



Commissioners

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**APPROVED MINUTES
COMMISSION REGULAR MEETING SEPTEMBER 10, 2013**

The Port of Seattle Commission met in a regular meeting Tuesday, September 10, 2013, at Port of Seattle Headquarters, Commission Chambers, 2711 Alaskan Way, Seattle, Washington. Commissioners Albro, Bowman, Bryant, Creighton, and Gregoire were present.

1. CALL TO ORDER

The regular meeting was called to order at 12:03 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 60 minutes to discuss matters relating to sale or lease of real estate, potential litigation, and legal risk.

Following the executive session, which lasted approximately 40 minutes, the regular meeting reconvened in open public session at 1:05 p.m.

PLEDGE OF ALLEGIANCE

3. APPROVAL OF MINUTES

Minutes available for approval are included in the Unanimous Consent Calendar.

4. SPECIAL ORDERS OF BUSINESS

None.

5. UNANIMOUS CONSENT CALENDAR

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

5a. Minutes of the regular meeting of August 6, 2013.

5b. Authorization for the Chief Executive Officer to proceed with the purchase of breach control equipment and to advertise for bids and award and execute a major construction contract for the Security Exit Lane Breach Control-Phase 2 project at

Seattle-Tacoma International Airport in an amount not to exceed \$5,757,000. The total estimated project cost is \$6,407,000.

Request document(s) provided by Wayne Grotheer, Director, Aviation Project Management Group, and Wendy Reiter, Director, Aviation Security and Emergency Preparedness:

- Commission agenda [memorandum](#) dated August 29, 2013.
- [Diagram](#) of Airport security exit locations.
- [Illustration](#) of a typical security exit lane.

5c. Authorization for the Chief Executive Officer to (1) proceed with construction of the Long-Term Cell Phone Lot at the Seattle-Tacoma International Airport; (2) use Port Construction Services crews to self-perform the construction; (3) advertise for bids and award a major public works project-specific unit price contract for asphalt and striping; and (4) execute interlocal agreements with the City of SeaTac for the design, installation, and operation of a temporary traffic control signal on South 170th Street for an authorization of \$1,420,000. The total estimated project cost is \$2,521,000.

Request document(s) provided by Mike Ehl, Director, Airport Operations; George England, Program Leader, Aviation Project Management:

- Commission agenda [memorandum](#) dated August 29, 2013.
- [Attachment A](#), aerial photo showing project locations at the Airport.

5d. Authorization to increase funding for the Centralized Pre-Conditioned Air Project at the Seattle-Tacoma International Airport by \$600,000 for the project design consultant and Port staff support through the completion of the project. In accordance with RCW 53.19.060, this memorandum constitutes notification to the Commission that the amended amount of the design contract exceeds 50 percent of the original not-to-exceed contract value.

Request document(s) provided by David Soike, Director, Aviation Facilities and Capital Program, and Wayne Grotheer, Director, Aviation Project Management Group:

- Commission agenda [memorandum](#) dated August 28, 2013.

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

Second – Bowman

Motion carried by the following vote:

In Favor: Albro, Bowman, Bryant, Creighton, Gregoire (5)

PUBLIC TESTIMONY

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

- Tom Tanner, Magnolia Community Club. Mr. Tanner commented on agenda item 7c, relating to the Central Waterfront redevelopment. He spoke in favor of redevelopment of the waterfront and noted the need to keep traffic flowing smoothly on Alaskan Way for residents and businesses.

- Stephen DeForest, Magnolia Community Club President. Mr. DeForest commented on agenda item 7c, relating to the Central Waterfront redevelopment. He noted the unique geography of the Magnolia neighborhood and its reliance on the Alaskan Way corridor and the bridges that connect it to the rest of Seattle.

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

7. STAFF BRIEFINGS

7c. Central Waterfront Briefing.

Presentation document(s) provided by Joe McWilliams, Managing Director, Real Estate Division:

- Commission agenda [memorandum](#) dated August 23, 2013.
- [Presentation slides](#).
- [Strategic Plan](#) for Realizing the Waterfront Seattle Vision.

Presenter(s): Mr. McWilliams; Charlie Royer, Co-Chair of the City of Seattle Central Waterfront Committee; and Angela Brady, Central Waterfront Program Manager for the Seattle Department of Transportation.

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

Background

- The Central Waterfront Committee is mindful of the importance to the Port of Seattle of freight mobility in the Alaskan Way corridor, and the Port's critical role in the community's economic future is discussed at all of their meetings.
- The City of Seattle created the Central Waterfront Committee by ordinance and charter approval three years ago and has directed the committee to develop a strategic plan.
- The committee's website is located at www.waterfrontseattle.org.
- It is planned that oversight of redevelopment of the Central Waterfront will eventually transfer to the nonprofit entity Friends of Waterfront Seattle.
- Approximately 10,000 people participated in design discussions for the Central Waterfront planning effort. Design is nearly 30 percent complete.

Projects and Phasing

- Projects constituting the Central Waterfront redevelopment effort include the following:
 - ▶ The SR-99 Tunnel Project.
 - ▶ Elliott Bay Seawall Replacement Project Phase I, which extends from South Washington Street to Virginia Street and is expected to begin in fall of 2013.
 - ▶ Elliott Bay Seawall Replacement Project Phase II, which extends from Virginia Street north to Broad Street and is not yet funded or in design.
 - ▶ Waterfront Seattle Core Project, which extends from the intersection of Railroad Way and South Main Street to Battery Street and rebuilds Alaskan Way within the footprint of the existing viaduct.
 - ▶ Integration of the state's Multimodal Terminal at Colman Dock with the Central Waterfront projects.

- ▶ Seattle Aquarium expansion.
 - ▶ Overlook pedestrian crossing to the waterfront from Pike Place Market.
- Many of these projects have overlapping timeframes.
- Construction for the Waterfront Seattle Project will commence in early 2016, following completion of construction of the SR-99 Tunnel Project at the end of 2015. Discussions are underway to plan for construction sequencing to facilitate this quick transition.
 - Construction of the Elliott Bay Seawall Project will begin in the fall of 2013 and conclude in 2016.
 - Construction work on the SR-99 tunnel, Elliott Bay seawall, and Central Waterfront improvements will last until late 2019.

Design Elements/Street Layout Generally

- Elements of the Core projects for the Central Waterfront redevelopment were presented, including a pedestrian promenade, critical east-west connections, pedestrian connections to Colman Dock and from Union Avenue and Pike Place Market to the waterfront, and pier replacements.
- Street design for Alaskan Way was presented. The vision includes creation of an urban street for pedestrians, bicyclists, transit, freight, cars, and parking. Provision of effective regional transportation connections and improved east-west connections is also an element of the vision. Design considerations include the following:
 - ▶ Two general purpose vehicle lanes in each direction for the entire length of the corridor.
 - ▶ A well-connected two-way north-south bicycle route separate from pedestrian facilities and intended for use by a wide range of cyclists. The bicycle route will be signalized at intersections, where cyclists will be required to stop to allow pedestrians to cross in front.
 - ▶ Pedestrian crossings and a promenade on the west side of Alaskan Way.
 - ▶ Curb space for parking and deliveries.
 - ▶ Accommodations for transit service and ferry access. The goal for transit is to provide frequent service that complements regional service. Options include two historic streetcar options, one modern streetcar option, a minibus, and a coach bus. All transit options would operate in travel lanes shared with other traffic.
 - ▶ Provision of a strong freight route.
- A recent pedestrian study showed there are approximately 35,000 pedestrians on Alaskan Way on a typical summer Saturday.
- In the south end of Alaskan Way, traffic demand is high, and a dedicated transit lane is planned in each direction, in addition to two general-purpose travel lanes in each direction and maintenance of ferry access.
- Demand is less to the north, where lanes will narrow.

Design Elements by Road Segment

- Three sections of Alaskan Way with unique design considerations include the following:
 - ▶ Madison Street to Pine Street in the north, where two general purpose lanes in each direction are proposed. A new intersection at Elliott Avenue and an extension of Pine Street would connect Alaskan Way to Elliott Avenue. The

Overlook Walk grade separation would cross Alaskan Way at this intersection. On Pine Street and Alaskan Way to the north of Pine Street, vehicle volumes are less and only one travel lane in each direction is proposed. The cruise terminal at Pier 66 is north of the Pine Street intersection. The number of people and supply trucks moving through this area during loading or unloading of cruise vessels was not available.

- ▶ Yesler Way to Madison Street in the center section, where two general purpose lanes in each direction are proposed. A dedicated transit lane in each direction is also proposed in this section south of Columbia Street. At Colman Dock, a waterfront transit hub with facilities for accessibility, taxi stops, pedestrians, and bicyclists are planned. Local waterfront transit on Alaskan Way would end at Yesler Way and King County Metro Transit regional service would run south from Columbia Street.
- ▶ South King Street to Yesler Way in the south, where two general purpose lanes in each direction are proposed. From Yesler Way to South Main Street, two northbound left turn lanes are proposed for ferry queuing. A dedicated transit lane would be provided in each direction in this section of Alaskan Way. South of Main Street, there would be two general purpose lanes and one dedicated transit lane in each direction.

Transit/Pioneer Square/Traffic Signals

- The function of transit stops relative to encumbering travel lanes varies depending on the mode of transit. Street cars would stop in lane at the center median. Buses would stop in the curb lane, either in lane or at a pull-out, depending on the location. In-lane stops and full-time, dedicated transit lanes are preferred by Metro Transit. Similarly, the Washington State Ferry System prefers queuing lanes for Colman Dock. There is interest in examining technology options to facilitate ferry and transit traffic.
- Advocates in Pioneer Square are concerned about increasing the number of lanes on Alaskan Way in the south. Although there are strategies for using public art, landscaping, and other design elements to make a road with six travel lanes, two turn lanes, parking, median, and pedestrian and bicycle facilities appear smaller than it really is, this is considered a challenge.
- Most of the intersections in the southern portion of Alaskan Way are expected to be signalized.

Funding

- Funding sources for the Central Waterfront redevelopment were presented. About 61 percent of funding is secured, including \$290 million from the Washington Department of Transportation and the public seawall bond. Remaining, as yet unsecured, funding is expected to come from a local improvement district (LID), City of Seattle sources, and private contributions.
- The city is expected to impose an LID in 2014 and assessments may span 20-30 years. Central Waterfront funding of approximately \$1.07 billion will not include funding for the waterfront transit that the street design will accommodate. At this time, the transit options themselves are not funded.

Commissioner Creighton commented on the importance of the Central Waterfront being a year-round amenity and noted features of Manhattan's High Line park with opportunities to get out of the weather year-round.

Commissioner Albro described the role of the Port in the regional economy in terms of the Port's advocacy on development that affects the city's industrial areas and noted the City of Seattle's role in making its public spaces safe.

Commissioner Bowman commented on the lack of emphasis on freight in the Central Waterfront presentation. She also noted that the expectation of \$80 million to \$120 million in philanthropic contributions to the Central Waterfront project seemed high.

Commissioner Gregoire noted the similarities between the mandate in the charters of the Central Waterfront Committee and the Port of Seattle to ensure access for the public to the waterfront. She recommended a stronger presentation of the statistics for freight using the Alaskan Way corridor and the jobs represented by that freight. She noted a de-emphasis on freight mobility as part of general purpose traffic.

6. DIVISION, CORPORATE, AND COMMISSION ACTION ITEMS

6a. Authorization for the Managing Director, Aviation Division to (1) execute a 2013-2017 Signatory Lease and Operating Agreement (SLOA III) between the Port and signatory airlines for the use of facilities at the Airport and (2) to suspend the implementation of rates and charges and other provisions of Resolution No. 3677 no earlier than upon commencement of said SLOA III.

Request document(s) provided by Mark Reis, Managing Director, Aviation; Michael Ehl, Director, Aviation Operations; and James Jennings, Manager, Aviation Properties:

- Commission agenda [memorandum](#) dated September 3, 2013.
- [Signatory Lease](#) and Operating Agreement with revised Exhibit F.

Presenter(s): Mr. Reis.

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

- The signatory lease and operating agreement (SLOA III) is estimated at \$1.3 billion.
- Discussions with the airlines over this version of the SLOA since December 2011 were outlined. After a year of negotiations, the airlines indicated the Airport should adopt a rates and charges resolution, which was authorized by the Commission in May 2013. Rates and charges were to be retroactive to January 1, 2013, and would be in force as of July 1, 2013, if no lease agreement could be reached. Further lease negotiations ensued.
- The proposed lease would be effective November 1, 2013, and the rates outlined would be retroactive to January 1, 2013.
- Airport minimum coverage is stipulated at 1.25 times debt service. Fifty percent of the revenue over this minimum will be shared with the airlines.

- Security is provided by the residual nature of the agreement. If an airline is unable to perform under the lease terms, the remaining airlines will absorb the cost. The previous security fund will be credited to the airlines under the new SLOA in 2013.
- The Airport will bear the risk for publicly available vacant Airport space.
- The Port will not be able to proceed with projects not approved by the airlines for 12 months following the airlines' rejection of the project.
- The Airport will be able to amortize in the airline rate base investments made back to 1992.
- Despite being omitted previously in the draft version of the SLOA III Exhibit F, the Baggage Optimization Project is one of the approved capital improvement projects, and is listed on the revised version of Exhibit F. Projects in this list will not require a majority-in-interest vote by the airlines.
- The Port is allowed to use non-airline net income to pay some of the cost of the new International Arrivals Facility. This will lower the cost of the facility and allow the cost charged to international carriers to be within the market for West Coast airports. Use of non-airline net income in this way would be approved by the Commission during the budget process.

Motion for approval of item 6a – Bryant

Second – Bowman

Motion carried by the following vote:

In Favor: Albro, Bowman, Bryant, Creighton, Gregoire (5)

6b. Authorization for the Chief Executive Officer to (1) execute an Other Transaction Agreement with the Transportation Security Administration for reimbursable costs for design and construction for the Checked Baggage Recapitalization/Optimization Project; (2) authorize \$15,000,000 to continue from 30% to 100% design; and (3) execute consultant service agreements for program management (including project management, cost/schedule controls, constructability reviews) support services. The total multi-phased project cost over approximately ten years is estimated to be \$286,000,000 to \$317,000,000.

Request document(s) provided by David Soike, Director, Aviation Facilities and Capital Program, and Wendy Reiter, Director, Aviation Security and Emergency Preparedness:

- Commission agenda [memorandum](#) dated August 30, 2013.

Presenter(s): Mr. Soike; Ms. Reiter; and Peter McVey, Recapitalization and Optimization Planning Branch Manager, Transportation Security Administration.

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

- The project would reconfigure the existing baggage system, consolidating six separate systems into one. It provides efficiencies for the Airport and the airlines and creates capacity for future growth. It also provides the opportunity to replace aging security equipment and consolidate Transportation Security Administration (TSA) screening facilities.

- The project is a multi-year program that is estimated to cost \$300 million. The TSA has announced grant awards that amount to a little over \$93 million.
- The airlines have pre-approved \$40 million toward baggage system optimization via the new SLOA. Airline representatives have attended Port discussions with the TSA and the airlines plan to appoint a technical consultant to follow the design process.
- Design will be 100-percent complete before beginning construction.
- Baggage optimization now will facilitate future changes to baggage security that arise as new security threats emerge and makes future technologies easier to implement.
- There is a design firm contracted through completion of 30-percent design. After 30-percent design, design services will be again competitively bid. Separate construction packages will be awarded based on project phasing. Project management services are being procured during the design phase.

Motion for approval of item 6b – Gregoire

Second – Creighton

Motion carried by the following vote:

In Favor: Albro, Bowman, Bryant, Creighton, Gregoire (5)

6c. Authorization for the Chief Executive Officer to (1) delete Terminal 18 from the scope of the Maintenance Dredging Project; (2) add the East Cruise Berth at Terminal 91 to the scope of the Maintenance Dredging Project; (3) prepare plans, specifications and estimates, and (4) advertise for bids and award major construction contracts for Terminal 5 Phase II Maintenance Dredging and Terminal 91 East Cruise Berth Maintenance Dredging for an estimated cost of \$2,700,000. The total project cost (including Terminal 5 Phase I Maintenance Dredging) is estimated at \$4,800,000.

Request document(s) provided by Scott Pattison, Seaport Asset Manager, and Catherine Chu, Capital Project Manager:

- Commission agenda [memorandum](#) dated August 28, 2013.

Presenter(s): Mr. Pattison.

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

- The purpose of the request is to restore berths at Terminals 5 and 91 to their originally design depths.
- Dredging mitigates the effects of siltation from the Duwamish River and vessel thrust in and around berth areas.
- Bathymetric measurement at Terminal 18 and consultation with the terminal operator resulted in agreement that dredging there could be postponed for one year.
- A programmatic permit for dredging in the East Waterway, including Terminal 18, would facilitate and expedite future maintenance dredging at Terminal 18.
- Measurements at Terminal 91 revealed more shoaling than anticipated. The design depth for the east cruise berth at Terminal 91 is 35 feet.

- The amount of material intended to be dredged at Terminal 18 and Terminal 91 are similar, suggesting the dredging costs may be about the same. This makes them good candidates for swapping in maintenance dredging plans.
- The three berths at Terminal 5 will be restored to their original depth of 45 feet at the south end berth and 50 feet at the center and north end berths. Additional over-dredging will delay the need for future maintenance dredging.
- Separate construction contracts will be executed for work at Terminal 5 and Terminal 91, due to different permitting considerations and timelines at the two terminals.
- Sediments will be handled consistent with applicable regulations.
- It is not recommended to defer dredging at Terminals 5 and 91 due to the amount of shoaling occurring there.
- Maintenance dredging is an operating expense.

Motion for approval of item 6c – Creighton

Second – Gregoire

Motion carried by the following vote:

In Favor: Albro, Bowman, Bryant, Creighton, Gregoire (5)

6d. Authorization for the Chief Executive Officer to (1) proceed with the Construction Document Management Project; (2) execute contracts to purchase hardware, software, and vendor service; and (3) authorize the use of Port staff for implementation. The amount of this request is \$900,000 for a total project cost of \$900,000.

Request document(s) provided by Ralph Graves, Managing Director, Capital Development:

- Commission agenda [memorandum](#) dated September 3, 2013.

Presenter(s): Mr. Graves and Janice Zahn, Assistant Engineering Director – Construction.

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

- The proposal replaces the existing aging Livelink document management system.
- All documents related to a construction project are managed by the document management system, including all communications and responses related to a project. The system is used by internal and external users including project management staff, stakeholders, designers, contractors, subcontractors, Port legal counsel, and maintenance staff.
- The current system was deployed in 2002, upgraded several times, and is no longer supported by the vendor. Numerous issues plague the existing system, including incompatibility of outdated software built into the system.
- There are 33 active projects with over 700 workflows managed by this system, and of the more than 500 Livelink licenses, more than half are issued to external users.
- About \$1.2 billion in construction is anticipated at the Port between 2014 and 2018. Lack of templates and automated features will require large-scale manual effort using the current system. As an example, the existing system does not support current versions of Adobe.

- The \$900,000 requested will include software licensing, vendor services, data migration, training, and staff time to process a request for proposals to define system requirements.
- It is not known at this time whether the solution will be a stand-alone system or an add-on to software the Port already has.
- It will be a requirement for the new system to accommodate use of mobile devices and automation.
- It is hoped to have a new system fully deployed by March 2015.

Commissioner Gregoire recommended the use of an “off-the-shelf” solution that does not rely on customization that will be unsupported in the future and closely monitoring licenses going forward.

In response to Commissioner Creighton, Ms. Zahn reported that \$900,000 appears to be the higher end of likely solutions.

Motion for approval of item 6d – Gregoire

Second – Bryant

Motion carried by the following vote:

In Favor: Albro, Bowman, Bryant, Creighton, Gregoire (5)

6e. Authorization for the Chief Executive Officer to (1) execute a construction contract with the lowest responsive and responsible bidder to replace the HVAC equipment at the Fishermen’s Terminal C-15 Building, and (2) increase project authorization in the amount of \$900,000 to bring the total project authorization to \$4,887,000. Commission action is required in accordance with Resolution No. 3605, as amended by Resolution No. 3628, because the lowest responsive and responsible bid is more than ten percent greater than the engineer’s estimate.

Request document(s) provided by Fred Chou, Capital Project Manager, Capital Development Division; Rebecca Schwan, Real Estate Manager, Portfolio and Asset Management:

- Commission agenda [memorandum](#) dated September 4, 2013.

Presenter(s): Mr. Chou; Ralph Graves, Managing Director, Capital Development Division; and Joe McWilliams, Managing Director, Real Estate Division.

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

- Commission authorization is required for this request because the low bid for upgrade to the HVAC system at the C-15 Building at Fishermen’s Terminal was more than ten percent above the engineer’s estimate for the project.
- Cost estimates are based on past performance, and it may be that market changes are responsible for the higher bids. Seven other public agencies contacted also reported receiving higher-than-expected bids for construction projects.
- The C-15 Building houses 18 mixed-use tenants, including offices, retail, and restaurant space. The HVAC system is about 26 years old and is at the end of its service life.

- The five bids received in August to perform the work ranged from \$2.9 million to \$3.4 million, all of them over the engineer's estimate. The lowest bid was 27 percent higher than the engineer's estimate.
- Analysis of the bid results indicated that only one manufacturer provided quotes to the contractors, that construction risks were perceived to be higher than anticipated by the design team, and that the bidding climate may be changing in favor of contractors.
- Given its analysis, staff believes the low bid is reasonable.
- The HVAC unit is difficult to access as a feature of the original building design.
- Despite other options considered, staff is confident the request to accept the current low bid is the best option.
- The C-15 Building was designed by Port staff in the 1980s and is expected to be useful for another 20-30 years. It is the youngest asset and the best revenue-producing asset at Fishermen's Terminal.
- A revision of the Fishermen's Terminal 25-year plan is expected to be presented in the fall of 2013. In all 25-year scenarios, the C-15 Building is a continuing component.
- The mechanical equipment is estimated to be two-thirds of the contract cost.
- The existing system is currently functioning, but was targeted for replacement three years ago in the facility's condition assessment.

In response to Commissioner Gregoire's question about re-bidding the project since only one supplier provided quotes to contractors, Mr. Graves reported that it would be desirable to install a new system before the 2014 warm weather. Mr. Chou stated that having received higher-than-expected bids may not be sufficient cause to re-bid the project. In response to Commissioner Bowman, Craig Watson, General Counsel, commented that there is no reason the Commission is prevented from rejecting all of the bids on the project. Commissioner Creighton noted that re-bidding might also have the effect of resulting in an even higher project cost.

Without objection, final action on agenda item 6e was tabled for further consideration at a subsequent Commission meeting.

7. STAFF BRIEFINGS

7a. Capital Improvement Projects for the Second Quarter, 2013.

Presentation document(s) provided by Ralph Graves, Managing Director, Capital Development:

- Commission agenda [memorandum](#) dated August 30, 2013.
- Presentation slides, subsequently revised to include a corrected slide 8.
- Second Quarter 2013 Capital Improvement Projects [Report](#).

Presenter(s): Mr. Graves.

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

- There were 109 total projects as of June 30, 2013.
- A graphic showing the status of all projects was presented. There was improvement in the second quarter for projects being on schedule and within budget. This was credited to strong design efforts.

- The exit lane breach control project was delayed in phase 1, which has subsequently delayed phase 2. It is expected that the TSA will be able to stop staffing the subject exits at the end of September.
- Renovation of baggage claim areas formerly occupied by rental car companies was delayed slightly. The bid for the project was awarded in August and completion is expected in February 2014.
- Common Use Systems Emulation is under budget by about \$1.5 million.
- Given the roughly ten-year duration of the Baggage Optimization Project, it may be decided to hire a project manager directly, although the option to contract these services is still possible.
- Seaport and Real Estate Divisions have no projects with new variances to budget or schedule.
- The project to replace steam heat at Pier 66 is considered urgent due to interruption in steam service as a result of replacement of the Elliott Bay Seawall.
- A correction was noted regarding information on slide 8 of the presentation. The cited 29.1 percent performance for small business contracting applies to 2013, not 2011.
- Goods and services and service agreements account for 66 percent of procurements, which influences performance on small business goals. Eventually service agreements will be reported separately from goods and services. Targets are currently being considered for the 2014 budget.
- Major construction for purposes of small business targets is limited to qualified construction because some construction projects do not lend themselves to small business participation.

Commissioner Bowman requested additional information about where the Port advertises for small business contracts.

7b. Declaration of Emergency – Terminal 117.

Presentation document(s) provided by Ralph Graves, Managing Director, Capital Development:

- [Declaration of emergency](#) dated August 27, 2013.

Presenter(s): Mr. Graves.

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

- During environmental remediation efforts at Terminal 117, previously unidentified material was discovered.
- Work was suspended to review approximately 40 barrels of potentially toxic material that had to be examined and relocated. To perform this work, a declaration of emergency was issued that exempted the Port from competitive procurement rules.
- Despite drilling of about 200 test holes on the site, this contamination was not discovered previously because it was beneath the riprap layer at the edge of the Duwamish River.

Agenda item 7c having been disposed of previously, the Commission advanced to consideration of–

8. NEW BUSINESS

ANNOUNCEMENT

Commissioner Gregoire announced the acquisition by the Seattle Maritime Academy of the Environmental Protection Agency's Ocean Survey Vessel *Bold*, a decommissioned Naval vessel acquired for \$5,000. It will be used to train merchant mariners.

ANNOUNCEMENT

Commissioner Albro announced the upcoming retirement of Commission Services Director Mary Gin Kennedy and acknowledged Ms. Kennedy's service to the Port Commission.

9. POLICY ROUNDTABLE

None.

10. ADJOURNMENT

There being no further business, the regular meeting was adjourned at 3:48 p.m.

Tom Albro
President
Minutes approved: October 8, 2013.