



Commissioners

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Commission President
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John Creighton
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**APPROVED MINUTES
COMMISSION REGULAR MEETING MARCH 5, 2013**

The Port of Seattle Commission met in a regular meeting Tuesday, March 5, 2013, at Port of Seattle Headquarters, Commission Chambers, 2711 Alaskan Way, Seattle, Washington. Commissioners Albro, Bryant, Creighton, and Holland were present.

1. CALL TO ORDER

The regular meeting was called to order at 12:06 p.m. by Tom Albro, Commission President.

2. EXECUTIVE SESSION pursuant to RCW 42.30.110

The regular meeting was immediately recessed to an executive session estimated to last approximately 60 minutes to discuss matters relating to sale or lease of real estate, potential litigation, and evaluation of qualifications of candidates for appointment to elective office. Following the executive session, which lasted approximately 30 minutes, the regular meeting reconvened in open public session at 1:06 p.m.

PLEDGE OF ALLEGIANCE

3. APPROVAL OF MINUTES

Please refer to the Unanimous Consent Calendar.

4. SPECIAL ORDER OF BUSINESS

4a. Appointment of a new Port Commissioner.

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

Commissioner Albro thanked the staff, volunteers, and public event moderators who had contributed to the process of identifying applicants to fill the Port Commission vacancy in Position No. 2. He acknowledged the applicants and finalists and noted the Port's mission with respect to job creation, economic development, trade, and environmental responsibility.

Ms. Kennedy provided the text of the motion, including a statement in support of the motion, which is, by reference, made a part of these minutes, is marked [Exhibit A](#), and is available for inspection in Port offices.

Motion to appoint Courtney Gregoire to serve as a Port Commissioner in Position No. 2, effective March 15, 2013, until a successor to the office is elected and qualified at the general election on November 5, 2013 – Creighton

Second – Holland

Motion carried by the following vote:

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

RECESSED AND RECONVENED

The regular meeting was recessed at 1:13 p.m. and reconvened at 1:18 p.m., chaired by Commissioner Albro.

4b. Commission Activities Report.

Presentation document(s): Commission agenda [memorandum](#) dated February 27, 2013, provided by Mary Gin Kennedy, Director of Commission Services.

Commissioner Bryant noted Commission activities of February 2013, including activities related to selecting an appointee for Commission Position No. 2, meetings with state legislators regarding transportation issues, participation in an event announcing new international service to China and Japan by Delta Air Lines, interviews on the proposed downtown sports arena and Airport music initiative, and various meetings with local and regional elected officials, airlines, and labor and industry groups.

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 minutes of the special meeting of December 11, 2012, and the regular meeting of December 11, 2012.

5b. Authorization for the Chief Executive Officer to increase the Terminal 91 Sewer Lift Station #4 Replacement project budget by \$110,000 for a total project budget authorization of \$425,000.

Request document(s): Commission agenda [memorandum](#) dated February 22, 2013, provided by Rees Robinson, Senior Marine Maintenance Project Manager, and Dwight Rives, Director, Port Construction Services.

5c. Authorization for the Chief Executive Officer to advertise and execute a major works contract for the refurbishment of the passenger loading bridge and associated fixed walkway at Gate S12 at the Seattle-Tacoma International Airport.

Request document(s): Commission agenda [memorandum](#) dated February 26, 2013, provided by John Christianson, General Manager, Aviation Maintenance, and Wayne Grotheer, Director, Aviation Project Management Group.

Motion for approval of consent items 5a, 5b, and 5c – Creighton

Second – Bryant

Motion carried by the following vote:

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

PUBLIC TESTIMONY

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

- Jack Block, Jr., City Councilmember, City of Burien. Mr. Block commented in support of agenda item 6a, relating to increasing the salary for Port Commissioners, commenting on the need for public officials to have the time to properly perform their duties of office.
- Stefan Moritz, Director of Strategic Affairs for Unite Here Local 8. Mr. Moritz commented in support of agenda item 6a, noting the importance for average citizens to be able to serve on the Port Commission.
- M.C. Halvorsen, 10002 Aurora Avenue North, Seattle. Ms. Halvorsen commented in favor of an increase in the Port Commissioner annual salary from the current \$6,000, but stated the amount currently proposed was too high.

6. DIVISION, CORPORATE, AND COMMISSION ACTION ITEMS

6a. First Reading of Resolution No. 3678: A Resolution of the Port Commission of the Port of Seattle setting the annual salary compensation of Port of Seattle Commissioners at the same amount as paid to legislators in the State of Washington.

Request document(s): Commission agenda [memorandum](#) dated March 1, 2013, [Resolution No. 3678](#), and February 26, 2013, [letter](#) provided by Mary Gin Kennedy, Commission Services Director.

Commissioner Albro recapitulated his statement on the benefits of an increase in the salary of Port Commissioners that he read for the record on February 26, 2013. He emphasized the primary reasons for seeking the increase were to promote a representative democracy in which average citizens are able to serve in office and to make the salary commensurate with the time commitment necessary for the Commission to effectively work in the interests of the community. He noted that he would waive receipt of the salary increase for himself should he be reelected in November and pointed out that in order to receive the new, higher salary, Commissioners would have to run for election or reelection. *[Clerk's Note: See Constitution of the State of Washington, Article XXX.]*

Motion for first reading of Resolution No. 3678 – Albro

Second – Holland

Motion carried by the following vote:

In Favor: Albro, Creighton, Holland (3)

Opposed: Bryant (1)

- 6b. Second Reading and Final Passage of Resolution No. 3675: A Resolution of the Port Commission of the Port of Seattle declaring four parcels of certain real property located at 28th Avenue and 200th Street, and on 28th Avenue south of 200th Street, SeaTac, Washington, to be surplus and no longer needed for port district purposes and authorizing the Chief Executive Officer to execute all documents necessary for conveyance of the title and sale of the real property to Sound Transit. The value of the real property being sold, determined by appraisal, will provide net proceeds to the Port totaling \$3,393,000.00.**

Request document(s): Commission agenda [memorandum](#) dated February 22, 2013, [Resolution No. 3675](#), and [aerial map](#) provided by W. Allan Royal, Manager Real Estate Development.

There was no presentation at this time. The Port Commissioners received a briefing on Resolution No. 3675 during its consideration on February 26, 2013, and the request documents were distributed for review prior to the meeting of March 5, 2013.

Motion for second reading and final passage of [Resolution No. 3675](#) – Bryant

Second – Creighton

Motion carried by the following vote:

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

- 6c. Second Reading and Final Passage of Resolution No. 3676: A Resolution of the Port Commission of the Port of Seattle, authorizing the sale and issuance of limited tax general obligation refunding bonds of the Port in the aggregate principal amount of not to exceed \$115,000,000; and authorizing a Designated Port Representative to approve certain matters relating to the bonds including the manner of sale of the bonds; approval of the bid offering, acceptance of bids for the bonds (if the G.O. refunding bonds are sold by competitive sale) or a purchase contract (if the bonds are sold by negotiated sale), execution of all documents and actions necessary to sell and deliver the bonds, preparation and dissemination of a preliminary official statement and final official statement; appointing an escrow agent and authorizing the execution of an escrow agreement; and providing for continuing disclosure.**

Request document(s): Commission agenda [memorandum](#) dated February 13, 2013, and [Resolution No. 3676](#) provided by Elizabeth Morrison, Director, Corporate Finance.

Presenter(s): Ms. Morrison.

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

- Credit ratings received by the Port following first reading include Aa1 from Moody's, AAA from Standard and Poor's, and AAA from Fitch;
- There have been no changes to the resolution since first reading on February 13, 2013;
- The bonds are expected to be sold on March 12 and close on March 26;
- The bond issuance is not issuance of new debt; rather, the refunding is for interest savings; and
- Principal on the new bonds will continue to be paid at the same rate as for the old bonds.

Motion for second reading and final passage of [Resolution No. 3676](#) – Creighton

Second – Bryant

Motion carried by the following vote:

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

6d. Authorization for the Chief Executive Officer to advocate for federal amendments to the statute governing the Passenger Facility Charge (PFC) program to give locally elected officials at public airports authority to increase the PFCs above the current limit of \$4.50. Possible changes, if any, to local PFC fees would be approved at a future time by local governing boards of public airports, including the Port Commission, before implementation.

Request document(s): Commission agenda [memorandum](#) dated February 25, 2013, [Resolutions No. 3253 and 3464](#), and [presentation slides](#) provided by Mark Reis, Managing Director, Aviation Division, and Beth Osborne, Manager, Federal Government Relations.

Presenter(s): Mr. Reis.

Mr. Reis noted the staff request, as introduced during the staff briefing on Passenger Facility Charges (PFCs) on February 26, 2013, that the Commission authorize advocacy for an increase to the federally mandated cap on PFCs, and he commented that in the event of the ability to increase PFCs, such an increase for the Seattle-Tacoma International Airport would be evaluated in the context of development of the plan of finance and an appropriate recommendation would be forwarded to the Commission for further action.

In response to Commissioner Creighton, Mr. Reis reported on the restrictions to use of PFCs for aeronautical capital improvements.

Motion for approval of item 6d – Creighton

Second – Bryant

Motion carried by the following vote:

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

6e. Authorization for the Chief Executive Officer to (1) execute a five-year contract to provide janitorial services to Seattle-Tacoma International Airport for an estimated total cost not to exceed \$53,666,100; (2) enter into a nine-month contract extension with Metropolitan Building Maintenance in the amount of \$276,354; and (3) enter into a nine-month contract extension with Selam Hospitality Services in the amount of \$124,420. The total amount of these contract actions is \$54,066,874.

Request document(s): Commission agenda [memorandum](#) dated February 25, 2013, provided by Michael Ehl, Director Aviation Operations, and Luis Navarro, Director Office of Social Responsibility.

Presenter(s): Mr. Navarro and Nick Harrison, Senior Manager Airport Operations.

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

- The extensions of the smaller contracts are intended to align the termination of all janitorial services contracts at the Airport in order to bid all janitorial services together in February 2014;
- Historically, small businesses operating as subcontractors for janitorial services have fared better at the Airport than independent small business contractors; and
- With one large contract for janitorial services, the small business participation requirement would be increased from 25 percent to 30 percent.

Commissioner Albro noted that part of the Port's interest in cultivating small businesses is to help them to diversify their client bases and use their experience with the Port as a springboard for other contracts, not simply to ensure that small businesses are holding contracts with the Port.

Commissioner Creighton noted the opportunity to exceed small business participation above the 30-percent requirement in light of the Century Agenda goal to increase the proportion of Port funds spent with small business firms to 40 percent in 25 years.

Motion for approval of item 6e – Creighton

Second – Bryant

Motion carried by the following vote:

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

6f. Authorization for the Chief Executive Officer to advocate for the Port of Seattle's interests as the Washington Legislature considers how to make necessary investments in transportation in 2013.

Request document(s): Clare Gallagher, Government Relations Manager, provided the text of the motion, which is, by reference, made a part of these minutes, is marked [Exhibit B](#), and is available for inspection in Port offices.

Presenter(s): Ms. Gallagher.

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

- The latest Washington House of Representatives package for statewide transportation investment and funding was outlined, including funding for extension and improvement of SR-509, Interstate 5, and SR-167;
- Staff recommends continued advocacy for the Port's interests regarding transportation funding and freight mobility; and
- Proposed funding for SR-509 and SR-167 in Representative Clibborn's proposal is \$1 billion with the expectation that additional funding would be added in phases.

Commissioner Bryant stressed the importance of transportation improvements to job creation and read the text of the motion for the record. Commissioner Albro commented in favor of smart investment in freight mobility and the need to continue to advocate for policies that do not harm the Port's competitive advantages.

Motion that the Port of Seattle continue to advocate for Port interests as the 2013 Washington Legislature considers proposals for necessary investments in transportation – Bryant

Second – Creighton

Motion carried by the following vote:

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

7. STAFF BRIEFINGS

None.

8. NEW BUSINESS

None.

9. POLICY ROUNDTABLE

None.

10. ADJOURNMENT

There being no further business, the regular meeting was adjourned at 2:06 p.m.

Bill Bryant
Assistant Secretary
Minutes approved: April 23, 2013.