



Commissioners

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Bill Bryant
John Creighton
Rob Holland
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**APPROVED MINUTES
COMMISSION SPECIAL MEETING JANUARY 22, 2013**

The Port of Seattle Commission met in a special meeting Tuesday, January 22, 2013, in the International Auditorium at Seattle-Tacoma International Airport, Seattle, Washington. Commissioners Albro, Bryant, Creighton, and Holland were present. Commissioner Bryant was present after 2:06 p.m. Commissioner Tarleton was absent.

1. CALL TO ORDER

The special meeting was called to order at 2:03 p.m. by Tom Albro, Commission President.

2. EXECUTIVE SESSION pursuant to RCW 42.30.110

None.

PLEDGE OF ALLEGIANCE

ACKNOWLEDGMENT

Commissioner Albro announced the death of Lise Kenworthy, who died January 11, 2013, at the age of 67. He noted her participation on the Board of Governors of the Seattle Marine Business Coalition, the Ballard Interbay Northend Manufacturing Committee, and the Seattle Fishermen's Memorial Committee.

ANNOUNCEMENTS

Commissioner Albro announced the informational forum to be held at 5 p.m. to provide information about the Port, the role of a Port Commissioner, and the Commissioner appointment process for interested parties. Commissioner Albro also announced that effective this day, he would serve as the alternate member of the Commission's Audit Committee. He noted Commissioner Bryant would continue to serve as Audit Committee Chair, that when appointed, the new Commissioner for Commission Position No. 2 would serve as Audit Committee Secretary, and that Commissioner Albro would continue after the appointment to serve as the Audit Committee alternate member.

3. APPROVAL OF MINUTES

Please refer to the Unanimous Consent Calendar.

Commissioner Bryant was present after 2:06 p.m.

4. SPECIAL ORDERS OF BUSINESS

4a. 2012 Awards received by the Port.

Presentation document(s): Commission agenda [memorandum](#) dated January 11, 2013, and computer slide [presentation](#) provided by Patricia Akiyama, Director, Public Affairs.

Chief of Staff Kurt Beckett reported on 27 awards received by the Port of Seattle in 2012, noting especially awards for financial reporting from the Government Finance Officers Association of the United States and Canada; environmental awards including U.S. Green Building Council (USGBC) Leadership in Energy and Environmental Design (LEED®) Silver certification for the consolidated rental car facility; and communication awards from the American Association of Port Authorities (AAPA) and others. Also noted were achievement of the Department of Defense Freedom Award for Employer Support of Guard and Reserve, accreditation of the Port of Seattle Police Department by the Commission on Accreditation for Law Enforcement Agencies (CALEA), and the issuance of various internal Port awards to staff and departments.

As noted on the agenda, the Commission advanced to consideration of –

7. STAFF BRIEFINGS

7a. Briefing on the Airport's Music Initiative.

Presentation document(s): Commission agenda [memorandum](#) dated January 11, 2013, computer slide [presentation](#), and video and audio segments provided by James R. Schone, Director, Aviation Business Development, and Tami Kuiken, Music Program Coordinator, Aviation Business Development.

Presenter(s): Mr. Schone and Ms. Kuiken.

The Commission received a presentation that included the following relevant information:

- The Music Initiative is an effort to promote the Pacific Northwest music industry while enhancing passenger experience at the Seattle-Tacoma International Airport;
- Elements of the initiative include overhead music by local musicians, overhead regulatory and welcome announcements by local musicians, introduction of the Airport's free multi-channel wireless web radio player featuring songs from the overhead play list, videos promoting the local music scene at gate hold areas and baggage claim areas, and a mobile application that features music playing at the Airport and related information;
- The initiative is a collaborative effort with the Seattle Music Commission and music-branding firm PlayNetwork; and
- Proposed elements of phase 2 of the initiative include a live music program of all genres in partnership with Benaroya Hall, music exhibits in the terminal in cooperation with the Experience Music Project museum, incorporation of music into the Port's brand.

Nadine Zgonc, Marcus Womack, and James Kebblas commented on the cultural and economic value of the program and its influence on similar programs elsewhere. Commissioner Creighton

commented on the program's benefits to creating a Northwest sense of place at the Airport and promoting local economic development while enhancing passenger experience.

7b. Part 150 Aircraft Noise and Land Use Compatibility Study Update.

Presentation document(s): Commission agenda [memorandum](#) dated January 15, 2013, and computer slide [presentation](#) provided by Stan Shepherd, Manager, Airport Noise Programs.

Presenter(s): Mr. Shepherd and Rob Adams of the firm Landrum and Brown.

The Commission received a presentation that included the following relevant information:

- Eligible noise reduction measures provide noise reduction within the noise remedy boundary defined by a day-night average sound level (DNL) of 65 decibels;
- The 2018 proposed updated noise remedy boundary encloses a smaller area than the current noise remedy boundary, primarily due to prevalence of quieter aircraft;
- Measures that reduce noise within the 65 DNL boundary are potentially eligible for grant funding by the Federal Aviation Administration (FAA) at up to 80 percent;
- Mitigation measures need to be approved by the FAA and the Port Commission;
- Preliminary Part 150 documents have incorporated comments since October 2012 from the Commission and the Technical Review Committee, and a draft was submitted to the FAA for technical review, the response to which has been provided by the FAA;
- Measures proposed for inclusion in the Part 150 study to be provided for public review and comment include continuation of sound insulation for single-family residences, provision of noise insulation for multi-family, owner-occupied residences (primarily condominiums), improvements to the Fly Quiet airline incentive program, upgrades to the noise monitoring and flight tracking system, and voluntary acquisition of residences within the Third Runway's South Approach Transition Zone;
- Leased condominiums that are occupied by non-owners would be considered multi-family, owner-occupied residences for purposes of the Airport's Part 150 noise insulation program;
- Over 320 certified letters have been sent to homeowners who have been eligible for sound insulation based on the current noise remedy boundary but who have not taken advantage of the program and who will no longer be eligible following approval of the new, smaller noise remedy boundary;
- Of these 320 contacts, approximately 90 responses have been received so far from parties interested in participating in single-family noise insulation;
- New measures proposed for inclusion in the Part 150 study include noise insulation for multi-family, tenant-occupied residences (primarily apartments), purchase of aviation easements on parcels with mobile or manufactured homes to preclude the use of these structures, which cannot be sound-insulated, on these parcels, and establishment of feasible locations for a ground run-up enclosure (GRE, or "hush house");
- Noise mitigation may be approved for funding by the FAA as part of the Part 150 Study but the availability of funding is not guaranteed;
- Following publication of the draft Part 150 document, a 45-day public comment period commences, during which a public hearing is held, final recommendations would be

- provided to the Commission for approval, and the Part 150 Study would be submitted to the FAA for a record of approval, which may take up to eight months to be issued; and
- Implementation of specific noise mitigation projects is dependent on FAA approval for federal grant funding, Port Commission approval, FAA Airport Improvement Program grant funding availability, and availability of Port funding for the 20 percent or more that would not be covered by a federal grant.

In response to Commissioner Albro, Mr. Adams reported that there are a number of variables that affect the higher cost estimate for sound insulation for condominiums compared to single-family residences, including the number and arrangement of units. Mr. Adams noted that the estimates provided are based on the experience of other airports that have provided noise insulation for apartments. Commissioner Bryant requested additional information on the Part 150 study for Ronald Reagan Washington National Airport with respect to insulation of apartments. Commissioner Albro commented on the effects of noise insulation on property values and rents.

Following consideration of agenda item 7b, the Commission advanced to consideration of –

5. UNANIMOUS CONSENT CALENDAR

[Clerk's Note: Items on the Unanimous Consent Calendar are considered routine and are not individually presented or discussed; however, the Port Commissioners receive the request documents for review prior to the meeting and have an opportunity to remove items from the Consent Calendar for separate discussion and vote in accordance with the Commission bylaws.]

- 5a. Approval of the [Claims and Obligations](#) for the Period of December 1, 2012, through December 31, 2012, in the amount of \$40,136,643.59.**
- 5b. Approval of the minutes of the special meeting of November 6, 2012, and the regular meeting of November 13, 2012.**
- 5c. Authorization for the Chief Executive Officer to execute an amendment to the Lower Duwamish Waterway Group Memorandum of Agreement (MOA) to provide for additional studies to further the decision-making process of the U.S. Environmental Protection Agency's site remediation actions. This work is estimated to cost in the range of \$2,500,000 to \$3,000,000 split evenly between the MOA members, and will likely be performed under an amendment to the Lower Duwamish Superfund Site Administrative Order on Consent. No new funding is requested. Funds to perform this work will be included in the Environmental Remediation Liability annual authorization.**

Request document(s): Commission agenda [memorandum](#) dated January 11, 2013, and [amendment](#) provided by Stephanie Jones Stebbins, Director Seaport Environmental and Planning, and Kathy Bahnick, Manager, Seaport Environmental and Planning.

- 5d. Authorization for the Chief Executive Officer to prepare full design and construction bid documents and purchase equipment to upgrade the Facilities Monitoring System at the Seattle-Tacoma International Airport in the amount of \$2,031,000, with a total estimated budget for the completed project of \$3,431,000.**

Request document(s): Commission agenda [memorandum](#) dated January 11, 2013, provided by David Soike, Director, Aviation Facilities and Capital Program, and Wayne Grotheer, Director, Aviation Project Management Group.

- 5e. Authorization to approve the change in project scope to include the North Expressway Wall 14 Improvements as part of the North Expressway Relocation Phase I project, and for the Chief Executive Officer to direct staff to prepare design documents, advertise for bids, and award and execute a major public works construction contract for the North Expressway Wall 14 Improvements project at Seattle-Tacoma International Airport.**

Request document(s): Commission agenda [memorandum](#) dated January 15, 2013, and aerial [photograph](#) provided by Michael Ehl, Director, Airport Operations, and George England, Program Leader, Aviation Project Management Group.

- 5f. Authorization for the Chief Executive Officer to proceed with the Feeder 101 Taps Replacement project; direct staff to prepare design documents; use Port crews to support site investigation needed to develop the construction contract documents; and use Port Construction Services to conduct a good faith survey for regulated material. The total amount of this request is \$500,000 and the total projected cost is \$2,706,000.**

Request document(s): Commission agenda [memorandum](#) dated January 14, 2013, provided by David Soike, Director, Aviation Facilities and Capital Program, and Wayne Grotheer, Director, Aviation Project Management Group.

- 5g. Request renewal for 2013, by motion, of the authority of the Chief Executive Officer to sell and convey Port District personal property of \$17,000 or less in value in accordance with RCW 53.08.090(2) and Section 18 of Resolution No. 3605, as amended.**

Request document(s): Commission agenda [memorandum](#) dated January 14, 2013, provided by Ralph Graves, Managing Director, Capital Development.

- 5h. Motion of the Port of Seattle Commission to retain outside counsel in 2013.**

Request document(s): [text of motion](#) provided by Mary Gin Kennedy, Commission Services Director.

Motion for approval of consent items 5a, 5b, 5c, 5d, 5e, 5f, 5g, and 5h – Bryant

Second – Creighton

Motion carried by the following vote:

In Favor: Albro, Bryant, Creighton, Holland (4)

Absent for the vote: Tarleton

PUBLIC TESTIMONY

As noted on the agenda, public comment was received from the following individual(s):

- Doris Cassan, 3100 South 176th Street, SeaTac, Washington. Ms. Cassan commented on the condemnation of portions of Dollar Rent-A-Car property by the Port and Sound Transit and attempts by the franchise to re-purchase portions of property ultimately not used for the purpose for which they were condemned. She requested the Port not obtain the condemned property from Sound Transit and that the Port encourage Sound Transit to return it to Dollar Rent-A-Car.

6. DIVISION, CORPORATE, AND COMMISSION ACTION ITEMS

- 6a. First Reading of Resolution No. 3674: A Resolution of the Port Commission of the Port of Seattle declaring certain personal property surplus (Port of Seattle Cranes No. 65, 67, 80, 81, 82 and related spare parts) for the Port of Seattle purposes; authorizing its sale to Total Terminals International LLC; and authorizing the Chief Executive Officer to execute all documents related to such sale or disposal.**

Request document(s): Commission agenda [memorandum](#) dated January 15, 2013, and [Resolution No. 3674](#) provided by Mike Campagnaro, Manager, Seaport Leasing and Asset Management, and Josh Peterson, Property Manager II, Seaport Leasing and Asset Management.

Presenter(s): Mr. Campagnaro.

The Commission received a presentation in which Mr. Campagnaro explained that the surplus of the cranes and parts is a procedural requirement of the previously approved Thirteenth Lease Amendment at Terminal 46 with Total Terminals International Inc.

Motion for approval of First Reading of Resolution No. 3674 – Creighton

Second – Holland

Motion carried by the following vote:

In Favor: Albro, Bryant, Creighton, Holland (4)

Absent for the vote: Tarleton

- 6b. Second Reading and Final Passage of Resolution No. 3673: A Resolution of the Port Commission of the Port of Seattle amending Resolution No. 3611, as amended by Resolution No. 3672, the Seattle Port Commission Bylaws, regarding the appointment of an interim Port Commissioner in the event of a vacancy in the office of Port Commissioner.**

Request document(s): Commission agenda [memorandum](#) dated January 16, 2013, [Resolution No. 3673](#), [redline](#) version of Resolution No. 3673, [Attachment 1](#), [Attachment 2](#), and [Attachment 3](#) provided by Mary Gin Kennedy, Director of Commission Services.

Presenter(s): Ms. Kennedy.

Ms. Kennedy reported that the proposed bylaws amendment obtained first reading on January 8, 2013, and would conform the amount of time provided to the Commission to fill a vacancy in the office of Port Commissioner to that described in statute, changing the limit from 60 to 90 days.

Motion for Second Reading and Final Passage of Resolution No. 3673 – Holland

Second – Bryant

AMENDMENT

Commissioner Creighton offered the following amendment to Resolution No. 3673, to amend Article II, Section 1, paragraph (I) to read as follows:

(I) Establish Port positions on significant governmental legislation. The Port shall take official positions as an organization only regarding legislation with respect to which the Commission has discussed in open session and taken a position on by majority vote.

and to amend Article II, Section 5, to read as follows:

5. The President of the Commission shall supervise the Director of Commission Services, and the Director of Commission Services shall supervise all Commission staff. The President of the Commission shall reiterate to the Commission staff its lack of authority over full-time regular employees of the Port in terms of direction and work obligations. All hiring and firing decisions with respect to Commission Office staff shall be made only after notice to, and consultation with, all five Commissioners.

Motion to amend Resolution No. 3673 – Creighton

Second – Holland

AMENDMENTS TO THE AMENDMENT

Without objection, at the request of Commissioner Bryant, the amendment to Article II, Section 1, was amended to read as follows:

(I) Establish Port positions on significant governmental legislation. The Port shall take official positions as an organization only regarding significant legislation with respect to which the Commission has discussed in open session and taken a position on by majority vote.

Without objection, at the request of Commissioner Albro, the amendment to Article II, Section 5, was amended to read as follows:

5. The President of the Commission shall supervise the Director of Commission Services, and the Director of Commission Services shall supervise all Commission staff. The President of the Commission shall reiterate to the Commission staff its lack of authority over full-time regular employees of the Port in terms of direction and work obligations. All hiring and firing decisions with respect to Commission Office staff shall be made only after ~~notice to, and consultation with,~~ notifying all five Commissioners.

Commissioner Creighton explained the goal of the amendment to first, clarify that official Port policy is as discussed and directed by the Port Commission, and second, to ensure that all Commissioners will be adequately informed of hiring and firing decisions affecting staff of the Office of the Commission.

Commissioner Bryant commented on the dynamic nature of the legislative process and his interest in preserving flexibility in support of the Port's interests.

General Counsel Craig Watson noted liability considerations attached to requiring Commission consultation on hiring and firing decisions for Commission Office staff, as opposed to keeping the Commission informed of those decisions.

The question recurred on the motion by Commissioner Creighton, seconded by Commissioner Holland, to amend Resolution No. 3673, as further amended. The vote was as follows:

Motion to amend Resolution No. 3673, as further amended, carried by the following vote:

In Favor: Albro, Bryant, Creighton, Holland (4)

Absent for the vote: Tarleton

The amendment now reads as follows: Amend Article II, Section 1, paragraph (I) to read as follows:

(I) Establish Port positions on significant governmental legislation. The Port shall take official positions as an organization only regarding significant legislation with respect to which the Commission has discussed in open session and taken a position on by majority vote.

and amend Article II, Section 5, to read as follows:

5. The President of the Commission shall supervise the Director of Commission Services, and the Director of Commission Services shall supervise all Commission staff. The President of the Commission shall reiterate to the Commission staff its lack of authority over full-time regular employees of the Port in terms of direction and work obligations. All hiring and firing decisions with respect to Commission Office staff shall be made only after notifying all Commissioners.

The question recurred on the motion by Commissioner Holland, seconded by Commissioner Bryant, for second reading and final passage of Resolution No. 3673, as amended. The vote was as follows:

Motion for Second Reading and Final Passage of [Resolution No. 3673, as amended](#), carried by the following vote:

In Favor: Albro, Bryant, Creighton, Holland (4)

Absent for the vote: Tarleton

- 6c. Authorization for the Chief Executive Officer to (1) authorize design for the Checked Baggage Recapitalization Screening Project, (2) execute a project-specific design services contract, and (3) execute an Other Transaction Agreement with the Transportation Security Administration for reimbursable design cost. The total amount of this request is \$5,000,000, the majority of which will be reimbursed by federal funds. The total projected program cost is expected to exceed \$100 million and a more accurate cost estimate range will be available following 30-percent design.**

Request document(s): Commission agenda [memorandum](#) dated January 14, 2013, provided by David Soike, Director, Aviation Facilities and Capital Program; Wendy Reiter, Director, Aviation Security; and Wayne Grotheer, Director, Aviation Project Management Group.

Presenter(s): Mr. Soike.

The Commission received a presentation that included the following relevant information:

- Despite comments made during the briefing on this action on January 8, 2013, the Transportation Security Administration (TSA) will pay only eligible costs, not all of the cost, of 100 percent design; and
- It is estimated the design work may cost approximately \$2 million, of which the Port may have to contribute \$250,000.

Motion for approval of item 6c – Bryant

Second – Creighton

Motion carried by the following vote:

In Favor: Albro, Bryant, Creighton, Holland (4)

Absent for the vote: Tarleton

7. STAFF BRIEFINGS

Agenda items 7a and 7b having been disposed of previously, the Commission advanced to consideration of –

Preliminary Briefing on General Obligation Bond Refunding.

Dan Thomas, Chief Financial and Administrative Officer, reported on an opportunity to refund approximately \$100 million in general obligation bonds that would be callable in November. Due to tax considerations connected to the sale of cranes at Terminal 46 and BNSF land ownership at Terminal 5, there is a need to defease the pro-rata portion of the debt because part of the assets sold were funded by tax-exempt bond proceeds. Present value savings are estimated at \$13 million, and first reading of the bond refunding resolution is expected on February 26, 2013.

8. NEW BUSINESS

None.

9. POLICY ROUNDTABLE

None.

10. ADJOURNMENT

There being no further business, the special meeting was adjourned at 3:53 p.m.

Bill Bryant
Assistant Secretary
Minutes approved: March 26, 2013.