



**Commissioners**

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Chair and President  
Tom Albro  
John Creighton  
Rob Holland  
Gael Tarleton

Tay Yoshitani  
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<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 August 3 meeting is in two parts, and is noted as such within the minutes**)*

**APPROVED MINUTES  
COMMISSION SPECIAL MEETING AUGUST 3, 2010**

The Port of Seattle Commission met in a special meeting at 1:00 p.m., Tuesday, August 3, 2010 at Woodinville City Hall, 17301 – 133<sup>rd</sup> Ave. NE, Woodinville, WA. 98072. 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 Gael Tarleton, Vice-Chair and Vice-President.

On behalf of the Commission, Ms. Tarleton expressed thanks to the Woodinville City Council for the use of their chambers for the day's meeting.

**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. (00:02:39 - Audio part 1) **UNANIMOUS CONSENT CALENDAR**

- a. **Authorization for the Chief Executive Officer to execute a professional services Indefinite Delivery Indefinite Quantity (IDIQ) contract for airport ticket counter, gate podium and other passenger processing casework and infrastructure design services totaling \$1,200,000 for three years in support of upcoming capital improvement and expense projects at Seattle-Tacoma International Airport. No funding is associated with this authorization. (CIP# C-800276)**

Request document: Commission agenda [memorandum](#) dated July 16, 2010 from Michael Ehl, Director, Airport Operations and Wayne Grotheer, Director, Aviation Project Management Group

- b. **Authorization for the Chief Executive Officer to execute up to 11 Indefinite Delivery Indefinite Quantity (IDIQ) Service Agreements for services related to construction management, scheduling, estimating, auditing and claims analysis in support of Aviation, Seaport and Real Estate Division construction projects. The NTE cost for these eleven IDIQ contracts is \$7,000,000 for three years. No funding is associated with this authorization request.**

Request document: Commission agenda [memorandum](#) dated July 12, 2010 from Raymond P. Rawe, Director, Engineering Services

**Motion for approval of Consent Items 5a and 5b – Creighton**

**Second – Holland**

**Motion carried by the following vote:**

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

Commissioner Bryant was absent for the vote

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

- a. (00:03:53 - Audio part 1) **Authorization for the Chief Executive Officer to prepare design, permit applications, and bid documents for the replacement of the damaged fender piling at Terminal 18 (T-18) in the amount of \$741,000, for a total authorization to date of \$1,014,000, and a total estimated project cost of \$5,738,000.**

Request document: Commission agenda [memorandum](#) dated July 12, 2010 and computer slide [presentation](#) from Michael Burke, Director, Cargo and Container Operations and Ticson Mach, Capital Project Manager. Photographs of the site were also provided.

Presenters: Mr. Burke and Mr. Mach

As introduction to the item, Mr. Burke commented that after a previous Commission authorization to perform design work at this location, further damage had been discovered, leading to today's request.

Mr. Mach then spoke about the specific location of the damage, which had initially been discovered in 2009. He noted that additional broken piles were discovered by the design team recently, and it was now recommended that the entire fender pile system be replaced, rather than only the 31 piles authorized in April, 2010. He stated that the work will be completed in two phases, with an aggressive schedule. Mr. Mach noted that staff intends to return for construction authorization in the coming month.

Mr. Burke noted that this project needs to be completed in order to meet lease obligations at the location, but that it will be the tenant's responsibility to maintain the system.

Mr. Burke also spoke about the importance of Terminal 18, noting that is the Port's largest container terminal at almost 200 acres in size, and is used by a large number of operators. It is currently operating at near record-level volumes, and due to the heavy amount of use, it is critical that the fender system is in good repair.

Responding to Commissioner Tarleton's question as to whether or not there is participation in the At-Berth-Clean Fuels program by any of the ships calling at T-18, Mr. Burke stated that he would see that staff provides that information.

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

**Second – Albro**

**Motion carried by the following vote:**

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

Commissioner Bryant was absent for the vote

- b. (00:13:32 - Audio part 1) Authorization for the Chief Executive Officer to approve 1) Funding for design, project management and permitting of the upgraded fender system on Pier 91 at Terminal 91 in the amount of \$625,000; 2) Construction of initial work to address current operational concerns at the end of this cruise season for up to \$500,000; and 3) Pre-purchase of materials for initial construction and purchase of camel barges to be used starting with the 2011 cruise season at a cost not-to-exceed \$1,000,000. The total amount authorized to date including this request is \$2,125,000, and the total estimated project cost is \$5,700,000. (CIP# C-800183)**

Request document: Commission agenda [memorandum](#) dated July 7, 2010 and computer slide [presentation](#) from Mike McLaughlin, Director, Cruise and Industrial Properties; Marie Fritz, Cruise Services Manager; and Mark Longridge, Capital Project Manager

Presenters: Ms. Fritz and Mr. Longridge

Ms. Fritz reviewed the areas of the project at Terminal 91, a facility which is currently used by Cruise vessels, fishing vessels, barges, as well as industrial tenants of the Port.

Mr. Longridge stated that there has been careful monitoring of the existing timber system over the past two years by Marine Maintenance crews, and that they have noticed accelerated damage to many of the fender piles at that location. The Maintenance crews also monitored wear and damage to the current camel barges.

Responding to comments by Commissioner Creighton regarding a current dip in Alaska cruise business, Ms. Fritz reiterated that the Port of Seattle is holding steady and will actually have record numbers again this year.

CEO Yoshitani commented on the need to be mindful of keeping the cruise business here because of the related economic impacts.

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

**Second – Holland**

**Motion carried by the following vote:**

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

Commissioner Bryant was absent for the vote

- c. (00:30:53 - Audio part 1) Resolution No. 3639, Authorizing and ratifying acquisition of that portion of the Woodinville Corridor (Corridor) located in Snohomish County that is reasonably necessary to link the rail services, equipment, and facilities within the port district to an interstate rail system. 1) First Reading, and 2) Second Reading and Final Passage**

Request documents: Commission agenda [memorandum](#) dated July 28, 2010 from Craig Watson, General Counsel. Also provided was a copy of Resolution No. [3639](#).

Presenter: Isabel Safora, Deputy General Counsel

Ms. Safora stated that adoption of this Resolution is being recommended to complete a procedural step in the acquisition of the Corridor.

It was recommended that First Reading as well as Second Reading and Final Passage be voted on at this meeting, a procedure which requires approval of all Commissioners, in accordance with Commission bylaws.

**Motion to proceed with First Reading as well as Second Reading and Final Passage of Resolution No. 3639 – Albro**

**Second – Holland**

**Motion carried by the following vote:**

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

**\*\*Commissioner Bryant provided [written consent](#) of his approval in advance of the meeting, as allowed in accordance with Commission bylaws.**

Public comment regarding Resolution No. 3639 was received as follows:

- Robert Scheuerman, Eastside Rail Now! Mr. Scheuerman thanked the Port for continuing efforts made, resulting in the passage of this Resolution, and commented on opportunities which will be a result.

**Motion for First Reading; Second Reading and Final Passage of Resolution No. [3639](#) – Creighton**

**Second – Albro**

**Motion carried by the following vote:**

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

Commissioner Bryant was absent for the vote \*\*\*

**7. STAFF BRIEFINGS**

- a. (00:38:27 - Audio part 1) Briefing on an Interlocal Agreement between the Port of Seattle and the Muckleshoot Indian Tribe relating to treaty fishing coordination.**

Presentation document: Commission agenda [memorandum](#) dated July 30, 2010 from Michael Burke, Senior Manager, Container Leasing and Operations

Presenters: Charlie Sheldon, Special Projects, Executive Team; Mr. Burke; and George Blomberg, Senior Environmental Program Manager

Mr. Sheldon commented on an agreement that staff intends to bring to Commission for approval at the next Commission meeting, with the Muckleshoot Tribe related to fishing coordination activities. He stated that in an effort to avoid conflict, an agreement has been developed with the Tribe whereby they will have staff on the water 24 hours a day monitoring activities, and that reports would be provided to them as to anticipated schedules of ships and visits to Port facilities a week in advance. This coordination would assist in assuring that the fishing gear is not in the way of ships

arriving or departing from the berths. The agreement is intended to go forward for the next three years, enabling a vibrant commercial fishing industry in the same waterways where there are cargo activities.

\*\*\* Following Item 7a, and related to Resolution No. 3639 (Agenda Item 6c), Commissioner Tarleton clarified for the record that the vote to allow First Reading and Second Reading and Final Passage was unanimous, as it included Commissioner Bryant's written consent to do so at one meeting. The second vote, adopting the Resolution, however, did not include a vote by Commissioner Bryant, as he was not present.

## **8. NEW BUSINESS**

None.

A recess of the special meeting was called by Commissioner Tarleton at 1:45 p.m., and it was noted that the meeting would reconvene at approximately 2:30 p.m. for a Policy Roundtable on tourism.

The special meeting was reconvened at 2:20 by Commissioner Bryant\*.

Prior to the Policy Roundtable, public comment was received as follows:

- Fred Felleman, Friends of the Earth. Mr. Felleman commented on issues related to the Port's oil-response capabilities at various marinas. He also asked that the Port write a letter in support of Coast Guard reauthorization, which is likely to pass this year.

## **9. (00:03:21 - Audio part 2) POLICY ROUNDTABLE**

Jane Kilburn, Director, Public Affairs, was introduced to provide an overview of tourism in Washington State. Presentation documents: Commission agenda [memorandum](#) dated July 28, 2010 and computer slide [presentation](#) from Ms. Kilburn.

Ms. Kilburn reviewed several facts related to the economic impact of tourism to the State during 2009, including:

- Travelers spent \$14.2 billion, generating nearly \$1 billion in state and local taxes
- 147,600 jobs directly dependent on tourism, generating \$4.2 billion in payroll
- 85% of travel-related businesses in the State have 50 or fewer employees
- Tourism ranks 4<sup>th</sup> in the State Gross Domestic Product (GDP) ranking in export-oriented businesses, behind software, aerospace, and agriculture, and ahead of forestry and wood.

Ms. Kilburn commented on the current funding crisis in the State's tourism budget, which was cut by 72% in this year's legislature, leaving the state with a ranking of #48 out of 50 for tourism funding. She stated the importance of remembering that international tourism is significant export. She noted that the Port works in partnership with the State tourism department and the Seattle Convention and Visitors Bureau to promote tourism to the region.

Ms. Kilburn noted that a working group has been established to look at funding models used by other states in order to try to find a combination of elements that may work in Washington. She stated that this group is also working on communications and advocacy planning to raise awareness of the industry's importance to the State economy and vitality.

Commissioner Bryant then introduced members of the panel discussion on what role the Port of Seattle should play in advancing tourism in King County and Washington State:

- JC Baldwin, Port of Chelan County Commissioner and former president of the Cashmere Chamber of Commerce and the Wenatchee Valley Chamber
- Becky Bogard, Executive Director of the Washington State Destination Marketing Organizations
- Chad Mackay, President and CEO of Mackay Restaurant Management Group
- Tom Norwalk, President and CEO of the Seattle Convention and Visitors Bureau
- Robin Pollard, Executive Director of the Washington Wine Commission

Mr. Bryant noted that the Commission would appreciate thought of the panelists regarding what the Port should focus on and what should be emphasized as consideration begins regarding what role the Port of Seattle should play in this sector. Each panelist provided initial thoughts as follows;

Ms. Baldwin recognized the Port of Seattle's leadership as an economic engine for King County as well as the State of Washington, and noted that the bringing of the cruise industry to Washington is a great opportunity for working in partnership.

Ms. Bogard commented on a high level of interest in tourism, noting that it is a clean industry which can be ramped up very quickly, and that it is economic development at its best. She noted the importance of the Port being proactive and expanding their involvement with tourism.

Mr. Mackay noted that he is a member of the private sector on the panel and his connection is to jobs creation and tax generation, and acknowledged the importance of the tourism industry.

Mr. Norwalk thanked the Port for their role in promotion of tourism, noting that a lot has been accomplished with a small amount of money. He noted that there is a lot of potential despite current funding challenges.

Ms. Pollard commented on the timeliness of this panel discussion and stated that there is much to be optimistic about and noted the importance of working collaboratively.

Commissioner Bryant raised a question as to how we can ensure that various entities are not duplicating efforts.

Mr. Norwalk responded that this effort is already partially in place due to involvement with Port's tourism staff and they are in tune with various market segments related to their work in the industry. He stated his belief that there is a good level of communication, collaboration and sharing of information.

Ms. Bogard commented that in the past, she has not really seen a duplication of efforts and that in some ways, that may be better than not seeing sufficient effort. Regarding privatizing tourism funding, Ms. Bogard stated that there has been some review of what other states have done but that some of the other states do not have similar constitutional restrictions that Washington State has. She also noted that there are other funding models being explored, but at this time it is not known how things will be structured in the future.

Mr. Mackay commented on an option which had previously been set up, which was a four-year ramp-up in which the private sector would basically match the State's funding.

Commissioner Tarleton commented on a statistic provided earlier by Ms. Kilburn as to tourism being ranked 4<sup>th</sup> in the State's GDP related to export-oriented business, and raised the thought of what that might translate into terms of dollars compared with the top 3 categories. She stated that it is helpful for her to be able to look at baseline information.

Mr. Norwalk noted that the industry is so diverse in many respects, which may have added to the problem of being able to speak with one voice, and commented on the fact that travel is looked at from many perspectives across the county. He also commented that not only Seattle should be seen as an attractive location, but there should also be focus on other areas of the region in order to spread the business around the State.

Commissioner Creighton stated his belief that the tourism industry can really grow with minimal investment, and asked the question of what an infrastructure wish list might have as top priorities.

Mr. Norwalk said that he believes tourism is often taken for granted in many respects and that Seattle, although an incredibly diverse city, is not always the most visitor-friendly. Regarding things we could be doing better, he mentioned signage, language and currency conversion, and something as simple as a visitors' center could be beneficial.

Ms. Pollard noted that the Port system is a good asset to the State, which we need to continue to build. She stated she would like to see a rail system to connect Seattle to some of the State's other 'jewels.' She also commented on the challenge in getting tourists from places such as Woodinville, Yakima or Walla Walla.

Mr. Norwalk responded to Commissioner Tarleton's question about some of the smaller airlines in the region, noting that there is definitely a connection between those airlines and the tourism industry, especially Kenmore Air. Ms. Bogard stated that there is still room for growth in that area. She also reiterated the need to increase overall visibility of Washington State as a whole, rather than mainly Seattle.

Commissioner Bryant commented that perhaps there are two separate roles for the Port to consider, both how we can expand tourism to King County and how to get to other areas in the region, and also how the Port of Seattle may want to partner with other ports throughout the State regarding tourism.



Commissioner Albro commented on several possible ways in which the Port may or may not be able to assist in the tourism arena, including creating a product; contributing funds; leading a charge; or providing a means of distribution of information about Washington State.

Mr. Norwalk commented on the importance of the Port's upcoming Centennial and incorporating the message of the Port's role related to tourism as well as its economic impact.

Ms. Bogard noted that detailed tracking is done by the State related to the financial return on funds spent for the tourism industry. She noted the importance of looking at how this money comes back into the economy.

Ms. Baldwin commented on the desire for packaging with cruise information, logistics information for areas outside of Seattle itself.

Commissioner Tarleton on the possibility of a survey asking questions such as what tourists might be interested in doing if they had two extra days to spend in the area, and include options of what is available.

Another possibility noted by Commissioner Tarleton was related to looking at Federal grant opportunities for the tourism industry, with the Port as a sponsor.

Commissioner Albro stated that he would like to have some specific action items which could be taken away from today's discussion, and hoped that something tangible can be done in order to get away from the worry of what can be done about the funding issue.

Discussion followed regarding the possibility of partnering with other groups or ports in the development of products, and noted that these entities have a common mission.

Ms. Bogard referred the arts and culture aspect of the State, noting that it is an amazing draw throughout the region.

Commissioner Bryant then read into the record a letter dated August 3, 2010 from the Olympic Peninsula Visitor Bureau commenting on the importance of the Port of Seattle to international tourism marketing across the State. A copy of the letter is, by reference, made a part of these minutes; is marked as Exhibit 'A'; and is on file in Port offices.

Referring back to Commissioner Tarleton's comments about being ranked 4<sup>th</sup> in the area of GDP, Mr. Mackay noted the fact that in the area of jobs, we are ranked at #2 or #3. He also stated the importance of not underestimating not only the power, but also the requirement of seeing certain areas of the State.

Ms. Pollard requested that any time there is an appropriate opportunity to do so, she would encourage the Port to serve Washington wine customers and dignitaries, and encourage them to visit Washington wineries and vineyards.

**8. ADJOURNMENT**

There being no further business, the special meeting was adjourned at 3:35 p.m.

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

Rob Holland  
Secretary