



**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 **(Please note that the audio for the January 5 meeting is in two parts, and is noted as such within the minutes)**)*

**APPROVED MINUTES  
COMMISSION REGULAR MEETING JANUARY 5, 2010**

The Port of Seattle Commission met in a regular meeting at 1:00 p.m., Tuesday, January 5, 2010 in the Commission Chambers at Pier 69, 2711 Alaskan Way, Seattle, WA. Commissioners Albro, Bryant, Creighton, Holland and Tarleton were present.

**1. CALL TO ORDER**

The special meeting was called to order at 1:05 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**

**(00:01:12 – Audio, part 1) Minutes for the special meetings of November 10 and 23, 2009 and the special meetings of December 8, 16, and 28, 2009.**

**Motion for approval of the minutes of November 10 and 23, 2009 and December 8 and 16, 2009 – Creighton**

**Second – Tarleton**

**Motion carried by the following vote:**

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

*It was determined by General Counsel Watson that minutes of the December 28, 2009 special meeting could not be approved, as two of the Commissioners who attended the meeting were not present to vote, since they were no longer in office at the time the vote was to be taken. The December 28, 2009 meeting was held for the purpose of the swearing in of the recently elected Commissioners.*

**4. (00:03:29 – Audio, Part 1) SPECIAL ORDER OF BUSINESS**

**a. (00:03:44) Administration of Oath of Office to Tom Albro, John Creighton and Rob Holland**

The oath of office of Port Commissioner was administered to Tom Albro by Nate Albro, his son.

Mayor Mike McGinn administered the oath of office of Port Commissioner to John Creighton, who was re-elected to his position in the November, 2009 election.

Former Governor John Spellman administered the oath of office of Port Commissioner to Rob Holland.

**b. (00:09:16) Election of Officers**

**Commissioner Albro moved the following slate of officers for 2010:**

Chair and President – Bill Bryant  
Vice-Chair and Vice President – Tarleton  
Secretary – Holland  
Assistant Secretary – Creighton  
Commissioner - Albro

**Second – Tarleton**

**Motion carried by the following vote:**

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

Commissioners commented on the fact that when a Commissioner serves as president for two years rather than one, as is the case for 2010, it maintains momentum and continuity in working on issues which have been addressed during the first year. Comments were also made regarding the importance of Commissioners being more accessible to members of the community, something shown by holding more Commission meetings at locations outside of the Port.

Commissioner Bryant thanked the honored guests in attendance and welcomed the new Commissioners. He also emphasized the fact that many things at the Port have changed over the

past two years, including increased Commission oversight and a revised delegation of responsibility between the CEO and the Commission; new contracting policies and procedures; increasing transparency, and the openness of Commission meetings; and increased outreach to the community.

*Following the adoption of the slate of officers for 2010, there was a twenty-minute recess and the meeting was reconvened at 1:45.*

**5. (00:01:16 – Audio, Part 2) UNANIMOUS CONSENT CALENDAR**

- a. Authorization for the Chief Executive Officer to enter into four Indefinite Delivery/Indefinite Quantity (IDIQ) Contracts for Security System Design, Geotechnical Engineering, Engineering Services at Terminal 86 and Estimating Services to be used to support Port projects. Total amount of the contracts not-to-exceed \$2.5 million. Each contract will have a maximum ordering period of three years.**

Request document: Commission agenda [memorandum](#) dated December 15, 2009 from Mark Longridge, Capital Project Manager

**Motion for approval of Item 5a – Tarleton**

**Second – Creighton**

**Motion carried by the following vote:**

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

**6. DIVISION, CORPORATE AND COMMISSION ACTION ITEMS**

- a. (00:01:20 – Audio, Part 2) Authorization for the Chief Executive Officer to 1) Accept a grant award of \$749,040 funded by the FY-2009 American Recovery and Reinvestment Act (ARRA); 2) Execute and award outside professional services agreements to determine the specifications for certain Port security (IED) equipment; and 3) Purchase materials and equipment and perform contract administration and execution for the Improvised Explosive Device (IED) Mitigation Program in an amount not-to-exceed \$1,314,775, of which \$1,173,341 is reimbursable from the Department of Homeland Security under the Round 7 Supplemental and ARRA Port Security Grant funding. Total net Port funding required is \$141,433 after reimbursements.**

Request document: Commission agenda [memorandum](#) dated December 7, 2009 from Arif Ghouse, Director, Seaport Security and Russ Read, Seaport Security Program Manager

Presenter: Mr. Ghouse

Mr. Ghouse provided background information on the request, noting that the U.S. still faces a real threat of the use of IED's, and commenting that that threat applies both to the Seaport and the

Airport. He stated that this request would help the Port and its partners enhance the capability to detect and/or mitigate IED's.

**Motion for approval of Item 6a – Tarleton**

**Second – Holland**

**Motion carried by the following vote:**

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

**7. STAFF BRIEFINGS**

**a. (00:08:04 – Audio, Part 2) Briefing on Resolution No. 3618, the Small Contractors and Suppliers Program**

Presentation documents: Commission agenda [memorandum](#) dated December 17, 2009 and computer slide [presentation](#) from Ralph Graves, Managing Director, Capital Development Division and Elaine I. Ko, Director, Office of Social Responsibility.. Also provided was a [draft version of Resolution No. 3618](#).

Presenter: Mr. Graves and Ms. Ko

Mr. Graves began the briefing by noting two aspects of the Resolution, stating first that it is a complex issue about how the Port will work with small businesses in contracting and that it had been thoroughly reviewed by the Legal department and the Central Procurement Office. Secondly he commented on the importance of Port staff receiving clear guidance in terms of what is to be accomplished with respect to this program and what tools the Commission deems appropriate for staff to use.

Ms. Ko briefly reviewed the history of the small business program, which was established at the "Small Business Initiative" in 2003 under Resolution No. 3506. Key elements of the updated program were reviewed, which included the areas of:

- Goals
  - Increase opportunity and utilization of Small Contractor and Supplier (SCS) firms
  - Identify and reduce barriers
  - Develop outreach strategies
  - Engage and partner with public/private entities
  - Develop and implement and operate a system of data collection
- Size and Standard Certification
- Pricing Incentive
- Participation Requirement
- Evaluation Criteria
- Service Agreements

- Key Department Roles
- Tracking and Reporting

Commissioner Tarleton commented on the importance of creating opportunities for small businesses for the long term and addressed the need to maintain communication with the small business community. She also stated that she would like to see the prime contractors take a responsibility to make sure that as many small business as possible are brought in as a part of the current economic recovery.

Responding to Commissioner Albro's question about how the personal net worth cap of \$750,000 for small business owners was reached, Ms. Ko explained that the amount is the same as for both King County and Washington State and was used to maintain consistency.

Commissioner Creighton asked how interest from out-of-state small businesses would be handled as opposed to local small business. Ms. Ko replied that this is being deferred to the State in order to make that determination. She also noted that the vast majority of the small businesses that do work for the Port are local.

Ms. Ko stated that there will be annual reports to the Commission on the impact of the program policies, programming and outreach initiatives.

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

- Written comments were submitted by Mr. Alex Rolluda of Rolluda Architects. A copy of these comments is, by reference, made a part of these minutes; are marked Exhibit 'A'; and is on file in Port offices.
- Ralph B. Ibarra, Diverse America Network. Mr. Ibarra submitted a memorandum to the Commission, dated January 5, 2010 which outlined a number of his concerns within the draft Resolution. A copy of the memorandum is, by reference, made a part of these minutes; is marked Exhibit 'B'; and is on file in Port offices.
- Albert Shen, Shen Consulting, Inc. Mr. Shen stated his belief that the smaller size standard being proposed in the Resolution being discussed will stimulate more interest from local small businesses. He also addressed the importance of accountability of the prime contractors.
- Tony Benjamin, Urban League of Metropolitan Seattle. Mr. Benjamin commented on three elements which are contained in the Resolution, those being 1) small business as part of the fabric of the economy, 2) language that achieves fairness in contracting methods and procedures, and 3) recognition of the Port as the owner of the business opportunities and exercising control over those entities with whom they contract.

Commissioner Albro stated that it might be helpful for the Office of Social Responsibility to review the Port's contracting policies as they relate to insurance and bonding requirements for contracts of all sorts in order to provide fairness to all.

**b. (00:48:19 – Audio, Part 2) Overview of 2009 Cruise Season, the Opening of the Smith Cove Cruise Terminal (SCCT)**

Presentation documents: Commission agenda [memorandum](#) dated December 28, 2009 and computer slide [presentation](#) from Mike McLaughlin, Director, Cruise and Industrial Properties. There was also a video presentation shown.

Presenters: Mr. McLaughlin and Marie Fritz, Cruise Services Manager

As an opening to the presentation, a video was shown which depicted the early weeks of the cruise season.

Ms. Fritz commented on the importance of Seattle being a desirable geographic location for the cruise industry, noting that it is a proven vacation destination and stated that although Seattle is primarily a home port location, there is an increased interest in port of calls.

Ms. Fritz reviewed the growth of the cruise business in Seattle, which began in 1999. She noted the addition of the Carnival Spirit to the homeport cruise lines list for 2010, which will sail every Tuesday out of Smith Cove.

Ms. Fritz also reviewed benefits to the community which result from Seattle's cruise industry, noting that the economic impact to the area includes providing an estimated 3,781 jobs; \$312.5 million in annual business revenue; and \$16 million in state and local taxes.

Public comment regarding Item 7b was received from the following individuals:

- Charlie Ball, Holland America/Princess Cruises. Mr. Ball reviewed challenges faced by the cruise lines during the transition of ships being docked at Terminal 30 and then being moved to Pier 91. He recognized the support that Port staff has provided to assure that the transition went smoothly.
- Bill Sharp, Holland America Line. Mr. Sharp noted that he is fortunate to be able to work with Port staff on a daily basis. He stated that he realizes Smith Cove is a work in progress and believes there are a lot of things that will need to be worked out in what is a very congested area.
- Tom Norwalk, Seattle Convention and Visitors Bureau. Mr. Norwalk addressed the importance of tourism to the Seattle-King County area, noting the contribution that the cruise industry makes.
- Jean Cox, Cruise Terminals of America (CTA). Ms. Cox commented on CTA's collaboration with Port staff over the years and stated that she looks forward to another successful cruise season.

**c. (01:13:01 – Audio, Part 2) Briefing on Interim Agreement to Manage Events at Smith Cove Cruise Terminal**

Presentation documents: Commission agenda [memorandum](#) dated December 28, 2009 from Melinda Miller, Director, Portfolio Management and Patricia Spangler, Real Estate Manager

Presenter: Ms. Miller provided information on a proposed secondary use of the Smith Cove Cruise Terminal, an opportunity which could generate additional revenue during times the facility is not in use as a cruise terminal. This proposal would be for Columbia Hospitality (CHI) to manage and produce events which would not conflict with cruise operations. She noted that staff would be returning in the near future with a proposed amendment to the management contract with CHI in the short term.

Ms. Miller noted main points to the proposed amendment:

- It would create an extension to the premises of Bell Harbor to include Smith Cove Cruise Terminal
- The Port can use the terminal for up to five events per year for its own use without using CHI as manager for those events
- Due to the short-term arrangement of the agreement, Capital Reserve funds will not be set aside, as has been done for facilities in the past
- Regarding the parking commitment, up to 800 spaces would be guaranteed outside of cruise season, noting that cruise comes first, and events will come second

**d. (Item deferred) Update on Emergency Management Planning – Green River Flooding**

**e. (Item deferred) Briefing on Self-Funding of Port Medical and Dental Benefits**

*Item 7g was advanced on the agenda as follows:*

**g (01:24:01 – Audio, Part 2) Briefing on Alaskan Way Viaduct / Seawall Replacement Program**

Presentation documents: Commission agenda [memorandum](#) dated December 30, 2009 and computer slide [presentation](#) from Kurt Beckett, Director, External Affairs; Mike Merritt, Local Government Affairs Manager; and Geri Poor, Regional Transportation Manager

Presenters: Mr. Merritt and Ms. Poor. Also assisting in the presentation were Ron Paananen, Director of Community Outreach, Washington State Department of Transportation (WSDOT) and Bob Powers, Deputy Director, Seattle Department of Transportation (SDOT).

Ms. Poor began the presentation commenting on goals which had been given by the Port Commission in 2008 to guide the selection of the preferred alternative for replacing the Alaskan Way Viaduct, and noted that in 2009 the Commission affirmed that the bored tunnel alternative would best meet those benchmarks.

Mr. Paananen provided an overview of the current program and what has taken place over the past year. Specifics then reviewed by Mr. Paananen and Mr. Powers included:

- South Holgate to South King Viaduct replacement and construction timeline
- Previous design as compared to current design
- Design changes made to reduce risks, cost and disruptions
- New proposed South Portal
- New Proposed North Portal, two options
- Phased approach to work on Mercer Corridor – Mercer East and Mercer West
- Mercer Corridor schedule
- Proposed SR99 Tunnel alignment and timeline

Mr. Powers commented on the importance of not only transportation improvements, but also of creating a world-class waterfront with open space for the public to enjoy. He stated that the city has established a Central Waterfront Partnership Committee, who will look at the process on how the waterfront gets designed and how the consultant selection process will move forward, as well as best practices on how other cities have designed their waterfronts.

Mr. Paananen reviewed State costs and funding of the Project and Mr. Powers reviewed costs and funding by the City.

Mr. Paananen noted that work is continuing with Port staff on the draft agreement which is in progress and the goal is ideally to have it in place and signed by the end of January.

Commissioner Bryant stated that at the January 12 Commission meeting there would be a roundtable discussion public and Port finance of the Viaduct Replacement Project.

**f. (02:15:20 – Audio, Part 2) Federal and State Legislative Update**

Presentation document: Commission agenda [memorandum](#) dated December 29, 2009 from Kurt Beckett, Director, External Affairs and Clare Gallagher, Manager, State Government Relations

Presenters: Mr. Beckett and Ms. Gallagher

Mr. Beckett provided a forward look at federal legislative issues for 2010. He noted that the highlight of the agendas for both Washington, D.C. and Washington State is jobs. He stated that issues of trade are getting attention as being important in terms of the economy. He commented on strong support of both Senators, and stated that the items going forward are reflective of partnerships, noting the importance of building on those strengths.

Regarding Federal economic stimulus funds, Mr. Beckett noted that to date approximately \$9.2 million should be coming to the Port directly.

Ms. Gallagher commented on State items which were scheduled to come forward in the State legislation. She noted that further information has not yet been seen from the Governor regarding either a new jobs package, a tax package or a revised budget, but that information is likely to be



circulated during the next week and that a tax raise is likely to be considered. Ms. Gallagher mentioned that part of the Governor's budget cuts are related to eliminating tax loopholes and consolidating some agencies into larger agencies.

Ms. Gallagher reiterated that there will not be any transportation funding proposed by the legislature in this session but that it is a significant ongoing discussion in the role of paying for freight mobility.

Ms. Gallagher stated that staff will work vigorously with fellow ports regarding the Model Toxics Control Act (MTCA).

*Commissioner Creighton was excused from the meeting and was absent from this time forward.*

*Item 7i was advanced on the agenda as follows:*

**i (02:32:37 – Audio, Part 2) Airport Security Briefing**

Presenters: Mike Ehl, Director, Aviation Operations and Wendy Reiter, Director, Aviation Security and Emergency Preparedness

A high-level briefing was provided by staff, presented in response to a recent failed attempt at an attack on a Delta flight and the desire to assure the traveling public that security issues are being addressed.

Ms. Reiter noted that changes in deployment of technology are likely to affect passengers. She also noted that representatives from Port Aviation Security, Port Police Department and Aviation Operations are meeting on a daily basis, and commented on tabletop exercises which have recently been held. She reiterated that staff is in constant contact with the TSA on both local and national levels. Also noted is a higher use of K-9 units as well as raised visibility of uniformed officers at checkpoints and throughout the terminal.

Ms. Reiter also provided a brief report related to the Vancouver 2010 Olympics, noting that staff is connected to various Federal, State and local entities in order to maintain a shared vision should any incident occur which would affect the State of Washington or specifically the Port of Seattle.

Mr. Ehl provided information on possible operational impacts during the time of the 2010 Olympics, which are expected to be quite minimal.

**h (02:40:51 – Audio, Part 2) Capital Improvement Projects Report for Third Quarter 2009**

Presentation documents: Commission agenda [memorandum](#) dated December 18, 2009; computer slide [presentation](#); and third quarter [report](#) from Ralph Graves, Managing Director, Capital Development Division

Presenter: Mr. Graves

Mr. Graves presented an overview of the quarterly report on the Port's Capital Improvement Projects, which included the following information on the Aviation Division, the Seaport Division, the Real Estate Division and the Corporate Division:

- Overall Status
- Quarterly Variances, favorable and reportable
- Construction Contract Growth Exceeding 10%

**8. NEW BUSINESS**

None.

**9. POLICY ROUNDTABLE – BUDGET WORKSHOP**

None.

**9. ADJOURNMENT**

There being no further business, the meeting was adjourned at 4:40 p.m.

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

Rob Holland  
Secretary