

**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. Don Johnson, 1st Assistant Secretary

STAFF PRESENT:

1. John Wolfe, CEO
2. Carolyn Lake, Port Counsel
3. Judi Doremus, Executive Assistant/Clerk of the Port
4. Tong Zhu, CCO
5. Eric Hanson, NWSA, Sr. Planner
6. Leslie Barstow, Community Relations Manager
7. Evette Mason, Local Government Relations Manager
8. David Morrison, Director, Treasury & Financial Planning

COMMISSIONERS EXCUSED:

1. Clare Petrich, Secretary
2. Connie Bacon, 2nd Assistant Secretary

11:00 AM: EXECUTIVE SESSION

1. CALL TO ORDER:

Commissioner Marzano called the meeting to order at 11:00 am and then recessed into Executive Session for approximately one hour.

2. RECESS INTO EXECUTIVE SESSION:

- A. One (1) Litigation Item-RCW 42.30.110 (1)(i)

12:00 NOON: SPECIAL COMMISSION MEETING

1. RETURN TO ORDER:

- A. Flag Salute
- B. Commissioners Bacon and Petrich were excused from today's meeting.

2. CONSENT AGENDA:

- A. Minutes of April 20, 2017
- B. Voucher Certification: Checks #212701 through #213016 and wire transfers in the total amount of \$10,574,421.37 during the period of April 13, 2017 through May 8, 2017 were certified.

"Approve the above Consent Agenda".

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

VOTE: MOTION CARRIED 3-0

3. AGENDA:

- A. COMMISSION INTERNATIONAL TRAVEL, JULY 1 – DECEMBER 31, 2017:

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

"Approve the following international trips for Commission, July 1 through December 31, 2017:

1. TPM Asia Conference: October 2017 – Shenzhen, China
2. Customer Visits as needed"

Discussion Included:

1. The above two trips were discussed. TPM Asia and Customer visits are recommended.
2. The TDA trip to the United Arab Emirates in November is not recommended, as we do not have customers in the UAE.

PUBLIC COMMENT: None.

VOTE: MOTION CARRIED 3-0

- B. RESOLUTION 2017-03-PT: ILA TO INITIATE A SUBAREA PLAN FOR THE TIDEFLATS:

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

"Adopt Resolution 2017-03-PT, expressing support for the City of Tacoma and the Port of Tacoma working cooperatively for the development of a Subarea Plan for the Tideflats."

1. Evette Mason gave background and history on a Tideflats subarea plan. The discussion began back in the summer in 2015 by the City of Tacoma. The impetus is PSRC as a tool to analyze infrastructure projects for funding.
2. There is a hefty price tag of \$700,000 to \$1,000,000 to formulate a subarea plan. Each participating jurisdiction would share the cost.
3. The City of Tacoma's resolution was approved by the council on 5/09/17 and it is in their budget. They included the Puyallup Tribe in their resolution.
4. An ILA is required before beginning a subarea plan to define the perimeters and scope.

5. Commission expresses concern for including the Puyallup Tribe as a partner on the subarea plan. We currently list them as a stakeholder, but not a paying, participating partner. The Land Claims Settlement of 1986 may preclude the Tribe's participation in this project as a partner. After meeting with the City and deciding on who will be at the table, we could make an amendment to include the Puyallup Tribe as a partner if we are able.
6. There was concern expressed over the Tribe having any jurisdiction over the use of land in the Tideflats. Commissioners do not want to deviate from the Land Claims Settlement of 1986.
7. Timing: Commissioner Meyer doesn't want this process to take five years. We need to be thorough, but expeditious. He would like to hear how long area subarea plans have taken to complete. Evette Mason has done some initial research. The UW Tacoma subarea plan took approximately 2.5 years from scoping to approval; the Tacoma Mall subarea plan is in the 3.5 year timeframe; the Hilltop subarea plan took approximately 2.5 years. She estimates that the Tideflats subarea plan would take between three and four years to realistically complete.
8. Commissioner Johnson stated that this involves industrialized land; it is not like the area around the mall, etc. where the city has conducted previous subarea plans. We need to be very careful about the message we send to businesses. Take our time and do it right.
9. **AMENDMENTS TO INCLUDE:**
 - A. Section 4: Insert "...not to exceed \$500,000 for Port of Tacoma's portion. Any increase would require Commission approval."
 - B. Section 2, Subsection 3: Add the word "federal".
 - C. Section 1: Add Pierce County Council as a partner in the subarea plan.
10. Commissioner Marzano stated that this effort is important for neighborhoods, as well as the businesses in the Tideflats and those businesses that will locate here in the future.

Motion with the above three amendments was made by Commissioner Marzano, seconded by Commissioner Meyer:

"Adopt Resolution 2017-03-PT, expressing support for the City of Tacoma, Pierce County Council and the Port of Tacoma working cooperatively for the development of a Subarea Plan for the Tideflats."

PUBLIC COMMENT:

1. **Robert Thoms, City of Tacoma Councilmember:** Stated that the City has dedicated \$500,000 for this effort. The City is not interested in doing it quickly, but doing it well and expeditiously. He supports this resolution, and anticipates this process will take approximately 24 months. He wants it to be inclusive. The cost covers staff time and consultant work.
2. **John Thurlow:** Congratulated the Commission on getting this process into action. It is going to take a lot of effort and cash. He encouraged the Commission to follow through on this. It is vital to the people of this area.
3. **Melissa Malott, CHB:** Stated that she is happy to see this resolution and she supports this effort. She added that Pierce County is growing quickly, and a lot of conversation needs to happen to get everyone on the same page. She has concerns with the stated timeline, and thinks it will take more than three years to complete. It is a very large effort. Smaller, less complex plans have taken two to three years. However, there are issues that need to be addressed before then. CHB advocated for Councilmember Mello's motion to ask the City's Planning Commission to act on initiatives separately that can't wait three years.

VOTE: MOTION CARRIED 3-0

4. GENERAL BUSINESS:

A. CLIMATE CHANGE AND RESILIENCY PLANNING BRIEFING:

1. Changes seen over the last century were reviewed, to include 8" rise in sea level.
2. Climate changes anticipated for the future were reviewed, to include a rise in sea level of 19" to 56" by 2100, raised flood risk and more frequent extreme rainfall events, with 20% heavier events by 2100.
3. The City of Tacoma completed a study in 2015 which identified areas of vulnerabilities.
4. The study recommendations were reviewed to include capital improvement projects that consider climate change risks.
5. The Tideflats are at significant risk with a rise in sea level of two feet. The City hopes to work closely with Port Environmental staff to mitigate.
6. Next steps: (1) Determine how to put this information into action. (2) Capital facilities planning: Tideflats as example area – need to decide how to prioritize projects, as well as restoration projects and specific project planning. (3) Partnering and collaboration on Phase II with the Port of Tacoma to conduct a Climate Change resiliency study. The City is working toward a climate adaptation plan.
7. Climate change versus natural periods of higher intensity rain events (El Nino): Both will continue.
8. With 4.5 feet of sea level rise, the effects on our capital projects: We build for 100 years. Greatest impacts will be on the level of the docks, which are now 18' to 22' above zero tide. A significant rise will also affect the height of cranes. Effects would additionally be felt on I-5 and the ability of trucks to get in and out of port.
9. Puyallup River: Flood Control Advisory Committee: Pierce County is doing pilot projects now. ACE is completing a general investigation with a report that will be issued in 2017.

B. 2017 COMMUNITY ECONOMIC DEVELOPMENT INVESTMENT FUND:

1. The Port of Tacoma received 21 proposals. Currently, our annual budget for this fund is \$35,000. Nine projects were chosen and reviewed.
2. Criteria for the fund were reviewed.
3. Increasing the fund was discussed. Commissioners asked what was not funded this year. During the 2018 budget process staff will look at an increase. Commissioners would like to see an objective and a plan relative to the funding level.

PUBLIC COMMENT:

Todd Iverson: Speaking today as an elected Park Commissioner in Gig Harbor: There is a serious lack of boat launches in Gig Harbor, and the Commission has been talking with elected officials about this, but it is a \$5 million undertaking. He feels there is a potential for partnering. PEG Grants for matching grants have been successful.

C. Tax Levy Briefing:

1. Discussed the millage rate – same since 2009, when it was lowered. Currently, it is 0.18365 per thousand. Millage rate is multiplied by preliminary property valuations. Staff then looks at CIP. The needs above GO Bonds are always higher than the levy. Then, tax levy amount is set.
2. Tax levy uses in the past – governmental public improvements - Road and waterway infrastructure and environmental projects.
3. Allowable uses that could be employed in the future were reviewed.
4. Options were discussed: (1) Status quo of using millage rate, (2) Needs based – look at needs and set levy at that level.
5. Commissioner Johnson prefers millage rate for consistency and allowing citizens to plan rather than on needs that could vary greatly from year to year.
6. Commissioner Meyer prefers business need basis: Would like to see no increase in levy.
7. Commissioner Marzano stated that if we adjust to needs we would see a much higher increase in taxes to the community. He feels staff needs to set a clear picture of what that levy means to the community. On most years we are short. He would like to continue to base it on millage rate.

D. CEO Announcements: None.

5. PUBLIC AND COMMISSIONER COMMENT:

PUBLIC COMMENT:

Noah Davis: NE Tacoma resident, attorney in Seattle. Stated that he doesn't love the LNG facility and the danger it poses. He added that his community is rising up against LNG. They think the facility is as bad as a nuclear facility near our kids. Safety is his biggest concern.

COMMISSIONER COMMENT:

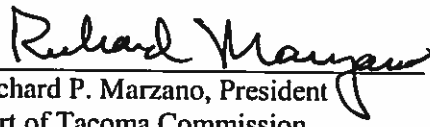
Commissioner Meyer: Stated that he feels it is important for the Port to communicate on fossil fuels. He would like the Port to take a position and set policy on land uses in regard to fossil fuels with clear articulation of fossil fuel exports so that the Commission can talk with community partners.

Regarding PSE, he directed staff to put the list of permits and their status online for community review. He would like to invite the Fire Chief down for a briefing at a Commission Meeting, so they can discuss how he is approaching the issue of safety for this project. Carnival Lines has now ordered two LNG-powered cruise ships. He wants staff to research industry trends and look at some places that are using LNG.

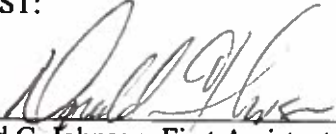
Commissioner Marzano: Stated that he cannot recall a time when the Port has exported coal or fossil fuels. We have turned down such offers. He doesn't see us ever exporting coal or oil from Port properties. He stated, "Let's make it clear that this is not the intention of this Port." He doesn't want to see us go through the same thing again, where active subject matter experts are not believed when they come to testify at Commission meetings.


6. ADJOURNMENT:

There being no further business, President Marzano adjourned the meeting at 1:55 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

