



Commissioners

Tom Albro
Stephanie Bowman
Bill Bryant
John Creighton
Courtney Gregoire

Tay Yoshitani
Chief Executive Officer

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**APPROVED MINUTES
COMMISSION REGULAR MEETING JANUARY 7, 2014**

The Port of Seattle Commission met in a regular meeting Tuesday, January 7, 2014, 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 1:05 p.m. by Commissioner Tom Albro.

2. EXECUTIVE SESSION pursuant to RCW 42.30.110

None.

3. MINUTES

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

PLEDGE OF ALLEGIANCE

Without objection, the Commission advanced to consideration of –

8. NEW BUSINESS

- 8a. First and Second Reading and Final Passage of Resolution No. 3689: A Resolution of the Port Commission of the Port of Seattle amending Resolution No. 3611, as amended by Resolution Nos. 3672 and 3673, the Seattle Port Commission Bylaws, regarding duties and titles of Commission officers and updating references to the Director of Commission Services.**

Resolution No. 3689 was provided at the meeting. A copy of the resolution is, by reference, made a part of these minutes, is marked [Exhibit A](#), and is available for inspection in Port offices.

Motion to suspend Commission bylaws in order to take final action on Resolution No. 3689 on the same day it is introduced – Bryant

Second – Creighton

Motion carried by the following required unanimous vote of all Port Commissioners:

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

Motion for first and second readings and final passage of Resolution No. [3689](#) – Bryant

Second – Creighton

Motion carried by the following vote:

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

4. SPECIAL ORDERS OF BUSINESS

4a. Election of Officers.

Commissioner Bryant moved the following slate of officers for 2014:

- Co-President – Stephanie Bowman
- Co-President – Courtney Gregoire
- Vice President – Bill Bryant
- Secretary – Tom Albro
- Assistant Secretary – John Creighton

Second – Creighton

Motion carried by the following vote:

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

TRANSPARENCY CODE OF CONDUCT

All Port Commissioners signed an annual transparency code of conduct for 2014, a copy of which is, by reference, made a part of these minutes, is marked [Exhibit B](#), and is available for inspection in Port offices.

RECESSED AND RECONVENED

The regular meeting was recessed at 1:10 p.m. and reconvened at 1:15 p.m., chaired by Commission Co-President Courtney Gregoire.

Commissioner Gregoire commented on Commissioner Albro's service as Commission President in 2013, a year that included appointment of two new Port Commissioners and continuing advocacy for the strategic goals outlined in the Century Agenda. Commissioner Albro made brief remarks about the Port Commission's activity in 2013 and thanked staff for their collaborative efforts in their continuing pursuit of the Century Agenda.

The Port Commission provided a presentation on the following issues and priorities for the Port Commission in 2014 arising out of the Commission's retreat of December 17-18, 2013. Presentation slides were provided at the meeting. A copy of the slides is, by reference, made a part of these minutes, is marked [Exhibit C](#), and is available for inspection in Port offices.

Port Competitiveness

- Competitive pressures in the shipping industry are exerting pressure on West Coast ports that the Canadian government is adapting to more effectively than its competitors in the United States. Billions of dollars have been spent to ensure a transportation system in Canada that can efficiently move cargo from Canada's Pacific ports to

consumers in the American Midwest. No corresponding investment has been executed in the United States or the State of Washington.

- Ships moving cargo around the world are growing larger. The cargo capacity of typical container ships has grown since 2008 from 6,000-7,000 containers to 12,000-16,000 containers. Carriers are likely to progressively consolidate their ports of call around a base from which they can quickly and efficiently distribute their goods, rather than continuing to call at multiple West Coast ports.
- Of about 12-20 major shipping lines in existence, there is a trend toward consolidation of business decisions through continued organization into corporate alliances. Alliance shipping lines will continue to do business in ports where they can move goods quickly and efficiently. The impact of attracting and keeping alliance business will have a significant impact because all the shipping lines in the alliance will act in concert. Integration of transportation systems with freight needs and infrastructure investment are more critical than ever in competing in the global marketplace.

Manufacturing and Industrial Sector Health

- The health of the manufacturing and industrial job base in Washington is a priority for the Port Commission in 2014. The living wage and middle class jobs that depend on the manufacturing and maritime industrial sectors and their related services need to be fostered and protected by preserving industrial land use and working collaboratively with state and municipal agencies.
- Half of the U.S. fishing catch comes from vessels moored in Seattle. The age of the fishing fleet presents an opportunity for large-scale vessel repair and rebuilding in Seattle shipyards.

Tourism Promotion

- The Port serves the interests of state and regional tourism through the movement of 33 million passengers annually through Seattle-Tacoma International Airport and the infusion of \$400 million annually into the local economy resulting from cruise activity.
- Washington is the only state in the Union with no state budget for tourism promotion. Montana's tourism promotion budget is approximately \$16 million; Idaho's tourism promotion budget is about \$7 million. The tourism sector in Washington represents a \$17 billion economy that requires marketing investment. It is hoped the State Legislature will help the privately driven efforts of the tourism industry to establish a sustainable funding mechanism to promote tourism in Washington.

Maritime Sector Health

- Fishermen's Terminal celebrates its centennial in 2014. Revesseling the North Pacific fishing fleet in Seattle may be a \$30 million to \$40 million opportunity. Fishing is an important part of doubling the value of the maritime sector over the next 25 years.

Century Agenda Progress

- The Commission plans to check in periodically throughout 2014 on progress toward achieving the Century Agenda goals adopted December 4, 2012. There are currently approximately 200,000 jobs dependent on the work of the Port of Seattle, and the Century Agenda calls for an increase of another 100,000.

- Major areas of focus to increase jobs are increasing movement of cargo for trade and people for tourism, cruise, and industry.
- Environmental stewardship is expected to go hand-in-hand with increased jobs and trade-related activities. Port environmental impacts are expected to be reduced from current levels, despite increased cargo volumes and activity.
- Workforce development and creating opportunities for small business to thrive and grow are priorities of the Century Agenda.

Port Operations

- Operational issues facing the Port include selection of a new Chief Executive Officer in 2014. CEO Tay Yoshitani formally announced his plans to retire at the end of his contract in June 2014. The Commission will conduct a national search to identify capable leadership to help set a course for the next 25 years of Port Century Agenda leadership.
- The authority of Washington public ports is vested entirely with their elected commissioners. The Master Delegation of Authority documents the Commission's delegation of various aspects of day-to-day operations in the Port to the Chief Executive Officer. This authority may then be further delegated by the CEO through the chain of Port executive leadership.
- The current resolution defining the Master Delegation of Authority is Resolution No. 3628, which revised and incorporated its predecessor, Resolution No. 3605, and superseded several preceding iterations. Over the years, different Delegations of Authority have provided varying levels of direct Commission oversight into day-to-day Port operations.
- Periodic review of the Master Delegation of Authority is a conscious effort incorporated into the delegation itself. Such review is planned in 2014.
- The challenge in establishing the Master Delegation of Authority is in striking a balance between over-constraining and under-constraining staff. The former risks making it difficult for the Port to address challenges and respond to opportunities. The latter risks abdication of the Commission's public purpose.
- Review of contracting policies at the Port of Seattle is planned in 2014. It is a priority to provide opportunity for all businesses in the community to bid for and win contracts to work with the Port. Capital investment over the next five years at the Airport alone is expected to amount to roughly \$1 billion.
- The Port's budget materials consistently win awards for their transparency, clarity, and strategic content. It is a priority in 2014 to schedule the budgeting process in such a way that there is ample opportunity for public participation.

Without objection, the Commission advanced to consideration of –

PUBLIC TESTIMONY

Public comment was received from the following individual(s):

- Mohammed Kadhim, employed by Airserve, a contracted provider of aircraft support services at the Airport and a resident of SeaTac. Mr. Kadhim commented on wages and lack of benefits at the Airport and urged the Commission not to block implementation of

SeaTac Proposition One. He noted Commission's recent salary increase in 2013 and the CEO's additional income as a board member for Expeditors International and asked that Proposition One be implemented at the Airport to increase minimum wage to \$15/hour.

- Julia Nottingham, a server at Anthony's Homeport affiliated with Unite Here Local 8. Ms. Nottingham urged a Commission decision on worker retention at the Airport before June 2014.
- Weston Robinson, employed by Menzies Aviation, a contract provider of passenger, ramp, and cargo handling services at the Airport. Mr. Robinson commented on the need for a \$15/hour minimum wage as provided for in SeaTac Proposition One.
- Mia Gregerson, State Representative, 33rd Legislative District, and City of SeaTac Councilmember. Representative Gregerson commented on quality jobs and a \$15/hour minimum wage. She asked that the Port recognize SeaTac Proposition One and implement it.
- Dave Freiboth, Executive Secretary – Treasurer, Martin Luther King County Labor Council. Mr. Freiboth commented on SeaTac Proposition One regarding a \$15/hour minimum wage and the need to provide jobs that pay well enough to keep workers from requiring public assistance to get by. He asked the Port to enter into an interlocal agreement to implement Proposition One.
- Michael Wolfe, 4820 45th Avenue South, City, Washington, Chair of the 37th District Democrats. Mr. Wolfe commented in support of Proposition One and urged the Port to find a way to provide a living wage for Airport workers.

RECESSED AND RECONVENED

The regular meeting was recessed at 2:05 p.m. and reconvened at 2:20 p.m., chaired by Commissioner Gregoire.

The Commission returned to consideration of –

4. SPECIAL ORDERS OF BUSINESS

The Commission advanced to consideration of –

4b. Selection of Commission Chief of Staff.

Request document(s):

- [Draft motion.](#)

Commissioner Albro read the motion for the record as follows:

The Port of Seattle Commission, in accordance with the 2013 Salary and Benefits Resolution, hereby authorizes an employment agreement with Larry Ehl to serve as the Port of Seattle Commission Chief of Staff commencing January 9, 2014.

A copy of the final motion is, by reference, made a part of these minutes, is marked [Exhibit D](#), and is available for inspection in Port offices.

Motion for approval of agenda item 4b – Bowman

Second – Albro

Motion carried by the following vote:

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

4c. Port of Seattle Awards Received in 2013.

Presentation document(s) provided by Patricia Akiyama, Director, Public Affairs:

- Commission agenda [memorandum](#) dated December 31, 2013.
- Presentation [slides](#).

Chief of Staff Yoshitani reported on several awards and recognitions received by the Port of Seattle in 2013, including the following:

- Named “Port of the Year” by German *Koehler’s Cruising Guide*.
- “Best Arrivals Experience” award for Seattle-Tacoma International Airport at the Future Travel Experience Awards ceremony.
- Government Finance Officers Association Distinguished Budget Presentation Award for 2013; Certificate of Achievement for Excellence in Financial Reporting and Award of Financial Reporting Achievement for the 2012 Comprehensive Annual Financial Report.
- APEX Award for Publication Excellence in the category of Green Annual Report – 2013 for the Port of Seattle 2011-2012 Environmental Report.
- Best Workplace for Waste Prevention and Recycling Award from King County’s Solid Waste Division.
- American Lung Association “Breathe Easy Award.”
- Skytrax Award for Best Airport Staff, acknowledged by Congressman Adam Smith.
- Salmon-Safe Award for the Port’s Marine Maintenance Division.
- Northwest Minority Supplier Development Council Champion 2013 Award issued to Tina Boyd, small business analyst in the office of Social Responsibility.

Awards presented by the Port of Seattle for 2013 included the following:

- Port of Seattle 2012 Firefighter of the Year and 2013 Charles Blood Champion of Diversity Dale Hornung.
- Port of Seattle 2013 Police Officer of the Year Trevor Freutel.
- Port of Seattle Office of Social Responsibility Small Business Champion Award given to the Marine Maintenance Purchasing team.

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. Approval of the minutes of the regular meeting of October 22, 2013.**
- 5b. Authorization for the Chief Executive Officer to advertise for construction bids, execute construction contract, and fund the construction phase to complete: (1) the Fishermen's Terminal Net Shed #9 Roof Overlay in an amount not to exceed \$171,400 of a total estimated project cost of \$301,400; and (2) the Fishermen's Terminal C-2 Nordby HVAC and Roof Replacement Project in an amount not to exceed \$2,140,600 for a total estimated project cost of \$2,438,000. The total amount requested for both projects is \$2,312,000 and the total cost of both projects is \$2,740,000. (CIPs #C800527 and #C800344)**

Request document(s) provided by Rod Jackson, Capital Project Manager; Kenneth R. Lyles, Senior Manager, Fishing and Commercial Vessels, Real Estate; Rebecca Schwan, Real Estate Manager, Portfolio & Asset Management:

- Commission agenda [memorandum](#) dated December 20, 2013.

- 5c. Authorization for the Chief Executive Officer to increase the project authorization of the North Satellite Refurbish Baggage System Project in the amount of \$6,253,000 for higher estimated project costs in addition to the previously authorized \$15,747,000 for a total project authorization of \$22,000,000. (CIP #C800555)**

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 December 20, 2013.
- Baggage system [diagram](#).

- 5d. Authorization for the Chief Executive Officer to authorize (1) purchase of necessary materials and supplies, and (2) utilization of Port crews to install a storm water pipe in the former Town and Country site south of the Seattle-Tacoma International Airport in an amount not to exceed \$350,000. (CIP #C800651)**

Request document(s) provided by David Soike, Director, Aviation Facilities and Capital Programs, and Robert York, Senior Engineer, Aviation Facilities and Infrastructure:

- Commission agenda [memorandum](#) dated December 12, 2013.

- 5e. Commission renewal for 2014, by motion, of authorization for the Chief Executive Officer to sell and convey Port District personal property of \$18,000 or less in value in accordance with RCW 53.08.090(2) and Section 18 of Resolution No. 3605, as amended by Resolution No. 3628.**

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

- Commission agenda [memorandum](#) dated December 16, 2013.

**Motion for approval of consent items 5a, 5b, 5c, 5d, and 5e – Bryant
Second – Creighton**

Motion carried by the following vote:

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

6. DIVISION, CORPORATE, AND COMMISSION ACTION ITEMS

6a. First Reading and Public Hearing of Resolution No. 3688: A Resolution of the Port Commission of the Port of Seattle declaring certain real property located in Snohomish County (portions of the Woodinville Subdivision) and any improvements located thereon, including the Snohomish River Bridge, surplus and no longer needed for Port purposes, authorizing its transfer to Snohomish County and authorizing the Chief Executive Officer to execute all documents related to such transfer.

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

- Commission agenda [memorandum](#) dated December 16, 2013.
- Resolution No. [3688](#).
- Purchase and sale [agreement](#).

Presenter(s): Mr. McWilliams.

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

- The portion of the rail corridor to be declared surplus includes a 12-mile section with a purchase price of \$5 million.
- The sale is expected to close in the spring of 2014.
- Snohomish County will acquire this portion of the corridor.

Motion for first reading of Resolution No. 3688 – Albro

Second – Bowman

PUBLIC HEARING on Resolution No. 3688

Commissioner Gregoire declared the public hearing for Resolution No. 3688 open.

Public comment was received from the following individual(s):

- Peter Camp, Executive Director, Snohomish County Executive's Office. Mr. Camp commented on the importance of the Snohomish County portion of the rail corridor as a valuable public resource. He referred to the corridor as a continuation of the Centennial Trail and noted freight-dependent industrial uses for the trail that would be supported by Snohomish County. Mr. Camp also commented on the prospect for passenger rail on the Centennial Trail.

Following conclusion of public comment, the public hearing on Resolution No. 3688 was closed.

The question recurred on the motion by Commissioner Albro, seconded by Commissioner Bowman, for first reading of Resolution No. 3688.

Motion carried by the following vote:

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

7. STAFF BRIEFINGS

7a. 2014 Local, State, and Federal Legislative Briefing.

Presentation document(s) provided by Patricia Akiyama, Director, Public Affairs; Beth Osborne, Federal Government Relations Manager; Clare Gallagher, State Government Relations Manager; and Mike Merritt, Manager, Government Relations-Puget Sound/Washington:

- Commission agenda [memorandum](#) dated December 31, 2013.

Presenter(s): Ms. Akiyama, Ms. Osborne, Ms. Gallagher, and Mr. Merritt.

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

- The Port's Public Affairs team supports the work of the Port and its Commission by participating in influencing policy making at federal, state, and local levels.

Federal Government Relations

- Port priorities advanced in 2013 included presence in the President's proposed 2014 budget with funding for a harbor deepening study, introduction of comprehensive Harbor Maintenance Tax reform legislation, and achievement of guarantees in December that the Transportation Security Administration will continue to staff airport exit lanes.
- Averting budget sequestration benefits aviation by avoiding the need for the Federal Aviation Administration (FAA) to use moneys in the user-funded Airport Improvement Program (AIP) to continue FAA tower operations. AIP funds of about \$250 million will likely not be replenished. The transfer represented a one-time compromise between airports and the FAA.
- It is hoped that a regular appropriations program, as opposed to a continuing resolution, will open the way for review of channel depths in Seattle in preparation for bigger ships. The Army Corps of Engineers cannot fund such a study under a continuing resolution.
- FAA re-authorization is planned in 2015. The Port's federal advocacy will include increasing awareness of the FAA's role in supporting critical local airport infrastructure.
- MAP-21 (Moving Ahead for Progress in the 21st century) transportation authorization expires in 2014.
- Potential federal funding opportunities to pursue in 2014 include a TIGER grant (Transportation Investment Generating Economic Recovery) and grant funding that might be applicable to development of the Northeast Redevelopment Area (NERA) in Burien.
- Although the support of the Army Corps of Engineers for a Port of Seattle deepening study is critical, it is possible the Port might fund the study on its own.

- It is unclear whether there will be hearings in 2014 on the Maritime Goods Movement Act, due to changes in Senate committee leadership and limitations in House committee schedules.

State Government Relations

- The Washington legislative session is 60 days in 2014, which is an election year for state offices. It is considered a difficult time to advance significant policy legislation.
- Governor Inslee has appointed former Port Managing Director Steve Sewell to the position of Maritime Sector Lead.
- Various factors have mitigated against passage of a state transportation infrastructure package, and the likelihood of passing such legislation in 2014 will depend on motivation to bridge political disagreements.
- A potential decision to build the Boeing 777X aircraft in Washington will place pressure on the state's transportation network, increasing the urgency for a state transportation package.
- Tolling of Interstate 90 is a subject of study in 2014.
- State interest in water quality issues affecting the Port will likely focus on issues of business climate in Washington.
- Tourism legislation outlining a stronger role for the state is an area of focus for government relations staff.
- Derelict vessel legislation remains a focus in 2014.
- Minimum wage standards are expected to be an area of focus for the Legislature in 2014.

Local Governmental Affairs

- The Port appears to be developing a strong collaborative relationship with the City of Seattle Mayor's office at the start of 2014.
- Focuses for governmental relations staff in 2014 include regional movement of freight and people; environmental programs, particularly clean air and water quality programs; and economic development and workforce strategies in support of strengthening the Middle Class. The mayor has proposed a Wage Commission that is quite large and diverse, with representation by labor, community advocates, and business. The Commission is expected to conduct its work during the first quarter of 2014 and recommend action to the City on a proposal for increasing the minimum wage in Seattle.
- New Seattle mayor Ed Murray has pledged to convene a maritime industrial freight summit to address key issues facing the industry. The Port will play a role in planning the event. Andrea Riniker, named one of Mayor Murray's two deputy mayors on a temporary basis, has expressed interest in issues affecting the maritime industrial sector.
- Land use and development in the Duwamish Manufacturing and Industrial Center, particularly the SoDo neighborhood, will continue to be a focus for Port staff. Advocacy for stronger protections for industrial lands is anticipated. Recent developments on efforts to zone for marijuana growing operations is an issue being tracked for impacts to industrial lands.
- The Port and City are engaged in freight planning that includes conducting a freight access project focused on north and south industrial areas. There is potential for the

City to embrace the idea of a heavy-haul corridor on which trucks heavier than current city limits would be allowed to haul freight regularly for short distances.

- Recommendations for tolling of SR-99 are expected in 2014. The Port's interests in this case focus on concerns over traffic diversion in the vicinity of Port operations. Tolling of Interstate 90 and concepts for regional tolling by the Puget Sound Regional Council (PSRC) are also topics of discussion in 2014. A priority for Port staff regarding tolling is that there be a clear correlation between tolls and transportation improvements.
- Port staff is active in pursuit of regional transportation grants related to stormwater management and workforce development efforts.

Commissioner Gregoire proposed pursuing the possibility of a state tax incentive policy to encourage re-vesseling of the North Pacific fishing fleet in Washington. Commissioner Albro asked that staff work with new Commission Chief of Staff Larry Ehl to organize and leverage time between Commissioners and other elected officials proactively in the pursuit of the Port's policy objectives.

8. NEW BUSINESS

Agenda item 8a having been disposed of previously, no further new business was considered.

9. POLICY ROUNDTABLE

None.

RECESSED AND RECONVENED

The regular meeting was recessed at 3:30 p.m. to an executive session estimated to last 60 minutes to discuss matters relating to legal risk and collective bargaining negotiations.

At 4:30 p.m., the Commission Clerk announced on behalf of the Commission Co-President that the executive session would be extended until 5:00 p.m. to finish consideration of the matters previously announced.

Following the executive session, which lasted approximately 75 minutes, the regular meeting reconvened in open public session at 4:42 p.m.

10. ADJOURNMENT

There being no further business, the regular meeting was adjourned at 4:42 p.m.

Tom Albro
Secretary

Minutes approved: June 3, 2014.