



Commissioners

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Patricia Davis
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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.)

**REVISED APPROVED MINUTES (September 17, 2009)
COMMISSION REGULAR MEETING JULY 28, 2009
(Revision to vote on Item 6c)**

The Port of Seattle Commission met in a special meeting at 12:00 p.m., Tuesday, July 28, 2009 in the International Conference Center, Airport Office Building, Seattle-Tacoma International Airport, Seattle, WA. Commissioners Bryant, Creighton, Davis, Hara and Tarleton were present.

1. CALL TO ORDER

The special meeting was called to order at 12:00 p.m. by Bill Bryant, Chair and 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 for approximately one hour and reconvened to public session.

PLEDGE OF ALLEGIANCE

3. APPROVAL OF MINUTES

(00:01:12) Motion for approval of the minutes of the special meeting of June 30, 2009 - Hara

Second – Tarleton

Motion carried by the following vote:

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

4. **SPECIAL ORDER OF BUSINESS**

None.

5. (00:01:50) **UNANIMOUS CONSENT CALENDAR**

It was noted that Item 5c would be removed from the unanimous consent calendar for discussion and a separate vote.

- a. **Authorization for the Chief Executive Officer to enter into an IDIQ contract for Baggage Handling Design services to be used to support projects Port-wide. The total amount for this contract will not exceed \$3 million. Funds for work under the contract will be approved on a project-by-project basis or as part of Operating budgets.**

Request document: Commission agenda memorandum dated July 2, 2009 from Ed Weitz, Capital Project Manager

- b. **Authorization for the Chief Executive Officer to advertise for and enter into one or two IDIQ contracts for regulated materials management (RMM) consultant services to support Aviation, Seaport, Real Estate and Capital Development Division project needs. The IDIQ contracts will not exceed \$500,000 for each contract for a total amount not to exceed \$1 million.**

Request document: Commission agenda memorandum dated July 13, 2009 from Ralph Graves, Managing Director, Capital Development Division

- c. *Item removed from consent calendar for a separate vote.*
- d. **Authorization for the Chief Executive Officer to execute all necessary documents to acquire by purchase a portion of the private roadway (Property) owned by Washington Memorial Park and located off International Boulevard and South 160th Street in SeaTac, Washington**

Request documents: Commission agenda memorandum dated May 12, 2009 from James R. Schone, Director, Aviation Business Development and W. Allan Royal, Manager, Port Real Estate Development; computer slide presentation, and draft purchase and sale agreement.

- e. **Authorization to establish a 7.4% interest rate on a Port Investment to partially fund the costs associated with the design and construction of the Consolidated Rental Car Facility (CRCF) program.**

Request document: Commission agenda memorandum dated July 9, 2009 from James R. Schone, Director, Aviation Business Development; R. Borgan Anderson, Manager, Aviation Finance and Budget; and Elizabeth Morrison, Senior Manager, Corporate Finance

- f. Authorization for the Chief Executive Officer to execute a pedestrian crossing construction and maintenance agreement with BNSF at Klickitat Avenue SW for the T18 expansion project for an estimated project cost of \$325,000.**

Request document: Commission agenda memorandum dated July 8, 2009 from Michael Burke, Senior Manager, Container Leasing and Operations and Catherine Chu, Capital Project Manager; and grade crossing construction and maintenance agreement

- g. Authorization for the General Counsel to engage legal counsel to represent Bob Riley in an investigation by the State Board of Engineers, subject to the limitations set forth in RCW 53.08.208.**

Motion authorizing General Counsel to engage legal counsel, as follows:

“The Commission authorizes the General Counsel to engage legal counsel for the purpose of representing Robert Riley in the investigation by the State Board of Engineers, subject to the limitations set forth in RCW 53.08.208.

Motion for approval of Unanimous Consent Items 5a, 5b, 5d, 5e, 5f, 5g – Davis

Second – Creighton

Motion carried by the following vote:

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

- c. (00:03:02) Authorization for the Chief Executive Officer to execute an amendment to extend the Lease and Concession Agreement of Host International (Host Duty Free) for duty free retail operations at Seattle-Tacoma International Airport (Airport) in 2010.**

Request documents: Commission agenda memorandum dated July 1, 2009 from James R. Schone, Director, Aviation Business Development and Deanna Zachrisson, Manager, Aviation Concessions; and copy of amendment to lease and concessions agreement.

Responding to a question from Commissioner Hara, Ms. Zachrisson clarified that today's request was for an extension for Host Duty free for only one year, until the end of 2010, and that during that time, Host would be paying additional rent. She stated that Host will be leaving the duty free business at the end of that contract period, and that staff would be going out next year for a competitive bid.

Motion for approval of Item 5c – Hara

Second – Davis

Motion carried by the following vote:

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

6. DIVISION, CORPORATE, AND COMMISSION ACTION ITEMS

a. (00:08:05) Authorization for the Chief Executive Officer to prepare the design for the Miller Creek Relocation Revisions and 160th Street Culvert Removal, Third Runway Environmental Mitigation at Seattle-Tacoma International Airport, including procuring and executing service agreements with consultants to perform design and construction support services and prepare contract documents.

Request documents: Commission agenda memorandum dated May 82, 2009 from Elizabeth Leavitt, Manager, Aviation Environmental Department and Robert F. Riley, Director, Aviation Capital Improvement Program; and computer slide presentation reflecting areas being addressed in the request.

Presenters: Bob Duffner, Environmental Program Supervisor, Aviation Environmental Programs and Scott Kyles, Capital Project Manager.

Staff provided background of the project, noting that it is part of the overall environmental mitigation for the Third Runway. It was stated that staff would return in early 2010 with a request for authorization for construction and advertisement of the work per Resolution No. 3605.

It was clarified that this request was to only seek authorization and no new funds were being requested; that it would not raise the CPE (Cost Per Enplanement); and that the project will generate \$106,000 in sales tax which will go to general purpose government.

Commissioner Tarleton comments on the importance of environmental mitigation as related to the Third Runway project.

Motion for approval of Item 6a – Davis

Second: Creighton

Motion carried by the following vote:

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

The Port Commission regular meeting was recessed to a special meeting of the Industrial Development Corporation (IDC) of the Port of Seattle.

b. (00:24:37) Adoption of IDC Resolution No. 75, authorizing the transfer of surplus funds in the sum of \$10,000 from the Industrial Development Corporation to the Port of Seattle for the provision of training in public sector management skills necessary to implement the economic development programs of the Port.

Request documents: IDC memorandum dated July 10, 2009 from Diane Campbell, Corporate Financial Analyst and Annalee Luhman, Learning and Leadership Manager

Presenter: Ms. Campbell

Motion for adoption of IDC Resolution No. 75 – Tarleton

Second – Hara

Motion carried by the following vote:

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

The special meeting of the Industrial Development was adjourned and the regular meeting of the Port Commission was reconvened.

c. (00:33:14) Resolution No. 3625, First Reading. Amending the 2009 Salary and Benefit Resolution No. 3609 to provide for a Voluntary Separation Program (VSP).

At the introduction of Item 6c, it was noted that the request would also include a request for Second Reading and Final Passage of Resolution No. 3625.

Request document: Commission agenda memorandum dated July 21, 2009 from David Henderson, Senior Manager, Total Compensation

Presenter: Mr. Henderson

Mr. Henderson provided background on the proposed amendment to the 2009 Salary and Benefit resolution, which would provide for the implementation of a voluntary separation program, which would be useful in meeting financial challenges resulting from current dire economic environments. A key component of the 2009 VSP would be that Extended Illness or Sick Leave hours would be cashed out at 100% rather than 50%, which is normally the case. Other key components would be the inclusion of a severance benefit of six days pay for each year of continuous Port of Seattle employment and six months of Port-paid medical and dental coverage. In exchange, the employee may not work for, or provide services to, the Port in any capacity in exchange for any form of compensation for two years.

Commissioner Hara stated that he would be voting no on the proposed resolution, commenting that he felt it was important to have more discussion of resolutions than is allowed when First and Second Readings are held at the same meeting.

Motion to allow First, Second Readings and Final Passage – Davis

Second: Creighton

Motion carried by the following vote:

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

Motion for First Reading of Resolution No. 3625 – Creighton

Second - Davis

Commissioner Tarleton offered an amendment to the Resolution language, which would add at the end of the third WHEREAS the words ‘for fiscal year 2009’ and would add within the new proposed paragraph IX, in the first sentence, the words ‘in fiscal year 2009’ to follow the words ‘as needed’ and before the words ‘and amend.’

Second to Commissioner Tarleton’s suggested revised language - Hara

Motion carried by the following vote:

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

Opposed: Davis (1)

Vote on First Reading, as amended carried by the following vote:

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

Motion for Second Reading and Final Passage of Resolution No. 3625, as amended – Davis

Second - Tarleton

Motion carried by the following vote:

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

Opposed: Davis Hara (1)

d. (00:57:29) Motion regarding the authority to the Chief Executive Officer to amend current Collective Bargaining Agreements to allow the implementation of the 2009 Voluntary Separation Program

Presenter: David Henderson, Senior Manager, Total Compensation

Mr. Henderson noted that this item was related to the previous agenda item; however, it dealt with represented employees at the Port. He clarified that the Commission could approve this action by motion and that a resolution was not needed.

Motion for approval of Item 6d – Davis

Second – Tarleton

Motion carried by the following vote:

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

e. (00:59:11) Resolution No. 3626, First Reading. Opting out of Tax Redistribution for Local Revitalization Areas in Auburn, Bellevue, Federal Way and Renton

At the introduction of Item 6e, it was noted that the request would also include a request for Second Reading and Final Passage of Resolution No. 3626.

Request document: Commission agenda memorandum dated July 27, 2009 from Clare Gallagher, State Government Relations Manager and Elizabeth Morrison, Senior Manager, Corporate Finance

Presenters: Ms. Gallagher and Ms. Morrison

Ms. Gallagher provided background of the proposed Resolution as related to Washington SB 5045. Under this legislation, the state will provide grants in the form of a sales credit to local jurisdictions for infrastructure improvements. She explained that the legislation allows local taxing districts that do not wish to participate to take official action to take out, which must be done by Resolution.

Motion to allow First and Second Readings and Final Passage – Davis

Second – Creighton

Motion carried by the following vote:

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

Motion for First Reading of Resolution No. 3626 – Tarleton

Second – Creighton

Motion carried by the following vote:

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

Motion for Second Reading and Final Passage of Resolution No. 3626 – Creighton

Second – Davis

Motion carried by the following vote:

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

7. STAFF BRIEFINGS

a. (01:21:29) Terminal 86 Grain Facility Infrastructure Briefing

Presentation documents: Commission agenda memorandum dated July 14, 2009 and computer slide presentation from Michael McLaughlin, Director, Cruise and Industrial Properties

Presenters: Mr. McLaughlin and Phil Lutes, Deputy Director, Seaport Division. Staff also introduced Mr. Mike Mandl, a representative of Louis Dreyfus Export Operations, who commented as part of the presentation.

Mr. Lutes provided a brief overview of the history of the Terminal 86 facility, commenting on the following:

- Facility construction, beginning in 1968
- Information regarding facility receiving and storing details
- Overview of shipping at the facility
- Background of the current lease agreement
- Key economic impacts
- Key issues
- Business outlook
- Positive environmental record

Mr. Mandl provided background of Louis Dreyfus, the company which has operated Terminal 86 since 2000. He also noted that the company is willing to participate in future needed upgrades to the facility, and offered to provide a tour of the facility to any of the Commissioners who may be interested.

Commissioner Davis requested that when staff returns with a request for terminal improvements, they also provide information regarding the revenues which have been

brought to the Port, the kinds of jobs that exist at the terminal, and the environmental improvements which have been done.

b. (01:41:05) Briefing on Fishermen's Terminal South Wall Reconstruction Project

Presentation documents: Commission agenda memorandum dated July 14, 2009 and computer slide presentation from Melinda Miller, Director, Portfolio Management; Tim Leonard, Capital Project Manager; and Bob Maruska, Assistant Director, Engineering

Presenters: Mr. Maruska and Mr. Leonard

Staff presented background on the proposed project for the reconstruction of the South Wall at Fishermen's Terminal. Computer slides were shown and descriptions were given of the site plan, an existing typical section, and replacement typical sections. Also reviewed were key points to the project completion. Staff noted that the total construction period is anticipated to be about 6 months in duration.

c. (01:56:16) Seattle-Tacoma International Airport Elevator/Escalator Briefing

Presentation documents: Commission agenda memorandum dated July 21, 2009 and computer slide presentation from Richard Ottele, General Manager, Aviation Facilities & Infrastructure and John Christianson, General Manager, Aviation Maintenance

Presenters: Mr. Ottele and Mr. Christianson

Staff provided an overview of the elevator and escalator systems at the Airport, noting that there are a total of 81 elevators and 79 escalators, many of which have exceeded their expected service life of 25 years and are needing to be replaced. Locations of the units were reviewed, as well as the program objectives and scope. Also discussed were projects completed so far; projects currently in process, and anticipated future projects for the elevator/escalator systems.

The importance of appropriate signage was noted in cases when either elevators or escalators were being worked on in order to maintain good communication and directions for the traveling public.

d. (02:17:12) Rental Car Facility Program Update

Presentation documents: Commission agenda memorandum dated July 9, 2009 and attachments and supplemental information 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

Staff commented on the recent restart of the Rental Car Facility Project and provided information on current progress and schedule; a status summary of the main construction contract and change orders; risk factors; significant developments; and future anticipated Commission actions.

Following the presentation, Commissioner Davis asked that the art portion of the facility program be provided in a briefing in the near future

8. NEW BUSINESS

Prior to adjournment, Mr. Yoshitani noted in response to Commissioner Tarleton's question, that new cable has arrived for cranes at Terminal 30.

9. POLICY ROUNDTABLES

None.

10. ADJOURNMENT

The public session was recessed to an Executive Session at 3:55 p.m. to discuss personnel matters.

The regular meeting was then reconvened and immediately adjourned at 4:05 p.m.

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