



**Commissioners**

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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 SPECIAL MEETING SEPTEMBER 25, 2012**

The Port of Seattle Commission met in a special meeting Tuesday, September 25, 2012, at Des Moines City Hall, 21630 Eleventh Avenue South, Suite C, Des Moines, Washington. Commissioners Albro, Bryant, Holland, and Tarleton were present. Commissioner Creighton was excused in order to attend to other Port business.

**1. CALL TO ORDER**

The special meeting was called to order at 1:00 p.m. by Gael Tarleton, Commission President.

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

None.

**PLEDGE OF ALLEGIANCE**

**(00:01:35) MOMENT OF SILENCE**

Following the flag salute, The Commission observed a moment of silence in memory of Port of Seattle firefighter Terry Stoltenburg, who died in a motorcycle accident on September 17, 2012, and University of Washington political science professor emeritus and nationally recognized ports expert David Olson, who died September 15, 2012.

**(00:03:25) ANNOUNCEMENT**

Commissioner Tarleton announced a change to the temporary committee formed on September 11, 2012, to coordinate with the Chief Executive Officer on development of criteria and procedures related to the Commission's action on Airport Concessions Disadvantaged Business Enterprises (ACDBEs). She stated the committee would be comprised of Commissioners Holland and Tarleton going forward.

Commissioner Tarleton thanked the City of Des Moines for hosting the Port of Seattle Commission and extended the Commission's appreciation to Des Moines Mayor David Kaplan and City Manager Tony Piasecki. She noted that the Port Commission meets in various locations outside

its corporate facilities several times a year, especially when there is a topic on the agenda of particular interest to the community hosting the meeting.

Commissioner Tarleton introduced Mayor Kaplan, who welcomed the Commission to the city's Council Chambers and Municipal Courtroom and commented on the ongoing relationship between the Port and the City of Des Moines and opportunities for small business in Des Moines in partnership with the Port of Seattle.

*At the discretion of the Chair, the Commission advanced to consideration of –*

## **9. POLICY ROUNDTABLE**

### **9a. (00:07:42) Small Business Briefing and Policy Roundtable.**

Presentation document(s): Commission agenda [memorandum](#) dated September 19, 2012, and computer slide [presentation](#) provided by Dan Burke, Regional Transportation Program Planner, and Luis Navarro, Director, Office of Social Responsibility.

Presenter(s): Mr. Burke and Mian Rice, Small Business Program Manager.

Commissioner Tarleton introduced the following community small business stakeholders, who were present to participate in the policy roundtable discussion:

- Randy Coplen, of the Quincy Group and Board Member of the Southwest King County Chamber of Commerce;
- Danielle Ellingston, Washington State Department of Commerce State Trade and Export Promotion (STEP) Export Voucher Program Business Development Manager;
- Mel Jones, Northwest Diversity Manager for construction group Skanska;
- Albert Shen, President, Shen Consulting Inc.;
- Rich Shockley, Certified Business Advisor, Highline Community College Small Business Development Center;
- Michael Skinner, Highline Community College Startzone Program Manager;
- Lynn Wallace, President and CEO, Southwest King County Chamber of Commerce; and
- Marion Yoshino, City of Des Moines Economic Development Manager.

The Commission and small business stakeholders received a presentation that included an update on the Puget Sound Regional Council Prosperity Partnership Regional Economic Strategy, with an emphasis on initiatives relating to education and workforce development, business climate, entrepreneurship and innovation, infrastructure, and quality of life. Relevant elements of the Port of Seattle Century Agenda were noted, including goals related to positioning the Puget Sound region as a premier logistics hub, advancing the region as a leading tourism destination and business gateway, promotion of small business growth and workforce development, and being the "greenest" and most energy-efficient port in North America. Relevance of these goals to South King County and the importance of broad participation with other agencies and the local business community were emphasized. The Port's Small Business Program was described, and programs

related to disadvantaged business enterprises (DBEs), Airport Concessions Disadvantaged Business Enterprises (ACDBEs), small contractors and suppliers, and small business enterprises were noted. It was reported that small business payments in 2011 included \$38.9 million for major construction and small works contracts and \$10.6 million for service agreements and goods and services. The process by which small businesses are encouraged to do business with the Port was summarized.

Discussion followed that included coverage of the following topics:

- Managing risks associated with the health of small business in a challenging economy;
- Lack of skilled labor for the manufacturing industry;
- Difficulty in obtaining financing;
- Complications of extensive documentation required for importing parts and exporting finished products;
- Desire for resources for referral of small business applicants that do not meet eligibility requirements of various programs;
- Importance of reliable access to transport goods and people;
- Need for workforce development and access to capital;
- The process-intensive, costly implications to small businesses of the Port's current delegation of authority as described in Resolution No. 3605, as amended by Resolution No. 3628;
- Need for a review of the Port's procurement process from a continuous process improvement perspective;
- Effects on small business of increased competition from large businesses during the recession;
- Need to revisit the Port's nondiscrimination policies to develop metrics to measure success;
- Need for opportunities for micro-enterprises as a part of the small business landscape;
- Challenges for adaptation of recently unemployed people seeking to become small business entrepreneurs;
- Challenges in finding alternative funding sources for new small businesses;
- Emphasis on cost in bidding for public contracts and the need for additional training for small businesses in the bidding process;
- The prospects available through the Port's foreign trade zone capability and the ability of the Port to extend foreign trade zone status to property not owned by the Port under the alternative site framework;
- Locations of small business development centers in King County;
- Possibility of preference in public contracting for subcontractors completing workforce development training;
- Opportunity to modernize the process of submitting proposals by promoting electronic submission, such as is used at the Port of Tacoma;
- Possibility of constituting a small business advocacy board;
- The need to counter a bias in the educational system that discourages entry into careers in skilled labor, despite the fact that these jobs are typically high-paying jobs with benefits;

- Proposal that the Port integrate staff into programs such as regional small business development centers;
- Desire to increase Startzone programs in the region and work with agencies to identify innovative ways to encourage small businesses at the entry level;
- The educational benefit of using training in skilled trades to reinforce the practical application of general educational content; and
- The need for agency procurement staff to learn the implications of contract bidding processes from the small business perspective.

Mr. Shen submitted data from the Washington State Department of Transportation regarding participation by minority business enterprises on SR-520 and deep-bored tunnel projects. 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.

*Following the policy roundtable, the Commission advanced to consideration of –*

**(01:26:38) PUBLIC TESTIMONY**

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

- Stephen Carl “Dutch” Deutschman, employed by Swissport Cargo Services in SeaTac, Washington. Mr. Deutschman commented on the Century Agenda goals for air cargo and spoke in support of Port projects related to improving cargo facilities at the Airport.
- Joseph Joyce, North American Area Operations Manager for cargo carrier Cargolux Airlines International S.A., submitted a letter dated September 21, 2012, supportive of Port projects, including agenda items 6a and 6b, related to expansion of cargo hardstands and provision of ground power to cargo carriers. A copy of the letter is, by reference, made a part of these minutes, is marked [Exhibit B](#), and is available for inspection in Port offices.

*Following public testimony, the Commission returned to consideration of –*

**3. (01:32:11) APPROVAL OF MINUTES**

Special meeting of August 7, 2012.

**Motion for approval of the minutes of the special meeting of August 7, 2012 – Albro**

**Second – Bryant**

**Motion carried by the following vote:**

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

**Absent for the vote: Creighton**

**4. SPECIAL ORDERS OF BUSINESS**

None.

**5. UNANIMOUS CONSENT CALENDAR**

None.

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

- 6a. (01:32:43) Authorization for the Chief Executive Officer to (1) design and prepare construction documents for the demolition of a cargo building (Building 2) and for the enlargement of the hardstand in the Cargo 2-West area in the amount of \$830,000; and (2) terminate the lease, containing two cargo buildings in the Cargo 1 and Cargo 2 areas currently owned by ProLogis (formerly AMB) at Seattle-Tacoma International Airport, at a cost not to exceed \$1,580,000.**

Request document(s): Commission agenda [memorandum](#) dated September 18, 2012, [Attachment A](#), [Attachment B](#), and [Attachment C](#) provided by Mike Ehl, Director, Airport Operations, and Wayne Grotheer, Director, Aviation Project Management Group.

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

The Commission received a presentation covering agenda items 6a and 6b that noted that Seattle-Tacoma International Airport is 20<sup>th</sup> in the U.S. by cargo volume, which accounts for about three percent of Airport operations, seven percent of landed weight, and 14 percent of the aeronautical revenue base. It was reported that air cargo at the Airport supports approximately 136,000 jobs in Washington and facilitates approximately \$14 billion in international trade. Trends in air cargo growth, including increased flights and larger aircraft, were described. The project benefits of additional positions for air cargo and accommodation of larger aircraft were summarized, as was the benefit of fueling and ground power parity with passenger airlines.

Constraints on project work, scheduling challenges, opportunities to gain efficiencies and cost reductions by combining projects, and the project schedule were summarized, and it was reported that further authorizations for construction would be sought by staff in August 2013. It was noted that the designation "Cargo 5" refers to the former United States Postal Service warehouse, which is intended to be used in the future for remain-overnight parking of aircraft.

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

**Second – Albro**

**Motion carried by the following vote:**

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

**Absent for the vote: Creighton**

- 6b. (01:45:09) Authorization for the Chief Executive Officer to design and prepare construction documents for the Cargo 6 Enhancements at Seattle-Tacoma International Airport. The amount of this request is \$480,000. The total estimated cost of the project is \$6,478,000.**

Request document(s): Commission agenda [memorandum](#) dated September 18, 2012, [Attachment A](#), [Attachment B](#), [Attachment C](#), and [Attachment D](#) provided by Mike Ehl, Director, Airport Operations, and Wayne Grotheer, Director, Aviation Project Management Group.

There was no separate presentation at this time; however, the Port Commissioners received the request documents for review prior to the meeting of September 25, 2012, and the presentation for agenda item 6a also covered information relevant to agenda item 6b.

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

**Second – Bryant**

**Motion carried by the following vote:**

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

**Absent for the vote: Creighton**

## **7. STAFF BRIEFINGS**

### **7a. (01:46:25) Capital Improvement Projects for the Second Quarter.**

Presentation document(s): Commission agenda [memorandum](#) dated September 17, 2012, second quarter [report](#), and computer slide [presentation](#) provided by Ralph Graves, Managing Director, Capital Development.

Presenter(s): Mr. Graves.

The Commission received a report on the status of capital projects for the second quarter of 2012. For the Aviation Division, increased summer work, delays to the Parking System Replacement project and Access Control Door Additions project, over-budget status of the Central Terminal Freight Elevator project and Vertical Conveyance Modernization project, and cost growth of the Terminal Escalator Modernization project were noted. In the Seaport Division, schedule variances for the Terminal 18 Pile Cap Repair Pilot Project and Terminal 5 crane cable reel installation were noted. Corporate projects reported to have schedule variances included the Common Use System Kiosk Enhancement, installation of software for Maintenance Planning and Scheduling, and the likely need for a new procurement for the time clock project. Small business contracting participation statistics were presented.

In response to Commissioner Albro, Mr. Graves noted that he would examine possible inconsistencies in the quarterly report related to symbolizing of projects with variances to schedule or budget since the previous briefing.

In response to Commissioner Bryant, Mr. Graves described the factors affecting the length of procurement time, which was described as being more than 200 days currently. Commissioner Bryant stated he would like to see procurement time reduced by half.

**8. NEW BUSINESS**

**(02:07:30) Announcement Regarding Outside Counsel Review of the CEO's Board of Directors Position with Expeditors International.**

Commissioner Holland announced that, in response to the Commission motion of September 11, 2012, former Washington Supreme Court Chief Justice Gerry L. Alexander had been selected as outside counsel to review the Chief Executive Officer's election to the Board of Directors of Expeditors International. In addition, Russ Perisho of the firm Russ Perisho PLLC had been chosen as additional outside counsel, and that LeeAnn Pelham had been selected to provide an outside review of the Port's ethics policies. Commissioner Holland noted that a full report would be presented to the Commission in public session on October 23, 2012.

**(02:09:58) Letter from Seattle Mayor Michael McGinn regarding Coal Trains.**

Commissioner Tarleton announced that Port staff had received an email from Seattle Mayor Michael McGinn requesting Port Commission support for an analysis by the Seattle Department of Transportation on the impacts of coal trains. Commissioner Tarleton noted the Port would provide relevant information to the Seattle Department of Transportation and continue to coordinate with the City on this subject as is customary.

**9. POLICY ROUNDTABLE**

*Agenda item 9a having been disposed of previously, no additional policy roundtables were held.*

**10. ADJOURNMENT**

There being no further business, the special meeting was adjourned at 3:12 p.m.

Tom Albro  
Secretary

Minutes approved: November 13, 2012.