



P.O. Box 1209  
Seattle, Washington 98111  
[www.portseattle.org](http://www.portseattle.org)  
206.787.3000

**APPROVED MINUTES  
COMMISSION SPECIAL MEETING MARCH 10, 2015**

The Port of Seattle Commission met in a special meeting Tuesday, March 10, 2015, in the International Auditorium at Seattle-Tacoma International Airport, Seattle, Washington. Commissioners Albro, Bowman, Bryant, and Creighton were present. Commissioner Gregoire was absent.

**1. CALL TO ORDER**

The meeting was called to order at 12:07 p.m. by Commission Co-President Stephanie Bowman.

**2. EXECUTIVE SESSION pursuant to RCW 42.30.110**

The public meeting was immediately recessed to an executive session estimated to last 60 minutes to discuss matters relating to potential litigation, legal risk, performance on a publicly bid contract, and performance of a public employee. Following the executive session, which lasted approximately 35 minutes, the public meeting reconvened at 1:04 p.m.

**PLEDGE OF ALLEGIANCE**

*A recording of this part of the meeting has been made available online.*

**3. SPECIAL ORDERS OF BUSINESS – None.**

*Without objection, the Commission advanced to consideration of –*

**5. PUBLIC TESTIMONY**

Public comment related to matters other than Terminal 5, the Port's lease with Foss Maritime, or Shell Oil Company was received from the following individual(s):

- Cherie Kidd, City of Port Angeles City Councilmember, who commented in support of agenda item 6c, revising the Port's incentive program for commercial air service to unserved communities in Washington, Oregon, and Idaho.
- Colleen McAleer, Port Commissioner, Port of Port Angeles, who commented in support of agenda item 6c, revising the Port's incentive program for commercial air service to unserved communities in Washington, Oregon, and Idaho.
- Dan Gase, City of Port Angeles City Councilmember, who commented in support of agenda item 6c, revising the Port's incentive program for commercial air service to unserved communities in Washington, Oregon, and Idaho.

- Michael Yost, Director, Corporate Real Estate, United Airlines, who commented on the importance of equitable financing for the Airport's proposed new International Arrivals Facility and concerns by United over diversion of passenger facility charges.

Commissioner Bryant made remarks clarifying circumstances surrounding the Port's lease with Foss Maritime for interim use of Terminal 5.

Further public comment was received regarding the Port's lease with Foss Maritime for interim use of Terminal 5. The following individuals spoke in opposition to the lease for a variety of reasons, including global climate change, opposition to Arctic oil drilling, lack of transparency, and Shell Oil Company's environmental record:

- Zarna Joshi, Seattle
- Barb Drake, Seattle
- Robert Siadak, Seattle
- Mark Powell, Puget Sound Program Director, Washington Environmental Council
- Renny Reep, Seattle Raging Grannies
- Sue Kay, Seattle Raging Grannies
- Elizabeth Dequine, Seattle Raging Grannies
- Cynthia Linet, Seattle Raging Grannies
- Laurie Rostholder, Seattle Raging Grannies  
The Raging Grannies also submitted the lyrics to their protest song, which are attached as minutes [Exhibit A](#) and are available for public review
- Dr. Susan Lubetkin, Seattle
- Alison Fujino, Alaskan Wilderness League
- Pastor Marilyn Cornwell, Seattle
- Annette Klapstein, Seattle, who also submitted written materials attached as minutes [Exhibit B](#) that are available for public review
- David Perk, Seattle
- Michael Foster, Plant for the Planet, who also submitted written materials attached as minutes [Exhibit C](#) that are available for public review
- Sandy Cioffi, Seattle
- Mohawk Kuzma, Seattle
- Glen Hiemstra, Seattle
- Alex Brott, Organizer, Fuse Washington
- Imogene Williams, Puget Sound Advocates for Retirement Action, SAFE, Seattle Solidarity, and 43rd Legislative District Democrats
- James Little, Seattle
- Robert Stagman, Mercer Island
- Richard Voget, Seattle
- Brian Reindel, Seattle
- Carlo Voli, 350 Seattle and Rising Tide Seattle
- Kurtis Dengler, Coalition for Port Accountability, who also submitted written materials attached as minutes [Exhibit D](#) that are available for public review
- John L. Flynn, Sierra Club

- Beth Doglio, Climate Solutions
- Wendy Jones, Climate Action Bainbridge
- Jack Smith, Seattle
- Sarra Tekola, Seattle
- Mary Lou Dickerson, former Washington State Representative, District 36
- Emily Johnston, 350 Seattle
- Davis Oldham, Seattle
- Kevin Fenwick, Field Manager, Environment Washington
- Andrew Kidde, Seattle
- Peggy Willis, Seattle
- Aaron Silverberg, 350.org
- Robby Stern, Puget Sound Advocates for Retirement Action
- Aji Piper, Plant for the Planet
- Forrest Baum, Seattle
- Selden Prentice, 350 Seattle
- Mike Dash, Seattle
- Langdon Marsh, Seattle, who also submitted written materials attached as minutes [Exhibit E](#) that are available for public review
- Erin Cook, Kirkland
- Derek Cook, Kirkland
- Nicholas Curtwright, Seattle
- Lisa Dekker, 350.org and Sierra Club
- Joelle Robinson, Seattle
- Karen Powers, Seattle
- Basilia Brownell, Seattle
- Mark Hennon, Seattle
- Michael Almoslino, Earth Citizen Center
- Darby Bundy, Seattle
- David Lopez, Seattle
- John Loranger, Seattle 350
- Brian Gunn, Auburn
- Sam Bliss, bicycle rider
- Don Bennett, Evergreen Democratic Club
- Charles Conatzer, Seattle
- Frank Backus, Seattle
- James Parker, Kshama Sawant Re-Election Campaign
- Peter Goldman, Seattle
- Kailyn Nicholson, Socialist Alternative
- Laurie Almoslino, Earth Citizen Center
- Lee Colleton, Socialist Alternative
- Doug Guillot, Seattle
- Ahmed Gaya, Seattle

The following individuals spoke in favor of the lease for a variety of reasons, including job creation, strength of Seattle's maritime sector, and Foss Maritime's environmental and safety record:

- Eric Schinfeld, Washington Council on International Trade
- Rear Admiral John Lockwood, U.S. Coast Guard, retired, and Senior Advisor to Vigor Industrial, who also submitted written materials attached as minutes [Exhibit F](#) that are available for public review
- Ted Musselman, Washington Operations Manager, Jones Stevedoring Company
- Kerry Walsh, Project Manager, Global Diving and Salvage Inc.
- Ralph Braseth, Seattle resident
- Peter Philips, Pacific Maritime Magazine
- Mike Murray, Master Mates and Pilots
- Jimmy Haun, Political Director, Northwest Carpenters
- Aaron Harrington, General Manager, Global Diving
- Charles Costanzo, Vice President, American Waterways Operators
- Jordan Royer, Pacific Merchant Shipping Association

### **RECESSED AND RECONVENED**

The meeting was recessed at 3:00 p.m. and reconvened at 3:08 p.m., chaired by Commissioner Bowman. Public testimony was received before and after the recess.

The following individuals submitted written materials in lieu of verbal testimony:

- Susan Mark, minutes [Exhibit G](#) available for public review
- Lisa Marcus, Seattle resident, minutes [Exhibit H](#) available for public review
- Ahmadiyya Muslim Community, minutes [Exhibit I](#) available for public review

*A recording of this part of the meeting has been made available online.*

*Following completion of public testimony, without objection, the Commission advanced to consideration of –*

### **8. ADDITIONAL NEW BUSINESS**

#### **8a. Commission Discussion Regarding Foss Maritime Lease at Terminal 5.**

Commissioners commented on the situation surrounding the Port's lease with Foss Maritime at Terminal 5. Commissioner Albro proposed the following motion, which was not included on the special meeting agenda and was not eligible for final action at the March 10 special meeting.

#### **Statement in Support of the Motion**

The Port of Seattle Commission is ultimately responsible for all Port of Seattle actions. It is rightfully held accountable by the public as the elected executive governing body of the Port.

The Port of Seattle's marine terminals, and in particular the Terminal 5 container facility, are vitally important to Washington's trade-driven economy. Terminal 5 is recognized as one of the most competitively positioned container facilities in the Pacific Northwest and is therefore a critical

element of the Port's efforts to handle larger container vessels and grow the Puget Sound Gateway. The Port of Seattle is upgrading Terminal 5 to attract a terminal operator and grow container volumes.

The terms of the Foss Maritime Company's interim use of Terminal 5 are specifically structured to accommodate the Port of Seattle's planned improvements and reletting of the facility for container operations.

The Foss Maritime Company use supports the pursuit of Arctic oil exploratory drilling by Royal Dutch Shell. Arctic drilling is a matter of public importance and subject to widely varying views.

In keeping with the Commission's responsibility to support Washington state's economy, manage the Port's assets in a sustainable manner, and hold itself accountable to the public, the Port of Seattle Commission is asserting its control over critical elements of the Terminal 5 interim use under the Foss Maritime Company lease.

### **Motion**

Unless otherwise decided by a vote of the Port of Seattle Commission, pursuant to due process and compliance with Washington state's Open Public Meetings Act, [*Clerk's Note: Chapter 42.30 RCW*] the Port of Seattle Term Lease Agreement No. 002652 with Foss Maritime Company dated February 9, 2015, shall not be amended in any way, and further:

1. The Commission hereby reserves to itself all decisions pertaining to the following elements of the lease: any tenant request for expansion (Section 1.2); mutual options to extend (Section 2.4); any approval for tenant-requested changes of use (Section 5.1); any authorization of tenant assignment and/or sublease (Section 13.1); election of remedies in the case of tenant default (Section 14.2); and consent for holding over (Section 18.3).
2. Consistent with paragraph 1 above, the CEO is hereby directed to administer said lease to ensure tenant vacates the premises at the end of the initial term of two years unless instructed otherwise by future public action of the Commission.
3. As part of the development of Policy Directives as called for under the new General Delegation (Resolution No. 3704, currently under consideration), the Commission will establish new requirements for leases of significant public interest including, at a minimum, a 30-day public comment period and the completion of all relevant environmental reviews in advance of Commission consideration.

Commissioner Albro recalled his and Commissioner Gregoire's opposition to the lease with Foss Maritime and described the motion as an expression of the Commission's responsibility to the public to govern the Port of Seattle and intervene in standard procedures when matters of significant public interest are involved. The detrimental ramifications of rescission of the Foss lease, the validity of the proposition that jobs and environmental sustainability need not be in conflict, the need for robust public participation going forward, competing community priorities, the widespread inter-dependence of Seattle's economy with the Alaska energy economy, and the proposal to consider the motion for 30 days prior to taking final action were discussed.

*A recording of this part of the meeting has been made available online.*

*The Commission returned to consideration of –*

**4. 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.]*

- 4a. Authorization for the Chief Executive Officer to advertise for construction bids, execute a construction contract, and fund the implementation phase of the Terminal 91 Substation Upgrade Project for an estimated cost of \$1,571,000, bringing the total authorized amount to \$1,995,000.**

Request document(s) included a Commission agenda [memorandum](#) and presentation [slides](#).

**The motion for approval of consent item 4a carried by the following vote:**

**In Favor: Albro, Bowman, Bryant, Creighton (4)**

**Absent for the vote: Gregoire**

*A recording of this part of the meeting has been made available online.*

**ANNOUNCEMENT**

In response to an audience inquiry, CEO Fick clarified that the lease with Foss Maritime was executed on February 9, 2015, and funds collected already from the lease are contributing to preparation of Terminal 5 to accommodate larger ships and grow container volumes. He explained that the lease cannot be voided or rescinded without incurring millions of dollars for breach of contract with Foss Maritime. He stated that the Port would not put public funds or the ability of the Port to continue to do business in the public interest in jeopardy by breaching the lease. Consideration of options to extend the lease after two years would be triggered by a request from Foss and there is no opportunity for the Port to act positively or negatively on those options at this time.

*A recording of this part of the meeting has been made available online.*

*Public testimony was considered previously, and the Commission advanced to the order of –*

**6. DIVISION, CORPORATE, AND COMMISSION ACTION ITEMS**

- 6a. Second Reading and Final Passage of Resolution No. 3703: A Resolution of the Port Commission of the Port of Seattle, authorizing the sale and issuance of limited tax general obligation and refunding bonds of the Port in the aggregate principal amount of not to exceed \$200,000,000 for eligible Port purposes, including payment of all or a portion of the Port's contribution for the Alaskan Way Viaduct Replacement Program, and refunding of certain outstanding obligations of the Port; and authorizing a Designated Port Representative to approve certain matters relating to the bonds including date or dates of the sale of the bonds, approval of the bid offering, acceptance of bids for the bonds, 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; and providing for continuing disclosure.

Request document(s) included a Commission agenda [memorandum](#), [draft resolution](#), and [funding agreement](#).

Presenter(s): Elizabeth Morrison, Director, Corporate Finance.

The motion for Second Reading and Final Passage of [Resolution No. 3703](#) carried by the following vote:

**In Favor: Albro, Bowman, Bryant, Creighton (4)**

**Absent for the vote: Gregoire**

*A recording of this part of the meeting has been made available online.*

*Without objection, the following agenda item –*

**6b. First Reading of Resolution No. 3704: A Resolution of the Port of Seattle Commission repealing portions of Resolution No. 3628 and adopting the General Delegation of Authority from the Port Commission to the Chief Executive Officer (“General Delegation”). [laid on the table]**

*– was laid on the table and Resolution No. 3704 did not obtain First Reading.*

**6c. Authorization for the Chief Executive Officer to implement a revised incentive program for new commercial air service for Seattle-Tacoma International Airport to enhance its Category E – Small Community Air Service for unserved destinations in Washington, Oregon, and Idaho through fee waivers and the inclusion of promotional funding consistent with Categories A-D of the Airport’s overall air service incentive program.**

Request document(s) included a Commission agenda [memorandum](#) and [draft incentive program](#).

Presenter(s): Michael Ehl, Director, Aviation Operations, and Kazue Ishiwata, Senior Manager, Air Service Development.

The motion for approval of item 6c carried by the following vote:

**In Favor: Albro, Bowman, Bryant, Creighton (4)**

**Absent for the vote: Gregoire**

*A recording of this part of the meeting has been made available online.*

## **7. STAFF BRIEFINGS**

*Without objection, the following agenda item –*

**7a. 2014 Fourth Quarter Capital Improvement Projects Report. [laid on the table]**

*– was laid on the table.*

*Without objection, the following agenda item –*

**7b. 2014 Financial Performance Briefing. [laid on the table]**

*– was laid on the table.*

**8. ADDITIONAL NEW BUSINESS**

*There was no further additional new business.*

**9. ADJOURNMENT**

There was no further business, and the meeting adjourned at 4:52 p.m.

Tom Albro  
Secretary

Minutes approved: October 13, 2015.