



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

APPROVED MINUTES COMMISSION SPECIAL JOINT MEETING MARCH 10, 2015

The Port of Seattle Commission met in a special joint meeting with the Port of Tacoma Commission Tuesday, March 10, 2015, in the International Auditorium at Seattle-Tacoma International Airport, Seattle, Washington. Port of Seattle Commissioners Albro, Bowman, Bryant, Creighton, and Gregoire were present. Port of Tacoma Commissioners Johnson, Marzano, and Meyer were also present.

CALL TO ORDER

The meeting was called to order at 8:42 a.m. by Port of Seattle Commission Co-President Stephanie Bowman.

PLEDGE OF ALLEGIANCE

PUBLIC COMMENT

An opportunity for public comment was provided, but no testimony was offered at this time.

ASSET VALUATION

Erin Galeno, Chief Financial and Administrative Officer, Port of Tacoma, described the valuation of assets of both ports that are being considered for inclusion in the Seaport Alliance. The valuation is being performed by John Martin Associates in partnership with The PFM Group and KPFF Engineering. The scope of work includes review of valuation work done in 2014 by Mercator International, determination of the validity of the draft valuation model and assumptions, refinement of the analysis based on projected cash flow, determination of each port's contribution to the Alliance considering the desire for an even split of assets, and preparation of a final report and findings.

The valuation methodology was described. Use of future cash flows with application of a net present value calculation is intended to equalize the value of varying facilities and business portfolios between the two ports. Key valuation assumptions were provided. Commissioners discussed the appropriate valuation of assets that may be vacant and not producing cash flow but have a high market value. It was noted that inequities can be balanced and resolved with guidance from the consultant.

BUSINESS RECOVERY – CARGO MOVEMENT UPDATE

Since resolution of the labor dispute between the International Longshore and Warehouse Union and the Pacific Maritime Association, it was reported there have been significant increases in gateway activity. The status of impacts to rail and drayage operations were summarized.

TRANS-PACIFIC MARITIME CONFERENCE REPORT

There was a report on the Trans-Pacific Maritime Conference held March 1-4 in Long Beach, California. The need to win back trust with customers, support expressed for the Seaport Alliance formation, an emphasis on increased productivity and labor negotiation reform, and the potential to temporarily relax some regulatory efforts, such as emissions of drayage trucks, were discussed.

LEGISLATIVE UPDATE

The progress of state legislation to create a statutory entity of Port Development Authority in order to facilitate the Alliance of the ports of Tacoma and Seattle was reported. Legislation has passed the House with some modification and is in committee in the Senate. A statewide transportation infrastructure funding package has passed in the Senate and is under consideration in the House. The completion of SR-509 and SR-167 remain important areas of legislative focus.

COMMISSIONER COMMENT

Commissioners commented on messages coming out of the Trans-Pacific Maritime Conference, including potential permanent damage to West Coast ports as a result of the ILWU/PMA labor dispute. A focus on automation and increased efficiency is a theme, and there is a desire to pursue these in a way that will satisfy labor concerns. Marketing efforts aimed at restoring the reputation and attractiveness of the two ports following the cargo disruption were encouraged.

ADJOURNMENT

There was no further business, and the meeting adjourned at 9:36 a.m.

Tom Albro
Secretary

Minutes approved: October 13, 2015.