



Commissioners

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John Creighton
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Lloyd Hara
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An audio of the meeting proceedings and meeting materials are available on the Port of Seattle web site -

<http://www.portseattle.org/about/organization/commission/commission.shtml>

(The approximate point in the audio recording for the specific item is identified by minutes and seconds; example: 01:30.)

**APPROVED MINUTES
COMMISSION REGULAR MEETING JUNE 2, 2009**

The Port of Seattle Commission met in a special meeting at 12:00 p.m., Tuesday, June 2, 2009 in the Commission Chambers at Pier 69, 2711 Alaskan Way, Seattle, WA. Commissioners Bryant, Creighton, Davis, Hara and Tarleton were present.

1. CALL TO ORDER

The special meeting was called to order at 12:05 p.m. by Bill Bryant, Chair and President.

2. EXECUTIVE SESSION pursuant to RCW 42.30.110

The regular meeting was immediately recessed for an executive session to discuss legal risk and public contract matters for approximately one hour and reconvened to open public session.

PLEDGE OF ALLEGIANCE

3. APPROVAL OF MINUTES

(00:01:01) Motion for approval of the April 28, 2009 regular meeting minutes – Hara

Second: Tarleton

Motion carried by the following vote:

In Favor: Bryant, Creighton, Davis, Hara, Tarleton (5)

4. SPECIAL ORDER OF BUSINESS

None.

5. (00:01:55) UNANIMOUS CONSENT CALENDAR

- a. Request for Port Commission determination that competitive solicitation is not appropriate or cost-effective for procuring conflict resolution services (including arbitrators, mediators, third-party arbitrators, dispute resolution board members and hearing officers) and exempting such contracts from the requirements of Chapter 53.19 RCW.**

Request document: Commission agenda [memorandum](#) dated May 14, 2009 from Ralph Graves, Managing Director, Capital Development and Nora Huey, Director, Central Procurement Office

- b. Request for authorization for the Chief Executive Officer to advertise for construction bids for the sixth site of the Trash Handling and Recycling System project at Seattle-Tacoma International Airport for an additional amount of \$136,000 for a total project cost of \$1,612,000.**

Request document: Commission agenda [memorandum](#) dated May 7, 2009 from Michael Ehl, Director, Airport Operations; Robert F. Riley, Director, Aviation Capital Improvement Program; and Richard Ottele, General Manager, Aviation Facilities and Infrastructure

- c. Request for Commission ratification of the appointment of two new external members of the Port's Art Oversight Committee, Cheryl do Remedios as "visual art curator: and Genevieve Tremblay as "representative of the regional visual arts community," in accordance with the Port's Art Program Policy and Guidelines.**

Request document: Commission agenda [memorandum](#) dated May 27, 2009 from Colleen McPoland, Aviation Art Program Manager and Keith Gillin, Manager, Architecture and Standards

Motion for approval of Unanimous Consent Calendar Items 5a – 5c – Tarleton

Second – Creighton

Motion carried by the following vote:

In Favor: Bryant, Creighton, Davis, Hara, Tarleton (5)

6. DIVISION, CORPORATE, AND COMMISSION ACTION ITEMS

Commissioner Bryant suggested that, since the first three action items on the agenda were inter-related, staff provide brief background on the items all at one time, and following discussion of the items, votes would be taken.

Presenters for Items 6a, 6b, and 6c: Elizabeth Morrison, Senior Manager, Corporate Finance and Dick King, Barclays Capital.

- a. (00:04:25) Resolution No. [3619](#), First Reading. Authorizing the issuance and sale of Revenue Bonds, Series 2009A in the aggregate principal amount of not to exceed \$425,000.**

Request document: Commission agenda [memorandum](#) dated May 15, 2009 from Elizabeth Morrison, Senior Manager, Corporate Finance

- b. Resolution No. [3620](#), First Reading. Authorizing the issuance and sale of Subordinate Lien Revenue Bond Anticipation Note, 2009 in the principal amount of not to exceed \$100,000,000.**

Request document: Commission agenda [memorandum](#) dated May 15, 2009 from Elizabeth Morrison, Senior Manager, Corporate Finance

- c. Resolution No. 3621, First Reading. Authorizing the issuance and sale of CFC Revenue Bond Anticipation Note, 2009 in the principal amount of not to exceed \$100,000,000.**

Request document: Commission agenda memorandum dated May 15, 2009 from Elizabeth Morrison, Senior Manager, Corporate Finance

Ms. Morrison commented that as part of the financing plan for the Rental Car Facility, two principles that have remained constant are (1) to maintain the Port's solid financial position, and (2) the plan must provide enough flexibility and redundancy so the Port can respond appropriately to changing market conditions.

She noted that staff had been in meetings with rating agencies the prior week, and that ratings were expected to be received during the following week.

Ms. Morrison stated that final credit approval from U.S. Ban had not yet been received and that the process was taking longer than anticipated. Therefore, she recommended delaying the First Reading of Resolution 3621, Item 6c, until credit approval is confirmed.

Mr. King provided a brief update on the current capital markets, including the treasure market, the bonds market, and the credit markets.

Commission discussion followed noting the importance of the RCF project going forward, but also noting their hesitance to move forward to restarting the project without certainty of the financing. Commissioner Bryant stated specifically that he would prefer to not move forward with the project until \$295 million in bonds were sold.

Regarding Resolution No. 3619, Ms. Morrison explained that it would include funding of certain qualified costs associated with roadway improvements related to the Rental Car Facility.

Regarding Resolution No. 3620, Ms. Morrison explained that it would be structured as a line of credit with the Bank of America.

Motion for First Reading of Resolution No. 3619 – Davis

Second – Creighton

Motion carried by the following vote:

In Favor: Bryant, Creighton, Davis, Hara, Tarleton (5)

Motion for First Reading of Resolution No. 3620 – Tarleton

Second – Hara

Motion carried by the following vote:

In Favor: Bryant, Creighton, Davis, Hara, Tarleton (5)

Resolution No. 3621, Item 6c – *Item delayed to a future meeting*

- d. (00:48:56) Authorization for the Chief Executive Officer to complete 100% design, plans and specifications; amend, execute and award outside professional services agreements; and perform contract administration and execution for the Bus Maintenance Facility as part of the Rental Car Facility Design (CIP #C102617 project at the Airport for an additional \$607,000, which brings the total authorization to \$6,018,330 and the total Rental Car Program authorization to \$329,953,676.**

Request document: Commission agenda [memorandum](#) dated May 17, 2009 from Michael Ehl, Director, Airport Operations and George England, Program Leader, Aviation Capital Improvement Program

Presenters: Mr. England and Paul Grace, Senior Manager, Airport Operations, Landside

Mr. Grace stated that the bulk of the funds being requested were be to complete design funds to 100% for the Compressed Natural Gas fueling facility to be built as part of the overall Rental Car Facility and that part of the funds were related to the future site of the Bus Maintenance Facility. Staff noted that this project is now the critical path item for the entire Rental Car program.

Mr. England clarified an error in the financial section of the memo (p.4), noting that the budget change amount for the Consolidated Rental Car Facility should read \$51,300 rather than \$6,300.

Following discussion on whether or not there should be a \$60,000 cap on spending prior June 23, the following motion was made:

Motion for approval of Item 6d – Davis

Second – Tarleton

Commissioner Davis then withdrew her motion, as it was not clear to all whether or not the motion included the caveat to include a \$60,000 spending cap.

Motion for approval of Item 6d, as written – Davis

Second - Creighton

Motion for approval of Item 6d – Davis

Second – Creighton

Motion carried by the following vote:

In Favor: Creighton, Davis, Hara, Tarleton (4)

Opposed: Bryant (1)

Commissioner Bryant opposed proceeding with the project design prior to the Commission deciding whether or not to restart the project and prior to the rating of the bonds that would finance the project's resumption.

- e. (01:06:35) Authorization for the Chief Executive Officer to advertise for construction bids, award the contract, and construct the 4th floor walkway within the terminal parking garage to provide access to the Sound Transit Airport Station, as part of the Fourth Floor Improvements Project for an additional \$2,014,000 bringing the total project authorization to \$8,991,000.**

Request document: Commission agenda [memorandum](#) dated May 14, 2009 from Michael Ehl, Director, Airport Operations and George England, Program Leader, Aviation Project Management

Presenters: Mr. England and Paul Grace, Senior Manager, Airport Operations, Landside

Staff provided background of the walkway project, noting that it was part of an obligation with Sound Transit to enable link light rail to begin by the end of 2009.

Responding to Commissioner Tarleton's question about the final 4th Floor Improvements Project cost, which would include both the pedestrian bridge and the pedestrian walkway connection, Mr. England stated the final cost was anticipated to be up to \$8,991,000.

Motion for approval of Item 6e – Tarleton

Second – Davis

Motion carried by the following vote:

In Favor: Bryant, Creighton, Davis, Hara, Tarleton

- f. (01:17:33) Resolution No. 3617, First Reading, and Public Hearing. (1) Declaring surplus nine parcels of Port-owned Property needed by Washington State Department of Transportation (WSDOT) for future SR-509 expansion to I-5 and authorizing transfer of said parcels to WSDOT in exchange for WSDOT Properties and certain airspace leases needed for current and future Aviation projects, and (2) Authorizing the Chief Executive Officer to enter into a long-term ground lease for a total of 6.16 acres in the vicinity of Tyee Valley Golf Course.**

Request document: Commission agenda [memorandum](#) dated May 15, 2009 and computer slide [presentation](#) from James R. Schone, Director, Aviation Business Development and W. Allan Royal, Manager, Port Real Estate Development. Also provided was a copy of the [exchange agreement](#).

Presenter: Mr. Royal

Mr. Royal noted that the Commission had been briefed on the details of the land exchange at the May 12 Commission meeting, and reiterated that it had been a lengthy very complicated process. He stated that at a high level, it involved trading properties at the south end of the Airport with WSDOT for properties predominantly near the north end of the Airport for various projects.

Pursuant to Notice of Public Hearing published on May 19, 2009 in the Daily Journal of Commerce, Commissioner Bryant declared the meeting a public hearing. There were no comments from the public and the public hearing was closed.

Motion for First Reading of Resolution No. 3617 – Hara

Second – Davis

Motion carried by the following vote:

In Favor: Bryant, Creighton, Davis, Hara, Tarleton (5)

Following a brief discussion, it was decided that the second part of the request – authorizing the Chief Executive Officer to enter into a long-term ground lease for a total of 6.16 acres in the vicinity of Tyee Valley Golf Course – would be voted on at Second Reading and Final Passage of the Resolution.

- g. (01:29:28) Resolution No. [3622](#), First Reading. Authorizing the acquisition by purchase and/or condemnation of certain real property located at 14635 Des Moines Memorial Drive South (King County Tax ID Number 202304-9091), commonly known as Steven Desimone property, in Burien.**

Request document: Commission agenda [memorandum](#) dated March 30, 2009 from James R. Schone, Director, Aviation Business Development and Jude P. Barrett, Manager, Acquisitions and Relocation

Presenter: Mr. Barrett

Mr. Barrett provided background information of the possible condemnation of the Desimone property, noting that the property is located in the Airport's North Approach Transition Zone (ATZ), and is noise-impacted by aircraft operations.

It was clarified that Second Reading and Final Passage of this Resolution may not be necessary, as a First Reading may provide impetus for the property owner to settle with the Port prior to a condemnation action. If a Second Reading and Final Passage does become necessary, staff would intend to have that item placed on the June 23 agenda.

Motion for First Reading of Resolution No. 3622 – Tarleton

Second – Creighton

Motion carried by the following vote:

In Favor: Bryant, Creighton, Davis, Hara, Tarleton (5)

- h. (01:35:50) Authorization to increase the authorized budget for T-115 Berth 1 improvements by \$6,431,410 to pre-purchase material, and to advertise, award and construct improvements for a total new authorization of \$35,219,410.**

Request document: Commission agenda [memorandum](#) dated May 11, 2009 from Scott Pattison, Manager, Industrial Properties and Business Development and Mike Kuhlmann, Capital Project Manager

Presenters: Mr. Pattison and Mr. Kuhlmann

Staff presented background [information](#) on Terminal 115, stating that the issue at hand stems back to 2003, when Northland Terminal Services, Inc. entered into a term lease at the terminal. Details of the planned improvements project were reviewed.

Commissioner Tarleton stressed the need for ongoing inspection of the Port's piers for preventive maintenance, not only when there is a crisis needing attention.

Motion for approval of Item 6h – Davis

Second – Creighton

Motion carried by the following vote:

In Favor: Bryant, Creighton, Davis, Hara, Tarleton (5)

- i. (01:51:29) Authorization to (1) Increase the authorized budget for T-91 by \$165,000 for a new total authorization of \$1,026,000 to cover additional project cost, and (2) Expand the existing project scope to include a new forklift ramp at the south east portion of the W-40.**

Request document: Commission agenda [memorandum](#) dated April 30, 2009 from Rod Jackson, Capital Project Manager

Presenters: Mr. Jackson and Dakota Chamberlain, Director, Seaport Project Management

Mr. Chamberlain noted that due to unforeseen building conditions and operational concerns, project costs have exceeded the previous authorization, resulting in this request for additional funding for the project. He also reviewed lesson learned, and spoke of a new budget report which was developed, which will alert project managers when there is less than 20% of a project budget remaining.

Motion for approval of Item 6i – Tarleton

Second – Davis

Motion carried by the following vote:

In Favor: Bryant, Creighton, Davis, Hara, Tarleton (5)

- j. (01:59:15) Authorization for the Chief Executive Officer to conduct Category III procurement processes for IDIG (Indefinite Delivery, Indefinite Quantity) contract, and execute all contracts, service directives and amendments for graphic design services to maintain the Port's graphic identity, support brand standards and messages, and support customer marketing and communications strategies, internal communications and signage needs for a period of up to three years, for an approximate value of \$366,000 per year, for a total estimated procurement amount of up to \$1,200,000.**

Request document: Commission agenda [memorandum](#) dated May 18, 2009 from Jane Kilburn, Director, Public Affairs and Nancy Blanton, Manager, Corporate Communications

Presenter: Ms. Blanton

Ms. Blanton commented on the importance of maintaining a graphic identity, which is a type of 'branding,' and is very important in maintaining effective and consistent communications.

Motion for approval of Item 6j – Davis

Second – Hara

Motion carried by the following vote:

In Favor: Bryant, Creighton, Davis, Hara, Tarleton (5)

7. STAFF BRIEFINGS

None.

8. NEW BUSINESS

Public comment was received from the following individual:

- Robert Scheuerman. Mr. Scheuerman stated that he hoped the Port would soon find an opportunity to issue bonds for the purchase of the Eastside Lake Washington Rail Line.

9. POLICY ROUNDTABLE

None.

10. ADJOURNMENT

There being no further business, the meeting was adjourned at 3:10 p.m.

(A digital recording of the meeting is available on the Port's website.)

Lloyd Hara
Secretary