



Commissioners

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Chair and President
Tom Albro
John Creighton
Rob Holland
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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 12 meeting is in two parts, and is noted as such within the minutes)**)*

**APPROVED MINUTES
COMMISSION SPECIAL MEETING JANUARY 12, 2010**

The Port of Seattle Commission met in a special meeting at 11:00 a.m., Tuesday, January 12, 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 11:08 a.m. by Bill Bryant, Chair and President.

2. EXECUTIVE SESSION pursuant to RCW 42.30.110

The meeting was immediately recessed to an Executive Session to discuss Legal Risk matters for approximately two hours and reconvened to open public session.

PLEDGE OF ALLEGIANCE

3. APPROVAL OF MINUTES

(00:00:57 - Audio Part 1) Approval of minutes for the special meetings of November 30 and December 15, 2009.

Motion for approval – Tarleton

Second – Creighton

Motion carried by the following vote:

In Favor: Bryant, Creighton, Tarleton (3)

Abstained: Albro, Holland (2), who were not yet in office during the subject meetings.

4. (00:01:37 – Audio, Part 1) SPECIAL ORDER OF BUSINESS

a. (00:01:56) 2009 Port of Seattle Awards

Presentation documents: Commission agenda [memorandum](#) dated January 4, 2010 and computer slide from Jane Kilburn, Director, Public Affairs.

CEO Yoshitani commented on awards which had been presented to the Port of Seattle during 2009, and noted that the awards demonstrate both regional and national recognition. Awards specifically highlighted by Mr. Yoshitani included recognition for Green Concessions as well as Best Overall Concessions Program at Sea-Tac Airport; and also awards to the Finance and Budget Department from the Government Finance Officers Association, for budget presentation and financial reporting.

b. (00:05:40) Swearing in of new Port of Seattle Police Department (POSPD) Officer

POSPD Chief Colleen Wilson introduced Thomas D. Bailey, noting that he had recently moved to Washington from Arizona, specifically to accept the position as an officer with the Port.

Commissioner Bryant then administered the Oath of Office to Officer Bailey.

c. (00:09:16) Port of Seattle Police Department (POSPD) Recognition

- Commissioner Bryant read into the record a letter dated December 2, 2009 which he had received from Commissioner Bill Clark, Commissioner, Port of Pasco and sent on behalf of the Camp Patriot Board of Directors recognizing efforts extended recently by the POSPD in assisting disabled veterans who traveled through Sea-Tac Airport to participate in Camp Patriot's climb of Mt. Rainier. A copy of the letter is, by reference, made a part of these minutes; is marked Exhibit 'A'; and is on file in Port offices.
- Commissioner Bryant also recognized POSPD K-9 Lilly who was instrumental in locating drugs which were recently seized at Sea-Tac Airport, when an arrest was made by Port police in cooperation with the Transportation Security Administration (TSA). Lilly was presented with a certificate of recognition from the Port as well as gift box of special dog treats. Also introduced were Lilly's handler, Officer Matt Bruch and his partner, Officer Cory Stairs.

Chief Wilson presented to Officers Bruch and Stairs a certificate of appreciation from the Drug Enforcement Administration recognizing their outstanding contributions in the field of drug enforcement.

Commissioner Creighton noted his support of the Citizens' Police Academy a program which is offered by the POSPD, which he had attended. Chief Wilson stated that the program would be made available again sometime this Spring.

5. (00:18:11 - Audio Part 1) UNANIMOUS CONSENT CALENDAR

- a. Authorization for the approval of outstanding [Claims and Obligations](#) for the Period of December 1, through December 31, 2009

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. (00:19:04 - Audio Part 1) Resolution No. [3618](#), First Reading. Establishing the Small Contractors and Suppliers Program to develop mutually advantageous relationships with small businesses, including those owned and operated by people of color, women, people with disabilities, veterans, and the social-economically disadvantaged.

Request document: Commission agenda [memorandum](#) dated January 4, 2010 and Resolution from Ralph Graves, Managing Director, Capital Development Division and Elaine I. Ko, Director, Office of Social Responsibility.

Presenters: Mr. Graves and Ms. Ko

As a follow-up to information provided by staff at the January 5, 2010 meeting on this Resolution, Commissioner Albro reiterated that the Resolution would simply bring the Port into complete alignment with King County and the State of Washington as far as the size standards both in terms of business revenue and personal net worth of business owners, and is therefore the best starting point for this program. Staff confirmed this and also noted that as the Port is in the same jurisdiction as the County, there is efficiency in maintaining this consistency in order to reinforce efforts made.

Commissioner Holland commented on the importance of having some community oversight of this program. Commissioner Tarleton suggested that perhaps the Port's Art Oversight Committee could be used as a model for such a committee.

Public Comment regarding Item 6a was received from the following individual:

- Karen Primeau, Platinum Group, LLC. Ms. Primeau spoke in favor of the program, but noted her concern about the size standards being suggested and stated her support of the creation of some type of community oversight or advisory committee.

Motion for Resolution No. 3618, First Reading – Creighton

Second – Holland

Motion to amend Resolution No. 3618, Section 2e, second sentence, replacing the word ‘current’ (SBA size standard) with the word ‘prevailing’ (SBA size standard) – Albro

Second – Holland

Motion carried by the following vote:

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

Motion to approve, as amended carried by the following vote:

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

- b. (00:37:29 - Audio Part 1) Authorization for the Chief Executive Officer to execute a contract with a benefits consulting firm to assist the Port in its transition to a self-funded program for medical and dental benefits, and to assist in managing this program for four years. The estimated cost is \$810,000 over a period of five years, 2010 – 2014; a competitive selection process will be used.**

Request document: Commission agenda [memorandum](#) dated January 12, 2010 and computer slide [presentation](#) from Jeff Hollingsworth, Risk Manager

Presenters: Mr. Hollingsworth and Tammy Woodard, Senior Manager, Total Compensation

Ms. Woodard noted that adopting a self-funded program for insurance plans is a way in which to continue cost-containment efforts. As background to the request, staff reviewed self-funding program benefits, risks, challenges and potential savings.

Mr. Hollingsworth stated that the first year of the contract being proposed would be used for the purpose of assisting the Port in setting up elements of transition which would allow self-funding of medical and dental benefits to be implemented beginning in 2011. He also noted that the proposed contract would replace the consultant currently under a contract which expires in 2011.

Mr. Hollingsworth reviewed elements of the scope of work the selected consultant would assist and clarified that the self-funded plan would apply to employees who currently subscribe to the Port's programs with Premera and Washington and would not impact other insurance programs such as Group Health or Port employees who are insured under provisions of a collective bargaining agreement.

Responding to a question from Commissioner Tarleton, it was clarified that exploring self-funding of medical and dental insurance was strictly an initiative from staff in an attempt to help manage health care costs, and not something the Commission had directed. It was reiterated that the final decision has not yet been made; rather the proposed contract would be to help staff sort out whether or not to move forward with such a program.

Ms. Woodard clarified to the Commission that should it be decided to establish a self-funding program, a Resolution would need to be adopted to apply to the State for the Port to become a self-funded employer, necessitating a return to the Commission before such a program would be put into place.

Motion for approval of Item 6b, with the modification that the authorization be to execute a contract with a benefits consulting firm for two years, with three one-year options to extend – Tarleton

Second, as modified – Albro

Motion carried by the following vote:

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

- c. (01:02:15 - Audio Part 1) Authorization for the Chief Executive Officer to advertise and award a construction contract for the 2010 Airfield Improvement Projects – Contract 1, consisting of the Apron Pavement Replacement and Taxiway G Signs at Seattle-Tacoma International Airport (Airport).**

Request document: Commission agenda [memorandum](#) dated December 28, 2009 and [map](#) from Michael Ehl, Director, Airport Operations and Wayne Grotheer, Director, Aviation Capital Improvement Program

Presenter: Mr. Grotheer

Mr. Grotheer noted that today's request was for authorization to advertise for bids for work needing to be done in various areas of the airfield at the Airport. He stated that the work could begin as early as mid-May. He stated that authorization for construction will be asked for prior to completion of the full design due to the time-critical nature of the work. He also noted that the Project Labor Agreement will be used for this work due to the time-sensitivity and safety issues

Motion for approval of Item 6c – Tarleton

Second – Creighton

Motion carried by the following vote:

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

- d. (01:08:47 - Audio Part 1) Authorization for the Chief Executive Officer to advertise and award a construction contract for the 2010 Airfield Improvement Projects – Contract 2, consisting of Third Runway Environmental Mitigation, including Miller Creek Relocations Revisions and Restoration; 160th Street Bridge/Culvert Removal; and Third Runway Permanent Stormwater Detention Facility at the Airport.**

Request document: Commission agenda [memorandum](#) dated December 28, 2009 and [map](#) from Michael Ehl, Director, Airport Operations and Wayne Grotheer, Director, Aviation Capital Improvement Program

Presenter: Mr. Grotheer

Mr. Grotheer noted that as in the previous item, this request to advertise for bids is being asked prior to completion to the full design to allow the work to proceed during the drier months of the year. He noted that the Project Labor Agreement would be used for the completion of this work as it is part of the Third Runway work.

Motion for approval of Item 6d – Holland

Second – Albro

Motion carried by the following vote:

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

- e. (01:13:44 - Audio – Part 1) Request for authorization for 2010 Commission International Travel**

Request document: Commission agenda [memorandum](#) dated January 11, 2010 from Mary Gin Kennedy, Director of Commission Services

Presenter: Ms. Kennedy

Ms. Kennedy stated that any additional Commission International travel proposed and not listed on the memo would need to be approved separately at a future meeting.

Commissioner Tarleton clarified for the record that one item listed on the memo, a trip to Russia for a FRAEC (Foundation for Russian American Economic Cooperation) and associated costs, would be paid for by her rather than out of the Commission budget.

Motion to approve Item 6e, with modification noted by Commissioner Tarleton – Holland

Second – Tarleton

Motion carried by the following vote:

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

7. STAFF BRIEFINGS

a. (01:17:19 - Audio Part 1) Port of Seattle Seaport Air Quality Program Update

Presentation documents: Commission agenda [memorandum](#) dated December 22, 2009 and computer slide [presentation](#) from Michael Burke, Senior Manager, Seaport Container Leasing and Operations and Sarah Flagg, Seaport Air Quality Program. Also provided was a copy of the Port's [agreement](#) with the Puget Sound Clean Air Agency to reduce diesel emissions.

Presenters: Mr. Burke and Ms. Flagg, Port staff and Dennis McLerran and Amy Fowler of the Puget Sound Clean Air Agency (PSCAA)

Ms. Flagg provided a brief update on the implementation of the Northwest Ports Clean Air Strategy, specifically in the areas of cargo-handling equipment; rail; harbor vessels; At Berth Clean (ABC) fuels; and the clean truck program.

Regarding performance measures for the clean truck program, Ms. Flagg noted that timeline dates for trucks to meet emission standards are based on input from members of the trucking community, the labor community, regulatory groups and environmental groups.

Commissioner Tarleton noted that she would like to review data of what is happening for the truck drivers who cannot afford to stay in the business as a result of their truck getting scrapped, and commented on the importance of knowing what is coming out of the program, not just what we are putting into the program. She also stated that this is information that should be communicated to the public in order for people to understand what is going on with this industry.

PSCAA staff provided information on the Seaport Truck Scrappage and Retrofits for Air in Puget Sound (ScRAPs) program. Specifics reviewed included:

- An overview of the program and why the program is being offered
- Trucks eligible for Phase I
- How much older trucks are worth and financial incentives of scrapping
- Funding for the program
 - Phase one, currently underway
 - Port of Seattle grant for scrappage (\$1.5 million) and retrofits (\$200,000)
 - Department of Ecology grant for retrofits (\$350,000)
 - Agency funds for retrofits (\$148,000)
 - Phase two, to launch within two months, which will expand focus to trucks serving Port of Tacoma and City of Tacoma
 - Federal Department of Transportation grant to City of Tacoma for scrappage and retrofits (\$2.5 million)
 - Cascade Sierra Solutions loans for retrofit installations (\$335,000)
- How the program works – run by Cascade Sierra Solutions

- Results to date

Ms. Flagg presented to the Commission a small piece of steel which came from a truck frame which had recently been scrapped. The piece of steel had been put into a display case by workers at Marine Maintenance.

Ms. Flagg then provided a brief update on the Green Gateway Study, noting that the next phase of the study is under way, is being conducted by Herbert Engineering, and will hopefully be completed in March.

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

- Patrick Neville, Economic Development Specialist, Martin Luther King County Labor Council, AFL-CIO. Mr. Neville spoke about differences between independent and dependent truck operators in drayage operations, and commented on the importance of addressing safety issues and looking at the industry as a whole rather than just at the workers.
- David West, Executive Director, Puget Sound SAGE. Mr. West stated that his belief that the problem analysis and solution of the trucking issue is inadequate and will have a marginal effect on diesel pollution.
- Heather Weiner, Coalition for Clean and Safe Ports. Ms. Weiner submitted a memo to The Commission dated January 11, 2010 regarding an analysis of the Port of Seattle Truck Plan. A copy of the memo is, by reference, made a part of these minutes; is marked Exhibit 'A'; and is on file in Port offices. She commented on her belief that the program will not work as it is currently designed.
- Heather Trim, People for Puget Sound. Ms. Trim stated her appreciation of the Port being proactive in working on air issues but also noted her concern about a lack of accountability for how this program is working. She also commented that she believes Radio Frequency ID tags would be beneficial.
- Fred Felleman, Friends of the Earth. Mr. Felleman spoke in support of the Port's ABC fuel program, and noted that it would be good to encourage all vessels that port at Pier 91 and at Pier 66 to participate in the program until there is the option for electrification.

b. (02:26:34 - Audio Part 1) Update on Emergency Management Planning – Green River Flooding

Presentation documents: Commission agenda [memorandum](#) dated December 10, 2009 from Ralph Graves, Managing Director, Capital Development Division

Presenter: Mr. Graves

Mr. Graves briefly commented on ongoing efforts being made to prepare for potential flooding on the Green River due to reduced capability of the Howard Hansen Dam. He noted that interim repairs done by the Corp of Engineers they estimate have reduced the possibility of serious flooding from 1 in 3 to 1 in 25. He stated that it will be at least five years before all fixes to the dam are completed.

Mr. Graves commented on the diesel back-up system which is being put in place at the Airport in case of any flood-related power failure there.

Mr. Graves mentioned that five formal requests have been received for stand-by ability to store equipment or materials relocating out of the flood area, most of which are from governments, and staff is exploring ways those requests may be handled. He noted that staff is negotiating with King County regarding the option of using Smith Cove Cruise Terminal as a stand-by facility for people who might have to be evacuated in the event of a flood.

A brief recess was called by Commissioner Bryant at 3:40 and the meeting was reconvened at 3:50.

8. NEW BUSINESS

None.

9. POLICY ROUNDTABLE – BUDGET WORKSHOP

(00:00:01) Audio Part 2) Alaskan Way Viaduct / Seawall Replacement Program Discussion

Commissioner Bryant welcomed participants to the Roundtable, noting that the Roundtable would simply be an informal discussion of how the Alaskan Way Viaduct will be replaced and how the deep-bored tunnel moves forward.

Participants included:

- Mike Merritt, Local Government Relations Manager
- Lee Newgent, Seattle Building & Construction Trades Council
- Brian Steinberg, Allied Arts
- Dan Grausz – Sr. VP, Holland America

As background, Commissioner Bryant noted that in late 2008, Port Commission asked the State to consider an alternative to the two proposals being considered at that time, which were an all-surface option and a rebuilding of the viaduct. He stated that with consideration of the deep-bored tunnel option, the State asked the Port to consider providing a contribution up to \$300 million in funding for the project. He noted that today's discussion could help better define why the Port should be involved in this project and what specific interests are. He stated that should the Port decide to move forward, the next step would be to negotiate a Memorandum of Agreement.

Mr. Merritt recognized partners from the Washington State Department of Transportation (WSDOT) as well as those from the City of Seattle who were present in the audience.

Mr. Newgent identified two key things which should be discussed as being the replacement of the seawall and maintaining freight mobility in and out of the Port. He commented of the importance of keeping in mind the economic impact the Port has on many different communities and how the projects being discussed can help put people to work.

Mr. Grausz noted that approximately 4,000 people have to move from ships to the Airport and vice versa on Saturdays and Sundays during cruise season and stated his concern about the impact to the cruise passengers which may result during the transition period while the viaduct is taken down.

Commissioner Tarleton raised the question of whether cruise passengers might be amenable to taking the train to downtown Seattle and then having a bus pickup from there to the cruise terminal. Mr. Grausz commented that the idea was something that could be explored, but stated that the most difficult part of that idea would then be the transporting of guests' luggage.

Mr. Steinberg noted that Allied Arts is an organization that looks at not only the issue as a transportation issue, but also as an opportunity to create a great urban space. He commented on the importance of collaborative efforts and the need for flexibility and thinking out of the box in order to find an integrated solution to the challenges. Mr. Steinberg also spoke about the importance of a focus on tourism and engaging the world with Seattle which would help in becoming more of an economic engine throughout the year.

Commissioner Holland commented on the need for a renewed focus on the Port's customers and the importance of getting things right for the cruise lines and for the freight corridor.

Mr. Newgent commented on the current unprecedented slowdown of construction and noted that construction dollars are going much farther now than they were several years ago.

Commissioner Bryant noted that this is an opportunity to fix what is a disconnect between the waterfront and downtown areas, and commented on the importance of the North Portal and connectivity to Interbay, Ballard and Pier 91.

Mr. Grausz noted that due to the scope of this project, it would be possible for the budget to get out of control, something that the public would have no patience with. He stated his belief that it is essential to set a firm budget and project scope and stick to it.

Commissioner Albro commented on the importance of maintaining historical connections to both the north and the south, and noted the complexity in doing that by removing the viaduct.

Mr. Newgent commented on the importance of maintaining bus routes during the tunnel project. He also stated that a realistic assessment should be taken of what the challenges will be and look at what the impacts will be through each phase of the project.

Mr. Merritt noted that both the State and the City are planning a robust communication effort which could be used as a template for the Port to use as well.

Responding to a question from Commissioner Creighton on how the Port could be helpful to the City as well as the waterfront community regarding the use of the public space, Mr. Steinberg commented on the importance of being an advocate for the tourism industry in line with creating great spaces for the people of Seattle that the tourists would also enjoy. Mr. Grausz commented

on the need to have businesses that would draw people to the waterfront, and not only things like t-shirt shops, and used the Aquarium as an example of a good draw to the waterfront.

Commissioner Tarleton mentioned the large amount of cleanup work that would take place during the tunnel construction period and asked how the waterfront businesses might be helped during that disruption. Mr. Newgent stated that there will need to be a time table established which might address things like delivery hours. He also reiterated the importance of having east-west connections.

Mr. Grausz reiterated the need for understanding the challenges being faced even now, not only those which will occur during the viaduct/tunnel project.

Mr. Steinberg commented on the importance of taking action sooner rather than later as delays will only add to the cost of the project.

Commissioner Albro agreed with the need to move forward and to mitigate impacts as best can be done.

Commissioner Bryant thanked the participants and stated that the goal is currently to have a draft Memorandum of Agreement for consideration in early February.

9. ADJOURNMENT

There being no further business, the meeting was adjourned at 4:45 p.m.

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

Rob Holland
Secretary