



Commissioners

Gael Tarleton
Commission President

Tom Albro
Bill Bryant
John Creighton
Rob Holland

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

Tay Yoshitani
Chief Executive Officer

Audio and video recordings of the meeting proceedings and meeting materials are available on the Port of Seattle web site – www.portseattle.org. The approximate point in the video recording for each agenda item is identified by hours, minutes, and seconds; example: 00:01:30.

**APPROVED MINUTES
COMMISSION REGULAR MEETING JANUARY 24, 2012**

The Port of Seattle Commission met in a regular meeting Tuesday, January 24, 2012, in the International Auditorium at Seattle-Tacoma International Airport, Seattle, Washington. Commissioners Albro, Creighton, and Tarleton were present. Commissioner Bryant was excused in order to attend to other Port business. Commissioner Holland was absent.

1. CALL TO ORDER

The regular meeting was called to order at 12 noon by Gael Tarleton, Commission President.

2. EXECUTIVE SESSION pursuant to RCW 42.30.110

The regular meeting was immediately recessed to an executive session estimated to last approximately 60 minutes to discuss matters relating to legal risk. Following the executive session, which lasted approximately 55 minutes, the regular meeting reconvened in open public session at 1:10 p.m.

PLEDGE OF ALLEGIANCE

3. (00:01:37) APPROVAL OF MINUTES

Special meetings of November 22, 2011, and December 5, 2011.

Motion for approval of minutes for the special meetings of November 22, 2011, and December 5, 2011 – Creighton

Second – Albro

Motion carried by the following vote:

In Favor: Albro, Creighton, Tarleton (3)

Absent for the vote: Bryant, Holland

4. SPECIAL ORDERS OF BUSINESS

4a. (00:02:43) Recognition of the Port of Seattle Police Department for Earning National Accreditation by the Commission on Accreditation for Law Enforcement Agencies.

Presentation document(s): Commission agenda [memorandum](#) dated January 12, 2012, and Commission on Accreditation for Law Enforcement Agencies (CALEA) [assessment report](#) for the Port of Seattle Police Department, provided by Port of Seattle Police Chief Colleen Wilson.

Presenter(s): Chief Wilson and City of Bellevue Police Chief Linda Pillo, CALEA Commissioner.

Chief Executive Officer Yoshitani reported that only two percent of police agencies nationwide attain CALEA accreditation and only 16 of Washington's 269 law enforcement agencies are nationally accredited.

Chief Pillo presented the Port's November 2011 CALEA accreditation award and commented on the creation of CALEA in 1979 to develop professional standards for law enforcement. She stated the standards for accreditation cover administrative, operational, and logistics components and that CALEA accreditation is considered the gold standard in public safety. Chief Pillo listed CALEA accreditation goals, including strengthening of crime prevention and control capability; formalizing of essential management procedures; establishment of fair and nondiscriminatory personnel practices; improvement of service delivery; strengthening of interagency cooperation and coordination; and increasing community and staff confidence in the law enforcement agency.

Chief Pillo acknowledged the work of Sergeant Jim Tuttle for his role as accreditation manager. Chief Wilson expressed appreciation for the support of the Port Commission and the Chief Executive Officer for the Port's law enforcement program. She noted that accreditation was achieved in less time than typical and was awarded during the Port's Centennial Year, 2011.

4b. (00:17:45) 2011 awards received by the Port.

Presentation document(s): Commission agenda [memorandum](#) dated January 12, 2012, and computer slide [presentation](#) provided by Patricia Akiyama, Director, Public Affairs.

Presenter(s): Tay Yoshitani, Chief Executive Officer.

Mr. Yoshitani noted the Port's strong financial performance in 2011 and commented that the Seaport exceeded 2 million TEUs for the third nonconsecutive year. He remarked on strong performance of the cruise industry and increased passenger traffic at the Airport, noting receipt by the Airport of the 2011 On-Time Performance Award.

Mr. Yoshitani summarized several awards bestowed on the Port during 2011, asking staff involved to stand and be recognized. The awards included communications awards for the Port's Centennial timeline and *Voices of the Port* documentary; environmental awards for the Northwest Ports Clean Air Strategy from the Puget Sound Regional Council, the *Seattle Business Magazine* Green 50 Award, and an award for the Sustainable Aviation Fuels Northwest Program from the Airports Council International-North America; and financial reporting awards from the Government Finance Officers Association of the United States and Canada for excellence in financial reporting and distinguished budget presentation.

(00:26:30) Airport Concessions Program Letter.

Commissioner Tarleton announced that a letter unanimously supported by the Port Commissioners had been transmitted to the State Legislature on January 23, 2012, on the subject of the concessions program at the Seattle-Tacoma International Airport. A copy of the letter is, by reference, made a part of these minutes, is marked [exhibit A](#), and is available for inspection in Port offices.

5. (00:27:05) UNANIMOUS CONSENT CALENDAR

5a. Approval of [claims and obligations](#) for the period of December 1, 2011, to December 31, 2011, in the amount of \$50,761,894.46.

5b. Authorization for the Chief Executive Officer to advertise for construction bids and award and execute a contract to replace the roofing system on the fire station at Seattle-Tacoma International Airport. This authorization is for \$901,000 of a total estimated re-roofing project cost of \$4,770,000 (CIP #C800459).

Request document(s): Commission agenda [memorandum](#) dated January 12, 2012, and Airport passenger terminal [map](#) provided by David Soike, Director, Aviation Facilities and Capital Program; and Wayne Grotheer, Director, Aviation Project Management Group.

5c. Authorization for the Chief Executive Officer to bid and award a major construction contract for the baggage claim device 14 and lower inbound conveyor replacement at Seattle-Tacoma International Airport. The amount of this request is \$3,361,000. The total cost of the project is \$3,900,000 (CIP #C800374).

Request document(s): Commission agenda [memorandum](#) dated January 3, 2012, provided by David Soike, Director, Aviation Facilities and Capital Program; and Wayne Grotheer, Director, Aviation Program Management Group.

5d. Authorization for the Chief Executive Officer to authorize design of common use system emulation at ticket counter/gates and seating as part of the airline realignment at Seattle-Tacoma International Airport. This authorization is for \$484,000 of a total project cost of \$2,371,000 (CIP #C800473).

Request document(s): Commission agenda [memorandum](#) dated January 12, 2012, and [diagram](#) provided by Michael Ehl, Director, Airport Operations; and Wayne Grotheer, Director, Aviation Project Management Group.

5e. Authorization for the Chief Executive Officer to execute a memorandum of lease termination for Continental Airlines Inc. 2006-2012 signatory lease operating agreement.

Request document(s): Commission agenda [memorandum](#) dated January 12, 2012, and memorandum of lease [termination](#) provided by James R. Schone, Director, Aviation Business Development; and James Jennings, Manager, Aviation Properties.

5f. Authorization for the Chief Executive Officer to execute the second amendment to general aviation lease agreement with Aircraft Service International Inc. to collect

landing fees owed to the Port of Seattle and to remove approximately 21,588 square feet from the lease premises resulting in an annual rent reduction of \$25,905.60.

Request document(s): Commission agenda [memorandum](#) dated January 12, 2012, and [second amendment](#) to general aviation lease agreement provided by James R. Schone, Director, Aviation Business Development; and James Jennings, Manager, Aviation Properties.

Motion for approval of consent items 5a, 5b, 5c, 5d, 5e, and 5f – Albro

Second – Creighton

Motion carried by the following vote:

In Favor: Albro, Creighton, Tarleton (3)

Absent for the vote: Bryant, Holland

(00:28:03) PUBLIC TESTIMONY

As noted on the agenda, public comment was received from the following individuals:

- Tom Mann, Senior Business Agent for Teamsters Local 174. Mr. Mann commented in opposition to the Commission's selection of Mark Hutcheson of the law firm of Davis Wright Tremaine as independent legal counsel regarding a worker retention policy for the concessions program at the Airport.
- Steve Williamson, Special Assistant to President, Community Affairs Director, UFCW (United Food and Commercial Workers) Local 21. Mr. Williamson commented in opposition to Mr. Hutcheson's selection by the Commission.
- Keith J. Weir, Assistant Executive Secretary for the Seattle-King County Building and Construction Trades Council. Mr. Weir commented on the Trades Council's concern over Mr. Hutcheson's selection as independent counsel on the issue of concessions and worker retention.
- Alice Woldt, Co-Director of Faith Action Network. Ms. Woldt commented in opposition to selection of Mr. Hutcheson as independent counsel on concessions and worker retention. Ms. Woldt submitted her comments in written form. A copy of the document is, by reference, made a part of these minutes, is marked [exhibit B](#), and is available for inspection in Port offices.
- Genevieve Aguilar, Port Campaigns Director for Puget Sound Sage. Ms. Aguilar commented in opposition to the selection of Mr. Hutcheson as independent legal counsel on concessions and worker retention. She said the Port has failed to have adequate policies in place to protect workers.
- David Freiboth, Executive Secretary, Martin Luther King County Labor Council, AFL-CIO. Mr. Freiboth commented on the decision prior to the tenure of the current Commissioners to bust the master concessions contract at the Airport. He commented on lack of Commission support for organized labor's efforts to obtain legislative resolutions to issues arising from the City Ice injunction, and he questioned the Commission's motivations. He said that Mr. Hutcheson's performance on concessions and worker retention issues would reflect the Commission's guidance to him.

- Sarah Cherin, Political and Public Policy Director, UFCW Local 21. Ms. Cherin commented on concessions and workers issues and criticized the Commission's request for deferral of legislative action on House Bill 1832 expressed in the Commission's January 23, 2012, letter to the State Legislature. She urged Commission support of House Bill 1832 and asked the Commission to reconsider its selection of Mr. Hutcheson as legal counsel.
- Erik Van Rossum, Secretary Treasurer, Unite Here Local 8. Mr. Van Rossum commented in opposition to selection of Mr. Hutcheson as legal counsel and urged the Commissioners to provide appropriate guidance to him as his client.
- Julia Nottingham, employed by HMS Host and affiliated with Unite Here Local 8. Ms. Nottingham commented on the importance to workers of having a job. She commented in opposition to Mr. Hutcheson's selection as legal counsel and asked for adoption of a worker retention policy.

6. DIVISION, CORPORATE, AND COMMISSION ACTION ITEMS

6a. (00:55:35) Authorization of the Commission's 2012 international travel plan.

Request document(s): Commission agenda [memorandum](#) dated January 23, 2012, provided by Mary Gin Kennedy, Director of Commission Services.

Presenter(s): Ms. Kennedy.

Ms. Kennedy reported that in accordance with Resolution No. 3195, the Commission is required to approve a motion at the beginning of the year to authorize possible Commission international travel for the year. She explained that the trips presented may not all occur, but that if the need arose for additional international travel, further Commission authorization would be requested.

Motion for approval of item 6a – Albro

Second – Creighton

Motion carried by the following vote:

In Favor: Albro, Creighton, Tarleton (3)

Absent for the vote: Bryant, Holland

6b. (00:57:35) Authorization for the Chief Executive Officer to advertise and execute a single construction contract comprised of: (1) Airfield Pavement Replacement (CIP #C102573); (2) Runway 16 Center/34 Center (16C/34C) Panel Replacement (CIP #C800112); (3) Exterior Gate Improvements – Airline Realignment (CIP #C800472); and (4) Snow Dump Pavement Expansion (Small Jobs CIP #C800017 WP104647). This authorization is for \$7,320,000, and the total cost for all four projects is \$9,033,000.

Request document(s): Commission agenda [memorandum](#) dated January 12, 2012, and [map](#) provided by Michael Ehl, Director, Airport Operations; and Wayne Grotheer, Director, Aviation Project Management Group.

Presenter(s): Sean Anderson, Aviation Capital Project Manager; and Robert Kikillus, Airport Operations Development Manager.

Mr. Kikillus outlined the projects included in the authorization and explained that combination of the projects into a single contract was intended to reduce overhead costs, obtain more favorable bids, and more easily manage impacts to airline partners during project construction. He explained that approximately \$4.07 million in additional funds are requested for airfield pavement replacement and approximately \$2.6 million for exterior gate improvements. Mr. Kikillus explained the justification for the projects to reduce debris on the airfield and support the realignment project and noted a common thread in all the projects of reducing gate disruptions.

Mr. Kikillus noted that a future request for amendment to the fuel system lease would be forthcoming in support of fuel hydrant system work. He stated that the 2012 work would use a project labor agreement and that five percent participation is estimated for the small contractors and suppliers program.

In response to Commissioner Creighton, Mr. Anderson stated that the project labor agreement would be separate from that associated with the Third Runway. Commissioner Tarleton commented on encouraging use of small contractors as subcontractors for larger procurements and requested confirmation of whether the combination of the projects results in more favorable bids.

Mark Reis, Aviation Division Managing Director, commented on the effect of the recent snow and ice storm on the Airport and provided notification to the Commission of work performed under the critical work provisions of Resolution No. 3605, as amended. He explained that during the weather event, the expenditure in the Airport's competitively bid contract with Icon Materials for supplemental snow removal on ramps and near gates exceeded \$300,000. He noted that from 2009-2011, the Port expended only \$122,000 cumulatively for the contract, but that during the 2012 storm event, approximately \$235,000 in additional expenditure was incurred, bringing the total contract spending to about \$357,000. Mr. Reis stated that the contract would continue through 2014 and that staff would return to Commission with a request either to increase the funding for the contract or rebid the contract early.

He noted that this was the first snowstorm in which the Airport attempted to keep all three runways open throughout the storm. In response to Commissioner Creighton, Mr. Reis commented on the contamination of airfield snow with deicing chemicals and the need for about 15.4 million gallons of contaminated runoff to be treated prior to release into the watershed at an estimated cost of \$500,000.

Motion for approval of item 6b – Creighton

Second – Albro

Motion carried by the following vote:

In Favor: Albro, Creighton, Tarleton (3)

Absent for the vote: Bryant, Holland

- 6c. (01:14:50) Authorization for the Chief Executive Officer to issue Change Order Number 054 for Contract MC-0316219, East Marginal Way Grade Separation project in an amount not to exceed \$371,000 to replace approximately 200 lineal feet of existing 20-inch diameter water main that runs adjacent to the project site. The total project cost is \$21,151,058. No additional project funds are being requested for this change order; funds are available from the contract construction contingency (CIP #C800237).**

Request document(s): Commission agenda [memorandum](#) dated January 13, 2012, [concept drawing](#), and [photograph](#) provided by Ralph Graves, Managing Director, Capital Development Division.

Presenter(s): Janice Zahn, Engineering Construction Services Assitant Director.

Ms. Zahn reported that work is nearly complete on the East Marginal Way Grade Separation project. She described features installed to strengthen construction on the site and explained that the City of Seattle requires replacement of 200 feet of waterline due to its settling following installation of earthquake drains, although the settling appears to be within the pipe manufacturer's acceptable limits.

Ms. Zahn reported on the work still needed on the site, explained the reasons for the high cost of the work, and stated the lump sum change order cost would be less than the \$371,000 estimated in the authorization request. She added that no project time extension is anticipated in connection with the change order and stated that project delays related to alignment issues would result in a separate time-extension change order request at a future Commission meeting. She noted paving is expected to be complete by July 2012.

In response to Commissioner Creighton, Ms. Zahn stated that agency personnel changes during the life of the project may have complicated project logistics and commented on the benefit of the Port's being the project lead. Commissioner Albro commented on project inflation and the importance of narrowing project scope. Commissioner Tarleton requested additional information on funding provided by regional partners on the project. Mr. Yoshitani commented on efforts to work through regulatory challenges collaboratively with the City of Seattle.

Motion for approval of item 6c – Creighton

Second – Albro

Motion carried by the following vote:

In Favor: Albro, Creighton, Tarleton (3)

Absent for the vote: Bryant, Holland

- 6d. (01:33:24) Authorization for additional funding to complete construction of the Terminal 91 Waterline Replacement project at an additional cost of \$320,000 for a total project cost of \$4,575,000. This funding exceeds the original budget amount of \$4,255,000 (CIP #C800298).**

Request document(s): Commission agenda [memorandum](#) dated January 12, 2012, provided by Mike McLaughlin, Director, Cruise and Maritime Operations; and Rod Jackson, Capital Project Manager, Seaport.

Presenter(s): Mr. Jackson.

Mr. Jackson reported that the Terminal 91 waterline project is 80 percent complete. He described the unanticipated challenges related to the condition of the line and explained the need to replace a 1200-foot segment of pipe. He stated that piping originally installed to replace the corroded existing segment was found to be defective and noted that replacement of defective piping would be reimbursed by the supplier. He explained that the accounting for the replacement was such that the funds recovered would be deposited to the general fund, not the project budget. He commented on additional unanticipated project complications that depleted the project contingency funding. Mr. Jackson stated the \$320,000 requested includes additional project contingency and project completion is expected in April 2012.

Motion for approval of item 6d – Albro

Second – Creighton

Motion carried by the following vote:

In Favor: Albro, Creighton, Tarleton (3)

Absent for the vote: Bryant, Holland

7. STAFF BRIEFINGS

7a. (01:37:05) Quarterly Briefing on the Airline Realignment Program at Seattle-Tacoma International Airport.

Presentation document(s): Commission agenda [memorandum](#) dated January 12, 2012, and computer slide [presentation](#) provided by Michael Ehl, Director Aviation Operations.

Presenter(s): Tina Soike, Airport Operations Senior Manager, and Sean Anderson, Aviation Capital Project Manager.

Ms. Soike presented a quarterly briefing on the airline realignment program, outlining the purposes of the program including accommodation of merged airlines, consolidation of airline operations to improve efficiency, and balancing of facility use. She noted the airlines affected and presented diagrams showing the movement of airline gate locations and ticket counters. Ms. Soike pointed out that there are over 30 moves to coordinate in order to complete the realignment.

Mr. Anderson presented the schedule for airline movements through March 2013 and realignment costs showing authorized capital expenses of over \$21 million, capital expenses remaining to be authorized over \$16 million, and estimated non-capital expenses authorized and remaining to be authorized over \$23 million. Mr. Anderson presented related capital projects including north satellite improvements, concourse C improvements, baggage handling system rehabilitation, and

checkpoint reconfiguration. He reported the estimated cost per enplanement (CPE) increases resulting from the realignment and related projects would be about \$2.22 between 2012 and 2015.

Commissioner Albro commented on the capacity investment represented by the project and stated that CPE would drop as passenger volumes increase. In response to Commissioner Creighton, Ms. Soike stated that possible future expansion of the north satellite would require accommodation of current cargo areas. In response to Commissioner Tarleton, Mark Reis, Aviation Division Managing Director, commented on a less comprehensive realignment in 2004 and explained that the current realignment program was negotiated as a one-time, unilateral option on the part of the Airport during the current airline agreement. Regarding the CPE increases, Mr. Reis noted that the 2012-2013 CPE increases represent one-time increases, but the 2014-2015 increases represent long-term sustained increases.

7b. (01:55:29) Monthly Briefing – Update on the Consolidated Rental Car Facility Program.

Presentation document(s): Commission agenda [memorandum](#) dated January 17, 2012, [briefing attachment](#), [letter](#) from Unison-CRS Inc. Car Rental Services dated January 17, 2012, and computer slide [presentation](#) provided by Michael Ehl, Airport Operations Director; George England, Project Management Group Program Leader; and Janice Zahn, Engineering Construction Services Assistant Director.

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

Ms. Zahn reported that there are over 100 workers on site and work is over 90 percent complete. She commented on oversight of tenant improvements and commissioning and inspection work at the Rental Car Facility and Bus Maintenance Facility. Regarding the Off-Site Roads Improvements, she reported that within two weeks a new SR-518 on-ramp would open. Ms. Zahn commented on expected completion dates for the project components and noted that the four-week delay for completing the Bus Maintenance Facility is not expected to affect the opening date.

Ms. Zahn reported that costs are trending within overall budget and that review is ongoing to determine compensability for change orders.

Mr. England commented on tours of the facility with representatives of the rental car industry, pending LEED certification for the facility, and anticipated start of construction by AT&T. He noted there would be property surplus resolutions coming before Commission related to various interagency project agreements and stated that the rental car companies have requested reevaluation of the opening date for the facility due to delays in tenant improvements. He reported that staff has agreed to revise the opening date to May 17, 2012.

In response to Commissioner Creighton, Mr. Ehl commented on utilization of the Airport parking garage. Mark Reis, Aviation Division Managing Director, noted that 2011 parking garage revenue increased slightly, although the number of transactions continue to decline.

Mr. England reported that the forecast for final project expenditure is approximately \$396 million, which he said does not represent resolution of outstanding claims. In response to Commissioner

Tarleton, Mr. England stated that the bulk of the project savings is in areas funded by customer facility charges, rather than the Airport Development Fund. He reported that revenue from customer facility charges continues to trend above forecast.

Mr. Ehl commented on preparation for implementing the transit component of the new facility including 29 new buses and 90 new Port employees. He commented on the importance to the rental car companies of employing curbside assistants at the main terminal and the new facility when the new facility opens in order to ensure success of the Consolidated Rental Car Facility program by managing crowd logistics and providing crucial customer assistance. Mr. Ehl noted that Commission authorization to advertise and award a contract for curbside assistants would be sought on February 7, 2012.

In response to Commissioner Creighton, Mr. Ehl stated that the curbside assistants would be employed through a third-party contract, not as direct Port employees, and that the decision for the curbside assistants to be a temporary program or continue long term would be made collaboratively. He noted the cost for curbside assistants is already factored into customer facility charges.

8. NEW BUSINESS

None.

9. POLICY ROUNDTABLE

None.

10. ADJOURNMENT

There being no further business, the regular meeting was adjourned at 3:30 p.m.

Tom Albro
Secretary

Minutes approved: March 27, 2012.