



Commissioners

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An audio of the meeting proceedings and meeting materials are available on the Port of Seattle web site - <http://www.portseattle.org/about/organization/commission.shtml>

(The approximate point in the audio recording for the specific item is identified by minutes and seconds; example: 01:30.)

**APPROVED MINUTES
COMMISSION REGULAR MEETING NOVEMBER 14, 2006**

The Port of Seattle Commission met in a regular meeting at 12:00 p.m., Tuesday, November 14, 2006 in the Commission Chambers at Pier 69, 2711 Alaskan Way, Seattle, WA. Commissioners Creighton, Davis, Edwards, Fisker, and Hara were present.

1. CALL TO ORDER

The regular meeting was called to order at 12:00 p.m. by Patricia Davis, Chair and President.

2. EXECUTIVE SESSION pursuant to RCW 42.30.110

The regular meeting was immediately recessed to an executive session to discuss real estate, legal risk, and national security matters for approximately one hour and five minutes, and reconvened to public session at 1:05 p.m.

PLEDGE OF ALLEGIANCE

3. APPROVAL OF MINUTES

None.

5. UNANIMOUS CONSENT OF CALENDAR

a. Document for signature authorizing payment of outstanding obligations of salaries and claims against the Port of Seattle for the period of October 1 through October 31, 2006.

Motion for approval of Item 5a – Edwards

Motion carried by the following vote:

In favor: Creighton, Davis, Edwards, Fisker, Hara (5)

4. SPECIAL ORDER OF BUSINESS

a. (00:02:13) Acknowledgment of certain Port employees at Fishermen's Terminal for outstanding work in emergency response and rescue situations.

Charlie Sheldon, Managing Director, Seaport, commended the following Port employees for their assistance responding to recent emergency calls:

Jose Guillermo:
Chris Jacobson
Tim Paul
Chris Sledge

Commissioner Davis publicly recognized the four Port employees and commended them for their work performed.

6. POLICY AND STAFF BRIEFING

a. (00:05:42) Update on proposed Terminal 30 container reactivation and cruise terminal location.

Presentation Documents: Commission Agenda [Memorandum](#) dated October 25, 2006 from Mike Burke, Director, Cruise and Cargo Services and Mike McLaughlin, Manager, Cruise Services; and computer slide [presentation](#) entitled 'T30/91 Commission Project Update'.

Presenters: Mark Knudsen, Deputy Managing Director, Seaport; Messrs. Burke and McLaughlin.

Topics reviewed by staff:

- Briefing Purpose
- Project Location Map
- Existing Conditions
- Project Challenges
- Project Timeline/Milestones
- Projected Project Costs
- Next Steps

(01:27:10) Public testimony regarding Item 6a:

1. John Coney, Uptown Alliance
2. Nathan Phillips, Bluewater Network
3. Ron Hildebrandt, Trident Seafoods
4. Margaret Irvine, Greater Queen Anne Chamber of Commerce. A written copy of remarks by Ms. Irvine is, by reference, made a part of these minutes; is marked Exhibit [“A”](#); and is on file in Port offices.
5. Peter Phillips, Seattle Marine Business Coalition. A copy of document submitted by Mr. Phillips, on behalf of Seattle Marine Business Coalition, entitled “Comments from SMBC on Cruise Terminal Relocation” is, by reference, made a part of these minutes, is marked Exhibit [“B”](#), and is on file in Port offices.
6. Glenn Harrington, Magnolia Chamber of Commerce
7. Lise Kenworthy, BINMIC

Fisken – Requested that staff provide budget information for Cruise operations separately from Cargo, as opposed to having that as combined information.

7. MARINE ITEMS

a. (01:53:46) 1) Resolution No. 3566, Amending Unit 20 of the Comprehensive Scheme of Harbor Improvements of the Port of Seattle (Lower Duwamish Industrial Development District). Declaring certain personal property (“Marina Assets”), located at Terminal 102, surplus and no longer needed for Port District purposes and authorizing a sale of the marina assets to Duwamish Waterway Association (DWA), aka Jim Clark Marina, and deleting the marina assets from the comprehensive scheme.

- **First Reading of Resolution No. 3566**
- **Public Hearing, and**

2) Request for Commission authorization for the Director, Seaport Division, to execute a purchase and sale agreement and all other necessary documents providing for the sale of the Marina Assets to DWA and to execute a ten-year lease with DWA with options to extend the lease for two additional five-year periods concurrent with the closing of the sale of Marina Assets to DWA.

Presentation Document: Commission Agenda [Memorandum](#) dated November 2, 2006 from Mark Knudsen, Deputy Director, Seaport Division; and Michael Kriston, Manager, Seaport Property Management.

Presenters: Messrs. Knudsen and Kriston

Prior to the presentation, Mr. Okamoto clarified to Commission that the second section of Item 7a would actually be a briefing to Commission, and that the request for action would take place at the Second Reading and Final Passage of Resolution No. 3566.

Public testimony regarding Item 7a:

1. Ted Planta, Duwamish Waterway Association

Following Commission/Staff discussion, it was suggested that there be a change in language to Resolution No. 3566.

Motion for approval of Resolution No. 3566, First Reading: Creighton

Motion for amended language of Resolution 3566: Edwards

Motion carried by the following vote:

In favor: Creighton, Davis, Edwards, Fisker , Hara (5)

Motion for First Reading of Resolution No. 3566, as amended, carried by the following vote:

In favor: Creighton, Davis, Edwards, Fisker (4)

Opposed: Hara (1)

(02:36:11) President Davis opened the Public Hearing for Item 7a. There was no public comment, and the Public Hearing was closed.

8. AVIATION ITEMS

a. (02:38:40) Project-wide authorization for an additional \$2,597,000 for the Sea-Tac Airport Parking Wayfinding Project, bringing total authorization to \$4,087,416.

Request Document: Commission Agenda [Memorandum](#) dated October 27, 2006 from Michael Ehl, Director, Airport Operations, and George England, Program Leader, Project Management Group; and computer slide [presentation](#) entitled 'Seattle-Tacoma International Airport Public Parking Update'.

Presenters: Mr. Ehl and Paul Grace, Senior Manager, Airport Operations

Topics covered:

- Background 2000-2004
- Public Parking Revenues 2000-Present
- 2005-Present

- Capacity Strained
- Objective
- Strategies

Motion for approval of Item 8a – Edwards

Motion carried by the following vote:

In favor: Creighton, Davis, Edwards, Fisker, Hara (5)

Staff authorized: Chief Executive Officer; Managing Director, Aviation Division; Deputy Managing Director, Development and Finance; Deputy Managing Director, Aviation Facilities and Environmental Programs; Director, Aviation Capital Improvement Program; General Manager, Facilities and Infrastructure; Program Leader, Aviation Project Management Group; Chief Engineer; General Manager, Port Construction Services; Manager, Procurement Services; Chief Information Officer; Senior Manager, ICT Business Services; and the Project Manager.

b. (03:03:10) Project-wide authorization for construction of 8th Floor Improvements in the main garage at Sea-Tac International Airport, for a total authorization of \$416,000.

Request Document: Commission Agenda [Memorandum](#) dated October 27, 2006 from Michael Ehl, Director, Airport Operations; and George England, Program Leader, Project Management Group.

Presenters: Messrs. Ehl and Grace

Motion for approval of Item 8b – Edwards

Motion carried by the following vote:

In Favor: Creighton, Davis, Edwards, Fisker, Hara (5)

Staff authorized: Chief Executive Officer; Managing Director, Aviation Division; Deputy Managing Director, Development and Finance; Deputy Managing Director, Aviation Facilities and Environmental Programs; Director, Aviation Capital Improvement Program; General Manager, Facilities and Infrastructure; Program Leader, Aviation Project Management Group; Chief Engineer; General Manager, Port Construction Services; Manager, Procurement Services; and Project Manager.

c. (03:07:55) Request for authorization to execute the 10th Amendment to the Federal Express Corporation Air Cargo Building Site Lease Agreement at Sea-Tac Airport.

Request document: Commission Agenda [Memorandum](#) dated October 2, 2006 from Jim Schone, Director, Aviation Business Development; and Luis Navarro, Manager, Aviation Properties.

Presenters: Mr. Navarro, and Bill Hughes, Senior Aviation Property Manager

Motion for approval of Item 8c – Edwards

Motion carried by the following vote:

In Favor: Creighton, Davis, Edwards, Fisken, Hara (5)

Staff authorized: Chief Executive Officer; Managing Director, Aviation Division; Deputy Managing Director, Aviation Development and Finance; and Director, Aviation Business Development.

9. GENERAL BUSINESS

a. (03:12:26) POSTPONED Resolution No. 3569, First Reading. Amending the Port of Seattle Statement of Investment Policy; authorizing its implementation by the Treasurer of the Port and repealing Resolution No. 3487, as amended.

Item 9c was advanced on the agenda as follows:

**c. (03:16:17) 1) Resolution No. [3570](#) Second Reading and Final Passage. Establishing additional revolving funds, designating where such funds shall be deposited, and directing how disbursements shall be made, and;
2) Authorization for the Chief Executive Officer to execute second amendment to management agreement with Columbia Hospitality, Inc., Bell Harbor International Conference Center, and first amendment to management agreement with Columbia Hospitality, Inc., World Trade Center Seattle.**

Request Document: Commission Agenda [Memorandum](#) dated November 10, 2006 from Craig Kerr, Treasury Manager; and Mike Kriston, Seaport Property Management.

Presenter: Mr. Kerr

Motion for approval of Item 9c – Edwards

Motion carried by the following vote:

In favor: Creighton, Davis, Edwards, Fisken, Hara (5)

Staff authorized: Chief Executive Officer

The agenda was returned to Item 6b as follows:

b. (03:17:25) Resolution No. 3568. Adopting the final budget of the Port of Seattle for the year 2007 and directing King County Council as to the specific sums to be levied on all of the assessed property of the Port of Seattle in the year 2007.

- **First Reading**
- **Public Hearing**

Request documents: Commission Agenda [Memorandum](#) dated November 6, 2006 from Dwight Rives, Corporate Budget Manager and computer slide presentations entitled “[Port of Seattle 2007 Preliminary Budget](#)” and “[Aviation Division 2007 Preliminary Budget Update](#)”.

Presenters: Dan Thomas, Chief Financial Officer; Mr. Rives; Elizabeth Morrison, Senior Manager, Corporate Finance; Tonya Shum, Assistant Manager, Corporate Finance; Mark Reis, Managing Director, Aviation Division; Borgan Anderson, Manager, Aviation Finance and Budget.

Topics discussed by staff:

Corporate:

- 2007 Budget Process
- History – Aviation, Seaport, Operating Income
- Summary – Operating Budget, Economic Development, Corporate
- Staffing History
- CIP History
- Port-wide 2007 Capital Budget
- 5 year Capital Plan
- Remaining Schedule

Aviation:

- Budget Changes
- Updated Forecast
- Uses of Non-aeronautical NOI
- Alternatives to Offset Airline Costs
- Recommendations
- Possible Capital Uses for Non-aeronautical NOI
- 2007 Budget vs. Recent Financial Performance

Following Commission/Staff discussion of Item 9b, a change in language of the Resolution was requested prior to Second Reading and Final Passage.

Motion for approval of Item 9b – Hara

Motion for amendment of Item 9b – Edwards

Motion for amendment carried by the following vote:

In Favor: Creighton, Davis, Edwards, Fisken, Hara (5)

Vote for First Reading of Item Resolution No. 3568, as amended:

In Favor: Davis, Edwards, Hara (3)

Opposed: Fisken (1)

Abstained: Creighton (1)

d. (04:30:45) Resolution No. 3571. Adopting the final budget of the Port of Seattle for the Year 2007, and directing the King County Council as to the specific sums to be levied on all assessed property of the Port of Seattle District in the year 2007.

- **First Reading**
- **Public Hearing**

Presentation Documents: Commission Agenda [Memorandum](#) dated November 14, 2006 from Dwight Rives, Corporate Budget Manager and computer slide [presentation](#) entitled “2007 Tax Levy and Draft Plan of Finance”.

Presenters: Dan Thomas, Chief Financial Officer; Elizabeth Morrison, Senior Manager, Corporate Finance.

Topics discussed:

- Assessed Value
- Tax Levy Amount
- Levy Use Policy
- Tax Levy Sources and Uses
- Levy Cash Projects: Seaport
- General Obligation Bonds and Capacity
- Maximum Levy
- History of Port Tax Levy
- 2007 – 20016 Draft Plan of Finance
- Airport and Non-airport Funding Uses
- Alternative CIP
- Required Spending Adjustments
- Aviation Funding
- Seaport and EDD Funding
- 2007 Finance Initiatives

Following discussion of Resolution No. 3571, it was determined that a change in language should be incorporated prior to Second Reading and Final Passage.

Motion for approval of Item 9b – Edwards

Motion for amendment of Item 9b – Fisken

Motion for amendment carried by the following vote:

In favor: Creighton, Davis, Edwards, Fisken, Hara (5)

Vote for First Reading of Resolution No. 3571, as amended:

In favor: Davis, Edwards, Hara (3)

Opposed: Fisken (1)

Abstained: Creighton (1)

(04:36:05) Public Hearing opened by Commissioner Davis regarding agenda items 9b and 9d.

(04:36:42) Public Hearing closed.

11. ADJOURNMENT

There being no further business, the meeting was adjourned at 5:42.p.m.

(A digital recording of the meeting is available on the Port's website.

Alec Fisken
Secretary