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*Audio and video recordings of the meeting proceedings and meeting materials are available on the Port of Seattle web site – [www.portseattle.org](http://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 AUGUST 14, 2012**

The Port of Seattle Commission met in a regular meeting Tuesday, August 14, 2012, at Port of Seattle Headquarters, Commission Chambers, 2711 Alaskan Way, Seattle, Washington. Commissioners Albro, Bryant, Creighton, Holland, and Tarleton were present. Commissioner Creighton was absent after 2:13 p.m. Commissioner Bryant was absent after 3:45 p.m.

**1. CALL TO ORDER**

The regular meeting was called to order at 12:05 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 60 minutes to discuss matters relating to legal risk, potential litigation, and real estate. Following the executive session, which lasted approximately 70 minutes, the regular meeting reconvened in open public session at 1:27 p.m.

**PLEDGE OF ALLEGIANCE**

**3. (00:01:20) APPROVAL OF MINUTES**

Special meeting of July 24, 2012.

**Motion for approval of minutes for the special meeting of July 24, 2012 – Albro**

**Second – Creighton**

**Motion carried by the following vote:**

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

**4. SPECIAL ORDER OF BUSINESS**

None.

**5. (00:01:52) UNANIMOUS CONSENT CALENDAR**

**5a. Approval of the [claims and obligations](#) for the period of July 1, through July 31, 2012, in the amount of \$48,091,066.53.**

**5b. Authorization for the Chief Executive Officer to perform a competitive Category III procurement and execute a one-year service agreement for tourism consulting services in the United Kingdom, for a cost not to exceed \$600,000 and duration of up to three years. This contract will support and provide continuity for the Port's international tourism program, which began in the UK 27 years ago.**

Request document(s): Commission agenda [memorandum](#) dated August 3, 2012, provided by Jane Kilburn, Director of Tourism Development.

**Motion for approval of consent items 5a and 5b – Creighton**

**Second – Albro**

**Motion carried by the following vote:**

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

**(00:02:58) PUBLIC TESTIMONY**

As noted on the agenda, public comment was received from the following individual(s):

- Cynthia Welti, Executive Director, Mountains to Sound Greenway Trust. Ms. Welti submitted written comments supporting transfer of a portion of the Eastside Rail Corridor to King County to build a north-south regional trail connection. A copy of the document is, by reference, made a part of these minutes, is marked [exhibit A](#), and is available for inspection in Port offices.
- Michael Deller, Washington State Director for the Trust for Public Land. Mr. Deller submitted written comments supporting transfer of a portion of the Eastside Rail Corridor to King County in the interest of conservation and recreation on King County's east side. 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.
- Donnell Harvey, Regional Director of Corporate Real Estate, Delta Air Lines. Mr. Harvey commented in favor of agenda item 6c, regarding design and construction of a new flow-through ticketing area, noting that the authorization would improve customer service and passenger infrastructure at the Airport.

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

**6a. (00:07:28) Second Reading and Final Passage of Resolution No. 3662: A Resolution of the Port Commission of the Port of Seattle declaring certain real property located in King County (portions of the Woodinville Subdivision) and any improvements located thereon surplus and no longer needed for Port purposes, authorizing its transfer to King County 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 King County easement rights over a portion of the**

**Port's freight section of the Woodinville Subdivision for future recreational trail uses. The Port will receive \$15,000,000 (minus 50 percent of closing costs and a \$1,900,000 credit to King County for the previous acquisition of an easement over the property to be transferred).**

Request document(s): Commission agenda [memorandum](#) dated August 6, 2012, [Resolution No. 3662](#), [legal description](#), [easement](#), and [purchase and sale agreement](#) provided by Joe McWilliams, Managing Director, Real Estate Division.

Presenter(s): Mr. McWilliams.

Mr. McWilliams commented on the opportunity to minimize operating losses related to the Port's possession of the Eastside Rail Corridor as well as abate management of permit and application requests from other jurisdictions related to use of the Corridor.

In response to Commissioner Creighton, Mr. McWilliams reported that the County's payment would be postponed for three years and that the option to accept a property transfer in lieu of cash payment is at the discretion of the Port. He described the process for the County to propose a property transfer and noted that rejection by the Port of property transfers in lieu of payment would obligate the County to reimburse the Port \$15 million and interest for their portion of the Corridor.

Commissioner Creighton commented on his motion of June 26, 2012, to indefinitely postpone consideration of second reading and final passage of Resolution No. 3662 and stated his opposition to the sale of a portion of Eastside Rail Corridor to King County was based on the terms of the sale itself, rather than its relationship to a proposed sports arena in the Duwamish Manufacturing and Industrial Center. He noted his support for public ownership of the Eastside Rail Corridor and stated the amount to be reimbursed to the Port by King County was \$6 million less than previously agreed to in writing by the King County Executive.

Commissioner Albro commented in opposition to the resolution and the need for King County and the Port to fulfill their commitments to each other, and stated that the significant change in terms by King County from its original agreement for transfer of the Corridor disfavors the Port and undermines the ability of the two agencies to work together in the public interest in future collaborative efforts.

Commissioner Tarleton commented on the Port's role in negotiating the purchase of a privately owned rail corridor in order to bring it into public ownership and the importance of the transaction to cities on King County's east side.

**Motion for second reading and final passage of [Resolution No. 3662](#) – Bryant**

**Second – Holland**

**Motion carried by the following vote:**

**In Favor: Bryant, Holland, Tarleton (3)**

**Opposed: Albro, Creighton (2)**

**6b. (00:21:07) Authorization for the Chief Executive Officer to: (1) approve the scope and budget for the creation of an airport sustainability master plan (SMP) at Seattle-Tacoma International Airport, and (2) advertise and execute a contract for consulting services for the Airport SMP, with a total estimated value of \$6.0 million.**

Request document(s): Commission agenda [memorandum](#) dated July 27, 2012, provided by Elizabeth Leavitt, Director, Aviation Planning and Environmental, and David Tomber, Aviation Planning Program Manager.

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

The Commission received a presentation on the Airport Sustainability Master Plan, in which the following information was noted:

- The last Airport master plan was completed in 1997 prior to construction of the Third Runway and improvements to Concourse A and the Central Terminal;
- Passenger numbers have grown from 22 million per year in 1997 to nearly 33 million in 2012, necessitating optimization of Airport facilities to accommodate passenger growth;
- Over 100,000 people use the Airport facility every day;
- The master plan would cover a 20-year period and would incorporate preliminary Century Agenda goals and environmental priorities; and
- Staff intends to make the new master plan a sustainability master plan comprehensively incorporating environmental, social, and economic conditions.

Challenges facing Airport operations and facilities to be addressed by the Sustainability Master Plan in order to increase Airport capacity and flexibility were described as follows:

- Airline mergers;
- New international service;
- Rapid technology developments;
- Increased security requirements;
- Need for renewal of aging facilities;
- Need for increased non-aeronautical revenue; and
- Need for improved environmental performance.

The master plan was described as defining the Airport's future vision with solutions to issues of capacity, sustainability, customer service, technology, passenger needs, and development costs. Preliminary Century Agenda goals to be addressed by the Sustainability Master Plan were noted to include tripling annual air cargo volume, making the Airport the West Coast gateway of choice for international travel, doubling the number of international flights, doubling the economic value of cruise traffic, and meeting additional energy needs through conservation and renewable resources.

Commissioner Creighton voiced his concerns over initiating additional programs at the Airport in the absence of completion of Commission priorities regarding airport noise mitigation, worker retention, and disadvantaged business enterprises. Commissioner Bryant commented on the cost of \$6 million for the request. In response to Commissioner Bryant, Ms. Leavitt stated that development of the master plan would take two years at a minimum and that sustainability master

plan efforts for airports range in cost from \$1.5 to \$24 million. Commissioner Holland commented on his concerns over lack of momentum on various Airport initiatives and stated he would withhold his support for the Airport Sustainability Master Plan effort at this time.

Commissioner Albro stated his support for engaging in a Sustainability Master Plan process and noted the relationship between the master plan and achieving the Century Agenda preliminary goals. Commissioner Tarleton commented on the sustainability master planning process as reflective of the values of the broader community and the priorities of workers and her interest in adjustments to the scope of work for the master plan.

*At the discretion of the Chair, final disposition of agenda item 6b was postponed to a subsequent Commission meeting.*

*Commissioner Creighton was absent after 2:13 p.m.*

**6c. (00:45:50) Authorization for the Chief Executive Officer to: (1) authorize \$10,145,200 of tenant reimbursement budget associated with the design and construction of a new flow-through ticketing area for Delta Air Lines and Virgin America Airlines at Seattle-Tacoma International Airport; (2) execute a tenant reimbursement agreement with Delta for this purpose under the Airport's AV-2 Policy; (3) authorize \$2,663,800 of non-tenant reimbursement budget for regulated materials abatement; and (4) authorize the use of Port crews to construct a new Virgin America airline ticket office and remodel spaces for two other offices that must be relocated to accommodate this project. This request seeks a single Commission authorization to proceed with design, abatement, and construction. The total estimated cost of this project is \$13,125,000. The Port's portion of the total project is \$10,145,200 (CIP #C800492).**

Request document(s): Commission agenda [memorandum](#) dated August 6, 2012, and computer slide [presentation](#) provided by Michael Ehl, Director, Airport Operations; Wayne Grotheer, Director, Aviation Project Management Group; and James Jennings, Manager, Aviation Properties, Aviation Business Development.

Presenter(s): Mr. Jennings and Alan Olson, Capital Project Manager.

The presentation for the action request identified the interest of Delta Air Lines to initiate operational improvements in their ticket lobby similar to the flow-through design used by Alaska Airlines and highlighted the associated increase to Airport-wide ticketing capacity and the project's consistency with the Airport's long-term ticketing strategy. It was noted that Delta would perform a large part of the work and that adjacent Virgin America and other Airport tenant facilities would be affected. The justification given for requesting a single authorization for design and construction was to perform the work outside of peak travel periods and to accommodate the schedule of design work already begun by Delta at their own risk.

An overview of the project was presented that noted the narrow width of the Airport's current ticket lobby and the passenger congestion resulting after the merger of Delta Air Lines and Northwest Airlines in 2010. A diagram and artist rendering of the proposed flow-through design was presented and the success of a similar design for Alaska Airlines was noted.

**Motion for approval of item 6c – Bryant**

**Second – Holland**

**Motion carried by the following vote:**

**In Favor: Albro, Bryant, Holland, Tarleton (4)**

**Absent for the vote: Creighton**

- 6d. (00:55:00) Authorization for the Chief Executive Officer to direct staff to develop design documents, conduct sediment testing and environmental review, obtain permits, and prepare construction documents for the Terminal 5 and Terminal 18 Maintenance Dredging Project for an estimated cost of \$950,000, and to advertise for bids and award major construction contracts for the first phase of Terminal 5 and Terminal 18 Maintenance Dredging Project for an estimated cost of \$1,000,000. The total project cost is estimated at \$4,600,000.**

Request document(s): Commission agenda [memorandum](#) dated August 3, 2012, provided by Scott Pattison, Seaport Asset Manager, and Catherine Chu, Capital Project Manager.

Presenter(s): Mr. Pattison.

The staff presentation for the request emphasized that the proposed dredging would restore the berths to their originally designed depths and remove tide-related delays or restrictions for vessels calling at the berths. The effects of maintenance dredging for three berths at Terminal 5 and the interest of American President Lines (APL) in mooring larger ships at the south berth of Terminal 5 was noted. Completion of the Terminal 5 phase was estimated by February 15, 2013. It was explained that the dredging at Terminal 18 is necessary to comply with the lease agreement that requires the Port to maintain a depth of minus 50 feet. Staff noted that additional dredging for the second phase of the project would be the subject of a separate authorization request in 2013.

**Motion for approval of item 6d – Albro**

**Second – Bryant**

**Motion carried by the following vote:**

**In Favor: Albro, Bryant, Holland, Tarleton (4)**

**Absent for the vote: Creighton**

- 6e. (00:58:20) Second Reading and Final Passage of Resolution No. 3665: A Resolution amending Unit 20 of the Comprehensive Scheme of Harbor Improvements of the Port of Seattle (Lower Duwamish Industrial Development District) by: (i) declaring certain real property surplus and no longer needed for port district purposes; (ii) authorizing its transfer to BNSF Railway Company; (iii) deleting said property from Unit 20 of the Comprehensive Scheme; and (iv) adding to Unit 20 of the Comprehensive Scheme certain real property transferred by BNSF to the Port. Further requesting authorization for the Chief Executive Officer to take all necessary steps and execute all documents,**

including an exchange agreement necessary to accomplish the exchange of properties with BNSF Railway Inc. in accordance with state law; and requesting authorization for Port staff to approve escrow settlement for the Port's net cost at closing of approximately \$51,000. The Port's obligation for closing costs of approximately \$152,421 will be partially offset by BNSF's \$97,000 reimbursement to the Port for BNSF's share of the survey costs incurred related to this land exchange transaction and offset by other prepaid credits. These offsetting payment obligations are reflected in the closing documents for the land exchange title transfer.

Request document(s): Commission agenda [memorandum](#) dated August 6, 2012, [Resolution No. 3665](#), legal descriptions [attachment 2](#) and [attachment 3](#), and [exchange agreement](#) provided by Michael Burke, Director, Container Leasing and Asset Management.

Presenter(s): Mr. Burke.

Mr. Burke commented on his prior briefings on the resolution on July 24, 2012, and August 7, 2012. First Reading and a public hearing of the resolution were held August 7, 2012.

**Motion for second reading and final passage of [Resolution No. 3665](#) – Albro**

**Second – Bryant**

**Motion carried by the following vote:**

**In Favor: Albro, Bryant, Holland, Tarleton (4)**

**Absent for the vote: Creighton**

**6f. (01:01:11) First Reading of Resolution No. 3666: A Resolution of the Port Commission of the Port of Seattle declaring certain personal property surplus (Port of Seattle Cranes No. 51, 52, and 53) for Port of Seattle purposes and authorizing its sale or disposal; and authorizing the Chief Executive Officer to execute all documents related to such sale or disposal. The amount of this request is not to exceed \$1,500,000.**

Request document(s): Commission agenda [memorandum](#) dated August 6, 2012, [Resolution No. 3666](#), and computer slide [presentation](#) provided by Steve Queen, Container Operations Manager, and Curtis Stahlecker, Project Manager.

There was no presentation at this time; however, the Port Commissioners received the request documents for Resolution No. 3666 for review prior to the meeting of August 14, 2012.

**Motion for first reading of Resolution No. 3666 – Bryant**

**Second – Albro**

**Motion carried by the following vote:**

**In Favor: Albro, Bryant, Holland, Tarleton (4)**

**Absent for the vote: Creighton**



## **7. STAFF BRIEFINGS**

### **7a. (01:02:31) Century Agenda Milestones and 2013 Business and Capital Plans Briefing.**

Presentation document(s): Commission agenda [memorandum](#) dated August 3, 2012, and computer slide [presentation](#) provided by Dan Thomas, Chief Financial and Administrative Officer.

*[Clerk's note: The slide presentation erroneously listed the preliminary Century Agenda goal for air cargo as tripling volume to 750,000 metric tons by 2017. It was announced during the presentation this number was intended to be 350,000 metric tons by 2017 and that 750,000 metric tons is the 25-year goal.]*

Presenter(s): Mr. Thomas; Mark Reis, Managing Director, Aviation Division; Borgan Anderson, Senior Manager, Aviation Finance & Budget; Kazue Ishiwata, Air Service Market Development Manager; Linda Styrk, Managing Director, Seaport Division; Joe McWilliams, Manager Director, Real Estate Division; and Boni Buringrud, Senior Manager, Seaport Finance & Budget.

Background for the Century Agenda strategic planning process and key preliminary goals were presented, and the process of implementing Century Agenda preliminary goals through staff actions incorporated into the divisions' business plans was described. The 2012 timeline for the Century Agenda was presented, including preliminary goal adoption by the Commission in January, public outreach between February and July, development of staff business plan, and finalizing goals and regional and Port initiatives in the fall of 2012.

### **Aviation**

The Aviation Division business plan was presented that included a report on the status of the airline industry, which trends toward profitability despite adverse economic conditions and within which growth is focused on large hubs with international connections. It was reported that 2012 enplanements are up 2.2 percent at the Airport and that load factors for aircraft are increasing.

In response to Commissioner Albro, Mr. Anderson stated that a factor in parking revenue being lower than budgeted is competition for parking and competitive rental car pricing reducing the Port's net revenue from its rental car concessions.

Aviation financial trends were presented, including net operating income before and after debt service, declining capital spending, an anticipated need for bond issuance in 2013 to fund major capital projects, slower-than-expected growth in cost per enplanement since 2005 due to innovative Airport financial strategies, anticipated growth in international travel, long-term air cargo opportunities, economic uncertainty in the U.S. and Europe, long-term capacity planning issues, and pendency of an airline agreement.

Seven previously established Aviation business strategies were described, for each of which five-year objectives with various specific actions are under development to make them compatible with preliminary Century Agenda goals. The strategies included the following:

- Operate a world-class international airport by ensuring safe and secure operations, meeting the needs of tenants, passengers, and the region's economy, and managing our assets to minimize the long-term total cost of ownership;



- Become one of the top 10 customer service airports in the world by 2015;
- Lead the airport industry in environmental innovation and minimize the Airport's environmental impacts;
- Reduce airline costs as far as possible without compromising operational and capital needs;
- Maximize non-aeronautical net operating income consistent with current contracts, appropriate use of Airport properties, and market demand;
- Continually invest in a culture of employee development, organizational improvement, and business agility; and
- Develop valued community partnerships based on mutual understanding and socially responsible practices.

The target for growth of the aeronautical operations and maintenance budget in 2013 was described as three percent, excluding costs for the airline realignment and regulated materials management, dependent on the terms for an aeronautical rate-setting model in a new airline agreement. Particular objectives and actions linked to the Aviation business plan and preliminary Century Agenda goals were presented, including cargo infrastructure improvements, international arrivals improvements, development of new international service, completion of an airport sustainability master plan by 2015, optimization of ticketing and security checkpoint facilities, evaluation of a potential Airport hotel, implementation of conservation practices, establishment of low-impact-development requirements for stormwater, emissions-reduction efforts such as provision of electrified ground support equipment and chargers and supplying preconditioned air to aircraft, maximization of non-aeronautical net operating income from concessions and parking, engagement in continuous process improvement and internships, completion of the Part 150 noise and land-use study, and unified pest control in the main terminal area to ensure safe operations.

Commissioner Tarleton commented on the importance of addressing regional freight mobility in connection with increased air cargo capacity. In response to Commissioner Bryant, Elizabeth Leavitt, Director, Aviation Planning and Environmental, stated that hydroelectric power is considered a renewable energy resource for the purposes of the Airport's meeting its Century Agenda goals due to its emissions impact, although there is not universal agreement on the subject in the conservation community.

Staff reported on significant Aviation capital projects and 2013 budget challenges related to the NorthSTAR, long-term federal inspection services, radio upgrade, and baggage system programs as well as potential costs related to noise programs, development of an Airport hotel, and extension of Airport access to the south.

### **Seaport**

Connections between Seaport business strategies and preliminary Century Agenda goals were presented, noting especially promotion of small business growth and workforce development. It was reported that the Seaport's commercial strategy is aligned with the preliminary Century Agenda goals to position the Puget Sound region as a premier logistics hub and advance the region as a leading tourism destination, with applications for all the Seaport lines of business,

including container freight, cruise operations, grain shipping, industrial property, and fishing and other maritime business.

Alignment between the Century Agenda and business strategies for asset stewardship and green gateway strategies were reported to include several key programs focused on small business and workforce development, freight mobility, dredging, air quality improvements, stormwater management, and habitat restoration. Strategic goals related to business development, financial sustainability, and Port advocacy were noted. A container capacity growth plan listing projects in various stages of completion was presented. Asset stewardship strategies related to asset condition assessment, maintenance, and capacity growth, and Green Gateway strategies related to compliance management, commercial support, and community commitment were also presented.

Staff presented information on 2013 market outlook and revenue assumptions for container business, noting that while TEU (twenty-foot-equivalent unit) growth is expected to be just below four percent, the market is quite volatile. Major work associated with container business in alignment with the Century Agenda was described.

Ms. Buringrud reported that container rate increases on January 1, 2013, would increase the Seaport cash flow but not increase overall revenue due to an accounting adjustment. An historical financial overview of actual revenues and expenses for 2010 and 2011 compared to the 2012 budget and forecast was presented, and a rise of forecasted revenue for 2012 was attributed to refunding of Terminal 18 special facility bonds in December 2011. An overview of container income by facility showing the division of allocations was presented.

The outlook for the cruise business, grain shipment, industrial properties, maritime operations, and maritime security and emergency preparedness for 2013 was presented.

*Commissioner Bryant was absent after 3:45 p.m.*

Seaport capital projects were summarized and correlated to standardized project status and anticipated expense and capital needs for each facility. A list of Seaport projects at Terminal 91 and other projects with CIP status and anticipated expenditure needs through 2022 was presented. The financial outlook for 2013 for operating revenue and expense trends was presented, and the outlook for expenses and revenue for 2012 were presented.

### **Real Estate**

It was reported there is not much change in the real estate market since 2011, vacancy is between 18 and 20 percent, although Port properties are outperforming the market, deferred maintenance is expected to be complete in 2013, and that major construction projects close to Port real estate holdings have affected lease rates.

Information regarding market conditions and capital markets were outlined and risks and exposure was described related to Port ownership of the Eastside Rail Corridor. Revenues and expenses for the Real Estate Division were summarized and outlined by business enterprises including fishing and commercial harbor services, recreational boating, portfolio management, and the Eastside Rail

Corridor. It was reported that recreational boating occupancy rates are better than for competitors. Expenses related to development opportunity planning were summarized.

A draft capital plan was presented and delineated by facility, including Fishermen's Terminal, Shilshole Bay Marina, Maritime Industrial Center, Harbor Island Marina, Central Waterfront, Pier 69, and various other commercial properties. Pending land development projects were noted and areas of priority for the Real Estate Division were presented, such as examining alternatives for energy conservation measures, development of a protocol for managing the remainder of the Rail Corridor, scrutiny of City of Seattle Shoreline Management Plan amendments, and infrastructure improvements at the Bell Harbor Marina.

**7b. (03:02:24) 2013 Budget Assumptions Briefing.**

Presentation document(s): Commission agenda [memorandum](#) dated August 3, 2012, and computer slide [presentation](#) provided by Dan Thomas, Chief Financial and Administrative Officer, and Michael Tong, Corporate Budget Manager.

Presenter(s): Mr. Thomas and Mr. Tong.

An overview of issues affecting budget planning for 2013 was presented, including conservative budgeting in response to economic uncertainty and a continued focus on managing operating and maintenance costs. Preliminary payroll assumptions reported to be applicable to non-represented employees included an average pay-for-performance increase of three percent, a two-percent market-based salary range increase, medical and dental cost increase of 2.2 percent contrasted with an overall medical inflation rate of approximately eight percent, and Public Employees Retirement System employer contribution increases from 7.21 to 9.1 percent in July 2013, with a blended rate of 8.16 percent for 2013. It was reported that progress continues to be made in the management of cost-of-living adjustments and health-care cost sharing for represented employees.

Factors expected to drive costs in 2013 were noted to include a full-year impact of the new Rental Car Facility and related busing expenses and new staff costs, support for Century Agenda efforts, a Port-wide economic impact study, and new division initiatives.

The calendar for development of the 2013 budget was summarized, including First Reading and Public Hearing on the budget resolution on November 13 and Second Reading and Final Passage on November 27. The need for a tax levy discussion prior to preliminary budget review was discussed.

Final 2013 budget documents and draft plan of finance are expected to be released to the public by December 14, 2012.

**(03:14:42) Preliminary Briefing on Industrial Development Corporation Special Facilities Revenue Refunding Bonds.**

Elizabeth Morrison, Senior Manager, Corporate Finance, announced that staff intends to request Commission authorization to refund for savings special facilities revenue bonds related to hangar improvements for Northwest Airlines subsequently assumed by Delta Air Lines when the two

airlines merged. She explained that the bonds were an instrument of the Industrial Development Corporation (IDC) of the Port of Seattle and would require separate actions by the IDC and the Port Commission by resolution.

**8. NEW BUSINESS**

**(03:16:18) Chief Executive Officer's Membership on the Board of Directors of Expeditors International.**

Commissioner Tarleton announced that she had received communication from members of the public concerned about compensation for the Port's Chief Executive Officer in connection with his acceptance of a Board of Directors position with a local for-profit company. She stated that State law permits public officials to hold such posts and that she had voted against the CEO's employment contract because she does not believe public officials should serve on for-profit boards. Nonetheless, she stated that the CEO is in full compliance with the terms of his employment contract, that continued compliance would be monitored through audits, and that the Commission's approval of the CEO's employment contract was in compliance with the law.

**(03:17:12) Government Finance Officers Association Distinguished Budget Presentation Award.**

Commissioner Tarleton announced that the Accounting and Financial Reporting Department has received the Government Finance Officers Association's Distinguished Budget Presentation Award for the 2012 budget document, and that this is the fifth consecutive year the award has been presented to the Port.

**9. POLICY ROUNDTABLE**

None.

**10. ADJOURNMENT**

There being no further business, the regular meeting was adjourned at 4:45 p.m.

Tom Albro  
Secretary  
Minutes approved: October 9, 2012.