



Commissioners

Bill Bryant
Commission 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

Audio and video recordings 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 hours, minutes, and seconds; example: 00:01:30)

**APPROVED MINUTES
COMMISSION REGULAR MEETING FEBRUARY 22, 2011**

The Port of Seattle Commission met in a regular meeting Tuesday, February 22, 2011, at Seattle-Tacoma International Airport, Airport Office Building, International Auditorium – Mezzanine Level South, Seattle, Washington. Commissioners Albro, Bryant, Creighton, Holland, and Tarleton were present.

1. (00:01:12) CALL TO ORDER

The regular meeting was called to order at 12:00 noon by Bill Bryant, Commission President.

2. EXECUTIVE SESSION pursuant to RCW 42.30.110

The meeting was immediately recessed to an Executive Session to discuss labor negotiations, RCW 42.17A.555 campaign restrictions, RCW 42.30.110(1)(c)(i) Real Estate, and RCW 42.30.110(1)(i)(ii) legislation for approximately 60 minutes and reconvened to open public session at 1:19 p.m.

PLEDGE OF ALLEGIANCE

3. (00:00:34) APPROVAL OF MINUTES

Motion for approval of minutes for the Regular Meeting of January 11, 2011 – Albro

Second – Tarleton

Motion carried by the following vote:

In Favor: Albro, Holland, Tarleton (3)

Commissioners Bryant and Creighton were absent from the subject meeting.

4. **SPECIAL ORDER OF BUSINESS**

None.

5. **(00:00:38) UNANIMOUS CONSENT CALENDAR**

- a. Approval of [Claims and Obligations](#) for the period of January 1 through January 31, 2011, in the amount of \$43,903,278.02.
- b. Authorization to issue Change Order No. 10 for the Consolidated Rental Car Facility (CRCF) Offsite Roadway Improvements (ORI) project and SR-99 Bridge Seismic Upgrade for the Not-to-Exceed amount of \$970,000.00 and for staff to transfer this amount from Unallocated Program Contingency to the Project Construction Contingency. No additional funds are required to implement this Change Order.

Request document: Commission agenda [memorandum](#) dated February 4, 2011, from Ralph Graves, Capital Development Division Managing Director.

Motion for approval of consent items 5a - 5b – Albro

Second – Holland

Motion carried by the following vote:

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

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

- a. **(00:21:19) Request Commission authorization for the Chief Executive Officer to authorize planning and pre-design work in the amount of \$713,000 for the One-Time Airline Realignment Program at Seattle-Tacoma International Airport (Airport), which is ultimately expected to cost approximately \$97 million for all program elements as described in the briefing to the Commission on the Airline Realignment Program on January 25, 2011.**

Request documents: Commission agenda [memorandum](#) dated February 14, 2011, from David Soike, Aviation Facilities and Capital Program Director; Wayne Grotheer, Aviation Project Management Group Director; Michael Ehl, Airport Operations Director; and Elizabeth Leavitt, Aviation Planning & Environmental Services Director. Also provided was a [schematic drawing](#) of the One-Time Airline Realignment and a chart providing the status of the various projects in the One-Time Airline Realignment Program.

Presenters: Mr. Soike and David Tomber, Aviation Planning Program Manager.

Mr. Soike noted that the Airline Realignment Program consists of over a dozen inter-related projects that the Commission will consider over the next year or two. The airlines want the Airport to work rapidly on these projects. He provided a list of upcoming Commission realignment actions.

Commissioner Tarleton asked if the list could be placed on the Port website to show the array of programs that are part of the Airline Realignment Program because the public does not always go to the Commission memos for information, but often goes to the website. Mr. Soike said this would be done. The realignment projects will also be included in the quarterly Capital Improvement Projects Report.

Mr. Soike noted this item is for "campus planning services." It is a second draw of three draws on the consultant contract the Commission had previously approved. Mr. Tomber stated that the purpose of this request for \$713,000 is two-fold: (1) analyzing immediate needs of the realignment and providing a basis of design; and (2) analyzing long-term needs to ensure immediate decisions are consistent with the vision for the future. The scope includes analyzing demand and preparing layouts for all terminal functions to accommodate changing flows of passengers, baggage, vehicles and aircraft. The benefits include planning for terminal modernization, capacity needs for realignment and anticipated growth, and strategies to live within the Airport's existing footprint and avoid more costly capital expansion projects.

Commissioner Creighton asked how the Airport is going to plan for the future because of airline mergers and if there are ways to plan for future realignments that would be less costly. He also asked about airline branding in the future.

Mr. Soike answered that it is impossible to plan for future realignments because they are few and far between. This authorization enables the Airport to plan so there is space for new entrants in a Common Use environment in both ticketing and at the gates. In the future, airlines can be moved less expensively. He noted some of the future airline realignment projects on the list, such as Airport-owned passenger loading bridges, will allow airlines to move more easily because the loading bridges are portable. Concourse D will become a Common Use concourse, and Common Use is spreading to the South Satellite. The Airport also wants to use the Common Use approach in ticketing. Regarding airline branding, Mr. Soike suggested that airlines will protect their brands on the aircraft, at the jetway and with their in-flight services and staff. Mr. Tomber noted that the Airport would have increased flexibility with more shared use. It would not be as costly to accommodate peaks.

Commissioner Albro asked how many daily flights Hawaiian Airlines makes from the South Satellite and wondered if it makes sense for Hawaiian Airlines to use the South Satellite rather than a Common Use gate. Is the Airport making it more difficult than necessary? Mr. Soike said he believes there are two flights daily with a third added in summer. Hawaiian Airlines flies large aircraft which are accommodated at the large gates at the South Satellite and arrive at non-peak times. Mr. Tomber said by sharing gates with Hawaiian there yields a higher turn per gate. The realignment also provides for higher gate utilization.

Commissioner Tarleton said she likes the approach of seeing how individual projects relate to the total \$97 million realignment program, but she would like to see how the realignment infrastructure build-out meets environmental goals and maximizes capacity. Mr. Soike said electricity is a good example. Staff is looking at the demand forecast and strengthening load centers to support projects such as Electrified Ground Support Equipment. The Airport has a strong energy

conservation program, including testing LED and induction lighting, since lighting makes up 40 percent of the load. Staff is also looking at the Airport's HVAC systems.

Commissioner Tarleton asked if the Requests for Proposals (RFPs) could be written in such a way to incentivize the bidders to include energy efficiency and cost saving environmental proposals to give the Airport more operational cost savings over the lifecycle of the system.

Mr. Soike said staff looks at standards and ways to incorporate better products into future systems from a "campus-wide perspective" to find ways to save energy. The Airport will use a Washington state performance contract to see if the consultant can demonstrate ideas and products that save energy. If the consultant can, the Port pays them for their work and if they cannot, they do not get reimbursed.

Commissioner Tarleton emphasized the importance of cost savings and environmental incentives since we are spending up to \$97 million on airline realignment and do not want a \$97 million project to turn into a \$5 billion lifetime operation.

Commissioner Bryant noted that the Commission has been briefed on the Airline Realignment Program many times. So far, we have been proceeding in small steps, and this request is for \$713,000. When do we reach the point where we can't go backwards? Mr. Soike responded that we have reached that point. The carriers have agreed that realignment is the wisest move to keep future growth within the current building. Commissioner Bryant asked if this is the final vote on airline realignment. Mr. Soike said other actions will come forward. Commissioner Bryant clarified that it is not the "final final" vote, but it is the beginning of a number of votes showing commitment to the program.

Motion for approval of Item 6a – Creighton

Second – Holland

Motion carried by the following vote:

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

- b. (00:23:46) Request Port Commission authorization for the Chief Executive Officer to: (1) Proceed with design for the installation or refurbishment of approximately fifteen Passenger Loading Bridges (PLBs) to be located at Concourse B, Concourse D and the North Satellite; (2) Purchase existing airline-owned PLBs when refurbishment rather than replacement is appropriate or as negotiated with the airline; (3) Execute contracts to purchase up to five new PLBs with a future option to purchase approximately ten additional PLBs; and (4) Advertise and execute one major construction contract to replace and/or refurbish up to five existing PLBs located on Concourse D at Gates D1 through D5. The amount of this request is \$6,700,000. The total cost of the Passenger Loading Bridge Replacement – Airline Realignment project at Seattle-Tacoma International Airport (Airport) is \$14,850,000. This request seeks a single Commission authorization to move forward with design, advertisement, and execution of a major

construction contract for Gates D1 through D5 only. The execution of the remaining work will return for future authorizations.

Request documents: Commission agenda [memorandum](#) dated February 11, 2011, from Michael Ehl, Airport Operations Director; and Wayne Grotheer, Aviation Capital Improvement Programs Director. Also provided was a [graphic drawing](#) of the Airline Realignment Project Loading Bridge Purchase/Refurbishment.

Presenters: Mr. Grotheer and Nick Harrison, Airport Operations Senior Manager.

Mr. Harrison said the airlines fully support the Port's eventual ownership of almost all of the passenger loading bridges. Of the 78 gates in use in the Airport, 72 of them have PLBs, and the Port owns 52 of them. This request is triggered by the Airline Realignment Program, and the gates on Concourse D are key because they will be the first ones to come into play. The PLBs are a little under \$1,000,000 each installed with a lifespan of about 20 years. The decision to replace or maintain PLBs will be made after an inspection of the bridges. Two advantages of Port ownership of the PLBs are the economies of scale resulting from centralizing maintenance and purchasing parts and standardizing the type of bridge.

Commissioner Holland asked if other airports are also purchasing PLBs. Is it a trend in the industry for airports to own bridges?

Mr. Harrison said it is more common for the Airport to own the bridges than the airlines. Gates are leased for only one year at a time so where one airline is leasing the gate and another is leasing the bridge, they have to enter into a maintenance agreement. If there is only one type of bridge, there only needs to be one type of training.

Mr. Grotheer said the Airport plans to purchase the PLBs in two phases. Phase 1 is for gates D1 to D5 in Concourse D, which are the first moves in the Airline Realignment project. Staff requests approval to complete the design using an existing IDIQ contract, purchase up to five loading bridges and advertise and execute one major public works construction contract. Assuming the need to purchase five new PLBs, the total request is \$6.7 million of the \$14.9 million total estimated project cost. There are no plans to use a Project Labor Agreement.

Phase 2 is for the other gates that will be affected by the airline realignment. This includes the remaining gates on Concourse D, Concourse B, and the North Satellite. Today's request asks for authority to do the design for 15 bridges and return later for approval to advertise. Phase 2 has not been analyzed for a Project Labor Agreement.

Commissioner Albro asked about the price difference for the additional costs. Mr. Grotheer said that Phase 1 assumes the purchase of five new PLBs. Phase 2 assumes the purchase of seven and the refurbishment of three PLBs. The price is an estimate because the PLBs have not been inspected, but the Port will hire an independent consultant to do the inspection to determine which bridges will be replaced versus which ones will be refurbished. Staff is assuming that because five of the bridges are over twenty years old they will have to be replaced.

Motion for approval of Item 6b – Albro

Second – Tarleton

Motion carried by the following vote:

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

7. STAFF BRIEFINGS

- a. (00:35:11) Briefing on Seattle-Tacoma International Airport's annual Federal Aviation Administration (FAA) Federal Aviation Regulation (FAR) Part 139 Airport Certification/Safety Inspection.**

Presentation document: Commission agenda [memorandum](#) dated February 4, 2011, from Michael Ehl, Aviation Operations Director.

Presenters: Mark Coates, Airport Operations Senior Manager, and Randy Krause, Fire Chief.

Mr. Coates said that the FAA completed its annual Federal Aviation Regulation Part 139 Airport Certification/Safety Inspection to ensure the traveling public's safety on January 27. The inspectors looked at hundreds of items on the airfield and ran numerous spot checks and tests to evaluate the staff's professionalism. Three items received special attention. One was done with the Port of Seattle Fire Department during the inspection, the second one to take care of a few minor ruts in one runway safety location was done a few days later, and the final item to repaint retro reflective striping will be completed this summer. The FAA singled out several Port staff, including Leon Gutierrez, for his fire training records, which were the best they had seen; Raveena Pillay for her excellent training records at the Airport; and Steve Osmek for wildlife management. The FAA also commented upon the Airport's emergency preparedness, overall professionalism, and spirit of partnership. Mr. Coates concluded by noting that it takes a team effort by ICT, Maintenance, the POSFD, and PMG to inspect the airfield, which is the equivalent of 350 concrete football fields, four times every day and always keep it "in inspection shape."

Commissioner Albro asked for an explanation of the POSFD's response time to a simulated aircraft incident that took longer than is allowed. Chief Krause said the no-notice drill was performed at 1:00 a.m. to a location that was further than required, which is to the midpoint of the Third Runway. The response time must be under three minutes for the first fire truck to arrive on scene. Since the drill was not indicative of the representative distance, the POSFD redid the drill. Under the conditions that were present – at night on a wet surface with a self-imposed speed limit of 45 miles per hour for safety reasons, they were off by a few seconds. He noted that the POSFD takes this issue seriously. Since then, the POSFD has done 20 test runs to the midpoint of the Third Runway and is looking at average time, reaction time, and efficiency.

Commissioner Tarleton commented that the inspection lasted four days, 24/7. She congratulated the whole team for participating in the inspection while also doing their usual jobs of keeping the Airport operating normally.

b. (00:42:16) Air Cargo Operations and Development Briefing.

Presentation documents: Commission agenda [memorandum](#) dated February 4, 2011, and computer slide [presentation](#) from Michael Ehl, Airport Operations Director, and Tom Green, Air Cargo Operations and Development Senior Manager.

Presenters: Mr. Green and Tom Phillips, President of KPA Aviation Consulting Services.

Mr. Phillips said that air cargo is a very significant part of Airport, as well as local and regional, activities. Domestic transportation and logistics services are a trillion dollar industry in the U.S., and air freight makes up 24 percent of the total merchandise trade value. Air cargo is no longer just for getting perishables and commodities to and from market but is essential in the distribution chain. The air freight market is doubling in size every ten years. It involves many different actors: shippers, third party logistics providers, customs brokers, consolidators, indirect carriers, general sales agents, government authorities, motor and air carriers, airports, cargo/ground handlers, federal inspection agencies, and consignees.

The role of airports and air cargo has changed. Airports can no longer think of themselves as only an airfield but must see themselves as a logistics centers for the consolidation and distribution of air, truck, and rail freight, and airports need to consider what kinds of services they can offer.

Mr. Green said that the Airport supports regional logistics and the economy of the Pacific Northwest. Up to 160,000 jobs in the Northwest are related to air cargo at the Airport, and those jobs provided almost \$8 billion in wages and salaries, as well as \$737 million in state and local taxes. The total annual value of the air freight exported from Sea-Tac is estimated to be more than \$15 billion.

Commissioner Tarleton asked if the air cargo business and operations at the Airport have resulted from a deliberate market expansion objective or are simply indicative of the fact that Sea-Tac is an airport that can handle air cargo. Mr. Green said the answer is yes and no - yes, the logistics industry has focused around the Pacific Northwest and around the Airport. Logistics is a very effective conduit to international trade. From the perspective of the Airport, the answer is no, historically, the Port has not made an aggressive push to facilitate this industry, but, since Washington is such an export-reliant state, we manufacture exports that need to be flown overseas.

Commissioner Albro asked about the downsides and trade-offs of using cargo space on a passenger aircraft. Mr. Green responded that the air cargo capacity in the belly hold may be 65 to 85 percent of the load factor, and about half of the tonnage of international air cargo is carried on passenger aircraft. It is an active business for many carriers.

Commissioner Holland mentioned that he was under the impression that there might be a possibility to work with other ports, such as Moses Lake, on cargo capacity, but, if over half of the international air cargo travels on passenger planes, it is difficult to figure out a strategy to move cargo and cargo planes away from the Airport. Mr. Green said that cargo and passenger operations at the Airport are intimately connected. Not only are passenger aircraft involved, but the

market decides where it wants to ship products. Air cargo is the reverse of Seaport cargo with 75 percent of the cargo destined for this region. Air cargo comes to the Airport because of our very good facilities, but also because we are the center of the market. For that reason, the logistics industry has also clustered around this area. Mr. Phillips said that consolidation is important to cargo carriers. Places like Moses Lake do not offer consolidation opportunities.

Commissioner Albro stated that the 70/30 percent split is the opposite of Seaport cargo and is very similar to what we have in terms of air passenger traffic through the Airport and asked whether that statistic was derivative of the flights that are coming and going from the Airport, or was inherent in the marketplace. He asked if growing air cargo meant growing the origin/destination component or growing the consolidating or trans-loading component.

Mr. Green responded that he believes we are really growing the origin/destination market. The difference between air operations and ocean operations is sea cargo must be unloaded when it reaches the West Coast to another mode of transportation before it moves to other markets like Chicago or the East Coast. For air cargo, if there is a product going from South Korea to Chicago, it can fly all the way to Chicago without disembarking at a West Coast gateway and be trans-shipped to its destination. Some air cargo minimizes air miles travelled by arriving at the Airport and going onward by truck.

Mr. Green noted the following air cargo gains:

- Asian trade volumes are up 25 percent with exports slightly leading at 27 percent over 2009.
- In 2010, the Airport set a record in tonnage to the Asian routes, which is two percent above the volume reached in 2007. The recovery of the Asian trade routes has surpassed that amount of the decline.
- The European side was not as robust, but there was import strength. Due to other factors, exports from the U.S. to Europe declined a bit.

Mr. Green explained that there are three types of air cargo: express cargo, such as cargo carried by FedEx & UPS, which provides a door-to-door, client-to-client transition; all-freighter cargo, such as CargoLux; and belly cargo. Alaska Airlines and Delta Air Lines primarily carry belly cargo. Alaska has freighters, but that represents only 10 percent of its tonnage. Mr. Phillips said that FedEx and UPS are considered integrated cargo carriers, while carriers like CargoLux are airport to airport. It is important to understand the difference because the Airport should appeal to the traditional carrier, which relies on a freight forwarder and a whole logistics supply chain to bring cargo to the Airport or take it to its destination. Mr. Green said there is a great diversity of cargo carriers at the Airport, and we have the best of the best. CargoLux has been with the Airport for more than 25 years and is also Boeing's largest customer for the 747-8 freighter. Most air cargo operations take place in the North Cargo area where there are approximately 15 buildings and 680,000 square feet of cargo throughput facilities.

Commissioner Tarleton asked to highlight the neighborhoods and cities adjacent to each of these cargo areas. Mr. Green said to the south of the Airport is the City of Des Moines, the City of SeaTac to the east and north, and to the northwest the City of Burien. There is also a significant

cargo operation on the south end of the Airport (the Delta cargo operation). Air cargo freighter aircraft park and operate in the North Cargo area, and a large component of the belly cargo is handled at the North Cargo area or the Delta facility.

Mr. Green mentioned the commodities that are shipped through the Airport. The commodity values of the top three or four are in the billions of dollars, but the perishables are not as valuable. The region's largest export destinations are Malaysia, China, Japan, and Taiwan.

Commissioner Holland suggested that we should advertise as a cargo gateway in various articles. Mr. Green said his office has started to work towards marketing in publications.

Commissioner Tarleton asked how the Port makes money on air cargo. Mr. Green responded that the air cargo operations are contained within the airfield cost recovery unit. The Airport is covering the costs of operating the air cargo operation through landing fees that are a function of the type and weight of the aircraft.

Commissioner Tarleton commented that the way the Airport grows revenue is not in the volume of goods carried on the planes, but the economic impact of not having air cargo capacity. The impact is in the billions of dollars of revenue and the jobs associated with them.

Mr. Green said air cargo represents about seven percent of the total landed weight, and, without that seven percent of freighter-landed weight, there would be a lower landed weight total over which to spread the airfield costs. In the absence of freighters, the other operators would see higher landing fees, which translate into a higher Cost per Enplanement (CPE). There is a significant revenue stream that comes from leasehold revenue, approximately \$5 million a year, which acts as an offset in the cost recovery model.

Mr. Phillips said the Airport wants to take advantage of the trans-load cargo by going from simple cargo handling to adding value-added processes and clustering. Mr. Green recommended that logistics should be a core business that supports private-sector employment by attracting more logistics elements to the vicinity of the Airport. One of the Airport's opportunities is to develop its undeveloped inventory of property and use it proactively to help facilitate the growth of the private-sector logistics industry.

Commissioner Albro asked about the competitive landscape and who the Port's competition is. Mr. Green said we are competing with other Northwest gateways, such as Portland and Vancouver, B.C., and even competing to some extent with the airports in California.

Commissioner Albro said that, as we flesh out this competitive market, it would be helpful to have a competitive analysis. The Port competes against Los Angeles and Long Beach on the Seaport side. They have a distinctive advantage because their market is embedded right there. The Airport essentially has the same advantage here against Portland and Anchorage.

Mark Reis, Managing Director of the Aviation Division, said that the idea of competition assumes that you have a commodity that can go any number of places and to some degree that is true, just as the Seaport has 70 to 75 percent discretionary cargo that is bound to the Midwest. The

opposite is true for the Airport since the vast majority of air cargo that arrives is bound for this region so in some ways we're competing with ourselves. The discretionary air cargo that is bound for Chicago could easily go to Anchorage and then be put on an onward flight. We want to ensure that the Airport's cargo operation provides the region with the support it needs to grow, which is separate from the question of trans-loading cargo that is bound for other places. The primary focus is not that the Airport competes with other airports, but that it provides support for the local economy.

Commissioner Albro cautioned about movement toward economic development around logistics and value-added manufacturing in regards to the proximity to air cargo. Commissioner Holland noted that a company that he visited in China wanted to expand but had never thought about Seattle.

Mr. Phillips said that air cargo is a core component of the Airport's business model. It helps to lower CPE, helps with regional growth and development, and attracts additional passenger service provided for cargo carriers. The Airport has the ability to leverage the cargo activity that takes place at the Airport into a much broader and economically vibrant activity, but, to do that, the Airport must link the services that are already taking place away from the Airport to the Airport.

Commissioner Creighton asked about things that the Port can or should be doing, such as projects, or working with other regional partners and businesses, ports, cities, or municipalities, to help strengthen the economic system that will strengthen our air cargo business.

Mr. Green said Airport properties near the airfield are uniquely situated to accommodate the movement of cargo to and from the North Cargo area and the property to the south of the airfield is ideal for attracting third-party, private sector, value-added logistics services. These properties are Lora Lake, the Northeast Redevelopment Area, the "L-Shaped" property and the Des Moines City Business Park. Freight mobility is very important in the cargo context. It is important to have the ability to get the cargo to the airport logistics center. The Airport will need to make investments for Customs and Border Protection cargo inspection facilities and move forward with other projects, such as off-gate hardstand fueling, which benefit both the customer and also the Port.

c. (01:52:22) Monthly Briefing – Update on the Consolidated Rental Car Facility Program.

Presentation documents: Commission agenda [memorandum](#) dated February 15, 2011, from Michael Ehl, Airport Operations Director; George England, Project Management Group Program Leader; and Janice Zahn, Engineering Construction Services Assistant Director. Also provided were an informational attachment ([Attachment A](#)) and a computer slide [presentation](#).

Presenters: Ms. Zahn and Greg Vouros, Capital Project Manager.

Ms. Zhan provided current information relating to construction at the Rental Car Facility (RCF) site, noting that construction is 84 percent complete and 210 workers are on site on an average basis. The recycling rate on that project remains at 97 percent. Work is continuing on the architecture elements of tile, terrazzo, painting, walls, and ceiling in the customer service building. Workers are

installing stairs, escalators, elevators, and mechanical and electrical components. Car washes are also being installed.

The RCF is about a month behind schedule, according to Ms. Zahn. Commissioner Bryant asked what the change was from the previous report. She said the schedule had slipped about a week from the last report. Port staff is looking at the critical path and has met with Turner to discuss quick-turn-around power-up, commissioning, and training. Staff has met with industry representatives to see what their training needs are, and Turner is looking at commissioning and training activities to determine whether they may be done concurrently. Commissioner Bryant asked what the risks are. Ms. Zahn said the Bus Maintenance Facility (BMF) is the last on the critical path.

Ms. Zahn said the Offsite Roads Project (OSR) is 35 percent complete with 16 workers on site. The SR-99 bridge girders have been fabricated, and work is continuing on the bridge foundations and the new on-ramp to SR-519. The OSR project is showing a negative balance, but it will be positive once the transfer is made from the unallocated contingency from the program level to that project. The project is on schedule to be completed in December 2011.

The full notice to proceed with the BMF was issued to the contractor two weeks ago, and demolition of asphalt and excavation has just started. Shuttle bus acquisition is moving forward as planned. The BMF's scheduled completion date is February 2012, and the schedule is very tight. Staff is reviewing the risks to decide whether to accelerate BMF construction based on what is most cost effective for the Port.

Mr. Vouros said that 46 Design Change Notices have been issued. The most current Design Change Notice involves additional wayfinding signage. Industry representatives visited the site and saw certain wayfinding signage elements that did not work as well as anticipated based on their experiences with customers. Two additional Design Change Notices relate to how to power the electrical infrastructure for signage and another one is specifically for regulatory signage like speed limits and stop signs.

An issue with the Rental Agency Companies (RAC) has arisen related to Project Labor Agreements. Earlier, it was anticipated that all the RACs would sign Project Labor Agreements, but now this does not appear to be the case. At least two companies are contracting separately with Turner to build out their improvements. Other RACs have expressed concerns about signing a Project Labor Agreement because they do not have the resources. As a result, Mr. Vouros said the Port is working with Turner to provide dual gates (secondary access) so that union and non-union contractors can use different gates. Ms. Zahn said Turner is on board with the plan for dual gates. Ralph Graves, Capital Development Division Managing Director, said the Port discussed Project Labor Agreements when the RCF contract was first advertised and it was determined that the 1999 Project Labor Agreement applied. We promote the terms of the Project Labor Agreement to the RACs to balance the competing interests. Commissioner Tarleton asked CEO Yoshitani to pay close attention and not allow the issue to fester or have a labor disruption so late in the construction. Mr. Yoshitani said this is the first he had heard of the issue, but the Port is not allowed to require another business to adopt a PLA.

d. (02:11:44) Briefing on the Declaration of Emergency

Presentation document: [Declaration of Emergency](#) and [graphic](#) from Ralph Graves, Capital Development Managing Director, and Raymond Rawe, Chief Engineer.

Presenter: Mr. Graves.

Mr. Graves said that on February 11, 2011, Port staff found that two concrete panels on the Airport apron had shattered. Over the weekend, the panels were monitored, and it was determined that outside resources would be required to replace the panels. On February 14, Port staff declared an emergency so that the repairs could be made quickly by a contractor. Normal operations resumed on February 23, 2011.

8. NEW BUSINESS

a. (02:13:17) Public Testimony

Following the scheduled agenda items, Public Comment was received from the following individuals:

- Dan Caldwell, a resident of Des Moines, asked if the Port had been in communication with the City of Des Moines about the Des Moines Marina to keep the boat launch going.
- Ms. Marwaha representing UNITE HERE Local 8, which represents many union members who work in concessions at the Airport, requested the Port to support House Bill No. 1832, which is under consideration by the State Legislature in Olympia. The bill provides for the retention of concessions workers in the event that another company takes over an Airport concession. The Port will benefit from H.B. No. 1832 because experienced workers who know the Airport will be retained, and they are also trained in Airport security measures.

9. POLICY ROUNDTABLE

None.

10. ADJOURNMENT

There being no further business, the regular meeting was adjourned at 3:39 p.m.

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

John Creighton
Secretary