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APPROVED MINUTES COMMISSION SPECIAL JOINT MEETING JUNE 5, 2015

The Port of Seattle Commission met in a special joint meeting with the Port of Tacoma Commission Friday, June 5, 2015, in Council Chambers at Auburn City Hall, Auburn, Washington. Port of Seattle Commissioners Albro, Bowman, Bryant, and Creighton were present. Port of Seattle Commissioner Gregoire participated by telephone. Port of Tacoma Commissioners Bacon, Johnson, Marzano, Meyer, and Petrich were also present.

CALL TO ORDER

The meeting was called to order at 10:04 a.m. by Port of Seattle Commission Co-President Stephanie Bowman, who led the Flag Salute.

WELCOME AND OPENING COMMENTS

Auburn Mayor Nancy Backus welcomed the two port commissions and congratulated them for putting aside differences to create a strong alliance that promises to do more for the region's economy than the two ports could do separately. She applauded their dedication and noted that Port of Seattle Commissioner Gregoire was present by phone despite preparing to give birth later in the day.

Commissioner Johnson thanked the Mayor and noted that Auburn's location, midway between the ports of Seattle and Tacoma, made it an especially appropriate venue for a vote to form a Seaport Alliance.

Commissioner Bowman commented on the value for the maritime industry of the two commissions' actions today. She predicted a positive future for Washington state exports and family-wage jobs.

Port of Tacoma CEO John Wolfe thanked the commissioners for their efforts and acknowledged the challenges met in the process of designing the Seaport Alliance. He thanked staff for their efforts throughout the due diligence process. He commented on furthering the work begun by the collaboration made possible by the Federal Maritime Commission's Discussion Agreement to address market changes. Mr. Wolfe noted outreach to customers in partnership with labor and previewed upcoming steps in alliance development.

Port of Seattle CEO Ted Fick commented on the dramatic growth and economic impact promised by collaboration between the two ports in an alliance.

Without objection, the commissions advanced to consideration of –

PUBLIC COMMENT

Public comment was received from the following individual(s):

- Fred Felleman, Northwest Consultant, Friends of the Earth, regarding collaboration between the ports of Tacoma and Seattle and openness of the public process of forming the alliance. He commented on the need to better articulate the alliance's goals with respect to environmental stewardship.
- Arthur West, regarding management of public records disclosure within the alliance, previous agreements between the Port of Tacoma and the Port of Olympia, and difficulties in obtaining records and associated litigation.
- Goodspaceguy, King County resident, in opposition to the alliance, which he described as a partial merger, on the premise that intense competition strengthens Pierce and King Counties and that an alliance will create a larger, more costly, bureaucracy.
- Mark Hennon, candidate for Port of Seattle Commission, Position 5, regarding his opposition to agreeing to an alliance until all the details are worked out. He commented on the rate of failure of 50/50 partnerships and the late release of the alliance documents for public consideration. Mr. Hennon advocated for a 10-year term for the alliance rather than 20 years.
- Ralph Ibarra, President, Diverse America Network, in support of formation of the Northwest Seaport Alliance and the two ports' constructive response to changing market conditions.

NORTHWEST SEAPORT ALLIANCE DISCUSSION AGREEMENT

Kurt Beckett, Deputy CEO, Port of Seattle, presented the basic premise of the alliance. He reported that each port will maintain its current separate governance. Mr. Beckett explained that each port will be a managing member of the alliance, acting through its port commission. He said votes would be taken separately by each managing member, and a majority of three by each Commission would be required for passage of a motion. Mr. Beckett noted that bylaws of the managing members are being prepared and will be available publicly. He summarized the process following successful votes today, including comment and review periods by the Federal Maritime Commission. A final public vote creating the alliance and the hiring of an alliance CEO, expected to be John Wolfe, are expected in July or August.

PORT OF TACOMA VOTE

Motion of the Port of Tacoma to grant authorization to submit the Discussion Agreement in full for The Northwest Seaport Alliance to the Federal Maritime Commission for approval, along with the associated supporting information packet to include:

- [Transmittal/Cover Letter to FMC](#)
- [Discussion Agreement](#) (Summarizing Alliance Charter)
- [Public Development Authority \(PDA\) Charter](#)
- [Delegation of Authority to Master Policy](#)
- [Interlocal Agreement Creating The Northwest Seaport Alliance](#)
- [Port of Tacoma Map](#)
- [Port of Seattle Map](#)
- [Port of Tacoma Resolution Creating the PDA](#)
- [Port of Seattle Resolution Creating the PDA](#)
- [Transition Plan](#)
- [Strategic Business Plan](#)

– was moved and seconded.

PORT OF TACOMA AMENDMENT

Port of Tacoma Commissioner Meyer offered an amendment to the motion, which was seconded, to include Amendment Number 1 to the PDA Charter, dated May 28, 2015, adding Section 2.8, stating that the managing members will complete a performance review no later than the sixth-year anniversary of the PDA's effective date pursuant to this Section 2.8.

Commissioner Meyer explained the intent of the amendment to provide for a public review of the functioning of the alliance before 20 years have passed to compare the alliance to expectations.

Commissioners commented on redundancy of multiple review panels and the fact that the managing members will not wait 20 years to assess alliance performance, but will review it on an ongoing basis. Annual performance review of the CEO was noted. Regular stakeholder input and public accessibility was also discussed. The ability to amend aspects of the alliance at any time by votes of the managing members was pointed out.

The motion to amend failed to pass. The vote was:

Yeas: Meyer (1)

Nays: Bacon, Johnson, Marzano, Petrich (4)

The question recurred on the main motion, which carried by the following vote:

Yeas: Bacon, Johnson, Marzano, Meyer, Petrich (5)

PORT OF SEATTLE VOTE

Motion of the Port of Seattle to grant authorization to submit the Discussion Agreement in full for The Northwest Seaport Alliance to the Federal Maritime Commission for approval, along with the associated supporting information packet to include:

- A. [Transmittal/Cover Letter to FMC](#)
- B. [Discussion Agreement](#) (Summarizing Alliance Charter)
- C. [Public Development Authority \(PDA\) Charter](#)
- D. [Delegation of Authority to Master Policy](#)
- E. [Interlocal Agreement Creating The Northwest Seaport Alliance](#)
- F. [Port of Tacoma Map](#)
- G. [Port of Seattle Map](#)
- H. [Port of Tacoma Resolution Creating the PDA](#)
- I. [Port of Seattle Resolution Creating the PDA](#)
- J. [Transition Plan](#)
- K. [Strategic Business Plan](#)

– carried by the following vote:

Yeas: Albro, Bowman, Bryant, Creighton, Gregoire (5)

Public comment was considered previously, and the commissions advanced to consideration of –

COMMISSIONER COMMENT

Commissioner Bryant commented on the work done by the two commissions to do what is best for the region as a whole and the positive act of the two ports to reinvent themselves to address the state's challenges and preserve middle-class jobs in Washington.

Commissioner Petrich remarked on the work it took to reach this point of collaboration and the history of competition between the two ports to overcome to do what is best for the region.

Commissioner Albro commented on the Washington economy's trade dependency and the need to compete against the right group, rather than competition between Pierce and King Counties. He stated his desire to make a personal commitment to serve the state and region first, the alliance second, and the Port of Seattle third.

Commissioner Marzano thanked those whose work has gotten the alliance this far and expressed his excitement about the jobs the alliance will create. He reflected on the longstanding doubt that an alliance between the two ports would happen, and said he looks forward to working with his fellow colleagues.

Commissioner Creighton acknowledged the long history of the process of collaboration between the two ports and noted the earlier work of Tim Farrell and Tay Yoshitani. He commented on the operational framework being conducive to success and said there was still much work to do. He pointed out that together, the ports of Tacoma and Seattle are the third largest gateway in the United States and that the structure of the gateway will require constant re-evaluation to respond to changing market conditions.

Commissioner Bacon spoke of her focus on the two ports remaining separate, but working together as one. She commented on the need to put parochial biases aside in order to do the best for the region's maritime sector. She acknowledged the changes in the maritime industry and the need to respond to move goods cheaper, better, and faster. Commissioner Bacon encouraged public participation and comment to help improve the Seaport Alliance as it develops.

Commissioner Meyer thanked his colleagues, despite the failure of his amendment and said he agrees with Commissioner Albro that commissioners on both sides learned to trust one another. He commented on how the alliance process has made him a better commissioner, with a broader understanding than in the past. Commissioner Meyer stated he is driven by investment risk and market uncertainty and the need to optimize the Puget Sound gateway to manage those risks. He commented on competition from the East Coast, the need for family-wage jobs, and the value of competition.

Commissioner Johnson commented on the interdependency of the ports within the region. He identified the region's competition as other West Coast ports and cargo shipping through the Panama Canal. He commented on effective investment of capital as an alliance. Commissioner Johnson stressed that the state needs to invest in a transportation package and the federal government needs to come up with a freight mobility program as part of the solution.

Commissioner Gregoire commented on the significance of giving birth later today and the metaphorical birthing of the Seaport Alliance. She spoke of her experience in Washington, D.C.,

watching competition between the two ports damage the region and the state. She pointed out there is still time for the public to communicate to the commissions about priorities and noted eight public meetings since January while working through the issues of how to work collaboratively in the future.

Commissioner Bowman recalled that she has served on the Port of Seattle Commission for two years and one month. She said it felt more like 20 years. She repeated her favorite saying, that most people miss opportunity because it is dressed in overalls and looks like hard work. She stated the alliance is an opportunity, but the only way to take advantage of it is to roll up our sleeves and get to work.

ADJOURNMENT

There was no further business, and the meeting adjourned at 11:25 a.m.

Stephanie Bowman
Secretary

Minutes approved: January 12, 2016.