

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

COMMISSIONERS PRESENT

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

STAFF PRESENT

1. John Wolfe, Chief Executive Officer
2. Carolyn Lake, Port Counsel
3. Tong Zhu, Chief Commercial Officer
4. David Morrison, Director, Financial Planning/Analysis
5. Scott Francis, Director, Real Estate
6. Erin Galeno, Chief Financial & Administrative Officer
7. Judi Doremus, Executive Assistant
8. Juliet Campbell, Clerk of the Port

2:30 PM: SPECIAL COMMISSION MEETING

1. CALL TO ORDER:

Commissioner Meyer called the Special Work Session to order at 2:33 p.m. and a flag salute was performed.

2. PUBLIC COMMENT: None.

3. AGENDA:

A. Allowable Economic Development Activities for Ports

Discussion Included:

1. An overview of the allowable development activities for port districts was provided. Some examples included, passenger carrying vessels, leasing, parks and recreation facilities, tourism promotion and related facilities, toll bridges and tunnels and more.
2. Opportunities for Local Improvement Districts, Industrial Development Districts, and Brownfield Renewal Authorities were identified. The Interlocal Cooperation Act was also discussed.
3. The Commission discussed its existing Community Economic Development Fund. In the past, the Commission has preapproved disbursements from that fund. Now that the fund has increased to \$250,000 per year, the Commission may want to revisit the process.

B. Role of Port of Tacoma versus Northwest Seaport Alliance (NWSA): Real Estate Overview

Discussion Included:

1. Commissioners requested staff create a chart that includes all of the Port of Tacoma's existing non-terminal related business and all the non-terminal related opportunities available to the Port. The chart would be similar to the chart presented for Key Influences of the Supply Chain for the NWSA.
2. Clarity in the roles between the Port of Tacoma and the NWSA is necessary to avoid confusion to the customer. There are business incomes retained by the homeport where policy decisions are made by the homeport, but management oversight is by the NWSA.
3. A description of Port of Tacoma properties, acreage, leased properties, potential development properties and non-leasable properties was provided.

C. Port of Tacoma Financial Review

Discussion Included:

1. The overall financials of the Port of Tacoma and the interrelationship between the Port and the NWSA was discussed. It was noted that the total operating income for the Port of Tacoma for the 2018 budget is \$22 million if NWSA is included. If NWSA is excluded it is \$3.1 million.
2. A chart of the Port of Tacoma's income before depreciation by location was presented to illustrate what is generating cash for the Port.
3. The Port's capital contribution obligation to the NWSA, such as the cranes for T4, finishing T4 construction and T5 was reviewed.

D. Transition: Port of Tacoma Organization Options

Discussion Included:

1. Commissioner Johnson presented a Port of Tacoma Transition Timeline outlining proposed dates with the material issues to address leading toward candidate selection for the Port of Tacoma leadership position by September 2018.

2. Discussion took place regarding whether outside consulting services are necessary or helpful in analyzing the current and future organizational structure of the Port.
3. Commissioners were presented with a diagram providing a functional view of how the Port of Tacoma operates.
4. Transition planning will require attention to the potential impacts to collective bargaining units, issuance of debt and management accountability for the different functions under separate leadership.
5. Many of the functions that remain with the Port of Tacoma are mainly supporting the NWSA. When the NWSA formed, the commercial team consolidated to be one face to the customer. It buys the majority of its functional support from the homeports via interlocal agreements and support service agreements. Though the current operating structure is working and could evolve, the Port agreed in the charter that there would be dual leadership.
6. Defining what the Port will be as an entity and its scope of business activities is primary. Once defined, options on how to deliver the functional services in support of the entity can be designed.

4. **COMMISSIONER COMMENT:**

Commissioner Meyer: The next Special Work Session will be March 13, 2018.

Commissioner McCarthy: Requested a written description of some options including scenarios to review for the next Work Session.

5. **ADJOURNMENT:**

There being no further business, President Meyer adjourned the meeting at 4:20 p.m.



Donald G. Meyer, President
Port of Tacoma Commission

ATTEST:



Don Johnson, Secretary
Port of Tacoma Commission



Juliet Campbell, Clerk of the Port
Port of Tacoma