOT for the completion of SR-167 and SR-509 is the right thing to do environmentally.

**VOTE: MOTION CARRIED 5-0**

### C. Commission International Travel Amendment:

1. **DELETE:** International Propeller Club Conference  
Athens, Greece            9/09/22 – 9/23/22
2. **ADD:** Port of Rotterdam, Netherlands Study Mission  
Dates and exact locations to be determined



**MOTION:** Move to amend the motion previously adopted by the Commission on June 16, 2022, approving Item No. 7B, Commission International Travel, to:

**Vote #1:** Remove the trip to Athens, Greece from September 19 to September 23, 2022 for the International Propeller Club Conference.

**Vote #2:** Add a trip to the Port of Rotterdam, the Netherlands, dates to be determined, to study the Port of Rotterdam's use of technology to create efficiencies and jobs."

*Motion was made and seconded.*

**DISCUSSION INCLUDED:**

1. Commission stated that the normal travel proposal process did not work last month. Staff will form recommendations in future.
2. Commissioner Keller stated that she would rather have taken the trips presented last month on separate votes, rather than a single vote.
3. Commission stated that removing the International Propeller Club trip to Greece is no reflection on how we support our local Propeller Club. We support them in all ways, but the expense of this particular trip to Greece does not provide the Port of Tacoma with any meaningful sort of improvement or return on investment.
4. The Department of Commerce and Maritime Blue have a trip, which Governor Inslee is attending a portion of, to Finland and Norway. We could combine a visit to the Port of Rotterdam with this trip that is already being planned for September of 2022. They will be learning about the Nordic Trade Cluster Accelerations on clean technology. However, we do not have to attend all of the Department of Commerce and Maritime Blue's trip.
5. The Commission would also like to call on customers while in Rotterdam. In the past we have visited their automated terminal. Present and future customers should be included in this trip.
6. The Commission supports studying what other Nordic ports are doing with a variety of issues, ie. rise of sea level. They do not want to limit themselves just to the Port of Rotterdam and could possibly visit a few other ports. The Commission discussed authorizing this trip to include at least three ports in Northern Europe. Staff could identify other ports that have a leadership role with a northern European emphasis. While the idea of a broader group is encouraged, we would need to be careful with our customer contacts; not all attendees would participate in this portion of the trip.
7. The NWSA is interested in visiting Helsinki, Finland and they plan to visit several different ports. We could make this a very general trip and look into the opportunities with the alliance.
8. An amendment to vote #2 will follow once the scope of this trip is determined. We need a more comprehensive look at the Department of Commerce trip. Executive Director Johnson will return with recommendations on other details and which countries to include in this trip.

**VOTE #1: MOTION CARRIED 5-0**

**VOTE #2: MOTION CARRIED 5-0**

**D. Pacific Steel 28-Acre Right of First Refusal and Waiver of Deed Restriction:**

**MOTION:** Request Commission approval for the Executive Director or his delegate to execute the required documentation to allow Pacific Hide & Fur Depot to make the following changes regarding their 42.46-acre property located at 18727 38th Avenue East in Pierce County, WA:

1. Grant a waiver/partial release of the Port's Right of First Refusal ("ROFR").
2. Modify the existing property's restrictions on use to allow industrial uses in addition to the recycling facility ("Use Restriction").
3. Grant a one-time waiver of the "Partial Sales Restriction" to allow Future Foam, Inc. to purchase an approximately 28-acre portion of the property.

*Motion was made and seconded.*

DISCUSSION INCLUDED:

1. Commission had concerns that if we modify the use restriction for this recycling business that it is just for this current owner and is very restrictive. Staff responded that this is consistent with other restrictions on Frederickson properties. The Port does not own this property and Frederickson is an industrial area.
2. Commissioner McCarthy asked what the Port's sale price was for this 45-acre property 11 years ago. The Commission would like to see how price has fluctuated over the last decade. Staff did not have this exact figure, but can provide it to the Commission.
3. Commission asked if the value of the property would change with the waiver of use restriction? The property is at market value. It has high-voltage wires overhead, is an awkward shape and has sat unsold for many years. There would be no enhancement in value with the waiver of use restriction.
4. The Commission wants to avoid land speculation. There has been a huge land value increase in this area. Staff stated that without this sale to Future Foam, the property would otherwise be sitting vacant. When we sell properties we don't give them away; they sell at market value and create industrial jobs. Here, there is a vacant piece of property that can be sold and used to create 75 family-wage jobs. This is what we intended when we created Frederickson.
5. Commissioner McCarthy would like to table this action until know what the sale price was 11 years ago. Staff responded that our customer is waiting on us to move forward. Commissioner Meyer doesn't think knowing what the sale price was 11 years ago will change the vote. This is a private investment and is building the tax base. Legal Counsel, Heather Burgess, verified that on 5/26/2011 we sold this 42-acre property for \$1,800,000.

**VOTE: MOTION CARRIED 5-0**

E. This item was postponed to the 8/18/22 Commission Meeting

**F. Monsanto PCB Class Action Settlement:**

**MOTION: Authorize the Port of Tacoma to opt-out of this class action settlement.**

*Motion was made and seconded.*

DISCUSSION INCLUDED:

1. Monsanto is the sole producer of PCBs in the U.S. We are part of this settlement because we are an NPDES Phase I permit holder. We have spent a lot of money and continue to spend money to cleanup PCBs in the Tideflats.
2. A "303d water body" is a body of water that is under a cleanup action - ours is the Hylebos Waterway.
3. An "HUF" is a USGS mapping of the watershed.
4. Commissioner McCarthy stated that we may do better by opting out of the class action settlement. Pending litigation by the City of Seattle looks promising. We could possibly receive full compensation for the damage caused by Monsanto for many years by PCBs. The class action settlement won't be substantial enough to cover the damage that was done. He wants to retain the ability to bring our own suit once the class action and other suits have run their course.
5. Opting out is the great unknown. Any compensation we might receive would be years down the road. We would have to hire a great many people to research this and there would be a lot of cost involved with no guarantee of any compensation. Monsanto has won some cases. We haven't been able to look in-depth into this due to the short timeframe. In the past, even when we have won these types of lawsuits, we lost due to the high cost of litigating. There is no evidence that we would be able to defray the litigation costs if we went out on our own. Seattle has the research to prove that they have the opportunity to recoup a lot more than the class action suit. There is too much uncertainty and too much upfront costs. The safer course is to stay in the settlement class action.
6. No further action is required to stay in this class action settlement.

**VOTE: MOTION FAILS 1-4:**

Commissioner Ang	Nay
Commissioner Keller	Nay
Commissioner McCarthy	Aye
Commissioner Meyer	Nay
Commissioner Marzano	Nay



**NONACTION NEW BUSINESS:** None.

**COMMITTEE REPORTS:**

There were no committee reports. However, Commissioner Meyer would like to offer his seat on the Truck Committee to other commissioners. Commissioner Ang will take this seat.

**ISSUE BRIEFINGS:**

**A. Freight Mobility Study Briefing, Part I:**

1. We are looking at the demand on the system today. The focus is on the bridges of East 11<sup>th</sup> Street and Lincoln Avenue.
2. Scenario 1- East 11<sup>th</sup> Street Bridge: We looked into whether or not it could provide another viable truck route. We analyzed morning and mid-day volumes when most heavy trucks are moving. The morning traffic is made up of mostly commute trips, not truck trips that support our operations.
3. The heat map shows demand and capacity. With a new 11<sup>th</sup> Street Bridge there would be an improvement, but not a huge improvement. The overcapacity areas don't change much at all with a new 11<sup>th</sup> Street Bridge.
4. Lincoln Avenue Bridge: It has sufficient capacity to handle the traffic on it. If we added two lanes in each direction, there is very little change for commute or truck traffic. No one is contemplating this project at this time. A widened bridge would help. However, by mid-day it completely cleans up that corridor.
5. Based on the data, it is difficult to justify the cost to rebuild the 11<sup>th</sup> Street Bridge.
6. Regarding 11<sup>th</sup> Street Emergency access: We cannot model this. There are two new fire stations in the Tideflats now. Communication between agencies is also improved since the modeling.
7. Staff will return in September to look at operation models results. Staff recommended a more detailed study of street vacations that might be necessary. With the new model you will be able to see how street vacations will impact our grid. This study benefits the Port and The NWSA more than the City of Tacoma.
9. This focuses on truck traffic now, as opposed to future volumes. We haven't gotten this model study yet. This is better addressed through the operational model that staff is currently working on. We will be able to look at individual terminals in the future. The Commission does not want to miss out on federal dollars if studies are not finished.
10. This study doesn't look at what we get from dollars spent. It looks at how many hours of congestion ITS projects could alleviate. ITS could help railroad crossing interconnectivity.
11. From a policy standpoint, the Commission does not want any weight restricted bridges in the Tideflats. They want a strategy for ITS projects for trucks and emergency vehicles. They would also like more information on street vacations. The Commission asked if we can model on the basis of street vacation scenarios and how they impact traffic flows. They would like staff to focus on these corridors: (1) Marine View Drive, (2) Taylor Way, (3) Port of Tacoma Road, (4) Milwaukee Avenue, and (5) East 11<sup>th</sup> Street. The Commission would like staff to identify key objectives, which don't have to take a lot of time. They asked staff to look at heavy haul corridors. Many of these don't require modeling work, for example, the Fishing Wars Bridge needs to have the weight restriction removed. We don't need to spend money on modeling this.
12. Next, staff will also be looking at north-south corridors. This report focused only on east-west corridors.

**B. Mid-Year Financial Update**

1. The Port finished May a little lackluster financially but finished June very strong. We are now 25% over budget on income.
2. The operating and nonoperating expenses were reviewed. We are doing a good job controlling expenses. There is a 9% decrease in the expense budget through June.
3. Operating income has fully recovered from the pandemic.
4. We are driving down our debt balance. The earliest we see a need to go back out to the market is 2026.
5. We are currently drastically underspending on the Capital Improvement Projects.
6. Debt coverage is well above 2%.
7. Administrative and Security operating expenses from 2017 to 2022 increased; however, we also saw a huge increase in revenue. Healthcare costs increased, which is out of our control. Security allocations changed between The NWSA and the Port of Tacoma, with the Port taking on more, leading to the higher expenses.

**C. Draft Workforce Development Strategic Plan:**

1. Today we are looking at the draft Workforce Development Strategic Plan to gather Commission feedback, so we can bring it back next month for approval, allowing us to attach budget dollars to this effort.
2. The roadmap of coming to a Workforce Development Strategic Plan was reviewed over the last seven months.
3. The recommended major, medium and minor initiatives were reviewed.
4. Funding the total recommended initiatives would cost approximately \$397,000 and would have a positive impact on our community, such as decreasing homelessness. Commissioner Keller stated that this is a very good investment of funds, and that workforce development is also a part of economic development.
5. As we hire more Community Relations staff, we will be able to utilize the elementary program again. We were going out to libraries and elementary schools. We still have a good supply of the materials for this program will be able to reinstate it once we have the staff to do this. The younger we can reach out to students the better.
6. The Commission asked about our summer internship program and how applicants are selected. Staff responded that it is up to departments to request interns in approximately January for an April recruitment process. A competitive recruitment runs through the Port's Human Resources Department and children of employees are not included. Commissioner McCarthy prefers to reach out to organizations, such as the Black Collective or Asian Pacific Cultural Center, and ask for interns, rather than look internally so that it is a fair and equitable process.
7. Commissioner McCarthy would like a little more information on the Pierce County Job Fair and what their overall budget is. This event involves an average of 2,500 kids from 65 schools. In the past, this event has been put on by different organizations in the trades. It has been suspended for a couple of years and now Workforce Central is standing that event back up again. We are asking that the Port contribute \$30,000 to this event, as that is the amount Workforce Central indicated they would need to raise to bring this event back. Staff does not know the total budget for this event, but can get this information to the Commission.
8. Commissioner Ang suggested increasing the number of interns at the Port, rather than the recommended five positions.
9. The Commission thanked Leslie Barstow, Community Relations Manager, for all of the work she put into this Workforce Development Strategic Plan. Commissioners Keller and Meyer were also thanked for their work on this committee and helping get this over the finish line.

**D. Port of Tacoma Bylaws: Review Proposed Changes**

1. The Commission did a comprehensive review of the bylaws in 2020 and the suggested changes are minimal this year. Today, our Legal Counsel would like to gather Commission feedback, so she may bring back the updated bylaws at a later meeting for approval.
2. A few technical changes were reviewed.
3. Commissioner Keller suggested that when there are no changes in Commission seats, that the election of officers and board assignments be confirmed in December, rather than January, so that when the new year begins, we are not bogged down with these administrative tasks. In the case of new commissioners coming on in January, the Commission could identify officers and board assignments before the end of the year and then ratify these in January after the new commissioners are sworn in.
4. The recent Audit Committee Charter change was discussed.
5. Remote meetings were also addressed, eliminating the requirement for one Port Commissioner to be in attendance to preside over the meeting. The Port Legal Counsel is requesting Commission input as to whether the Commission wishes to allow remote attendance at meetings.

**ANNOUNCEMENTS / COMMISSIONER COMMENTS**

No additional comments were made.

**ADJOURNMENT**

With no further business, Commissioner Meyer adjourned the meeting at 4:38 PM.

  
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Don Meyer, President  
Port of Tacoma Commission

Attest:



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Kristin Ang, Secretary  
Port of Tacoma Commission



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Judi Doremus, Clerk of the Port  
Port of Tacoma