



**Commissioners**

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Chair and President  
Tom Albro  
John Creighton  
Rob Holland  
Gael Tarleton

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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 SPECIAL MEETING MARCH 23, 2010**

The Port of Seattle Commission met in a special meeting at 1:00 p.m., Tuesday, March 23, 2010 at The Cove in Normandy Park, 1500 SW Shorebrook Drive, Normandy Park, WA. 98166. Commissioners Albro, Bryant, Creighton, and Holland were present. Commissioner Tarleton was absent.

**1. CALL TO ORDER**

The regular meeting was called to order at 1:07 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**

**Motion for approval of the Minutes of the February 23, 2010 Commission Regular Meeting - Creighton**

**Second – Holland**

**Motion carried by the following vote:**

**In Favor: Albro, Bryant, Creighton, Holland (4)**

Commissioner Tarleton was absent for the vote.

**4. SPECIAL ORDER OF BUSINESS**

None.

**5. UNANIMOUS CONSENT CALENDAR**

- a. (00:02:37) Authorization for the Chief Executive Officer to enter into an [Interlocal Agreement](#) between the Port of Seattle and King County for Emergency Medical Services.**

Request document: Commission agenda [memorandum](#) dated March 12, 2010 from Ron Harmon, Interim Fire Chief, Fire Department and Randy Krause, Fire Chief, Fire Department

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

**Second – Creighton**

**Motion carried by the following vote:**

**In Favor: Albro, Bryant, Creighton, Holland (4)**

Commissioner Tarleton was absent for the vote.

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

**7. STAFF BRIEFINGS**

- a. (00:03:40) Part 150 Airport Noise and Land Compatibility Study Update**

Presentation documents: Commission agenda [memorandum](#) dated March 17, 2010 from Stan Shepherd, Manager, Airport Noise Programs and Diane Summerhays, Director, Community Development. Also provided were a computer slide [presentation](#) and a [report](#) on the study.

Presenters: Mr. Shepherd and Victoria Evans, Special Assistant to the Chief Executive Officer

Mr. Shepherd commented on the two primary forms of community participation in the project – the Highline Forum, which is the primary outlet used by elected officials actively working with the Port within the Part 150 study and the public workshops to be held, designed to have active engagement with members of the community for participation in solutions. He also clarified the purpose of the program's technical review committee, which is comprised of local land use planners; pilots; members of the FAA; Washington Department of Transportation; Boeing Field; and Puget Sound Regional Council. He noted that the committee is not formed to provide recommendations to the study and is not a voting committee; rather it is a committee that provides valuable input to the data which is processed through the study.

A brief overview of the recently held public workshop was provided, noting that the approach of the workshop was specifically designed to allow all attendees to provide input as much as possible. All comments provided were transcribed and included in the resulting report.

Staff noted that at both the February 23 Commission Roundtable with public officials, as well as at the February 24 public workshop, many excellent suggestions were provided and would be included as a part of the Part 150 Study.

Mr. Shepherd noted that staff will be actively contacting various City Councils to communicate availability to present information to them regarding the noise issues. He also stated that contact has been made with cities that have representation on the technical review committee, asking them if they would like to have another person on the committee who may have a better understanding of long-range planning for their communities.

Next steps were noted, including reviewing all of the input received at all related meetings to ensure it is all included in the Part 150 Study.

Responding to a question from Commissioner Albro about the possibility of seeing modeling of noise impacts if the Airport was utilized at a level of 45 million passengers, Mr. Shepherd stated that the number of passengers does not equate to noise; rather the aircraft equates to noise and to attempt to model at that level could not be done with accuracy.

Mr. Shepherd noted that the next public workshop would be held on June 9, 2010 at the Cedarhurst Elementary School at 6:30.

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

- Stuart Jenner, who noted he had attended the recent public workshop and found it to be helpful. He suggested that a representative of the City of Seattle be included on the technical review committee.
- Dan Caldwell, who expressed his appreciation of the Commission holding this meeting in the community. He also noted his concern about the Part 150 Study, and his belief that the FAA should be paying for the study. He stated his support of the building of a noise-reducing wall and a hush house at the Airport.
- Arlene Brown, who requested that an email system be set up which would allow the public to choose specific topics they are interested in receiving information about. She also spoke in favor of looking at single event noise as well as noise at ground level.
- Jim Jellimore, who stated his belief that there should be more than 1 commercial airport in the greater Puget Sound area – at least two more in the immediate future, which would help alleviate so much noise in such a small area. He also commented that as part of the noise programs, he feels more could be done in noise-impacted areas, such as providing central air conditioning for the homes directly under the flight paths.

- Jon Cortese, Pastor, Burien Free Methodist Church. Mr. Cortese commented on the need for churches in the area to receive assistance from noise reduction programs. He also noted the increase of noise during the summer months.
- Clarke Brant, Normandy Park Councilmember. Mr. Brant stated the need for the Airport to operate with respect to members of the surrounding communities, and stated his support of the building of a noise-reducing wall; the planting of more shrubs; the building of a hush house, and the reduction of night-time operations.
- Stuart Creighton, Regional Commission on Airport Affairs. Mr. Creighton addressed his disapproval of the Part 150 process, stating that public comment will only be addressed at the end of the process, and that the Port Commission is actually not 'hands-on' in the process, but the Port staff is.
- Chas Talbot, who commented on the importance of churches, schools, medical facilities and nursing homes being factored into the study.
- Shawn McEvoy, Normandy Park Councilmember, who noted that issues needing to be addressed include finding new ways to fund mitigation for noise-impacted areas, seriously plan for a hush house, and increase curfews on both air passenger and air cargo flights.
- Earnest Thompson, who noted his belief that many of the problems related to airports can be addressed by improving the rail systems, and referenced systems in Europe and Asia. He also noted general health impacts to people in areas where airports exist.
- Anne Phillips, who raised the question of whether or not there is more noise when aircraft take off to the north than to the south.

Commissioner Bryant again recognized elected officials present at the meeting, including Representative Tina Orwall; Normandy Park Councilmember Clarke Brant; Normandy Park Councilmember Shawn McEvoy; Burien Deputy Mayor Rose Clark; Senator Karen Kaiser; and Normandy Park Mayor George Hadley.

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

- a. (00:56:35) Resolution No. 3635; Second Reading and Final Passage. Providing the Chief Executive Officer with the authority to submit an application to reorganize General Purpose Foreign Trade Zone (FTZ) No. 5 under the Alternative Site Framework and for the Chief Executive Officer to implement the program through agreements with prospective companies that desire to utilize the Port's Foreign Trade Zone, after prior notification to the Port of Seattle Commission.**

Request document: Commission agenda [memorandum](#) dated March 16, 2010 from Tom Tanaka, Senior Port Counsel and Linda Styrk, Managing Director, Seaport Division. Also provided was a copy of the [proposed Resolution](#).

Presenters: Mr. Tanaka and Ms. Styrk

Staff addressed questions which were raised at the First Reading of the Resolution as follows:

- Regarding whether or not there are any specific companies or industries that might be targeted as a result of the reorganization of the FTZ, Ms. Styrk noted that those might include importers which are paying duty at this time and frequently filing their customs entries. She noted that the Seaport Division would also work closely with the Real Estate Division to try to promote through their portfolio, any benefit that they can offer.
- Regarding the consideration of how this limited resource will be allocated, Ms. Styrk stated that she would like to see as much as half of the acreage available for the FTZ, but it is likely to be somewhere in the future that the demand for acreage is greater than the supply.
- Regarding using the FTZ as a tool for marketing other properties, Ms. Styrk stated that the Seaport Division would do so, and would look to coordinate those efforts and opportunities with the Real Estate Division.
- Regarding whether or not there are policy issues around how the FTZ will be used, Ms. Styrk noted that it is really just a process change and an efficiency change, and at this stage, there really are no policy questions.

Commissioner Albro noted that he would like to see restrictions to the acreage to be made available in order that we don't lose the opportunity in the future to reevaluate and market more strategically the use of the acreage.

**Motion for Resolution No. [3635](#), Second Reading and Final Passage – Holland**

**Second – Albro**

**Motion carried by the following vote:**

**In Favor: Albro, Bryant, Creighton, Holland (4)**

Commissioner Tarleton was absent for the vote

- b. (01:03:57) Authorization for the Chief Executive Officer to authorize up to \$5,440,000 of tenant reimbursement associated with the build-out of an airline lounge on the roof of the South Satellite at Seattle-Tacoma International Airport and to execute a Tenant Reimbursement Agreement with Delta Air Lines under the Airport's AV-2 policy.**

Request document: Commission agenda [memorandum](#) dated March 11, 2010 from Michael Ehl, Director, Airport Operations; James R. Schone, Director, Aviation Business Development; and James Jennings, Property and Facility Manager. Also provided were a [map](#) of the planned build-out area and copies of the Port's [tenant reimbursements procedure and guidelines](#).

Presenters: Mr. Jennings and Janet Sheerer, Capital Project Manager, Aviation Project Management

Mr. Jennings noted that today's request was a follow-up to the briefing which was provided at the February 2, 2010 Commission meeting. He noted Delta's commitment to an Asian gateway from Seattle, and that this project is critical to them and their operation. He commented on a letter of support of the project which was received from Delta.

Ms. Sheerer provided a brief update on the Delta asbestos remediation project, noting that is currently out for bid and that bids are due on April 6. Regarding Delta's tenant project, she stated that final construction documents are being developed, incorporating some changes that the Port had requested.

Addressing questions asked at the February 2 briefing, Mr. Jennings noted that the impact of the project to Cost Per Enplanement (CPE) has been calculated at 2 cents, and clarified that the majority of this project is within the Plan of Finance and the Airport's budget plan.

Commissioner Albro raised the question of what the risk might be if this project was not done now, noting concern that the final construction amount will not be known until the project is further along.

It was clarified by staff that the Airlines are supportive of moving forward with the project, and that this is a Port-tenant relationship issue and that Delta is very committed to the project.

**Motion for approval of Item 6b – Creighton**

**Second – Holland**

**Motion carried by the following vote:**

**In Favor: Albro, Bryant, Creighton, Holland (4)**

Commissioner Tarleton was absent for the vote

- c. (01:27:48) Authorization for the Chief Executive Officer to increase the authorized amount for the 2<sup>nd</sup> Floor Heating, Ventilation, and Air Conditioning (HVAC) Upgrades at Seattle-Tacoma International Airport by \$203,000 to pay additional in-house and consultant costs to complete the project for a total authorization of \$1,700,000. Commission previously approved \$1,497,000 for this project.**

Request document: Commission agenda [memorandum](#) dated March 5, 2010 from Wayne Grotheer, Director, Aviation Project Management Group and Michael Smith, Mechanical Manager, Aviation Facilities and Infrastructure. Also provided were [drawings](#) of the areas where the HVAC Upgrades are taking place.

Presenters: Mr. Grotheer and Joe Nessel, Capital Project Manager, Aviation Project Management Group

Mr. Grotheer noted that today's request was for a budget increase for a project currently underway. He stated that to summarize the need for the increase, a better job of cost estimating needs to be

done as well as better monitoring of construction costs. He also noted that it is possible staff will need to return to the Commission for one additional increase to the budget. He stated that a Portwide effort has recently been begun to update the cost estimation template, with a particular focus on soft costs.

Mr. Nessel briefly reviewed areas of the project which were underestimated, including the document control system as well as the contract procurement and administration

Commissioner Albro commented on the need to also do a better job of design in the future, as well as areas mentioned by staff.

**Motion for approval of Item 6c – Albro**

**Second – Creighton**

**Motion carried by the following vote:**

**In Favor: Albro, Bryant, Creighton, Holland (4)**

Commissioner Tarleton was absent for the vote.

- d. (01:35:40) Authorization for the Chief Executive Officer to advertise for construction bids, award the contract and construct the C1 to C88 Baggage Handling Connection Project and authorize Port Construction Services to self perform work and issue small works contracts in support of the project at Seattle-Tacoma International Airport for an additional amount of \$2,752,000, bringing the total authorization to \$3,032,000.**

Request document: Commission agenda [memorandum](#) dated March 5, 2010 from Michael Ehl, Director, Airport Operations and Wayne Grotheer, Director, Aviation Project Management Group.

Presenters: Mr. Grotheer and Ed Weitz, Capital Project Manager, Aviation Project Management Group

Mr. Grotheer noted that this request is to advertise for and award a contract, and is being done in an attempt to save time to complete the project before the end of the year's holiday rush, and is at the request of Alaska Airlines.

**Motion for approval of Item 6d – Creighton**

**Second – Holland**

**Motion carried by the following vote:**

**In Favor: Albro, Bryant, Creighton, Holland (4)**

Commissioner Tarleton was absent for the vote.

- e. (01:41:06) Authorization for the Chief Executive Officer to advertise for bids and execute a contract for upgrades on the ship's loading systems on towers 2, 3 and 5 at Terminal 86 Grain Facility for a total Port capital investment estimated at \$2,500,000. This authorization combines two steps of the Resolution No. 3605 process (authorization to design and authorization to advertise and execute a contract) into one to expedite a project that has been identified as a safety concern.**

Request document: Commission agenda [memorandum](#) dated March 1, 2010 from Michael McLaughlin, Director, Cruise and Industrial Properties and Rod Jackson, Capital Construction Project Manager, Seaport Division.

Mr. Pattison clarified that this request is for authorization to design as well as to advertise and execute a contract for a project which has been identified as a safety concern at Terminal 86.

He briefly reviewed the scope of the project, noting that it is consistent with work on two other towers at the terminal after they failed and collapsed in recent years.

Responding to Commissioner Creighton's questions about possible impacts to the tenant during construction, Mr. Pattison stated that since the work will be completed between crop years, it is projected that impacts will be minimal.

**Motion for approval of Item 6e – Creighton**

**Second – Holland**

**Motion carried by the following vote:**

**In Favor: Albro, Bryant, Creighton, Holland (4)**

Commissioner Tarleton was absent for the vote

- f. (01:48:42) Authorization for the Chief Executive Officer to proceed with engineering analyses and design, preparation of construction documents, permit acquisition, and project management for the replacement of the fender piles and fendering system on the east section of the Northwest Dock at Fishermen's Terminal in the amount of \$550,000. The total preliminary estimated cost of the project, prior to design work and completion of the Engineer's Estimate, is \$4,793,000.**

Request document: Commission agenda [memorandum](#) dated February 26, 2010 from Darlene Robertson, Director, Harbor Services, Real Estate Division and Harold Brende, Project Manager, Capital Development Division. Also provided was an [aerial view](#) of the location of the project site.

Presenters: Kenny Lyles, Manager, Fishing Vessel Services, Fishermen's Terminal and the Maritime Industrial Center and Tim Leonard, Capital Project Manager, Seaport Project Management



Staff noted that today's request is for design, permitting and project management and that staff would return to the Commission at a future date for authorization of construction dollars. He stated that staff is proposing to replace the current wooden fender piles with steel, and that this would be a long-term improvement to the facility.

**Motion for approval of Item 6f – Albro**

**Second: Holland**

**Motion carried by the following vote:**

**In Favor: Albro, Bryant, Creighton, Holland (4)**

Commissioner Tarleton was absent for the vote

**7. STAFF BRIEFINGS**

**b. (01:57:58) Update on the Consolidated Rental Car Facility**

Presentation documents: Commission agenda [memorandum](#) dated February 26, 2010 from Michael Ehl, Director, Airport Operations; George England, Program Leader, Project Management Group; and Janice Zahn, Assistant Director, Engineering Construction Services. Also provided were a computer slide [presentation](#) and [report](#).

Presenters: Ms Zahn, Mr. England, and Jim Schone, Director, Aviation Business Development

Ms. Zahn noted that currently the project site averages 250 construction workers daily, and up to 270 on peak days. She stated that the project is approximately one-third completed. She also noted that staff meets monthly with managers to review seven different metrics in order to generate a scorecard, and stated that this information will be included in future briefings to the Commission.

Mr. England reviewed design updates, pointing out that a proposal had been received to offer up a different type of lighting for the facility, which had been reviewed, and that a substitution will not be submitted and currently appears to be a non-issue. He noted that the offsite roads package has advanced to the bids stage to advertise for construction. He commented that specifications for the Bus Maintenance Facility (BMF) continue to be refined.

Mr. Schone addressed questions previously raised by Commissioner Tarleton regarding whether or not there was an issue of Customer Facility Charges (CFC's) which were forecast and the amount collected. He noted that there are currently no problems with those collections.

**8. NEW BUSINESS**

None.

**9. POLICY ROUNDTABLE**

None.

**10. ADJOURNMENT**

There being no further business, the meeting was adjourned at 3:15 p.m.

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

Rob Holland  
Secretary