

**Port of Tacoma**

Date: July 15, 2021

Observer: Lydia Zepeda

**EXECUTIVE SESSION PRIOR**

One item related to real estate RCW 42.30.110 (b) and (c)

Two items related to litigation RCW 42.30.110(1)(i)

One item related to the performance of a public employee (RCW 42.30.110(1)(g))

**I. MEETING CALLED TO ORDER at 12:08 pm PDT****Present:** Kristin Ang (1st Assistant Secretary), Deanna Keller (Secretary), Richard Marzano (President), John McCarthy (2nd Assistant Secretary), Don Meyer (vice President)**Absent:** none**II. PEACE POLE**

Claire<sup>1</sup>: The Peace Pole has “peace on earth” in languages from all our sister cities. It is damaged and needs to be replaced with something that will not deteriorate. She wants a 12 feet tall steel pole by international Peace Day. She is requesting a match for the peace pole and interpretative signage.

**III. SPECIAL ORDERS OF BUSINESS / PROCLAMATIONS - Kristin Ang**

Resolution 2021-14-PT Recognizing July 2021 as the South Sound LGBTQ+ Month and Recognizing the achievements of the LGBTQ+ Community.

**IV. APPROVAL OF AGENDA**

Move World Trade Center agenda item to follow executive director report.

**V. CONSENT AGENDA**

## A. Meeting Minutes:

1. June 8 Special Commission Meeting Minutes;
2. June 17 Regular Commission Meetings

## B. SAO Payment

1. Check Certification;
2. Check Certification

## C. Amendment to City of Fife/Port of Tacoma ILA Regarding 54th Avenue Corridor Study.

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<sup>1</sup> Note: Where first names are used, no identification of the individual’s last name or the role was provided to meeting observers.

D. Resolution 2021-13-PT Reappointing and Appointing the Port Auditor and Deputy Port Auditor

Motion for A, B1, C and D as consent agenda, seconded, approved.  
Motion for B2 seconded, approved.

**VI. PUBLIC TESTIMONY**

Public testimony will be taken in-person at the meeting and by phone. To deliver comments by phone during the public testimony portion of the meeting, please send an email to [comment@portoftacoma.com](mailto:comment@portoftacoma.com) by 9:00 a.m. PT, the day prior to the meeting that includes your name, the telephone number you will be calling from, and the agenda topic you wish to speak to. Please include "speaker" in the subject line. Written comments may be submitted to the same email address and will be provided to the commissioners.

No public testimony or written comments.

**VII. EXECUTIVE DIRECTOR'S REPORT - Eric Johnson**

- Thank you for the transportation study on Tuesday
- We are working on an implementation plan for the strategic plan, including a new port administrative office.
- There is a Commission retreat the 3rd week of August.
- The Commission is taking a field trip to Kalama port, which has a new administrative center.
- The Staff are returning to the office. All of the commissioners are vaccinated.
- New general counsel Heather introduced.
- In support of one of strategic plan goals, had a farmers market booth at Gig Harbor farmers market.
- We are promoting the boat tour, August 28, need to RSVP. Bus tours start July 28.
- We hired the replacement for Yvette, Mathew Mauer, who worked for Patty Murray.

**VIII ISSUE BRIEFINGS - WORLD TRADE CENTER TACOMA (WTCT) UPDATE**

Erin: We continue to pay for the license: \$12,000 per year. We allocate \$100,000 for budget. It is now a joint partnership with Pierce County Chamber. Tom is here from Pierce County Chamber.

Tom: WTCT update, you will hear from Michael about our clients.

C. Meyer: Are you on a solid financial plan? Tom: Yes, ahead of budget.

Michael - update on operations on WTCT: virtual events, Vietnam, upcoming plans.

Vietnam was fastest growing economy in 2020 and probably in 2021. Vietnam replaced S. Korea as 4th and is now 2nd in terms of volume at Port of Tacoma.

Virtual event promoting Port of Tacoma: Most of the over 100 participants were from Vietnam. Next event will be with Thailand on August 10.

Top trading partner, China, virtual bilingual event.

Update from China trade author Kaplan on policies.

Virtual events in 20 countries including Canada, Mexico, Spain, Italy, Australia, Saudi Arabia, China, Vietnam, Indonesia, Japan, South Korea

Our first in person event will be the Globe Awards, Sept 30.

Small and medium sized enterprises are growing, found more opportunities to serve them. They reciprocate by becoming members, paying fees or both. Examples include micro consulting on cryptocurrency mining, China regulatory research, Japan market info, Vietnam university introduction for UW branch.

Upcoming plans: working with Northwest Seaport Alliance (NWSA) Emerging Markets program on Thailand

2 virtual trade missions - bilingual presentations with breakout sessions for Fuzhou and Chongqing, China. Follow up with in person trade missions May 2022.

C. McCarthy: Economic Development committee allocated money for incubator program to reach out to diverse communities that were not involved in trade as part of DEI objectives. What has happened?

Michael: a few video conferences, it is a great opportunity. We can help with publicity and content.

Tom: we concluded our first round with Black incubator businesses.

C. Keller: I attended the Vietnam webinar. China exports to Vietnam which exports to us to avoid tariffs. Have you looked at Ethiopia?

Michael: we will look into Ethiopia

C. Meyer: can't we get more density of employment on land? Folks complain about warehouses. There is a limited supply of industrial zoned property. Can we focus on manufacturing?

Michael: there is potential with tariffs since we have a free trade zone here, it allows for assembly tax-free within the zone.

C. Ang: I am curious about UW partnership, is there is collaboration between WTC and Maritime Tacoma Blue?

Michael: one of our best exports is services. We introduced UW School of Business (SOB) to Vietnam and are promoting SOB programs in Vietnam. We will look into collaboration with Maritime Tacoma Blue.

## **IX. COMMISSION ACTIONS**

- A. 2302 Ross Way Roof Recover – Request construction authorization in the amount of \$414,000 for a total authorized amount of \$475,000 for work associated with the 2301 Ross Way Roof Recover MID 101540.01M

Scott Francis: The building was purchased in 2017 and has been leased for storage. Rent is \$450,000 per year. So will take a year to recover costs.

Bret Osland, project manager: Property includes 50,000 sq feet of warehouse and office space. There are 5 unique roof areas. The 14,000 sq feet of seamed steel roof in good condition, but the 35,700 square hot applied asphalt in is poor condition. We were informed of leaks. Inspection indicated asphalt roof is as end of life. With an eye for future development, we are proposing a 5-10 year solution, rather than a 20+ year solution. Will use an overlay on current asphalt roof. Lifespan is estimated to be >5 years and easily patchable. Bid will open in July with completion by November 2021.

\$61,000 for staff design and \$414,000 for the cost of project.

No environmental plan is required, there are no remediation, stormwater or air quality ramifications.

Motion and second to approve.

C. McCarthy: is this property adjacent to property that Concrete Tech is next door.

Scott: They are not interested because it has a building on the property.

C. McCarthy: is it leased?

Scott: it is a month to month lease with \_\_\_\_\_ and they anticipate being there at least a year.

Motion approved.

B. Data Center Disaster Recovery – Request authorization to proceed with a competitive RFP process and implementation of a Data Center Disaster Recovery Warm Site.

Eric Johnson: The issue is vulnerability in the data network, especially if there is an earthquake because there is a single data center.

Mark Miller, IT director for Port and NWSA. Action: RFP for a data recovery warm site.

Over the last year we have identified gaps: significant risk that data center is destroyed due to earthquake or disaster. Can the port afford to be down for 5+ months if there is a disaster? What is Seattle Port doing? They established a data center “warm site” 10 years ago and now have a “hot site.”

Cold site implies down for 2-4 month, costs \$120-180k per year and + 5-10k one time costs. A warm site would be down 10-20 days, costs \$180-300k per year with a \$350-500k onetime cost. A hot site is estimated to be down 8-16 hours, costing \$300k-480k per year plus one times costs (*did not hear word here*) \_\_\_\_\_. IT recommended warm site. The preference for a site warm site is in eastern Washington, either Quincy or Spokane. The actual down time would be estimated at 1-6 days, \$250k one time cost, with an annual cost of \$220k. We recommend proceeding with RFP for data center disaster recovery warm site 3rd quarter 2021 I so up and running in 2nd quarter 2022.

C. Ang: I assumed we had a hot site already. Why is there a preference for Quincy versus out of state? What if there is a natural disaster in Washington or ransomware for the state?

Mark Miller: We can look at that. Our preference for Eastern WA is because it is outside the earthquake zone and we can actually visit the sites. They are also most cost effective.

C. Ang: Were they the most secure?

Mark: We spoke with top providers to see our options.

C. Meyer: The motion is an RFP authorization and you will come back to use for approval about expense?

Mark: If you have an RFP, you have to be ready to spend money.

C. McCarthy: It must not be in 2021 budget, will it be spent in 2022?

Mark: Yes, it will be in 2022 budget

C. McCarthy: Is it in capital budget?

woman?: No it is part of operational budget.

Motion approved.

C. Port of Tacoma Off Dock Container Support Facility – Request project authorization in the amount of \$735,000 for a total authorized amount of \$1,385,000 for work associated with the Port of Tacoma Strategic Capacity Expansion, MID 101241.01.

Eric Johnson: we asked the NWSA to speak since they are the customer.

Tom Belarude, chief operations NWSA: The entire inland transportation network is being strained. Despite the congestion in Tacoma, we are considered the most fluid west cost port. Tacoma terminals are accepting additional ad hoc ships. Some terminal operators have had to decline cargo. Husky and WT have approached us multiple times about getting additional space to handle more volume. Heavy congestion is causing us to lose volume. We are examining what are some things that do not need to be here, like empty container storage, move administration building offsite, move maintenance off site.

C Meyer: What role would this site have? What advantage does it give us? How are we going to get paid back for investment?

Tom: When terminals are 80% occupied, it is more difficult to find containers, have to move containers multiple times. It would allow more operation space to move containers.

C. Meyer: Will this improve ability of trucks to do dual turn (drop off and pick up)?

Tom: It would increase the likelihood and speed of trucks to do dual turn. The return would come by leasing terminal operators looking for land.

C. Meyer: We don't have a customer signed up? We are speculating they will be.

Tom: We are hearing folks asking for more space.

C. Meyer: If we are spending this money, we better make sure we get our money.

Tom: Not only will it allow us to attract new customers, it will allow us to retain customers.

Trevor, filling for Norman Gilbert Project Authorization: Port of Tacoma off-dock Container Support Facility. There are three parcels for a total of 24.5 ac, including 4.4 ac of wetlands. Two of the sites have wetlands that would need to be filled. The request today is to complete the design and get permits. There will be additional funds requested for construction. Estimated total cost of the project is \$42.2 including construction and wetland mitigation. There is remediation to deal with remnant contamination. Will need to put in stormwater infrastructure. Air Quality, not expecting it to be significantly different.

Motion and seconded

C. McCarthy: With regard to the grants, would any of them cover the design work?

Eric Johnson: We have applied for 2 grants for \$15 million

C. McCarthy: I am in favor of design work, but I need to know what other things the NWSA wants Port of Tacoma to fund. What is the list of priorities? I cannot make piecemeal decisions.

Tom: I do not have that information. It is a priority for NWSA, we need to come back to you with a list of priorities. We have some time before the construction request.

C. Meyer: Please put up mitigation slide. I am trying to understand where the money is going? The wetland cost of \$14.9 million.

Tony: The money to mitigate for this site has already be authorized. We need to account for the mitigation money.

C. Ang: We are going to do a lot of economic development on the tideflats, so much so that we may be using all the credits for the County.

Tony: You are right, we have a lot of inquiries about the credits. In October and November we want to refresh our mitigation strategy.

Eric: If we get the federal grants, our out of pocket will be \$10 million rather than \$42 million.

Motion approved.

#### **VIII. NON-ACTION – NEW BUSINESS**

Eric: I neglected to note that the new deputy auditor is here: Brian Lee, relocated from LA, a native of Korea. Welcome.

No new business.

#### **X. COMMITTEE REPORTS**

Work Force Development Committee - no report because NWSA alliance meeting went long yesterday.

#### **XI. ANNOUNCEMENTS / COMMISSIONER COMMENTS none.**

C. Keller: a reminder to vaccinate

C. Meyer: nice to be in person

C. Ang: Want to take the time to read the Port of Tacoma Pride resolution.

C. Marzano: thanks to the staff, Happy Birthday Eric Johnson July 13, there will be cake.

#### **XII. ADJOURNMENT 1:50pm PDT**