

Port of Tacoma Commission Regular Monthly Meeting

Date: March 18, 2021

Name of Observer: Rosemary Powers

Meeting call to order:

At 10:00 am Commission President Dick Marzano called meeting to order.

The commission began an executive session to discuss three items related to litigation or potential litigation. No action in executive session but action is expected during the public meeting to begin at noon.

The regular open meeting reconvened at 12 noon. Meeting is conducted virtually in accordance with Covid restrictions. Meetings are live streamed and available to view by accessing meetings link at commission website. Video is archived a few days after the live event so available for review.

All Commissioners Present: President Dick Marzano, and Commissioners Kristin Ang, Deanna Keller, John McCarthy, and Don Meyer.

Others present: Executive Director Eric Johnson, outgoing Director of Financial Planning Dave Morrison (moving to full time at NWSeaport Alliance), incoming Financial planning director Britt Doughty, Deirdre Wilson (Senior planning director), Scott Francis (Director of Real Estate), 3 staff from Environmental Planning and Project management: Jason Jordan, Scott Hooton, and Steve Nicholas.

Meeting Agenda and Action:

1.Consent agenda:

Accepted with one action removed, to be voted on separately so one commissioner could abstain for conflict of interest.

2. Public testimony --Time provided and directions given. No one signed up and no written comments were submitted

3. Executive director Report - Exec Director Eric Johnson, outgoing director of financial planning/treasurer Dave Morrison and new Financial Planning Officer/treasurer Brit Doughty provided financial update: Good news on refinancing of port debt. Interest rates are very, very low right now and Dave Morrison with Brit Doughty worked to set up an interest rate reduction request on a bond with \$18 million owing. Forty-two banks were invited to bid, ten bids submitted and winning bid was Key Bank that offered to reduce interest from 1.99% to 0.76% with 5 years left. This lower rate will save about \$600,000 in interest over the term of the bond. Johnson thanked David Morrison who is departing after 15 years at the port of Tacoma to work full time for the Seaport alliance.

Johnson also discussed the potential effects of the City of Tacoma Planning Commission's delaying the proposed move from interim to permanent land use development regulations. Planning commission did not adopt the permanent plan on March 17, as intended, and will devote more time to understanding the Port's concerns and incorporate those as much as possible. It makes the City Council's job easier if the Planning Commission does this work well. Commissioners expressed concern that the Port might appear to be dragging its feet on the move

to permanent regulations, but staff noted that concerns had been submitted well in advance of these city planning commission meetings. The Commission complimented the work of staff in ensuring port concerns are heard, and urged engagement as early as possible in the future.

Further, as staff leader, Johnson made a statement about hate crimes re Asian Americans. He stated for the record that this violence is completely reprehensible. Chair Marzano says he speaks for entire commission.

4. Final Draft Strategic Plan presentation—Executive Director Eric Johnson

Having gone over the draft weekly for the last three weeks, staff made changes based on feedback from the Commission. Johnson noted that the draft now includes stronger focus on economic development role, (with images of agriculture showing the relationship between production and transport). Also includes stronger focus on climate change. Proposed changing title of “Action Plan” to “Implementation Plan” as more understandable to most people. If the draft plan is approved today, he wants to put it up for public comment for two weeks with hopes of voting on it at an April meeting.

Commissioners thanked the staff for the work, thanked the public for deep level of feedback received, and want to ensure that Commissioners reflect on key performance indicators so are clear that this is the Port of Tacoma’s Strategic Plan and that joint action as part of SeaPort Alliance be understood separately. For example, if the plan seeks to decarbonize the Port of Tacoma, what does that mean for us, as separate from the goals for the Seaport Alliance.

Motion made and seconded: That the draft strategic plan and implementation plan be put forward for public comment, with comments collated one week before the April meeting so commission can take action at the April 2021 meeting.

Motion approved by unanimous vote.

5. State route 167 completion update request to contribute surplus property as in-kind contribution to the highway improvement project. Scott Francis (Director of Real Estate) noted that recent problems with state funding for the highway project have been resolved, allowing the project to move forward. He reviewed the current plans for Port contribution to the project as part of the expected \$130 million local contribution. \$30 million is allocated to the Port. In-kind contribution valued at market rate would be \$6.821 million. This particular property, adjacent to the road, would improve access for the project while reducing Port’s overall contribution.

Motion moved and seconded: to provide designated surplus property as inkind contribution towards Ports financial responsibility for Highway 167 upgrade:

Proposal was approved unanimously

6. Request for additional funds for legacy pollution mitigation on two Port properties:

A. Request for \$830,000 to cover required legacy contamination remediation for property on Taylor Way. Jason Jordan, Director of Environment and Planning, presented brief history of Port’s purchase of three parcels which had landfill over hazardous waste. Ports clean-up liability is tied to ownership of the property though the Port did not have any part in creating the pollution. While several parts have been remediated, much more needs addressing. Will seek redress from former owners, but one,

Clean Care, is bankrupt and has no assets. Remediation requires replacing monitoring wells and to study the effects for a year under Ecology oversight which is pricey. Adjusting capital investment plan is required and are requesting \$830,000 additional which will bring the whole project to \$1,367,000.

Motion made and seconded to approve the request for additional \$830,000 for mitigation project.

Commissioners stressed the continuing difficulty of having to clean up the mistakes of past owners who polluted the tide-flats area, externalizing costs of clean up now to the Port, who is responsible legally as current owner in a time of stronger clean air standards. Responsible stewardship requires this work, but commissioners expressed frustration at the limits these very large costs of remediation place on the Port's important work of developing strong economic engine for the region.

Unanimous approval for proposed increase.

B. Project authorization of \$316,000 for parcel 40 building 600 Vapor intrusion mitigation

This request is for \$316,000 to make a total authorized amount of \$604,000. In this case petroleum contaminated soil (with high benzene levels) and groundwater beneath building 600 are impacting indoor air quality. Although this is below OSHA standards, the vapor problem is above acceptable risk levels prescribed by state environmental clean up law. Remediation will involve assessing subsurface under concrete, installing exhaust blowers and monitoring.

Motion made and seconded to authorized increased funding of \$316,00 for this project

After a few clarifying questions, and with assurance that the additional funds would cover final work for the project, **the motion passed unanimously.**

7. Non-action new business:

Commissioner Ang urged action on proposed work of DEI committee. Noted that other agencies are moving forward and would like to see Port ready to report progress.

8. Committee reports:

Commissioner Keller reported on work of workforce development committee, stating that they are determining potential partners, seeking committee participation from Workforce Central, and from the Skills Center and Port, possibly Metro Parks. Commissioner Ang noted the possibility of involving the Sea Scouts and folks from Boys and Girls Club.

9. Issue Briefing: NW Ports Clean Air Strategy and Port of Tacoma Implementation Plan

The second half the meeting featured a presentation by Steve Nicholas (Port staff Environmental Senior Project Manager). For those interested in a helpful overview of the Port's plans for reducing greenhouse gas emissions and how this relates to the plans of the NW Seaport Alliance (of which the Port is a partner), consider visiting the Port of Tacoma Commission meeting archive for March 18 at

<http://portal.veconnect.us/p/portoftacoma/e/6267f5d78a9e95e016bc0552e940476e> . The briefing begins at about 1:29 pm in the streamed video. The briefing described the emerging port of Tacoma implementation plan that should be completed in June. The plan builds on resolution to reduce carbon in alignment of the Paris climate and commission resolution in 2017 setting initial greenhouse gas emission targets.

Because of past pollution and its continuing effects, environmental health disparities exist in the area. Continuing diesel emissions from Port activities contribute to pollution. With an aspirational vision of getting to zero greenhouse gases by 2050, Implementation plans are customized to each port within the Seaport Alliance (Tacoma, Seattle, Vancouver). The Port of Tacoma needs to address greenhouse emissions related to buildings, equipment/Port vehicle fleet, and users of buildings owned by the Port. Emissions from ships, other trucks, cargo-handling equipment, etc. will be addressed by the Alliance. In this framework, the Port of Tacoma has a relatively small pollution footprint.

Implementation plans include increasing energy efficiency, and beginning transition away from natural gas use in Port and tenant buildings. Further, plans are to move to zero emission vehicles-- electric vehicles, charging stations, commute trip reduction, support tenants making changes as possible. The plan seeks regular communication with near Port communities on clean air issues. The Port will seek external funding (grants and rebates) to help defray the costs of the work, and staff believe these will increase as increased concern for environmental justice. Nicholas noted that the managing members of the SeaPort Alliance will vote on this clean air plan on April 6, 2021.

Commissioners discussed the information, noting the importance of partnering with Tacoma and Pierce County on these goals (as all are affected), and keeping track of State Dept of Commerce funding related to emissions on the I-5 corridor which overlaps with Port use. Several emphasized the importance of addressing health disparities, and maintaining strong interaction with public, documenting progress towards goals and coupling environmental progress with new job opportunities. No action followed the briefing.

Meeting concluded at 2:22 pm.