



Commissioners

Bill Bryant
Chair and President
Tom Albro
John Creighton
Rob Holland
Gael Tarleton

Tay Yoshitani
Chief Executive Officer

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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 JUNE 8, 2010**

The Port of Seattle Commission met in a regular meeting at 1:00 p.m., Tuesday, June 8, 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 regular meeting was called to order at 1:08 p.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. (00:00:59) UNANIMOUS CONSENT CALENDAR

- a. Authorization for approval of outstanding [Claims and Obligations](#) for the period of May 1 through May 31, 2010.

- b. Authorization for the Chief Executive Officer to approve all work and contracts, including executing and amending any and all necessary contracts and service directives, to purchase and implement information technology hardware and software for the Time Clock System Project for approximately 230 employees in Aviation Security and Airport Operations organizations at Seattle-Tacoma International Airport, in an amount not to exceed \$380,000. This project is being authorized in accordance with Section 5 of Resolution No. 3605.**

Request document: Commission agenda [memorandum](#) dated May 20, 2010 from Wendy Reiter, Director Aviation Security and Emergency Preparedness and Peter Garlock, Chief Information Officer

- c. Authorization for the Chief Executive Officer to execute a one-year contract, with up to four one-year extension options to renew, for security services to be performed at Fishermen's Terminal, the Maritime Industrial Center, and Shilshole Bay Marina with an estimated annual value of \$150,000. The contract will be competitively bid and the maximum contract term will be five years with a total estimated value of \$750,000.**

Request document: Commission agenda [memorandum](#) dated May 28, 2010 from Darlene Robertson, Director, Harbor Services, Real Estate Division and Melinda Miller, Director, Portfolio Management, Real Estate Division

Motion for approval of Items 5a-5c – Tarleton

Second – Albro

Motion carried by the following vote:

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

6. DIVISION, CORPORATE AND COMMISSION ACTION ITEMS

- a. (00:01:49) Authorization for the Chief Executive Officer to execute a professional services Indefinite Delivery Indefinite Quantity (IDIQ) contract for terminal development strategy campus planning services totaling \$1,300,000 for three years in support of upcoming capital improvement projects at Seattle-Tacoma International Airport (Airport).**

Request document: Commission agenda [memorandum](#) dated May 21, 2010 from Michael Ehl, Director, Airport Operations and Elizabeth Leavitt, Director, Aviation Planning and Environmental Services

Presenters: Ms. Leavitt and Dave Tomber, Aviation Planning Program Manager

Ms. Leavitt stated that one of the reasons for today's request is to help address current challenges at the Airport and to help accommodate the business needs of the individual airlines as they merge and consolidate operations, keeping an eye on not only technological changes, but also to the future of the Airport.

Motion for approval of Item 6a – Albro

Second – Holland

Motion carried by the following vote:

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

- b. (00:04:50) Request for Port Commission to (A) Determine that the competitive solicitation process is not appropriate or cost effective for the consultant selection process to be conducted under the multi-party agreement between the Port of Seattle and The Boeing Company, Alaska Airlines, the Port of Portland, Spokane International Airport and Washington State University to assess the environmental and economic sustainability of aviation biofuels, and is therefore exempt from the competitive solicitation requirements of Chapter 53.19 RCW; and (B) Delegate authority to the Chief Executive Officer to enter into the multi-party Agreement with the partners previously listed in a form substantially attached in Exhibit A. Funding associated with this authorization will not exceed \$50,000. Alaska Airlines will execute and administer the contract with the consultant**

Request documents: Commission agenda [memorandum](#) dated May 12, 2010 Michael Lufkin, Senior Environmental Strategy Manager, Aviation Environmental and Elizabeth Leavitt, Director, Aviation Planning and Environmental. Also provided was a copy of the draft [agreement](#)

Presenters: Ms. Leavitt and Mr. Lufkin

Ms. Leavitt noted that staff has been working closely with Boeing and Alaska Airlines to put together a group of stakeholders who are vested in making sure that if aviation biofuels are brought to the region, it is done in a sustainable manner. She commented on the partnership of this group with the Port of Portland, Spokane International Airport and Washington State University which is desired in order to assess environmental and economic sustainability issues.

Mr. Lufkin spoke about the basis of the proposed agreement, which outlines the framework for how the project sponsors will proceed, and address their specific responsibilities. He noted that a fundamental objective of the agreement is to retain a consultant that will be engaged to facilitate the stakeholder group and help in assembling a final report which will put together all of the information gained.

Mr. Lufkin commented on reasons for today's exemption request, noting that this is a multi-party agreement under which the Port of Seattle is not the contracting party. He stated that a separate

aspect is that there is a unique set of skills required of the consultant, and also commented that time is of the essence in proceeding.

Motion for approval of Item 6b – Tarleton

Second – Creighton

Motion carried by the following vote:

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

Commissioner Holland abstained from the vote, noting personal reasons.

c. (00:16:29) Authorization for the Chief Executive Officer to amend the following Professional Service Agreements for continued support services of the Rental Car Facility (RCF) program due to suspension:

- **Walker Parking Consultants (Walker) up to \$4,000,000 and one year for design support during construction and to provide notification to the Port of Seattle Commission in accordance with RCW 53.19.060 that the amended amount exceeds 50% of the original, contract not-to-exceed value of \$100,000;**
- **Shen Consulting Inc. (Shen) up to \$600,000 and one year for project management; and**
- **Jacobs Engineering Group (Jacobs) up to \$500,000 and one year for project controls.**

Request document: Commission agenda [memorandum](#) dated May 17, 2010 Nora Huey, Director, Central Procurement Office and George England, Program Leader, Aviation Capital Improvement Program

Presenter: Mr. England

Mr. England stated that the proposed amendments are to contracts specific to the Rental Car Facility program, and the request is being made in accordance with requirements of Port Resolution No. 3605, as amended.

He pointed out that staff had reviewed the complete project re-start authorization, and it was found that specific words for amending the existing service agreements was missing, which resulted in today's request.

Motion for approval of Item 6c – Holland

Second – Creighton

Motion carried by the following vote:

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

- d. (00:19:29) Resolution No. 3638, First Reading. Declaring certain real property located in the City of Redmond (a portion of the Redmond Spur segment of the Woodinville Subdivision) and its improvements surplus and no longer needed for Port purposes, and authorizing the Chief Executive Officer to execute all documents necessary for transfer to the City of Redmond**

Request documents: Commission agenda [memorandum](#) dated June 2, 2010 from Joe McWilliams, Managing Director, Real Estate Division and copy of Resolution

Presenters: Mr. McWilliams and Isabel Safora, Deputy General Counsel

Mr. McWilliams stated that this is the first of a series of subsequent resales of parts of the Eastside Rail Corridor, and noted that closing costs are anticipated to be at an amount of under \$10,000.

Motion for approval of Resolution No. [3638](#), First Reading – Tarleton

Second – Holland

Motion carried by the following vote:

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

- e. (00:22:29) Authorization for the Chief Executive Officer to supplement the value of the At-Berth Clean Fuels (ABC Fuels) Vessel Incentive Program by \$541,500 for a total 2010 annual program budget of \$841,500. Within the \$541,500, \$135,000 represents funds that were originally approved in 2009, but were not used until 2010.**

Request documents: Commission agenda [memorandum](#) dated May 17, 2010 from Phil Lutes, Deputy Director, Seaport Division; Stephanie Jones Stebbins, Senior Manager, Seaport Environmental Programs; Ellen Watson, Environmental Management Specialist II; and computer slide [presentation](#)

Presenters: Mr. Lutes and Ms. Watson

Mr. Lutes commented on an area of difference between last year's ABC plan and this year's, that being related to the incentive payout to the carriers, which has increased from \$1500 to \$2250 per vessel call. He noted that the two main reasons for the increase were elements which had changed related to targeted cost-sharing, and also issues related to fuel costs.

Ms. Watson briefly reviewed the 2009 emission reductions, both the estimated amounts and the actuals. She commented on the fact that there was a significantly greater amount of reduction in emissions than had been anticipated. Ms. Watson also reviewed projected numbers for 2010, noting that there are 350 qualifying vessel visits anticipated and an reduction of 100 metric tons of sulfur anticipated for the year.

Commissioner Creighton raised the question of whether or not the ABC Fuel program might be a disincentive for ships to use shore power. CEO Yoshitani commented that at some point, he believes that all ships will be able to plug into shore power, but until then it is important to have this program in effect.

Commissioner Tarleton commented on the importance of being able to measure all of the Seaport projects cumulatively as far as a return on investment, not only economically, but also in areas such as public health benefits related to having cleaner air.

Ms. Watson stated that the Port of Seattle is partnering with the Port of Tacoma on an emissions inventory for 2011, similar to one which was done in 2005, and which will help gauge the non-economic success of this program.

Motion for approval of Item 6e – Tarleton

Second – Holland

Motion carried by the following vote:

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

7. STAFF BRIEFINGS

a. (00:43:31) Terminal 91 – Neighbors’ Advisory Committee (NAC) – 2009 Annual Report

Presentation documents: Commission agenda [memorandum](#) dated May 12, 2010 from Marie Fritz, Manager, Cruise Services and Business Development and copy of NAC 2009 Annual [Report](#) (Report)

Presenters: Ms. Fritz and Bruce Laing, Chair, NAC

Ms. Fritz introduced Mr. Lang, Chairperson of the Neighbors’ Advisory Committee, and also acknowledged members of the NAC present in the audience, Mr. Kirk Robbins and Mr. Jim Smith.

Mr. Laing provided a brief summary of the section of the Report, titled, “Of Specific Interest to the Commissioners.”

Commissioner Tarleton suggested that the NAC consider a way that would be most appropriate for the committee and its involved communities to participate in the Port’s Centennial celebrations next year.

Commissioner Creighton noted his interest in hearing any feedback from NAC representatives on the North Portal Working Group regarding how that group is working for the neighborhoods and what role the Port may be able to play in order to be helpful.

Commissioner Albro commented on the Port's MOU with the Cruise Lines Association and the Department of Ecology regarding the operation of the cruise lines. He noted that perhaps the NAC would have suggestions regarding possible amendments to that agreement, and he commented on the importance of engaging in the public process pertaining to the MOU, its contents, and possible amendments.

Mr. Laing mentioned the NAC's wish to use an informal scoping process as a basis for discussion with the Commission should there be conflicts with provisions of the Agreement the Port has with the neighborhoods (Queen Anne and Magnolia), and which has existed since 1983. Mr. Yoshitani stated he felt this was an appropriate method of going forward, and urged the Commission to support the concept.

Commissioner Albro indicated his agreement with the idea, and commented on the benefit of the Port working with neighborhoods.

Public comment regarding Item 7a was received from the following individual:

- Kirk Robbins, Vice-Chair, Queen Anne Community Council, and member of NAC. Mr. Robbins commented on current transportation issues on Nickerson Street, where lanes are being revised and will result in impacts to Metro transportation in that area.

b. (01:02:37) Capital Improvement Projects Report for First Quarter, 2010

Presentation documents: Commission agenda [memorandum](#) dated May 20, 2010, [report](#), and computer slide [presentation](#) from Ralph Graves, Managing Director, Capital Development Division

Presenter: Mr. Graves

Mr. Graves reviewed the status of projects within the different divisions, as follows:

Aviation

- Favorable variances
 - Stormwater Management Program
 - Airport Owned Gate Infrastructure
 - Main Terminal Fire Piping Upgrades
 - FAR Part 150 Mobile Home Park Acquisition
- Reportable variances
 - Second Floor Tenant Improvements
 - North Expressway Relocation
 - Second Floor HVAC
 - 3rd Runway Residential Acquisition
 - Des Moines Creek Street Vacations
- Construction Growth Exceeding 10%
 - Trash Handling and Recycling System

Seaport

- Reportable variances
 - T5 Crane Spreader Replacement
 - T10 Interim Redevelopment
 - T91 Pavement and Guard Shack

Real Estate

- Favorable variance
 - C15 Sewer Line Upgrade

Corporate – Information and Communications Technology

- Reportable variance
 - Sharepoint Records and Document Management

c. (01:11:17) 2011 Budget Process and Calendar Briefing

Presentation documents: Commission agenda [memorandum](#) dated May 25, 2010 and computer slide [presentation](#) from Dan Thomas, Chief Financial and Administrative Officer and Michael Tong, Corporate Budget Manager

Presenters: Mr. Thomas and Mr. Tong.

Mr. Thomas stated this presentation would simply be a high level overview of the budget process and schedule. He noted that preliminary budget documents will be available 3 weeks in advance of the First Reading of the 2011 budget. He also stated that at this point, detailed assumptions of key drivers of the budget are not yet available, as they are still being worked on by staff.

Mr. Thomas stated that consistent with direction received from the Commission last Fall, in preparation for the 2010 budget, the assumption for the 2011 budget related to the tax levy is that the tax levy dollar amount will remain flat at the level that was budgeted for for 2010. He also noted that the uses of the levy will be targeted for environmental and transportation projects as well as real estate investments, in accordance with discussions held last Fall, and would not be used for Seaport Division capital improvements.

Mr. Tong then provided a brief overview of the 2011 budget process, which includes the following:

- Assess business environment and industry conditions
- Develop key assumptions, drivers and targets
- Issue budget calendar and guidelines
- Update division business plans
- Prepare operating and capital budgets
- Develop funding plans
- Review and approve budgets
- File Statutory Budget

Mr. Tong reviewed the anticipated dates between August and November that staff would be providing budget presentations to the Commission. He also noted that the final statutory budget for

2011 will be filed the first week in December and the 2011 Final Budget and Draft Plan of Finance Document would be released to the public by December 15.

Commissioner Albro posed questions regarding how interrelated the operating and capital budgets are and also whether any consideration has been given to having a biennial budget process, with perhaps a focus on the operating side one year and the capital side the next. Mr. Thomas responded, stating that the two budgets are highly interrelated, and noted that at one of the upcoming budget briefings, staff plans to provide more detail on the linkage of the budgets and how they relate to each other. Regarding a biennial budget, Mr. Thomas stated that the option has been looked at; however, since the Port operates in a fairly dynamic environment, the conclusion was that as it is likely that significant revisions would need to be made to such a budget, it is unsure that it would actually save any amount of work or time.

8. NEW BUSINESS

(01:21:39) Commissioner Holland reported on his participation, on behalf of the Commission, at a recent event celebrating the Delta Airlines inaugural flight to Osaka from Sea-Tac Airport.

Commissioner Bryant noted that in addition to the regular Commission meeting on June 22 at 1:00 p.m. at Sea-Tac Airport, there would be a separate Commission special meeting held the same day at 10:00 a.m. in Redmond for the Second Reading and Final Passage of Resolution No. 3638 related to part of the Redmond Spur which exists in the City of Redmond.

9. POLICY ROUNDTABLE – BUDGET WORKSHOP

None.

9. ADJOURNMENT

There being no further business, the regular meeting was adjourned at 2:32 p.m.

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

John Creighton
Assistant Secretary