



**Commissioners**

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

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Tay Yoshitani  
Chief Executive Officer

*An Audio and Video recording 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 REGULAR MEETING FEBRUARY 1, 2011**

The Port of Seattle Commission met in a regular meeting at 1:00 p.m., Tuesday, February 1, 2011, 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 1:08 p.m. by Bill Bryant, Chair and President.

**2. EXECUTIVE SESSION pursuant to RCW 42.30.110**

The meeting recessed to Executive Session at 2:27 p.m. for about 60 minutes.

**PLEDGE OF ALLEGIANCE**

Commissioner Bryant shared a "[Port History Moment](#)" as part of the Centennial Celebration. At the first meeting of each month during 2011, there will be a brief snapshot in time representing an important point or development in the Port's history. This month the Port History Moment highlighted the beginning of the containerization business in 1965 at the Port.

**3. APPROVAL OF MINUTES**

**Motion for approval of minutes for December 7, 2010, and January 4, 2011 – Holland**

**Second – Creighton**

**Motion carried by the following vote:**

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

**4. SPECIAL ORDER OF BUSINESS**

**a. (00:03:31) Port of Seattle Police Department Swearing In.**

Request document: Commission agenda [memorandum](#) dated January 24, 2011, from Chief Colleen Wilson, Port of Seattle Police Department.

Presenter: Chief Colleen Wilson

Commissioner Bryant noted the vital role played by the Port of Seattle Police Department in protecting the Airport, the Seaport and other Port facilities.

Chief Wilson provided background on Officers Andrew Depolo and Courtney Robertson..

Commissioner Bryant administered the Ceremonial Oath of Honor to Officer Depolo and Officer Robertson.

**b. (00:08:13) Port of Seattle Police Department K-9 Retirement.**

Request document: Commission agenda [memorandum](#) dated January 24, 2011, from Chief Colleen Wilson, Port of Seattle Police Department.

Presenter: Chief Colleen Wilson

Effective January 10, 2011, the Port of Seattle Police Department retired Officer Brent Wilson's canine partner, Sammy, after an outstanding and full career in the K-9 Unit. Sammy has served with the Port of Seattle Police Department since 2002. Chief Wilson presented Sammy with a large bone to show appreciation for his service.

**5. (00:12:24) UNANIMOUS CONSENT CALENDAR**

**a. Authorization for the Chief Executive Officer to execute a Memorandum of Understanding between the Port of Seattle and Teamsters Local Union No. 117 representing the Police Officer bargaining unit regarding outsourcing background investigations.**

Request documents: Commission agenda [memorandum](#) dated January 26, 2011, from Trish Murphy, Labor Relations Manager. Also provided was a copy of the [Memorandum of Understanding](#) by and between the Port of Seattle and Teamsters Local Union No. 117.

**b. Authorization for the Chief Executive Officer to execute a Memorandum of Understanding between the Port of Seattle and Teamsters Local Union No. 117 representing Police Specialists permitting Police Specialists to combine their breaks and lunches if they choose.**

Request documents: Commission agenda [memorandum](#) dated January 25, 2011, from Trish Murphy, Labor Relations Manager. Also attached was a copy of the [Memorandum of Understanding](#) by and between the Port of Seattle and Teamsters Local Union No. 117.

- c. **Authorization for the Chief Executive Officer to execute a contract with an insurance brokerage firm for the purpose of procuring liability insurance for the Port of Seattle over a three-year period plus two one-year extension options. The procurement of liability broker services insurance for the three years plus the two one-year renewal options is estimated at \$385,000. The selection of the brokerage firms will utilize a competitive process.**

Request document: Commission agenda [memorandum](#) dated January 24, 2011, from Jeff Hollingsworth, Risk Manager.

**Motion for approval of consent items 5a – 5c – Tarleton**

**Second – Albro**

**Motion carried by the following vote:**

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

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

- a. **(00:13:29) Request Port Commission authorization for the Chief Executive Officer to execute a contract with the selected Design-Build team and construct the Renewal/Replacement of forty-two (42) Escalators and 2 New Escalators project (CIP # C800237) at Seattle-Tacoma International Airport. The amount of this request is \$51,817,000. The total cost of this project is estimated to be \$55,000,000.**

Request document: Commission agenda [memorandum](#) dated January 21, 2011, from Wayne Grotheer, Director, Aviation Project Management Group, and David Soike, Director, Aviation Facilities and Capital Program.

Presenters: Mr. Grotheer and Mr. Soike

Commissioner Bryant noted that this topic has been discussed and voted on by the Commission a number of times and is in the budget, but because it is such a significant item, he would like for the Commission to deal with it separately. Otherwise, it could have been an item on the consent calendar.

Mr. Soike noted that this is the sixth time the Commission had considered this item. He explained that the cost of repairs for the forty-year old escalators is expensive, and the Commission had previously authorized the Design-Build contracting procedure. The Capital Development Division, through a competitive process, has identified the company that will perform the replacement work. The new escalators will be more energy efficient, will have the ability to be reversed to even out wear and will be able to use "EcoStart" when it is allowed under U.S. code. Mr. Soike also noted that the Airport will look at putting timers on escalators

where there is less activity to save energy. Finally, the airlines voted in favor of this project and will pay for it.

Mr. Grotheer explained that this is a request for authorization to execute a contract with Turner Construction Company as the Design-Build firm for the escalator project at the Airport. The project includes replacement of twenty-four escalators in the Main Terminal, six escalators in Concourse B, twelve escalators in the South Satellite and two new escalators in the South Satellite. The request also includes authorization for \$51,817,000 for final design and construction. The total cost of the project will be \$55,000,000. Once the contract is awarded, design and construction will occur over approximately twenty-seven months, with installation beginning in the summer of 2011, and extending through 2013.

Mr. Grotheer noted that there has been a protest from another Design-Build firm. The protest will be reviewed by a high-level panel within the Port. Port staff requests authority to award the contract to Turner Construction Company after the Port follows its contract protest procedures. The unsuccessful finalists who submitted a "Best and Final Offer" will receive an honorarium of \$25,000.

Commissioner Creighton inquired about the philosophy of the project and how the Airport will maintain its functionality during this project. Mr. Soike explained that only certain areas of the Airport will be out of service at one time, work will be carefully sequenced and work will occur at night when there is less passenger traffic to reduce disruptions for the traveling public. The work will also be coordinated with other projects in the South Satellite to reduce operational impacts.

Commissioner Tarleton said that the second most frequent complaint she receives from the traveling public is related to out-of-service escalators and elevators. Previously, most of the complaints she received dealt with the lack of free Wi-Fi. She questioned how the Port plans to inform the public about the construction. Mr. Soike advised that reader boards on the incoming drives to the Airport will be used, and there will be a heavy signage program and Public Service Announcements.

Commissioner Bryant stated that this project will create 80 jobs and will bring in about \$4,000,000 in sales tax revenues.

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

**Second – Tarleton**

**Motion carried by the following vote:**

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

- b. (00:26:15) Authorization for the Chief Executive Officer to sign Agreement 200900046 Amendment 4 with the Puget Sound Clean Air Agency ("PSCAA") to transfer \$1,160,250 in funds to support the implementation of the Northwest Ports Clean Air Strategy, and to extend the end date from June 30, 2011, to June 30, 2013. Amendment 4 would increase the total amount transferred from the Port to PSCAA since 2009 to \$4,166,250.**

Request documents: Commission agenda [memorandum](#) dated January 24, 2011, from Stephanie Jones Stebbins, Director, Seaport Environmental and Planning, and Sarah Flagg, Seaport Air Quality Program Manager. Also provided was a copy of the Fourth Amendment [Agreement](#) between the Port of Seattle and the Puget Sound Clean Air Agency to Reduce Diesel Emissions.

Presenter: Ms. Jones Stebbins

Ms. Jones Stebbins stated that the Commission has previously authorized the funding for this program, but approval of this amendment will allow the Port to transfer the funds to the PSCAA. She explained that \$110,250 will cover the costs of the At-Berth Clean Fuels Program during the 4<sup>th</sup> quarter of 2010, and the remainder will be used for air quality programs in 2011.

Commissioner Bryant noted that this issue has already been approved, but it is necessary to discuss it publicly. Commissioner Creighton asked about the risk of the unrestricted grants. Ms. Jones Stebbins clarified that there is not a specific restriction on PSCAA's use of the funds, but the Port works closely with PSCAA and the agency reports back to the Port. Commissioner Tarleton pointed out that several of the "Whereas" in the agreement express the intended use of the funding.

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

**Second – Holland**

**Motion carried by the following vote:**

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

- c. (00:31:38) **Second Reading and Final Passage of Resolution No. [3648](#) authorizing the issuance and sale of General Obligation (G.O.) Taxable Bonds and 2011 Refunding Bonds ("Bonds"), in an amount estimated at \$117 million (including cost of issuance).**

Request documents: Commission agenda [memorandum](#) dated January 12, 2011, from Elizabeth Morrison, Senior Manager Corporate Finance. Also provided was a copy of [Resolution No. 3648](#).

Presenter: Ms. Morrison

Ms. Morrison stated that there had not been any changes to Resolution No. 3648 since the First Reading on January 25, 2011. The Port's credit ratings have been confirmed with all three of the Port's credit rating agencies: AAA with Standard & Poor's and Fitch and Aa1 with Moody's. There have been no major changes in the bond market since First Reading, and there continues to be improved stability in the market. In closing, Mr. Yoshitani noted that the rating agencies' reports validate "what this institution is about" and demonstrate the credibility of the Commission, Port staff and our outside financial consultants.

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

**Second – Tarleton**

Motion carried by the following vote:

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

## 7. STAFF BRIEFING

- a. (00:34:39) Briefing on the proposed revisions to the Port of Seattle's existing State Environmental Policy Act (SEPA) Procedures and a proposed Port of Seattle SEPA policy addressing greenhouse gas emissions and climate change under SEPA.

Request documents: Commission agenda [memorandum](#) dated January 24, 2011, and computer slide [presentation](#) from Elizabeth Leavitt, Director, Aviation Planning & Environmental Programs; Stephanie Jones Stebbins, Director, Seaport Planning & Environmental Programs; and Michael Lufkin, Senior Environmental Program Manager. Also provided were a copy of the draft [proposed resolution](#) revising existing the Port's SEPA Procedures and a copy of the draft [proposed resolution](#) addressing the assessment of greenhouse gas (GHG) emissions and climate change under SEPA.

Presenters: Mr. Lufkin and Paul Meyer

Mr. Lufkin explained the purpose of the two resolutions that Port staff is proposing for adoption. He said the first resolution deals with the Port's existing SEPA procedures and consolidates the existing procedures, which are contained in three resolutions dating back to 1986, into a single resolution and conforms them to current procedures. There are no substantive changes. The proposed resolution is also easier for Port staff and the public to use.

Mr. Lufkin continued that the second resolution proposes that the Commission adopt a new Port SEPA policy that explains how climate change and GHG emissions would be incorporated into the environmental review process for certain projects when the Port serves as "lead agency." The Port is already assessing GHG emissions as part of the environmental review process. The proposed resolution will clarify how the Port will assess GHG emissions and climate change in the future.

Mr. Lufkin gave a brief background of SEPA procedures. He stated that they provide a framework that directs local and state agencies to identify and evaluate the environmental consequences of their actions. Public agencies are required to adopt specific procedures covering how they will implement these laws. Such procedures include the timing of environmental review or the appeals process.

Commissioner Tarleton asked for examples of laws that have changed since the last revision in 2005. Mr. Lufkin explained that there have not been many changes to the law itself, but there have been changes to references to the regulations. It was hard to track these procedures, and the old resolutions needed to be cleaned up.

Commissioner Creighton asked for a comparison of NEPA (National Environmental Policy Act) and SEPA. Mr. Lufkin explained that NEPA is strictly a procedural law, and SEPA may include substantive provisions so it is not strictly procedural. Elizabeth Leavitt, Director of Aviation Planning & Environmental Programs, explained that NEPA is triggered when a federal action is necessary, such as a decision by the Federal

Aviation Administration or the US Army Corps of Engineers. The Port complies with both NEPA and SEPA.

Commissioner Creighton noted recent efforts to remove the Environmental Protection Agency's authority over GHG emissions. Mr. Lufkin said that the Port would also follow state law if federal law is changed. Mr. Meyer said the City of Seattle requires the Port to quantify GHG emissions from the Seaport, for example, when applying for a city permit although the Port is not required to proscribe the impact of climate change. Commissioner Bryant asked how the Port would quantify such an impact. Mr. Lufkin said the Port would only be required to look at climate change on a narrow range of projects in an area known to be susceptible to the impact of climate change, such as the impact of a rising sea level on infrastructure.

Commissioner Holland asked if these policies would make the Port less competitive. Mr. Meyer responded that the Port staff would use their best judgment and Best Management Practices in evaluating the impacts. The resolution contains evolving criteria. Mr. Yoshitani noted that in California ports can make a statement of overriding consideration and the Commission could make a decision from a broader perspective than the environment alone. Mr. Lufkin said the Port would look at how the impact would fit into the Port's overall emissions reduction efforts. Ms. Leavitt said reducing GHG emissions could heighten the Port's competitive advantage. Taking action is often better than not taking action.

Commissioner Tarleton said she was delighted to discuss this issue at this time because it would help to shape the Century Agenda. She wondered if the Airport's GHG inventory helped to formulate this resolution. Mr. Lufkin responded in the affirmative. She also noted that the Port had made the effort to migrate the idea of mitigation into our contractual obligations and partner with our tenants and customers to make operational and environmental goals compatible, such as the Pre-Conditioned Air project at the Airport.

Commissioner Albro said it was not necessary to agree that global warming was caused by human activity in order to decide that this was a good policy for the Port. It should be an ethos of the Port, as an urban port, to have as small an environmental footprint as possible and to value a working port and industrial maritime centers in an urban environment.

Commissioner Albro also asked about Section 6.7 (on p. 8) of the first proposed resolution, which allows the Commission to adopt a bond resolution prior to environmental review of a project, provided that any environmental review required by SEPA must be completed prior to final project approval by the Commission and/or other state or local agencies. Traci Goodwin, Senior Port Counsel, said this provision was in the previous resolution. Mr. Yoshitani noted that the Port sells bonds for more than one project at a time but that the Commission would be fully on board before any bonds were sold.

Commissioner Creighton asked for more clarification in the Commission's role in the SEPA review. Ms. Goodwin said the Commission can approve an Environmental Impact Statement (EIS) or the EIS could be approved administratively by Port staff. Both of these options are still available in the new resolution. Commissioner Tarleton said this issue should be reviewed as part of the current review of Resolution No. 3605, as amended (the delegation of authority from the Commission to the Chief Executive Officer).

Mr. Lufkin concluded by summarizing that the Port will open a 30-day public comment period for the proposed resolutions on the Port's website, notice the public comment period in the newspaper and

distribute the resolutions widely in hopes of receiving good feedback from the public. Any public comment would be reviewed and summarized for the Commission. Port staff plan to return to the Commission, tentatively on March 22, for First Reading of the two proposed resolutions. Second Reading and Final Passage would occur in April.

**8. NEW BUSINESS**

None.

**9. POLICY ROUNDTABLE**

None.

**10. ADJOURNMENT**

There being no further business, the regular meeting was adjourned at 2:27 p.m. to an Executive Session to discuss personnel matters related to the Chief Executive Officer. The Executive Session was adjourned at 3:35 p.m.

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

John Creighton  
Secretary