

**COMMISSION REGULAR MEETING MINUTES (Amended)**  
**February 21, 2023 - 12:00 PM Public Session Start**  
**Fabulich Center, Room #104: 3600 Port of Tacoma Road, Fife**



The Port of Tacoma Commission met for a regular meeting on **March 21, 2023** at the Fabulich Center, 3600 Port of Tacoma Road, Fife, WA. Commissioners Meyer, Keller, McCarthy and Marzano were present. Commissioner Ang participated via a video call from Asia.

**CALL TO ORDER | EXECUTIVE SESSION:**

Commissioner Keller called the meeting to order at **10:30 a.m.** and announced that the Commission would recess into an **Executive Session from 10:30 a.m. to 11:15 a.m.** to discuss:

- A. One (1) Review the performance of a public employee – RCW 42.30.110(1)(g)
- B. Two (2) Acquisition of Real Estate - RCW 42.30.110(1)(b)
- C. One (1) Property Selling/Leasing Items - RCW 42.30.110(1)(c)

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

At **11:15 a.m.**, Commissioner Keller extended the Executive Session to **11:45 a.m.**

**RETURN TO ORDER:**

Commissioner Keller returned the meeting to order at **12:01 p.m.**, followed by the Pledge of Allegiance. Commissioner Keller also 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 AGENDA:**

The agenda was adopted by unanimous consent.

**EXECUTIVE DIRECTOR'S REPORT:**

- The Executive Director for the Port of Tacoma presented at the City of Tacoma's Economic Development Subcommittee on the state of the Port.
- The Port participated in a tree planting event with first graders from Stewart Elementary.
- The public was recently notified that the cost estimate of completing Highway 167 has increased by \$265 million over the original estimate. All transportation projects across the state are experiencing the same increase due to inflation. The Port is working with a coalition of community members and organizations to keep the project funded and on schedule. A letter from this coalition to legislators has been drafted and signed. The letter stresses the importance of the project. Commissioner Marzano reminded the group that the Port, as well as other entities (the cities, the county and the Puyallup Tribe), have already contributed \$180 million to this mega project, which is unique because projects such as this are typically funded by transportation dollars.

**PUBLIC COMMENT:**

No public comments were made at the meeting.

**CONSENT AGENDA:**

- A. Minutes: February 2, 2023
- B. Check Certifications:
  - a. Checks during the period of 1-07-23 to 2-02-23
  - b. Check #00235794 to the State Auditor's Office
- C. Resolution 2023-02-PT: Master Benefit & Salary Resolution
- D. Benefit Vendor Contract Renewal – Reliastar (Stop Loss Insurance)
- E. Microsoft Azure Services Approval
- F. Approval of SR-509 Limited Access Right Transfer Deeds – Puget Sound Gateway Project

**MOTION: "Approve Consent Agenda items A, B1, C, D, E, F."**

*Motion was made by Commissioner Meyer and seconded by Commissioner Marzano.*

Commissioner Keller asked if there were any questions, comments or amendments to the Consent Agenda.

Commissioner McCarthy moved to amend the minutes of February 2, 2023 with the updated version presented to the Commission, which included a simplified form of the discussion with Frank Chmelik on Board Governance Best Practices. A Point of Order was made by Commissioner Meyer, as the intent of his motion to approve the Consent Agenda items listed included the updated version of the minutes. Clarification was made that the motion was to approve the consent agenda with the updated minutes presented. As a result, Commissioner McCarthy withdrew his motion to amend, and the original motion stood as a result of the clarification.

**DISCUSSION:**

- There were some questions on the Master Benefit and Salary Resolution and the Benefit Contract Renewal requests.
- A request from the Commission was made that further clarification and comparative data be included in the future.

**VOTE: Motion Carried 5-0**

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

**MOTION: "Approve the Consent Agenda items B2 – Check #00235794 to the State Auditor's Office."**

*Motion was made by Commissioner Ang and seconded by Commissioner Meyer with no discussion.*

**DISCUSSION:** None

**VOTE: Motion Carried 4-0**

Commissioner Ang	Aye
Commissioner Keller	Aye
Commissioner McCarthy	Abstain due to relation to the State Auditor
Commissioner Meyer	Aye
Commissioner Marzano	Aye

**COMMISSION ACTIONS:**

**A. Alexander Avenue (former Tank Farm Project) Authorization**

Sarah Weeks, Environmental Project Manager for the Port of Tacoma, presented on the work associated with the Alexander Avenue Petroleum Tank Facilities Cleanup Action. The Port requested project authorization in the amount of \$150,000 (for a total authorized amount of \$2,498,000) for these efforts. The background, scope and next steps in the clean-up process were presented.

**MOTION: "Approve project authorization in the amount of \$150,000, for a total authorized amount of \$2,498,000 for work associated with the Alexander Avenue Petroleum Tank Facilities Cleanup Action."**

*Motion was made by Commissioner McCarthy and seconded by Commissioner Ang.*

**DISCUSSION:**

- A new cooperative agreement will cover the clean-up for this property and adjacent properties.
- The site can be used in the interim as cleanup is occurring. The space is part of PSE's current lease and was used during construction of their current structure.
- Ecology is in parallel discussions with Occidental on the agreed order with us, and we have been collaborating with them on cleanup. Conversations with Occidental are still in the beginning stages.

**VOTE: Motion Carried 5-0**

Commissioner Ang	Aye
Commissioner Keller	Aye

Commissioner McCarthy	Aye
Commissioner Meyer	Aye
Commissioner Marzano	Aye

**B. Admin Building EV Charging Station Construction Authorization**

Elly Bulega, Engineering Project Manager for the Port of Tacoma, presented on Electric Vehicle (EV) charging stations. The Port requested project authorization in the amount of \$1,015,000 (for a total authorized amount of \$1,165,000) for work associated with installing six Level 2 EV Charging Stations at the Port of Tacoma administration building. The stations can serve up to 12 Port vehicles at one time, is for the Port of Tacoma fleet vehicle use only, and the chargers have the capability for relocation if needed. The timeline and next steps were reviewed.

**MOTION: "Approve project authorization of \$1,015,000 for total project authorization of \$1,165,000 for work associated with the Administration Building Electric Vehicle Charging Stations (Master Identification No. 101584.01)."**

*Motion was made by Commissioner Meyer and seconded by Commissioner Marzano.*

**DISCUSSION:**

- Discussion ensued regarding availability of EV vehicles, staff use of the new vehicles, the eventual plan to switch all Port vehicles to electric (including trucks once available), and the ability and process for relocating the EV charging stations.
- The reason we are starting with sedans and then F150 trucks (once available) is that electric vehicles comparable to the F250s currently used in other Port areas, do not exist yet. All of our diesel vehicles which could be switched to biodiesel, have been, and is considered a viable option.

**VOTE: Motion Carried 5-0**

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

**C. Afar Logistics Lease – 2nd Reading**

Shannon Bartlett, Real Estate Property Manager for the Port of Tacoma, requested authorization for the Executive Director or his designee to enter into a three-year lease with Afar Logistics LLC for the premises located at 2810-A Marshall Ave. Background, lease terms, and lessee and lessor responsibilities were reviewed.

**MOTION: "Authorize the Executive Director or his designee to enter into a three-year lease agreement with Afar Logistics LLC for the premises including approximately 34,801 sf of warehouse, 1,181 sf of office, 1.34 acres of yard and parking area, and 0.33 acres of common driveway area located at 2810-A Marshall Avenue, Tacoma, WA. (Section III.B.2 of the Master Policy Resolution requires two readings for new leases other than at the Fabulich Center.)"**

*Motion was made by Commissioner Meyer and seconded by Commissioner Ang.*

**DISCUSSION:**

Discussion included how this lease would compare with AWC lease rates, rent escalation, and maintenance responsibilities for the lessor even if the lease is an as-is lease.

**VOTE: Motion Carried 5-0**

Commissioner Ang	Aye
Commissioner Keller	Aye
Commissioner McCarthy	Aye

Commissioner Meyer           Aye  
Commissioner Marzano       Aye

**D. WJR (Calbag) Lease Consolidation**

Gloria Fletcher, Sr. Manager for Real Estate & Economic Development at the Port of Tacoma, requested authorization for the Executive Director or his designee to terminate two leases and enter into a new lease for 8.74 acres with WJR Tacoma LLC. Location images, background and history of leases, lease terms and escalation were reviewed.

**MOTION: "Authorize the Executive Director or his designee to:**

- (1) Terminate the current 5.43-acre Lease with WJR Tacoma LLC for the premises located at 1602 Marine View Drive.**
- (2) Terminate the current 3.31-acre Lease with Calbag Tacoma LLC for the premises located at 1602 Marine View Drive.**
- (3) Enter into a new Lease with a termination date of December 31, 2045, and one 30-year extension period with WJR Tacoma, LLC for an 8.74-acre premises located at 1602 Marine View Drive, Tacoma, WA."**

*Motion was made by Commissioner Marzano and seconded by Commissioner Meyer.*

**DISCUSSION:**

- Rent escalation was addressed.
- Commissioner Ang expressed hesitancy to lock down a property for this long. If adopted, this lease would be locked in for 80 years total. It was stated that the additional property included in the new lease isn't marketable because of the ingress and egress issues to access the property.
- Commissioner McCarthy stated that Calbag "buys and sells; they traffic in catalytic converters." (*Amended to reflect Commissioner McCarthy's direct quote.*) Washington State has one of the highest theft rates of these items, and he would like to make sure that the company is tracking the chain of origination for these products, and proposed lease amendment language for consideration. He also found the length of the lease to be problematic. He moved to amend the motion.

**MOTION TO AMEND: "Amend the Calbag lease to include the following wording: In any commercial transaction in which the lessee, Calbag, is purchasing a catalytic converter from a licensed business of any kind, the lessee shall require the seller to produce and lessee shall retain a copy of the proof of ownership (normally a title with VIN) of the vehicle from which the catalytic converter is removed. This retention of proof of the chain of ownership is required in the same manner as is required by State law of private sales."**

*Motion to amend was made by Commissioner McCarthy and seconded by Commissioner Ang.*

**DISCUSSION OF AMENDED MOTION:**

- Commissioner Marzano is opposed to the amendment, as he is reluctant to get involved in the business procedures of our lessors. He believes we should back legislation that accounts for this oversight vs. getting involved in the inner workings of tenants.
- Commissioner Meyer opposes the amendment. Through the recent tours, it was apparent that Calbag's operational process exercises due diligence, and our lease wording includes that our tenants follow the laws.
- Commissioner Ang agrees with the amendment and indicated that we get involved in our tenants' businesses with environmental regulations. She believes that on these tours they presented reassurance of their due diligence. However, she recently heard from a neighborhood council member, who was told from companies such as this, that it was not their problem. It is not their problem until the Commission gets involved and make requests such as this. She would like to bring accountability to the subject of catalytic converters and the crime/theft issues through this amendment.
- Commissioner McCarthy indicated that on his tour, he felt that they hadn't been forthright in showing due diligence. They did not talk about the loophole that someone only has to have a business license to sell this product and not provide proof of where the catalytic converter originated.
- Commissioner Keller also opposes this amendment and indicated that in all of our leases at the Port of Tacoma we require that our tenants follow state laws. She believes that creating an amendment such as this is doing something different to this tenant and creates a precedence that could impact other leases. If they break a law, then we would not renew their tenancy. She appreciates Commissioner McCarthy's efforts but recommends following Commissioner Marzano's suggestion to get this fixed at the state level.

**VOTE: Motion (for amendment) Fails 2-3**

Commissioner Ang           Aye

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

**DISCUSSION ON ORIGINAL MOTION (continued):**

- Commissioner Ang is ok with Calbag's current lease through 2045 but wants to amend the new lease to remove the option of a 30-year extension on the 3.31 acres that would be added. Port Attorney, Heather Burgess, responded that the proposal, and what has been occurring in negotiations thus far with the tenant, is to terminate the two existing leases and enter into a single lease with the additional 3.31 acres included. This amendment would create a completely different option.
- It was clarified that the current lease of 5.43 acres was entered into agreement in 1996. There is not much we can do with the 3.31 acre of land, so if we don't enter into the proposed agreement, it might leave us with a stranded parcel.
- Commissioner Ang withdrew her amendment. She questioned if this is the best use of our 3.31 acre parcel, as it would extend this to 2075.
- Commissioner Meyer indicated that this is a rewrite of an orphaned property and we are asking for a mutual acceptance of the property. The length of the lease is what seems to be problematic for some, but it is their lease.
- It was further clarified that the property has a single stormwater system. If we split the acres, we would need to split that stormwater system, which is costly (approximately \$400,000 at the minimum).
- Heather recommended that if there is concern or question about the action, then Commissioners can choose not to vote, but rather to have the Real Estate team negotiate further with the tenant.

**MOTION: "Table the original motion until the next meeting."**

*Moved by Commissioner Meyer and seconded by Commissioner McCarthy.*

**DISCUSSION:**

- Commission Meyer would like this tabled due to concern of extending the lease an additional 30 years until 2075.
- Commissioner Marzano would be ok with the 30 years as long as it is a mutual agreement between the two parties.

**VOTE ON MOTION TO TABLE: Motion carried 4-1**

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

**SPECIAL ORDER OF BUSINESS: None**

**NEW BUSINESS:**

- Asian Pacific Cultural Center (APCC) is entering into a capital campaign to construct a new building on their current site. They asked the Port of Tacoma for \$500,000 toward their efforts.
  - The Port is a special purpose district, so any proposed expenditures need to fall within the statutory authority. In addition, the Port is constitutionally prohibited from gifting or lending public funds through donative intent without receiving commensurate public benefit in exchange of that donation. While there are some statutory allowances with regard to economic and workforce development, they have very specific criteria, which don't include capital contributions.
  - This request is asking for the Port to gift public funds to a private non-profit organization, even though the organization's efforts are for the public at large.
  - Alternative funding opportunities were discussed, including our Local Economic Development Infrastructure Fund, which benefits economic development in all areas of Pierce County.
  - Request for follow up and options from staff and the Port attorney at the March meeting was made.

**COMMITTEE REPORTS:**

**A. Diversity Equity and Inclusion (DEI) Update**

Commissioners Ang and Marzano summarized the first committee meeting on February 15th with the Athena group, our DEI consultants. This introductory meeting covered the scope and timeline of the work, the collaborative approach and process involved, and the ultimate goal to shift and sustain the culture at the Port.

**ISSUE BRIEFINGS:**

**A. Homelessness Briefing Update**

Alisa Praskovich, Chief of Strategic Projects & Commission Relations, presented three proposed alternatives in order to seek Commission guidance on their preference for moving forward on options to address homelessness around the Port. Next steps on the approach and budget range were requested. Discussion ensued on the three presented alternatives. Staff will research more targeted initiatives and return to the Commission with a proposed action item to consider to address homelessness.

**ANNOUNCEMENTS / COMMISSIONER COMMENTS:**

**Commissioner Ang** – None given.

**Commissioner Marzano** – The Transpacific Maritime Conference begins on Sunday in Long Beach, CA. The Conference has grown over the years and covers maritime transportation and logistics. He looks forward to attending the conference this year.

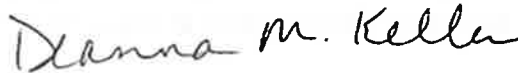
**Commissioner McCarthy** – None given.

**Commissioner Meyer** – None given.

**Commissioner Keller** – Was joined by Commissioners Marzano and McCarthy, Executive Director Johnson, other staff and Puyallup Tribal Council Members and tribal staff for the tree planting efforts of first graders from Sherman Elementary. This event occurred because of a request made by one of those first graders. It is nice to witness and be a part of these efforts.

**ADJOURNMENT:**

Commissioner Keller adjourned the meeting at **2:20 pm**.



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Deanna Keller, President  
Port of Tacoma Commission

Attest:



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John McCarthy, Secretary  
Port of Tacoma Commission



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Helen Hickman, Clerk of the Port  
Port of Tacoma