



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 MARCH 13, 2012**

The Port of Seattle Commission met in a regular meeting Tuesday, March 13, 2012, at Port of Seattle Headquarters, Commission Chambers, 2711 Alaskan Way, Seattle, Washington. Commissioners Albro, Bryant, and Tarleton were present. Commissioners Creighton and Holland were excused in order to attend to other Port business.

1. CALL TO ORDER

The regular meeting was called to order at 1:05 p.m. by Gael Tarleton, Commission President.

2. EXECUTIVE SESSION pursuant to RCW 42.30.110

None.

PLEDGE OF ALLEGIANCE

3. (00:01:25) APPROVAL OF MINUTES

Regular meeting of January 10, 2012, and special meeting of January 17, 2012.

Motion for approval of minutes for the regular meeting of January 10, 2012, and special meeting of January 17, 2012 – Bryant

Second – Albro

Motion carried by the following vote:

In Favor: Albro, Bryant, Tarleton (3)

Absent for the vote: Creighton, Holland

4. SPECIAL ORDER OF BUSINESS

None.

5. UNANIMOUS CONSENT CALENDAR

None.

PUBLIC TESTIMONY

No testimony from the public was received at this time.

6. DIVISION, CORPORATE, AND COMMISSION ACTION ITEMS

None.

7. STAFF BRIEFINGS

None.

8. NEW BUSINESS

None.

9. POLICY ROUNDTABLE

Commissioner Tarleton announced that this meeting of the Port of Seattle Commission would be devoted to a policy roundtable among the Port Commissioners and explained that no final actions or public testimony would be entertained. She stated similar policy roundtables might occur on a quarterly basis throughout the year.

9a. (00:04:35) Century Agenda: Briefing on Public Engagement and 2012 Plan Development.

Presentation document(s): Commission agenda [memorandum](#) dated March 6, 2012, and computer slide [presentation](#) provided by Tom Barnard, Commission Policy Analyst; Geri Poor, Regional Transportation Manager; and Holly Decker, Graduate Student Intern.

Presenter(s): Mr. Barnard and Ms. Decker.

Mr. Barnard outlined public engagement efforts since approval of the Century Agenda preliminary goals on January 10, 2012, including eight presentations to outside groups and four to Port staff. He described the background of Century Agenda 25-year planning efforts beginning with development of guiding principles in 2008, changes to the subcommittee in 2011, and development of the staff Century Agenda team. He presented a timeline for 2012 Century Agenda activities and stated staff action plans would be reviewed between May and July 2012 and a Century Agenda strategic plan would be presented for adoption in August 2012.

Ms. Decker described the process for gathering responses to Century Agenda presentations and highlighted response themes focused on the process of collaboration to achieve goals. She pointed out interest in how the Port would balance competing goals and which goals are considered hardest to achieve. Ms. Decker elaborated on the process for responding to stakeholder comments on the Century Agenda. In response to Commissioner Albro, Ms. Decker stated there are 20 additional events scheduled through May and June 2012 with at least 90 groups.

The ensuing discussion included the following topics: general stakeholder acceptance of the goals; shifting the Century Agenda conversation toward the collaborative engagement; the need for more discussion on the realities of stimulating creation of 100,000 new jobs; private and public sector coordination to foster creation of new businesses; recognition that new jobs would come from the manufacturing sector and logistics industry through growth of small and medium-sized businesses; the importance of proximity to customers and benefits of industry clustering; coordination of regulatory influences in the areas of zoning, shorelines, and transportation; the effect of streamlined sales tax on zoning pressures in communities with warehousing interests; how to effectively invite stakeholder participation in achieving the Century Agenda goals; communicating the message of 100,000 new jobs in terms of manageable increments; the proactive nature of port districts; whether there is a need for the Port Commission to take positions on issues outside its immediate jurisdiction

that affect achieving the Century Agenda goals; and the merits of having a Commission workplan related to the Century Agenda.

9b. (00:53:34) Port of Seattle Real Estate Policies Discussion.

Presentation document(s): Commission agenda [memorandum](#) dated February 22, 2012, and computer slide [presentation](#) provided by Joe McWilliams, Managing Director, Real Estate Division.

Presenter(s): Mr. McWilliams.

Mr. McWilliams described the background affecting development of purchase and sale policies. He explained that the State Auditor's Office recommends use of a competitive bidding process rather than direct negotiation for leasing real estate, although he noted that the competitive process does not always align with strategic objectives affecting industry clustering, business growth, targeted tenant mixes, limited interested parties, airline agreements, and intergovernmental leases and easements. Mr. McWilliams commented on alternatives to competitive bidding, including published public offerings, listing with qualified commercial brokerages, targeted direct marketing for industry-specific enterprises, and publication of offerings in trade and business journals.

In response to Commissioner Tarleton, Mr. McWilliams stated the Port controls 4,000 acres of real estate, including 900 acres in the Seaport, 350 acres available for development, and 65 acres in parks, with the remainder at the Airport. Commissioner Tarleton commented on restrictions applicable to the Port's land holdings. Mr. McWilliams noted the decision to use space at Terminal 106 in support of the Alaskan Way Viaduct replacement rather than entering into a 50-year commitment for redevelopment of the site as an example of balancing long-term strategic interests in use of Port real estate.

Mr. McWilliams outlined exceptions to direct negotiation involving renewal or expansion of an existing tenant in good standing, Port interest in expansion of a particular tenant mix, promotion of other appropriate public uses, and unsolicited opportunities that support strategic initiatives.

There was a discussion of factors affecting development of the Terminal 91 uplands, including considerations for the needs of the maritime sector, contrast between typical patterns for maximizing real estate value and preserving real estate for strategic purposes, access and traffic concerns associated with Terminal 91 development, and potential for participation in development demonstration projects.

Commissioner Albro commented on restrictions applicable to separating Airport property from the Airport Development Fund in support of a regional logistics hub. Mr. McWilliams presented information relating to acquisition and disposition of real estate, noting considerations for practical legal constraints, timing of sale, use of property, use of proceeds, conditions precedent to property disposition, intergovernmental exceptions, bond covenant restrictions, and strategic considerations.

Chief Executive Officer Yoshitani commented on background related to inconsistencies involved in preservation of industrial property in the SoDo neighborhood while pursuing development of commercial uses in the Terminal 91 uplands. Commissioner Albro commented on rights of reversion and use covenants in the context of disposition of real estate. Mr. McWilliams noted the balance between property constraints and immediate value. Commissioner Albro remarked on the

need to consider long-term value and preservation of enough flexibility for the Port to pursue its strategic objectives and secure industrial uses.

Mr. McWilliams described the alternative real estate disposition model of sale and lease-back, common in the private sector, in which the property owner sells a property, then continues to use it on a leased basis. General Counsel Watson commented that as a public entity, the Port's surplus action precedent to sale of property asserts that the property is no longer needed for Port purposes, which complicates the subsequent leasing of the same property. Other alternative disposition models were discussed briefly, including using a condominium to separate land and air rights, such as for transit development. Commissioner Tarleton requested additional information regarding the relationship of Port property and Sound Transit's long-term transit corridor plans.

9c. (01:50:15) Port of Seattle Regional Transportation – Commission Discussion.

Presentation document(s): Commission agenda [memorandum](#) dated March 5, 2012, and computer slide [presentation](#) provided by Michael Merritt, Manager, Puget Sound/State Government Relations; and Geraldine Poor, Regional Transportation Manager.

Presenter(s): Ms. Poor and Mr. Merritt.

Ms. Poor described the importance to the Port of transportation infrastructure and presented a graphic showing the flow of freight in the Seattle area, including the proximity of industrial lands to the transportation corridor. She noted the industrial areas at the north and south ends of the harbor represent approximately 75,000 jobs, \$4 billion in wages, and \$100 million in tax revenue. She presented a project investment timeline correlating Seaport terminal development with transportation projects between 1997 and 2013, noting approximately \$1.2 billion in Port investment during that time.

Ms. Poor described the FAST (Freight Action Strategy) Corridor initiative designed to mitigate rail crossing delays between Tacoma and Everett, noting projects with Port of Seattle involvement. She outlined FAST Corridor investments by the Port, representing over \$40 million since 1999, and presented a summary of additional Port investment commitments to regional transportation projects, including the replacement of the Alaskan Way Viaduct. Commissioner Tarleton commented on regional transportation investment by the Port indicating a long-term commitment to freight mobility, regional transportation, and industrial land use.

Commissioner Albro commented on preserving industrial lands in urban areas and requested an update on the status of SR-509 extension to the south, a project Commissioner Bryant stated was a good candidate for public/private partnership.

10. ADJOURNMENT

There being no further business, the regular meeting was adjourned at 3:23 p.m.

Tom Albro
Secretary

Minutes approved: May 8, 2012.