



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 APRIL 3, 2012**

The Port of Seattle Commission met in a regular meeting Tuesday, April 3, 2012, at Port of Seattle Headquarters, Commission Chambers, 2711 Alaskan Way, Seattle, Washington. Commissioners Albro, Bryant, Creighton, Holland, and Tarleton were present.

1. CALL TO ORDER

The regular meeting was called to order at 12:13 p.m. 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 40 minutes to discuss matters relating to labor negotiations, legal risk, and real estate. Following the executive session, which lasted approximately 45 minutes, the regular meeting reconvened in open public session at 1:07 p.m.

PLEDGE OF ALLEGIANCE

3. (00:01:19) APPROVAL OF MINUTES

Regular meeting of February 7, 2012.

Motion for approval of minutes for the regular meeting of February 7, 2012 – Holland

Second – Creighton

Motion carried by the following vote:

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

4. SPECIAL ORDER OF BUSINESS

4a. (00:02:00) Commission Activities Report.

Presentation document(s): Commission agenda [memorandum](#) dated March 26, 2012, provided by Mary Gin Kennedy, Director of Commission Services.

Commissioner Bryant commented on several Commission activities during February 2012, including participation in 10 Century Agenda outreach events, discussion of the Airport concessions program and an interim leasing plan for 2012-2014, establishment of a temporary committee to select outside legal counsel to review the *City/ce* injunction, participation in the 2012 Cruise Shipping Miami Conference, testimony on a container ports amendment to the City of Seattle shoreline master plan on March 26, participation in a Japanese Earthquake and Remembrance Ceremony and in the Blessing of the Fleet, attendance on March 17 at the Annual Labor/Management Luncheon at the Catholic Seamen's Club, and the beginning of online posting of Commissioners' financial information related to Commission duties, activities, and expenses on the Port's website.

5. (00:05:03) UNANIMOUS CONSENT CALENDAR

At the request of Commissioner Creighton, item 5a was removed from the Unanimous Consent Calendar for separate discussion and vote.

5a. (00:05:30) Authorization for the Chief Executive Officer to advertise and execute a construction contract for the Access Control Door Additions project at Seattle-Tacoma International Airport. This authorization is for \$1,500,000 of a total estimated project cost of \$1,800,000 (CIP #C800414).

Request document(s): Commission agenda [memorandum](#) dated March 22, 2012, provided by Wayne Grotheer, Director, Aviation Project Management Group, and Wendy Reiter, Director, Aviation Security and Emergency Preparedness.

Presenter(s): Christian Samlaska, Manager, Aviation Security.

Mr. Samlaska reported that the project is a response to concerns of the Transportation Security Administration (TSA) regarding lack of biometric security devices at the Airport. He explained that there are approximately 15,000 badge-holding employees at the Airport and that it is necessary to monitor the Airport at all times to ensure that only authorized employees have access to secured areas. Mr. Samlaska reported that 33 secured doors will require upgrade from cipher-code devices, which do not track the personnel using the doors. He commented on the TSA fines applicable to security breaches at these doors and noted that a compromise at one door requires resetting of all the cipher locks. He noted that although not yet mandated by the TSA, biometric security devices are preferred.

Commissioner Creighton commented on his removal of the item from the unanimous consent calendar in order to better understand the urgency of the needed upgrades and the TSA's advocacy for biometric security devices. Commissioner Tarleton noted the project was included in the 2012-2016 capital budget and plan of finance.

Motion for approval of item 5a – Creighton

Second – Albro

Motion carried by the following vote:

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

At the request of Commissioner Albro, item 5b was removed from the Unanimous Consent Calendar for separate discussion and vote.

- 5b. (00:11:14) Authorization for the Chief Executive Officer to execute a new collective bargaining agreement between the Port of Seattle and the International Union of Operating Engineers, Local Union No. 286, representing Operating Engineers covering a period from June 1, 2011, through May 31, 2014, and affecting 92 full-time equivalent positions. The total estimated additional cost to the Port for the duration of the three-year contract is \$494,860.56.**

Request document(s): Commission agenda [memorandum](#) dated March 27, 2012, and [agreement](#) provided by Lisa Hornfeck, Labor Relations Manager.

Presenter(s): Ms. Hornfeck and David Soike, Director, Aviation Facilities and Capital Program.

Mr. Soike reported on application of Continuous Process Improvement (CPI), or “Lean” strategies to the work performed by the operating engineers related to maintenance of the Port’s jet bridges. He noted the interest of the operating engineers in participating in the CPI initiative and stated they identified efficiency improvements that save about 250 hours per year on weekly preventive maintenance for jet bridges, including development of new maintenance procedures.

Ms. Hornfeck reported that the collective bargaining agreement covers a bargaining unit of 92 full-time positions responsible for maintaining the baggage system, conveyor system, wastewater treatment plant, and passenger loading bridges. She summarized the basis of wage increases during the three-year agreement and noted that the bargaining unit would be partnering with the Port for health-care cost sharing for spending beyond the cap approved for the three-year period.

Commissioner Albro commented on his removal of the item from the consent agenda and noted the positive partnership between the Port and Local 286 regarding cost-of-living increases and health-care cost sharing.

Motion for approval of item 5b – Albro

Second – Bryant

Motion carried by the following vote:

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

At the request of Commissioner Albro, item 5c was removed from the Unanimous Consent Calendar for separate discussion and vote.

- 5c. (00:19:01) Authorization for the Chief Executive Officer to execute a memorandum of understanding (MOU) wage and benefit agreement between the Port of Seattle and the International Association of Machinists, Local Union No. 289 representing Aviation Maintenance Parts Procurement Representatives effective January 1, 2012, through December 31, 2012. The total overall additional cost to the Port for the MOU is \$16,654.60 covering all employees.**

Request document(s): Commission agenda [memorandum](#) dated March 27, 2012, and [memorandum of understanding](#) provided by Lisa Hornfeck, Manager, Labor Relations Manager.

Presenter(s): Ms. Hornfeck and David Soike, Director, Aviation Facilities and Capital Program.

Ms. Hornfeck described the Airport employees affected by the MOU and commented on the process of bringing several wage rates in the group closer to a consistent average wage. She explained that at an average wage increase of three percent, the wage remains slightly below market average and that health care costs were not part of the MOU negotiation. She added that this bargaining unit has been paying part of their health-care premiums since June 2011.

In response to Commissioner Creighton, Mr. Soike reported that the airlines would purchase and maintain their own electrified ground support equipment under the model currently proposed, although charging equipment would be maintained by Airport personnel.

Commissioner Albro commented on continued health-care cost sharing and collaboration with the bargaining unit to improve the wages at the bottom of the pay scales affected by the MOU.

Motion for approval of item 5c – Albro

Second – Bryant

Motion carried by the following vote:

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

(00:23:55) PUBLIC TESTIMONY

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

- Robert Scheuerman, representing Eastside Rail Now. Mr. Scheuerman commented on sale of a portion of the Eastside Rail Corridor to the City of Kirkland and stated he was disappointed the agreement did not require Kirkland to preserve the rail track in its portion of the Corridor.
- Will Knedlik, Post Office Box 99, Kirkland, Washington. Speaking on his own behalf, Mr. Knedlik commented on the Port's lack of concern for equity for residents of King County's East Side and the removal of rail from the Corridor undercutting the legitimacy of the Port's purchase of the Corridor.

6. DIVISION, CORPORATE, AND COMMISSION ACTION ITEMS

- 6a. (00:28:09) Second Reading and Final Passage of Resolution No. 3659: A Resolution of the Port Commission of the Port of Seattle declaring certain real property located in the City of Kirkland and the City of Bellevue (a portion of the Woodinville Subdivision) and any improvements located thereon surplus and no longer needed for Port purposes, authorizing its transfer to the City of Kirkland and authorizing the Chief Executive Officer to execute all documents related to such transfer. The Port will receive \$5 million (minus closing costs) from the City of Kirkland for the sale of this property, which is also known as the Eastside Rail Corridor.**

Request document(s): Commission agenda [memorandum](#) dated March 23, 2012, [Resolution No. 3659](#), and [exhibit A](#) provided by Joe McWilliams, Managing Director, Real Estate Division.

Presenter(s): Mr. McWilliams.

Mr. McWilliams summarized the action request and noted that the transfer is expected to close within two weeks.

Commissioner Creighton commented on the freight transportation interests in preserving the Eastside Rail Corridor and noted that the Corridor will remain banked for rail use. He pointed out that although part of the Corridor was donated and part purchased from the BNSF, Port costs of over \$80 million were incurred in obtaining the Corridor through a partnership with several Eastside cities.

Commissioner Tarleton commented on the importance of ensuring that publicly owned rail is retained on the East Side for freight and transportation uses. She noted that approximately \$125 billion in export goods rely on east-to-west and north-to-south rail lines in Washington and stated that the rail lines in Kirkland are not in suitable condition to transport freight. She added that the City of Kirkland has a responsibility to ensure that its rail and trail uses of the Corridor serve the needs of its residents.

Motion for second reading and final passage of [Resolution No. 3659](#) – Albro

Second – Creighton

Motion carried by the following vote:

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

6b. (00:36:33) Authorization for the Chief Executive Officer to: 1) prepare full design documents for the Electrified Ground Support Equipment (EGSE) Charging Station project; 2) authorize Port Construction Services to install approximately 20 chargers as a demonstration project; 3) authorize budget for the EGSE Charging Station project; and 4) authorize execution of contracts for long lead time electrical equipment for power center upgrades (CIP #C800335).

Request document(s): Commission agenda [memorandum](#) dated March 23, 2012, provided by David Soike, Director, Aviation Facilities and Capital Program, and Wayne Grotheer, Director, Aviation Project Management Group.

Presenter(s): Mr. Soike; Larry Lanier, Capital Program Leader; and Russ Simonson, Senior Environmental Program Manager.

Mr. Lanier reported that installation of 260 chargers throughout the Airport would accommodate approximately 520 electrified ground support vehicles in the passenger terminal areas. He explained that approval of \$8 million to complete design and pre-purchase chargers would enable staff to take advantage of grant opportunities and purchase long-lead-time project components. He described the demonstration portion of the project near gate C-2 that would install 20 chargers to

serve 40 vehicles by September 30, 2012. Mr. Lanier outlined the project phasing and commented on project completion by the first quarter of 2014. He stated a charger contract was awarded to Aero Environmental on March 22, 2012, and that the majority-in-interest ballot was approved by the airlines on March 26, 2012.

Mr. Simonson reported on the environmental benefits of the project, including reduction of 1 million gallons of fuel combustion, reduction of approximately 10,000 tons of CO₂ emissions per year, including several hundred tons of criteria pollutant. He stated the Airport would attempt to bank emissions credits relating to the environmental benefits of the project.

Commissioner Creighton commented on Airport environmental initiatives supporting Century Agenda objectives. In response to Commissioner Creighton, Mr. Simonson estimated there are approximately 1,000 pieces of ground support equipment at the Airport, of which about 650-700 might be replaced by electrified ground support equipment, based on airline participation.

Motion for approval of item 6b – Bryant

Second – Albro

Motion carried by the following vote:

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

6c. (00:46:26) First Reading of Resolution No. 3660: A Resolution of the Port Commission of the Port of Seattle declaring certain personal property, including copper wire, surplus for Port District purposes and authorizing the Chief Executive Officer to execute all documents necessary for its sale. The estimated value of the property to be surplus is \$34,000.

Request document(s): Commission agenda [memorandum](#) dated March 23, 2012, and [Resolution No. 3660](#) provided by David Soike, Director, Aviation Facility and Capital Program.

The Port Commissioners having reviewed the request documents previously, no presentation was made at this time.

Motion for first reading of Resolution No. 3660 – Bryant

Second – Albro

Motion carried by the following vote:

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

7. STAFF BRIEFINGS

7a. (00:47:32) Terminal 91 Strategic Planning Briefing.

Presentation document(s): Commission agenda [memorandum](#) dated March 26, 2012, [attachment 1](#), [attachment 2](#), [attachment 3](#), and computer slide [presentation](#) provided by Eric Hanson, Manager, Seaport Planning, and Mark C. Griffin, Director, Real Estate Development.

Presenter(s): Mr. Hanson and Mr. Griffin.

Mr. Hanson commented on the underutilization of the portion of Terminal 91 north of the Magnolia Bridge. He presented a long-term vision for the facility's maximum potential based on the third option described in the briefing of August 2, 2011, which is dependent on rebuilding berths 6 and 8, building a new parking garage, and installing utilities and roadways north of the Magnolia Bridge, all of which could cost between \$90 million and \$100 million.

In response to Commissioner Creighton, Mr. Hanson commented on lack of potential for off-season uses for a parking facility at Terminal 91. Mr. Griffin noted the possibility for shared parking between the cruise facility and future industrial uses on the upland portion of the facility.

In response to Commissioner Albro, Mr. Griffin commented on challenges associated with establishing a north traffic access to the Terminal 91 uplands.

Given the challenges and costs associated with developing Terminal 91 to its fullest potential, Mr. Hanson presented recommendations for near-term development of the site, noting existing marine and industrial uses at Terminal 91 and the lack of covered storage on the site despite the apparent demand for warehousing space in the area.

Commissioner Albro commented on his concerns about over-committing the Terminal 91 facility without giving consideration to what the market needs for the site will be in 25 years.

Mr. Hanson commented on location of utility infrastructure and marketing of potential warehouse facilities to the maritime sector, including considerations for industry clustering of related businesses and parking needs.

Mr. Griffin remarked on preserving industrial options and flexibility in development of the Terminal 91 uplands, including dialog with the City of Seattle and King County to develop strategies for attracting industrial development to the site, including the possibility of an industrial development pilot project. Joe McWilliams, Managing Director, Real Estate Division, commented on coordination with the City of Seattle, King County, and State Department of Commerce on issues affecting initiation of an industrial development pilot project. Mr. Griffin noted staff's recommendation that existing short-term uses at Terminal 91 continue pending a pilot project.

Seeking a third-party developer for the northern 22 acres at Terminal 91 as a near-term alternative was discussed. Mr. Griffin noted that having more specific proposals for use of the facility will facilitate further discussions with the City of Seattle regarding the long-term value of infrastructure development at Terminal 91.

Commissioner Albro spoke in opposition to pursuing a third-party developer and alternatively considering longer short-term leases for the northern 22 acres and stated his preference would be to focus on resolving northern access to the site and then develop Century Agenda five-year milestones against which to evaluate the role of the site in achieving the Port's strategic objectives.

Mr. Griffin reported on the staff recommendation to sell the West Yard, located on the west side of Terminal 91 south of the Magnolia Bridge and west of the cruise facilities, as a site for a King County combined sewer overflow facility rather than selling the property under threat of condemnation. He noted the West Yard is mostly within the 200-foot shoreline setback; the County's proposed tank location would adversely affect any developable area of the site; and use of the area for the combined sewer overflow would advance a community interest in expanding open space in the area.

Commissioner Albro spoke in opposition to pursuing a sale of the West Yard in order to accommodate the combined sewer overflow. Commissioner Holland also spoke in opposition to the sale to King County for the combined sewer overflow in preference for using the West Yard as a park that could later be converted to another relevant maritime use. Commissioner Bryant expressed reservations over selling the West Yard, which is on the waterfront and adjacent to Pier 91 to King County. In response to Commissioner Tarleton, Mr. Griffin reported on previous discussions with King County about alternative locations for a combined sewer overflow facility.

Commissioner Tarleton commented on potential future value of Port lands that would support the Port's core mission despite the current market value of the land and the need to preserve those lands for future Port-related uses. She said she has reservations about giving up Port property situated similarly to the West Yard. Commissioner Creighton commented on his interest in making sure any deal involving the West Yard also serves to make development of the Terminal 91 uplands feasible to attract industrial development to the uplands.

7b. (01:41:03) Capital Improvement Projects for the Fourth Quarter, 2011.

Presentation document(s): Commission agenda [memorandum](#) dated March 16, 2012, fourth quarter [report](#), and computer slide [presentation](#) provided by Ralph Graves, Managing Director, Capital Development.

Presenter(s): Mr. Graves.

Mr. Graves presented information showing that more than half of the 95 projects reported for the fourth quarter of 2011 were on schedule and on budget. He summarized several Aviation division projects that are not on schedule or budget, noting delays on loading bridge utilities, water system isolation valves, street vacations related to the Des Moines Creek business park, and extension of eligibility for residential noise insulation. He commented on an upcoming request for additional funding for design for the Preconditioned Air project.

Mr. Graves commented on the Terminal 18 pile cap repair and dock system condition assessment projects in the Seaport division and provided project status updates for them. He noted a delay in the Corporate division project related to police records management contract negotiations.

8. NEW BUSINESS

None.

9. POLICY ROUNDTABLE

None.

10. ADJOURNMENT

There being no further business, the regular meeting was adjourned at 2:55 p.m.

Tom Albro

Secretary

Minutes approved: June 5, 2012.