



PORT OF TACOMA
Invitation To Bid (ITB)
No. 071504

DIRECT PURCHASE of 2021 LTGO BONDS

Issued by
Port of Tacoma
One Sitcum Plaza
P.O. Box 1837
Tacoma, WA 98401-1837

ITB INFORMATION	
Contact:	Monique Chapman
Email Addresses:	procurement@portoftacoma.com
Phone:	(253) 888-4705
Submittal Date	MARCH 10, 2021 @ 2:00 PM (PST)

**PLEASE SUBMIT ALL CORRESPONDENCE AND BIDS
VIA E-MAIL DIRECTLY TO THE PROCUREMENT CONTACT LISTED ABOVE
AND INCLUDE 'DIRECT PURCHASE OF 2021 LTGO BONDS' IN THE
SUBJECT LINE**

PORT OF TACOMA
Invitation To Bid (ITB) # 071504
DIRECT PURCHASE of 2021 LTGO BONDS

Introduction

The Port of Tacoma (the “Port”), is requesting bids for a direct purchase of fixed-rate Limited Tax General Obligation (“LTGO”) Refunding Bonds, Series 2021 (the “Bonds”) in accordance with the proposed financing terms set forth below. The Bonds are being issued to refund the 2021-2025 maturities of the Port’s LTGO Bonds, Series 2016 (Non-AMT) (the “2016 LTGO Refunding Bonds”). Port Commission passed Resolution 2021-04-PT, authorizing the sale and issuance of limited tax general obligation refunding bonds (see Attachment A). Issuance of the Bonds and execution of the direct purchase may proceed at the banks earliest convenience.

The lender will be provided with an opinion from the Port’s bond counsel, K&L Gates LLP, relating to the Port’s authority to issue the Bonds, enforceability of the Bonds, and tax-exempt status of the Bonds. The Bonds will not be rated; however, the Port’s outstanding limited tax general obligation bonds carry an underlying rating of “Aa2” from Moody’s Investor Service and a “AA” from Standard & Poor’s Rating Services.

By providing a rate proposal, each lender is agreeing to the proposed financing terms herein, and is acknowledging the Schedule of Events set forth below. Each bid must state an interest rate to be offered, which will not be subject to adjustment by the lender. The Bonds will have a final maturity of December 1, 2025.

Schedule of Events

2/23	■ Request for bids distributed
3/10	■ Bids due electronically – 2:00 pm Pacific Time
3/12	■ Review of and acceptance of winning proposal by the District
3/17	■ Kick-off meeting to discuss plan of finance, schedule, etc.
4/8*	■ Closing Date – funding
	<i>*or such other date requested in the winning bank proposal</i>

The Port reserves the right to reject all bids and is not obligated to accept any bid.

See Attachment B for submitting a bid, Attachment C for required terms and conditions, Attachment D for the bid form, and Attachment E for unaudited 2020 Port of Tacoma financial results.

A. BACKGROUND

The Port is a municipal corporation of the state of Washington (the “State”), created in 1918 under provisions of Title 53 RCW. The Port is governed by a five-member elected Commission. The Port is located in the western part of the State and is situated on Puget

Sound's Commencement Bay, located along the southern portion of Puget Sound near the City of Tacoma. The Port owns approximately 2,500 acres of property located in the Tidelands that are used for shipping terminal activity, warehouse distribution and manufacturing. The Port's boundaries are coterminous with the boundaries of Pierce County, which had an estimated population of approximately 900,700 in 2020 (source: Washington State Office of Financial Management; U.S. Census for 2010 figure, Estimate for 2020).

The Port is located in Tacoma, in the western part of the state of Washington (the "State"). The Port owns approximately 2,500 acres of property on the tidelands of Puget Sound's Commencement Bay that is used for shipping terminal activity, warehouse distribution and manufacturing. The Port's boundaries are coterminous with the boundaries of Pierce County (the "County"), which has a population of approximately 888,300. The Port is governed by its five-member elected Commission. The Port's assets include the Port's 50-percent share of the Seaport Alliance and the Port's industrial and commercial real estate, grain terminal, non-Seaport Alliance auto terminal, and non-maritime intermodal assets. The Port has licensed most of its marine cargo and related properties to the Seaport Alliance, a port development authority (a "PDA") formed jointly in 2015 with the Port of Seattle to manage the Managing Members' marine cargo terminals. Port businesses now licensed to the Seaport Alliance is estimated to account for approximately 64% of the Port's 2020 operating revenue. The Port's business activities not managed by the Seaport Alliance accounted for approximately 36% of the Port's 2020 revenue. For more complete information go to: <http://portoftacoma.com/about/financial-information>.

More information can be found at <https://www.nwseaportalliance.com>.

B. SCOPE OF SERVICES

Fixed Rate 2021 LTGO Refunding Bonds

The Bonds will be issued to refund the 2021-2025 maturities (totaling \$18,075,000 of outstanding par amount) of the Port's Limited Tax General Obligation Refunding Bonds, Series 2016 (Non-AMT). The Bonds will constitute a general obligation of the Port and are payable from tax revenues of the Port and such other money as is lawfully available and pledged by the Port for the payment of principal of and interest on the Bonds. For as long as any of the Bonds are outstanding, the Port irrevocably will pledge to, in the manner provided by law, within the constitutional and statutory limitations provided by law without the assent of the voters, include in its annual property tax levy amounts sufficient, together with other money that is lawfully available, to pay principal of and interest on the Bonds as the same become due. Any such tax levy is subject to certain limitations. The full faith, credit, and resources of the Port will be pledged irrevocably for the prompt payment of the principal of and interest on the Bonds.

The Port may levy up to 45 cents per thousand dollars of assessed value for general port purposes, including the establishment of a capital improvement fund for future capital improvements. A levy for the payment of the principal and interest on general obligation bonded indebtedness of a port district can be in excess of any levy made by a port district under the 45 cents per thousand dollars of assessed value limitation. From 2009 through

2020, the Port's targeted levy rate is \$0.18365 per \$1,000 assessed value. For 2021, the Port's targeted levy rate is \$0.17302. Based on the 2021 assessed valuation of approx. \$137.9 billion, the Port budgeted levy revenue of \$23.8 million, compared to debt service on its general obligation debt of \$12.4 million. Please refer to the Port's 2021 Budget Section VI for more information about the Port's tax levy. The Port's assessed valuation for the years 2017 to 2021 are summarized in the table below:

Assessed Valuation 2017-2021

Tax Year	Assessed Valuation
2017	\$90,713,390,689
2018	\$101,393,431,414
2019	\$114,163,258,951
2020	\$125,834,422,054
2021	\$137,859,221,328

Source: Pierce County Assessor's Office

The following table lists the largest property tax payers in the Port district.

Top Ten Taxpayers 2019

Taxpayers	Taxable Value	Percentage of Top Ten	Percentage of Total
The Boeing Company	\$533,440,000	20.1%	0.47%
Puget Sound Energy/Gas	510,854,000	19.2%	0.45%
Tacoma Mall Partnership	285,699,000	10.7%	0.25%
Puget Sound Energy/Electric	280,243,000	10.5%	0.25%
Rocktenn CP LLC	205,591,000	7.7%	0.18%
Prologis Targeted US Logistics Fund LP	180,562,000	6.8%	0.16%
Northwest Building LLC	177,460,000	6.7%	0.16%
Comcast Cable	170,835,000	6.4%	0.15%
Communications Management			
Toray Composites America Inc	163,083,000	6.1%	0.14%
Costco Wholesale Corporation	150,640,000	5.7%	0.13%
TOTAL		100.00%	2.45%

Total Taxable Value \$114,163,259,000

Source: Pierce County Treasurer's Office

Miscellaneous Provisions

The Port is not responsible for any expense incurred in preparing and submitting a response to this bid or taking any action in connection with the selection process,

including the costs of any service performed by any firm prior to the engagement of the firm for this financing assignment.

The Port retains the discretion not to utilize the services of any selected firm or to terminate the selection process without cause and without penalty. Selection of a firm does not assure that any service will ultimately be requested.

The Port reserves the right to modify and/or suspend any and all aspects of this ITB, to obtain further information from any firm or person responding, and to waive any defect as to form or content of this ITB. Also, oral communications with the Port and its agents shall be non-binding and shall in no way operate to modify the provisions in this bid.

C. BID ELEMENTS & EVALUATION CRITERIA:

Selection Criteria

If any bank is selected, the Port will select the bank based on interest rate(s), fees, and expenses quoted in the response, terms and conditions, and the loan structure that best meets the financing requirements of the Port. The Port will negotiate with the bank that, in its sole opinion, offers the best value to the Port. The Port also reserves the right to waive any irregularity in any response.

Bid Requirements

In replying to the ITB, bidders are to refer to the terms memorandum contained in Attachment C and the bid requirements contained herein.

Firms interested in providing a proposal for the Bonds should submit written responses including the following information:

1. General information on the respondent, including the name, address, phone/fax numbers and e-mail address of the contact person who is authorized to answer questions and negotiate final terms and conditions on behalf of the respondent. Each response should also include a statement indicating that it is a firm offer through **April 14, 2021**. If a syndicate is being created, the Port will deal exclusively with the lead financial institution only, and only the names, participation levels, and rating information of the members shall be disclosed.
2. Please include a statement by an authorized representative of the respondent that the respondent agrees to the terms and conditions as currently set forth in the ITB, including the attachments. Please outline any covenants, representations, or other requirements known at this point that the respondent will need as a prerequisite to entering into this financial arrangement with the Port, including any events of default, termination events, or related provisions that are not addressed in this ITB.
3. Please list the name, address, phone/fax numbers and e-mail addresses for two legal firms authorized to do business in the United States of America that

the respondent would consider as its counsel. Submittals should include proposed cost for counsel as requested below.

4. Please include the following information in your response:
 - Up-front fees, if any.
 - Legal fees, if any, **including a cap** on any legal fees and expenses payable to Provider Counsel by the Port. Identify proposed Provider Counsel and any separate fees that would be necessary for foreign Respondent Counsel, if any.
5. **Please outline the respondent's procedure and timing for credit approval and provide a formal statement indicating that the respondent will be able to meet the Port's schedule of implementing/closing the Bonds** by March 31, 2021. If possible, please include in your response language to the effect that your response to this ITB indicates that your bank expects no difficulties or delays in receiving credit approval.

Bids should present information in a straightforward and concise manner, while ensuring complete and detailed descriptions of the firm's/team's abilities to meet the requirement of this ITB.

Bids are limited to ten (10) numbered pages (8 ½ by 11 inch) **excluding** the cover letter and appendices. Bidders must complete Attachment D – Bid Form, in addition to the ten pages. Bids not containing the Bid Form will not be considered. All pages shall be in portrait orientation with 1 inch margins. Font size shall be 11 point or larger. Bids that do not follow this format will not be reviewed.

ATTACHMENT A – RESOLUTION 2021-04-PT

ATTACHMENT B – INSTRUCTIONS FOR BIDS

ATTACHMENT C – TERMS MEMORANDUM

ATTACHMENT D – BID FORM, FILLABLE AND STANDARD ATTACHED

ATTACHMENT E – 2020 PORT OF TACOMA UNAUDITED FINANCIALS STATEMENTS

PORT OF TACOMA

RESOLUTION NO. 2021-04-PT

A RESOLUTION OF THE PORT COMMISSION OF THE PORT OF TACOMA, AUTHORIZING THE SALE AND ISSUANCE OF LIMITED TAX GENERAL OBLIGATION REFUNDING BONDS OF THE PORT IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED \$18,075,000; AND AUTHORIZING THE DESIGNATED PORT REPRESENTATIVE TO APPROVE CERTAIN MATTERS RELATING TO THE BONDS INCLUDING THE SALE OF THE BONDS, EXECUTION OF ALL DOCUMENTS AND ACTIONS NECESSARY TO SELL AND DELIVER THE BONDS AND IMPLEMENT A PLAN OF REFUNDING.

ADOPTED: FEBRUARY 18, 2021

Prepared By:

K&L GATES LLP
Seattle, Washington

**PORT OF TACOMA
RESOLUTION NO. 2021-04-PT
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* This table of contents and the cover page are for convenience of reference and are not intended to be a part of this Resolution.

RESOLUTION NO. 2021-04-PT

A RESOLUTION OF THE PORT COMMISSION OF THE PORT OF TACOMA, AUTHORIZING THE SALE AND ISSUANCE OF LIMITED TAX GENERAL OBLIGATION REFUNDING BONDS OF THE PORT IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED \$18,075,000; AND AUTHORIZING THE DESIGNATED PORT REPRESENTATIVE TO APPROVE CERTAIN MATTERS RELATING TO THE BONDS INCLUDING THE SALE OF THE BONDS, EXECUTION OF ALL DOCUMENTS AND ACTIONS NECESSARY TO SELL AND DELIVER THE BONDS AND IMPLEMENT A PLAN OF REFUNDING.

WHEREAS, the Port of Tacoma (the “Port”), owns and operates a system of marine terminals operated through the Northwest Seaport Alliance and other internally owned and operated properties; and

WHEREAS, the Port is authorized by RCW 53.36.030 and ch. 39.46 RCW to borrow money and issue general obligation bonds payable from, *inter alia*, regular tax levies of the Port; and

WHEREAS, the Port has issued its Limited Tax General Obligation Refunding Bonds, 2016 (Non-AMT) under date of February 25, 2016, pursuant to Resolution No. 2015-11 (the “2016 Bond Resolution”), in the original principal amount of \$26,384,000, which remain outstanding as follows:

Maturity Year (December 1)	Principal Amounts	Interest Rates
2021	\$3,483,000	1.66%
2022	3,540,000	1.86
2023	3,606,000	2.07
2024	3,683,000	2.23
2025	3,763,000	2.36

(the “2016 Bonds”); and

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WHEREAS, the 2016 Bonds are subject to redemption at the option of the Port, in whole or in part, and if in part, with maturities to be selected by the Port at the price of par, plus accrued interest to the date fixed for redemption; and

WHEREAS, the Commission has been advised that a lower interest rate may be available by refunding all or a portion of the 2016 Bonds (the “Refunded Bonds”) through the issuance of limited tax general obligation refunding bonds of the Port in the aggregate principal amount of not to exceed \$18,075,000 (the “Bonds”); and

WHEREAS, in order to provide the funds required for such purpose, the Port now desires to authorize the issuance of the Bonds; and

WHEREAS, this Commission has determined to delegate authority to the Port’s Chief Executive Officer of the Port or the Chief Financial and Administrative Officer (each, a “Designated Port Representative”) to select all or a portion of the outstanding 2016 Bonds for refunding, to select a financial institution as the purchaser of the Bonds (the “Bank”), approve the final principal amounts, interest rate or rates, maturity date or dates, redemption rights, interest payment dates, and other terms and conditions of such Bonds;

NOW, THEREFORE, BE IT RESOLVED BY THE PORT COMMISSION OF THE PORT OF TACOMA, as follows:

Section 1. Definitions. As used in this resolution, the following words shall have the following meanings:

Acquired Obligations means the noncallable Government Obligations, if any, acquired now or hereafter acquired by the Port under the terms of this resolution and the Escrow Agreement, if any, to effect the defeasance and refunding of all or a portion of the Refunded Bonds.

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Bank means the initial purchasing entity or bank(s) of the Bonds, and any business successor thereto, as selected pursuant to Section 11 hereof.

Bond Fund means the “Port of Tacoma Limited Tax General Obligation Bond Redemption Fund” created or continued in the office of the Treasurer of the Port by Section 10 of this resolution.

Bond Register means the registration books maintained by the Bond Registrar showing the name, address and tax identification number of each registered owner of the Bonds, maintained pursuant to Section 149(a) of the Code.

Bond Registrar initially, means the Treasurer. At any time following the issuance of the Bonds, however, the Treasurer may determine to appoint a different Bond Registrar, including, but not limited to the fiscal agency of the State of Washington. The term **Bond Registrar** also shall include any successor Bond Registrar appointed by the Treasurer as permitted by law.

Bonds mean the Port of Tacoma, Washington, Limited Tax General Obligation Refunding Bond[s], 2021 (Non-AMT), in the principal amount of not to exceed \$18,075,000, issued pursuant to this resolution.

Call Date means the date fixed for redemption of the Refunded Bonds by the Designated Port Representative in accordance with the 2016 Bond Resolution.

Closing Date means the date of issuance and delivery of the Bonds to the Bank.

Code means the Internal Revenue Code of 1986, as amended, and shall include all applicable regulations and rulings relating thereto.

Commission means the Port Commission, as general legislative authority of the Port as the same shall be duly and regularly constituted from time to time.

Costs of Issuance Agreement means the agreement of that name, if any, to be entered into by and between the Port and the Escrow Agent, providing for the payment of certain costs of issuance with respect to the issuance of the Bonds.

Designated Port Representative means the Chief Executive Officer of the Port or the Chief Financial and Administrative Officer of the Port (or the successor in function to such person(s)) and any other person appointed in writing by either of them.

Escrow Agent means U.S. Bank National Association, if an escrow agent is determined to be necessary or appropriate by the Designated Port Representative.

Escrow Agreement means the Escrow Deposit Agreement, if any, between the Port and the Escrow Agent dated as of the date of the closing and delivery of the Bonds authorized to be executed pursuant to Section 8 of this resolution.

Federal Tax Certificate means the certificate of that name executed and delivered by the Port at the time of issuance and delivery of the Bonds.

Financial Advisor means PFM Financial Advisors LLC, Seattle, Washington.

Government Obligations has the meaning given such term in RCW Ch. 39.53, as now or hereafter amended.

Interest Rate means the rate(s) specified in the Term Sheet.

Port means the Port of Tacoma, a municipal corporation of the State of Washington, as now or hereafter constituted, or the corporation, authority, board, body, commission, department or officer succeeding to the principal functions of the Port or to whom the powers vested in the Port shall be given by law.

Refunded Bonds means all or a portion of the outstanding 2016 Bonds selected by the Designated Port Representative for refunding pursuant to Section 8 of this resolution.

Term Sheet means the commitment letter or proposal submitted for the Bonds to the Port to purchase the Bonds as approved by the Designated Port Representative pursuant to Section 11 of this resolution and may include a separate agreement, at the option of and approved by the Designated Port Representative.

Treasurer means the Treasurer of the Port or any successor to the function of the Treasurer.

2016 Bond Resolution means Resolution No. 2015-11 of the Commission.

2016 Bonds mean the Port of Tacoma Limited Tax General Obligation Refunding Bonds, 2016 (Non-AMT) issued under date of February 25, 2016, as more particularly described in the recitals of this resolution.

Rules of Interpretation. In this resolution, unless the context otherwise requires:

(a) The terms “hereby,” “hereof,” “hereto,” “herein,” “hereunder” and any similar terms, as used in this resolution, refer to this resolution as a whole and not to any particular article, section, subdivision or clause hereof, and the term “hereafter” shall mean after, and the term “heretofore” shall mean before, the date of this resolution;

(b) Words of the masculine gender shall mean and include correlative words of the feminine and neuter genders and words importing the singular number shall mean and include the plural number and vice versa;

(c) Words importing persons shall include firms, associations, partnerships (including limited partnerships), trusts, corporations and other legal entities, including public bodies, as well as natural persons;

(d) Any headings preceding the text of the several articles and Sections of this resolution, and any table of contents or marginal notes appended to copies hereof, shall be solely

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for convenience of reference and shall not constitute a part of this resolution, nor shall they affect its meaning, construction or effect;

(e) All references herein to “articles,” “sections” and other subdivisions or clauses are to the corresponding articles, sections, subdivisions or clauses hereof.

Section 2. Authorization of Bonds; Description of Bonds. For the purpose of refunding all or a portion of the outstanding 2016 Bonds, the Port hereby authorizes the issuance of the Bonds in the aggregate principal amount of not to exceed \$18,075,000. The Bonds shall be designated as the “Port of Tacoma, Limited Tax General Obligation Refunding Bond[s], 2021 (Non-AMT),” with additional designations as requested (the “Bonds”), shall be dated as of the Closing Date, shall be registered as to both principal and interest, may be issued as a single Bond or Bonds with different maturities may be numbered separately in the manner and with any additional designation as the Bond Registrar deems necessary for purposes of identification, shall be dated and bear interest at the per annum rates, payable on the dates and maturing in principal amounts set forth in the Term Sheet, pursuant to Section 11 of this resolution.

Section 3. Registration, Payment and Transfer. The Treasurer shall act as the initial Bond Registrar. The duties of the Bond Registrar hereunder shall be limited to authenticating the Bonds and to remitting money to the Bank on the payment dates as provided therein. The Bonds shall not be transferable, except in whole to a financial institution. The Treasurer may determine at any time that he or she no longer wishes to act as Bond Registrar and thereupon may appoint a successor Bond Registrar, which may or may not be the fiscal agent of the State of Washington. The Bond Registrar is authorized, on behalf of the Port, to authenticate and deliver the Bonds and to carry out all of the Bond Registrar’s powers and duties under this resolution.

Principal of and interest on the Bonds shall be payable in lawful money of the United States of America. Installments of principal of and interest on the Bonds shall be paid by check,

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wire, or electronic transfer on the date due to the Bank; *provided, however*, that upon payment of the final installment of principal on the Bonds, the Bank shall present and surrender the Bonds to the Bond Registrar for cancellation.

Section 4. Prepayment. The Bonds may be subject to prepayment in accordance with the terms set forth in the Term Sheet and in the Bonds.

Section 5. Form of Bonds. The Bonds shall be in substantially the following form:

UNITED STATES OF AMERICA

NO. R-1

\$ _____

STATE OF WASHINGTON

PORT OF TACOMA

LIMITED TAX GENERAL OBLIGATION REFUNDING BOND, 2021 (NON-AMT)

INTEREST RATE: _____ %

MATURITY DATE: _____

REGISTERED OWNER: _____

TAX IDENTIFICATION #: _____

PRINCIPAL AMOUNT: _____ AND NO/100 DOLLARS

THE PORT OF TACOMA (the “Port”), hereby acknowledges itself to owe and for value received promises to pay to the Registered Owner identified above, or registered assigns, the Principal Amount specified above, together with interest thereon, at the Interest Rate specified above, with principal of and interest on this bond payable on the Payment Dates as shown in the Amortization Schedule, in the amounts determined as provided in Resolution No. 2021-__-PT of the Port Commission (the “Bond Resolution”). Interest on the bonds of this issue shall be calculated on the basis of a [360-day year and twelve 30-day months][365 day year and actual days elapsed][360 day year and actual days elapsed]. Principal of and interest on this bond shall be repaid in installments as set forth below:

AMORTIZATION SCHEDULE

<u>Payment Date</u>	<u>Principal Amount</u>	<u>Interest</u>	<u>Total</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

The principal of, premium, if any, and interest on this bond are payable in lawful money of the United States of America. Installments of the principal of and interest on this bond shall be paid by check, wire or electronic transfer by the Treasurer of the Port (the “Bond Registrar”) on the date due to the registered owner or nominee at the address appearing on the Bond Register. Upon final payment of all installments of principal and interest thereon, the Registered Owner shall present and surrender this bond at the principal office of the Bond Registrar for cancellation.

This bond is issued pursuant to the Bond Resolution to provide funds to refund the Port’s outstanding Limited Tax General Obligation Refunding Bonds, 2016 (Non-AMT). Capitalized terms appearing on this bond and not otherwise defined herein shall have the meanings given such terms in the Bond Resolution.

This bond may be prepaid as provided in the Bond Resolution and the Term Sheet.

This bond is [not] transferable, except [describe transfer restrictions].

This bond is not a “private activity bond” as such term is defined in the Internal Revenue Code of 1986, as amended (the “Code”). The Port has not designated this bond as a “qualified tax-exempt obligation” under Section 265(b) of the Code for investment by financial institutions.

The Port hereby irrevocably covenants that it will levy taxes annually upon all the taxable property in the Port within the levy limits permitted to the Port without a vote of the electors and in amounts sufficient, with other monies legally available therefor, to pay the principal of and interest on this bond as the same shall become due. The full faith, credit and resources of the Port are hereby irrevocably pledged for the annual levy and collection of such taxes and the prompt payment of such principal and interest. The pledge of tax levies may be discharged prior to maturity of the bond by making provision for the payment thereof on the terms and conditions set forth in the Bond Resolution.

This bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Bond Resolution until the Certificate of Authentication hereon shall have been manually signed by or on behalf of the Bond Registrar or its duly designated agent.

It is hereby certified that all acts, conditions and things required by the Constitution and statutes of the State of Washington to exist, to have happened, been done and performed precedent to and in the issuance of this bond have happened, been done and performed and that the issuance of this bond does not violate any constitutional, statutory or other limitation upon the amount of bonded indebtedness that the Port may incur.

IN WITNESS WHEREOF, the Port of Tacoma has caused this bond to be executed by the manual or facsimile signatures of the President and Secretary of the Port Commission and the seal of the Port imprinted, impressed or otherwise reproduced hereon as of this ____ day of _____, 2021.

[SEAL]

PORT OF TACOMA

By /s/ facsimile or manual
President of the Port Commission

ATTEST:

By /s/ facsimile or manual
Secretary of the Port Commission

The Bond Registrar’s Certificate of Authentication shall be in substantially the following form:

CERTIFICATE OF AUTHENTICATION

Date of Authentication: _____

This bond is described in the within-mentioned Bond Resolution and is the Limited Tax General Obligation Refunding Bond, 2021 (Non-AMT), of the Port of Tacoma, dated _____, 2021.

TREASURER OF THE PORT OF
TACOMA, Bond Registrar

By _____
Treasurer

Section 6. Execution of Bonds. The Bonds shall be executed on behalf of the Port with the manual or facsimile signature of the President of the Commission and attested by the manual or facsimile signature of the Secretary of the Commission, and the seal of the Port shall be impressed, imprinted or otherwise reproduced thereon.

Only such Bonds as shall bear thereon a Certificate of Authentication in the form hereinbefore recited, manually executed by the Bond Registrar, shall be valid or obligatory for

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any purpose or entitled to the benefits of this resolution. Such Certificate of Authentication shall be conclusive evidence that the Bonds so authenticated have been duly executed, authenticated and delivered hereunder and are entitled to the benefits of this resolution.

In case either of the officers who shall have executed the Bonds shall cease to be officer or officers of the Port before the Bonds so signed shall have been authenticated or delivered by the Bond Registrar, or issued by the Port, such Bonds may nevertheless be authenticated, delivered and issued and upon such authentication, delivery and issuance, shall be as binding upon the Port as though those who signed the same had continued to be such officers of the Port. Any Bond may also be signed and attested on behalf of the Port by such persons who are at the actual date of delivery of such Bond the proper officers of the Port although at the original date of such Bond any such person shall not have been such officer of the Port.

Section 7. Defeasance. In the event that money and/or Government Obligations that are direct obligations of the United States or obligations unconditionally guaranteed by the United States, maturing at such time or times and bearing interest to be earned thereon in amounts (together with such money, if necessary) sufficient to redeem and retire part or all of the Bonds authorized hereunder in accordance with their terms, are set aside in a special account of the Port to effect such redemption and retirement, and such moneys and the principal of and interest on such obligations are irrevocably set aside and pledged for such purpose, then no further payments need be made into the Bond Fund of the Port for the payment of the principal of and interest on the Bonds so provided for, and such Bonds shall cease to be entitled to any lien, benefit or security of this resolution except the right to receive the moneys so set aside and pledged, and except the right to receive the moneys so set aside and pledged, such Bonds shall be deemed not to be outstanding hereunder.

Section 8. Application of Bond Proceeds; Refunding Plan.

(a) *Application of Bond Proceeds.* The net proceeds of the Bonds, together with other available funds of the Port, if any, in the amount specified by the Designated Port Representative, shall be held by the Port, if any, in the amount specified by the Designated Port Representative and used to pay and redeem the Refunded Bonds, or shall be placed into the escrow account pursuant to the terms of the Escrow Agreement to effect a defeasance of the Refunded Bonds.

(b) *Defeasance of Refunded Bonds.* If the Designated Port Representative determines to defease all or a portion of the outstanding 2016 Bonds, the proceeds of the Bonds so deposited shall, subject to and in accordance with the 2016 Bond Resolution authorizing the issuance of the 2016 Bonds, be utilized upon receipt thereof to pay and redeem Refunded Bonds and/or or may be used to purchase the Government Obligations specified by the Designated Port Representative (the “Acquired Obligations”) and to maintain such necessary beginning cash balance to defease the Refunded Bonds and to discharge the other obligations of the Port relating thereto under the 2016 Bond Resolution, by providing for the payment of the interest on the Refunded Bonds to the date fixed for redemption (the “Call Date”) and the redemption price (the principal amount plus any premium required) on the date fixed for redemption of the Refunded Bonds. Subject to compliance with all conditions set forth in the 2016 Bond Resolution, when the final transfers have been made for the payment of such redemption price and interest on the Refunded Bonds, any balance then remaining shall be transferred to the account designated by the Port and used for the purposes specified by the Designated Port Representative.

(c) *Acquired Obligations.* The Acquired Obligations, if any, shall be payable in such amounts and at such times that, together with any necessary beginning cash balance, will be sufficient to provide for the payment of:

Attachment A

(1) the interest on the Refunded Bonds as such becomes due on and before the Call Date; and

(2) the price of redemption of the Refunded Bonds on the Call Date.

(d) *Appointing an Escrow Agent.* If the Designated Port Representative determines to utilize the services of an Escrow Agent, the Commission hereby approves the appointment of U.S. Bank National Association to act as Escrow Agent for the Refunded Bonds (the “Escrow Agent”).

Section 9. Tax Covenants.

(a) *Arbitrage Covenant.* The Port covenants that it will not take or permit to be taken on its behalf any action that would adversely affect the exclusion from gross income for federal income tax purposes of the interest on the Bonds and will take or require to be taken such acts as may reasonably be within its ability and as may from time to time be required under applicable law to continue the exclusion from gross income for federal income tax purposes of the interest on the Bonds. The Port shall comply with its covenants set forth in the Federal Tax Certificate.

(b) *No Designation under Section 265(b).* The Port has not designated the Bonds as “qualified tax-exempt obligations” for investment by financial institutions under Section 265(b)(3) of the Code.

Section 10. Bond Fund and Provision for Tax Levy Payments. A special fund of the Port known as the “Port of Tacoma General Obligation Bond Redemption Fund” (the “Bond Fund”) is hereby authorized to be created or continued in the office of the Treasurer. The Bond Fund shall be drawn upon for the sole purpose of paying the principal of and interest the Bonds.

The Port hereby further irrevocably covenants that, unless the principal of and interest on the Bonds are paid from other sources, it will make annual levies of taxes upon all of the property in the Port subject to taxation within and as a part of the tax levy permitted to port

districts without a vote of the electors in amounts sufficient to pay such principal and interest as the same shall become due. The full faith, credit and resources of the Port are hereby irrevocably pledged for the annual levy and collection of such taxes and for the prompt payment of such principal and interest on the Bonds as the same shall become due.

Section 11. Sale of Bonds. The Bonds shall be sold to the Bank at a price of par in accordance with the terms of this resolution and the Term Sheet for the Bonds. The Designated Port Representative, with the assistance of the Financial Advisor, is hereby authorized to negotiate terms for the purchase of the Bonds and to agree upon a Term Sheet, with such terms as are approved by the Designated Port Representative pursuant to this section and consistent with this resolution. The Commission has determined that it would be in the best interest of the Port to delegate and hereby delegates to the Designated Port Representative for a limited time the authority to select all or a portion of the outstanding 2016 Bonds for refunding, to select a Bank, approve the final principal amounts, interest rate or rates, maturity date or dates, redemption rights, interest payment dates, and other terms and conditions of such Bonds. The Designated Port Representative is hereby authorized to make such determinations (A) so long as the aggregate principal amount of the Bonds does not exceed the maximum principal amount set forth in Section 2; and (B) so long as the true interest cost for the Bonds does not exceed 1.7% per annum.

Subject to the terms and conditions set forth in this section, the Designated Port Representative is hereby authorized to approve a Term Sheet. The Designated Port Representative shall provide a report to the Commission, describing the final terms of the Bonds approved pursuant to the authority delegated in this section. The authority granted to the Designated Port Representative by this section shall expire on December 31, 2021. If the Bonds authorized in this resolution have not been issued by December 31, 2021, the authorization for

Attachment A

the issuance of the unissued Bonds shall be rescinded, and the Bonds shall not be issued nor their sale approved unless the Bonds shall have been re-authorized by resolution of the Commission. The resolution reauthorizing the issuance and sale of the Bonds may be in the form of a new resolution repealing this resolution in whole or in part or may be in the form of an amendatory resolution approving a term sheet or extending or establishing new terms and conditions for the authority delegated under this section.

Upon the adoption of this resolution, the proper officials of the Port, including the Designated Port Representative and Treasurer, are authorized and directed to undertake all other actions necessary for the prompt execution and delivery of the Bonds to the Bank thereof and for the proper application and use of the proceeds of sale of the Bonds; to execute all closing certificates and documents required to effect the closing and delivery of such Bonds in accordance with the terms of the Term Sheet; and to approve and enter into agreements for the payment of costs of issuance, the fees and expenses specified in the Term Sheet, and other retained services, including bond counsel, the Financial Advisor, Escrow Agent, if any, escrow structuring services, and other expenses customarily incurred in connection with issuance and sale of bonds.

Section 12. No Undertaking to Provide Ongoing Disclosure. The Bonds are not subject to Rule 15c2-12 of the Securities and Exchange Commission under the Securities Exchange Act of 1934, and the Port makes no undertaking regarding ongoing disclosure with respect to the Bonds.

As long as the Bonds are outstanding, the Port will provide to the Bank the information specified in the Term Sheet as approved by the Designated Port Representative.

Section 13. Lost, Stolen or Destroyed Bonds. In case any of the Bonds shall be lost, stolen or destroyed, the Bond Registrar may execute and deliver a new Bond of like date, number

Attachment A

and tenor to the Bank thereof upon the Bank's paying the expenses and charges of the Port and the Bond Registrar in connection therewith and upon its filing with the Port evidence satisfactory to the Port and the Bond Registrar that such Bond was actually lost, stolen or destroyed and of its ownership thereof, and upon furnishing the Port and Bond Registrar with indemnity satisfactory to the Port.

Section 14. Resolution and Laws a Contract with the Bank. This resolution is adopted under the authority of and in full compliance with the Constitution and laws of the State of Washington, including Title 36 of the Revised Code of Washington, as amended and supplemented. In consideration of the loan made by the Bank, evidenced by the Bonds, the provisions of this resolution and of said laws shall constitute a contract with the Bank, and the obligations of the Port and its Commission under said laws and under this resolution shall be enforceable by any court of competent jurisdiction; and the covenants and agreements herein and in the Bonds set forth shall be for the equal benefit of the Bank and any permitted transferee or assignee.

Section 15. Severability. If any one or more of the covenants or agreements provided in this resolution to be performed on the part of the Port shall be declared by any court of competent jurisdiction to be contrary to law, then such covenant or covenants, agreement or agreements, shall be null and void and shall be deemed separable from the remaining covenants and agreements of this resolution and shall in no way affect the validity of the other provisions of this resolution or of the Bonds.

Section 16. Effective Date. This resolution shall become effective immediately upon its adoption.

ADOPTED at a meeting of the Commission of the Port of Tacoma, Washington, held this
18th day of February, 2021.

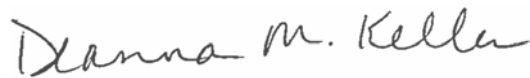
PORT OF TACOMA, WASHINGTON



President and Commissioner



Vice-President and Commissioner



Commissioner



Commissioner



Commissioner

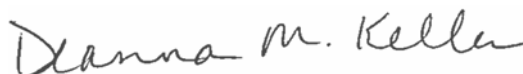
CERTIFICATE

I, the undersigned, Secretary of the Port Commission (the “Commission”) of the Port of Tacoma (the “Port”), DO HEREBY CERTIFY:

1. That the attached resolution numbered 2021-04-PT (the “Resolution”) is a true and correct copy of a resolution of the Port, as finally adopted at a meeting of the Commission held on the 18th day of February, 2021, and duly recorded in my office.

2. That said meeting was duly convened and held in all respects in accordance with law, and to the extent required by law, due and proper notice of such meeting was given; that a quorum of the Commission was present throughout the meeting and a legally sufficient number of members of the Commission voted in the proper manner for the adoption of said Resolution; that all other requirements and proceedings incident to the proper adoption of said Resolution have been duly fulfilled, carried out and otherwise observed, and that I am authorized to execute this certificate.

IN WITNESS WHEREOF, I have hereunto set my hand this 18th day of February, 2021.



Secretary of the Port Commission

PROCUREMENT PROCESS

SOLICITATION TIMELINE:

Issuance of ITB	FEBRUARY 23, 2021
Last Day To Submit Questions	MARCH 3, 2021
Bid packets due	MARCH 10, 2021 @ 2:00 PM (PST)
Review/Shortlist*	MARCH 11, 2021
Final Selection*	MARCH 12, 2021
Execute Contract*	APRIL 8, 2021

*Dates are tentative.

All status updates on the above solicitation timeline will be announced on the [Port's website for this solicitation](#).

VENDOR OBLIGATION

Port of Tacoma Invitation to Bid, Request for Proposals and Request for Qualifications can be accessed on the Port's website, www.portoftacoma.com under 'Contracts'; 'Procurements'.

When viewing the details page for this procurement on the Port's Website firms have the option of subscribing to the Holder's List.



By subscribing to the Holder's List, firms will automatically be notified when new documents or changes relating to this procurement occur.

***Only those who have subscribed to the Holder's List will receive notifications throughout the procurement process, up until a firm is selected.**

COMMUNICATION / INQUIRES

Bidders who, relative to this scope of services, contact any individuals or Commission members representing the Port, rather than the Procurement Representative listed on the bid may be disqualified from consideration.

Written questions about the meaning or intent of the Solicitation Documents shall only be submitted to the Procurement Department, procurement@portoftacoma.com (**Solicitation Name** in the subject line).

Bidders who may have questions about provisions of these documents are to email their questions by the date listed above. The Port will respond to all written questions submitted by this deadline.

ADDENDA

The Port may make changes to this Solicitation. Oral or other interpretations, clarifications or submittal instructions will be without legal effect. Any information modifying a solicitation will be furnished in a formal, written addendum. If at any time, the Port changes, revises, deletes, increases, or otherwise modifies the Solicitation, the Port will issue a written Addendum to the Solicitation. Addenda will be posted to the Port's web site and conveyed to those potential submitters who have requested to be placed on the Holder's List.

SUBMITTAL PROCESS

Bids must be received via email on or before the date and time outlined on the front page of this proposal. Send your electronic submittal to:

procurement@portoftacoma.com

Name of Firm, ITB Title (Subject Line)

Please submit bids, including all appendices and compensation in an Adobe Acrobat PDF format. Submittals need to be limited to **9 MB in total email size**. It is the **Consultant's responsibility to verify the receipt of the submittal**. Electronic verification will be provided upon request.

***Late bids will not be accepted by the Port. Bids received after the stated date and time will not be reviewed and shall be deemed non-responsive.**

All bids submitted shall be valid and binding on the submitting firm for a period of ninety (90) days following the submittal deadline and for any extension of time granted by the submitting firm.

EVALUATION AND AWARD PROCESS

An evaluation team will review each bid and evaluate all responses received based upon the criteria listed herein. The Port may request clarifications or additional information, if needed. After the evaluation team individually scores each bid, the scores are tallied and the firms are ranked based on the scores.

The Port intends to select the bidder who represents the best value to the Port and begin the negotiation and award process based on the evaluated scores.

The selected Consultant will be invited to enter into contract negotiations with the Port. Should the Port and the selected firm(s) not reach a mutual agreement, the Port will terminate negotiations and move to the next highest ranked firm and proceed with negotiations.

The Port reserves the right to accept or reject any or all information in its entirety or in part and to waive informalities and minor irregularities and to contract as the best interest of the Port may require. The Port reserves the right to reject any or all Proposals submitted as non-responsive or non-responsible.

Procedure When Only One Bid is received

In the event that a single responsive bid is received, the Proposer shall provide any additional data required by the Port to analyze the bid. The Port reserves the right to reject such bids for any reason.

GENERAL INFORMATION

News releases pertaining to this ITB, the services, or the project to which it relates, shall not be made without prior approval by, and then only in coordination with, the Port.

COSTS BORNE BY PROPOSERS

All costs incurred in the preparation of a bid and participation in this ITB and negotiation process shall be borne by the proposing firms.

PROTEST PROCESS

A Bidder protesting for any reason the Bidding Documents, a Bidding procedure, the Port's objection to a Bidder or a person or entity proposed by the Bidder, including but not limited to a finding of non-Responsibility, the Award of the Contract or any other aspect arising from or relating in any way to the Bidding shall cause a written protest to be filed with the Port within two (2) business days of the event giving rise to the protest. (Intermediate Saturdays, Sundays, and legal holidays are not counted as business days.) The written protest shall include the name of the protesting Bidder, the bid solicitation number and title under which the protest is submitted, a detailed description of the specific factual and legal grounds for the protest, copies of all supporting documents, evidence that the apparent low bidder has been given notice of the protest, and the specific relief requested. The written protest shall be sent by email to procurement@portoftacoma.com.

Consideration. Upon receipt of the written protest, the Port will consider the protest. The Port may, within three (3) business days of the Port's receipt of the protest, provide any other affected Bidder(s) the opportunity to respond in writing to the protest. If the protest is not resolved by mutual agreement of the protesting Bidder and the Port, the Contracts Director of the Port or his or her designee will review the issues and promptly furnish a final and binding written decision to the protesting Bidder and any other affected Bidder(s) within six (6) business days of the Port's receipt of the protest. (If more than one (1) protest is filed, the Port's decision will be provided within three (3), but no more than six (6) business days of the Port's receipt of the last protest.) If no reply is received from the Port during the six (6) business-day period, the protest will be deemed rejected.

Waiver. Failure to comply with these protest procedures will render a protest waived.

Condition Precedent. Timely and proper compliance with and exhaustion of these protest procedures shall be a condition precedent to any otherwise permissible judicial consideration of a protest.

SMALL BUSINESS AND DISADVANTAGED BUSINESS OPPORTUNITIES

The Port of Tacoma encourages participation in all of its contracts by MWBE firms certified by the Office of Minority and Women's Business Enterprises (OMWBE). Participation may be either on a direct basis in response to this solicitation/invitation or as a subcontractor to a Bidder/Proposer. However, unless required by federal statutes, regulations, grants, or contract terms referenced in the contract documents, no preference will be included in the evaluation of bids/submittals, no minimum level of MWBE participation shall be required as a condition for receiving an award and bids/submittals will not be rejected or considered non-responsive on that basis. Any affirmative action requirements set forth in federal

regulations or statutes included or referenced in the contract documents will apply. The selected firm will be required to show evidence of outreach.

PUBLIC DISCLOSURE

Bids submitted under this Solicitation will be considered public documents and, with limited exceptions, will become public information and may be reviewed by appointment by anyone requesting to do so following the conclusion of the evaluation, negotiation, and award process. This process is concluded when a signed contract is completed between the Port and the selected Consultant.

If a firm considers any portion of its response to be protected under the law, the vendor shall clearly identify each such portion with words such as "CONFIDENTIAL," "PROPRIETARY" or "TRADE SECRET" on each page for which the protection is sought. If a request is made for disclosure of such portion, the Port will notify the vendor of the request and allow the vendor not less than ten (10) days to seek a protective order from the Courts or other appropriate remedy and/or waive the claimed confidentiality. Unless such protective order is obtained and provided to the Port by the stated deadline, the Port will release the requested portions of the proposal. By submitting a response the vendor assents to the procedure outlined in this paragraph and shall have no claim against the Port on account of actions taken under such procedure.

ATTACHMENT C

TERMS MEMORANDUM

- Cross Default **No cross-default with other debt obligations will be permitted.**
- Acceleration **The Bonds may not be accelerated.**
- Documentation The Bonds will be issued pursuant to a resolution approved by the Port Commission (Attachment A of the Invitation to Bid). The Port will not negotiate separate loan documentation imposing additional covenants, security or terms in addition to described or delegated in the resolution.
- Purpose To select a respondent to provide a direct purchase fixed rate bank loan to refund the 2021-2025 maturities of the Port's Limited Tax General Obligation Bonds, Series 2016 (Non-AMT).
- Program Size Approximately \$18.1 million (subject to change based on closing date, final escrow interest rate and issuance costs).
- Tax Exempt The interest on the Bonds will be tax-exempt (Non-AMT), not bank qualified.
- Amortization The Bonds will be amortized approximately in accordance with the schedule (subject to change based on final loan amount) shown below:
- | <i>Payment Date</i> | <i>Principal</i> |
|---------------------|------------------|
| 12/1/2021 | 3,483,000 |
| 12/1/2022 | 3,540,000 |
| 12/1/2023 | 3,606,000 |
| 12/1/2024 | 3,683,000 |
| 12/1/2025 | 3,763,000 |
| Total | \$18,075,000 |
- Use of Proceeds The proceeds will be used by the Port to refund the 2021-2025 maturities (totaling \$18,075,000 in outstanding par amount) of the Port's Limited Tax General Obligation Refunding Bonds, Series 2016 (Non-AMT). Closing costs will be paid directly by the Port's operating funds.
- Security for the Loan The Bonds will constitute a general obligation of the Port and is payable from tax revenues of the Port and such other money as is lawfully available and pledged by the Port for the payment of

principal of and interest on the Bonds. For as long as any of the Bonds are outstanding, the Port will irrevocably pledge to, in the manner provided by law, within the constitutional and statutory limitations provided by law without the assent of the voters, include in its annual property tax levy amounts sufficient, together with other money that is lawfully available, to pay principal of and interest on the Bonds as the same become due. Any such tax levy is subject to certain constitutional and statutory limitations. The full faith, credit, and resources of the Port will be pledged irrevocably for the prompt payment of the principal of and interest on the Bonds. The Bonds will be issued pursuant to a resolution approved by the Port Commission (Attachment A of the Invitation to Bid), and the terms will be consistent with the covenants and limitations of the Port's limited tax general obligation bonds. An approving legal opinion will be provided by K&L Gates LLP, Port bond counsel.

The Bonds will not constitute a debt or an indebtedness of the City of Tacoma, Pierce County, the State of Washington or any political subdivision thereof other than the Port.

Payment Schedule	The final maturity of the Bonds will be December 1, 2025. Interest will begin accruing as of the closing date. Interest will be paid semiannually on June 1 and December 1, beginning June 1, 2021. Principal payments will be made on December 1. If these days fall on non-banking days, payments will be made on the first business day following the payment dates.
Term:	Through December 1, 2025.
Interest Rate	The Port requests a fixed interest rate. Interest will be calculated on a 30 / 360 basis
Prepayment option	Please identify any limitations that would be imposed on prepayment.
Award Date	It is expected that a bank will be selected on or about March 12, 2021. However, the Port reserves the right to modify this request at any time, to postpone its selection or to reject all responses.
Closing	Anticipated by April 8, 2021.
Securities Offering	The Bank will confirm that the purchase is being recorded as a loan by the Bank, and the Bank shall agree that it will not certificate the loan in a securities offering.

Governing Law	State of Washington.
Indemnification	Port will not indemnify the Bank
Paying Agent	Port will act as registrar and paying agent
Basis of Award	The Port will select the bidder which offers, in the opinion of the Port, the most favorable overall bid.
Other	Any additional requirements to be included in closing documents must be stated in writing as part of your response to the RFP.

Please state if your bid is subject to credit approval



**ATTACHMENT D
DIRECT PURCHASE FIXED RATE LTGO BANK LOAN
BID SHEET**

Name of Provider _____

Bank Legal Fees & Expenses: Estimated _____ Capped at _____

Timeframe for Approval: _____

<i>Payment Date</i>	<i>Principal</i>	<i>Proposed Rate (x.xxx %)</i>
12/1/2021	3,483,000	
12/1/2022	3,540,000	
12/1/2023	3,606,000	
12/1/2024	3,683,000	
12/1/2025	3,763,000	
Total	18,075,000	

Signature _____

Name _____

Phone _____ Email _____

**Port of Tacoma
Draft Financial Statements**

UNAUDITED 12/31/2020

Port of Tacoma

Enterprise Fund

Statements of Net Position

December 31, 2019 and 2018

(Dollars in Thousands)

	2020	2019
Assets		
Current assets:		
Cash	\$ 1,112	\$ 1,207
Investments, at fair value	188,683	216,020
Trade accounts receivable, net of allowance for doubtful accounts	785	964
Grants receivable	360	-
Taxes receivable	601	498
Related party receivables - Joint Venture	6,752	16,308
Leases Receivable - Current	6,976	4,133
Prepayments and other current assets	6,086	6,122
Total current assets	211,355	245,252
Non-current assets:		
Long-term investments:		
Restricted investments at fair value	-	2,248
Restricted bond reserves at fair value	18,227	17,536
Long-term investments	18,227	19,784
Capital and intangible assets:		
Land	573,918	567,120
Buildings	100,289	102,792
Improvements	673,833	683,388
Machinery and equipment	86,623	87,409
Intangible assets - lease and other	33,697	32,441
Construction in process	7,827	7,313
Total cost	1,476,187	1,480,463
Less accumulated depreciation and amortization	561,660	544,126
Capital and intangible assets, net	914,527	936,337
Investment in joint venture	219,655	177,142
Leases receivable	220,052	188,860
Assets held for sale	7,840	7,840
Net OPEB asset	1,914	2,079
Other assets	-	-
Total non-current assets	1,382,215	1,332,042
Total assets	\$ 1,593,570	\$ 1,577,294
Deferred outflows of resources:		
Accumulated decrease in fair value of hedging derivatives	\$ 80,594	\$ 65,717
OPEB deferred outflow	228	305
Pension deferred outflow	2,411	1,997
Advance refunding deferred losses	5,799	6,135
Total deferred outflows of resources	\$ 89,032	\$ 74,154

*Beginning net position for 2019 was adjusted for the adoption of GASB 87 (see Note 1).

Port of Tacoma

Enterprise Fund

Statements of Net Position

December 31, 2019 and 2018

(Dollars in Thousands)

	2020	2019
Liabilities and Net Position		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 15,270	\$ 14,602
Payroll and taxes payable	5,560	5,423
Accrued interest	1,909	2,039
Related party payables - Joint Venture	6,327	7,754
Commercial paper	-	25,000
Current portion of long-term debt	14,397	14,842
Total current liabilities	43,463	69,660
Non-current liabilities:		
Long-term debt:		
General obligation bonds	153,093	161,182
Revenue bonds	435,352	447,818
Net long-term debt	588,445	609,000
Other long-term liabilities:		
Interest rate payment agreement	80,594	65,717
Net pension liability	7,541	8,176
Environmental liability	28,171	28,312
Other	56,835	54,722
Other long-term liabilities	173,141	156,927
Total non-current liabilities	761,586	765,927
Total liabilities	\$ 805,049	\$ 835,587
Deferred inflows of resources:		
Leases deferred inflow	\$ 227,028	\$ 192,993
Pension deferred inflow	3,337	5,590
OPEB deferred inflow	195	496
Total deferred inflows of resources	\$ 230,560	\$ 199,079
Net position:		
Net investment in capital assets	\$ 317,484	\$ 295,714
Restricted - bond reserves	18,227	17,536
Unrestricted	311,282	303,532
Total net position	\$ 646,993	\$ 616,782

*Beginning net position for 2019 was adjusted for the adoption of GASB 87 (see Note 1).

Port of Tacoma

Enterprise Fund

Statements of Revenues, Expenses and Changes in Net Position

Years Ended December 31, 2020 and 2019

(Dollars in Thousands)

	2020	Restated 2019
Operating revenues:		
Property rentals	\$ 27,470	\$ 26,678
Lease Interest	(8,492)	(7,712)
Joint Venture income	38,782	47,979
Total operating revenues	<u>57,760</u>	<u>66,945</u>
Operating expenses:		
Operations	4,229	3,879
Maintenance	3,829	4,677
Administration	4,250	4,021
Security	260	265
Environmental	2,368	2,244
Total operating expenses, before depreciation	<u>14,936</u>	<u>15,086</u>
Depreciation & Amortization	27,026	26,861
Total operating expenses	<u>41,962</u>	<u>41,947</u>
Operating income	<u>15,798</u>	<u>24,998</u>
Non-operating revenues (expenses):		
Ad valorem tax revenue	23,132	20,921
Interest on general obligation bonds	(4,674)	(4,804)
Net ad valorem tax revenues	<u>18,458</u>	<u>16,117</u>
Interest income	2,501	5,733
Net (decrease) increase in the fair value of investments	1,827	2,137
Interest expense	(17,770)	(20,085)
Other non-operating income (expenses), net	80	1,645
Total non-operating income (expenses), net before lease interest	<u>5,096</u>	<u>5,547</u>
Lease interest income, net	8,492	7,705
Increase in net position, before capital grant contribution and special item	<u>29,386</u>	<u>38,250</u>
Capital grant contributions	825	700
Increase in net position before special item	<u>30,211</u>	<u>38,950</u>
Special Item	-	21,977
Increase in net	<u>30,211</u>	<u>16,973</u>
Net position:		
Net position, beginning of year, as previously reported	616,782	605,647
Adjustment related to adoption of GASB 87		(5,838)
Net position, beginning of year as restated	<u>616,782</u>	<u>599,809</u>
End of year	<u>\$ 646,993</u>	<u>\$ 616,782</u>

*Beginning net position for 2019 was adjusted for the adoption of GASB 87 (see Note 1).

Port of Tacoma

Enterprise Fund

Statements of Cash Flows

Years Ended December 31, 2020 and 2019

(Dollars in Thousands)

	2020	2019
Cash flows from operating activities:		
Cash received from customers	\$ 19,157	\$ 26,529
Cash received for settlements	-	-
Cash paid to suppliers for goods and services	(9,918)	(15,905)
Cash paid to employees	(6,953)	(6,941)
Cash (paid to) received from related party - Joint Venture	4,894	(6,544)
Cash received (paid) for other operating income (expense)	(320)	(1,540)
Net cash provided by operating activities	6,860	(4,401)
Cash flows from non-capital financing activities:		
Cash received from operating grants	147	485
Net cash provided by non-capital financing activities	147	485
Cash flows from capital and related financing activities:		
Proceeds from sale of property, plant and equipment	2,248	6,995
Borrowings on commercial paper	25,000	125,000
Repayments on commercial paper	(50,000)	(125,000)
Principal payments on general obligation and revenue bonds and other debt	(17,044)	(14,552)
Proceeds from refunding bond issues	26,075	82,120
Payments on refunded bonds	(26,075)	(82,120)
Acquisition and construction of capital assets	(5,714)	(14,167)
Interest paid on general obligation and revenue bonds and other debt	(26,133)	(26,722)
Cash received from federal and state grants	318	602
Cash received from property taxes for general obligation bonds	23,029	20,856
Net cash used in capital and related financing activities	(48,296)	(26,988)
Cash flows from investing activities:		
Purchases of investments	(204,459)	(169,008)
Proceeds from sales and maturities of investment securities	235,074	181,450
Cash used to fund investment in NWSA	(65,509)	(40,737)
Cash distributions received from Joint Venture	65,043	52,250
Interest received on long-term leases	8,492	-
Interest paid on long-term leases	(54)	-
Interest received on investments	2,607	6,065
Net cash provided by investing activities	41,194	30,020
Net decrease in cash	(95)	(884)
Cash:		
Beginning of year	1,207	2,091
End of year	\$ 1,112	\$ 1,207

(Continued)

Port of Tacoma**Enterprise Fund****Statements of Cash Flows (Continued)****Years Ended December 31, 2020 and 2019****(Dollars in Thousands)**

	2020	2019
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	\$ 15,798	\$ 33,397
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	26,789	26,855
Cash received (paid) for non-operating income (expense)	(320)	(1,540)
Cash distributions received from related party - Joint Venture	(65,043)	(52,250)
Gain on disposal of facilities	-	-
Changes in assets and liabilities:		
Decrease in related-party receivable - Joint Venture	4,864	(5,193)
Decrease in accounts receivable	179	(148)
Increase in other deferred assets	-	(694)
(Increase) decrease in prepayments	37	(56)
Decrease in investment in Joint Venture	26,261	4,271
Increase (decrease) in accounts payable and accrued liabilities	185	(6,751)
Increase in environmental reserves	(141)	(491)
Decrease in payroll and taxes payable	(498)	(2,174)
Increase (decrease) in long-term liabilities	1,417	309
Decrease in net deferred pension inflows/outflows	(2,668)	64
Total adjustments and changes	(8,938)	(37,798)
Net cash provided by operating activities	\$ 6,860	\$ (4,401)
Noncash investing and financing activities:		
Capital asset additions and other purchases financed with accounts payable	\$ 266	\$ 2,539
Capital construction payable to related party - Joint Venture	\$ (1,851)	\$ (7,754)
Distributions receivable from related party - Joint Venture	\$ 5,170	\$ 9,135
(Decrease) increase in fair value of investments	\$ 1,827	\$ 2,137

See notes to financial statements.