

**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

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*(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 SPECIAL MEETING May 24, 2011**

The Port of Seattle Commission met in a special meeting Tuesday, May 24, 2011, in the International Auditorium at Seattle-Tacoma International Airport, Seattle, Washington. Commissioners Albro, Bryant, Creighton, Holland, and Tarleton were present.

**1. CALL TO ORDER**

The special meeting was called to order at 11:44 a.m. by Bill Bryant, Commission President.

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

The special meeting was immediately recessed to an Executive Session lasting approximately 90 minutes to discuss legal risk, real estate, and pending litigation matters. The regular meeting reconvened in open public session at 1:14 p.m.

**PLEDGE OF ALLEGIANCE**

**3. APPROVAL OF MINUTES**

Regular Meeting of April 5, 2011.

**Motion for approval of the minutes of the April 5, 2011, regular meeting – Albro**

**Second: Creighton**

**Motion carried by the following vote:**

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

**4. SPECIAL ORDER OF BUSINESS**

**a. (00:01:58) Recognition of the Winners of the Centennial Video Contest for Schools in King County.**

Presentation document(s): Commission agenda [memorandum](#) dated May 16, 2011, from Jane Kilburn, Public Affairs Director, and JoAnne Lee, Public Affairs Protocol and Program Manager.

Presenter(s): Ms. Kilburn.

Ms. Kilburn noted that the Centennial Video Awards for King County Schools program was initiated to raise the visibility of the Port in the community; engage students in the Port Centennial; encourage students to learn about the Port and its economic impact on the region; and to encourage students to creatively use video to convey what the Port means to them. There were eleven entries, from elementary and high schools. The judges selected seven semi-finalists, which were posted on the Port's website. The winners of the awards are as follows:

- First Place including \$6,000 award:
  - "More Than a Dock on the Shore" Kentwood High School, Covington
  - "No Port, No Seattle" Home Education Exchange, Shoreline
- Second Place including \$4,000 award:
  - "Port of Seattle: A Loving Relationship" Aviation High School, Des Moines
  - "The Port to My Heart" Aviation High School, Des Moines
  - "Port of Seattle Love" Islamic School of Seattle, Seattle
- People's Choice Award Winner:
  - "Port of Seattle Love" Islamic School of Seattle, Seattle

After announcing the winners, a short video capturing all five winning videos was played. Commissioner Albro suggested that the Port consider making the video awards a regular event, every year or every other year as opposed to once every 100 years.

**b. (00:22:55) Recognition of the Winners of the 2010 Seattle-Tacoma International Airport Green Gateway Environmental Excellence Awards Program.**

Presentation document(s): Commission agenda [memorandum](#) dated May 12, 2011, from Elizabeth Leavitt, Aviation Planning & Environmental Services Director, and Jeremy Webb, Environmental Management Technician.

Presenter(s): Ms. Leavitt and Mr. Webb.

Ms. Leavitt stated that the Airport is working to achieve goals and objectives in the ambitious Environmental Policy five-year plan, including objectives for Port work and work with business partners such as airlines, tenants, and concessionaires. The Green Gateway Environmental Award Program was launched in 2010 to promote those goals. Mr. Webb noted that both of the initial awards for 2010 are for recycling: Alaska Airlines for its in-flight recycling program and

HMSHost for its food scrap composting program. Both programs increase the environmental sustainability of the Airport. The representative from Alaska Airlines acknowledged flight attendant Jan Christiansen as a model for in-flight recycling.

**c. (00:30:21) Recognition of the Winners of the Fly Quiet Incentive Program.**

Presentation document(s): Commission agenda [memorandum](#) dated May 16, 2011, from Stan Shepherd, Airport Noise Programs Manager.

Presenter(s): Mr. Shepherd.

Mr. Shepherd noted that 2011 is the eighth year for the Fly Quiet Awards, which were initiated as recommended in the 2002 Federal Aviation Administration (FAA) Part 150 study as an incentive to airlines to reduce noise. The awards began in 2004. The winners for 2011 are:

- 1<sup>st</sup> place: Air Canada Jazz;
- 2<sup>nd</sup> Place: SkyWest Airlines; and
- 3<sup>rd</sup> Place: Mesaba Airlines.

**d. (00:34:22) Recognition of Goodwill National Graduate of the Year, Michael Bulling.**

Presentation document(s): Commission agenda [memorandum](#) dated May 12, 2011, from Charla Skaggs, Corporate Media Officer.

Presenter(s): Ms. Skaggs.

Ms. Skaggs introduced Michael Bulling and noted that he was previously recognized as the Graduate of the Year by Goodwill Industries in Tacoma. There are 165 Goodwill programs across the nation, and Mr. Bulling was selected from all the programs as the National Graduate of the Year. Ms. Skaggs also recognized the Goodwill organization and Mr. Bulling's employer, Bob Kendrick and Capital Building Maintenance, for giving Mr. Bulling an opportunity to work at the Airport. Mr. Bulling thanked Capital Building Maintenance for their support and noted that people with disabilities need opportunities from employers like Capital Building Maintenance. Mr. Bulling was featured in the magazine, *Working!* A copy of the document is, by reference, made a part of these minutes, is marked [Exhibit A](#), and is on file in Port offices.

**e. (00:42:23) Introduction and presentation of Badge to New Assistant Fire Chief Michael Ayala.**

Presentation document(s): Commission agenda [memorandum](#) dated May 12, 2011, from Randy Krause, Fire Chief.

Presenter(s): Chief Krause.

Chief Krause introduced Assistant Chief Ayala who recently retired as battalion chief from the City of San Jose where he spent 28 years.

Commissioner Bryant administered the Ceremonial Oath of Honor to Assistant Chief Ayala.

5. (00:46:27) UNANIMOUS CONSENT CALENDAR

- a. Authorization for the Chief Executive Officer to execute an amendment to the professional services agreement with Stantec Consulting in accordance with Resolution No. 3605, Section 7.2.4, as amended by Resolution No. 3628. The amendment is estimated to be \$400,000 and will increase the contract to a total of \$2,597,320 for additional design services to support pipe distribution system revisions during the construction phase of the Pre-Conditioned Air project. The total project cost is \$40,600,000 with a net cost to the Seattle-Tacoma International Airport of \$14,730,000 with the balance to be covered by a Federal Aviation Administration Voluntary Airport Low Emission Grant. Due to savings in other activities of the project, no additional funding is required (CIP #C800238).

Request document(s): Commission agenda [memorandum](#) dated May 23, 2011, from David Soike, Aviation Facilities and Capital Program Director, and Wayne Grotheer, Aviation Project Management Group Director.

- b. Authorization for the Chief Executive Officer to develop design documents, apply for permit approvals, and prepare construction documents as part of the Terminal 18 Pilot Pile Cap Repair and Maintenance Project for an estimated cost of \$250,000 bringing the total authorized cost of this project to \$300,000. Following design, Port of Seattle staff will return to the Commission to seek authorization to complete the project which may include major construction contracts, work performed by Port crews and the purchase of equipment and materials. The total project cost is estimated at \$1,000,000. This project was not anticipated in the 2011 Operating Expense Budget and will create an unfavorable expense variance (PID #104599).

Request document(s): Commission agenda [memorandum](#) dated May 13, 2011, from Scott Pattison, Seaport Asset Manager, and Anne Porter, Capital Project Manager.

**Motion for approval of Consent Items 5a-5b – Tarleton**

**Second: Holland**

**Motion carried by the following vote:**

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

6. DIVISION, CORPORATE, AND COMMISSION ACTION ITEMS

- a. (00:47:16) Second Reading and Final Passage of Resolution No. 3652, declaring certain real property located in the City of Bellevue (a portion of the Woodinville Subdivision) and all improvements located thereon surplus and no longer needed for Port purposes, authorizing its transfer to the Central Puget Sound Regional Transit Authority (Sound Transit) and authorizing the Chief Executive Officer to execute all documents related to such transfer; and further authorizing the Chief Executive Officer to execute a permanent easement granting Sound Transit easement rights over the

**Port's railbanked portion of the Woodinville Subdivision for potential future development of high capacity transportation facilities.**

Request document(s): Commission agenda [memorandum](#) dated May 16, 2011, and [Resolution No. 3652](#) with [Exhibits A](#) and [B](#), from Joe McWilliams, Real Estate Division Managing Director.

Presenter(s): Melinda Miller, Seaport Commercial Development Manager.

Ms. Miller stated that the transfer is for approximately a mile of the rail corridor and grants a permanent easement over the remaining railbanked portion of the Woodinville subdivision. The authorization allows for a 60-day notice to be given to the City of Redmond so they can draft an easement with Sound Transit for the section.

Commissioner Bryant noted that this is the Second Reading and the item has previously been discussed in detail.

**Motion for Second Reading and Final Passage of Resolution No. 3652 – Albro**

**Second – Creighton**

**Motion carried by the following vote:**

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

- b. (00:50:12) Authorization for the Chief Executive Officer to execute an Administrative Settlement Agreement and Order on Consent with the Environmental Protection Agency and the City of Seattle for the Removal Action Implementation at Terminal 117, an Early Action Area for the Lower Duwamish Waterway Superfund.**

Request document(s): Commission agenda [memorandum](#) dated May 17, 2011, from Stephanie Jones Stebbins, Seaport Environmental and Planning Programs Director; Kathy Bahnick, Seaport Environmental Programs Manager; Roy Kuroiwa, Senior Environmental Program Manager; and Susan Ridgley, Senior Port Counsel. Also provided was a copy of the Administrative Settlement [Agreement](#) and Order on Consent.

Presenter(s): Ms. Bahnick and Mr. Kuroiwa.

Ms. Bahnick noted that Terminal 117 (T-117) was identified as an early action site in the Lower Duwamish Waterway, which requires action before the overall clean-up alternative is determined. As part of the purchase of T-117 uplands, the Port performed an uplands clean-up in 1999. Additional contamination was found in the uplands, which resulted in the U.S. Environmental Protection Agency (EPA) issuing an order for additional uplands investigation and ultimately an order for removal action addressing the most highly contaminated soil in the uplands. Additional investigations have occurred to define the boundaries. In 2010 the Port and the City of Seattle (City) jointly submitted the T-117 Engineering Evaluation and Cost Analysis Report to the EPA, which included options for cleaning up the T-117 site. The EPA used the report to select the final removal action alternative. The removal action is the basis of the current scope of work and order

on consent. The Port is taking the lead and sharing the cost with the City on the sediments and the T-117 uplands area. The City is taking the lead and paying for the cost of the streets and the yards, which are part of the Order. The Clean-up is funded by the tax levy and any cost recovery that the Port receives, including grants, insurance, and partner reimbursements.

Commissioner Bryant directed those interested in more information to the commission memorandum associated with the request.

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

**Second – Tarleton**

**Motion carried by the following vote:**

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

- c. (00:55:40) Authorization for the Chief Executive Officer to 1) approve a tenant reimbursement to Delta Air Lines (Delta) and additional Port costs totaling \$3,490,000 associated with the build-out of an airline lounge on the roof of the South Satellite at Seattle-Tacoma International Airport for a total program cost of \$8,930,000 and 2) modify a Tenant Reimbursement Agreement with Delta per the Port of Seattle's AV-2 Policy (CIP #C800336).**

Request document(s): Commission agenda [memorandum](#) dated May 16, 2011, and [Exhibit A](#) from Michael Ehl, Airport Operations Director; Wayne Grotheer, Aviation Project Management Director; and James Jennings, Aviation Properties Manager, Aviation Business Development.

Presenter(s): Mr. Ehl and Mr. Grotheer.

Mr. Ehl noted there are several benefits to the increased Delta Air Lines lounge, including increased rent revenue of \$1.2 million and opening up space for a common use lounge. The project is fully funded by terminal rents and has the full approval of the airline community.

Mr. Grotheer made four observations on the cost increases:

- Since Delta made the decision to expand once design was complete and construction was imminent, the costs are higher than if the decision was made when design was started.
- Costs due to unidentified conditions are part of the risk of working on top of a 40-year-old building while keeping the building and the food court operational.
- Additional soft costs have been incurred by both the Port and Delta due to overseeing the expanded work, responding to unidentified conditions, and the extending the project schedule.
- Contingency was increased due to the many issues that have occurred already in the project.

The additional budget increase includes 25 percent that is the Port's cost for the expanded scope, 50 percent for the Port's share of construction cost due to unidentified conditions and for added contingency, and the final 25 percent is for increased soft costs.

Commissioner Tarleton asked about the lease term with Delta. Mr. Ehl responded their lease ends at the end of 2012, but it is expected to roll over into the next lease. Commissioner Tarleton expressed concern over Delta's abrupt and sudden changes and asked for assurance that if the Port invests in the upgrades there will be a tenant to help repay and recoup the cost of investment. Mr. Ehl responded that the arrangement is cost-recovery, so even if Delta leaves, the cost will still be covered by the other airlines and therefore there is no risk to the Port financially.

Commissioner Albro observed that this will increase the cost per enplanement (CPE) and stated he shared Commissioner Tarleton's concerns, especially since Delta is cutting back service to Europe, and expressed displeasure with how the project has been handled. Mr. Ehl stated that Delta built an \$80-million maintenance hangar a decade ago, which supports the A330 aircraft in the Pacific Northwest market. Delta has also stated publicly a commitment to the Seattle-Tacoma International Airport as a Pacific gateway in its route structure and has several connections with Alaska Airlines. He noted that staff also has been frustrated with the time delays in the lounge project.

Commissioner Holland stated his belief that the Airport has a strong partner with Delta and believes the project should move forward. Commissioner Tarleton appreciated Mr. Ehl's comments about the critical investments Delta has made in the region, especially the \$80 million hangar that Delta built, which she said expresses to her Delta's commitment to the market more than anything else. Commissioner Albro concurred with Commissioner Tarleton's statement.

Commissioner Bryant stated that there is some confusion in the community as to when the Port uses project labor agreements (PLAs) and noted it would be good for the Commission and the community to hold a public briefing to clarify the use of such agreements. He said he would prefer to have a lease that goes beyond 2012, but he believes Delta has shown commitment to the Airport, which deserves recognition.

Mr. Yoshitani reminded the Commission that these types of projects are fairly standard in the airport industry. He also noted that Delta is also at risk if another airline decides to pull out of the Seattle-Tacoma market.

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

**Second – Albro**

**Motion carried by the following vote:**

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

**7. STAFF BRIEFINGS**

- a. (01:13:05) Update on the “Action Status Report” of the 2010 State Auditor Office’s (SAO) Performance Audit of the Port of Seattle’s Real Estate Management and Selected Programs.**

Presentation document(s): Commission agenda [memorandum](#) dated May 16, 2011, and computer slide [presentation](#) from Michael Burke, Lease and Asset Management Director; Mark Griffin, Real Estate Development Director; and Rudy Caluza, Accounting and Financial Reporting Director. Also provided was a copy of the Draft Annual Action Status [Report](#) on the 2009 SAO Performance [Audit](#) with [attachment](#).

Presenter(s): Mr. Burke, Mr. Griffin, and Debbi Browning, Assistant Director, Accounting.

Mr. Burke noted the audit started in April of 2009, and was a fair audit. The final report was issued in December 2010. The Port’s response to the ten recommendations from the audit is due in July 2011. Mr. Burke, Mr. Griffin, and Ms. Browning outlined the recommendations as follows.

The first recommendation is to continue the Century Agenda process. The SAO will be provided with a schedule of what is happening, and, when the process is complete, will be given a final report. Commissioner Tarleton suggested inviting the State Auditor to attend the Century Agenda Panel on Funding. Commissioner Albro agreed with that idea and recommended including the Auditor on the panel on Real Estate as well.

The second recommendation is to clarify Seaport and Real Estate division responsibilities. Mr. Burke commented that both divisions have met together to ensure that the properties are divided in a manner that makes the most sense.

In regards to the third recommendation by the SAO, any changes already made to Resolution No. 3605, as amended, will be forwarded to the SAO. Resolution No. 3605, as amended, is currently under further review.

Improving oversight of acquisitions and sales through policy adoption and enforcement is the fourth recommendation. The Century Agenda panels include a panel to discuss real estate policy issues. Work on the delegation of authority will also address this recommendation.

Mr. Burke noted that several of the recommendations overlap, such as the fifth recommendation involving real estate strategy. He noted that strategies will be reviewed and refined as part of the Port’s budget process. Commissioner Albro wanted to stress that the division strategies need to reflect the broader Port strategies, which Mr. Burke stated would be added to the response.

Real estate procedures have been updated, and Mr. Burke noted that documenting negotiations will be built into the process as part of the sixth recommendation regarding establishing policies and procedures to ensure market rates and acceptable rate of return. Mr. Burke noted that the



financial analysis is the one part of the audit where staff did not agree with the auditor. He stated that the Port uses an industry-accepted method of financial analysis.

The SAO recommendation regarding cranes involves verifying reported crane use, crane inspections, and reviewing maintenance records. Mr. Burke noted that many ports are no longer buying cranes, which is a trend that the Port of Seattle is also starting to pursue. Commissioner Tarleton saw the auditor's concerns on crane use as part of a larger equipment issue for the Port. In response to Commissioner Tarleton, Mr. Yoshitani noted that terminal operators own all their rolling stock, but not necessarily the cranes. Mr. Burke noted that all cranes are inspected annually and certified, but procedures have been established to perform more comprehensive rolling inspections over a five-year period as long as the Port owns the assets.

Ms. Browning noted that the last three recommendations relate to the Port's previous audit. The eighth recommendation is for segregation of duties, supervisory oversight, and system access control at Fishermen's Terminal. Ms. Browning noted that the internal auditors had raised this issue, which was being addressed prior to the audit. Those recommendations have been implemented already. Regarding the recommendations that relate to the Port Jobs program, the actions have been completed. The final recommendation dealt with loss reporting and clarifying policies. In response to this recommendation, the workplace responsibility officer reviewed the protocols, incorporated them into the Code of Conduct, and will monitor compliance. A new standard reporting loss form has been implemented.

The Port's final Action Status Report will be transmitted after Commission approval to the SAO on July 1, 2011. Mr. Burke responded to Commissioner Albro's concern that all documents that relate to the audit will be provided once they are final; as an example, the Century Agenda strategic plan will be provided when it is finalized. Commissioner Tarleton noted that by state law a final report must be issued, and for the 2008 performance audit the final report conveyed intent as well as actions and the SAO was satisfied with that.

**b. (01:38:44) Tsubota Steel Site Request for Proposals.**

Presentation document(s): Commission agenda [memorandum](#) dated May 16, 2011, and computer slide [presentation](#) from Mark Griffin, Real Estate Development Director.

Presenter(s): Mr. Griffin.

Mr. Yoshitani commented that it was important to brief the Commission on the status of the Tsubota site on 15<sup>th</sup> Avenue West in order to let the Commission and the public know that the Port is looking for ways to put the property to use.

Mr. Griffin gave a brief history of the Tsubota site. He noted that the request for proposals (RFP) gave the option to buy the site in total or lease the site on a long-term basis "as-is." There was one proposal to buy the site. Another proposal to lease the site was received after the RFP submission deadline. The acquisition proposal was only to buy the northern portion of the site, for \$2 million at \$35 per square foot. Mr. Griffin explained that there are two issues with the proposal to buy: 1) other property in the area was recently listed for \$51 per square foot and 2) it leaves the Port with

the southern part of the property. The lease proposal was to lease the site for 15 years with two five-year options to extend. That proposal included the Port contributing as much as \$1.8 million in tenant and site improvements. Financial analysis on the lease proposal gave a negative return on the investment. The recommendation is to decline both proposals and continue the short-term lease of the site until the real estate market further improves.

**c. (01:43:46) Briefing of the Electrified Group Support Equipment Project at Seattle-Tacoma International Airport.**

Presentation document(s): Commission agenda [memorandum](#) dated May 17, 2011, and computer slide [presentation](#) from David Soike, Aviation Facilities and Capital Program Director, and Wayne Grotheer, Aviation Project Management Group Director.

Presenter(s): Mr. Soike and Russ Simonson, Senior Environmental Program Manager.

Mr. Soike gave an overview of the project budget, noting that design is just beginning and the budget will likely increase to about \$45 to \$50 million. The increase in the budget is due to load centers that need significant upgrades. Mr. Soike stated there are grant opportunities that will defray some of the cost of the project.

Mr. Soike outlined the following aspects of the project:

- Rolling stock that includes baggage tugs, aircraft push-back tractors, baggage loading carts, and cargo loaders;
- Electric chargers;
- Infrastructure; and
- Load centers.

Commissioner Tarleton asked if the usage of the electric chargers could be metered. Mr. Soike confirmed that the plan is to meter the electric chargers for usage in order to have accurate, prompt billing without the need for self-reporting. Mr. Soike commented that there is a request for information (RFI) out to the industry to gauge the level of competition for the type of equipment required.

Mr. Soike stated that the project will be a multi-year enterprise. He stated the goal is to begin vehicle procurement by the end of the year in order to obtain a grant, which would be used as a down-payment toward the purchase of the vehicles at which point there would be phased delivery to coincide with the installation of the electric chargers. The design process is just beginning for the placement of the chargers.

Mr. Simonson clarified the PowerPoint presentation, stating the \$2.8 million savings to the airlines is for all the airlines cumulatively per year for maintenance and fuel costs. Mr. Simonson noted that the Port has the ability to purchase electricity wholesale, which translates to a better rate for the airlines. The Port's contract with the Bonneville Power Administration ensures that almost all the electricity the Port receives comes from low-carbon sources. The project would reduce carbon dioxide by 10,000 tons per year. The Port will pursue emission-reduction credits with the Puget

Sound Clean Air Agency with the hope that the credits can be banked for use to mitigate air emission impacts with future projects.

Mr. Soike commented that the airlines might eventually go to electric equipment for cost reasons, but it would not occur quickly or simultaneously. He explained that the goal of the project is to procure the equipment in a cost-effective manner and then pass savings on to the airlines in order to encourage participation. He stated that the grant is structured so the airlines can redistribute their non-electrified rolling stock to other areas and keep it in service.

Commissioner Holland voiced his support for the project, noting that he believes that government agencies play an important role in helping the transition to programs like electrification and promoting environmentally sound practices. He noted that he would like to have a briefing on other environmental initiatives of the Port and opportunities for promoting environmentally sustainable practices.

Commissioner Tarleton stated she believes it is important for the Port to pursue projects like this to achieve the Port's State Environmental Policy Act (SEPA) goals as environmental stewards. She noted the importance of showing the cost savings to the companies involved, and observed that reducing costs to the airlines increases the Airport's competitiveness.

Commissioner Creighton also voiced his support for the project and asked if there was consideration for using a PLA on the infrastructure portion of the process. He stated that he believes that there should be more clarification on the policy for PLAs for the Commission and the community as to what projects they are used for and how the determination is made. Mr. Soike responded that they would follow up on that, and noted that the project will raise the Airport's costs and increase the CPE.

Public comment was received from the following individual:

Warren Mason, Vice President, ECOtality, read a letter dated May 24, 2011, into the record. A copy of the document is, by reference, made a part of these minutes, is marked [Exhibit B](#), and is on file in Port offices.

**d. (02:12:47) Monthly Briefing on the Consolidated Rental Car Facility (RCF) Program.**

Presentation document(s): Commission agenda [memorandum](#) dated May 17, 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](#) and a computer slide [presentation](#).

Presenter(s): Ms. Zahn and Mr. England.

Ms. Zahn provided an update on the construction of three projects as follows:

- The Rental Car Facility project has 180 workers on site and is 92 percent complete;
- The Off-Site Roads project is 46 percent complete; and
- The Bus Maintenance Facility project is 16 percent complete.

Ms. Zahn noted there are a few challenges with the electrical part of the Rental Car Facility project. The Off-Site Roads project is behind schedule; however, it should not affect the critical path for the program.

When asked by Commissioner Albro about the critical path, Ms. Zahn responded that the Bus Maintenance Facility is the project on the critical path for the program. Commissioner Albro requested more information on the time between the Bus Maintenance Facility and the next critical item in the program.

Ms. Zahn stated the project is still within its construction contingency budget. The amount in review has grown, and, in response to Commissioner Bryant, Ms. Zahn replied that the amount will probably grow due to project schedule challenges, but stated she believes the project will be completed within the contingency. Commissioner Albro reassured his fellow Commissioners and the public that the money budgeted for contingency is not up for grabs now that the project is nearing completion.

Mr. England gave an update on the items going out to bid. AT&T plans to present a design, requirements, cost, and schedule for providing wireless network access to the Rental Car Facility. Commissioner Creighton asked about the risk associated with hiring bus drivers. Mr. England responded that it is a low risk, but if there were not enough fully trained bus drivers available, training time could negatively affect the schedule for the opening date. In response to Commissioner Tarleton, Mr. England confirmed that the drivers would be Port employees. Commissioner Tarleton asked Mr. Yoshitani to identify the bus drivers within the budget as to where the personnel are identified and the impact that it has on the total workforce numbers.

Mr. England stated that work has begun on finalizing a specific opening date for the Rental Car Facility.

**e. (02:28:23) Central/Eastern Washington Trip Report.**

Presentation document(s): Commission agenda [memorandum](#) dated May 13, 2011, and computer slide [presentation](#) from Mark Wen, Inland Cargo & Business Development Manager.

Presenter(s): Mr. Wen.

Mr. Wen noted the Central/Eastern Washington trip was from April 26 to April 28, 2011. He explained that inland cargo accounts for more than 50 percent of the Port's export volume, and this was the second time Commission representatives toured Central and Eastern Washington. The trip included stops in Wenatchee, Quincy, Moses Lake, Spokane, Walla Walla, the Tri-Cities (Kennewick), and Yakima. Roundtables were held in Wenatchee, Spokane, the Tri-Cities, and Yakima. Key messages included the following:

- Competitive ports and efficient rail and road transportation systems are critical for Washington's agriculture export economy and jobs.
- It is important to work together to ensure public policy and funding are in place to support an export-focused economy and create jobs for Washington state.

More than 100 leading exporters, economic development council leaders, transportation associations, agricultural commissions, inland ports, and trade councils attended the roundtable discussions.

The joint meeting with the Port of Moses Lake included a discussion on working together on transportation, exports, and joint marketing. The meeting also included a tour of three companies, two of which use the Port of Moses Lake Foreign Trade Zone.

Key benefits that attract companies to Central/Eastern Washington include the following:

- Low cost of land;
- Low utility cost (50 percent less than Seattle);
- Low cost of living;
- No traffic congestion;
- Reception by local community;
- Work ethic and quality of life; and
- Treated wastewater used as fertilizer.

Commissioner Bryant noted that it was an excellent itinerary. He stated that it would be beneficial to continue to have a Central/Eastern Washington trip bi-annually. Commissioner Albro noted the importance of the trip in reinforcing the role of the Port of Seattle statewide, and that it should be a more regular event. Commissioner Tarleton noted that the market for Eastern Washington is the Asian market, not the domestic market. It is important for exporters to be able to get their goods out through Puget Sound, and it is important for the Port to ensure that Washington companies can compete in a global market.

Commissioner Bryant stated that he recently received a letter from the Port of Moses Lake that thanked the Port of Seattle for their visit to Moses Lake and noted that they would like to continue to work and build a relationship with the Port of Seattle.

#### **8. NEW BUSINESS**

**(02:41:18)** Commissioner Bryant stated that he received a letter from a member of the public who lost a laptop at the Airport and expressed gratitude to Airport staff for the friendly manner in which they helped reunite them with their laptop.

#### **9. POLICY ROUNDTABLE**

None.

#### **10. ADJOURNMENT**

There being no further business, the meeting was adjourned at 3:50 p.m.

John Creighton  
Secretary

Minutes approved: July 12, 2011.