

Commissioners

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Chair and President
John Creighton
Patricia Davis
Lloyd Hara
Gael Tarleton



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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 SPECIAL MEETING MARCH 10, 2009**

The Port of Seattle Commission met in a special meeting at 1:00 p.m., Tuesday, March 10, 2009 at the Nordic Heritage Museum, 3014 NW 67th Street, Way, Seattle, WA. Commissioners Bryant, Davis, and Hara and Tarleton were present. Commissioner Creighton was absent.

1. CALL TO ORDER

The special meeting was called to order at 1:00 p.m. by Bill Bryant, Commission President.

2. EXECUTIVE SESSION pursuant to RCW 42.30.110

None.

PLEDGE OF ALLEGIANCE

3. APPROVAL OF MINUTES

None.

4. SPECIAL ORDER OF BUSINESS

None.

5. (00:01:08) UNANIMOUS CONSENT CALENDAR

- a. Approval of payment of outstanding [Claims and Obligations](#) for the period of February 28, 2009
- b. Request for approval to issue Change Order #062 for the [Terminal 91 Cruise Ship Terminal Project](#) Contract MC-0314783

Motion for approval of Unanimous Consent Calendar – Davis

Motion carried by the following vote:

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

Commissioner Creighton was absent for the vote.

Marine Item 7a was advanced on the agenda as follows:

7. MARINE ITEMS

- a. (00:02:19) Authorization of construction and approval to advertise dock improvements and repairs needed for barge layberth locations at Terminal 25, Pier 28, and Terminal 46 for an estimated amount of \$250,000, for a total new authorization of \$300,000.

Request document: Commission agenda [memorandum](#) dated January 28, 2009 from Mike McLaughlin, Director, Cruise and Industrial Properties and Mark Longridge, Capital Project Manager

Presenters: Mr. McLaughlin and Mr. Longridge

Commissioner Davis commented that this is the sort of expenditure we need to ensure we can maintain a vital working waterfront.

Motion for approval of Item 7a – Davis

Motion carried by the following vote:

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

Commissioner Creighton was absent for the vote.

Real Estate Item 10a was advanced on the agenda as follows:

10. REAL ESTATE

- a. (00:06:24) Request for authorization for design, permitting and construction of temporary landscaping and flatwork improvements at the Shilshole Bay Marina

restaurant pad site for an amount Not To Exceed \$300,000, using existing funds from the previously approved \$80,000,000 project.

Request document: Commission agenda [memorandum](#) dated February 20, 2009 and computer slide [presentation](#) from Mark Longridge, Capital Project Manager, Capital Development Division, Melinda Miller, Director, Portfolio and Asset Management, Real Estate Division, and Darlene Robertson, Director, Harbor Services, Real Estate Division.

Presenters: Mr. Longridge and Melinda Miller, Manager, Seaport Commercial Development

Ms. Miller stated that the request included only a minor change in scope and schedule, and no change in budget.

Slides were provided showing the current condition of the site where proposed redevelopment would be done. Ms. Miller commented that they would still like to see a restaurant at the site, and estimated that it could be in three to five years at minimum.

Commissioner Hara stated his approval of the idea of having a new restaurant at the site at some point, and also commented on the need to have adequate parking available there.

Motion for approval of Item 10a – Tarleton

Motion carried by the following vote:

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

Commissioner Creighton was absent for the vote

Commissioner Bryant noted that following Policy and Staff Briefings, the meeting would be opened once again for a third Policy Roundtable to discuss issues related to the Working Waterfront, and public comment would also be taken. He commented that there would be two panels - one would be about current issues at Fishermen's Terminal and the other would be about ongoing questions regarding the Alaskan Way Viaduct replacement.

6. POLICY AND STAFF BRIEFINGS

a. (00:18:45) Working Waterfront – Real Estate and Seaport Overview

Presentation documents: Commission agenda [memorandum](#) dated February 20, 2009 and computer slide [presentation](#) from Joe McWilliams, Managing Director, Real Estate Division and Charlie Sheldon, Managing Director, Seaport Division

Presenters: Mr. McWilliams and Mr. Sheldon

Staff provided an overview of the holdings of the Port, including Cargo Terminals; Terminal 90/91; the Grain Terminal; Central Waterfront properties, which include the World Trade Center, Pier 69, Bell Harbor International Conference Center, and Bell Harbor Marina; as well as the Recreational Marinas, Maritime Industrial Center, and Fishermen's Terminal. They commented on the economic impacts of the facilities and also noted direct, indirect, and induced jobs which were mentioned in the recent Economic Impact Study of the Port.

Mr. McWilliams noted a Citizens' Advisory Group which is seeking proposed city code changes which would require a 10-15 foot setback from the water, in order to protect the environment at water's edge, which could change the viability of long-term plans for the planned restaurant discussed in the earlier presentation.

Mr. McWilliams stated that beginning this fall, the Port would be adopting a liability insurance requirement for both recreational and commercial boat owners.

Responding to Commissioner Hara's questions about the potential for future growth and land purchases, specifically for off-dock growth, Mr. McWilliams stated that the Port has been looking at three Crowley properties and they are currently looking at environmental cleanup issues. Mr. Sheldon noted that we currently have the capacity to handle a lot more containers than we are handling today.

Mr. McWilliams spoke about deferred maintenance issues needing to be addressed, including failing roofs; failing fenders/pilings/dolphins; failing piling coatings; settlement/heaving paving; and shifting foundations and building settlement.

During discussion of net lockers at Fishermen's Terminal, Acting Fire Marshal, Gary English addressed the Commission and noted that over time there has been a significant change in how the net lockers are used, commenting on resulting significant risk due the extraordinary and higher hazards at the facility. He encouraged collaborative work to mitigate problems and mentioned that the sprinkler systems at the facility were not designed to handle current usage.

Mr. English stated that he would be recommending that a notice be written to the Department of Planning and Development to look at whether or not the facility is in code violation, and commented that the Commission would need to make a decision on how to proceed further.

Mr. McWilliams commented on another issue at Fishermen's Terminal, that being fish sales and fees for the use of the West Wall for direct sales off the vessels.

POLICY ROUNDTABLE DISCUSSION FOLLOWED:

(1) (00:56:13) FISHERMEN'S TERMINAL

The Fishermen's Terminal panel members::

- Kris Mullan, Project Manager at AFCO & Sons, past FTAC (Fishermen's Terminal Advisory Committee) and FTAC Member
- David Harsilla, FTAC Chair

Mr. Mullan commented on the need for teamwork in order to come up with a solution to the problems at Fishermen's Terminal, and stated that before the Port acts, they should ask for more input from the tenants.

Mr. Harsilla commented on steady progress that has been made over the years at Fishermen's Terminal, but commented that the facility needs to be upgraded to attract more customers and create more economic development.

Mr. Mullan responded that with the design of the new docks, we are looking to the future, and commented on the availability of resources just outside of Fishermen's Terminal where anyone can bring their boat.

Mr. Mullan commented that fuel costs are a major factor in making the decision to stay in Seattle or go to Alaska and commented that rates are still attractive in Seattle, and Seattle is more of a one-stop shopping area, which could attract more vessels.

Commissioner Davis wondered if there is a tipping point where competition from Alaska could pull fishermen away from Seattle. Mr. Mullan replied that it is definitely related to dollars and cents, and that people will do what they can in order to get more business, and commented again on the affordable moorage rates at Fishermen's Terminal.

Mr. Harsilla he believes the issue of a tipping point is a relevant one and commented that competition is stiff. He noted that other ports have done a good job of meeting the needs of their fleets, but commented on the advantage of the lockers at Fishermen's Terminal. He noted that the majority of people only use their lockers for fishing gear, and that now it is common for fishermen to require more gear than in the past since they frequently work with multiple fisheries. He commented on the need to focus on the vision of how the Port wants to support fishermen.

Mr. Harsilla commented on the need for discussion about why there aren't more fish at Fishermen's Terminal with the number of vessels that are there, by this meaning a fish market. He noted that the Port policies are old and do not reflect the current needs of the fishermen.

Commissioner Davis agreed that discussion regarding fish sales at the terminal would be useful and she would be interested in how many fishermen would be interested in selling at the docks.

CEO Yoshitani commented that it might be helpful to find other Fishermen's Terminals that may have best management practices which could be used as a model for the Port of Seattle.

Commissioner Tarleton summarized points she noted during the discussion, which included a competitive advantage; we have maintained competitive cost structures; there has been a focus on safety; and that there is an eco system involved in the issues discussed.

Mr. Mullan stressed the need to look out farther than 10-20 years; more like 30-50 years.

A five minute recess was called, and the meeting was reconvened for the second Policy Roundtable.

(2) (01:52:45) ALASKAN WAY VIADUCT REPLACEMENT

The Alaskan Way Viaduct Replacement panel members:

- Warren Aakervik, President, Ballard Oil Co.
- Bob Donegan, President, Ivar's
- John Odland, Vice-president, MacMillan-Piper and Chair of MIC Executive Committee
- Bill Sharp, Vice-president for Port Operations and Fleet Security for Holland America Line
- Kim Suelzle, President, City Ice Cold Storage

Prior to moving into the panel discussion of the item, Port staff provided a briefing on current Viaduct issues, and a computer slide [presentation](#) was given.

Presenters: Mike Merritt, POS Government Relations Manager; Ron Paananen, Washington State Department of Transportation (WSDOT); and Bob Powers, Seattle Department of Transportation (SDOT).

Mr. Merritt provided a brief overview status of the current Viaduct program status.. He stated that the focus of today's presentation would be on freight connectivity and the operation of the portals, and noted that issues regarding the SR99 corridor are critical. He also commented on current state legislation regarding the Viaduct option, noting that a considerable amount of discussion was still anticipated.

Mr. Merritt commented that the Port relies on having an efficient transportation system, noting that the current choice should achieve a balance of job retention; sustainable regional economic vitality, and environmental benefits.

Items also addressed included:

- Maximizing jobs and economic benefits

- Ensuring efficient access to working waterfront
- Enhancing the waterfront environment
- Replacing capacity for long-term regional growth
- Supporting seawall improvements

Mr. Paananen recognized the importance of the questions related to portals and how they fit into the current plan for the bored-tunnel option. He provided an overview of the current plans for the bored tunnel.

Mr. Powers focused on mobility to and from State Route 99 and downtown areas, and provided a series of maps showing various access points, both northbound and southbound.

Mr. Paananen stated that working groups would be established as the design goes forward in order to address issues regarding the north portal, the south portal, and waterfront areas. Commissioner Tarleton expressed interest in hearing more about the working groups, noting that people in West Seattle and the downtown area are very focused on the south portal.

Mr. Aakervik reviewed options that had been discussed by the stakeholders group, noting that the stakeholders hadn't intended to make the bored tunnel the final option, but rather continue exploring it as one of the options. He noted his concern over the bored tunnel option, stating that he felt it would create a lot of problems for freight and for the public as a whole. He commented on the importance of keeping the commercial fishing industry and the commercial transportation industry in the city. He stated that he believes an elevated structure would still be the best option.

Mr. Donegan, spoke representing the five piers between 54 and 60. Areas of importance mentioned were the need for the Port to serve as the voice of tourism; to lobby for capacity, transport, freight, and maritime; to use expertise to serve as experts to the project team on the seawall design; to encourage the project team to do discretionary work in the off-season; to remind decision-makers of the importance of this route as a state highway; to remember growth and the importance of a solution that accommodates growth; to encourage more transit to the waterfront; and to lend credibility to the community, which is filled with misconceptions regarding the project.

Mr. Odland stressed that he felt the two major concerns are maintaining capacity and minimizing construction disruption. He stated that he is against a surface street and also an elevated structure as options, and commented that the issue of the portals is a major concern of the bored tunnel option. He said that Spokane Street and Mercer are huge issues. He commented on the importance of considering special events, tourist season, and cruise season when doing traffic analyses. He reiterated the importance of focus on East-West connectivity.

Mr. Sharp commented on the importance of focus on the cruise industry, noting that there is an opportunity for future growth and increased traffic. He noted concern about corridor portals and inefficient links to both the Airport and Pier 91, not only buses, but taxis and limousines as well. He said he believes the concerns over traffic on Mercer had been understated.

Mr. Suelzle stated that he is not wedded to any certain solution to the viaduct replacement, but that it should be dependent on good access to Pier 91, and needs to address capacity issues.

Discussion followed about the importance of considering times when events are taking place at Seattle Center, and the impacts of that additional traffic.

Commissioner Tarleton spoke of the planning assumptions and the need to have credible sources for the forming of those assumptions. There was also discussion of incorporating tourist use of the roads into the planning assumptions.

Responding to Commissioner Tarleton's question of the possibility of carrying oil by barge rather than by road, Mr. Aakervik stated that due to environmental regulations, that was not a viable option.

Comments were made about the need to work closely with traffic planners as well as to listen to the stakeholders.

Mr. Odland commented about keeping in mind the movement of employees into both the north and south industrial areas, and that this should be considered in the planning process.

Public Comment regarding Fishermen's Terminal was received from the following:

- Peder Hvatum. Mr. Hvatum commented on the sprinkler systems in the lofts and commented on the need to come up with a solution to bring them up to code.
- Peter Knutson, Puget Sound Harvesters. Mr. Knutson [spoke](#) about the importance of maintain jobs in the fishing industry and warned against a heavy-handed approach with new policies. A written copy of comments was also submitted by Mr. Knutson, is, by reference, made a part of these minutes, is marked Exhibit 'A,' and is on file in Port offices.

Public Comment regarding the Viaduct Replacement was received from the following:

- Robin Guevarra, South Park Resident. Ms. Guevarra expressed concern over the current bored-tunnel option, specifically with the lack of access at the north and south ends.
- Gene Hoglund, Working Families for an Elevated Viaduct Replacement. Mr. Hoglund stated that he is against the bored-tunnel replacement option and stated concerns over the lack of connectivity at the north end. Mr. Hoglund submitted a

- copy of written document for the record, is, by reference, made a part of these minutes, is marked Exhibit '[B](#),' and is on file in Port offices.
- Tom Tanner, Magnolia Community Club. Mr. Tanner expressed concern on behalf of Magnolia residents about the lack of north portal access in the current replacement option. He also stated concern over the Mercer Street option.
 - Eugene Wasserman, North Seattle Industrial Association. Mr. Wasserman stated that he believes north-south connectivity issues have not been sufficiently addressed in the current bored-tunnel option.

The agenda was returned to Policy and Staff Item 6b as follows:

POLICY AND STAFF BRIEFINGS

b. (03:57:15) Capital Improvement Projects Report for the Fourth Quarter, 2008

Presentation documents: Commission agenda [memorandum](#) dated February 20, 2009, computer slide [presentation](#) and [report](#) from Ralph Graves, Managing Director, Capital Development Division

Commissioners concluded that since they had all received and reviewed the written report on Capital Projects, it would not be necessary at the time for a verbal briefing, and that if they had any questions, they would contact staff.

8. AVIATION ITEMS

None.

9. CAPITAL DEVELOPMENT

None.

11. GENERAL BUSINESS

None.

12. NEW BUSINESS

(03:59:05) Public comment was received from the following individual:

- Will Knedlik, Kirkland. Mr. Knedlik stated his support of the Commission taking input from stakeholders regarding the Viaduct replacement and commented on the need to consider impacts to those on the East side and on the I-405 corridor. Mr. Knedlik also asked the Commission to consider asking Sound Transit to contribute to the acquisition of the BNSF rail line

13. ADJOURNMENT

There being no further business, the meeting was adjourned at 5:04 p.m.

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

Lloyd Hara
Secretary