PORT of OLYMPIA
Serving All of Thurston County

Commission Meeting
Monday, July 13, 2026
4:00 PM

Percival Plaza – Olympics Room
626 Columbia Street NW, Suite 1-B
Olympia, WA 98501

The meeting agenda is available on the Port's website as of July 8, 2026.
https://www.portolympia.com/commission

AGENDA

A. Call to Order

B. Pledge

C. Approval of Agenda

D. Executive Director Report

E. Public Comment

NOTE: Guidelines for public comment can be found in the Commission Rules in Resolution 2026-02 Article VI.

- *Comments should be directed to Commission*: Comments should be directed to the Commission as a whole and should not include comments about individual Port staff or members of the public.
- *Courtesy*: All speakers (members of the public, Port staff, and Commissioners) shall be courteous in language and demeanor and shall confine remarks to those facts that are germane and relevant to the question or issue under discussion.

F. Commission Response to Public Comment / Follow-Up to Public Comment

G. Consent Calendar

1. Evergreen Business Capital Amendment No. 6
2. Bills and Vouchers for June 2026

H. Action Calendar

1. Contract Award: Building Tenant Improvements (Port HQ): James Sommer, Public Works Program Manager
2. Electric Aircraft Charging Station Grant Application: Chris Paolini, Airport Senior Manager

I. Action/Other Calendar

1. None

J. Advisory Calendar

1. Delegation of Authority: Alex Smith, Executive Director

K. Commissioner Reports

L. Additional Public Comment

This time is devoted to individuals who could not arrive at or register for the meeting earlier. Public comment at this time is for those members of the public who did not submit public comment previously during the current meeting.

M. Other Business

1. None

N. Meeting Announcements

O. Adjourn

*Attendance and Public Comment Hybrid Meeting Information

Attend Remote or In-Person
The public are welcome to attend the meeting in person, or may view or listen to the meeting using one of the following platforms:

In-Person: 626 Columbia Street NW, Olympia
Olympics Room, Suite 1-B

Zoom: Go to http://www.zoom.us/join and enter Webinar ID 892 6138 0629 and Passcode 646269.
Instructions and access details (a link to the meeting) will be emailed to you once a short registration form is complete. (Check Spam or Junk folder and move Zoom link email to your Inbox to view/access link.)

YouTube: www.youtube.com/@portofolympia1922

Phone: Call (253) 215-8782, listen for the prompts and enter Webinar ID 892 6138 0629 and Passcode 646269.

Verbal Public Comment
Those wishing to provide verbal public comment may do so in-person or by Zoom:

In-Person: Use the sign-up sheet located at the meeting location.

Virtual / via Zoom: **Must pre-register** using the following Zoom link no later than five (5) minutes after the meeting has commenced:
https://us06web.zoom.us/webinar/register/WN_byQOpabOSPWa6WwTtCardw
Instructions and access details (a link to the meeting) will be emailed to you once registration is complete. (Check Spam or Junk folder and move Zoom link email to your Inbox to view/access link.) Registration for remote/virtual verbal public comment closes six (6) minutes after the meeting has commenced.

Written Public Comment
Written public comment may be submitted to commissioncoordinator@portolympia.com by 12:00 p.m. on the date of the meeting. All written comments will be compiled and sent to the Commissioners prior to the meeting.

COVER MEMO

Briefing Date/Time:	July 13, 2026
Staff Contact/Title:	Mike Reid, Director of Community and Economic Development, 360.764.5395, MikeR@portolympia.com
Subject:	Evergreen Business Capital Lease Amendment No. 6
Purpose:	☐ Information Only ☒ Decision Needed

CONSENT ITEM

Tenant Snapshot:
Lease Name: Evergreen Business Capital
Leased Address: 711 78th Ave SW Tumwater, WA 98501
Lease Type: Land
Lease Effective Date: 4/25/1986
Original Term: 30 years + 20 year option
Use: Small Scale Industrial Building
Employees: Approx 21 within 5 businesses

Background:
The Square One Building was first conceived in 1985 and titled the Evergreen-Thurston County Incubator Jobs Project. It was a joint project with Evergreen Community Development Association (now Evergreen Business Capital), Thurston County Economic Development Council, Peat Marwick, Thurston County Department of Employment and Training, the Port of Olympia and facilitated with a grant from the US Office of Community Services, a division of the US Department of Health and Human Services.

The project was to construct a building to create new light manufacturing jobs in Thurston County which at the time had an unemployment rate of 15.3%. Building space was to be leased out at below-market rents to tenants in labor-intensive industries. A full-time incubator manager was hired that would coordinate job training and business assistance services and the Port of Olympia would fulfill the landlord functions.

By providing affordable space and hands-on business assistance, the project aimed to give new and early-stage manufacturers time, support, and stability to survive and grow, while creating permanent jobs for low-income residents.

The building was built with the aid of grants and donations from the partnership. Over forty years later, it continues to function as a light industrial building leased to tenants at slightly below-market rents on leased land from the Port of Olympia. Most of the tenants have been in occupancy for many years. It does not currently function as an incubator or with active participation from the original partners. Evergreen, as the owner of the building, remained as the landlord and property manager.

The building currently has five tenants with approximately 21 employees. The businesses range anywhere from a food processing business focusing on smoked salmon to a custom paint coating business. The land lease is located in the New Market Industrial Campus at 711 78th Ave SW, Tumwater WA. The current lease term is June 1, 2021 through May 30, 2031 with one 5-year option remaining. Evergreen Business Capital has and remains in good standing throughout the term of their lease.

Evergreen Business Capital now desires to amend the terms and conditions of the lease and requests an additional 25 years to their existing lease. The extended terms would begin on June 1, 2036 and end on May 31, 2061. The rent rate and surety requirement is also being adjusted to reflect the then current Commission rate.

In addition, the requirement that the tenant at their expense provide improvements consistent with the City of Tumwater requirements along 78th Street shall be added to the lease. If the Premises does not have the standard frontage improvements such as curbs, sidewalks, and street trees then the Tenant will need to provide how and when they will be developed over the course of the additional term. They shall be completed within the first five years of the first term extension and no later than May 31, 2041. The rest and remainder of the original lease shall remain in full force and effect.

Summary and Annual Financial Impact:

- Current monthly lease payment: $7,027.50
  - Annual: $84,330.00
- Anticipated 2031 monthly payment: $7,730.25
  - Annual: $92,763.00
- 2036-2061: Adjusted to then Commission approved rate and at least 3% increase over the current with a 10% escalation every 5 years thereafter

Alignment with Vision 2050:

This lease amendment supports multiple Vision 2050 goals by advancing long-term economic development within the Port's New Market Industrial Campus. Extending the lease term enables the Port to retain and expand a stable business presence, consistent with Vision 2050 goals to grow manufacturing, logistics, and service-sector employment, support small and emerging businesses, and catalyze economic opportunities in partnership with local jurisdictions. The subleases with the existing five tenants strengthens regional job creation and aligns with Vision 2050's emphasis on leveraging Port properties for family-wage employment and sustainable business growth.

The required frontage improvements on 78th Avenue reinforce Vision 2050's goals around incorporating sustainability and community-benefit considerations in development and ensuring Port properties meet long-term infrastructure expectations.

Environmental Considerations:

The lease premises are located within the Port's New Market District. Our tenant actively works with the Department of Ecology and the City of Tumwater to follow environmental regulations.

Alternatives Considered

1. Approve Evergreen Business Capital, LLC Lease Amendment #6.

Result: The Port's existing tenant gains more flexibility in how to manage and proceed with the asset increasing the likelihood that the asset will continue to operate in its existing capacity and a commitment to install frontage improvements and pedestrian connectivity is added to the transaction.

2. Do not approve Evergreen Business Capital Lease Amendment #6.

Result: The Tenant is limited to its original term that would will expire in 2036 which will likely limit the functionality of the building and reduce the predictability to the existing tenants.

Staff Recommendation:

Approve lease amendment No. 6 as presented.

Documents Attached:

Copy of Lease Amendment #6

LEASE AMENDMENT NO. 6

PORT OF OLYMPIA GROUND LEASE
NEW MARKET INDUSTRIAL CAMPUS

THIS LEASE AMENDMENT NO. 6 is made this 18th of June, 2026, by and between the **PORT OF OLYMPIA**, a Washington municipal corporation, (hereinafter referred to as the "Port") as Lessor, and **EVERGREEN BUSINESS CAPITAL**, a Washington non-profit corporation, (hereinafter referred to as "Tenant") as Lessee.

WITNESSETH:

WHEREAS, the Port and Tenant entered into a Lease Agreement (the "Lease") dated April 25, 1986, covering specific premises owned by Lessor and leased to Tenant for an incubator building; and

WHEREAS, the Port and Tenant amended the Lease by Lease Amendment No. 1 dated March 28, 1997, for the purpose of clarifying the rent commencement date, future rent calculations, and payment of past due rent over a specific time period; and

WHEREAS, the Port and Tenant amended the Lease by Lease Amendment No. 2 dated June 26, 2006, for the purpose of revising the rent and subsequently adjusting the surety requirement accordingly; and

WHEREAS, Tenant changed their name from Evergreen Community Development Association to Evergreen Business Capital, a Washington non-profit corporation on October 27, 2008; and

WHEREAS, the Port and Tenant amended the Lease by Lease Amendment No. 3 dated May 11, 2011, for the purpose of revising the rent and subsequently adjusting the surety requirement accordingly; and

WHEREAS, the Port received a letter from Tenant dated February 24, 2014, exercising Option to Extend Term through May 31, 2021 as per Lease Agreement; and

WHEREAS, the Port and Tenant amended the Lease by Lease Amendment No. 4 dated February 17, 2015, for the purpose of extending the term; and

WHEREAS, the Port and Tenant amended the Lease by Lease Amendment No. 5 dated April 11, 2016, for the purposes of extending the term, revising the rent and the manner to which it is increased and subsequently adjusting the surety requirements accordingly; and

WHEREAS, the Port received a letter from Tenant dated March 5, 2026, exercising fourth Option to Extend Term through May 31, 2036 as per the Lease Agreement; and

WHEREAS, the Port and Tenant now desire to amend the Lease Agreement for the purpose of extending the term, as well as adjusting the rent and subsequently adjusting the surety requirement accordingly

NOW THEREFORE, IT IS HEREBY MUTUALLY AGREED that the Lease between the parties shall be amended as follows:

1. Paragraph 1, **LEASE SUMMARY, TERM** shall be amended as follows:

   The lease term is hereby extended for five (5) additional years effective June 1, 2031 through May 31, 2036.

   The Tenant is hereby granted two (2) additional terms of ten (10) years each and one (1) additional term of five (5) years with the following dates:
   June 1, 2036 through May 31, 2046
   June 1, 2046 through May 31, 2056
   June 1, 2056 through May 31, 2061

2. Paragraph 1, **LEASE SUMMARY, RENT,** shall be amended as follows:

   Commencing June 15, 2031 through May 31, 2036 the monthly rent for the remainder of the term shall be increased by 10% as follows:

Lease Term	Monthly Rent	Annual Surety Requirement
June 15, 2031 – May 31, 2036	$7,730.25 + LET	$104,673.72

   Commencing June 1, 2036 the RENT will be adjusted to the then Commission approved rate or at no time less than 3% higher than the current rate and escalated 10% every 5 years thereafter.

3. Paragraph 1, **LEASE SUMMARY, SURETY,** shall be amended as follows:

   Surety requirements shall be submitted in the amount stated in the above table.

4. Paragraph 46, **78TH STREET IMPROVEMENTS** shall be added to the Lease as follows:

If the Premises does not have standard frontage improvements such as curbs and sidewalks, the Tenant will need to provide for when and how they will develop them over the course of the additional added extended Term. The frontage improvements will be consistent with the City of Tumwater's engineering and design standards. The frontage improvements will need to be installed within the first five (5) years of the first Term extension and no later than May 31, 2041.

THE REST AND REMAINDER OF THE LEASE shall remain in full force and effect, and is affirmed and ratified by the signatures of the parties.

LESSOR:
PORT OF OLYMPIA

By: ____________________
Alexandra K. Smith
Executive Director

TENANT/LESSEE:
EVERGREEN BUSINESS CAPITAL

By: ____________________
Annie Lant-Smith
Vice President/COO

STATE OF WASHINGTON)
) ss
COUNTY OF THURSTON)

I certify that I know or have satisfactory evidence that ALEXANDRA K. SMITH is the person who appeared before me, and said person acknowledged that he signed this instrument, on oath stated that he was authorized to execute the instrument and acknowledged it as the Executive Director of the Port of Olympia, to be the free and voluntary act of such party for the uses and purposes mentioned in this instrument.

DATED this ______ day of __________________, 2026.

____
Print Name:

____
NOTARY PUBLIC in and for the State of Washington, residing at

____
My commission expires: ______________

STATE OF WASHINGTON)
) ss
COUNTY OF KING)

I certify that I know or have satisfactory evidence that ANNIE LANT- SMITH is the person who appeared before me, and said person acknowledged that he signed this instrument, on oath stated that he was authorized to execute the instrument and acknowledged it as the Vice President/COO of Evergreen Business Capital, to be the free and voluntary act of such party for the uses and purposes mentioned in this instrument.

DATED this 18th day of June, 2026.

KEITA HORN
NOTARY PUBLIC
STATE OF WASHINGTON
COMMISSION EXPIRES 5-31-30
22016227

Print Name: Keita Horn
NOTARY PUBLIC in and for the State of Washington, residing at Seattle
My commission expires: 5/31/30

RATIFICATION PROVISION

This Amendment No. 6 shall be subject, as a condition subsequent, to ratification by the Port of Olympia Commission within thirty (30) days after full execution. Amendment No. 6 shall be effective and binding on the parties until such time and thereafter if ratified. If Amendment No. 6 is not ratified, as required herein, then it shall terminate and be of no further force and effect.

The undersigned confirms that this Amendment No. 6 was ratified by the Port of Olympia Commission on ________________, 2026.

Port of Olympia Commission

By: ____________________________

Its: ____________________________

Date: ____________________________

STATE OF WASHINGTON)
) ss
COUNTY OF THURSTON)

On this ______ day of ______________, 2026, personally appeared before me ____________________, to me known to be the President of the Port of Olympia Commission, the municipal corporation named in the within and foregoing **Lease Agreement,** and acknowledged to me that he signed the same on its behalf, as he is so authorized to do, as his free and voluntary act and deed for the uses and purposes therein mentioned.
IN WITNESS WHEREOF, I have hereunto set my hand and seal the day and year first above written.

____
Print Name: ____________________________
NOTARY PUBLIC in and for the State of Washington,
residing at ____________________________
My commission expires: ____________________

PORT OF OLYMPIA
Bills & Vouchers
June 2026 Summary of Payments

GENERAL

PREPRINTED WARRANTS	$	688,879.49
ELECTRONIC PAYMENTS	$	440,439.30
BOND DEBT PAYMENTS		NONE
VOIDED WARRANT(S)- 4 check -voided reissue	$	(29,722.20)
TOTAL PAYMENTS:	$	1,099,596.59

General Fund Warrants Issued:	CK# 094340-094505
Electronic Payments Issued:	EP# 001714-001742
Bond Debt Payments Issued:	NONE
Voided Warrant(s):	CK#094263,094326,094409,094499
Voided Electronic Payment(s):	NONE

Payments over $200,000:

Warrant #	Amount	Pay To
None during June 2026		

We the undersigned Board of Commissioners of the Port of Olympia, Olympia Washington, do hereby authorize the issuance of the warrants described above.

Jasmine Vasavada, Commission President

Sarah Montano, Commission Vice-President

Joel Hansen, Commission Secretary

Jerry Toompas, Commissioner

Krag Unsoeld, Commissioner

Alexandra K. Smith, Executive Director

PORT OF OLYMPIA
VOUCHER APPROVAL LISTING
JUNE 2025
Issued 6/3/2026

WARRANTS ISSUED:	WARRANT NUMBERS:	
COMPUTER PREPARED	094340 to 094341	22,292.18
Voided Warrant(s) Same invocie entered twice Voided check- Zero invocie duplicate recut correct invocies. TC	094326 to 094326	(1,275.00)
ELECTRONIC PAYMENTS:	ACH NUMBERS:	
COMPUTER PREPARED		-
Voided Electronic Payment(s)		-
	TOTAL WARRANTS	$ 21,017.18

RCW 42.24.080: "I, the undersigned, do hereby certify under penalty of perjury, that the materials have been furnished the services rendered or the labor performed as described herein, and that the claims are just, due and unpaid obligations of the Port of Olympia, and that I am authorized to authenticate and certify to said claims".

Trisha Miller

Trisha Miller

PORT OF OLYMPIA
VOUCHER APPROVAL LISTING
JUNE 2025
Issued 6/4/2026

WARRANTS ISSUED:	WARRANT NUMBERS:	
COMPUTER PREPARED	094342 to 094387	161,025.64
Voided Warrant(s)	to	
ELECTRONIC PAYMENTS:	ACH NUMBERS:	
COMPUTER PREPARED		-
Voided Electronic Payment(s)		-
	TOTAL WARRANTS	$ 161,025.64

RCW 42.24.080: "I, the undersigned, do hereby certify under penalty of perjury, that the materials have been furnished the services rendered or the labor performed as described herein, and that the claims are just, due and unpaid obligations of the Port of Olympia, and that I am authorized to authenticate and certify to said claims".

~~Trisha Miller~~
Brent Barnes

PORT OF OLYMPIA
VOUCHER APPROVAL LISTING
JUNE 2026
Issued 6/11/2026

		WARRANT NUMBERS:	
WARRANTS ISSUED:			
	COMPUTER PREPARED	094388 to 094444	306,486.99
	Voided Warrant(s) Void & Reissue - Wrong Vendor	094263 to 094263	$ (6,704.00)
ELECTRONIC PAYMENTS:		ACH NUMBERS:	
	COMPUTER PREPARED		
	Voided Electronic Payment(s)	TOTAL WARRANTS	$ 299,782.99

RCW 42.24.080: "I, the undersigned, do hereby certify under penalty of perjury, that the materials have been furnished the services rendered or the labor performed as described herein, and that the claims are just, due and unpaid obligations of the Port of Olympia, and that I am authorized to authenticate and certify to said claims".

Trisha Miller, Controller

PORT OF OLYMPIA
VOUCHER APPROVAL LISTING
JUNE 2026
Issued 6/12/2026

WARRANTS ISSUED:		WARRANT NUMBERS:	
COMPUTER PREPARED		094445 to 094445	21,671.16
Voided Warrant(s)	Void & Reissue - Wrong Vendor	094409 to 094409	$ (21,671.16)
ELECTRONIC PAYMENTS:		ACH NUMBERS:	
COMPUTER PREPARED			
			-
Voided Electronic Payment(s)			
		TOTAL WARRANTS	$ -

RCW 42.24.080: "I, the undersigned, do hereby certify under penalty of perjury, that the materials have been furnished the services rendered or the labor performed as described herein, and that the claims are just, due and unpaid obligations of the Port of Olympia, and that I am authorized to authenticate and certify to said claims".

Trisha Miller, Controller

PORT OF OLYMPIA
VOUCHER APPROVAL LISTING
JUNE 2026
Issued 6/16/2026

WARRANTS ISSUED:		WARRANT NUMBERS:		
	COMPUTER PREPARED	094446 to 094446		45,215.59
	Voided Warrant(s)			
ELECTRONIC PAYMENTS:		ACH NUMBERS:		
	COMPUTER PREPARED			
	Voided Electronic Payment(s)	TOTAL WARRANTS		$ 45,215.59

RCW 42.24.080: "I, the undersigned, do hereby certify under penalty of perjury, that the materials have been furnished the services rendered or the labor performed as described herein, and that the claims are just, due and unpaid obligations of the Port of Olympia, and that I am authorized to authenticate and certify to said claims".

Trisha Miller, Controller

PORT OF OLYMPIA
VOUCHER APPROVAL LISTING
JUNE 2026
Issued 6/18/2026

WARRANTS ISSUED:	WARRANT NUMBERS:	
COMPUTER PREPARED	094447 to 094448	8,009.37
Voided Warrant(s)		
ELECTRONIC PAYMENTS:	ACH NUMBERS:	
COMPUTER PREPARED		
Voided Electronic Payment(s)	TOTAL WARRANTS	$ 8,009.37

RCW 42.24.080: "I, the undersigned, do hereby certify under penalty of perjury, that the materials have been furnished the services rendered or the labor performed as described herein, and that the claims are just, due and unpaid obligations of the Port of Olympia, and that I am authorized to authenticate and certify to said claims".

Trisha Miller, Controller

PORT OF OLYMPIA
VOUCHER APPROVAL LISTING
JUNE 2026
Issued 6/22/2026

WARRANTS ISSUED:		WARRANT NUMBERS:	
	COMPUTER PREPARED	094449 to 094469	71,336.09
	Voided Warrant(s)		
ELECTRONIC PAYMENTS:		ACH NUMBERS:	
	COMPUTER PREPARED		
	Voided Electronic Payment(s)		
		TOTAL WARRANTS	$ 71,336.09

RCW 42.24.080: "I, the undersigned, do hereby certify under penalty of perjury, that the materials have been furnished the services rendered or the labor performed as described herein, and that the claims are just, due and unpaid obligations of the Port of Olympia, and that I am authorized to authenticate and certify to said claims".

Trisha Miller, Controller

T. Miller

PORT OF OLYMPIA
VOUCHER APPROVAL LISTING
JUNE 2026
Issued 6/25/2026

WARRANTS ISSUED:		WARRANT NUMBERS:	
	COMPUTER PREPARED	094470 to 094504	52,770.43
	Voided Warrant(s)		
ELECTRONIC PAYMENTS:		ACH NUMBERS:	
	COMPUTER PREPARED		
	Voided Electronic Payment(s)	TOTAL WARRANTS	$ 52,770.43

RCW 42.24.080: "I, the undersigned, do hereby certify under penalty of perjury, that the materials have been furnished the services rendered or the labor performed as described herein, and that the claims are just, due and unpaid obligations of the Port of Olympia, and that I am authorized to authenticate and certify to said claims".

Trisha Miller, Controller

Kathu T. Miller

PORT OF OLYMPIA
VOUCHER APPROVAL LISTING
JUNE 2026
Issued 6/26/2026

WARRANTS ISSUED:		WARRANT NUMBERS:			
COMPUTER PREPARED		094505	to 094505		72.04
Voided Warrant(s)	Wrong vendor- void ressue caught before mailing	094499	to 094499	$	(72.04)
ELECTRONIC PAYMENTS:		ACH NUMBERS:			
COMPUTER PREPARED					
Voided Electronic Payment(s)					
		TOTAL WARRANTS		$	-

RCW 42.24.080: "I, the undersigned, do hereby certify under penalty of perjury, that the materials have been furnished the services rendered or the labor performed as described herein, and that the claims are just, due and unpaid obligations of the Port of Olympia, and that I am authorized to authenticate and certify to said claims".

Trisha Miller

Trisha Miller, Controller

X T. Miller

COVER MEMO	
Briefing Date/Time:	July 13, 2026
Staff Contact/Title:	James Sommer, Public Works Program Manager, 360.528.8005, JamesS@PortOlympia.com
Subject:	Contract Award: Building Tenant Improvements (Port HQ)
Purpose:	☐ Information Only ☒ Decision Needed

Type of Agenda Item:

- Action – Decision is requested

Background:

Port staff presented an advisory item for the Building Tenant Improvements (Port HQ) contract award at the June 22, 2026, commission meeting. In that meeting, staff gave an overview of the project and to date effort regarding the solicitation for contract 2026-1020. The corresponding cover memo is attached.

Tenant Improvements Contract Overview:

Timeline:

- 6/1/2026 – Bids solicited
- 6/11/2026 – Pre-bid site visit
- 6/30/2026 @ 3pm – Submission deadline
- 6/30/2026 – Public bid opening
- 7/13/2026 – Commission approval via Action agenda item

There was a total of 9 bids submitted for contract 2026-1020 - Port of Olympia Headquarters Tenant Improvement Project. The bids, including sales tax, ranged from $5,251,734 to $7,506112.46 with Good News Group coming in as the lowest responsive, responsible bidder at $5,251,734.00.

This project expense is included in the approved 2026 capital budget, with the expectation that a portion of construction expenses will be incurred in 2027 as part of the 2027 capital budget.

Alignment with Vision 2050:

Focus Area #3:

- Sustainability, Administration, Communications, and Engagement

Goal #8 – Administration:

- Improve the Port's ability to make decisions, resolve issues, achieve its objectives and mission, and implement Vision 2050 recommendations to become an innovative economic development leader.

Action Item #44:

- Be transparent in budget planning and align actions with Vision 2050 goals.

Alternatives Considered:

The Port has considered other alternatives, ultimately deciding to move forward with a tenant improvement of the 200 Market Street building to turn it into the new Port HQ.

1. Continue renting or leasing space for Port staff and Commission meetings.
    - At the time, the Port was paying approximately 450,000 dollars per year in rent for staff offices, Commission meeting room, and a maintenance shop.
    - If the Port chose *not* to use the Dancing Goats building as its headquarters, leasing it to a tenant was estimated to generate roughly 55,000 dollars per year in revenue. While beneficial, this revenue did not offset the long-term savings achieved by consolidating Port operations into a single Port-owned facility.
2. Construct a new building for Port staff and Commission meeting spaces.
    - The Port previously explored a "Waterfront Center" concept to meet similar needs.
    - A preliminary feasibility study estimated costs at more than 20 million dollars, with limited tenant interest to help offset construction and operating expenses.

Staff Recommendation:

Port staff recommends that the Commission authorize the Executive Director to award the Port of Olympia Headquarters Tenant Improvement Project, Contract 2026-1020, to the lowest responsive and responsible bidder, Good News Group, in the amount of $5,251,734.00, including sales tax.

Document(s) Attached:

- 2026-1020 - Port of Olympia Headquarters Tenant Improvement Project – Bid Calculations
- June 22, 2026 Cover Memo

	Berschauer Group	CDK Construction	Colvos Construction	Construct Inc	Good News Group Inc	Jones & Roberts Co	Lincoln Construction Inc	Pacific Tech Construction Inc	Rognlin's Inc.
Port HQ TI (LS)	$ 4,759,000.00	$ 6,781,168.00	$ 5,273,579.97	$ 4,866,000.00	$ 4,728,000.00	$ 4,818,000.00	$ 5,966,988.00	$ 4,818,796.00	$ 6,025,000.00
Roof Edge Flashing Allowance (EST)	$ 5,000.00	$ 5,000.00	$ 5,000.00	$ 5,000.00	$ 5,000.00	$ 5,000.00	$ 5,000.00	$ 5,000.00	$ 5,000.00
Minor Changes (EST)	$ 50,000.00	$ 50,000.00	$ 50,000.00	$ 50,000.00	$ 50,000.00	$ 50,000.00	$ 50,000.00	$ 50,000.00	$ 50,000.00
Sub Total Base Bid	$ 4,814,000.00	$ 6,836,168.00	$ 5,328,579.97	$ 4,921,000.00	$ 4,783,000.00	$ 4,873,000.00	$ 6,021,988.00	$ 4,873,796.00	$ 6,080,000.00
WSST (10%)	$ 471,772.00	$ 669,944.46	$ 522,200.84	$ 482,258.00	$ 468,734.00	$ 477,554.00	$ 590,154.82	$ 477,632.01	$ 595,840.00
Total Base Bid	$ 5,285,772.00	$ 7,506,112.46	$ 5,850,780.81	$ 5,403,258.00	$ 5,251,734.00	$ 5,350,554.00	$ 6,612,142.82	$ 5,351,428.01	$ 6,675,840.00

COVER MEMO

Briefing Date/Time:	June 22, 2026
Staff Contact/Title:	James Sommer, Public Works Program Manager, 360.528.8005, JamesS@PortOlympia.com
Subject:	Contract Award: Building Tenant Improvements (Port HQ)
Purpose:	☒ Information Only ☐ Decision Needed

Type of Agenda Item:

- Advisory – No decision required.
- This item will be brought back before the commission on July 13, 2026 as an Action agenda item.

Background:

In October 2024, the Port was approached by Port lessee Challain Inc., owners of the 200 Market Street, Olympia, WA building, regarding a potential sale of the Dancing Goats coffee roaster and tasting room facility. After an initial walk-through and assessing its potential, Port leadership agreed to begin due diligence for purchase of the building.

In November 2024, the Port's 2025 operating and capital budget was approved. Since the opportunity to purchase the building arose so late in the annual budget process, the Port included a capital budget placeholder line item of 1.75 million dollars for future potential tenant improvements.

In January 2025, the Port and Challain Inc. commissioned a building valuation and began negotiating a purchase and sale agreement. The Port Commission was briefed on the intent to purchase the building and convert it into the new Port headquarters, replacing leased administration offices.

In February 2025, the Port completed a full building inspection as part of the due diligence process. Staff also requested and received final Commission approval to move forward with the purchase.

In April 2025, Port staff began working with Thomas Architecture Studios to complete space programming and develop conceptual designs. During this process, staff identified an opportunity to consolidate maintenance staff into the new building, further reducing the Port's long-term lease and rental expenses. Consultation with the City of Olympia Community Planning & Economic Development Department during this same timeframe revealed the upgrades and improvements required to meet current building codes so they could be incorporated into the design.

In September 2025, Port staff and Thomas Architecture Studios provided a project update to the Port Commission. With future commissioners in attendance, the briefing covered the rationale behind the purchase of the building, staff input on the design, and a walkthrough of the conceptual layout.

From September 2025 through June 2026, Port staff worked with Thomas Architecture Studios to complete final tenant improvement designs. The resulting plan consolidates multiple Port operations into a single facility and eliminates the Port's significant annual lease expenses.

<u>Tenant Improvements Contract Overview:</u>

Timeline:

- 6/1/2026 – Bids solicited
- 6/11/2026 – Pre-bid site visit
- 6/30/2026 @ 3pm – Submission deadline
- 6/30/2026 – Public bid opening
- 7/13/2026 – Commission approval via Action agenda item

Total cost of the contract award – based on the lowest responsive, responsible bidder – will be provided to the Commission on July 13 subsequent to completion of bid evaluation. As of Monday June 15, there were 144 "unique document takers" with 8 bid submissions in progress.

This project expense is included in the approved 2026 capital budget, with the expectation that a portion of construction expenses will be incurred in 2027.

<u>Alignment with Vision 2050:</u>

Focus Area #3:

- Sustainability, Administration, Communications, and Engagement

Goal #8 – Administration:

- Improve the Port's ability to make decisions, resolve issues, achieve its objectives and mission, and implement Vision 2050 recommendations to become an innovative economic development leader.

Action Item #44:

- Be transparent in budget planning and align actions with Vision 2050 goals.

Alternatives Considered:

The Port has considered other alternatives, ultimately deciding to move forward with a tenant improvement of the 200 Market Street building to turn it into the new Port HQ.

1. Continue renting or leasing space for Port staff and Commission meetings.
    - At the time, the Port was paying approximately 450,000 dollars per year in rent for staff offices, Commission meeting room, and a maintenance shop.
    - If the Port chose *not* to use the Dancing Goats building as its headquarters, leasing it to a tenant was estimated to generate roughly 55,000 dollars per year in revenue. While beneficial, this revenue did not offset the long-term savings achieved by consolidating Port operations into a single Port-owned facility.
2. Construct a new building for Port staff and Commission meeting spaces.
    - The Port previously explored a "Waterfront Center" concept to meet similar needs.
    - A preliminary feasibility study estimated costs at more than 20 million dollars, with limited tenant interest to help offset construction and operating expenses.

Staff Recommendation:

At the July 13 Commission meeting, Port staff will recommend the Commission award the Building Tenant Improvements (Port HQ) contract to the lowest, responsive, responsible bidder.

Document(s) Attached:

None

COVER MEMO	
Briefing Date/Time:	July 13, 2026
Staff Contact/Title:	Chris Paolini, Airport Senior Manager, 360.528.8074, chrisp@portolympia.com
Subject:	Resolution 2026-06: Port commitment to provide WSDOT grant matching funds for a WSDOT grant funded Electric Aircraft Charging Station project grant application
Purpose:	☐ Information Only ☒ Decision Needed

Type of Agenda Item:

- Action

Background:

Airport staff have prioritized exploring infrastructure projects that would support the aviation industry's transition to electric aircraft as a renewable energy alternative. Key questions included:

- Identify the type of Advanced Air Mobility (AAM) aircraft that would most likely operate at the Olympia Regional Airport.
- Determine the ground support services required.
- Select the optimal on-airfield location while complying with FAA regulations.

Staff have identified the most feasible location on the airfield to install electric aircraft charging equipment and partnered with one of our aviation tenants, Safety In Motion, to provide a full-service solution to support electric aircraft at the Olympia Regional Airport.

On May 15, 2026, WSDOT announced a Notice of Funding Opportunity under the Sustainable Aviation Grant program to fund projects during the 2027-2029 biennium. The application deadline under this grant is July 17, 2026. In preparation for this grant application, airport staff, consultants, and the Director of WSDOT Aviation met with Beta Technologies, a charging station and electric aircraft manufacturer, on May 21, 2026 for an on-airport site visit to discuss the feasibility of an electric aircraft charging station project. The meeting was very successful, and Port staff decided to move forward with the project and apply for a grant under the WSDOT Sustainable Aviation Grant Program.

Because this project is currently not on the list of Port capital projects, per Port policy 1008, commission approval is required to apply for a WSDOT grant to fund this project. Additionally, as part of the grant application, WSDOT requires a resolution from the sponsor entity affirming funds availability and commitment to providing grant match funds for the capital project. The included proposed resolution will be submitted as part of the WSDOT grant application due by July 17, 2026. This item was previously brought before the commission as an advisory item during the June 22, 2026, commission meeting.

Summary and Financial Impact:

This project would consist of increasing PSE electrical power at the edge of airport property from 208-volt 3-phase power to 480-volt 3-phase power, installation of approximately 800 feet of underground electrical conduit from the PSE equipment to the new electric aircraft charging station site, and installation of a fully operational electric aircraft charging station.

This project would place the Port of Olympia at the forefront of the electric aircraft transition by becoming one of the first airports in the Pacific Northwest to install electric aircraft charging infrastructure adding to the national electric aircraft charging network.

This project would provide opportunities to support quieter zero emission electric aircraft to Thurston County in support of flight training programs, business, and personal transportation. It also offers a zero-emission alternative for transporting residents to the region's major commercial airports. Additionally, this infrastructure may support tourism by offering environmentally friendly transportation options that reduce vehicle congestion in surrounding areas.

The WSDOT Sustainable Aviation Grant can fund up to 100% of total eligible project costs. However, WSDOT has informed applicants that a voluntary grant match for a percentage of the project cost will make the application package more competitive. Based on this information, we are suggesting a ten-percent sponsor match to make our application more competitive. The ten-percent match will be funded by airport capital project funds. Estimated Project cost and funding are as follows:

Estimated Project Cost:		
Engineering/Construction Mgmt.:	$230,000	
Charging Station:	$350,000	
Infrastructure and Installation:	$720,000	
TOTAL PROJECT COST:		**$1,300,000**
Funding Sources:		
WSDOT Grant:		$1,170,000
Airport Capital Project Funds:		$ 130,000

Alignment with Vision 2050:
This project aligns with the following Vision 2050 focus areas, goals, and action items:

Airport Functions
Goal: Maximize the economic and community value of the Olympia Regional Airport in accordance with FAA Master Plan regulations.
- Action Item #30: Research strategies used by other airports of similar size to determine best practices and opportunities.
- Action Item #32: Evaluate options for private charter, tourist and freight transportation.

Environmental Sustainability
Goal: Emphasize sustainability in all planning and actions and provide regular updates to the community.
- Action Item #37: Study and implement priority climate adaptation and mitigation strategies in concert with local partners.

Environmental Considerations and Review:
This project provides critical infrastructure to enable the aviation industry's transition from jet fuel and leaded aviation gasoline (AvGas) powered aircraft to zero-emission electric powered aircraft. This project is also aligned with the 2022 WSDOT Electric Airport Feasibility Study, which identifies Olympia (OLM) as a priority site for early adoption. This infrastructure will serve to reduce local carbon and lead emissions. By supporting electric aircraft that generally operate quieter than traditional combustion engine aircraft, OLM advances its environmental stewardship goals and directly improves noise and air quality for the surrounding Tumwater community.

Environmental review is underway for this project and would be completed before any construction activity occurs. Based on the scope of this project, we anticipate NEPA exemption may be, and SEPA exemption was, granted under the following:

NEPA
FAA Order 1050-1G; B-2.4. *"Categorical Exclusions for Facility Siting, Construction, and Maintenance. This category includes the list of CATEXs for FAA actions involving acquisition, repair, replacement, maintenance, or upgrading of grounds, infrastructure, buildings, structures, or facilities that generally are minor in nature.*
(f) Federal financial assistance, licensing, Airport Layout Plan (ALP) approval, or FAA construction or limited expansion of accessory on-site structures, including storage buildings, garages, hangars, t-hangars, small parking areas, signs, fences, and other essentially similar minor development items. (ATO, ARP, AST)

(n) Minor expansion of facilities, including the addition of equipment such as telecommunications equipment, on an existing facility where no additional land is required, or when expansion is due to remodeling of space in current quarters or existing buildings. Additions may include antennas, concrete pad, and minor trenching for cable. (ATO, AST)

(o) Minor trenching and backfilling where the surface are restored and the excavated material is protected against erosion and run-off during the construction period. (ATO, ARP, AST)"

<u>SEPA</u>

Per the following Washington State Administrative Code (WAC), the entirety of this project is SEPA exempt:

<u>WAC 197-11-800 (23) exempts</u>: "*Utilities. The utility-related actions listed below shall be exempt… The exemption includes installation and construction, relocation when required by other governmental bodies, repair, replacement, maintenance, operation or alteration that does not change the action from an exempt class.*

(c) All electric facilities, lines, equipment or appurtenances, not including substations, with an associated voltage of 55,000 volts or less; the overbuilding of existing distribution lines (55,000 volts or less) with transmission lines (up to and including 115,000 volts); within existing rights of way or developed utility corridors, all electric facilities, lines, equipment or appurtenances, not including substations, with an associated voltage of 115,000 volts or less; and the undergrounding of all electric facilities, lines, equipment or appurtenances.

(e) All developments within the confines of any existing electric substation, reservoir, pump station vault, pipe, or well: Additional appropriations of water are not exempted by this subsection."

<u>Staff Recommendation</u>:

Staff recommends the following motion and commission action:

"Adopt resolution 2026-06 affirming the Port's commitment to provide grant matching funds for the Olympia Regional Airport's Electric Aircraft Charging Station project and authorize the Executive Director to submit an application for a WSDOT grant for the Airport's Electric Aircraft Charging Station project."

<u>Document(s) Attached</u>:

Resolution 2026-06: Port commitment to provide WSDOT grant matching funds for a WSDOT grant funded Electric Aircraft Charging Station project

PORT OF OLYMPIA COMMISSION
Resolution 2026-06

A resolution of the Port of Olympia Commission confirming the commitment of the Port to provide matching funds for the Olympia Regional Airport's Electric Aircraft Charging Station Project for the Port's 2026 grant application to the Washington State Department of Transportation Airport Aid Grant program.

WHEREAS, the Port of Olympia Commission has authorized staff to pursue grant opportunities to assist in the funding of its capital projects; and

WHEREAS, the Port is applying to the 2026 Washington State Department of Transportation's (WSDOT) Airport Aid Grant program to assist in the funding of the design and construction of an Electric Aircraft Charging Station project at the Olympia Regional Airport; and

WHEREAS, the application for WSDOT Airport Aid Grant funding includes a local match from the Port of Olympia,

NOW THEREFORE be it resolved by the Commission of the Port of Olympia that the Commission authorizes and supports the Port's submittal of a grant application to WSDOT Aviation for the design and construction of its Electric Aircraft Charging Station project, and matching funds are available for the project, as submitted in its 2026 WSDOT Airport Aid Grant application.

ADOPTED by the Commission of the Port of Olympia this 13th day of July 2026.

PORT OF OLYMPIA COMMISSION

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Jasmine Vasavada, President

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Sarah Montano, Vice President

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Joel Hansen, Secretary

COVER MEMO	
Briefing Date/Time:	July 13, 2026
Staff Contact/Title:	Alex Smith, Executive Director (360) 528-8001, alexs@portolympia.com
Subject:	Delegation of Authority
Purpose:	☒ Information Only ☐ Decision Needed

Type of Agenda Item:
Advisory

Background:
In February of this year, the Commissioners requested an opportunity to discuss the Port's Delegation of Authority. The Delegation of Authority is a document by which the Commission grants specific powers and responsibilities to an Executive Director to manage the Port's operations. The Commission created a subcommittee of Commissioners Vasavada and Unsoeld to work on a new Delegation of Authority with the Executive Director. The draft document attached to this Cover Memo is the outcome of the subcommittee's work.

Existing Port of Olympia Delegation of Authority:

There are five Resolutions that comprise the current Delegation of Authority to the Executive Director.

- 2021-04 – Executive Policies
    - 41 policies in all
    - See Pages 3-4 of the resolution for a list of affected policies
- 2019-06 – Contracts and Acquisition Policies
    - Port Policies 1001-1010, *except*:
        - Port Policy 1003 which is already written for Executive Director authority
- 2019-07 – Real Property Policies
    - Port Policies 1101-1108, *except*:
        - Port Policy 1106, which is already written for Executive Director authority
- 2015-16 – Financial Policies

- 2013-17 – Environmental Policies

The five resolutions made it difficult to easily track the areas where the Commission has approval authority and where it had been delegated to the Executive Director. At a Commission Meeting in February of 2024, there was an attempt to consolidate the three 2019 and 2021 resolutions into a single new resolution, but it was ultimately not approved by the Commission.

New Draft Delegation of Authority:

The current Commission asked that our new Delegation of Authority be modeled on the Port of Seattle's, and the attached draft does that. The attached draft incorporates language the majority of the subcommittee agreed to. Other changes were proposed by members of the subcommittee, but not agreed to by the majority.

Commission Policies:

The Port of Seattle Delegation reserves to their Commission the approval of several policies, which they call "Policy Directives." They can be found on the POS website here: Policy Directives | Port of Seattle. That concept is retained in the draft Port of Olympia Delegation, but the policies are referred to as "Commission Policies." A list of policies currently designated as "Commission Policies" is also attached to this memo.

As we revise the Delegation, staff have recommendations for changes to some of the policies for the Commission to approve, and some policies that are at the Executive Director level to approve. The document attached entitled "Commission Policies – Proposed Changes" reflects these staff recommendations.

Examples of Other Delegations of Authority:

Also attached for Commission consideration are the Delegations of Authority used by the Ports of Tacoma and Seattle. I have also included an excerpt from a presentation given at the WPPA's 2023 Commissioners Seminar that discusses the respective roles of Commissioners and the Executive Director.

Alignment with Vision 2050:
Supports the Vision 2050 Goal to improve the Port's ability to make decisions, resolve issues and achieve its objective and mission.

Environmental Considerations and Review:
N/A

Alternatives Considered:
The subcommittee considered an alternative draft that included language providing for environmental stewardship and consideration of environmental values throughout the document. A copy of the draft with that language is attached.

A majority of the subcommittee noted that the Commission has approval authority of the Port's Environmental Policy (Policy 1301), as well as the Climate Change Policy currently being developed by staff. To include explicit environmental provisions in the Delegation of Authority was considered to be duplicative of those more specific policies. In recognition of the importance of environmental values, language was proposed in the draft Delegation requiring the Commission to annually review and update the Environmental and Climate Change Policies. That language is highlighted in yellow in the Draft Delegation of Authority.

Staff Recommendation:
N/A

Documents Attached:
- Draft Delegation of Authority
- Draft Delegation of Authority with environmental stewardship language
- Commission Policies
- Commission Policies – Proposed Changes
- Port of Seattle Delegation of Authority
- Port of Tacoma Delegation of Authority
- Excerpts from Port of Tacoma Commission and Staff Facilitated Discussion February 2, 2023, presented at the WPPA 2023 Commissioner Seminar

Port of Olympia Commission

Delegation of Authority to the Executive Director (Draft)

Preamble

The Port of Olympia (the "Port") is a municipal corporation of the State of Washington created to foster trade, economic development, environmental stewardship, and community benefit within Thurston County and the South Sound region. The Port operates with both governmental and commercial powers and is committed to transparency, accountability, equity, and responsible stewardship of public resources.

All authority of the Port is vested in the Port Commission acting as a public body where majority rules. By this Delegation of Authority ("Delegation"), the Commission delegates specific responsibilities and authorities to the Executive Director, establishes clear governance and management roles, and provides a framework for effective, timely, and accountable operations.

Section I. Objectives of the Delegation

A. **Clarity and Alignment**
1. The Commission is the legislative body of the Port of Olympia. The Commission governs the Port, directs all intergovernmental policy functions and oversees the Executive Director.
2. The Commission's purpose, with the advice and assistance of the Executive Director, is to develop the Port's overall vision, strategies, objectives, policy directives, long range plans, major programs, and budgets.
3. The Executive Director manages day-to-day operations, executes Commission-adopted policies and plans, and advises the Commission.

B. **Transparency and Accountability**
This Delegation specifically allows for the development and adoption of Commission policies to guide the Port's efforts in pursuit of its strategic objectives. The Commission policies:

1. Provide high-level guidance about how the Port does its work based on public values and applicable laws, rules and regulations;

2. Inform operational policies regarding specific functions at the Port and set appropriate limits; and

3. Establish clear decision thresholds and reporting expectations to ensure public accountability, legal compliance, and effective internal controls.

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C. **Strategic Execution**
The Delegation supports implementation of the Port of Olympia's strategic plans and Commission priorities through measurable objectives, performance reporting, and regular communication.

D. **Empowered Management**
Clear responsibilities and authorities will enable the Commission and the Executive Director to work in concert and be effective.

Section II. Roles and Responsibilities

A. Commission Responsibilities

Governing the Port of Olympia as its elected body, the Commission shall:

1. Represent the Port to the public and other governmental entities.
2. Establish the Port's positions regarding public policy, legislation, and strategic direction, which shall include annual review of the Port's adopted strategic plan
3. Appoint and regularly evaluate the performance of the Executive Director.
4. Adopt the annual operating and capital budgets and the annual property tax levy.
5. Approve major programs, projects, real property transactions, interlocal agreements, and collective bargaining agreements.
6. Oversee audit functions, legal matters reserved to the Commission, and Port indebtedness.
7. Reserve to itself all authority not expressly delegated herein.
8. Recognize and exercise individual and collective fiduciary duty to protect and enhance the Port through the exercise of the duty of care, loyalty, and sound business judgment, and enforce upon itself and its members such measures as deemed reasonably necessary to govern with excellence.

B. Commission Work with Executive Director

Guiding the Port of Olympia and together with the Executive Director, the Commission shall:

1. Develop, adopt, and refine the long-term goals of the Port and review mid-term strategic objectives and performance metrics.
2. Develop, adopt, and amend Policy Directives.
3. Direct the Port's advocacy regarding public policies, legislation, and regulation.

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4. Consider and authorize new enterprises and initiatives.
5. Consider, authorize, and modify major programs and projects.
6. Consider and approve the settlement of any legal claim except as delegated to the Executive Director and General Counsel.
7. Consider and adopt annual operating and capital budgets.
8. Annually review the Port's Environmental Policy and Climate Change Policy, the Port's stewardship of public natural resources, and progress in meeting any associated performance metrics.
9. Consider and adopt annual salary and benefit proposals in the annual budget.
10. Consider and approve collective bargaining agreements.
11. Consider and authorize Interlocal Agreements.
12. Consider and authorize the acquisition and sale of real property and other capital assets except as delegated to the Executive Director pursuant to Commission policy.
13. Consider and establish industrial development districts and utilities.
14. Consider and approve assignment of defense counsel for any officer, employee or agent of the Port as authorized by law, except as delegated in Section nine.

C. Executive Director Responsibilities

Serving the Commission and managing the Port, the Executive Director shall:

1. Implement Commission policies, strategic plans, and adopted budgets.
2. Direct and supervise all Port operations, enterprises, and staff.
3. Prepare and recommend budgets, programs, projects, and policy proposals.
4. Execute contracts, agreements, and other documents within delegated authority.
5. Negotiate collective bargaining agreements and administer Commission-approved final agreements.
6. Represent the Port to tenants, customers, partners, and stakeholders.
7. Establish internal administrative, financial, and operational policies consistent with Commission directives and applicable law.
8. Report regularly to the Commission on strategic objectives, performance indicators, risks, and emerging issues.
9. Determine the organizational structure of the organization.

10. Establish operational, administrative, monetary and contractual policies, delegations, rules, tariffs, regulations and procedures in accordance with this Delegation, approved Policy Directives and applicable laws and regulations.
11. Apply for and accept grants and other funds from federal, state or local governments within delegated limits.
12. Prepare and submit applications for permits, regulatory approvals, entitlements and other authorizations associated with facilities and projects, and ensure compliance with subsequent permit obligations.
13. Negotiate and obtain appropriate policies of insurance to cover Port property, liability, employee wages, and other areas appropriately included within a comprehensive insurance program.
14. Carry out additional responsibilities as may be further delegated.

Section III. Real Property Agreements

3.1 Scope

This Section applies to all agreements or transactions involving the use of Port of Olympia real property, including leases, licenses, easements, permits, rights of entry, concession agreements, operating agreements, and agreements for the Port's use of property owned by others.

3.2 General Policies

All Port real property shall be used pursuant to a written agreement approved and executed in accordance with this Delegation, Port policies, and applicable law. The Executive Director is authorized to negotiate agreements, obtain appraisals when required, ensure appropriate security and insurance, and obtain legal review prior to execution.

3.3 Executive Director Authority

The Executive Director may approve and execute real property agreements ***except for the following***, which the Commission approves:

a) Leases with a duration of over a year.

b) Flex spaces with a lease of over one year.

c) Assignment of long-term leases.

d) Agreements that impose financial obligations on the Port for improvements.

Section IV. Real Property Acquisition, Sale, and Street Vacations

4.1 Appraisals

The Executive Director may obtain appraisals necessary to evaluate acquisitions, sales, leases, or easements.

4.2 Acquisitions

Following Commission approval, the Executive Director may complete acquisitions of real property, including execution of closing documents, provided the purchase price does not materially exceed the appraised value without further Commission approval.

4.3 Sales

Following Commission approval, the Executive Director may complete the sale or conveyance of Port real property and execute all necessary documents.

4.4 Street Vacations

The Executive Director may apply for street or right-of-way vacations ancillary to Port development within limits established by Commission policy.

Section V. Projects

5.1 Project Authority

Projects may include capital or expense work undertaken to provide a product or service. Routine operations are excluded.

5.2 Preliminary Work

The Executive Director may authorize planning, design, analysis, and other preliminary work within dollar limits established by Commission-approved budgets.

5.3 Project Approval

Projects exceeding budgeted thresholds require Commission approval of additional scope and budget. The Executive Director may execute contracts and administer projects once approved.

5.4 Project Changes

Material scope or budget increases beyond approved limits require additional Commission authorization.

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5.5 Emergency and Critical Work

The Executive Director may authorize emergency or critical work to protect public health, safety, or Port assets, consistent with RCW requirements, with prompt notice and subsequent ratification by the Commission.

Section VI. Contract and Procurement Administration

The Executive Director is authorized to procure and administer contracts for public works, goods, services, professional services, and personal services in accordance with RCW, Port procurement policies, and delegated dollar limits. Bid protests, competition waivers, and contract amendments shall be handled pursuant to Port policy and law.

The Executive Director is authorized to enter into contracts ***other than the following***, which the Commission approves:

A. Small works, purchased service and public works contracts over $300,000.

B. Change orders when not-to-exceed amounts exceed $300,000 or exceeds a Commission-approved contract by more than 10%.

C. Operational Personal Service Contracts over $50,000.

D. Non-operational personal service contracts over $25,000.

E. Acceptance of grants for programs not in the budget or Capital Investment Plan.

F. Acceptance of grants that require a port contribution of new funds.

Section VII. Goods, Services, and Other Agreements

The Executive Director may execute agreements not otherwise addressed in this Delegation that promote Port operations or efficiency, including non-disclosure agreements and interagency agreements, within monetary limits and subject to legal review.

Section VIII. Utilization of Port Crews

The Executive Director may utilize Port employees and crews for operations, maintenance, and authorized projects consistent with labor agreements and Commission policy. New construction or major facility modifications exceeding delegated limits require Commission approval.

Section IX. Legal Services, Claims, and Representation

The Executive Director manages legal services, litigation, claims, settlements, and engagement of counsel or experts, consistent with RCW and within delegated monetary limits. Matters exceeding those limits or involving significant policy implications require Commission approval. The Commission shall be kept informed of material legal matters.

The Executive Director, in consultation with General Counsel, can retain attorneys to represent a person who is or was an officer, employee, or agent of the Port and the litigation arises out of the performance of their duties or employment with the Port; provided that if the litigation includes allegations of fraud or criminal conduct, the Commission must approve retaining outside counsel to represent the Port officer, employee or agent.

Section X. Financial Administration and Property Management

10.1 Accounts Receivable

The Executive Director may adjust or write off accounts receivable for valid operational reasons within limits established by Commission policy.

10.2 Sale of Personal Property

The Executive Director may sell surplus personal property in accordance with RCW and annual Commission authorization.

Section XI. General Interpretation

1. **Statutory References**: References to law mean the cited statute as amended or succeeded.

2. **Dollar Limits**: All monetary thresholds are inclusive of taxes and may be amended by Commission action.

3. **Reporting**: Actions taken under this Delegation shall be reported to the Commission as required.

4. **Severability**: If any provision is held invalid, the remainder shall remain in effect.

This Delegation of Authority is intended to provide a clear governance framework for the Port of Olympia and shall be reviewed periodically by the Commission.

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Port of Olympia Commission

Delegation of Authority to the Executive Director (Draft)

Preamble

The Port of Olympia (the "Port") is a municipal corporation of the State of Washington created to foster trade, economic development, environmental ~~stewardship~~protection and restoration, and community benefit within Thurston County and the South Sound region. The Port operates with both governmental and commercial powers and is committed to transparency, accountability, equity, and responsible stewardship of public resources.

The Port operated within the sensitive ecosystems of the South Puget Sound and recognizes its responsibility not only to minimize environmental harm but also to protect and restore natural resources affected by past and present development. Protection and restoration of water quality, marine and shoreline habitat, air quality, and climate stability are core public responsibilities that guide Port governance and operational decision-making

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All authority of the Port is vested in the Port Commission acting as a public body. By this Delegation of Authority ("Delegation"), the Commission delegates specific responsibilities and authorities to the Executive Director, establishes clear governance and management roles, and provides a framework for effective, timely, and accountable operations.

Section I. Objectives of the Delegation

A. **Clarity and Alignment**
1. The Commission governs the Port, directs all intergovernmental policy functions and oversees the Executive Director.
2. The Commission and Executive Director develop the Port's overall vision, strategies, objectives, policy directives, long range plans, major programs, and budgets.
3. The Executive Director manages day-to-day operations, executes Commission-adopted policies and plans, and advises the Commission.

B. **Transparency and Accountability**
This Delegation specifically allows for the development and adoption of Commission policies to guide the Port's efforts in pursuit of its strategic objectives. The Commission policies:

1. Provide high-level guidance about how the Port does its work based on public values and applicable laws, rules and regulations;

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2. Inform operational policies regarding specific functions at the Port and set appropriate limits; and

3. Establishes clear decision thresholds and reporting expectations to ensure public accountability, legal compliance, and effective internal controls.

C. **Strategic Execution**
The Delegation supports implementation of the Port of Olympia's strategic plans and Commission priorities through measurable objectives, performance reporting, and regular communication.

D. **Empowered Management**
Clear responsibilities and authorities will enable the Commission and the Executive Director to work in concert and be effective.

E. **Environmental Protection and Restoration**

The Commission affirms that environmental protection and restoration are fundamental responsibilities of the Port as a public agency managing shoreline, marine and upland resources. In exercising delegated authority, the Executive Director shall ensure that Port operations, projects, leases and agreements comply with applicable environmental laws and advance the Port's environmental protection, habitat restoration, and climate objectives.

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Section II. Roles and Responsibilities

A. Commission Responsibilities

Governing the Port of Olympia as its elected body, the Commission shall:

1. Represent the Port to the public and other governmental entities.
2. Establish the Port's positions regarding public policy, legislation, and strategic direction.
3. Appoint and regularly evaluate the performance of the Executive Director.
4. Adopt the annual operating and capital budgets and the annual property tax levy.
5. Approve major programs, projects, real property transactions, interlocal agreements, and collective bargaining agreements.
6. Oversee audit functions, legal matters reserved to the Commission, and Port indebtedness.
7. Reserve to itself all authority not expressly delegated herein.

B. Commission Work with Executive Director

Guiding the Port of Olympia and together with the Executive Director, the Commission shall:

1. Develop, adopt, and refine the long-term goals of the Port and review mid-term strategic objectives and their KPIs.

2. Develop, adopt, and amend Policy Directives.

~~2.~~3. Develop, adopt and periodically review policies and strategic objectives addressing environmental protection, restoration, climate impacts associated with Port operations, facilities and properties.

~~3.~~4. Direct the Port's advocacy regarding public policies, legislation, and regulation.

~~4.~~5. Consider and authorize new enterprises and initiatives.

~~5.~~6. Consider, authorize, and modify major programs and projects.

~~6.~~7. Consider and approve the settlement of any legal claim except as delegated to the Executive Director and General Counsel.

~~7.~~8. Consider and adopt annual operating and capital budgets.

~~8.~~9. Consider and adopt annual salary and benefit resolutions.

~~9.~~10. Consider and approve collective bargaining agreements.

~~10.~~11. Consider and authorize Interlocal Agreements.

~~11.~~12. Consider and authorize the acquisition and sale of real property and other capital assets except as delegated to the Executive Director.

~~12.~~13. Consider and establish industrial development districts and utilities.

~~13.~~14. Consider and approve assignment of defense counsel for any officer, employee or agent of the Port as authorized by law, except as delegated in Section 7.2.1.

C. Executive Director Responsibilities

Serving the Commission and managing the Port, the Executive Director shall:

1. Implement Commission policies, strategic plans, and adopted budgets.
2. Direct and supervise all Port operations, enterprises, and staff.
3. Prepare and recommend budgets, programs, projects, and policy proposals.
4. Execute contracts, agreements, and other documents within delegated authority.

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5. Negotiate collective bargaining agreements and administer Commission-approved final agreements.
6. Represent the Port to tenants, customers, partners, and stakeholders.
7. Establish internal administrative, financial, and operational policies consistent with Commission directives and applicable law.
8. Report regularly to the Commission on strategic objectives, performance indicators, risks, and emerging issues.
9. Determine the organizational structure of the organization.
10. Establish operational, administrative, monetary and contractual policies, delegations, rules, tariffs, regulations and procedures in accordance with this Delegation, approved Policy Directives and applicable laws and regulations.
11. Apply for and accept grants and other funds from federal, state or local governments within delegated limits.
12. Prepare and submit applications for permits, regulatory approvals, entitlements and other authorizations associated with facilities and projects, and ensure compliance with subsequent permit obligations.
13. Negotiate and obtain appropriate policies of insurance to cover Port property, liability, employee wages, and other areas appropriately included within a comprehensive insurance program.
14. Ensure that Port operations, development projects, and tenant activities comply with applicable environmental laws and permits and support the protection and restoration of water quality, shoreline and marine habitat, ai quality, and climate stability, and integrate environmental considerations into project planning, leasing, procurement, and operational practices while identifying feasible opportunities to restore habitat, improve ecological function, or reduce legacy environmental impacts.

~~14.~~15. Carry out additional responsibilities as may be further delegated.

Section III. Real Property Agreements

1.1 Scope

This Section applies to all agreements or transactions involving the use of Port of Olympia real property, including leases, licenses, easements, permits, rights of entry, concession agreements, operating agreements, and agreements for the Port's use of property owned by others.

1.2 General Policies

All Port real property shall be used pursuant to a written agreement approved and executed in accordance with this Delegation, Port policies, and applicable law. The Executive Director is authorized to negotiate agreements, obtain appraisals when required, ensure appropriate security and insurance, and obtain legal review prior to execution. Agreements involving the use of Port property shall require compliance with applicable environmental laws and permits, and may include provisions addressing pollution prevention, stormwater management, hazardous materials handling, shoreline protection, and other measures that support environmental protection and restoration where appropriate.

1.3 Executive Director Authority

The Executive Director may approve and execute real property agreements ***except for the following***, which the Commission approves:

a) Leases with a duration of over a year.

b) Flex spaces with a lease of over one year.

c) Assignment of long-term leases.

d) Agreements that impose financial obligations on the Port for improvements.

Section IV. Real Property Acquisition, Sale, and Street Vacations

2.1 Appraisals

The Executive Director may obtain appraisals necessary to evaluate acquisitions, sales, leases, or easements.

2.2 Acquisitions

Following Commission approval, the Executive Director may complete acquisitions of real property, including execution of closing documents, provided the purchase price does not materially exceed the appraised value without further Commission approval.

2.3 Sales

Following Commission approval, the Executive Director may complete the sale or conveyance of Port real property and execute all necessary documents.

2.4 Street Vacations

The Executive Director may apply for street or right-of-way vacations ancillary to Port development within limits established by Commission policy.

Section V. Projects

3.1 Project Authority

Projects may include capital or expense work undertaken to provide a product or service or to develop, improve, maintain, or restore Port facilities or environmental resources. Routine operations are excluded.

3.2 Preliminary Work

The Executive Director may authorize planning, design, analysis, and other preliminary work within dollar limits established by Commission-approved budgets.

3.3 Project Approval

Projects exceeding budgeted thresholds require Commission approval of additional scope and budget. The Executive Director may execute contracts and administer projects once approved.

3.4 Project Changes

Material scope or budget increases beyond approved limits require additional Commission authorization.

3.5 Emergency ~~and Critical Work~~

The Executive Director may authorize emergency work or work that must be undertaken immediately to prevent significant environmental damage, significant damage to Port assets, or interruption of essential Port operations, ~~or critical work to protect public health, safety, or Port assets,~~ consistent with RCW requirements, with prompt notice and subsequent ratification by the Commission.

Section VI. Contract and Procurement Administration

The Executive Director is authorized to procure and administer contracts for public works, goods, services, professional services, and personal services in accordance with RCW, Port procurement policies, and delegated dollar limits. Bid protests, competition waivers, and contract amendments shall be handled pursuant to Port policy and law.

The Executive Director is authorized to enter into contracts ***other than the following***, which the Commission approves:

A. Small works, purchased service and public works contracts over $300,000.

B. Change orders when not-to-exceed amounts exceed $300,000 or exceeds a Commission-approved contract by more than 10%.

C. Operational Personal Service Contracts over $~~50~~75,000.

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D. Non-operational personal service contracts over $50~~25~~,000.

E. Acceptance of grants for programs not in the budget or Capital Investment Plan.

F. Acceptance of grants that require a port contribution of new funds.

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Section VII. Goods, Services, and Other Agreements

The Executive Director may execute agreements not otherwise addressed in this Delegation that promote Port operations or efficiency, including non-disclosure agreements and interagency agreements, within monetary limits and subject to legal review.

Section VIII. Utilization of Port Crews

The Executive Director may utilize Port employees and crews for operations, maintenance, and authorized projects consistent with labor agreements and Commission policy. New construction or major facility modifications exceeding delegated limits require Commission approval.

Section IX. Legal Services, Claims, and Representation

The Executive Director manages legal services, litigation, claims, settlements, and engagement of counsel or experts, consistent with RCW and within delegated monetary limits. Matters exceeding those limits or involving significant policy implications require Commission approval. The Commission shall be kept informed of material legal matters.

Section X. Financial Administration and Property Management

8.1 Accounts Receivable

The Executive Director may adjust or write off accounts receivable for valid operational reasons within limits established by Commission policy.

8.2 Sale of Personal Property

The Executive Director may sell surplus personal property in accordance with RCW and annual Commission authorization.

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Section XI. General Interpretation

1. **Statutory References**: References to law mean the cited statute as amended or succeeded.

2. **Dollar Limits**: All monetary thresholds are inclusive of taxes and may be amended by Commission action.

3. **Reporting**: Actions taken under this Delegation shall be reported to the Commission as required.

4. **Severability**: If any provision is held invalid, the remainder shall remain in effect.

This Delegation of Authority is intended to provide a clear governance framework for the Port of Olympia and shall be reviewed periodically by the Commission.

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Commission Policies

Commission Policies:

115 – Safety Program

116 – Ethics and Conflict of Interest

501 – Memberships

502 – Community Advertising and Promotion

601 – Expense Reimbursement for Travel

602 – Employee Meeting Expense Reimbursement

603 – Employee Recognition Events

604 – Promotional Hosting

801 – Expenditure System of Internal Controls

903 – Public Records Policy

1001 – Consultant Services Agreements

1002 – Small Works Roster

1004 – Public Works Contracting

1005 – Purchased Services Agreements

1006 – Emergency Public Works

1008 – Grant Application and Acceptance

1009 – Legal Services and Other Representation

1010 - DBE Program for FAA Funded Projects

1011 – Public Works Competitive Bid Exemption

1101 – Real Property Rentals and Leasing

1102 – Real Property Acquisitions

1103 – Disposition of Real Property

1104 – Real Property Transaction Commissions

1105 – Real Estate Reinvestment Proceeds

1107 – Naming Conventions and Protocols

1108 – Real Estate Investment and Development

Commission Policies

1201 – Tacation

1202 – Financial Measures

1203 – User Fees and Rates

1204 – Capital Investment

1205 – Debt

1206 – Post-Issuance Compliance for Bonds

1301 – Environmental Policy

February 2026

Commission Policies
Proposed Changes

Commission Policies:

107 – Employee Disclosure (whistle blower)

115 – Safety Program

116 – Ethics and Conflict of Interest

134 - Governance

501 – Memberships

502 – Community Advertising and Promotion

601 – Expense Reimbursement for Travel

602 – Employee Meeting Expense Reimbursement

603 – Employee Recognition Events

604 – Promotional Hosting

801 – Expenditure System of Internal Controls

903 – Public Records Policy

1001 – Consultant Services Agreements

1002 – Small Works Roster

1004 – Public Works Contracting

1005 – Purchased Services Agreements

1006 – Emergency Public Works

1008 – Grant Application and Acceptance

1009 – Legal Services and Other Representation

1010 - DBE Program for FAA Funded Projects

1011 – Public Works Competitive Bid Exemption

1101 – Real Property Rentals and Leasing

1102 – Real Property Acquisitions

1103 – Disposition of Real Property

1104 – Real Property Transaction Commissions

1105 – Real Estate Reinvestment Proceeds

1107 – Naming Conventions and Protocols

1108 – Real Estate Investment and Development

1201 – Taxation

PORT of OLYMPIA

Commission Policies
Proposed Changes

1202 – Financial Measures

1203 – User Fees and Rates

1204 – Capital Investment

1205 – Debt

1206 – Post-Issuance Compliance for Bonds

1301 – Environmental Policy

*Policies in red are ones currently for the Executive Director to approve. Staff recommends they be changed to "Commission Policies" for the Commission to approve.

*Policies in blue are currently for Commission approval and staff recommend that they be at the Executive Director level instead

Port of Seattle

Commission

Delegation of Responsibility and Authority to the ExecutiveDirector (DORA)

April 3, 2023

(Resolution No. 3810, Adopted January 24, 2023)

Port of Seattle Commission Delegation of Responsibility and Authority to the Executive Director

Preamble

The Port of Seattle's ("Port") mission is to create jobs by advancing trade and commerce, promoting industrial growth, and stimulating economic development. The Century Agenda, adopted by the Port Commission, sets out strategies, objectives, and regional initiatives that guide the Port's efforts in pursuit of this mission.

The Port was established under Washington law as a public agency and engages in commercial enterprises that sustain a healthy economy. It is therefore endowed with both governmental and commercial powers. These dual capabilities require institutional frameworks that foster public accountability and empower direct conduct of commercial activity. The Commission aligns this Delegation of Responsibility and Authority to the Executive Director policy directive ('General Delegation') to the Century Agenda.

The Port is committed to create economic opportunity for all, steward the environment responsibly, partner with surrounding communities, promote social responsibility, conduct itself transparently, and hold itself accountable.

All authority of the Port of Seattle is vested with the Commission in its actions as a public body. Through this delegation policy, the Commission subsequently and hereby vests authority with the Executive Director and delineates Commission and Executive Director responsibilities. It sets expectations and lays the basis for the respective efforts of the Commission and Executive Director to be aligned, complementary, and effective.

The Executive Director shall be empowered to execute projects, contracts and all other funding mechanisms as listed in the following sections, at the funding thresholds listed below, except in the subject matter areas where the Commission has spoken in the form of Policy Directives and Orders. In the subject matter areas where Commissioners have spoken, the Executive Director shall refer to the Policy Directive and/or Order to determine whether the Commission has expressed the clear intent to have that subject matter brought before the Commission in public session or other manner determined to be appropriate in consultation with the Commission President.

Section I: Objectives of this General Delegation:

A. Create Clarity and Alignment: This General Delegation clearly delineates the responsibility and authority of the Commission and the Executive Director:

   1. The Commission governs the Port, directs all intergovernmental policy functions, and oversees the Executive Director.

   2. Together, the Commission and Executive Director develop the Port's overall vision, strategies, objectives, Policy Directives, long-range plans, major programs and budgets.

3. The Executive Director executes the long-range plans and major programs, oversees all enterprises and supporting functions, and advises the Commission.

B. Provide Transparency and Accountability: This General Delegation specifically allows for the development and adoption of Policy Directives to guide the Port's efforts in pursuit of its strategic objectives. Policy Directives:

1. Provide high-level guidance about how the Port does its work based on public values and applicable laws, rules and regulations.

2. Inform operational policies regarding specific functions at the Port and set appropriate limits.

3. Deliver standards that support the effective use of the internal audit function to verify compliance.

C. Pursue the Century Agenda: This General Delegation emphasizes the use of Century Agenda ("CA") Goals and Objectives as a means of pursuing the highest strategic aspirations for the Port of Seattle. Through review of Key Performance Indicators ("KPIs") that measure progress towards CA Objectives as well as Executive Director Priorities, the Commission and Executive Director ensure alignment of the Port's mandate, its aspirational and operational goals. The Century Agenda Goals, set by the Commission, set the long-term goals for all divisions and Centers of Expertise. The CA Objectives, set by the Executive Director and Executive Leadership Team (ELT) and approved by commission every 5 years, describe the mid-term objectives and activities that align to the CA Goals. Finally, the Executive Director Priorities describe the annual initiatives and programs that operationalize the CA Objectives. At all levels, KPIs and metrics are employed to monitor and track progress and performance.

D. Empower for Concerted Action: Clear responsibilities and authorities will enable the Commission and Executive Director to work in concert and be effective.

Section II. Delegation of Responsibility and Authority

A. Governing the Port of Seattle as its elected body, the Commission shall:

1. Represent the Port to the citizens of King County and to other government bodies.

2. Establish the Port's positions regarding public policy, legislation, and regulation.

3. Appoint the Executive Director.

4. Conduct the annual performance review of the Executive Director and provide input to the Executive Director regarding the performance of those employees that report directly to the Executive Director.

5. Set the Port's annual property tax levy.

6. Oversee the internal audit function. Consider and authorize any Port borrowed debt, as required by law.

7. Reserve to itself all authority not herein delegated.

B. Guiding the Port of Seattle and together with the Executive Director, the Commission shall:

1. Develop, adopt, and refine the long-term goals of the Port and review mid-term CA objectives and their KPIs.

2. Develop, adopt, and amend Policy Directives.

3. Direct the Port's advocacy regarding public policies, legislation, and regulation.

4. Consider and authorize new enterprises and initiatives.

5. Consider, authorize, and modify major programs and projects.

6. Consider and approve the settlement of any legal claim except as delegated to the Executive Director and General Counsel.

7. Consider and adopt annual operating and capital budgets.

8. Consider and adopt annual salary and benefit resolutions.

9. Consider and approve collective bargaining agreements.

10. Consider and authorize Interlocal Agreements.

11. Consider and authorize the acquisition and sale of real property and other capital assets except as delegatedto the Executive Director.

12. Consider and establish industrial development districts and utilities.

13. Consider and approve assignment of defense counsel for any officer, employee or agent of the Port as authorized by law, except as delegated in Section 7.2.1.

C. Serving the Port of Seattle and the Commission, the Executive Director shall:

1. Prepare the Port's reporting on Century Agenda Objectives and set Executive Director Priorities in strategic alignment with the objectives.

2. Evaluate promising new enterprises and initiatives; prepare proposals as warranted.

3. Develop major programs and projects and updates to major programs and projects.

4. Prepare operating and capital budgets.

5. Negotiate collective bargaining agreements.

6. Manage and supervise all legal services, litigation, engagement of outside legal counsel and other experts (subject to the limitations of RCW 53.08.208), settlements and claims filed for and against the Port, or cause such activities to be carried out by the General Counsel.

7. Evaluate possible acquisitions and sales of real property and other capital assets; prepare proposals as warranted.

8. Evaluate possible establishment of industrial development districts and utilities; prepare proposals as warranted.

9. Report regularly to the Commission on delegated responsibilities, industry trends, and economic developments.

D. Managing the Port of Seattle in keeping with the above, the Executive Director shall:

1. Represent the Port to customers and industry stakeholders.

2. Carry out all policy directives, long-range plans, major programs, and implement projects.

3. Execute contracts and other necessary documents.

4. Select and manage all staff and outside resources necessary to carry out long-range plans, major programs and projects, maintain facilities, and provide supporting functions.

5. Determine the organizational structure of enterprises and their supporting functions.

6. Administer collective bargaining agreements.

7. Administer Interlocal Agreements, and execute where authorized.

8. Administer the payment of short-term liabilities and other expenses.

9. Establish operational, administrative, monetary, and contractual policies, delegations, rules, tariffs, regulations and procedures in accordance with this Delegation, adopted Policy Directives and all applicable law and regulation.

10. Establish and regularly report to the Commission on CA Objectives, CA KPIs and Executive Director Priorities, as necessary.

11. Approve travel by employees and other authorized representatives.

12. Apply for and accept grants and other funds from federal, state or local governments.

13. Prepare and submit applications for permits, regulatory approvals, entitlements, and other authorizations associated with facilities and projects, agree to permit conditions and mitigation, and fulfill permit requirements and obligations. Execute permit-related documents in furtherance of the implementation of permits, including restrictive covenants and hold harmless agreements and agreements for expediting processing for permits.

14. Carry out additional responsibilities as may be further delegated.

15. Determine, sell and convey Port personal, tangible, and intangible property, including mitigation credits, in accordance with any limits set by law.

16. Provide resources for the preparation for and management of Port borrowed debt.

17. Negotiate and obtain appropriate policies of insurance to cover Port property, liability, employee coverages, and other areas appropriately included within a comprehensive insurance program. The Executive Director is authorized to approve changes or modifications within that program or individual policies including provisions for self-insurance or deductibles.

Section 1. REAL PROPERTY AGREEMENTS

1.1 Types of Agreements: The directives in this Section 1 apply to all agreements or transactions for use of Port real property, including but not limited to leases, concession agreements, rental agreements, operating agreements, berthing agreements, tenant reimbursement agreements, licenses, easements, permits, rights of entry and other use agreements (all referred to collectively as "Real Property Agreements" or at times referred to as "Agreements") or to agreements for the Port's use of real property owned by others.

1.2 General Real Property Agreement Policies

1.2.1 Except as otherwise provided in this General Delegation, all real property of the Port shall be used pursuant to an appropriate written Agreement approved and executed as authorized by the Port Commission or Executive Director and accompanied by a security deposit in accordance with applicable law and Port Real Estate Policies and Procedures.

1.2.2 Prior to the execution of Agreements, the Executive Director shall have authority to negotiate such Agreements; obtain appropriate appraisals where necessary; provide for appropriate security deposit; submit Agreements to the Port's General Counsel's office for approval in writing; and follow all other applicable laws and Port Real Estate Policies and Procedures.

1.2.3 Real property conveyances between the Port and other governmental entities. Notwithstanding any other provision herein, delegation authority for agreements between the Port and other governmental entities, where the primary purpose of the agreement is the conveyance of real property, by deed, easement, lease, license or similar instrument, shall be governed by the provisions of this Section 1.

1.3 Real Property Agreement Procedures. The Executive Director is authorized to perform the following actions, including executing agreements incidental to such actions, without Commission approval:

1.3.1 Agreements with a term of five years or less: Any Agreement having a term (including any tenant or Port options) of five years' duration or less may be approved and executed by the Executive Director provided that: (i) the Port's standard Agreement form is used or, if no standard form exists, the form used has been approved by the Port's General Counsel's office; (ii) the Agreement provisions conform to the Port's real estate policies and procedures; and (iii) the Agreement includes no Port obligation to make a specific, noncontingent monetary payment or reimbursement exceeding One Million Dollars ($1,000,000).

1.3.2 Assignments, subleases, consents to assignments and subleases, amendments, approvals, or options for Agreements with a term of five years or less: Assignments, subleases, consents, amendments, approvals or options for Agreements with a term of five years or less may be approved and executed by the Executive Director, but only if (a) any new term extension, option or options do not result in an extension of the original term of the Agreement (including original tenant or Port options) beyond five years; (b) any rental adjustments (increases or decreases) consistent with the Port's real estate policies and procedures are made; and (c) there is no Port obligation to make a specific, noncontingent monetary payment or reimbursement cumulatively exceeding One Million Dollars ($1,000,000).

1.3.3 Assignments, subleases, consents to assignments and approvals, amendments or approvals for Agreements with a term in excess of five years. Such Assignments, subleases, consents, amendments or approvals are authorized to be executed by the Executive Director, but only if (a) the term, rental rates, environmental provisions, and the square footage of the premises under the Agreement (excluding increases or decreases to the square footage of the premises not exceeding 10% of the original square footage) remain unchanged; (b) the required security is not decreased (excluding pro rata decreases resulting from permissible decreases in square footage); and (c) there is no Port obligation to make a specific, noncontingent monetary payment or reimbursement exceeding One Million Dollars ($1,000,000). Consents to Assignments and Subleases, and amendments to correct administrative errors may be approved and executed by the Executive Director.

1.3.4 Easements, licenses, access permits or other rights of entry or use agreements over Port property. Where the easements, licenses, permits or other rights of entry or use agreements: (a) either relate to or benefit the Port's operations, or do not have a term exceeding five years; and (b) do not obligate the Port to make a specific, noncontingent monetary payment or reimbursement exceeding One Million Dollars ($1,000,000) and do not deprive the Port of substantial use of the property. Permanent easements which deprive the Port of substantial use of Port property require Port Commission approval (unless previously approved as part of a larger action) and must comply with the appraisal requirements of Section 2.

1.3.5 Permanent easements over Port property for installation or construction of utilities or street improvement infrastructure. The Executive Director may approve and execute permanent easements over Port property for installation or construction of utilities (including stormwater, sewer, electrical or gas) or for street improvement infrastructure (including sidewalks, signage or signaling) provided the permanent easement either (a) does not deprive the Port of substantial use of Port property; or (b) consists of Port property not exceeding 1,000 square feet and complies with the appraisal requirements of Section 2.

1.3.6 Easements over the property of others. The Executive Director may approve and execute easements in favor of the Port over the property of others, provided such easements either (a) are avigation easements in support or protection of airport operations or (b) include no Port obligation to make a specific, noncontingent monetary payment or reimbursement exceeding One Million Dollars ($1,000,000).

1.3.7 Agreements (other than easements) for the Port's use of the property of others, including leases, rental agreements, operating agreements, licenses, access permits, street use permits, rights of entry and other use agreements. The Executive Director may approve and execute Agreements (other than easements) where the Agreement includes no Port obligation to make a specific, noncontingent monetary payment or reimbursement exceeding One Million Dollars ($1,000,000).

1.4 Executive Director to ensure compliance. The Executive Director is charged with the responsibility to ensure that all Agreement terms are complied with and is authorized to take necessary measures to ensure compliance or to protect the Port's legal position, including but not limited to subjecting Agreements to Port internal audits, termination of Agreements and the giving of all notices provided for in Agreements.

1.5 Real property agreement security and insurance. The Executive Director is authorized to take all necessary actions in connection with Agreement surety bonds, letters of credit, cash deposits or other legal security ("Agreement Security") and insurance coverage required pursuant to any Agreements of the Port, including, but not limited to, the following:

1.5.1 Release Agreement Security: (i) where adequate substitute Agreement Security has been provided, and the Agreement is not in default; or (ii) when an Agreement has expired or is terminated (for other than a default).

1.5.2 Approve terms of any Agreement Security or insurance submitted in fulfillment of the requirements of any Agreement, including substitute or replacement Agreement Security or insurance coverage.

1.5.3 Approve (i) substitutions, replacements and modifications of AgreementSecurity or insurance coverage that are not inconsistent with Agreement terms, and (ii) release any insurance company, bonding company or financing institution when acceptable substitute or replacement insurance coverage has been provided.

Section 2. REAL PROPERTY ACQUISITIONS AND SALES; STREET VACATIONS

2.1 Appraisals. The Executive Director is authorized to obtain appropriate appraisals for use in evaluating or negotiating any proposed Port acquisition, sale, lease, permanent easement or other interest in real property.

2.2 Acquisitions. After the Commission authorizes the Port's acquisition of real property by negotiated purchase or condemnation, the Executive Director is authorized to take all necessary steps, including executing all required closing documents, to secure title of such property for the Port. The acquisition price (i) of individual properties and

(ii) of several properties under the same ownership (when acquired in the same transaction), shall in no case exceed the Port's appraisal by more than ten percent (10%) without further specific Commission approval.

2.3 Sales. When the Commission authorizes the sale of Port real property in accordance with State law and Commission policy, the Executive Director is authorized to take all other necessary steps, including executing all required closing documents and executing and delivering conveyance instruments, to finalize the sale.

2.4 Street Vacations. The Executive Director is authorized to make application for vacation of city or county streets or roads and to take all other steps necessary to acquire a fee interest in streets or roads ancillary to Port development, if the estimated acquisition costs are less than or equal to Two Million Dollars ($2,000,000).

Section 3. PROJECTS

3.1 Projects shall be authorized utilizing the procedures outlined below. Projects may be either capital or expense.

3.2 Project Authorization

3.2.1 Preliminary Project Work. Preliminary project work includes, but is not limited to, such activities as planning, programming, concept design up to 30% design, surveys, geotechnical investigations, and/or market analyses. The Executive Director is authorized to perform such preliminary project work up to Two Million Dollars ($2,000,000) without prior Commission approval, even if the budget of the Project is expected to exceed Two Million Dollars ($2,000,000).

3.2.2 Total Project Cost Less than $2 Million. For Projects where the estimated total project budget is less than or equal to Two Million Dollars ($2,000,000), the Executive Director is authorized to take all steps necessary, including the execution of all contracts, including Public Works, Alternative Public Work procedures in accordance with RCW 39.10, Goods and Services, Personal Services, Professional Services, other consulting services, and any other types of contracts or agreements in furtherance of the Project. If the Project cannot be completed for a total of Two Million Dollars ($2,000,000) or less, Commission authorization, as set forth more specifically below, shall be required before exceeding the Two Million Dollar ($2,000,000) threshold. Projects shall not be broken into units or accomplished in phases in order to avoid the requirement for Commission authorization that would otherwise apply to Projects more than Two Million Dollars ($2,000,000).

3.2.3 Total Project Cost More than $2 Million. For Projects where the estimated total Project budget is more than Two Million Dollars ($2,000,000), Commission approval of the Project budget is required except for preliminary project work under Section 3.2.1 above. The Executive Director is authorized to take all steps necessary, including the execution of all contracts, including Public Works, Alternative Public Work procedures in accordance with RCW 39.10, Goods and Services, Personal Services, Professional Services, other consulting services, and any other types of contracts or agreements in furtherance of a Commission approved Project budget.

3.2.4 Project Changes. Additional Commission authorization shall be required if a Project cannot be completed for less than or equal to Two Million Dollars ($2,000,000), or within the amount authorized by Commission (including contingency), prior to exceeding either Two Million Dollars ($2,000,000) or the approved budget. Project changes, including amendments and change orders, within budget shall comply with CPO policies.

3.2.5 Authorization for Emergency Work. When any emergency requires the immediate execution of a contract for work, the Executive Director is authorized to make a finding of the existence of such emergency and execute any contracts necessary to respond to the existing emergency. For purposes of this section "emergency" means unforeseen circumstances beyond the control of the municipality that either: (a) presents a real, immediate threat to the proper performance of essential functions; or (b) will likely result in material loss or damage to property, bodily injury, or loss of life if immediate action is not taken. The Executive Director shall comply with any legal requirements related to any contracts or agreements issued under the declaration of the emergency and otherwise keep the Commission informed of the development of the emergency situation and the progress of any contracts and agreements executed to remedy the emergency. The Executive Director shall provide notice of this Emergency Work to the public.

3.2.6 Authorization for Critical Work. Under circumstances not constituting a legally-defined emergency, but otherwise requiring immediate action to avoid significant adverse consequences to public health, safety or property, the Commission authorizes the Executive Director to spend up to Two Million Dollars ($2,000,000) to prevent potentially significant adverse consequences to public health, safety or property. The Executive Director shall have authority to spend the funds if: (i) the circumstances are such that a true emergency as defined by RCW 39.04.280 is substantially likely to develop unless action is taken; or (ii) any delay in addressing the situation will likely result in significant cost increases or adverse schedule impacts to the Port, other public agencies or private property owners; and (iii) where prior Commission authorization cannot, even on an expedited basis, be obtained. When the Executive Director authorizes Critical Work to be undertaken, he or she shall notify the Commission as soon as practicable of his or her action, the amount of money spent and obtain Commission ratification at the next public meeting. The Executive Director shall also provide notice of this Critical Work to the public.

3.2.7 Budget Transfers. The Executive Director is authorized to transfer budget funds for transferring scope of work from one executed contract to another for Projects that have been authorized under the following conditions:

(i) If all Projects affected have been previously approved by the Commission or the Executive Director; and

(ii) If the amount of transfer is less than or equal to $2,000,000; and

(iii) If doing so results in a cost or time savings, or other tangible benefit to the Project.

All such transfers will be reported to the Commission as soon as is practicable. All budget transfers more than $2,000,000 must be approved by the Commission.

Any transfer not meeting all of the above conditions will require Commission approval.

3.2.8 Small Works Construction Contracts and Job Order Contracts. The Executive Director may, without Commission approval, take all action to execute and administer these contracts in compliance with RCW 53.08.120, RCW 39.10.420-460, and Port policies and procedures.

Section 4. CONTRACT AND PROCUREMENT ADMINISTRATION

4.1 Subject to the requirements of this Section, the Executive Director is authorized to negotiate, manage and execute all aspects of Port contract administration and procurement activities in order to conduct the Port's business, provided that all applicable laws and Port policies are met.

4.2 Bid/proposal protests shall be resolved in accordance with the administrative procedure in the Port's standard contract specifications or as established by Port policies and procedures from time to time.

4.3 The Executive Director is authorized to approve competition waivers consistent with applicable federal and state laws and internal Port policies.

Section 5. GOODS, SERVICES, AND OTHER AGREEMENTS

5.1 Personal Services.

5.1.1 The Port of Seattle's procurement policy for personal services contracts, as adopted in accordance with RCW 53.19.090, promotes full and open competition, transparent procurement practices, and compliance with all laws. All Port of Seattle personal service policies and procedures shall specifically conform to Chapter 53.19 RCW.

5.1.2 In accordance with RCW 53.19.060, substantial changes in the scope of work specified in the contract or which are substantial additions to the scope of work specified in the formal solicitation document shall be submitted to the Commission for a determination as to whether the change warrants the work to be awarded as a new contract. An amendment or amendments to personal service contracts, if the value of the amendment or amendments, whether singly or cumulatively, exceeds fifty percent (50%) of the value of the original contract must be filed with the Commission and made available for public inspection prior to the proposed starting date of services under the amendments. The Executive Director is authorized to execute any amendments which meet the requirements of this Section 5.1.2.

5.2 Contracts. The Executive Director shall have the responsibility for following all requirements and procedures in connection with all contracts. Goods and purchased services may be acquired on the open market, pursuant to published tariffs, or by competitive bidding when required, for the normal maintenance and operations of the Port without prior Port Commission approval so long as, where appropriate, such acquisitions shall be approved as a part of normal monthly expenses. The Executive Director may execute contracts that are not associated with a Project, including Public Works, Alternative Public Work procedures in accordance with RCW 39.10, Goods and Services, Personal Services, Professional Services, other consulting services, and any other types of contracts or agreements so long as the total price of contracts under a single procurement does not exceed Two Million Dollars ($2,000,000).

5.3 Other Agreements. The Executive Director may execute any other agreements involving an exchange of goods or services with public or private entities that do not fall within any other specific delegation, and that promote operational and/or logistical efficiency, and amendments to such agreements, so long as any cumulative Port noncontingent monetary obligation under the agreement is less than or equal to Two Million Dollars ($2,000,000) and the General Counsel has reviewed and approved such agreement.

5.4. Non-Disclosure Agreements. The Executive Director may execute Non-Disclosure Agreements.

5.5 Reimbursements to Airport Tenants. The Executive Director may approve reimbursements to Airport tenants for work performed by such tenants to improve Airport premises so long as the total reimbursement amount is less than or equal to Two Million Dollars ($2,000,000). The Executive Director shall implement procedures for the reimbursement of Airport tenant improvements. Such procedures must include allowable cost categories and provide for their consistent application among all tenants.

Section 6. UTILIZATION OF PORT CREWS

6.1 The Executive Director is authorized to use necessary Port and other workers for operations and maintenance of facilities pursuant to Commission approved labor agreements and the Pacific Coast Longshoremen's and Warehousemen's, Clerks', and Foremen's agreements (provided longshore labor may be hired through stevedoring contractors to provide services offered in Port tariffs.) The Executive Director is authorized to apply for and maintain Port membership in the Pacific Maritime Association.

6.2 The Executive Director shall be responsible for obtaining prior Commission approval for work projects which are new construction or major modifications of Port facilities to be carried out by Port crews when the total estimated cost is more than Two Million Dollars ($2,000,000).

6.3 The Executive Director may authorize expense maintenance projects that are not new construction projects or contracts or that in any way add to the capacity or function of a facility, whether performed by Port crews or by contractors, up to a value of Two Million dollars ($2,000,000).

Section 7. LEGAL SERVICES, CLAIMS AND OTHER REPRESENTATION

7.1 Management Authority. The Executive Director and the General Counsel shall be responsible for management and supervision of all legal services retained by the Port, except for legal services directly engaged by the Commission, and for all litigation in which the Port has an interest, direct or indirect. For purposes of this section, "litigation" shall mean the assertion of any position, right or responsibility by or against the Port (or in which the Port may have an interest) which has been filed in any court or tribunal external to the Port with jurisdiction, be it state or federal, international or any quasi-judicial, administrative or arbitration forum.

7.2 Legal Services. The Executive Director is authorized to retain, or to cause to be retained by the General Counsel, attorneys or law firms, or other appropriate legal representatives as necessary, to provide (or assist in the provision of) legal services without limitations otherwise prescribed in Sections 3 or 5 above.

7.2.1 Subject to the limitations of RCW 53.08.208, counsel may be retained whenever any litigation is instituted against any person who is or was an officer, employee, or agent of the Port arising out of the performance or failure of performance of duties for, or employment with the Port; provided that, if any such litigation includes allegations of fraud or criminal activity, retention of counsel shall be subject to Commission approval. All such retentions shall be reported annually by the General Counsel to the Commission.

7.2.2 Payment for legal or related services generally shall be by fixed annual retainers or by reimbursement not-to-exceed established hourly rates plus expenses. Fixed annual retainers shall be set by the Executive Director, or caused to be set by the General Counsel, based on the level of services required and the current cost of legal services in this area; provided that any such annual retainer or total annual payment for services in any legal matter which is more than One Million Dollars ($1,000,000) shall be reported annually by the General Counsel to the Commission.

7.3 Engagement of Experts. The Executive Director may engage, or cause to be engaged through the General Counsel, such experts as may be necessary to the orderly preparation of litigation or evaluation or support of legal matters in which the Port has a direct or indirect interest, without limitations otherwise prescribed in Sections 3 or 5 above. Such engagement shall be upon authorization given by the General Counsel after having been satisfied that such expenditure is necessary to the adequate evaluation, support, preparation or representation of the Port's position in such litigation or other legal matters.

7.4 Settlement. Any matter which is the subject of litigation may be compromised and settled by the Executive Director, or caused to be settled by the General Counsel, provided that the settlement amount paid by the Port (or, in the case of a claim being pursued by the Port, the amount of the claim to be waived, released or compromised by the Port) is less than or equal to One Million Dollars ($1,000,000) and that the General Counsel shall provide an opinion to the Executive Director that such compromise and settlement is justified on the basis of the following:

7.4.1 Litigation against the Port.

(i) The likelihood that a judgment rendered in litigation would be in the amount claimed or higher than the amount claimed, or that there is reasonable cause to believe that there is considerable exposure of liability for the Port; or

(ii) The likelihood that the expenses involved in litigation would be unnecessarily high in relation to the amount claimed, or the likely result.

7.4.2 Litigation on behalf of the Port.

(i) That the determination to settle the claim outweighs the risks of litigation or other alternatives; or

(ii) That the settlement of the claim would provide prompt payment to the Portand eliminate extensive delays; or

(iii) That the proposed offer of settlement is reasonable in light of the claim asserted.

7.5 Adjustment and Settlement of Claims. Except for claims which are in litigation, the Executive Director shall be responsible for, or shall cause the General Counsel to be responsible for, the observance of necessary procedures whereby the adjustment and final settlement of all claims, either against or on behalf of the Port, shall be carried out. For purposes of this section, "Claim" shall mean the assertion of any position, right or responsibility by oragainst the Port, but not including:

(i) Accounts receivable to the extent covered in Section 8, or

(ii) Claims asserted by or against the Port which are in litigation as that term is defined in Section 7.1. above.

7.5.1 No claims against the Port shall be considered unless and until proper notice and credible evidence of loss or damage has been provided by the claimant to the Port.

7.5.2 Claims which in the opinion of the General Counsel have the potential to exceed One Million Dollars ($1,000,000) shall be reported annually by the General Counsel to the Commission.

7.5.3 Any single claim less than or equal to One Million Dollars ($1,000,000) to be paid or waived, released or compromised by the Port may be adjusted and settled by the Executive Director, or caused to be adjusted and settled by the General Counsel provided that all of the following conditions are met:

7.5.3.1 That the General Counsel shall provide an opinion to the Executive Director that payment of the claim is justified on the basis of the following:

(i) Claims against the Port:

(a) The likelihood that the Port is or could be found liable; or

(b) The likelihood that a judgment rendered in litigation would be in the amount claimed, or higher than the amount claimed,or that there is reasonable cause to believe that there is considerable exposure of liability for the Port; or

(c) The likelihood that the expenses involved in litigation would be unnecessarily high in relation to the amount claimed, or the likely result.

(ii) Claims on behalf of the Port:

(a) That the determination to settle the claim outweighs the risk of litigation or other alternatives; or

(b) That the settlement of the claim would provide prompt payment to the Port and eliminate extensive delays; or

(c) The proposed offer of settlement is reasonable in light of the claim asserted.

Section 8. ADJUSTMENT AND WRITE-OFF OF ACCOUNTS RECEIVABLE

8.1 The Executive Director is authorized to establish procedures to: (i) make adjustments to accounts receivable for valid operational reasons which do not constitute a gift of public funds; or (ii) to write off any uncollectible account which is less than or equal to Three Hundred Thousand Dollars ($300,000).

8.2 Prior to adjusting or writing off of any account receivable or uncollectible debt, the Executive Director shall be satisfied that every reasonable effort has been made by the staff to resolve or accomplish the collection of the account. For those accounts that fail to make payment, the Executive Director shall authorize the General Counsel to bring action in courts of law, or if more appropriate, authorize the Chief Financial Officer, to assign the same to collection agencies in an attempt to collect such accounts. If, after attempting all normal account collection procedures, the account is still uncollectible after 180 days or more, the Executive Director shall be authorized to provide for writing off such an account.

8.3 Any amount in an account in excess of Three Hundred Thousand Dollars ($300,000) which is deemed to be uncollectible shall be referred to the Commission for final approval of writing off that account.

Section 9. SALE OF PERSONAL PROPERTY

9.1. Section 53.08.090 of the Revised Code of Washington authorizes the Commission to delegate to the Executive Director, by Commission resolution, the authority to sell and convey Port personal property up to an annual limit updated each year. State law requires that this authority be renewed from year to year by Resolution. The Executive Director or their delegate must itemize and list the property to be sold or conveyed and make written certification to the Commission that the listed property is no longer needed for port district purposes prior to any such sale or conveyance. The Commission must authorize the sale of Port property over the allowed statutory amount.

9.2. In no case shall surplus personal property of the Port be sold to any Port Commissioner or Port employee or to members of their immediate families without the specific approval of the Commission.

Section 10. GENERAL INTERPRETATION

10.1 Statutory References. All statutory references in this Resolution shall mean the cited statute as it existed on the date of adoption of this Resolution or as such statute may be hereafter amended, succeeded, modified or legally construed from time to time.

10.2 Dollar Limits. All dollar limits included in this delegation or inclusive of all charges and taxes, including sales tax.

10.3 Definitions. The Executive Director is authorized to modify, edit, add and delete definitions within this Resolution. The Commission shall be notified of any changes in writing.

10.3.1 "Goods and Services" means natural resources; equipment; materials; supplies; or other finished goods or products; utilities and utilities-related services (including services provided by public agencies); and maintenance, security and other miscellaneous services (excluding services provided by employees covered by collective bargaining agreements to which the Port is signatory).

10.3.2 "Interlocal Agreement" means an agreement in accordance with RCW 39.34 for joint or cooperative action between public agencies.

10.3.3 "Personal Services" means those services as defined in RCW 53.19.010(6), as that law may in the future be amended or superseded.

10.3.4 "Professional Services" means those services within scope of Section 39.80.020(5) of the Revised Code of Washington, as the same may in the future be amended or superseded.

10.3.5 "Project" means requirements undertaken to provide a product or service. Projects do not, however, include regular, recurring, or routine work associated with the day-to-day management and normal operations of the Port.

10.3.6 "Public Work" means construction, alteration, repair and improvement meeting the definition set forth in Section 39.04.010(4) of the Revised Code of Washington, as that law may in the future be amended or superseded.

10.3.7 "Purchased Services" means those services as defined in RCW 53.19.010(8), as that law may in the future be amended or superseded.

10.3.8 "RCW" means the Revised Code of Washington.

Revision History

January 24, 2023	Resolution No. 3810 Adopted. Repeals Resolution Nos. 3605, 3628, 3704, and all preceding resolutions pertaining to the Commission's 'Delegation of Responsibility and Authority to the Executive Director' policy directive and adopts the new delegation policy directive as set forth in Exhibit A of Resolution No. 3810. The re-codified policy directive of the Commission generally increases delegation authority from $300,000 to $2,000,000, with exceptions as outlined, and makes other changes.

RESOLUTION

Port of Tacoma Commission

RESOLUTION 2025-03-PT

MASTER POLICY DIRECTIVE, SUPERSEDING RESOLUTION 2024-03-PT AND ALL PRIOR RESOLUTIONS ADOPTING MASTER POLICY DIRECTIVES

A RESOLUTION of the Port of Tacoma Commission regarding superseding Resolution 2024-03-PT and all prior resolutions adopting Master Policy Directives;

WHEREAS, pursuant to provisions of RCW 53.12.270, the Port Commission is authorized to delegate to the managing official of a port district such administrative powers and duties as it may deem proper for the efficient and proper management of port district operations; and

WHEREAS, the Port Commission delegates authority to the Executive Director via a Master Policy Directive; and

WHEREAS, the Port Commission adopts this Resolution delegating authority to the Executive Director, establishing associated guidelines, and repealing all prior resolutions dealing with the same subject matter, except as specifically provided herein.

NOW, THEREFORE, be it resolved that:

1. The Master Policy Directive attached as **Exhibit "A"** and by this reference incorporated herein, is adopted for the purpose of establishing the administrative authority of the Executive Director.

2. Inasmuch as state law requires this authority be renewed or reviewed from time to time, the Port Commission is authorized to accomplish the same by motion; provided, however, in the event this authority is amended in any fashion or repealed, such amendment or repeal must be by resolution or motion passed by the Port Commission.

3. The Executive Director shall bring the Master Policy Directive forward to the Port Commission annually for the purpose of renewing the delegated authority contained herein, or to allow any Commissioner to then request that reconsideration of the Master Policy Directive be placed on the agenda of the next regular meeting.

4. Upon adoption this Resolution supersedes Resolution 2024-03-PT; provided, however, any actions approved under Resolution 2024-03-PT or prior Resolutions adopting Master Policy Directives remain in effect.

ADOPTED by a majority of the members of the Port of Tacoma Commission at a regular meeting held on **the 18th day of March 2025**, a majority of the members being present and voting on this resolution and signed by the Commission Officers in authentication of its passage this **18th day of March 2025**.

John McCarthy

John McCarthy, President
Port of Tacoma Commission

Don Meyer

Don Meyer, Secretary
Port of Tacoma Commission

Exhibit A

MASTER POLICY DIRECTIVE
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Exhibit A

I. OVERVIEW OF THE ADMINISTRATIVE AUTHORITY TO THE EXECUTIVE DIRECTOR

The following policy is adopted by the Commission of the Port of Tacoma for the purpose of establishing the administrative authority of the Executive Director, who is responsible for Normal Port Operations, as defined herein. The statutory provision for the delegated authority in this Master Policy Directive is RCW 53.12.270 and this Master Policy Directive is expressly subject to provisions governing port district operations. The phrase "Normal Port Operations," as used herein, means the regular day- to-day business transactions involving personnel, materials, facilities, real and personal property, money, and other assets. Unless specifically noted, delegated authorization amounts are exclusive of applicable local, state, and federal taxes.

A. Roles and Responsibilities of the Executive Director

(1) The Executive Director derives authority from the Port Commission acting as the governing body and is responsible for carrying out Port Commission policies. The Commission delegations to the Executive Director are given with the assurance that authorization of expenditures will be managed within the authorized operating budget.

(2) Serves as the primary spokesperson for management.

(3) Retains professional staff, and delegates to appropriate staff such administrative authority or reporting requirement as is necessary and advisable for the efficient exercise of such authority.

(4) Interacts with and supports the Alliance as necessary to enhance operations for both entities.

(5) The Executive Director will promulgate policies and procedures that create administrative, monetary, and contractual delegations and other documents as may be appropriate to include Commission Agenda action item Memos identifying financial, economic, and environmental impacts.

(6) Subject to the limitations identified in this Master Policy Directive, the Executive Director shall be responsible for:

(a) Operation, maintenance, administration, and use of the Port's facilities, and other properties not licensed to the Alliance;

(b) Development of industrial districts;

(c) Implementation of construction work, alterations and improvements to the Port's terminals, facilities, and other properties not licensed to the Alliance;

(d) Administration of day-to-day "Normal Port Operations," which include personnel, financial and accounting, legal and all other administrative matters that are excluded from the Management Services agreement with the Alliance;

(e) Execution of contracts and other documents related to Normal Port Operations, not licensed to the Alliance, that are related to or pursuant to a project or matter approved by the Commission, or otherwise authorized in this Master Policy Directive;

(f) *Applications for permits associated with Port facilities or projects not licensed to the Alliance;*

(g) *Applications for and acceptance of grants or other funds from federal, state, and local governments, consistent with actions described in this Master Policy Directive;*

(h) *Delivery of services essential to the Port's mission; financial and accounting related matters; legal matters; and all other administrative matters;*

(i) *Responsible fiscal management, financial accountability, and budgeting;*

(j) *Developing strategies to ensure Port is successful and competitive in meeting customer and community expectations; and*

(k) *In his/her/their absence, the Executive Director has the authority to assign a delegate with his full delegation.*

B. General Provisions

(1) Regardless of the provisions and delegations contained in this Master Policy Directive, the Executive Director shall bring forward to the Commission for consultation or approval any action of a sensitive nature as identified by the Commissioners or the Executive Director.

(2) The Executive Director shall provide financial, economic, and environmental analysis for real estate transactions and planned investments to Port-managed properties.

(3) This Delegation of Authority Master Policy shall be reviewed annually by the Commission.

C. Planning and Budget Implementation

(1) Long-Range Business Plans - The Commission-approved Strategic Plan shall be the basis for the development of all Port programs, Projects, initiatives, the Capital Investment Plan, and Annual Operating Budgets, and further is used to prioritize Port spending, and which shall be coordinated with the Alliance's Capital Investment Plans and Strategic Business Plans. The Commission shall review the status of implementation of the Strategic Plan not less than annually.

(2) Administering Normal Port (Day-to-Day) Operations - In administering day-to-day Port operations, the Executive Director may reallocate amounts within and otherwise incur variances from the annually approved Operating Budget so long as such reallocations are consistent with the Commission's established policies, financial limits, and delegated authorities.

(3) Funding of Projects - When seeking the Commission's authorization for any Project, the Executive Director shall clearly indicate whether such Project was within the Capital Investment Plans and/or the Commission's approved Strategic Plan and, if not, how it is to be funded, and why the proposed Project has reached a higher priority over other approved Projects.

Exhibit A

II. DEFINITIONS

A. Advance Mitigation Site

An Advance Mitigation Site is a wetland mitigation site established pursuant to Washington State Department of Ecology guidelines prior to a permitted wetland impact occurring, which is designed to compensate for future expected impacts. An Advance Mitigation Site generates value (in the form of credits) over time until it reaches its maximum potential. Credits from advance mitigation can only be used by the permittee that developed the advance site unless it is certified as a Mitigation Bank. The Port of Tacoma currently has two (2) advance mitigation sites: Place of Circling Waters and Lower Wapato Creek Habitat Project.

B. Alliance

Refers to the Port Development Authority (The Northwest Seaport Alliance) created pursuant to RCW 53.57 by the Ports of Tacoma and Seattle to manage and operate marine cargo operations under Interlocal Agreement dated August 4, 2015, with delegated powers pursuant to the port joint powers statute (RCW 53.08.240).

C. Annual Capital Investment Plan

Means the five (5)-year projection of capital and major expense projects and associated expenditures which is developed and maintained as a planning tool for Port capital investment, which sets the priority for Port funding, and which is reviewed by the Commission annually as part of the five (5)-year Plan of Finance and budget review process, or as subsequently amended by the Commission during the budget year. Capital project funding should be prioritized to address non-discretionary projects first. “Non-discretionary” for purposes of this Section incudes but is not limited to environment projects carried out pursuant to regulatory or other binding commitment, and maintenance projects needed to maintain the operational capacity of the Port and/or which are carried out pursuant to lease obligations or other binding commitment. In recommendations to the Commission, Staff should identify which proposed capital projects are non-discretionary.

D. Approval

A recommendation to move work forward for analysis and development of data and documents to support potential authorization. Approval does not denote authority to expend funds (see “Authorization” below).

E. Authorization

Authorizes spending, entering agreements, administrative actions, and real estate actions, and other items as outlined in this Master Policy Directive. Authorization is given by the Commission to the Executive Director pursuant to this Master Policy Directive. Authorization implies an action item in public session if the required level is beyond the Executive Director delegation level pursuant to this Master Policy Directive.

F. Executive Director

The person hired by the Port of Tacoma Commission to manage and oversee day-to-day operations of the Port of Tacoma not licensed to the Alliance.

Exhibit A

G. Claim

"Claim" means the assertion of any position, right or responsibility by or against the Port, excluding "uncollectible accounts" and any claims asserted by or against the Port that have or may reasonably become the subject of litigation.

H. Emergency

Unforeseen circumstances beyond the control of the Port that either present a real, immediate threat to the proper performance of essential functions; or may result in a material loss or damage to property, bodily injury, or loss of life if immediate action is not taken. (See RCWs 39.04.020, 39.04.280 and 53.19.010(-4). Emergencies allow for the waiver of state procurement requirements.

I. Filed with Commission

A document required to be Filed with Commission is considered filed upon delivery to the Executive Assistant to the Commission for distribution to each Commissioner.

J. Goods and Services

Means natural resources, equipment, materials, supplies (or other finished goods or products), utilities and utilities-related services (including services provided by public agencies), maintenance, security, and other miscellaneous services.

K. Unit Priced Contract

A competitively bid contract in which public works are anticipated on a recurring basis to meet the business or operational needs of a port district, under which the contractor agrees to a fixed period indefinite quantity delivery of work, at a defined unit price, for each category of work.

L. Interlocal Agreement

A binding agreement between the Port and other local governmental agencies pursuant to RCW 39.34 that allows for the provision of services or facilities between those agencies.

M. Management Services Agreement

An Interlocal Agreement between the Port of Tacoma and the Alliance for the Alliance to provide leadership personnel that will directly manage day-to-day work of Port of Tacoma staff who provide support to the Alliance.

N. Material Scope Change

Work that was not previously included in the project authorization and substantially changes the intent of the project.

O. Mitigation Bank

A Mitigation Bank can be a "wetland mitigation bank" and/or a "conservation mitigation bank". A "wetland mitigation bank" is a site established pursuant to Washington State Department of Ecology guidelines where wetlands are restored, created, enhanced, or preserved for the express purpose of providing compensatory mitigation in advance of unavoidable impacts to wetlands or other aquatic resources. A "conservation mitigation bank" is a site established pursuant to federal agency guidelines that permanently protects lands that contain natural resource values for species that are endangered, threatened, candidates for listing as endangered or threatened, or are otherwise species-at-risk under the federal Endangered Species Act. The Port currently has one (1) Mitigation Bank, the Upper Clear Creek Mitigation Bank, which is certified as both a wetland mitigation bank and a fish conservation mitigation bank.

P. Mitigation Bank Credit

A unit of mitigation credit within a Mitigation Bank which is purchased or used to offset the unavoidable impacts of a development project. A mitigation credit is considered intangible personal property for legal and accounting purposes.

Q. Municipal Research and Services Center (MRSC)

The Municipal Research and Services Center (MRSC) is a nonprofit organization that serves all cities and towns in Washington, all counties, and hundreds of special purpose districts, state agencies, and other government partners. MRSC has operated as a private nonprofit since 1969 under the auspices of RCW 43.110.030. Firms can register their businesses by following the instructions at https://mrscrosters.org/businesses/registrationinstructions.

R. Normal Operating Expense

Means the Port budgeted operations and non-operating revenues and expenses reviewed, approved, and authorized by the Commission as part of the budget process, or as subsequently amended by the Commission during the budget year.

S. Normal Port Operations

Administration of day-to-day Port operations and the regular day-to-day business transactions involving personnel, materials, facilities, real and personal property, money, and other assets.

T. Ongoing Environmental Activities

Means groundwater monitoring; supplemental compliance or repair; cleanup action plan (CAP) inspections; habitat and vegetation monitoring and replacement; trash and invasive species removal; site inspections and report writing required by post construction permit conditions, agreed orders, consent decrees, the Municipal Stormwater Permit (MS4), or similar permits and/or regulatory requirements.

U. Operating Agreements

An agreement between the Port and a third party to provide operating services as part of a Port business activity.

V. Personal Services

Personal services are generally professional or technical expertise that are necessary to accomplish a specific study, project, task, or other work statement, which may not reasonably be required in connection with a public works project meeting the definition of RCW 39.04.010(4). Personal services do not include purchased services as defined in RCW 53.19.010(8) or professional services procured using the competitive selection requirements in Chapter 39.80 RCW (A&E).

Exhibit A

W. Project

For the purposes of this Master Policy, a “Project” creates or modifies a capital asset or creates a cost outside of Normal Port Operating Expenses. A Project may be classified as a capital or expense.

(1) Public Works Projects – As defined in RCW 39.04.010, public work projects include construction, alteration, repair, or improvement other than ordinary maintenance executed at the cost of the Port. Work associated with public work projects includes planning, scoping, engineering, design, permitting, environmental assessment, construction and contract solicitation and administration.

(2) Non-Public Works Projects – Generally includes defined work that the ED has determined will be managed as a Project. Projects do not, however, include regular, recurring, or routine work associated with normal Port operations. This category also includes projects by the Information Technology department that may require a major upgrade or replacement of an information or communication hardware or software system.

(3) Environmental Projects – Include pollution investigations, cleanups, and habitat restoration. Environmental projects may also involve regulatory direction, oversight, and agreements, extended periods of investigation and study prior to construction, and continuing monitoring and maintenance after clean-up and construction.

X. Professional Services

Those services within scope of RCW 39.80.020(5) or professional or technical expertise provided by a consultant to accomplish a specific study, project, task, or other work statement which is reasonably required in connection with public work projects.

Y. Public Work

Construction, alteration, repair, and improvement other than ordinary maintenance meeting the definition of RCW 39.04.010.

Z. Service Agreements

An agreement, such as an Interlocal Agreement between the Port and the Alliance, which allows for the provision of services related to normal Port or Alliance operations or projects.

AA. Vessel Service Agreement

An agreement between the Port and vessel steamship lines or their subsidiaries.

III. POLICY GOVERNING PORT REAL PROPERTY

The Executive Director is authorized to take all necessary actions in connection with agreements or transactions for real property owned, used, and not licensed to the Alliance by the Port as designated herein. The Commission’s delegation of authority to the Executive Director will extend to all types of transactions and agreements including acquisitions, divestitures, rental agreements, leases, operating agreements, easements, franchises, permits, rights of entry and other user agreements as provided herein. Except where otherwise provided in this Master Policy Directive, all real property transactions will be subject to an appropriate written agreement executed by the Executive Director and authorized by the Port Commission.

A. General Provisions for Port Real Property Agreements

(1) The final terms of the agreement will conform to the Port's Real Estate policies and procedures and be approved as to form by Port General Counsel.

(2) The Executive Director is authorized to accept a bond, secure CD, or other rental security for real property agreements in compliance with RCW 53.08.085 and Port policy. Other rental security may be cash or cash equivalent such as Letter of Credit, Lease Bond, or other prior approved rental security instruments, in a form approved by Port General Counsel together with necessary certificates of insurance; provided, however, no security is required for real property agreements entered into with certain governmental entities as provided in RCW 53.08.140.

(3) The Executive Director is authorized to take all necessary actions on behalf of the Port Commission and its officers in connection with lease surety bonds, lease surety, rental insurance, or other insurance coverage required pursuant to any leases of the Port.

B. Rental/Leasing Agreements of Port Property (Port as Lessor)

(1) The Executive Director is authorized to enter into month-to-month real property rental/lease agreements when the associated expenditures of the Port do not exceed $350,000. These agreements shall require a minimum-security deposit equal to three (3) months' rental (plus leasehold tax amounts) to be posted in advance of the occupancy, and to be held by the Port as a rental security for the full duration of a month-to-month occupancy and to ensure compliance with the terms of the lease agreement. Adjustments or modifications which decrease the minimum required security rental deposit will require Commission authorization; provided, however that adjustments to the security deposit which result from periodic automatic adjustments/escalators to the Base Rent equating to less than $200 shall be deferred until the security deposit adjustment equals or exceeds $200.

(2) The Executive Director is authorized to enter into real property rental/leasing agreements with a term not to exceed one (1) year when the associated expenditures of the Port do not exceed $350,000. Commission authorization is required for real property rental/leasing agreements with a term greater than one (1) year. The intended use of leased real property must be expressly stated in writing. All leases requiring Commission authorization, except Fabulich Building office leases, shall be subject to a first and second reading prior to final authorization. The Commission reserves the right to waive first reading and proceed to adoption by a vote in public session.

(3) Rental/lease rates shall be based upon market rates established for the specific use under consideration and the condition of such facility.

(4) A briefing on available properties will be provided to the Commission at a public meeting at least once per year including a summary of new leases, properties available, how

available properties are being marketed and those properties that have an expression of interest. A written report summarizing the same information will be provided to the Commission at least twice per year and made available to the public via posting on the Port's website.

(5) All real property rental/leasing agreements one (1) year or greater shall require a minimum-security deposit equal to twelve months rent (plus leasehold tax amounts) to be posted in advance of occupancy and held by the Port as security for the full duration of the occupancy and to ensure compliance with all terms and conditions of the lease agreement and in accordance with RCW 53.08.085. Adjustments or modifications which decrease the minimum required security deposit will require Commission authorization; provided, however, that adjustments to the security deposit which result from periodic automatic adjustments/escalators to the Base Rent equating to less than $200 shall be deferred until the security deposit adjustment equals or exceeds $200.

(6) Where the Commissioners have approved a real property rental/leasing agreement, which contains one (1) or more extension period(s) to extend the lease term, the Executive Director is authorized to exercise that option when the associated expenditure of the Port does not exceed $350,000 cumulatively.

(7) The Executive Director is authorized to approve assignment of Port leases originally subject to Commission approval under this Master Policy Directive where the requested assignment is (1) due to a change in form of the tenant entity, (2) occurring by operation of law, (3) to a related or subsidiary entity of the tenant without change in underlying entity ownership. Port Legal Counsel shall review and approve the form of such assignments prior to execution.

(8) The Executive Director is authorized to enter into access agreements with the Alliance for Port Property provided that the access agreement is for one year or less; the associated expenditures of the Port do not exceed $350,000 annually; the access agreement may be terminated by either party on thirty (30) days notice, and the Commission is provided notice of the terms of any such access agreement prior to the agreement's effective date. Any subsequent agreement for Alliance use of Port Property beyond one year shall be brought to the Commission for approval.

C. Agreements for the Port Use of Real Property Owned by Others (Port as Lessee)

(1) The Executive Director is authorized to enter into agreements for the use of real property owned by others if the term of the use is one (1) year or less and the charge to the Port does not exceed $350,000.

D. Port Grants of Covenants and Easements

(1) The Executive Director is authorized to enter into agreements for easements, licenses, access permits, and other rights of entry up to two (2) years in duration where the impairment does not substantially interfere with the Port's intended use or reasonable future intended use. "Substantially interfere" shall mean when Fair Market value is not

reduced more than an estimated $350,000 in any one (1) year. The form of any easement, license, access permit, or other right of entry shall be approved by the Port General Legal Counsel.

(2) Easements, licenses, access permits, other rights of entry and covenant agreements beyond two (2) years shall require Commission authorization. Utility easements required for utility service, access, and/or maintenance on Port property shall not require Commission authorization and may be approved by the Executive Director.

E. Easements for the Port Use of the Property of Others

(1) The Executive Director is authorized to enter into easements for the Port use of the real property owned by others for agreements up to one (1) year provided that the cost to the Port does not exceed $350,000 annually.

(2) Real property easements, excluding utility easements, for Port use that are greater than one (1) year require the authorization of the Commission.

F. Acquisitions of Real Property

(1) Prior to the Port Commission authorizing the acquisition of real property, the Executive Director will take all necessary steps, including when appropriate and necessary to establish a fair property valuation, the securing of appraisals, and the securing of fee title and such interest in the property as required for the benefit of the Port.

(a) Port staff shall be required to document and present all known and suspected environmental liabilities associated with the property in question to the Commission as part of the acquisition authorization.

(2) Acquisition price of real properties shall in no case exceed the appraised value by ten percent (10%), nor shall the total price paid exceed the estimates provided to the Port Commission in securing its authorization without further specific Commission authorization.

G. Sale of Real Property

(1) Any sale of real property which is part of the Port's Comprehensive Scheme of Harbor Improvements (CSHI) requires a public hearing and authorization by the Commission to first amend the Port's CSHI and to declare the property to be surplus. The Port's Comprehensive Scheme of Harbor Improvements shall be modified only after public notice and hearing pursuant to RCW 53.20.010 and RCW 53.08.090.

(a) Any sale of real property that includes continued Port environmental liabilities/expenditures shall be documented and presented to the Commission as part of the authorization to surplus.

(b) Per RCW 53.25.140 for any property located within the boundaries of an Industrial Development District (IDD) the sale price must not be less than fair market value of the property which shall be determined by an average of at least two (2) independent appraisals performed by licensed real estate brokers or professionally

designated real estate appraiser as defined in RCW 74.46.020. The Port shall comply with all other applicable requirements of Chapter 53.25 RCW for the sale of properties located within the boundaries of a Port IDD.

H. Payment of Real Estate Commissions

(1) The Executive Director is authorized to retain licensed real estate brokers for the purpose of marketing for sale and/or lease Port properties.

(2) Commissions may be paid to licensed real estate brokers that actually initiate bona fide transactions for the Port upon satisfactory proof being submitted to the Port Real Estate department that the broker actually initiated and completed the transaction for which they claim commission. In addition, thereto, the broker shall file with the Port Real Estate department within ten (10) days from broker's appointment as their client's agent for the purpose of aiding in the leasing of the Port property a statement under oath that the broker actually initiated the bona fide transaction together with the name of the broker's client and the date of their first contact with said client. Unless this provision is strictly complied with, the Port will not pay a claimed commission.

(3) For properties the Port "exclusively lists" with brokers to sell, a maximum commission of five percent (5%) of the total sale price may be paid. Commissions on sales will be paid via a one (1)-time payment.

(4) For properties the Port "exclusively lists" with brokers to lease, a maximum commission of five percent (5%) of the Net Rent to the Port for up to five (5) years shall be paid, except that for month-to-month leases, a maximum commission of two (2) months of Net Rent to the Port shall be paid. For approved leases for properties not listed with a broker, which are initiated and completed by licensed brokers a maximum commission equal to three percent (3%) of Net Rent shall be paid. "Net Rent" shall mean rent net to the Port with Lessee paying taxes, utilities, maintenance, and insurance. Costs for Port paid tenant improvements, utilities, and other services specific to the lease will be subtracted from the Net Rent amount for calculations of commissions paid. The Executive Director shall disclose, as part of the Commission approval of the underlying lease, the amount of the commission should that be projected to be paid.

(5) A summary of all Real Estate commissions will be reported semi-annually.

(6) Commissions shall not be paid on leases involving existing tenants for new leases, expansions, new space rentals, renewals or options exercised or repayment to the Port for tenant improvements made by the Port on behalf of the Tenant, payments made to the Port from security deposits, or any escalation of the Net Rent.

(7) Commissions shall be paid as the net rents are collected by the Port.

IV. POLICIES GOVERNING AUTHORIZATION FOR CONTRACTING, PROJECTS, PROCUREMENT & EMERGENCIES

The Executive Director is authorized to control and direct all necessary activities that require contracting and procurement of goods and services associated with carrying out Normal Operations of the Port not licensed to the NWSA. Contracting and Procurement activities for the Port will be in compliance with applicable laws and regulations and the policies and delegation of authority set forth in this Master Policy Directive. The Port shall endeavor to use a variety of firms (including small business firms) based on the nature of the work and the expertise of the firms.

A. Interlocal & Non-Binding Agreements

(1) Commission authorization is required to approve Interlocal Agreements with other public agencies, including Service Agreements between the Port and the Alliance. Interlocal Agreements shall comply with the requirements of RCW 39.34.

(2) The Executive Director is authorized to enter into agreements with other governmental agencies and non-governmental entities in situations where the agreement does not create a financial obligation or impair any Port owned assets and have been reviewed and approved in writing by Port legal counsel.

B. Projects

(1) The Executive Director may authorize Projects where the estimated Project cost, inclusive of all costs related to the work, does not exceed $350,000.

(2) Commission authorization shall be required for Projects where the total estimated Project costs will exceed $350,000 or when actual costs of a previously approved Project exceed $350,000, including Projects previously authorized by the Executive Director.

(a) The Executive Director may authorize spending up to $350,000 for Project work where the total estimated Project costs may exceed $350,000.

(b) Port presentations which request Commission authorization will disclose Project spending previously authorized by the Executive Director and spending previously authorized by the Commission, if any. Depending on the overall estimated costs and complexity of the Project, the Executive Director may request Commission authorization at key stages of the project (i.e., design, execution of work, remediation).

(c) Projects shall not be broken into units or accomplished in phases to avoid Port Commission authorization.

(d) Where personal, professional, or purchased goods and services are part of a Project, authorization of expenditures will be managed as part of the project authorization.

(e) Public work contracts not part of a Project and not part of Normal Operating Expense follow the same authorization process as Projects.

(f) For Small Public Works projects up to $350,000 in value, the Port may use the Municipal Research and Services Center (MRSC) Contractor Roster as authorized by RCW 39.04.155.

(3) Projects with an estimated cost that exceeds $350,000 and have a change in the scope, schedule or budget require the following actions:

(a) *Commission authorization will be required if a Material Scope Change occurs in the Project.*

(b) *The Commission will be notified if a Project schedule delay has an anticipated financial impact on a customer or other affected stakeholders.*

(c) *Commission notification and follow-up Commission authorization is required as soon as it is determined that the Project cannot be completed for the previously authorized amount and Project costs incurred will be limited to the minimum amount necessary to allow the Project to proceed until Commission approval is obtained for the additional amounts.*

(i) *In situations where the public works component of a remediation Project determines that additional contamination or an unforeseen condition is found which impacts the budget of a Project beyond the Project authorization, staff shall notify the Commission and continue with the required work.*

(4) Authorization for Alternative Public Works Contracting Procedures. Commission authorization is required to perform public work under procedures alternative to design-bid-build, as defined in RCW 39.10, for design-build and general contractor/construction manager. For such contracts, staff will propose for Commission's approval a sequence of authorization steps.

(5) Unit priced contracts for Public Works and job order contracts (authorized in RCW 39.10) may be approved by the Executive Director and all work falling under the unit priced contract or job order contract is to be authorized pursuant to this Master Policy Directive as a Project.

(6) The Executive Director may resolve all claims through the mediation phase of a dispute resolution arising from public works contracts up to an advance of $350,000. Commission will be notified of potential settlements which may exceed the previously authorized Project amount and additional authorization will be requested in accordance with the requirements for Project changes contained herein. Port operations, maintenance, monitoring, and stewardship activities, where the costs of normal operating expenses, require only outside services to be authorized.

(7) Ongoing Environmental Activities shall be authorized annually through the budget approval process.

C. Project and Contract Reporting

(1) The Executive Director shall report semi-annually to the Commissioners all Projects authorized by the Commissioners. The report shall include project schedule, current estimate, authorized amount, cost to date, summary of any changes to scope, and any other significant developments with respect to the Project. Selected environmental Projects that have moved into long-term (5 years plus) monitoring (or maintenance) programs shall be exempt from Project reporting.

(2) The Executive Director shall report quarterly to the Commissioners all Project and contract authorizations equal to or greater than $150,000 authorized through the delegated authority contained in this Master Policy Directive. The report shall include the type of authorization, a brief description of the authorization, and the amount of the authorization. All new Professional and Personal Services Contracts as well as settlement of Claims, including litigation, regardless of the amount, will be reported quarterly.

(3) At the Commissioners' direction, the Executive Director shall report on any Project of a sensitive or critical nature.

D. Professional Services Contracts

(1) The Executive Director is authorized to approve Professional Services Contracts associated with Normal Port Operations with a cost for each contract not exceeding $350,000, cumulative with amendments.

(2) On-call contracts for professional services may be approved by the Executive Director and all work falling under the on-call contract is to be authorized pursuant to the applicable Master Policy Directive as a Project or contract subject to the limits set forth herein.

(3) For Professional Services contracts up to $200,000 in value, the Port may use the MRSC Consultant Roster as authorized by RCW 39.80.

E. Personal Services Contracts

(1) The Executive Director is authorized to approve personal services contracts in the conduct of normal Port operations not licensed to the Alliance when the following conditions exist:

(a) The cost of the proposed personal service contract shall not exceed the amount of $350,000, cumulative with amendments.

(b) The specific contract or class of contract has been formally waived by resolution of the Commission from competitive solicitation process; or is exempt by RCW 53.19.020 or unrestricted by RCW 53.19.070.

(2) On-call contracts for personal services may be approved by the Executive Director and all work falling under the on-call contract is to be authorized pursuant to the applicable Master Policy Directive as a Project or contract subject to the limits set forth herein.

(3) When an amendment to a contract, individually or cumulatively, which was approved by the Executive Director pursuant to Section IV.E.(1) hereinabove will exceed 50% of the original contract amount for the agreement and that amended cumulative amount remains less than $350,000.00, the amendment must be filed with the Commission and made available for public inspection on the Port's website seven (7) days prior to the proposed starting date of services under the amendments. Substantial changes in contract scope or substantial additions to the scope specified in the formal solicitation documents shall be authorized by the Commission unless authorization has been provided for otherwise pursuant to this Master Policy Directive.

(4) Any amendment to a Personal Services Contract must be approved by the Commission by a vote in public session and be made available for public inspection on the Port's website seven (7) days prior to the proposed starting date of services under the amendment if the Personal Services Contract:

(a) was approved by the Executive Director pursuant to Section IV.E.(1) hereinabove, and the amendment(s) individually or cumulatively will exceed 50% of the contract amount and that amended cumulative amount exceeds $350,000, or

(b) was previously approved by the Commission because the contract's initial amount exceeded $350,000.

(5) All Personal Services Contracts will be entered into pursuant to competitive solicitation as required by law, except for the following; provided, however, this procurement modification does not change the requirements for any applicable Commission or ED approvals based on costs amounts as provided herein:

(a) Emergency contracts in compliance with Section IV.G.(1) below.

(b) Sole source contracts; provided, however, that sole source service contracts, regardless of the amount, shall be filed with the Commission for three (3) days and made available to the public prior to starting the work pursuant to RCW 53.19.040.

(c) Any other specific contract or classes as exempted by RCW 53.19.070 as it now exists or may be in the future amended, and which currently exempts the following:

(i) Contracts specifying a fee of less than fifty thousand dollars;

(ii) Contracts awarded to companies that furnish a service where the tariff is established by the utilities and transportation commission or other public entity;

(iii) Intergovernmental agreements awarded to any governmental entity, whether federal, state, or local and any department, division, or subdivision thereof;

(iv) Contracts awarded for services to be performed for a standard fee, when the standard fee is established by the contracting agency or any other governmental entity and a like contract is available to all qualified applicants;

(v) Contracts for services that are necessary to the conduct of collaborative research if prior approval is granted by the funding source;

(vi) Contracts for professional services which are entered into under Chapter 39.80 RCW;

(vii) Contracts for the employment of expert witnesses for the purposes of litigation or legal services to supplement the expertise of port staff;

(viii) *Other specific contracts or classes or groups of contracts exempted from the competitive solicitation process by the Commission when the Commission has determined that a competitive solicitation process is not appropriate or cost effective pursuant to RCW 53.19.020;*

(ix) *The Executive Director is authorized to approve competition waivers consistent with applicable federal and state laws and internal Port policies in accordance with RCW 39.04.280; and*

(x) *Notification of all such waivers shall be provided to the Commission prior to the proposed starting date of the contract or purchase and will include a written justification of the reason for the waiver.*

F. Purchased Goods and Services

(1) The Executive Director has the responsibility for compliance with statutory procedures, where applicable, in connection with all contracts for the acquisition of utilities, materials, equipment and services. Following competitive bidding, if required, the Executive Director may authorize purchased goods and services where the following condition has been met:

(a) *The total contract or purchase order price does not exceed $350,000 cumulatively.*

(2) Contracting Authority for Entering Agreements with Utilities and Annual Software Fees and Licenses:

(a) *The Executive Director is authorized to enter into contracts with utility providers in order to establish connections, conduct repair or maintenance and to purchase utility services as needed that are part of Normal Operating Expenses; and*

(b) *The Executive Director is authorized to enter into contracts with providers for annual software fees and licenses that are part of Normal Operating Expenses*.

G. Declaration of Emergency

(1) The Executive Director is authorized to make a finding of the existence of an emergency, to authorize spending of Port resources and funds, to waive competitive bidding requirements and to execute any contracts necessary to respond to the emergency in accordance with RCWs 39.04.020, 39.04.280, 53.19.010 and 53.19.030, and subject to the following:

(a) *The Commission shall be notified within 24 hours of the declaration of the emergency.*

(b) *If a public works or purchased goods or services contract is awarded without competitive bidding due to an emergency, a written finding of the existence of an emergency shall be filed with the Commission and made public on the Port's website no later than two (2) weeks following the award of the contract.*

(c) *If a personal services contract is awarded without competitive bidding due to an emergency, a written finding of the existence of an emergency shall be filed with the Commission and made public on the Port's website within seven (7) working* *days following the commencement of work or execution of the contract, whichever occurs first. Documented justification for emergency contracts shall be provided to the Commission when the contract is filed.*

V. POLICIES GOVERNING FINANCIAL ACTIVITIES

The Executive Director is authorized to oversee the financial matters for the Port of Tacoma in accordance with applicable laws and subject to the Commission delegations in this Section.

A. Management of Port Funds

(1) The Port Treasurer, who must be appointed by the Commission pursuant to RCW 53.36.010, may designate one (1) or more Deputy Treasurer(s) without Commission action. The Treasurer is accountable for all financial transactions executed by Deputy Treasurer(s).

(2) The Port Treasurer and Deputy Treasurer(s) are authorized to oversee the investment of Port funds in accordance with applicable law relating to the type of investments authorized pursuant to RCW 39.59, RCW 43.84.080, and referenced RCWs within, including sale of such investments and necessary inter-fund transfers.

(3) The Port Treasurer is authorized to oversee the management of the Port's cash reserves. Minimum cash reserve has been established as six (6) months' direct operating expenses and any reserves required by agreements or associated with maintaining bond covenants.

B. Port Expenditures for Travel, Hosting and Memberships

(1) Travel Expenditures for Employees and Other Authorized Representatives of the Port.

(a) Pursuant to RCW 53.08.176, the Executive Director is authorized to establish Port policies and procedures to regulate and audit travel expenses and reimbursement.

(b) The Executive Director is authorized to approve travel and other reimbursable expenses, excluding Commissioners, incurred on behalf of the Port.

(c) Commissioner international travel requires prior authorization by the full Commission.

(d) The Port's Auditor will be responsible for ensuring the full compliance with applicable statutes, regulations and Port policies and procedures governing expense reimbursement by employees, Port Commissioners, and representatives of the Port.

(2) Expenditures for Trade Promotion and Promotional Hosting.

(a) The Executive Director will report proposed expenditures covering industrial development, trade promotion, and promotional hosting as provided in RCW 53.36.120 to Commission as part of the annual budget adoption. Expenditures proposed for promotional hosting shall be limited as provided in RCW 53.36.130.

(b) Port staff and representatives responsible for industrial development, promotional hosting, and trade promotion, and authorized to host under the Master Policy Directive, are authorized to make expenditures for promotional hosting of all

appropriate Port activities subject to all of the provisions of the promotional hosting policy.

(c) Commission hosting requires prior authorization by the full Commission.

(3) The Executive Director is authorized to approve membership in port authority, economic development, regional trade, tourism, industrial associations, facility, trade promotion organizations, and professional organizations up to $10,000 pursuant to organization or individual membership. Memberships greater than $10,000 shall be approved by the Commission as a Normal Operating Expense through the annual budget process. A list of all memberships of the Port will be reported semi-annually to the Commission.

C. Managing Uncollectible Accounts

(1) The Executive Director is authorized to establish policies and procedures to write off any uncollectible accounts. The Port's aging account report and/or list of delinquent and uncollectable accounts shall be provided to the Commission quarterly.

(2) Prior to writing off any accounts receivable, the Executive Director shall be satisfied that every reasonable effort has been made by the Port to accomplish the collection of the account.

(3) If appropriate, the Executive Director shall authorize the Port's General Counsel to bring action in courts of law or, if more appropriate in the case of small amounts, to assign the same to collection agencies for the purpose of attempting to finally collect such accounts.

(4) If after attempting all normal account collection procedures the account is still uncollectible after 180 days or more, the Executive Director is delegated the authority to provide for the writing off of such account; provided, however, Commission approval is required if the amount of any one (1) account to be written off exceeds $50,000.00.

(5) Any account in excess of $50,000 which is deemed to be uncollectible shall be reported to the Port Commission.

D. Acceptance of Grant Funding

(1) The Executive Director is authorized to apply for grant funds for the Port.

(2) The Executive Director will provide notification to the Commission prior to submitting an application for any grants that may obligate the Port to a cash match greater than $350,000 or if expected associated expenses exceed $350,000.

(3) The Executive Director is authorized to accept grants where the grant award obligates the Port to provide a cash match of no more than $350,000.

(4) In cases where the grant award obligates or has the potential to obligate the Port to provide a cash match greater than $350,000, Commission authorization is required prior to grant acceptance, unless as noted in V.D.(5) below.

(5) The Executive Director is authorized to accept and manage any grant funding that is secured for Projects that have previously been authorized by the Commission. In this case, if a grant is received, the Executive Director shall notify the Commission.

E. Insurance Programs

(1) The Executive Director shall be authorized to work with the Port's designated insurance broker(s) to negotiate and obtain appropriate policies of insurance to manage the Port's property and casualty risks, provide employee benefits, and other coverage appropriately included within a comprehensive insurance program. The Executive Director is further authorized to execute all contracts necessary to implement the Port's comprehensive insurance program, the costs of which shall be approved by the Commission as a Normal Operating Expense through the annual budget process. .

F. Surplus or Sale of Personal Property

(1) With the exception of Mitigation Bank Credits, the Executive Director is authorized, pursuant to RCW 53.08.090, to sell and convey surplus personal property of the Port subject to the following conditions:

(a) When the net book value of such personal property does not exceed $22,830.00*, the Executive Director will itemize the property to be sold and will certify that such property is no longer needed for Port District purposes.*

(b) Commission authorization is required when the net book value of such personal property exceeds $22,830.00*. The Executive Director will itemize the property to be sold and will certify that such property is no longer needed for Port District purposes and seek Commission authorization.*

(c) Personal property will be disposed of in accordance with RCW 53.08.090.

(d) No large block or lot of personal property having a net book value in excess of $22,830.00 will be broken into components of lesser value. These items can be disposed of after Commission authorization is obtained.

(e) The sale of surplus personal property to Port officials, employees, or their family members will be restricted to public auctions, or consignment for bid, where the process is managed by a third-party vendor and all interested parties have equal opportunity in the bidding process.

(f) The Executive Director will report the results of surplus personal property sales to the Commission no less than once per year.

G. Annual Budgeting Activities

(1) The Executive Director will annually develop a budget for the Port.

(a) Commission approval shall be required, pursuant to RCW 53.35 for the next year's statutory cash budget.

(b) *With the adoption of the statutory cash budget, the Commission also approves expenditures for Ongoing Environmental Activities. The Commission shall review and confirm the five (5)-year Plan of Finance and Capital Investment Plan in conjunction with the statutory cash approval.*

H. Payment of Statutory Expenditures

(1) The Executive Director is authorized to approve statutory expenditures incurred during Normal Port Operations. Types of expenditures include, but are not limited to, election expenses, excise, payroll and leasehold taxes, and State Auditor's audit(s).

VI. POLICIES GOVERNING LEGAL ACTIVITIES

The Executive Director, together with Port General Counsel as appropriate, shall be responsible for the Port policies and procedures necessary to oversee all legal services and litigation, in which the Port has an interest, direct or indirect; provided, however, the Executive Director shall first seek Commission approval prior to the Port initiating litigation as a party plaintiff or petitioner in state or federal court if the litigation is for any purpose other than (1) commercial unlawful detainer against Port tenants in breach of Port lease agreements, or (2) cost recovery against third parties pursuant to Ch. 70A.305 RCW (Model Toxics Control Act). For purposes of this Section, "litigation" shall mean the assertion of any position, right or responsibility by or against the Port which may reasonably lead to or has been filed in any court of general jurisdiction, be it state or federal, or any quasi-judicial or administrative forum, including arbitration.

A. Retaining Independent Counsel/Experts/Investigators

(1) The Executive Director may engage legal representation for the Port and such experts, investigators and/or independent counsel as may be necessary to the orderly preparation of potential and/or actual litigation in which the Port has a direct or indirect interest, without the procurement limitations otherwise prescribed in Section IV.E. of this Master Policy Directive.

(2) Consistent with Section IV.E.(1) herein, the Commission reserves to itself the authority to approve Personal Services Contracts for Legal Services where the contract amount exceeds $350,000, initially or as a result of any amendment. Any such request for Legal Services should include the concurrence of the Port General Legal Counsel, who shall confirm to the Commission the basis for the request and provide such other information requested by the Commission, which consultation may be provided in Executive Session if consistent with state law, RCW 42.30.110(1)(i); provided, however, any Commission approval of that Contract shall take place by vote at a meeting open to the public.

B. Settlement of Claims

(1) The Executive Director is delegated to oversee Port policies and procedures for adjusting the final settlement of all Claims either against or on behalf of the Port.

(2) Any Claim arising from Normal Port Operations and not exceeding $200,000 for a single Claim may be adjusted and settled by the Executive Director without prior review with the Commission. Claims arising from Public Works Contracts shall be settled pursuant to Section IV.B.(6); provided, however, any settlement that imposes upon the Port any affirmative

duty (non-monetary obligation), injunctive relief, and/or which is memorialized by a federal Consent Decree or other regulatory enforceable Order shall require Commission approval.

(3) The Port's General Legal Counsel shall be consulted prior to settlement of any Claim in excess of $50,000 paid by the Port. Claims exceeding $200,000 to be paid by the Port shall be approved by Commission; claims exceeding $100,000 paid by the Port shall be reported to the Commission.

(4) The Executive Director may approve settlements made by the Port's insurers of Claims by or against the Port, where such settlement is payable by such insurer.

C. Settlement of Litigation

(1) The Executive Director and/or Port General Counsel is authorized to oversee any matter which is the subject of litigation, including engaging in settlement negotiations and/or reaching settlement, without prior Commission review under the following conditions:

(a) The amount in controversy as stated in the pleadings or as reasonably estimated by Port General Legal Counsel does not exceed $150,000; provided, however, any settlement that imposes upon the Port any affirmative duty (non-monetary obligation), injunctive relief, and or which is memorialized by a federal Consent Decree or other regulatory enforceable Order shall require Commission approval; and

(b) The Port's General Counsel concurs with the proposed settlement terms.

(2) Settlement of litigation matters by or against the Port greater than $150,000 require Commission authorization.

(a) Regular Updates. At any stage of litigation where the potential claim by or against the Port is greater than $350,000, the Commission shall receive regular and substantive updates on the status of any proposed settlement discussion and terms and no later than three (3) business days prior to the date of any Commission Executive session briefing.

(b) Timing. The Commission shall be informed of any proposed final litigation settlement terms no later than seven (7) business days prior to the date Commission approval is sought.

(c) Form of Request. The request for final litigation settlement approval shall be reduced to writing and include the concurrence of the Port Legal Counsel, who shall confirm to the Commission the basis for the request and provide such other information requested by the Commission. Consistent with state law, RCW 42.30.110(1)(i), Litigation settlement consultation between the Commission and Legal Counsel may be provided in Executive Session; provided, however, any Commission litigation settlement approval shall take place by vote at a meeting open to the public.

D. State and Federal Environmental Remediation Agreements

(1) State and Federal environmental remediation agreements (“Agreements”) can include: Consent decrees, agreed orders, administrative orders issued by Ecology, orders on consent and voluntary cleanup program agreements but typically do not include MTCA grant applications, potential liable party notices or other general governmental notifications or project management documentation. These Agreements may involve advanced work; examples include research, soil and groundwater sampling and legal review which will inform the scope of work and schedule in the Agreement.

(2) The Executive Director may authorize new Agreements if the estimated project costs, excluding any grant or other recovery funding but including any advanced work to implement the terms of the agreement and past remediation expenditures, are less than $350,000.

(a) An estimate or range of estimated costs for the overall future environmental remediation associated with the agreement and future anticipated Agreements will be reviewed at the time of the request for authorization.

(3) Commission authorization is required for Agreements where the estimated project costs to implement the terms of the Agreement, excluding any grant or other recovery funding but including any advanced work and past remediation expenditures, exceed $350,000.

(a) An estimate or range of estimated costs for the overall future environmental remediation associated with the Agreement and future anticipated Agreements will be reviewed at the time of the request for authorization.

(4) Project spending associated with Agreements shall be subject to the requirements set forth in Section IV.B.(2) pertaining to Projects.

E. Policies and Procedures

The Executive Director is authorized to adopt any administrative policies and procedures necessary to implement the delegations contained in this Master Policy Directive.

F. Non-Discrimination and Equal Opportunity

It is the basic policy of the Port to provide equal opportunity to the users of all Port services and facilities and all contracting entities. Specifically, the Port will not tolerate discrimination against persons on grounds of age, race, color, national origin/ancestry, ethnicity, religion, disability, use of protected sick or family medical leave, pregnancy, sex/gender, sexual orientation, whistleblower status, marital status, workers’ compensation use, gender expression or identity, political beliefs, military or veteran status, or any other protected status, as guaranteed by local, state, and federal laws. The equal opportunity principles described in this policy shall apply to the Port’s employees, customers, consultants, contractors, and vendors to the extent possible and as required by law. This policy is to be implemented by the Executive Director as specifically set forth in Port policies, equal employment opportunity and small business, women, minority, and disadvantaged business participation in Port contracts. The Executive Director shall annually report to the Commission on the implementation of this policy.

Exhibit A

VII. POLICIES GOVERNING THE USE AND SALE OF MITIGATION CREDITS

A. Scope

The Port of Tacoma currently has one (1) certified Mitigation Bank (Upper Clear Creek Mitigation Bank) and two (2) Advance Mitigation Sites (Place of Circling Waters and Lower Wapato Creek Habitat Project). The policies in this section govern the sale of Mitigation Bank credits to third parties and the use of Advance Mitigation Site credits for Port and/or Alliance projects.

B. Use of Mitigation Credits

(1) The preferred use of Mitigation Bank and Advance Mitigation credits is to provide a source of mitigation for unavoidable impacts of current and future Port and Alliance development and/or redevelopment Projects.

(2) The Port Commission will only consider authorizing the sale of Mitigation Bank credits to third parties as provided for in Section C below if such credits are determined to be surplus to the Port's needs pursuant to RCW 53.08.090 within a ten (10)-year planning horizon.

C. Sale of Mitigation Bank Credits

(1) Sale to Third Parties

(a) Mitigation Bank credits will only be sold to third parties upon Commission approval of a resolution which both declares the credits to be surplus to the Port's needs pursuant to RCW 53.08.090 and authorizes the sale.

(b) The Commission may only approve a resolution authorizing the sale of surplus Mitigation Bank credits to third parties where the proposed sale meets all of the following criteria:

(i) The credits to be purchased are being used for a public or private project which directly supports the Port's mission and goals as expressed in the Port's current Strategic Plan. These types of projects include, but may not be limited to, cargo, logistics, and transportation.

(ii) The proposed credits will be sold at fair market value, or at the Port's anticipated replacement cost, whichever is greater. Fair market value shall be established through an appraisal or equivalent analysis considering the market demand for credits within the relevant mitigation bank service area and within the nearby region, as of the time of the sale. The anticipated replacement cost is the anticipated cost to replace mitigation credits in the future calculated based on net present value of past projects and/or cost estimates for future projects with appropriate contingency.

(iii) *The sale must have a minimum value of $350,000 regardless of the number of credits sold.*

(iv) *The Executive Director has reviewed the proposed sale for compliance with these requirements and recommended approval to the Commission.*

(2) Sale to the Alliance. Subject to Commission approval, Mitigation Bank credits may be sold to the Alliance on the terms and conditions provided for in Article 3.2(f)(iii) of the Second Amended Alliance Charter for "Future Mitigation Sites".

D. Use of Advance Mitigation Site Credits

(1) Use for Port Projects. Use of Advance Mitigation Site credits for Port Projects is subject to Commission approval. Commission approval for the use of Advance Mitigation Site credits may be provided in conjunction with a Project Authorization or through a separate Commission action.

(2) Use for Alliance Projects. The Port may offer the Alliance the opportunity to use Advance Mitigation Site credits on the terms and conditions provided for in Article 3.2(f)(iii) of the Second Amended Alliance Charter for "Future Mitigation Sites". Use of Advance Mitigation Site credits by the Alliance is subject to Commission approval.

Staying In Your Lane: Commissioner, ED, and Staff Roles and Responsibilities

WPPA Commissioner Seminar
July 26, 2023

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The Central Thesis

- The job of Commissioners is critical and must be done well because the “big issues” are not going away.
- The smooth relationship between the Commissioners and the chief executive officer – here the Executive Director – is critical for success.
- What you do as Commissioners is very important now and into the future.
- Critical components of port success are (i) defining the lanes and (ii) staying in the lane.
- “Those who never change their minds, never change anything.”

Define Terms

- "**Leadership**" - is the art of developing vision, direction and support of an organization and its members.
- "**Management**" - describes the science of systems, processes and controls to achieve an end state.
- "**Culture**" - is the common values, customs and social institutions of an organization.

Governance vs. Management

- Balancing the fundamental role of the Board of Directors (Commission), the Chief Executive Officer (the Executive Director) and Staff is critical.
  - Strategic vs. Tactical
  - “Why-What-How”
  - “30,000 feet vs. in the weeds”
  - “End State” - describes the specific situation at the successful completion of an operation.

Why Look at “Governance”?

- It is both “substance” and “culture”
- It is not intuitive
- Each Commissioner approaches the job from a different perspective
- There are no “commissioner qualifications”
- It makes the Commission and each of you more effective
- It helps avoid mistakes – taxpayers may not bail you out
- It makes everyone’s service much more rewarding
- It will yield future results

Measure of Success for Today's Work

- Step back and take a critical look
- Have an open dialogue
- Review relationships
- Review "Keystone" documents
- Review and where necessary reset

The Individual Commissioner

Authority and Responsibility of Individual Commissioners

- Nada, nyet, nothing
- Only the Commission can grant authority
- Do not task staff – they do not work for you
- Expect the Executive Director takes responsibility for what “staff does or fails to do”
- Refrain from becoming involved in management – even if you are good at it
- Be careful about perception when
  - Speaking to other governments
  - Speaking to tenants
  - Speaking to civic groups
- Once an issue is decided, support the Commissions’ decision – the “body politic”

Exercise No. 1 – Call Central Casting

a. Please provide five +/- attributes of the perfect Commissioner

b. Please provide five +/- attributes of the perfect Executive Director

c. Please provide five +/- attributes of the perfect staff

Commission Leadership Lane

- Governance is a lot harder than management – but it is what the Commissioner is elected to do
- Figure out why you are a Commissioner
- Every human organization has a culture
- Be a leader – not a spectator or a critic
- Always seek consensus
- No decisions are worth “blowing up the Commission”
- You cannot always be right
- Look for opportunities to be persuaded
- Do no harm

Commissioners' Time – A Precious Resource

- Commissioners have very limited time - they often have jobs and other commitments
- The Open Meetings Act limits *staff* access to the full Commission. The Commissioners' time is a precious resource that should not be squandered
- The Commissioner role should be focused on governance

The Commission
As
The “Body Politic”

The Commission

- Has the statutory authority to operate the port
- Commissioners can achieve amazing results when acting <u>together</u> as a Commission
- Disagreements on substance between Commissioners is <u>healthy, needed and expected</u>
- Decides, as a group, what to expect in voting
  - Consensus vs. Majority
- Set the culture of the Commission and the entire Port
  - Avoid “Reaching” into staff
  - Avoid relitigating / not supporting past decisions

Exercise No. 2 – Why Does Your Port District Exist?

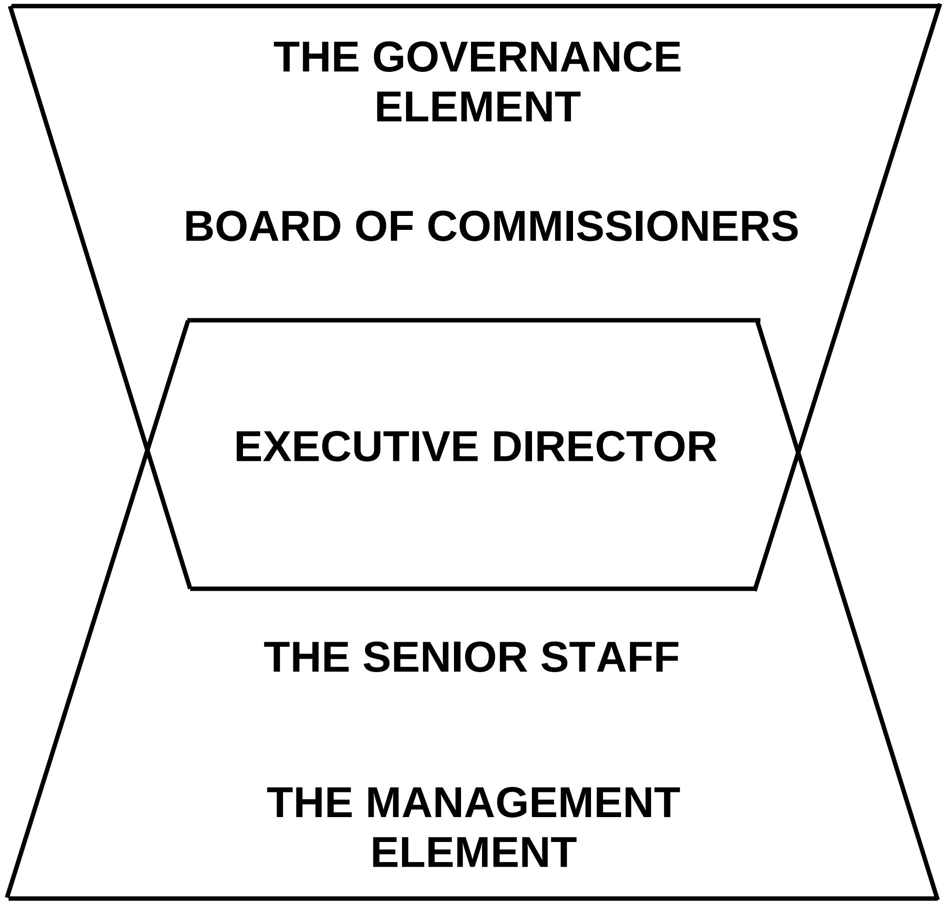
a. Why does your port district exist?

b. What (in five words) does your port district do?

c. How does you port district do what it does?

All The Substance Starts With The Commission

The Governance -Management Interface



Parkinson's Law and The Law of Triviality… briefly stated

Parkinson's Law: Work expands so as to fill the time available for its completion

And the corollary for a Board or Commission…

"The time spent on any item of the agenda will be in inverse proportion to the (dollar) sum involved."

– *C. Northcote Parkinson*

Elements of the Commission Lane – Vision and Strategy

- The Commission establishes the strategic vision
  - What does the port district and its citizens value most?
  - What is your vision where you want to be next year, in 5 years, 10 years, and 20 years?
  - What is the roadmap for achieving the Commission's vision?
- Keystone documents
  - Comprehensive Scheme of Harbor Improvements
  - Capital Budget
  - Strategic Plan
- The Commission and Executive Director establish a "commission workplan"
- Consider an annual review of the Commission's performance

Elements of the Commission Lane – Managing and Leading the Executive Director

- The Commission leads and manages the Executive Director
  - Systems to manage performance
    - Job description
    - Annual review
    - Delegation of Powers Resolution
    - Succession plan
    - Information flow (both ways)
    - Budget based management
    - Policies
      - Leasing
      - Marina Rates
  - Leadership of the Executive Director
    - Imparting the vision
    - Seeking input

Elements of the Commission Lane – Inter-government Relations

- The Commission leads and manages the relationship with the other elected officials and the community
  - Coordinated approach with the Executive Director
    - Familiarity with other electeds
    - Standard presentations prepared by staff

Elements of the Commission Lane – Efficient Commission Meetings

- The Commission must run efficient and productive commission meetings
  - Managing the agenda
  - Managing public input
  - Balancing tasks and strategy
  - Achieving a good and respectful relationship with the other commissioners

Barriers to Effective Commission Meetings

- Lack of clarity about the primary functions
- Ease of agenda
  - Business vs. Work-study
- Lack of a clear understanding of when Commission input is expected and received
- Lack of preparation
  - <u>*Commissioner says*</u>: "I've been busy and really didn't get a chance to review the packet."
  - <u>*Staff Hears*</u>: "I am important, you are not, and who cares anyway. I always make important decisions in the spur of the moment."

Barriers to Effective Commission Meetings

- Confusion between process and content
  - Commission: We would like to be consulted
  - Executive Director: This is my decision or here is your one choice
- Communication problems (not listening, making faulty assumptions, etc.)
- Attacking people vs. challenging ideas
- Unnecessary "Robert's Rules" hybrid process

The Commission Manages the Executive Director

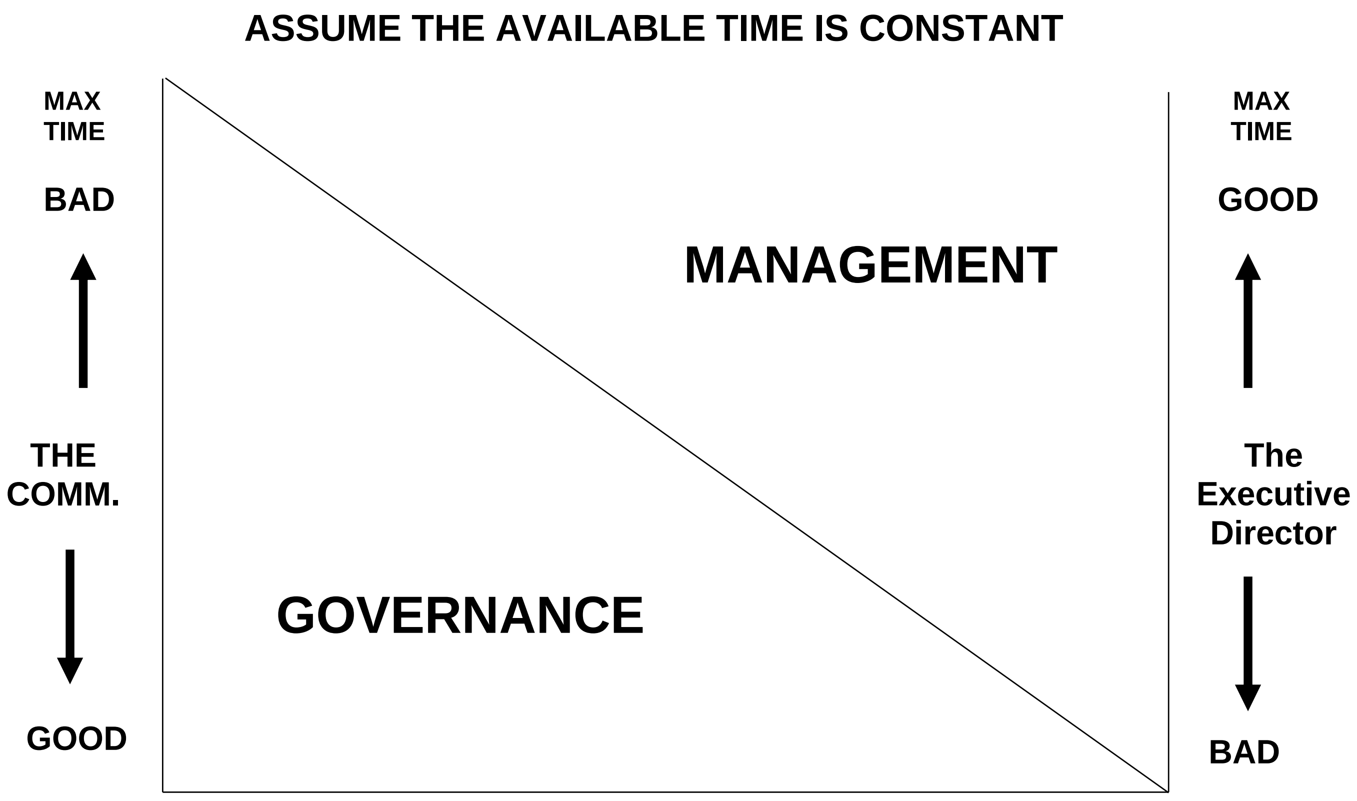
- The Commission:
  - Thinks primarily about the larger, long-term strategic issues
  - Provides the overall direction
  - Wants to make the Port a success
  - Develops KPIs
- The Executive Director:
  - Works for the Commission
  - Thinks primarily about the day-to-day operations
  - Implements the direction of the Commission
  - Wants to make the Port a success
  - Provides all Commissioners with the same information
  - Develops KPIs

The Commissioners and the Commission Support of the Organization

- The Commissioners purposeful sets the Commission culture
- The Commission build the team with the senior staff and employees – they are always listening
- The Commission sets clear pathways for control and information and stages of decision
- Commissioners resist the temptation to become the direct pipeline for tenants, employees or other governments

The Commission and the Executive Director and Staff

The Governance - Management Paradigm



Role of Staff at a Commission Meeting

- It depends – the Executive Director delegates responsibility
  - Who regularly attends meetings?
  - Is a staff member responsible for a specific agenda item?
  - Can staff be called on to speak to other issues?
  - What should be off-limits?
  - The next generation of Port senior leaders
- The Commissioners should get questions in early and demand complete staff work.
- How should staff respond to a “left field” question?
  - “I will get you a complete answer.”
  - “We should schedule this for a work-study session.”

Building an Effective Commission - Staff Relationship

- The Executive Director manages the commissioner-staff relationship
  - Workload
  - Urgency
  - Uniform information to all Commissioners
- The staff wants to provide information to Commissioners
  - But they have full time jobs
- At Commission meetings the staff appreciates
  - No pop quizzes
  - No grandstanding
  - “Job well done” when appropriate

Budget Based Governance

The Importance of Budget Based Governance

- Adopting a budget is the most important thing the Commission can do
- Only opportunity to make decisions in perspective
    - Staff prepares draft
    - Commission sets broad priorities

How to Use a Budget

- Streamline meetings
  - “Is this in the budget?”
  - “Which line item is this coming from?”
  - “Are there any deviations from the budget?”
- Acts within the budget are good management
- Acts outside the budget needs a solid explanation

Exercise No. 3 – Self Evaluation Staying In Your Lane and Keeping the ED and Staff In Theirs

1. Describe the "culture" of your commission in three words?
2. Has the Commission reviewed its "rules governing the transaction of its business"?
3. Does your ED stay in the ED lane?
4. Does Staff stay in the Staff lane?

Exercise No. 4 - Commission / Executive Director/ Staff Interface

- Is the Commission the “right depth” into Executive Director decisions and issues?
- Is the delegation of powers resolution updated annually?
- Is the Executive Director providing the right level of information?
- Is staff advocation too much or is staff providing just the facts and no recommendations?
- Does the Executive Director give the Commission room to govern?
- Is staff being responsive to Commissioner concerns?
- Is the Commission respectful of staff at meetings?

The Commission's Most Important Work

- **<u>Goal:</u>** Encourage the Commission to do its most important work
- **<u>Inputs</u>**: **Commissioners**
  - What are the long-term 30,000-foot governance issues?
  - Has the Commission identified the "big ideas" or the "big issues"?
  - Has the Commission identified key performance indicators ("KPIs")?
  - Is there sufficient time to discuss the process, the staff work, and then the Commission direction?
  - Does the Commission loop back and get updates?
  - Is there a twelve-month workplan?

  The Outreach
  - Does the Commission have an effective plan to "liaison" with other elected officials?
  - Does the Port provide presentations for Commissioner presentations to civic groups?

THANK YOU !

Questions?

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