

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 AUGUST 18, 2009**

The Port of Seattle Commission met in a special meeting at 1:00 p.m., Tuesday, August 18, 2009 in the Commission Chambers at Pier 69, 2711 Alaskan Way, Seattle, WA. Commissioners Bryant, Creighton, Davis, and Hara were present. Commissioner Tarleton was absent.

1. CALL TO ORDER

The regular meeting was called to order at 1:07 a.m. by Bill Bryant, Chair and 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. (00:01:11) UNANIMOUS CONSENT CALENDAR

**PORT COMMISSION MINUTES OF THE SPECIAL MEETING
TUESDAY, AUGUST 18, 2009**

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- a. Authorization for the Chief Executive Officer to issue Change Order Number 0066 for the Consolidated Rental Car Facility in the amount of \$218,968.**

Request document: Commission agenda [memorandum](#) dated August 12, 2009 from Ralph Graves, Managing Director, Capital Development Division

Motion for approval of Item 5a – Creighton

Second: Hara

Motion carried by the following vote:

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

Commission Tarleton was absent for the vote.

6. DIVISION, CORPORATE AND COMMISSION ACTION ITEMS

None.

7. STAFF BRIEFINGS

None.

8. NEW BUSINESS

None.

9. POLICY ROUNDTABLE

- a. (00:02:07) Aviation Division 2010-2014 Business Plan Overview**

Presentation documents: Commission agenda [memorandum](#) dated August 4, 2009 and computer slide [presentation](#) from Mark M. Reis, Managing Director, Aviation Division

Presenter: Mr. Reis

Mr. Reis commented on the state of the airline industry in general, noting the fact that we are in the midst of the worst recession in generations, and commenting that the strength of the economy is the major driver of travel demand. Specific concerns noted included the fact that revenue is dropping faster than passenger levels as well as the impact of higher fuel costs. He stated that major losses since 2001 leave little capability to absorb additional losses.

Specifically related to Sea-Tac, strong points that Mr. Reis noted included:

- A diverse mix of carriers
- It is a strong origin and destination base
- Puget Sound has a reasonably balanced economic base compared to other areas
- Alaska Airlines, the largest carrier at the Airport, has a strong cash position

A preliminary enplaned passenger forecast was reviewed, and Mr. Reis commented that there would likely be no sharp rebound and that there would not be a typical recovery. He stated that a flat forecast was being maintained for 2010.

Two overriding goals for Sea-Tac were noted, those being to 1) Manage airline costs, and 2) Increase non-aeronautical Net Operating Income.

Mr. Reis reviewed the history of cost per enplanement (CPE) at Sea-Tac, noting the the main reason of CPE growth has been due to capital spending, and stating that the challenge for 2010 is that most 2009 budget cuts were not sustainable.

Challenges of Operating and Maintenance (O&M) costs were reviewed, and included:

- Square footage of terminal
- Amount of airfield pavement
- Lineal feet of baggage system
- Number of elevators and escalators

Other challenges reviewed by Mr. Reis were related to CIP and debt service and well as capital spending needs. He spoke of the importance of maintaining the operational integrity of the facility and equipment, which requires ongoing investment. He also noted that capital costs drive increases to the CPE, and it is a challenge to strike the right balance.

Ways in which the Airport hopes to restore and develop non-airline revenues were noted, and included the following areas:

- Public parking – new products and innovative services to win back customers
- Increasing advertising
- Developing advertising on Port's Wi-Fi home page and website
- Expanding array of products and services in the area of Concessions
- Continuing work on property development

Mr. Reis noted the possibility of two 'game changers' that could have an effect on the numbers calculations provided in this presentation; those being if enplanements go up faster than currently anticipated and if there is a PFC (passenger facility charge) increase.

Commissioner Davis commented that it is an important thing for the public is that staff is paying attention to the details noted in today's presentation and reporting out on them.

10. ADJOURNMENT

There being no further business, the meeting was adjourned at 2:40 p.m.

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

Lloyd Hara
Secretary