

Commissioners

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



Tay Yoshitani
Chief Executive Officer

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<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 25, 2009**

The Port of Seattle Commission met in a special meeting at 12:00 p.m., Tuesday, August 25, 2009 in the International Conference Center, Airport Office Building, Seattle-Tacoma International Airport, Seattle, WA. Commissioners Creighton, Davis, Hara and Tarleton were present. Commissioner Bryant was absent

1. CALL TO ORDER

The special meeting was called to order at 12:10 p.m. by Gael Tarleton, Vice-Chair and Vice-President.

2. EXECUTIVE SESSION pursuant to RCW 42.30.110

The regular meeting was immediately recessed to an executive session to discuss Legal Risk issues (RCW 42.30.110 (1)(i)) for approximately one hour and reconvened to public session.

PLEDGE OF ALLEGIANCE

3. APPROVAL OF MINUTES

None.

4. SPECIAL ORDER OF BUSINESS

None.

5. UNANIMOUS CONSENT CALENDAR

None.

6. DIVISION, CORPORATE, AND COMMISSION ACTION ITEMS

Item 6i was advanced on the agenda as follows:

i. (00:01:18) Resolution No. 3627, Second Reading and Final Passage. Amending Resolution No. [3626](#), Opting out of Tax Redistribution for Local Revitalization Area

Request document: Commission agenda [memorandum](#) dated August 21, 2009 from Clare Gallagher, State Government Relations Manager and Elizabeth Morrison, Senior Manager, Corporate Finance.

Presenter: Ms. Gallagher

Mr. Yoshitani

Ms. Gallagher was available to answer any questions that might arise regarding the Resolution, which was approved by Commission for First Reading on August 24. There were no questions.

Motion for Resolution No. [3627](#), Second Reading and Final Passage – Creighton

Second - Hara

Motion carried by the following vote:

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

Commissioner Bryant was absent for the vote.

(00:03:41) Public comment was advanced on the agenda from the following individual:

- Jimmy Sherrell, President, Shuttle Express. Mr. Sherrell provided a brief background of 22 consistent years of operation by Shuttle Express. A written copy of comments by Mr. Sherrell was provided, is by reference, made a part of these minutes, is marked as Exhibit '[A](#),' and is on file in Port offices.

The agenda was returned to Division, Corporate and Commission Action Items as follows:

6. DIVISION, CORPORATE, AND COMMISSION ACTION ITEMS

- a. (00:10:59) Authorization for the Chief Executive Officer to execute a new Collective Bargaining Agreement between the Port of Seattle and International Brotherhood of Teamsters Local Union No. 763, representing Police Commanders (formerly Police Captains and Lieutenants).**

Request documents: Commission agenda [memorandum](#) dated August 12, 2009 and [agreement](#) from Gary Schmitt, Labor Relations Director.

Presenters: Mr. Schmitt and Colleen Wilson, Port Chief of Police

Commissioners acknowledged the positive changes to the Port Police Department as a result of Chief Wilson's management and commended her for her leadership.

Motion for approval of Item 6a – Hara

Second: Davis

Motion carried by the following vote:

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

Commissioner Bryant was absent for the vote

- b. (00:19:32) Authorization for the Chief Executive Officer to execute a new Collective Bargaining Agreement between the International Longshore and Warehouse Union Local 9, representing Ground Transportation Agents and Guest Service Representatives.**

Request documents: Commission agenda [memorandum](#) dated August 5, 2009 and [agreement](#) from Gary Schmitt, Labor Relations Director

Presenters: Mr. Schmitt; David Leon, Labor Relations Manager; and Paul Grace, Senior Manager, Airport Operations

Motion for approval of Item 6b – Davis

Second – Hara

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

- Tony Hutter, ILWU Local 9. Mr. Hutter thanked Port staff for their efforts in the negotiations.

Motion carried by the following vote:

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

Commissioner Bryant was absent for the vote

- c. (00:24:30) Authorization for the Chief Executive Officer to execute a new Labor Agreement between the Port of Seattle and the Seattle Building and Construction Trades Council, Maintenance Agreement Addendum.**

Request documents: Commission agenda [memorandum](#) dated July 30, 2009 and [agreement](#) addendum from Gary Schmitt, Labor Relations Director

Presenters: Mr. Schmitt and Lisa Hornfeck, Labor Relations Manager

Motion for approval of Item 6c – Davis

Second – Hara

Motion carried by the following vote:

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

Commissioner Bryant was absent for the vote

- d. (00:27:03) Authorization for the Chief Executive Officer to execute a new Labor Agreement between the Port of Seattle and the Pacific Northwest Regional Council of Carpenters of the United Brotherhood of Carpenters and Joiners of America, Local 113.**

Request document: Commission agenda [memorandum](#) dated July 31, 2009 and [agreement](#) from Gary Schmitt, Labor Relations Director

Presenters: Mr. Schmitt and Lisa Hornfeck, Labor Relations Manager

Motion for approval of Item 6d – Hara

Second: Creighton

Motion carried by the following vote:

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

Commissioner Bryant was absent for the vote

Commissioner Tarleton noted that at the next Commission meeting there would be further discussion of what Labor Day means to the Port of Seattle and the people of King County.

Mr. Yoshitani also complemented the great partnerships that exist between the Port of Seattle and organized labor.

Staff briefings were advanced on the agenda as follows:

7. STAFF BRIEFINGS

a. (00:30:19) Clean Air Update

Presentation documents: Commission agenda [memorandum](#) dated August 10, 2009; computer slide [presentation](#); and [report](#) from Wayne Grotheer, Director, Seaport Professional and Technical Services and Sarah Flagg, Seaport Air Quality Program Manager

Presenters: Mr. Grotheer and Ms. Flagg

Staff noted that this briefing to the Commission was to provide an update on the Seaport's Clean Air Program, which would focus on the truck program but would also provide an update on other aspects of the program, which include the At Berth Clean (ABC) Fuel Program for ships.

Background of where drayage trucks are used was provided, and it was noted that although these trucks are not hired by the Port of Seattle, they are an integral part of the link between the terminals and the intermodal yards and distribution centers.

The topic of particulate matter emissions from drayage trucks was reviewed as well as reasons why percentages of emissions vary from port to port, the main reason being the distance that the trucks travel from terminals to intermodal yards.

The age of drayage trucks at various ports was reviewed, and it was noted that the age of trucks is a concern, but they have gotten progressively cleaner over time due to US Environmental Protection Agency (EPA) efforts to reduce air emissions.

Commissioner Davis commented on the fact that working on air pollution also contributes toward water pollution impacts, as much of what is in the air often ends up in the water.

Ms. Flagg briefly reviewed truck performance measures for the Northwest Ports Clean Air Strategy, which include:

- All trucks must meet Federal 1994 emission standards by December 31, 2010
- 80% of trucks must meet Federal 2007 emission standards by December 31, 2015, and 100% by 2017

Ms. Flagg commented that staff will be working with Marine Terminal Operators (MTOs) in order to enforce these standards at the gates. She also stated that the program will be fee free, and noted that staff is partnering with the Puget Sound Clean Air Agency (PSCAA) on a number of related initiatives, and is working with the Port's Office of Social Responsibility (OSR) as well.

Regarding Marine Terminal Lease Amendments, Ms. Flagg noted that approval from the Federal Maritime Commission had been received to discuss the truck program implementation and stated that the final version of lease amendments have been sent to the MTOs for review, and that execution of the lease amendments was expected within two weeks.

Staff reviewed the key program elements which are being developed with PSCAA for a buy-back and scrap program for older trucks and spoke about the current schedule for the program.

Ms. Flagg discussed how the OSR has been of assistance by hosting a Trucker Resource Fair in June, 2009, which brought together insurance resources, community resources, and financial resources as well as provided a briefing on the Clean Truck Program. She commented on the success of the event and noted there were plans for a second Trucker Resource Fair in November.

Responding to a question from Commissioner Tarleton about the number of truckers who attended the resource fair and what kind of questions were asked, Ms. Flagg stated she believed there were approximately 45 truckers who attended and noted that a lot of the questions centered around the buy-back and scrap program. She also commented that there would be additional outreach between the current time and the next resource fair planned for November.

Responding to Commissioner Hara's question about the ability for truckers to obtain loans, Ms. Flagg stated that the OSR was working with a variety of financial institutions to help address that issue.

Ms. Flagg commented on the benefits as a result of the South Harbor Truck Parking Work Group and noted that as a result of recommendations by that group, a fee free interim truck parking facility was opened at Terminal 25 on July 1.

Staff provided a side-by-side comparison of key points of Air Programs of both the Port of Seattle and the San Pedro Bay Ports of Los Angeles and Long Beach.

Regarding the At-Berth Clean (ABC) Fuels Vessel Incentive Program, Ms. Flagg noted that there are currently 8 participating lines, and that the current participants represent more than 35% of all calls made in 2008. It was estimated that approximately 20 tons of sulfur oxides have been reduced as a result of this program.

Commissioner Creighton commented on the importance of addressing critical environmental issues while at the same time recognizing social justice issues.

Public comment regarding Item 7a was received from the following individuals:

- Paul Marvy, Change to Win. Mr. Marvy commented that he felt the details of the plan had not been made public initially and are still not clarified.
- Jordan Royer, Pacific Merchant Shipping Association. Mr. Royer commented in favor of the Port's work as related to the Clean Air and ABC Programs
- Dan Gatchet. Mr. Gatchet spoke in favor of the 'game plan' being developed by the Port. He also commented that he believes the Port did not address the plights of the independent owner/operators, but was not tasked to do so as the focus is currently on clean air.
- Mark Johnson, Washington Retail Association. Mr. Johnson spoke in support of the clean air program and said he was in favor of the fact that the program does not impose new fees.
- Mark Knudsen, SSA Marine. Mr. Knudsen commented in favor of the program, and noted that it is a science-based program.
- Peter Bennett, "K" Line America. Mr. Bennett also commented on the importance of no fees being imposed and said the Port needs to stay with the program.
- Heather Trim, People for Puget Sound. Ms. Trim stated that the Port has presented only a portion of the plan and that there is a lack of stakeholder input.

Following public comment, Commissioner Creighton asked whether or not the Port's agreement with Puget Sound Clean Air Agency was still being worked on. Ms. Flagg clarified that the agreement had been fully executed. Commissioner Creighton stated that because of the public importance of the issue, the documents should automatically be made available to the public and they should be put on the Port's website. He also noted that copies should probably have been available at the meeting. Staff stated that they would make that correction.

Commissioner Hara commented on the importance of having benchmarks and timelines for what will be happening with the clean air program. He also stated that he would like to have an update in approximately 30 days.

Commissioner Tarleton noted that 13 letters to the Commission had been received regarding the Port's Clean Air Strategy. Excerpts from several of the letters were read by Commissioner Tarleton. The letters were received from the following:

- Letter dated August 24, 2009 and signed by a coalition of 28 trading organizations, including Agriculture Transportation Coalition; American Apparel and Footwear Association; American Import Shippers Association; American Trucking Association; Coalition of New England Companies for Trade; Consumer Electronics Association; Fashion Accessories Shippers Association; Footwear Distributors and Retailers of America; Harbor Truckers Sustainable

- Future LA/LB; International Warehouse Logistics Association; NASSTRAC, In.; National Association of Waterfront Employers; National Home Furnishings Association; National Industrial Transportation League; National Pork Producers Council; National Retail Federation; The Health & Personal Care Logistics Conference, Inc.; The Waterfront Coalition; Pacific Coast Council of Customs Brokers & Freight Forwarders Assns Inc.; Pacific Northwest Asia Shippers Association; Retail Industry Leaders Association; Travel Goods Association; U.S. Association of Importers of Textiles and Apparel; United States Council for International Business; Washington State Potato Commission; West State Alliance; Western Home Furnishings Association; and World Shipping Council
- Letter dated August 21, 2009 from Pacific Coast Council of Customs Brokers & Freight Forwarders Assn, Inc.
 - Letter dated August 18, 2009 from Agriculture Transportation Coalition
 - Letter dated August 24, 2009 from John McLaurin, President, Pacific Merchant Shipping Association
 - Letter dated August 21, 2009 from Tracey Mullin, President/CEO, National Retail Federation
 - Letter dated August 19, 2009 from Kent Christopher, President, Intermodal Conference, Washington Trucking Associations
 - Letter dated August 20, 2009 from Robin Lanier, Executive Director, Waterfront Coalition
 - Letter dated August 25, 2009 from Mark Knudsen, VP, Business Development, SSA Marine
 - Letter dated August 22, 2009 from Peter D. Bennett, Vice President, Pacific Coast Operations, "K" Line America, Inc.
 - Letter dated August 21, 2009 from Patrick Cohn, General Manager, Pacific Terminals, Ltd.
 - Email dated August 20, 2009 in support of the Clean Air Program from Kent Christopher, President, Western Ports Transportation, Inc.
 - Letter dated August 24, 2009 from Kevin A. Coon, Safety Director, Seattle Freight Service, Inc.
 - Letter dated August 24, 2009 from John Odland, Chair, Manufacturing Industrial Council

The letters noted above are, by reference, made a part of these minutes, are collectively marked as Exhibit 'B,' and are in file in Port offices.

Commissioner Creighton commented that it might be good to invite the new head of the Puget Sound Clean Air Agency come and testify before the Commission

The agenda was returned to Division, Corporate and Commission Action Items as follows:

6. DIVISION, CORPORATE, AND COMMISSION ACTION ITEMS

e. (01:46:13) Request for:

- 1. Authorization for the Chief Executive Officer to execute a revised Customer Support Package / Port's Clean Air Program lease amendment with Total Terminals, Inc. (TTI); and**
- 2. Authorization for the Port to purchase energy efficient light fixtures and related equipment for Terminal 46 for an amount not to exceed \$680,000.**

Request documents: Commission agenda [memorandum](#) dated August 18, 2009 and draft [amendment](#) from Michael Burke, Senior Manager, Container Leasing and Operations

Presenter: Mr. Burke

Mr. Burke stated that today's request for a lease amendment would only affect TTI. He also clarified that the portion of the request for the purchase of light fixtures was to increase a previous authorization (April, 2009) from \$600,000 to \$680,000. The Port would purchase the equipment and the terminal would be responsible for installing it.

Commissioner Davis suggested modifying part two of the request to state that the April 14, 2009 authorization is being rescinded and replaced by an authorization for \$680,000.

In response to Commissioner Hara's question as to whether this project qualifies for stimulus funds, Mr. Burke stated that it would not.

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

- Janet Lewis, Union Representative, IBEW Local 46. Ms. Lewis spoke in support of the energy efficient lighting upgrade, and also noted her concern on how the project will be executed. She commented on the fact that since the terminal operator would be responsible for installing the lighting, and hoped that the labor would be subject to prevailing wage laws and public bid process.

Motion for approval of Item 6e, with part one of the request as submitted, and part 2 of the request modified to state: *Withdrawal of April 14, 2009 authorization of \$600,000 to Seattle City Light and authorizing the Port to purchase energy efficient light fixtures and related equipment for Terminal 46 for an amount not to exceed \$680,000.*

Second, as modified – Creighton

Motion carried by the following vote:

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

Commissioner Bryant was absent for the vote.

- f. (02:02:26) Authorization for the Chief Executive Officer to execute the Fourth Amendment to Lease #L000131 with CityIce Cold Storage Company allowing subleases and assignments subject to Port's prior written approval and conditions of such approval.**

Request documents: Commission agenda [memorandum](#) dated July 7, 2009 and draft lease [amendment](#) from Joan Knutson, Assistant Manager, Industrial Properties and Scott Pattison, Manager, Industrial Properties

Presenter: Ms. Knutson

Responding to Commissioner Tarleton's question of whether this lease amendment was at the request of City Ice, Ms. Knutson replied that it was the Port who raised the issue.

Motion for approval of Item 6f – Hara

Second – Davis

Motion carried by the following vote:

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

Commissioner Bryant was absent for the vote.

- g. (02:05:03) Authorization for the Chief Executive Officer to execute a design consultant contract, complete design, and purchase and install computer hardware and software for the Common Use Expansion Project at Seattle-Tacoma International Airport (Airport), for \$506,000 out of a total projected program cost of \$3,018,000.**

Request document: Commission agenda [memorandum](#) dated August 7, 2009 from Michael Ehl, Director, Airport Operations; Peter Garlock, Chief Information Officer; and Robert F. Riley, Director, Aviation Capital Improvement Program

Presenters: Nick Harrison, Senior Manager, Airport Operations; Doug Honeyman, Airport Operations Development Manager; and Janet Sheerer, Capital Project Manager

Commissioner Tarleton raised the issue of a lack of free wi-fi at the Airport. Dave Soike, Deputy Director, Aviation Division, responded that Jim Schone, Business Development Director, has been working on it.

Commissioner Davis pointed out that the amount of sales tax related to the Common Use Expansion Project would be approximately \$210,000 and also noted that in the previous authorization regarding the energy efficient lighting, the sales tax would be approximately \$60,000.

Motion for approval of Item 6g – Davis

Second – Hara

Motion carried by the following vote:

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

Commissioner Bryant was absent for the vote.

Staff briefing Item 7b was advanced on the agenda as follows:

7. STAFF BRIEFINGS

b. (02:19:25) Update on the Consolidated Rental Car Facility Program

Presentation documents: Commission agenda [memorandum](#) dated August 14, 2009; [attachment](#); and slide [presentation](#) from Michael Ehl, Director, Airport Operations; George England, Program Leader, Project Management Group and Janice Zahn, Assistant Director, Engineering Construction Services

Presenters: Mr. England and Ms. Zahn

Ms. Zahn noted that work was going well at the facility and that there are 160-180 workers on site on a daily basis. She reviewed a chart which reflected a status summary of the contract as well as information on suspension-related change orders that had been processed up to this point.

Responding to a question from Commissioner Davis regarding what costs are being driven up as a result of the change orders, Ms. Zahn stated depending on the case, it could be an increase to a cost of labor or possible extended overhead costs.

The agenda was returned to Division, Corporate and Commission Action Items as follows:

6. DIVISION, CORPORATE, AND COMMISSION ACTION ITEMS

h. (00:05:20) Authorization for the Chief Executive Officer to issue Change Order #077 for the Consolidated Rental Car Facility (CRFC) in the amount of \$400,000.

Request document: Commission agenda [memorandum](#) dated August 20, 2009 from Ralph Graves, Managing Director, Capital Development Division

Presenters: Janice Zahn, Assistant Director, Engineering Construction Services and George England, Program Leader, Project Management

Ms. Zahn provided background of the current request for approval of a change order at the CRCF, stating that it was related to unsuitable soil which was found at the site which needs to be excavated out and replaced with suitable backfill. She noted that some of the soil had debris in it or was sandy, and therefore was found to be unsuitable for use at the construction site. Ms. Zahn noted that the change order amount was within the current construction contingency budget and that no additional project funds are being requested.

Mr. England provided further update information on the CRCF project, specifically related to design progress.

Commissioner Tarleton asked about the number of change orders and what the most effective way might be of keeping track of those approved, those coming forward, and whether or not they are a part of the budget. Ms. Zahn responded that staff would work with Mary Gin Kennedy and Tom Barnard of the Commission staff in order to create a method by which the change order information could be maintained.

Motion for approval of Item 6h – Hara

Second – Creighton

Motion carried by the following vote:

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

Commissioner Bryant was absent for the vote.

8. NEW BUSINESS

Public comment regarding Nickelsville was received from the following individual:

- Amy Thompson, who thanked staff for their commitment to setting the final date as September 30 for the Nickelsville encampment to remain at their current location on Port property.

Dave Soike, Deputy Director, Aviation Division provided a verbal pre-brief of two Aviation action items which would be coming forward to the Commission for authorization in the near future. He noted that one item would be related to exhaust fans in the Central Terminal, and a request for Port Construction Services to do the necessary related work on the fans. The other would be an IDIQ contract request for hydrological and hydrolic services at the Airport, noting that is essentially a study of water as it moves through the earth, either through surface streams, ground water or piping.

9. POLICY ROUNDTABLES

None.

10. ADJOURNMENT

The regular meeting was then reconvened and immediately adjourned at 3:50 p.m.

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

Lloyd Hara
Secretary