



Commissioners

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Chair and President
Tom Albro
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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 REGULAR MEETING FEBRUARY 9, 2010**

The Port of Seattle Commission met in a regular meeting at 1:00 p.m., Tuesday, February 9, 2010 at Port of Seattle Headquarters, Commission Chambers, 2711 Alaskan Way, Seattle, Washington. Commissioners Albro, Bryant, Creighton, Holland and Tarleton were present.

1. CALL TO ORDER

The special meeting was called to order at 1:07p.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

Introduction of Vickie Rawlins, Workplace Responsibility Program Manager

Craig Watson, Port General Counsel, introduced Vickie Rawlins, the Port's new, and first Workplace Responsibility Program Manager. He briefly reviewed her background and welcomed Ms. Rawlins to the Port.

5. (00:03:51) UNANIMOUS CONSENT CALENDAR

Item 5c was removed from the Consent Calendar for a separate vote.

- a. Authorization for the approval of outstanding Claims and Obligations for the period of January 1 through January 31, 2010**
- b. Authorization for the Chief Executive Officer to execute the Conditional Consent to Assignment of the Lease between the Port of Seattle, Westway Feed Products, Inc., and Feed Merger Sub LLC**

Request document: Commission agenda [memorandum](#) dated February 4, 2010 from Michael Burke, Senior Manager, Container Leasing and Operations and Michael Campagnaro, Manager, Container Leasing and Operations

- d. Authorization for the Chief Executive Officer to issue Change Order 004 for Terminal 155 Berth 1 Modification Project Not-to-Exceed amount of \$437,000**

Request document: Commission agenda [memorandum](#) dated February 3, 2010 from Ralph Graves, Managing Director, Capital Development Division

Motion for approval of Items 5a, 5b, and 5d – Tarleton

Second – Albro

Motion carried by the following vote:

In Favor: Albro, Bryant, Creighton, Holland, Tarleton (5)

- c. (00:04:47) Authorization for the Chief Executive Officer to execute two Category III Indefinite Delivery Indefinite Quantity (IDIQ) contracts for consultant support for cost estimating, project cost controls and environmental liability and strategic support for \$600,000 per contract and Not-to-Exceed \$1,200,000 for both.**

Request document: Commission agenda [memorandum](#) dated January 29, 2010 from Stephanie Jones-Stebbins, Senior Manager, Seaport Environmental Programs; David Kleiber, Seaport Environmental Finance Manager; and Kathy Bahnick, Manager, Environmental Program Manager

Presenters: Ms. Jones-Stebbins and Mr. Kleiber

Staff addressed questions from Commissioner Albro regarding outsourcing the requested work vs. using Port employees. Ms. Jones-Stebbins commented on the complex financials within the Environmental group as well as the amount of necessary documentation, and stated that currently the Port does not have the resources to perform this work in-house, and that although this may be done in the future, it would require adding a FTE (full time equivalent) to staff.

Motion for approval of Item 5c – Albro

Second – Tarleton

Motion carried by the following vote:

In Favor: Albro, Bryant, Creighton, Holland, Tarleton (5)

6. DIVISION, CORPORATE AND COMMISSION ACTION ITEMS

- a. (00:12:47) Request for the Port Commission to adopt a motion to direct and authorize the Chief Executive Officer to execute a Memorandum of Agreement (MOA) with the State of Washington affirming Port participation on Not-to-Exceed \$300,000,000 in the Alaskan Way Viaduct and Seawall Replacement Program**

Request document: Commission agenda [memorandum](#) dated February 3, 2010 from Kurt Beckett, Director, External Affairs; Mike Merritt, Local Government Affairs Manager; and Geri Poor, Regional Transportation Manager, and computer slide [presentation](#). Also provided was the final draft of the [MOA](#), agreed to, subject to Commission review and approval.

Presenters: Mr. Merritt; Ms. Poor; Ron Paananen, Washington State Department of Transportation (WSDOT); and Ron Judd, WSDOT.

Mr. Merritt referred to items which were discussed at the February 2, 2010 Commission briefing on the subject, noting that staff has incorporated suggested changes for consideration. He commented on the importance to the Port of moving freight traffic efficiently; establishing connectivity between the industrial areas and the city; and minimizing construction disruption during the project. He also noted that WSDOT estimates this project will support approximately 4,000 jobs during construction.

Ms. Poor provided detail of the significant revisions within sections of the proposed MOA, incorporated since staff briefed the Commission on February 2.

Mr. Paananen mentioned activities which would be forthcoming, including the issuance of the draft RFP for the design/build contract for the tunnel; the opening of bids for the Holgate to King Street Project (the removal of the southern mile of the Viaduct); and the holding of public meetings, allowing for the public to comment on the tunnel alignment and the corridor itself. He also commented on the safety of the tunnel option, noting that the design will be approved by WSDOT as well as the Federal Highway Administration, and reiterated that it will be a safe project when it opens to traffic.

Mr. Judd noted that WSDOT understands the importance to the Port of the cruise industry, the freight industry, and also that the project works for issues on Mercer and other links.

Commissioner Bryant noted comments which had been received from the following, all of which are noted below and included as part of the record: Alaska Airlines; Argosy Cruises; Association of

General Contractors of Washington; Boeing; Greater Seattle Chamber of Commerce; Holland America Line; Pike Place Market Development and Preservation Authority; SSA Marine; Seattle Convention and Visitors Bureau; Seattle Historic Waterfront Association; Seattle Marine Business Coalition; The Seattle Mariners; The Skolnik Company; Sprint Forwarders; Victoria Clipper and Clipper Vacations. He noted that among elected official from whom comments were received were Mayor Terry Anderson, City of SeaTac; Councilmember Ralph Shape; Washington State Legislators – Representative Judy Clibborn, Senator Mary Margaret Haugen; and King County Councilmember Larry Phillips.

Commissioner Creighton noted his concern about protecting the Port's investments should there be a change in administrations, and the importance of learning from prior transportation agreements, specifically the one related to the SR 519 Project.

Commissioner Holland stated his belief that the Viaduct does need to come down; that the Tunnel Option is the best option; and that it makes sense for the Port and its customers. He also noted his concern about how we use the tax levy and bonding authority of the institution, and commented on the importance of maintaining a working and viable waterfront.

Public comment regarding Item 6a was received from the following individuals:

- Darrell Bryan, Clipper Navigation, Inc. Mr. Bryan expressed support of the MOA, stating his belief that the bored tunnel option will be beneficial in keeping businesses open during construction.
- Tayloe Washburn, Seattle Chamber of Commerce. Mr. Washburn spoke in support of the MOA, commenting on safety issues related to both the Seawall and the Viaduct.
- Bob Donegan, speaking in support of the MOU, urged the Port to act quickly on the item.
- Ed Plute, who stated that he believes the Port is moving on this process too quickly, and that more environmental study needs to be done.
- John Coney, Uptown Alliance. Mr. Coney spoke in support of the MOU, while at the same time noting concern about Mercer West and pedestrian and bike safety issues.
- Eugene Wasserman, North Seattle Industrial Association. Mr. Wasserman voiced concern that not enough review of the agreement has taken place; that the City is not part of the agreement; and that freight will not be able to move through the central waterfront well enough. He also voiced concern that there will not be adequate safeguards along Alaskan Way, stating his belief that the MOU should clearly call for four lanes with a turn lane along the central waterfront, as that is not currently guaranteed the way the MOU is written.
- Jerry Dindorff, Associated General Contractors of Washington. Mr. Dindorff voiced strong support of the project, noting the importance jobs which will be created.
- Christopher Brown, who stated his belief that it is illegal for the Port to participate in this project, according to his understanding of the RCW.
- Liz Warman, The Boeing Company. Ms. Warman thanked the Port for its leadership and voiced support of the MOA.
- Jim Smith, who stated that he believes the Port's participation in the project is an unnecessary extravagance at this time in history and that a better option would be to retrofit the Viaduct.

- Dave Gehring, Manufacturing Industrial Council. Mr. Gehring spoke in support of the MOA, noting that the appeal to his group is that this option protects Interstate 5 and keeps regional commerce flowing.
- Mike Peringer, SODO Business Association.
- A packet of written comments and emails regarding Item 6a, from various individuals and organizations, was provided, some of which had also been provided at the February 2, 2010 meeting. A copy of these documents is, by reference, made a part of these minutes; they are collectively marked Exhibit 'A'; and they are available in Port offices.

Ron Paananen, Washington State Department of Transportation responded to concerns raised during public comment by Mr. Eugene Wasserman regarding the number of transportation lanes which would exist in the central waterfront area. He clarified that the basis of the transportation analysis and what will go forward is that there will be four lanes along the central waterfront with turn lanes at each intersection, and south of Coleman Dock, there will be six lanes because of the added traffic between there and the south portal of the tunnel. He noted that there is a great deal of documentation regarding this expectation and that the plan moving forward will include these features.

Commissioner Creighton commented on the project's importance to the regional economy and voiced his support. He also encouraged staff to look at the language within the MOA which would address concerns raised during public comment.

Commissioner Holland reiterated his commitment to the Port's bonding authority and the levy ability, and also commented on the importance of maintaining the financial stability of the Port.

Commissioner Albro stated the importance of moving forward with this project, noting that the Port's significant financial contribution will help provide influence as to the outcome of the project. He also reiterated the importance of maintaining the industrial base and the moving of goods.

Commissioner Creighton commented on the severely underfunded freight system at a national level, and noted the importance of working out a path forward over the coming years for effective funding at both a state and national level.

Motion for approval of Item 6a – Creighton

Second – Tarleton

Motion carried by the following vote:

In Favor: Albro, Bryant, Creighton, Holland, Tarleton (5)

- b. (01:13:28) Authorization for the Chief Executive Officer to execute and award outside professional service agreements, design, perform contract administration, advertise for construction bids, and award contracts for the Runway 16C/34C panel replacement**

**project (CIP800112) at Seattle-Tacoma International Airport in the amount of \$5,650,000,
funded by the Airport Development Fund**

Request document: Commission agenda [memorandum](#) dated January 25, 2010 from Michael Ehl, Director, Airport Operations and Wayne Grotheer, Director, Aviation Capital Improvement Program

Presenters: Mr. Grotheer and Mark Coates, Senior Manager, Airport Operations

Mr. Coates provided background information on the project, noting that it would include the replacement of 150 panels on runway 16C/34C, and needs to be done at this point due to the age of the panels and emergency repairs which have been necessary. He noted that the project will take approximately two months, and is key to addressing safety concerns.

Mr. Grotheer pointed out that this request is for the minimum amount of work needed, and staff is uncertain whether or not additional repairs may be required before 2016, when the entire runway is scheduled to be replaced. He noted that this project will require closing the runway for 60 days, followed by potential night-time closures in order to do the necessary grooving of the runway.

Mr. Grotheer clarified that this request is for approval of both design and advertisement of the work for construction in order to expedite the work for safety reasons and construction scheduling, noting that it would be combined with apron panel replacement work, which has previously been authorized.

Following discussion of issues related to the ability for Sea-Tac to handle aircraft such as A380's, Commissioner Albro stated that at a later date, he would like to hear a strategy for possible future modifications which would allow Sea-Tac to handle this type of aircraft.

Responding to Commissioner Bryant's question as to whether or not the summer closure of the runway will complicate the upcoming FAA Part 150 noise study, Stan Shepherd, Manager, Airport Noise Programs stated that this project should really not play into the Part 150 study.

Motion for approval of Item 6b - Tarleton

Second – Creighton

Motion carried by the following vote:

In Favor: Albro, Bryant, Creighton, Holland, Tarleton (5)

- c. (01:24:38) Authorization for the Chief Executive Officer to execute and award outside professional service agreements, advertise construction bids, and execute major construction contracts for the Delta Air Lines Sky Club Lounge Regulated Materials Management Abatement project and authorize Port Construction Services to self perform work in support of Delta's tenant project at Seattle-Tacoma International Airport in the amount of \$1, 750,000.**

Request document: Commission agenda [memorandum](#) dated January 22, 2010 from Ralph Graves, Managing Director, Capital Development Division and Michael Ehl, Director, Airport Operations

Presenters: Janet Sheerer, Capital Project Manager and Dwight Rives, General Manager, Port Construction Services

Ms. Sheerer noted that this request combines steps of Resolution No. 3605 in order to better meet Delta's aggressive construction timeline.

Mr. Rives reviewed the scope of the project and the role that PCS will have. He noted that in order to meet the aggressive schedule, some of the work may need to be performed in three shifts.

Ms. Sheerer stated that staff is currently working with Delta to develop a tenant reimbursement agreement for this project, but an accurate reimbursement amount has not been decided.

Commissioner Creighton raised the question of Delta's future lease rates and whether or not the asbestos abatement costs will be incorporated into the rate. James Jennings, Aviation Properties and Facilities Manager, stated that the lease will follow the Airport's standard terminal rental rates.

Commissioner Tarleton stated that at the end of a given year, she would like to have a review of circumstances that have led to taking exceptions to Resolution No. 3605, the Delegation of Authority.

Motion for approval of Item 6c – Tarleton

Second – Albro

Motion carried by the following vote:

In Favor: Albro, Bryant, Creighton, Holland, Tarleton (5)

d. (01:36:18) Authorization for the Chief Executive Officer to execute Concessions Agreements between the Port of Seattle and the Rental Car Companies

Request document: Commission agenda [memorandum](#) dated January 15, 2010 from James R. Schone, Director, Aviation Business Development and Jolene Culler, Senior Property Manager, Aviation Properties. Also provided was a copy of the [Rental Car Concession Agreement](#)

Presenter: Ms. Culler

Ms. Culler provided background information on the Concessions Agreement, which focuses on the rights granted to the companies to operate from the Rental Car Facility and the fees they will pay for those rights.

Motion for approval of Item 6d – Creighton

Second: Tarleton

Motion carried by the following vote:

In Favor: Albro, Bryant, Creighton, Holland, Tarleton (5)

- e. (01:42:48) Authorization for the Chief Executive Officer to 1) execute a ten-year lease, with options to renew for two additional five-year terms, with Kinder Morgan Liquids Terminals, LLC, at Terminal 18 Harbor Island Central; and 2) execute a Conditional Consent to Sublease Agreement for Kinder Morgan Liquids Terminals, LLC, at Terminal 18 Harbor Island Central to sublease a portion of the premises to Chevron USA, Inc.**

Request document: Commission agenda [memorandum](#) dated February 4, 2010 from Michael Burke, Senior Manager, Container Leasing and Operations and Michael Campagnaro, Manager, Container Leasing and Operations

Presenters: Mr. Burke and Mr. Campagnaro

Mr. Burke provided historical background of issues leading up to this request, which have been ongoing, and have recently been resolved.

Mr. Campagnaro reviewed terms of the proposed lease with Kinder Morgan. Mr. Campagnaro also noted that there was a typo within the original memo received by the Commission, and clarified that rather than the Port being responsible for the maintenance of the main structure, that maintenance is actually the sole responsibility of the Lessee.

Motion for approval of Item 6e – Tarleton

Second – Creighton

Motion carried by the following vote:

In Favor: Albro, Bryant, Creighton, Holland, Tarleton (5)

7. STAFF BRIEFINGS

- a. (01:52:10) Update on the Status of Street Vacation Agreements with the City of Seattle**

Presentation documents: Commission agenda [memorandum](#) dated January 11, 2010 and computer slide [presentation](#) from Michael Burke, Senior Manager, Container Leasing and Operations and Catherine Chu, Project Manager, Capital Development Division

Presenters: Mr. Burke and Ms. Chu

Mr. Burke noted that many of the street vacation issues pre-date the existing Commission, and staff wanted to provide current information to them. He noted that staff would be coming to the

Commission in the near future to discuss items related to Terminals 5, 18 and 30, and today's briefing would provide context to those items.

Mr. Burke commented on the issue of City utilities still located in these areas and under Port terminals, and noted the importance of the City being able to access those utilities.

Commissioner Tarleton raised the question of whether or not the current City Council members should also be briefed on these issues, since the Council also has new members who may be unaware of these street vacation issues.

Mike Merritt, Manager, Local Government Relations, responded that staff has already begun discussions with the new Councilmembers.

It was suggested by Commissioners Albro and Tarleton that a joint meeting with the Port and the City Council be held at some point in the future.

Commissioner Bryant asked that Mr. Merritt and Mary Gin Kennedy, Director, Commission Services, work to schedule a time when the Port could meet with the City Council.

Ms. Chu reviewed street vacation projects in the areas of Terminals 105, and 25/30. She stated that staff will return to the Commission with multiple real estate related agreements and projects for approval.

Mr. Burke then clarified that these projects had previously been authorized under the Port's previous method of authorization, known as project-wide. He stated that since that method is no longer used, these projects will return for current authorization using the Port's revised delegation of authority.

8. NEW BUSINESS

(02:11:19) Ralph Graves, Managing Director, Capital Development Division, briefed the Commission on an item which would be coming forward related to the Consolidated Warehouse Facility near the Airport. He reported that due to several issues (connecting water to the facility; a work scope which was exceeded; and a need to authorize additional funds), staff would need to return to Commission for related adjustments.

9. POLICY ROUNDTABLE

None.

9. ADJOURNMENT

There being no further business, the meeting was adjourned at 3:22 p.m.

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

Rob Holland
Secretary