

Commissioners

Bill Bryant
Chair and President
John Creighton
Patricia Davis
Lloyd Hara
Gael Tarleton



Tay Yoshitani
Chief Executive Officer

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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 AUGUST 4, 2009**

The Port of Seattle Commission met in a regular meeting at 1:00 p.m., Tuesday, August 4, 2009 in the Commission Chambers at Pier 69, 2711 Alaskan Way, Seattle, WA. Commissioners Bryant, Davis, Hara and Tarleton were present. Commissioner Creighton was absent.

1. CALL TO ORDER

The regular meeting was called to order at 1:12 p.m. by Bill Bryant, Chair and President.

2. EXECUTIVE SESSION pursuant to RCW 42.30.110

None.

PLEDGE OF ALLEGIANCE

3. APPROVAL OF MINUTES

(00:01:05) Motion for approval of the minutes of the July 7 regular meeting and the special meeting for Century Agenda on December 9, 2008 – Tarleton

Second – Davis

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

Commissioner Creighton was absent from the meeting.

4. SPECIAL ORDER OF BUSINESS

Commissioner Hara commented on his recent attendance at Fleet Week, a part of the Seattle Seafair festivities, and his acceptance, on behalf of the Port, of a gift given by the Navy.

5. UNANIMOUS CONSENT CALENDAR

None.

6. DIVISION, CORPORATE AND COMMISSION ACTION ITEMS

a. (00:05:03) Adoption of the Century Agenda Guiding Principles Developed by the Four Expert Panels and Illustrative Discussion of Their Application

Presentation Documents: Commission agenda [memorandum](#) dated July 17, 2009 from Burr Steward, Strategic Planning Manager; computed slide [presentation](#); and [document](#) titled, "Century Agenda: Expert Panels' Recommended Principles."

Presenter: Mr. Stewart

Prior to the presentation, Commissioner Bryant explained that the adoption of the Guiding Principles is a culmination of many months of work by four expert panels made up of community members, and would be the first step in the Port's effort to develop a new strategic plan going into the first 20-25 years of the Port's next century.

Mr. Stewart noted that the Century Agenda is scheduled to be completed in 2011, the year of the Port's centennial. He stated that the Century Agenda focuses on sustainability in the four areas of economy; equity; environment; and employees.

It was noted that four issues were initially addressed by the four expert panels during 2008, and that other emerging issues would be looked at as the process moves forward. The four panels created to address the initial issues of importance were Green Port Strategy, Social Responsibility, Real Estate and Land Use, and Funding Policy and Strategy. Mr. Stewart mentioned that in addition to volunteer members of the community participating on the panels, at least one Port Commissioner and one senior Port executive was a member of each panel.

Mr. Stewart commented that 22 recommended guiding principles were drafted as a result of the panel meetings. He also noted that there had been some overlap in what the panels felt were important to hold as principles, resulting in five shared principles, which were listed at the beginning of the Guiding Principles document.

Mr. Stewart stated that the adopted Guiding Principles would be used in making decisions for the 2010 budget as well as for the next step in strategic planning, which will be to create a new look at the Port's mission, vision and values.

CEO Yoshitani then expressed his appreciation to the panel members who had been engaged in the whole process of creating the proposed Guiding Principles. He also thanked the Commissioners for their participation.

Mr. Yoshitani stated that he believes the Guiding Principles summarize a set of expectations that stakeholders have regarding what the Port should accomplish over the long term. He mentioned two areas in which the Principles would help provide guidance – the Port's capital plan and the use of the tax levy. He also commented that stakeholders also have an expectation for the Port to do a better job of demonstrating the management of financial resources.

Mr. Yoshitani commented on what he believed to be another equally important use of the Guiding Principles, that being the providing of a big picture framework with which to make short-term decisions.

Public comment regarding Item 6a was received from the following individuals:

- Fred Felleman, Friends of the Earth. Mr. Felleman stated that he had participated on the public funding aspect of the process. He commented on the importance of the Port moving forward with a clear focus, stated his appreciation that the Port's goals remain contemporary to the needs of the Port.
- Dave Freiboth, King County Labor Council. Mr. Freiboth provided positive comments on the report provided regarding the goals of the Port, noting that the report signals a good move in the right direction and spoke in favor of the labor community's participation in the process.

Following public comment, Commission discussion followed regarding the proposed Guiding Principles.

Commissioner Davis expressed concern that within the shared principles it is not clearly stated that the Port does not have a good mission statement, and suggested that as a result of the work done by the panels, it should not be difficult to come up with one.

Commissioner Tarleton stated that she also sees a need for a statement of the Port's mission in order to derive the core principles from which strategies would be derived. She referenced a memo from Peter Phillips to the Commission regarding the shared principles. She noted that the memo triggered information regarding the mission, which exists in the recently revised Commission Bylaws. The language from Article I, Preamble of the Bylaws is as follows: "Commissioners shall safeguard the Port of Seattle as a public agency whose primary mission shall be to invest public resources to advance trade and commerce, promote industrial growth, stimulate economic development and create jobs. This mission depends upon the transportation of people and goods by air,

water and land and ensures economic vitality and a sustainable quality of life for the people of King County.” Commissioner Tarleton stated that this language would embrace all of the elements contained within the shared principles. She suggested that the shared principles be amended to begin with the language from the Bylaws in lieu of the 5 bullets currently listed under the first shared principle. She further clarified that the language from the Bylaws would be inserted into the introductory paragraph of the current Guiding Principles document and that the first bullet would be deleted, leaving 4 bullet points rather than the 5 currently listed.

Further public comment regarding Item 6a was received from the following individual:

- Peter Philips, President, Philips Publishing Group. Mr. Philips, a contributing member of one of the expert panels, suggested that the language proposed by Commissioner Tarleton be used in the introductory paragraph and that the 5 bullet points listed remain, since they would clarify that introductory paragraph.

Commissioners agreed with the suggestion made by Mr. Philips and the decision was clarified for the record by Commissioner Bryant.

Prior to further discussion, it was noted that within the Shared Principles, there were both numbers and bullets being discussed which included bullets under numbered items.

Discussion then followed regarding the possibility of adding language regarding real estate to the second bullet under the first shared principle. It was decided to add language which resulted in the bullet reading, “The health of its commercial maritime, commercial fishing, cruise business, aviation enterprises, and Port-related real estate holdings.”

Commissioner Hara raised the idea of adding a separate bullet regarding tourism, but after discussion, it was decided that tourism was already embraced in the bullet addressing the generation of economic and employment opportunities and that it did not need to be called out separately.

Regarding the second shared principle, in order to provide additional clarity, the decision was made to add language at the end of the principle regarding the ‘triple bottom line.’ As a result, the principle would read, “The Port will measure its success against economic, social and environmental indicators, referred to as the “triple bottom line.”

No suggestions for changes to the third shared principle were made, and discussion moved to the fourth and fifth proposed shared principles. It was proposed by Commissioner Bryant that edits be made to the two principles to incorporate language suggested by Mr. Peter Philips. Additionally, Commissioner Hara suggested adding language regarding the people of King County to the fifth principle. Both proposals were agreed upon, resulting in the fourth and fifth principles being stated as follows:

4. The Port should provide innovative leadership by adopting best practices and partnering with others who are committed to responsible stewardship of our

economy, environment and community, where those partnerships serve to further the interests of the Port's core business.

5. The Port is obligated to sustain the public trust through an ongoing commitment to transparency, accountability and equity and effective communication of its core activities to industry, the regulatory and environmental community and the people of King County.

Discussion then moved forward regarding the principles proposed by the four individual expert panels as follows:

(01:16:41) Green Port Principles

Commissioner Bryant suggested adding information to the 4th principle stressing the fact that environmental policies and programs are integral to assessing the Port's economic competitiveness. Specific language was not suggested and there were no changes made.

Discussion regarding the 3rd paragraph of the 1st principle, which stated that the Port would be 'required' to exceed compliance standards and metrics to be used.

Commissioner Tarleton suggested revising the statement to read 'may at times allow' rather than 'may at times require'. The suggested language was accepted and the revised paragraph is below with new language in bold:

"Implementing new technologies and best management practices may, at times, **allow** the Port to exceed compliance standards. In such cases, metrics, objectives and returns should be clearly understood by all parties and stakeholders. When it would be useful for tenants to exceed standards, the Port should provide incentives or facilitation programs. (See decision-making schematic)

Regarding the 3rd principle, additional language was discussed and suggested. The revisions are noted below in bold:

On broad environmental issues, the Port should partner with tenants, regulatory authorities, local jurisdictions, other ports and non-governmental organizations **to leverage its financial and professional resources** on issues such as cleaning up Puget Sound or reducing greenhouse gas emissions in King County.

Regarding the 5th Green Port Principle, Commissioner Hara suggested there be more clarity as to what was meant by suggesting periodic assessment of the Port's environmental initiatives. Commission Tarleton suggested changing that language to reflect that such assessments would be done at Commission direction. The principle with revised language in bold is as follows:

Public communications about the Port's environmental programs and their funding sources need to be a high priority. This information will help taxpayers better understand the Port's efforts to be a model for sustainable growth. It may well encourage public

input in environmental priority and program decision-making. The Port's environmental initiatives should be assessed **per Commission direction** to compare accomplishments with goals and benchmarks.

(01:29:23) Social Responsibility Principles

No changes to the proposed principles were suggested.

(01:29:57) Real Estate and Land Use Principles

Commissioner Davis commented that one of the concerns of the members of the panel which focused on land use was that the Port has drifted away from some of its core principles. She stated that the tiered land use system they suggest would help address that issue, and that the top tier, known as 'direct uses' would focus on the core principles and would be the first priority.

Commissioner Hara stated his concern about maintaining a revenue stream going forward into the future.

Commissioner Tarleton noted the importance of taking care of current lease-paying tenants. She also voiced concern that comments in the 3rd principle regarding investing in the viaduct and I-5 capacity improvements imply a lack of support for the core mission as those two projects have a distinct impact on the Port's ability to accomplish its core mission. She wanted it to be clear that the only reason the Port would support those type of projects would actually be to support the core mission.

Commissioner Hara also commented on the importance of mainline rail being included as a part of this discussion. Mr. Stewart noted that rail is actually a regional transportation issue and was not a part of the scope of the panel discussions.

(01:43:16) Funding Policy and Strategy

Commissioner Hara suggested adding language in the 1st principle regarding goals being associated with social responsibility in terms of adequate funding, specifically regarding the tax levy. Commissioner Tarleton noted that she believed that would be better suited as a policy discussion

Following discussion, it was decided that the principle would remain as proposed.

Regarding the 2nd principle, Commissioner Davis suggested adding 'strategic plan' to the principle in order to clarify that core mission and strategic plan are not the same thing. The principle with the added language in bold is as follows:

The Port should demonstrate to the public that it has managed its financial resources as a disciplined steward of the public interest, guided by priorities set forth in its core mission statement **and strategic plan.**

Regarding the 3rd principle, a suggested change was made by Commissioner Davis to add language about the Port's core mission. This change was accepted and the principle with the added language in bold follows:

The Port should foster a culture of partnership and collaboration in pursuing public and private funding partnerships for investments that **apply to the Port's core mission**, that reap shared benefits to all its partners, and that no single entity can achieve independently.

Prior to the motion to adopt the Guiding Principles, Commissioner Bryant reviewed the proposed amendments.

Public comment was received from the following:

- Fred Felleman, Friends of the Earth. Mr. Felleman voiced his concern that there had been no mention made of the importance of the state's northern border as related to Port competitiveness.

Motion for approval of the Century Agenda Guiding Principles, as amended – Tarleton

Second - Davis

Motion carried by the following vote:

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

Commissioner Creighton was absent for the vote.

a-1 (02:00:18) Seattle-Tacoma International Airport's Five-Year Environmental Strategy Plan As It Relates to the Century Agenda.

Presentation documents: Commission agenda [memorandum](#) dated July 29, 2009 from Elizabeth Leavitt, Director, Aviation Planning and Environmental Programs; and Michael Lufkin, Senior Environmental Strategy Manager, Aviation Environmental Programs; computer slide [presentation](#); and [report](#) titled "Seattle-Tacoma International Airport; A Vision for 2014 and Beyond; Environmental Strategy Plan 2009.

Presenters: Ms. Leavitt and Mr. Lufkin

Ms. Leavitt provided [background](#) on how and why this plan was developed, noting that it was developed to assist staff in addressing environmental goals and would also provide to the public a clear understanding of what is trying to be accomplished environmentally at the Airport. She commented that clear metrics would be provided as an evaluation tool.

Mr. Lufkin provided an overview of how the plan is organized, noting that the plan is organized around three themes, those being (1) Moving people and goods efficiently, (2) Managing natural resources wisely, and (3) Promoting sustainable communities.

It was noted that the plan embraces both quantitative as well as directional goals and that each goal is accompanied by objectives and metrics.

Goals, objective and metrics were briefly reviewed for the following areas:

- Energy Use and Conservation
- Air Quality and Climate Change
- Building and Infrastructure
- Materials Use and Recycling
- Water Resources and Wildlife
- Noise
- Education and Integration

Staff commented on the importance of further communicating the vision and goal of the plan as a part of ‘next steps.’ It was also noted that there would be annual reporting provided regarding progress made.

Public comment regarding Item 6-a1 was received from the following individual:

- Roger McCracken, Masterpark. Mr. McCracken thanked the Commission and staff for creating a framework in which environmental efficiency can be improved at the Airport. A copy of Mr. McCracken’s comments was provided, is by reference, made a part of these minutes, is marked Exhibit ‘[A](#),’ and is on file in Port offices.

a-2 (02:43:22) A Look Back at the Central Waterfront Development Project As It Relates to the Century Agenda

Presentation documents: Commission agenda [memorandum](#) dated July 29, 2009 from Melinda Miller, Director, Portfolio Management and Real Estate Division and computer slide [presentation](#).

Presenter: Ms. Miller

Ms. Miller provided a historical background of the Central Waterfront Development Plan, and commented on all of the major development that has happened throughout Elliot Bay related to the Port’s core businesses.

As project background, Ms Miller noted that property acquisitions began in the late 1980’s and that planning began in 1990. Other significant dates of the project included:

- Development of the World Trade Center (WTC) and Garage

- 1995 Pierside opening
- 1997 addition of the WTC-North garage
- Completion of the hotel in 2001

Ms. Miller noted that the Central Waterfront Project succeeded in revitalizing and bringing needed development to the waterfront, and commented that the Seattle waterfront would have a far different appearance had the project not been done.

Ms. Miller commented on lessons learned as a result of the Project, which included:

- Knowing that objectives can shift over time, especially with long term projects
- Project can change scope considerably over time
- Projects need careful and continually updated financial analyses

b. (03:10:25) Chief Executive Officer Goals and Objectives

Presentation document: Commission agenda [memorandum](#) dated July 30, 2009 from Mary Gin Kennedy, Director, Commission Services and [document](#) titled, “Chief Executive Officer’s 2009 Goals and Objectives.”

Prior to discussion, Commissioner Bryant noted that this is a process done in the spring and hopes in the future to have this done in a December or January time frame.

Commissioner Bryant noted that this year, specific policy goals were identified for the CEO which relate to the overall direction of the Port, and specific objectives were also identified to be incorporated into the division workplans. Also, specific tasks were identified that the Commission would like to see accomplished before the end of the year.

Mr. Yoshitani commented on the item of producing a robust new website for the Port, noting that due to budget constraints, he had some difficulty with this item and might like to have it removed. Commissioner Bryant agreed that there may be some areas that could not be fully addressed due to budget issues, but stated that he would like to keep this item in the goals and objectives in order to emphasize its importance as a need for sometime in the future.

Regarding the issue of presenting the Commission with options for reducing the Seaport’s reliance on the tax levy beyond 2013, Commissioner Davis voiced her concern that this would result in a need to then cut environmental projects, as most of the Seaport’s projects have an environmental component to them. She also stated her feelings that the issue should be discussed further in public.

Commissioner Bryant clarified that the item is only for the CEO to come up with options on reducing reliance on the tax levy, not providing direction to actually reduce the tax levy.

Mr. Yoshitani reiterated the need to continue investing in the maritime industry in order to remain competitive.

Motion for approval of item 6b – Hara

Second – Tarleton

Motion carried by the following vote:

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

Commissioner Creighton was absent for the vote.

7. STAFF BRIEFINGS

None.

8. NEW BUSINESS

None.

9. POLICY ROUNDTABLE

None.

10. ADJOURNMENT

There being no further business, the meeting was adjourned at 4:40 p.m.

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

Lloyd Hara
Secretary