



Commissioners

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

Tay Yoshitani
Chief Executive Officer

P.O. Box 1209
Seattle, Washington 98111
www.portseattle.org
206.787.3000

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(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 JULY 13, 2010**

The Port of Seattle Commission met in a special meeting at 11:45 a.m., Tuesday, July 13, 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 11:45 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 RCW 42.30.110 (l)(i) Legal Risk and RCW 42.30.110 (l)(g) Personnel matters for approximately one hour and fifteen minutes and reconvened to open public session.

PLEDGE OF ALLEGIANCE

3. APPROVAL OF MINUTES

Motion for approval of Minutes of the special meeting of May 18, 2010 – Holland

Second – Albro

Motion carried by the following vote:

In Favor: Bryant, Creighton, Holland (3)

Commissioner Tarleton was absent from the subject meeting.

Commissioner Albro was absent for the vote.

4. SPECIAL ORDER OF BUSINESS

None.

5. (00:01:19) UNANIMOUS CONSENT CALENDAR

Item 5b was removed from the Consent Calendar for separate discussion. Other consent items were voted on as follows:

- a. Approval of [Claims and Obligations](#) for the period of June 1, 2010 through June 30, 2010, in the amount of \$47,683,320.24.

- c. Authorization for the Chief Executive Officer to accept a grant from the Federal Aviation Administration (FAA) to solicit, execute, award and amend outside professional services agreement; to procure associated software; and perform contract administration for Phase Three of the Safety Management System (SMS) Pilot Study at Seattle-Tacoma International Airport (Airport) for an estimated total cost of \$666,667, comprised of \$500,000 from the FAA grant and \$166,667 from Airport funds.

Request document: Commission agenda [memorandum](#) dated June 17, 2010 from Mark Coates, Senior Manager, Airport Operations

- d. Authorization for the Chief Executive Officer to write off outstanding accounts receivables in the amount of \$337,171.36 owed to the Port by Western Cartage.

Request document: Commission agenda [memorandum](#) dated July 7, 2010 from Michael Burke, Senior Manager, Container Leasing and Operations and Michael Campagnaro, Manager, Container Leasing and Operations

Motion for Consent Items 5a, 5c and 5d – Tarleton

Second – Creighton

Motion carried by the following vote:

In Favor: Bryant, Creighton, Holland, Tarleton

Commissioner Albro was absent for the vote

- b. Authorization for the Chief Executive Officer to execute a require real estate documents with King County in connection with the South Park Bridge Replacement Project,

including a permanent aquatic easement in favor of King County over certain Port of Seattle property with an estimated value at \$534,132.

Request documents: Commission agenda [memorandum](#) dated July 7, 2010 from Joe McWilliams, Managing Director, Real Estate Division; [draft easement documents](#); and [photo](#) depicting locations of proposed easement areas.

Public Comment regarding Item 5b was received from the following individual:

- John Guevara, South Park Neighborhood Association. Mr. Guevara commented on the Port's support of the South Park community, excellent relationships that exist, and the work the Port has done. Mr. Guevara also provided for the Commission, copies of the July publication of 'Retiree Advocate', and referenced an article within the publication related to the South Park Bridge, as well as other articles related to trucking issues and to fiscal responsibility and reform. A copy of this publication is, by reference, made a part of these minutes; is marked Exhibit 'A'; and is on file in Port offices.

**Commissioner Albro was present from this time forward.

Motion for approval of Item 5b – Tarleton

Second – Holland

Motion carried by the following vote:

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

6. DIVISION, CORPORATE AND COMMISSION ACTION ITEMS

- (00:07:24) Authorization for the Chief Executive Officer to execute consultant agreements and service directives to accomplish work proposed for the Terminal-91 (T-91) planning project and to develop a Real Estate strategy to improve, maintain and update Port facilities to meet new market demands at T91, in the amount of \$275,000. The total estimated project cost is \$400,000.**

Request document: Commission agenda [memorandum](#) dated June 18, 2010 from Eric Hanson, Manager, Seaport Planning and Mark Griffin, Senior Manager, Real Estate Development

Presenters: Mr. Hanson and Mr. Griffin

Mr. Hanson stated that at a previous Commission meeting, a briefing had been provided regarding the purposes of the proposed planning study, and that staff was currently requesting funding for the study and was available to answer any related questions.

Responding to Commissioner Albro's question as to what is expected as the final outcome of this effort, Mr. Hanson stated that the final product will be called 'The Development Option Study' and

will be related to site planning and predicting various kinds of needs and deciding on the best locations for those needs at the Terminal. He commented on the importance of addressing support to the business of existing businesses there, as well as new businesses which may exist there in the future. He also pointed out that another critical area within the study will be to address the cost of developing the site, noting that 3-5 options will be developed and provided to the Commission before moving forward with development of the facility.

Commissioner Albro commented on the importance of stating early in the process, assumptions including that we will continue to plan for industrial use and that transportation improvements necessary to sustain industrial use are going to be built, and that we will receive support from the City of Seattle related to zoning issues in order to achieve what is planned.

Commissioner Bryant agreed with the importance of working with the City, and stated that he would like to see a commitment that the City is going to deal with issues related to West Mercer and an assurance that West Nickerson will be able to service the area being discussed.

Commissioner Creighton also voiced his concerns raised by the other Commissioners and noted that his preference is for industrial use of the site, and agreed that it will be important to work with the City from the beginning. He also noted that once the proposed study is completed, if the numbers do not pencil out, we should remain open to the possibility of looking at other options.

Commissioner Holland noted that he is not open to using the property for anything other than industrial use.

Commissioner Tarleton raised a question regarding the possibility of a formal way for the consultant to be engaged with the City to look at how recent stormwater and drainage public utility increases might impact infrastructure costs associated with the development of the property. Mr. Hanson responded that part of the study will include cost estimating, and that the new codes would either be met or exceeded.

Mr. Griffin assured the Commission that during the process, staff hopes to be working closely with a number of City departments, with environmental staff, and with the consultant which is retained, to address issues mentioned by the Commissioners, as well as a number of other issues which implicate how the proper utility infrastructure is created.

Motion for approval of Item 6a – Tarleton

Second – Albro

Motion carried by the following vote:

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

- b. (00:25:49) Authorization for the Chief Executive Officer to pre-purchase long-lead construction materials, advertise for construction bids, award the contract and**

construct the North Harbor Island Mooring Dolphins project (CIP #C800182) for an estimated cost of \$1,850,000 bringing the total authorized amount to \$2,350,000.

Request document: Commission agenda [memorandum](#) dated June 25, 2010 from Mike McLaughlin, Director, Cruise and Industrial Properties; Scott Pattison, Manager, Industrial Properties and Business Development; and Mark Longridge, Project Manager, Capital Development Division. Also provided were several [letters](#) in support of the project.

Presenters: Mr. Pattison and Mr. Longridge

Mr. Pattison spoke about the need for replacement of these mooring dolphins which have been used for many decades, and have fallen into disrepair, and the belief that this would now be a prudent investment.

Motion for approval of Item 6b – Tarleton

Second – Holland

Motion carried by the following vote:

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

- c. (00:28:25) Authorization for the Chief Executive Officer to execute consultant services contracts, amendments and service directives; to provide construction support and permit compliance services; advertise for bids; and award major construction contracts for the Terminal 5 (T-5) Maintenance Dredging Phase I project, for a total of up to \$1,300,000, bringing the total authorized amount to \$1,980,000.**

Request document: Commission agenda [memorandum](#) dated June 14, 2010 from Michael Burke, Senior Manager, Container Leasing and Operations and Catherine Chu, Capital Construction Project Manager

Presenters: Mr. Burke and Ms. Chu

Mr. Burke stated that this is the next in a series of authorization requests that will be coming to the Commission regarding maintenance dredging

Ms. Chu then spoke about the strategy of maintenance dredging at T-5, and commented on several previous dredging projects which were completed at Terminal 115, Terminal 18, and Terminals 30 and 91. She stated that due to phasing, dredging events will be timed according to the economic needs of the Port. Ms Chu also noted some of the permits necessary have been received, and the final two are expected to be received before the contract is awarded later in the year.

Responding to Commissioner Creighton's question as to how long this dredging will remain effective, Mr. Burke commented that it really is unknown, and also noted that larger cargo ships will

be more of the norm in the future, which will require deeper water and therefore it is a strong advantage to dredge deeply.

Responding to Commissioner Albro's question about contaminated dredged material, and where that material comes from, Mr. Burke stated that it is from a number of sources, which would include all materials that come down the Duwamish River as well as materials that come off our slopes. He also noted that the area is next to a Superfund site.

Motion for approval of Item 6c – Albro

Second – Creighton

Motion carried by the following vote:

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

7. STAFF BRIEFINGS

a. (00:42:34) Emergency Declaration at Fishermen's Terminal

Presentation documents: [Memorandum](#) dated June 23, 2010 to Tay Yoshitani, Chief Executive Officer from Ralph Graves, Managing Director, Capital Development and Ray Rawe, Chief Engineer

Presenters: Mr. Graves and Mr. Rawe

Mr. Graves reported on this emergency declaration which was a consequence of the sinking of a tugboat style vessel at Fishermen's Terminal. He noted that this posed a hazard, largely in terms of a possible fuel leak, or other materials stored on board that would potentially contaminate the area. He stated that it was the Port's responsibility to raise the vessel, and it was contracted to have this accomplished.

Mr. Graves noted that the cost of raising the vessel is approximately \$80,000 and that application will be made for a grant of about 90% reimbursement of this expenditure.

b. (00:50:06) Concessions Business Review and Future Outlook

Presentation documents: Commission agenda [memorandum](#) dated June 16, 2010 and computer slide [presentation](#) from James R. Schone, Director, Aviation Business Development and Deanna Zachrisson, Manager, Concessions Business

Presenter: Ms. Zachrisson

Ms. Zachrisson commented on impacts to the Airport's concessions due to recent economic conditions, as well as the fact that some of the concessionaires have been impacted by Airline relocations in the terminal. She provided a brief overview of the following related areas:

- Sea-Tac's Award-Winning Program
- 2009 Performance
- Concessions Sales and Revenue, 2004-2009
- Relief Program for Concourses A and D
- Renewed Focus on Marketing
- Mid-term Refurbishments Underway
- Small and Disadvantaged Businesses
- New Development

8. NEW BUSINESS

None.

9. POLICY ROUNDTABLE

None.

9. ADJOURNMENT

There being no further business, the regular meeting was adjourned at 2:37 p.m.

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

Rob Holland
Secretary