

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 24, 2009**

The Port of Seattle Commission met in a special meeting at 11:07 a.m., Tuesday, March 24, 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 11:07 a.m. by Bill Bryant, Chair and President.

2. EXECUTIVE SESSION pursuant to RCW 42.30.110

The special meeting was recessed at the end of the meeting to hold an executive session to discuss personnel issues.

PLEDGE OF ALLEGIANCE

3. APPROVAL OF MINUTES

(00:01:15) Motion for approval of the minutes of the special meeting, February 10, 2009 – Hara

Motion carried by the following vote:

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

The minutes of special meeting of February 3 were deferred for minor corrections until the next meeting.

4. SPECIAL ORDER OF BUSINESS

None.

5. UNANIMOUS CONSENT CALENDAR

a. (00:01:55) Request for Motion Authorizing the Chief Executive Officer to execute an Extension Agreement with the International Longshore & Warehouse Union, Local 9, representing Ground Transportation Agents and Guest Service Representatives at Seattle-Tacoma International Airport.

Request documents: Commission agenda [memorandum](#) dated March 24, 2009, from Gary Schmitt, Director, Labor Relations, and an Extension Agreement By and Between the Port of Seattle And International Longshore & Warehouse Union, Local 9.Representing Ground Transportation Agents & Guest Service Representatives at Sea-Tac International Airport.

Motion for approval of Unanimous Consent Items 5a – Tarleton

Motion carried by the following vote:

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

6. POLICY AND STAFF BRIEFINGS

a. (00:02.32) Terminal 30 and Terminal 91 Project Construction Field Progress, Financial and Schedule Status, and Operations Update.

Presentation documents: Commission agenda [memorandum](#) dated March 6, 2009, [attachment](#), [table](#) and computer slide [presentation](#) from Dakota Chamberlain, Director, Seaport Project Management, and Mike McLaughlin, Director, Cruise and Industrial Properties.

Presenters: Mr. Chamberlain and Mr. McLaughlin

Mr. Chamberlain said that bad weather had delayed paving at Terminal 30. Port staff is looking at options to make up the time by May 15. Construction is on track at Terminal 91. Construction contingency funds are available for both projects, and Port staff does not expect to use the additional construction contingency approved for the foundation.

Commissioner Davis asked about the amount of King County's contribution to the costs for upland disposal at Terminal 30. Commissioner Hara emphasized the importance of ensuring that King County pays its share of the costs. Dan Thomas, Chief Financial Officer, said that Port staff would follow up with King County to ensure that its commitment was fulfilled.

Mr. McLaughlin said that the Port has taken beneficial occupancy of Terminal 91, Smith Cove Cruise Terminal (SCCT), allowing tenants to begin to move in to the facility. There are a number of events with industry and community groups scheduled before and after the April 24 arrival of the first ship. A media event is planned for April 24, and the “Sail Away” Grand Opening Ceremony is scheduled for May 22.

Mr. McLaughlin briefed on plans to request Commission approval for the installation of art work at SCCT equal to one-half of one percent of the design and construction cost of the project. This is in line with the Port’s Art Policy. The amount to be requested is \$310,000, which is based on the \$62 million budget for Terminal 91, and would be funded out of unused project contingency funds. The theme of Northwest Native American tribal art is under consideration. Port staff will return to the Commission with a request for funds.

Commissioner Hara asked if the SCCT tours for Magnolia, Queen Anne and Ballard, now scheduled for May, could be moved up into April because of the communities’ concerns about traffic and parking. Mr. McLaughlin said Port staff would see what could be arranged.

Commissioner Tarleton asked about arrangements at T-91 for sharing the terminal with the cruise industry and the fishing trawlers and processors already in place. Mr. McLaughlin stated that accommodating the needs of the various T-91 tenants was a high priority, and plans are in place for berthing and traffic congestion. Commissioner Tarleton asked for regular updates on this issue.

Commissioner Davis, the Commission’s representative on the Art Oversight Committee, noted that the art work at the SCCT would be the first major art project for the Seaport and asked that the request for funding for art work be brought to the Commission soon.

7. MARINE ITEMS

a. (00:26:11) Authorization for the Chief Executive Officer to execute the Seventeenth Amendment to the Lease with Seafreeze Acquisition LLC at Terminal 115.

Request documents: Commission agenda [memorandum](#) dated March 18, 2009 and the Seventeenth Amendment to Lease Between the Port of Seattle and Seafreeze Acquisition, LLC, Terminal 115 from Michael McLaughlin, Director, Cruise and Industrial properties, and Greg Englin, Manager, Dock Operations.

Presenters: Mr. Englin, Manager, Dock Operations

Mr. Englin explained that Seafreeze Acquisitions LLC had requested the Port to execute the Seventeenth Amendment, which requires the Bank of America to approve any voluntary termination or material modification to its lease, to secure bank financing.

Seafreeze initially plans to invest \$1.5 million to upgrade its operations at Terminal 115. Seafreeze employs 600 people at its site.

Motion for approval of Item 7a – Tarleton

Motion carried by the following vote:

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

8. AVIATION ITEMS

None.

9. CAPITAL DEVELOPMENT

a. (00:28:24) Authorization 1) to increase previous East Marginal Way Grade Separation Project by an amount of \$17,200,000 for a total Project Authorization of \$50,700,000, and 2) for a construction and approval to advertise for bids.

Request documents: Commission agenda [memorandum](#) dated March 6, 2009, and computer slide [presentation](#) from Charles Sheldon, Managing Director, Seaport, and Dakota Chamberlain, Director, Seaport Project Management.

Presenters: Mr. Sheldon and Mr. Chamberlain

Mr. Sheldon said this long-delayed FAST Corridor project to provide a grade separation over the railroad tracks is finally ready to proceed. It is critical for harbor operations and traffic circulation. When finished, the improvements will make it much easier for freight traffic to get in and out of the container yards at Terminal 5 and Terminal 18 and for traffic to circulate in South Seattle.

Mr. Chamberlain said the next step for the project is to advertise for bids and award the construction contract, but an additional \$17,200,000 is required due to delays in utility relocation, construction cost inflation and property value increases. Funds will be diverted from other approved Seaport capital projects provided through the tax levy. The project should be completed in March 2011.

Commissioner Creighton noted Representative Geoff Simpson (D-47), a member of the state House Transportation Committee, is concerned about using local taxes to fund state highway projects. Commissioner Creighton said he was also disappointed that the project had not moved more quickly, but we have established open channels of communications with the City of Seattle to prevent similar delays in the future.

In supporting the project, Commissioner Hara said it will save time, improve freight mobility, is good for the environment and will provide jobs. With this additional funding, we look for the City's cooperation on the street vacations.

Commissioner Bryant noted that the WPPA's (Washington Public Ports Association) Cargo Forecast, released on March 23, shows real potential for increased cargo coming through Puget Sound after the economy recovers, but there is no guarantee that the cargo (and the jobs) will come here. We cannot let complacency undermine our competitiveness. We need, and do not now have, a transportation system that supports the Port's investments in freight mobility. Jobs depend on transportation. The shift in funding from the state to local property owners that Representative Simpson mentioned is not sustainable. We must depend on the state to fund transportation, as the Governor has said.

Motion for approval of Item 9a – Hara

Motion carried by the following vote:

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

b. (00:42:25) Resolution No. 3614, First Reading. Authorization for the Chief Executive Officer to dispose of surplus personal property.

Request document: Commission agenda [memorandum](#) dated March 19, 2009, from Tim Jayne, Senior Manager Procurement Services and Resolution No. 3614.

Presenter: Mr. Jayne

Mr. Jayne explained that the dog food was used to test the baggage conveyor belt systems at Seattle-Tacoma International Airport. Now that testing is complete, the dog food is no longer needed. Staff recommends that the surplus dog food be transferred to the Seattle Animal Shelter.

General Counsel Watson noted two errors on the first page of the resolution where “personal” property should be substituted for “real” property.

Motion to amend Section 2 of the resolution by adding the King County Animal Shelter as a recipient of the dog food - Withdrawn by Commissioner Hara

Motion to combine First and Second Reading of the resolution at this meeting and to amend the resolution by correcting the two errors as noted by General Counsel Watson and adding King County Animal Shelter as a second recipient of the dog food – Tarleton

Motion carried by the following vote:

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

Motion for First, Second Reading and Final Passage of Resolution No. [3614](#) – Hara

Motion carried by the following vote:

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

10. REAL ESTATE

None.

11. GENERAL BUSINESS

a.(00:49:28) Resolution No. [3613](#), First Reading. Repealing the current Audit Committee Charter and replacing it with a new Charter as approved by the Audit Committee.

Request documents: Commission agenda [memorandum](#) dated March 17, 2009, Resolution No. 3613, and computer slide [presentation](#) from Thomas Barnard, Research and Policy Analyst, Commission Staff.

Presenter: Mr. Barnard

Mr. Barnard noted that some language in the current Charter had been inadvertently omitted from the new Charter and should be inserted under Duties of the Audit Committee. The Committee will “review and recommend to the Commission, based on an open competitive process, the independent auditors to be selected to audit the financial statements and the federal grant and Passenger Facilities Charge programs of the Port of Seattle and other audit services.”

Commissioner Hara said that the Charter had been reviewed by Commissioner Tarleton when she was on the Audit Committee in 2008, and by Commissioner Creighton in 2009.

Commissioner Davis asked what would happen if there was a tie vote by the Audit Committee. Commissioner Tarleton said that it was implicit in such a case that the issue should be reviewed and voted on by the entire Commission. The Commissioners agreed that language should be added to the Charter explicitly stating this when the resolution is brought up for Second Reading and Final Passage.

Commissioners also agreed that the Audit Committee should report to the Commission quarterly instead of annually given the scope of the Committee’s responsibilities. The agendas and the minutes of the meeting should also be circulated to the Commission. These requirements should also be included in the resolution.

Commissioner Bryant suggested that Resolution No. 3613 be passed without amendment, but with the understanding that the resolution would be amended before Second Reading and Final Passage.

Motion for approval of Item 11a– Hara

Motion carried by the following vote:

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

b. (00:59:31) Resolution No. [3611](#), Second Reading and Final Passage. Amendment of the Port of Seattle Commission Bylaws.

Request documents: Commission agenda [memorandum](#) dated March 17, 2009, Resolution No. 3611 and computer slide [presentation](#) from Mary Gin Kennedy, Director, Commission Services.

Presenter: Ms. Kennedy

Motion for approval of Item 11b – Creighton

Motion carried by the following vote:

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

12. NEW BUSINESS

(01:02:44) Public comment was received from the following individual:

- Robert Scheuerman, Tacoma. Mr. Scheuerman expressed support for the Port's pending purchase of the BNSF Eastside Rail Corridor and noted the Corridor's potential to serve as a commuter train route. He suggested that the Port could partner with Sound Transit to purchase of the Corridor. A written copy of Mr. Scheuerman's comments were submitted, is by reference made a part of these minutes, is marked Exhibit '[A](#)', and is on file in Port offices.

13. ADJOURNMENT

There being no further business, the meeting was recessed to Executive Session to discuss personnel issues at 12:07 p.m.

The meeting was reconvened at 1:05 and adjourned at 1:06 p.m.

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

Lloyd Hara
Secretary