

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

COMMISSIONERS PRESENT:

1. Dick Marzano, President
2. Don Meyer, Vice President
3. Clare Petrich, Secretary
4. Don Johnson, 1st Assistant Secretary
5. Connie Bacon, 2nd Assistant Secretary

STAFF PRESENT:

1. John Wolfe, Chief Executive Officer
2. Carolyn Lake, Port Counsel
3. Judi Doremus, Executive Assistant
4. Don Esterbrook, Deputy CEO
5. Scott Francis, Director Real Estate
6. Rob Healy, Sr. Environmental Project Manager

11:00 am: EXECUTIVE SESSION

Commissioner Marzano called the meeting to order and then recessed into Executive Session:

1. Three Litigation Items: RCW 42.30.110 (1)(i)

12:00 noon: SPECIAL COMMISSION MEETING

1. RETURN TO ORDER:

- A. Flag Salute

2. CONSENT AGENDA:

- A. Minutes of January 17 and 20, 2017
- B. Voucher Certification: Checks #211525 through #211974 and wire transfers in the total amount of \$23,158,572.12 during the period of January 6, 2017 through February 8, 2017 were certified.

“Approve the above Consent Agenda”.

Motion was made by Commissioner Johnson, seconded by Commissioner Petrich:

VOTE: MOTION CARRIED 5-0

3. AGENDA:

- A. **SECOND READING:** Trident Lease:

Motion was made by Commissioner Petrich, seconded by Commissioner Meyer:

"Authorize the Chief Executive Officer or his designee to enter into a 20-year lease with Trident Seafoods Corporation for the premises located at 401 Alexander Avenue, Tacoma, WA."

Discussion Included:

1. The lease terms was reviewed.
2. Rent escalation is based on CPIU.
3. Prior lease began in 1995. Average CPIU was approximately 2.4%.
4. Plans for expansion were discussed: Trident has added warehouse space from the Port and has added cold storage space in the Tacoma area.
5. Determining market rate: We can adjust maximum CPI after 10 years. Commission appreciates Trident's significant investment in this property. Rent is being deferred for 18 months, which will only cover the two roofs that Trident will replace. They will also be upgrading the deck of the pier and piles. Their investment will far exceed the rent that is being deferred.
6. **Ron Hildebrandt, Trident:** Stated that they are ready to have surveyors out to the site. The first project will be the roof replacements. At the end of this 20-year lease the pier will be in much better condition than it is today.

PUBLIC COMMENT:

Steve Storms: Stated that the NE Tacoma Neighborhood Council is upset by the noise from the pile driving on the PSE project. They are concerned about noise from pile replacement for the Trident site. He asked if there would be any noise mitigation. Trident plans to replace piles in sections rather than all at one time. Commissioner Marzano suggested we keep the public notified of the pile replacement schedule on our website.

VOTE: MOTION CARRIED 4-0

- B. Litigation Funds for Former Brown & Haley Site:

Motion was made by Commissioner Johnson, seconded by Commissioner Petrich:

"Approve project authorization in the amount of \$1,270,000, for a total authorized amount of \$1,530,000, for cost recovery litigation associated with the former Brown & Haley Site project, Master Identification No. 101042.01."

Discussion Included:

1. Cost of cleanup and mitigation was discussed.
2. Commissioner Meyer expressed frustration regarding the cost of litigation for cost recovery. However, it is warranted given the importance of this property. Would recommend mediation to keep costs down.

3. Under a voluntary clean-up action we have to meet industrial standards. It will be a challenge to get a No Further Action letter from Ecology given the solvents found on this property.

VOTE: MOTION CARRIED 5-0

4. GENERAL BUSINESS:

A. 2017 CEO Goals and Expectations:

Discussion Included:

1. The NWSA cannot own property, so our acquisition strategy is in the Port of Tacoma Strategic Plan.
2. The future use of the Fabulich Center was discussed.
3. The Port of Tacoma is in a time of transition; however, business opportunities still need to be pursued while we decide the future direction for the homeport separate from the NWSA.
4. Commissioner Meyer feels that the Kaiser property should be referenced. It is not currently in the alliance. He also feels it is time to address the east side of the Foss Waterway. The Wheeler-Osgood property is also a significant piece of property for the Port.
5. The timing of the initiatives was discussed.
6. Financial performance was discussed.
7. The Tideflats Coalition, a new group that has been formed by the Port, is a way to connect with our neighbors, some of whom are on Port property and some on private property.
8. Under the Port's Community Funding Investment Program \$148,000 has been requested and we have \$35,000 to use. Commissioner Petrich requests an update on our Corporate Social Responsibility program.
9. The importance of public involvement as a priority in our strategic planning process was discussed.
10. Mitigation plans and where to locate public access sites were discussed.
11. Climate change: Impacts of a rise in the sea level and the Port's plans to deal these impacts were discussed. The current model states there will be a rise of 4" to 60" over the next 100 years. The need to dial this in to a more realistic estimation was discussed.
12. Transportation will be made a separate category.

B. Community News, Events and Recognitions:

1. Remedial Action Grants: These are critical to ensure full funding for remediation projects. CEO Wolfe stated that he is pleased to report that Senators Conway, Becker, Zeiger, Darneille, O'Ban and Fortunato recently sent a joint letter of support to Senate Capitol Budget writers for our mediation projects. CEO Wolfe thanked them for their continued support for our projects in Pierce County. This continues to be a top priority for the Port during this legislative session.
2. Monkeyshines Festival: Annual citywide treasure hunt that coincides with the Chinese New Year. The Port participated with hidden glass floats at our public access sites.
3. Port of Tacoma Strategic Plan Workshop has been moved to April 17th to allow the Commission to advance the conversation about the future state of the Port of Tacoma.

5. PUBLIC AND COMMISSIONER COMMENT:

Public Comment:

Deb Blakeslee: On the Port's website she didn't see information on the Strategic plan. She reviewed her list of people's concerns from her poll of citizens' top concerns and how they feel about their public officials. Her poll found that the greatest concerns were cost of living and family wage jobs. She asked the Commissioners to consider how far they would go to involve all 800,000 Pierce County citizens in their strategic planning update.

Steve Storms: Thanked John Wolfe for his efforts. He has been following the Presbyterian Church building project on the Foss and the PSE LNG project. The City of Tacoma is the lead agency for the PSE EIS. He doesn't feel that the environmental impact statement is complete or valid. He feels that the City should conduct a supplemental EIS. He has looked at legal assistance with this.

Claudia Reidener: She spoke regarding the lawsuit over including the water initiatives that were kept off of the last ballot. She stated that the wording in the amendment erroneously stated that "... all costs would be approved". She feels that the wording was changed. She asked who has oversight to make sure the Commissioners' motions are carried out the way they are approved in public. She also expressed concern regarding the Commission's delegation of authority to the CEO to extend leases. She has also been following what is going on with TOTE. TOTE says they are under the same SEP A as PSE. Regarding potential barging of LNG, she stated that PSE is telling a different story to the Port and the City.

Grant Ringel-Director of Communication, PSE: Stated that demolition is almost complete at the LNG project site. The large office building demolition will commence in the next couple of weeks. This will be the last large demolition project. The large warehouse demolition and recycling were complete a couple of weeks ago. Regarding the construction activity, the drilling and poring of concrete pilings have begun. There will be no pile driving noise with this process. New sewer piping and other utilities are being put in place to the new buildings. PSE planning for a power substation is underway. Regarding the barging process, there has been no change in PSE's plans. They have no plans to barge LNG from the facility. However, LNG will be available to other customers. PSE doesn't know if those customers might want to barge it. They will cross that bridge if it arises. They are in talks with Washington State Ferries, BNSF and trucking companies regarding utilizing LNG for fuel. There are currently trucking companies utilizing LNG. Compressed natural gas, which is completely different than LNG, is used more widely ie. for garbage trucks and city buses. LNG is an emerging technology for trucking. He stated that if additional construction is required or if they want to barge LNG for customers it would require another permit.

Commissioner Comment:

Commissioner Meyer: Regarding the private Coski Surface Mining project, he appreciates information gathered by staff. He has concerned regarding zoning in northeast Tacoma. He feels that the bluff area should be a buffer area or mitigation area. He would like to see the Port talk to the owners of this property and ascertain the redevelopment plan. He is concerned about the lack of planning along that ridge. He wants to see that whole area be part of a master plan. He suggests Port representatives talk to the City and the private property owner to find out their game plan. He is not interested in taking over this private property; however, the owner's plans will impact the Port's viability as a deep water port. He feels that the Point Woodworth neighborhood should never have been built. This is our opportunity to weigh in.

Commissioner Marzano: Stated that he attended the Fife/Milton/Edgewood Annual Economic Forecast Breakfast this morning. He also stated that he would like staff to look at scheduling an evening Commission meeting. In light of the new US Administration, Commission Marzano stated it is important that we communicate with our trading partners and let them know that we support them and reassure them that we are not the other Washington.

Commissioner Petrich: Stated that the Port of Tacoma did oppose the Point Woodworth neighborhood. She asked for an update on the sick seagull situation. Environmental staff reported that the Department of Fish and Wildlife continue testing, but have not yet found a cause for the death and illness that affected one specific species of gulls in and around the Port. Many sick gulls that received treatment for paralysis have now recovered and been released back into the wild.

*Commissioner Bacon departed at 1:56 pm

*Commissioner Johnson departed at 1:58 pm

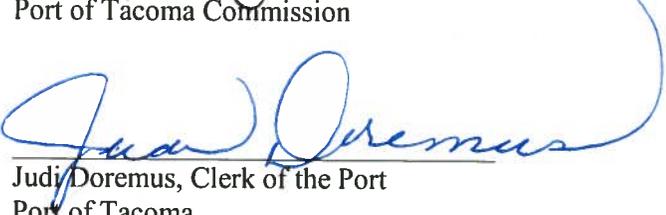
6. ADJOURNMENT:

There being no further business, President Marzano adjourned the meeting at 2:05 pm.


Richard P. Marzano, President
Port of Tacoma Commission

ATTEST:


Donald C. Johnson, First Assistant Secretary
Port of Tacoma Commission


Judi Doremus, Clerk of the Port
Port of Tacoma

