



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/commissionaudio.shtml>

(The approximate point in the audio recording for the specific item is identified by minutes and seconds; example: 00:01:30.)

**APPROVED MINUTES
COMMISSION REGULAR MEETING SEPTEMBER 25, 2007**

The Port of Seattle Commission met in a regular meeting at 12:00 p.m., Tuesday, September 25, 2007 in the International Conference Room at Seattle-Tacoma International Airport, Seattle, WA. Commissioners Creighton, Davis, Edwards, Fisker were present. Commissioner Hara was absent.

1. CALL TO ORDER

The regular meeting was called to order at 12:06 p.m. by John Creighton, 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 and legal matters for approximately one hour and ten minutes, and reconvened to open public session.

PLEDGE OF ALLEGIANCE

3. APPROVAL OF MINUTES

None

4. SPECIAL ORDER OF BUSINESS

None.

5. UNANIMOUS CONSENT CALENDAR

None.

6. POLICY AND STAFF BRIEFINGS

a. (00:01:20) Briefing on Port Liability Insurance Renewal

Presentation Documents: Commission Agenda [Memorandum](#) dated September 25, 2007 from Jeff Hollingsworth, Risk Manager and computer slide [presentation](#) entitled, "Liability Insurance Renewal Update/Recommendation."

Presenter: Mr. Hollingsworth

Topics reviewed:

- Major Liability Coverages
- Minor Liability Coverages
- Insurance Premium Factors
- Liability Premium Re-Cap
- Renewal Coverage Details
- Premium/Loss Recap: 2004-2005
- Premium/Loss Recap: 2005-2006
- Premium/Loss Recap: 2006-2007
- Specific Issues
 - Terrorism
 - Ramp Insurance
 - Excess Worker Compensation
- Other Sea-Ports - Terrorism
- Other Airports – Terrorism
- Liability Renewal Recommendation

b. (00:18:03) Preliminary Tax Levy Briefing

Presentation Documents: Commission Agenda [Memorandum](#) dated September 7, 2007 from Elizabeth Morrison, Senior Manager, Corporate Finance and Tonya Shum, Assistant Manager, Corporate Finance and computer slide [presentation](#) entitled, "Preliminary 2008 Tax Levy Discussion."

Presenters: Dan Thomas, Chief Financial Officer; Ms. Morrison; and Boni Buringrud, Manager, Seaport Finance and Budget.

Topics reviewed:

- Purpose
- Background
- Committed Projects

- Prospective Projects
- Public Expense Projects
- 2007 Budget – Levy Uses Overview
- 2007 Budget – Levy Use Projects
- Other recent Levy Uses
- 2007 Levy
- 2007 Draft Plan of Finance Results
- 2008 Funding Capacity Calculation
- Seaport Preliminary 2008 Capital Plan
 - Seaport Capital Plan Summary
 - Seaport Committed Capital Plan
 - Seaport Committed Capital - Under Contract
 - Seaport Committed Capital - Commission Authorized
 - Seaport Committed Capital – Division Pending
 - Seaport – Business Plan Prospective – Revenue/Capacity Growth; Renewal/Enhancement; Environmental/Safety
- Real Estate Preliminary 2008 Capital Plan
 - Capital Plan Summary
 - Real Estate Committed capital Plan
 - Real Estate Committed – Under Contract
 - Real Estate Committed – Commission Authorized
 - Real Estate Committed – Division Pending
 - Real Estate Business Plan Prospective: Renewal/Enhancement
- Funding Capacity – Assumptions
- Funding Capacity from Income
- Funding Analysis
- Other Potential Funding Needs
- Funding Sources – Levy
- Summary of Levy Scenarios
- Levy Capacity Scenarios
- Funding Sources and Uses
- Next Steps

Following discussion of the presentation, Commission members expressed their desire to receive additional information showing different scenarios, including options to bring the tax levy down beginning next year, as well as the possible elimination of some future capital projects.

c. (01:36:06) Overview of Recent City of Seattle Land-Use Proposals

Presentation Documents: Commission Agenda [Memorandum](#) dated September 21, 2007 from Mike Merritt, Local Government Relations Manager and Christine Wolf, Regional Transportation Program Manager and computer slide [presentation](#) entitled, “City of Seattle Land Use Planning and Zoning Update.”

Presenters: Mr. Merritt and Ms. Wolf

Topics Reviewed:

- Seattle Manufacturing Industrial Centers
- Mayor's Proposal for Industrial Zoning Changes
- Mayor's Recommendations – 2007 Comprehensive Plan Update
- Livable SODO Plan
- Timelines

7. MARINE

a. (02:03:23) Authorization to execute a fifty-year land lease with Mad Anthony's, Inc. for construction and operation of a new restaurant at Shilshole Bay Marina.

Request Document: Commission Agenda [Memorandum](#) dated August 24, 2007 from Mike Campagnaro, Acting Manager, Seaport Real Estate.

Motion for approval of Item 7a – Fisken

Motion carried by the following vote:

In Favor: Creighton, Davis, Edwards, Fisken (4)

Commissioner Hara was absent for the vote.

Staff authorized: Chief Executive Officer

b. (02:10:57) Authorization to: 1) Approve amended Statement of Work to the Administrative Settlement Agreement and Order on Consent for Removal Action T-117 Early Action Area; and 2) Execute First Amendment to the Memorandum of Agreement with the City of Seattle regarding cost-sharing to conduct this work.

Request Document: Commission Agenda [Memorandum](#) dated September 6, 2007 from Wayne Grotheer, Director, Seaport Finance and Asset Management and Charlie Sheldon, Managing Director, Seaport Division

Presenters: Mr. Grotheer and Kathy Bahnick, Environment Program Supervisor

Motion for approval of Item 7b – Fisken

Motion carried by the following vote:

In Favor: Creighton, Davis, Edwards, Fisken (4)

Commissioner Hara was absent for the vote.

Staff authorized: Chief Executive Officer

8. AVIATION

a. (02:14:53) Resolution 3588. Authorizing a Memorandum of Understanding with the King County Housing Authority for the sale of surplus mobile homes, pursuant to the Housing Cooperation Law, Chapter 35.83 RCW.

Request Document: Commission Agenda [Memorandum](#) dated August 21, 2007 from James R. Schone, Director, Aviation Business Development and W. Allan Royal, Manager, Acquisitions and Relocations

Presenter: Mr. Royal

Pursuant to RCW 35.83, Resolution 3588 did not require a second reading.

Motion for adoption of [Resolution No. 3588](#) – Davis

Motion carried by the following vote:

In Favor: Creighton, Davis, Edwards, Fisken (4)

Commissioner Hara was absent for the vote

b. (02:22:08) Resolution No. 3586, Second Reading and Final Passage. Declaring real property known as the Gill property surplus and authorizing its transfer to the City of SeaTac for right-of-way purposes.

Request Document: Commission Agenda [Memorandum](#) dated September 12, 2007 from Mike Ehl, Director, Airport Operations and George England, Landside Program Leader, Aviation Project Management Group.

Presenter: Al Royal

Motion for Second Reading and Final Passage of [Resolution No. 3586](#) – Edwards

Motion carried by the following vote:

In Favor: Creighton, Davis, Edwards, Fisken (4)

Commissioner Hara was absent for the vote

9. GENERAL BUSINESS

a. (02:23:00) Resolution No. 3589, First Reading. Amending Section 10 (Diversification) of the Port of Seattle Statement of Investment Policy.

Request Document: Commission Agenda [Memorandum](#) dated September 11, 2007 from Craig J. Kerr, Treasure Manager and computer slide [presentation](#) entitled, "Recommended Investment Policy Change."

Presenter: Mr. Kerr

Topics reviewed:

- Portfolio Composition
- Policy Change Recommendation
- Reason for Change
- Footnote Currently Reads
- Footnote Proposed

Motion for First Reading of Resolution No. 3589: Edwards

Motion carried by the following vote:

In Favor: Creighton, Davis, Edwards, Fisken (4)

Commissioner Hara was absent for the vote

b. (02:28:45) Authorization to execute a contract for financial statement, grant compliance and Passenger Facility Charge auditing services of the Port's 2007 operating period with Moss Adams in the amount of \$589,000.

Request Document: Commission Agenda [Memorandum](#) dated September 14, 2007 from Dan Thomas, Chief Financial Officer and Rudy Caluza, Director, Accounting & Procurement Services

Presenter: Mr. Caluza

Motion for approval of Item 9b – Edwards

Motion carried by the following vote:

In Favor: Creighton, Davis, Edwards, Fisken (4)

Commissioner Hara was absent for the vote

c. (02:32:28) Authorization to execute a settlement agreement resolving all claims in litigation related to the W. R. Grace bankruptcy and the Port's claims for damages from the use of asbestos fire-proofing material at Seattle-Tacoma International Airport.

Request Document: Commission Agenda [Memorandum](#) dated September 17, 2007 from Craig Watson, General Counsel

Presenter: Mr. Watson

Motion for approval of Item 9c – Davis

Motion carried by the following vote:

In Favor: Creighton, Davis, Edwards, Fisken (4)

Commissioner Hara was absent for the vote

10. NEW BUSINESS

(02:34:42) Commissioner Fisken proposed that an item be placed on the next Commission meeting agenda to address state legislation allowing the Port to support the Mission to Seafarers

11. ADJOURNMENT

There being no further business, the meeting was adjourned at 3:55 p.m.

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

Alec Fisken
Secretary