

Commissioners

Bill Bryant
Chair and President
John Creighton
Patricia Davis
Lloyd Hara
Gael Tarleton



Tay Yoshitani
Chief Executive Officer

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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/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 MAY 12, 2009**

The Port of Seattle Commission met in a special meeting at 12:00 p.m., Tuesday, May 12, 2009 in the Commission Chambers at Pier 69, 2711 Alaskan Way, Seattle, WA. Commissioners Bryant, Creighton, Davis, Hara and Tarleton were present.

1. CALL TO ORDER

The special meeting was called to order at 12:30 p.m. by Bill Bryant, Chair and President.

2. EXECUTIVE SESSION pursuant to RCW 42.30.110

The special meeting was immediately recessed for an executive session to discuss legal and real estate issues and reconvened to open public session.

PLEDGE OF ALLEGIANCE

3. APPROVAL OF MINUTES

(00:00:57) Motion for approval of the April 21, 2009 special meeting minutes – Hara

Second: Davis

Motion carried by the following vote:

In Favor: Bryant, Creighton, Davis, Hara, Tarleton (5)

4. SPECIAL ORDER OF BUSINESS

(00:01:38) Recognition of Port Awards

1. Airport Revenue News Best Concessions Program in a Large Airport
2. Public Relations Society of America/Puget Sound Chapter – Totem Award
3. Police Officer of the Year – Officer Herb Gonzales
4. Firefighter of the Year – Tom Sanchez

Port staff members were recognized for their participation; awards were presented; and photographs were taken of recipients with Commissioners.

5. (00:14:44) UNANIMOUS CONSENT CALENDAR

- a. Approval of outstanding Claims and Obligations for the period of April 1 through April 30, 2009 in the amount of \$38,471,042.75.
- b. Request for authorization for the Chief Executive Officer to enter into an agreement with insurance brokerage firms for the purposes of procuring property and casualty insurance for the Port at an estimated cost of \$790,000 over a three-year period.

Request document: Commission agenda memorandum dated April 22, 2009 from Jeff Hollingsworth, Risk Manager

- c. Request for authorization for the Chief Executive Officer to enter into Indefinite Delivery, Indefinite Quantity (IDIQ) contracts for geotechnical and underwater diving services to be used to support Seaport, Real Estate, Aviation and Capital Development Divisions Service Directives. IDIQ contract for the services will not exceed \$500,000 each for geotechnical and underwater diving, for a total Not-to-Exceed amount of \$1,000,000.

Request document: Commission agenda memorandum dated April 22, 2009 from Mark Longridge, Capital Project Manager

- d. Authorization for the Chief Executive Officer to extend the existing Main Lease of the Transportation Security Administration (TSA), represented and negotiated by the United States General Services Administration (GSA).

Request document: Commission agenda memorandum dated April 13, 2009 from James R. Schone, Director, Aviation Business Development and Luis Navarro, Manager, Aviation Properties

- e. Request for the Chief Executive Officer to approve and execute easements with the City of Seattle Department of Transportation, substantially in the form

shown in [Exhibit A](#), for the installation and maintenance of certain equipment necessary for a Dynamic Message Sign providing current traffic information to trucks leaving Terminal 5.

Request document: Commission agenda [memorandum](#) dated April 28, 2009 from Eric Hanson, Manager, Seaport Planning and Christine Wolf, Regional Transportation Program Manager

Motion for approval of Unanimous Consent Calendar Items 5a – 5e – Tarleton

Second: Davis

Motion carried by the following vote

In Favor: Bryant, Creighton, Davis, Hara, Tarleton (5)

6. DIVISION, CORPORATE, AND COMMISSION ACTION ITEMS

- a. **(00:16:08) Request for authorization for the Chief Executive Officer to enter into an agreement with SSA Terminals (Seattle), LLC (SSAT), the Terminal 30 tenant, to reimburse certain costs associated with making its container cranes operational at the Terminal 30 site. The agreement amount will not exceed \$400,000, and it is expected the cost would be reimbursed to SSAT through rent credits.**

Request document: Commission agenda [memorandum](#) dated May 6, 2009 from Ralph Graves, Managing Director, Capital Development Division and Michael Burke, Senior Manager, Container Leasing and Operations

Presenters: Ralph Graves, Managing Director, Capital Development Division; Mike Burke, Senior Manager, Container Leasing and Operations; and Charlie Sheldon, Managing Director, Seaport Division

Mr. Sheldon provided information related to the opening of the new Smith Cove Cruise Terminal at Pier 91, as well as a computer slide [presentation](#) showing photographs of the opening.

Mr. Graves commented on the briefing provided to the Commission at the May 5, 2009 Commission meeting regarding crane power cable at Terminal 30, which was not the appropriate diameter to fit into a cable trough running the length of the terminal. Alternatives regarding a solution to the problem were noted, and a recommended course of action was suggested by staff.

Motion for approval of item 6a, with the caveat that staff investigate the cause of the error and the parties responsible, and return to discuss same with Commission, in Executive Session, if appropriate - Creighton

Second – Hara

Motion carried by the following vote:

In Favor: Bryant, Creighton, Davis, Hara, Tarleton (5)

Commissioner Creighton was excused from the meeting to attend a press conference at which Governor Gregoire would be signing legislation committing funds from the state to the building of the bored tunnel, which would replace the Alaskan Way Viaduct.

7. STAFF BRIEFINGS

a. (00:31:35) Briefing on Consolidated Rental Car Facility (CRCF) Financing.

Presentation documents: Commission agenda [memorandum](#) dated May 12, 2009 and computer slide [presentation](#) from Elizabeth Morrison, Senior Manager, Corporate Finance

Presenters: Ms. Morrison, Jim Schone, Director, Aviation Business Development and Management, Dick King, Barclay's Capital, and George England, Capital Program Leader, Aviation Project Management Group

Updated information on CRCF financing was provided reflecting information since staff presented to the Commission one year ago. Briefing information included:

- Business context for Airport traffic forecast
- Transaction day forecast analysis
- Financial market update
- Rental Car Facility financing plan
- Project Update
- Process and schedule

Mr. King presented updated information on the current state of the market, noting that the market has improved over the last four months.

Mr. England provided a historical background of the CRCF project, including the decision to suspend the project, which was made in December, 2008. It was noted that currently, staff is anticipating a restart of the project sometime in July, and estimating an opening of the facility during second quarter of 2012.

Mr. England stated that the critical path for the schedule is not actually the CRCF, rather it is related to the Bus Maintenance Facility, and that it is a priority of staff to obtain authorization for additional design funds to incorporate the natural gas fueling facility into the Bus Maintenance Facility design and construction.

Commissioner Creighton returned to the meeting and was present for the remaining time. Ms. Morrison stated that staff would be meeting with the rating agencies soon and would then return to Commission for First and Second Readings of resolution for the bonds and bank loans.

Public comment regarding Item 7a was received from the following individuals:

- Lorie Tallarico, Rental Car Industry Committee Chair. Ms. Tallarico spoke in support of the proposed finance plan and urged the Commission to proceed with the project.
- Jack Beaudoin, Turner Construction. Mr. Beaudoin spoke in favor of the financing plan and commented that restarting the project is a good opportunity for the Port to work to restore jobs.
- Lee Newgent, Seattle Building Trades. Mr. Newgent spoke in support of the CRCF project, and stated that Seattle Building Trades is ready to move forward.
- Jerry Dinndorf, Associated General Contractors (AGC). Mr. Dinndorf stated his strong support of restarting the CRCF project and commented on the importance of providing needed jobs.

b. (02:07:11) Terminal 91 Neighbors Advisory Committee NAC 2008 Annual Report

Presentation documents: Commission agenda [memorandum](#) dated March 27, 2009 from Marie Fritz, Manager, Cruise Services & Business Development, and 2008 NAC Annual [Report](#)

Presenters: Ms. Fritz and Bruce Laing, Chair, NAC

Mr. Laing thanked the Commission for their ongoing support of the NAC, and also commented on concerns of the committee, which included the worry about a viaduct having negative impacts on Port operations, specifically the new cruise terminal in the NAC area.

Commissioner Bryant was excused from the meeting from this point forward in order to attend a Transportation and Freight Mobility event.

Item 7d was advanced on the agenda as follows:

d. (02:25:37) Briefing on the Port's Small Business Program and Proposed Resolution

Presentation documents: Commission agenda [memorandum](#) dated May 6, 2009, computer slide [presentation](#), and [draft resolution](#) from Elaine Ko, Director, Office of Social Responsibility

Presenter: Ms. Ko

Along with providing commentary on the substance of the proposed resolution regarding the Port's small business program, Ms. Ko provided background of involvement of the Office of Social Responsibility over the past year, as well as goals for the future of the small business program.

Public comment regarding Item 7d was received from the following individuals:

- Ralph Ibarra, Diverse America Network. Mr. Ibarra stated his support of steps the Port is taking regarding working with small businesses. He also commented on the importance of veteran business enterprises.
- Buzz Desjarlais, Warrior Electric. Mr. Desjarlais also spoke in support of efforts being made by the Port related to small business.
- Dan Seydel, Platinum Group, LLC. Mr. Seydel commended Ms. Ko for her work on the proposed resolution and spoke in support of efforts being made to work with small businesses. He voiced concern about not the intent of the policy, but the implementation. Mr. Seydel submitted a copy of a letter to Port Commissioners and CEO Yoshitani, dated May 12, 2009 as well as a copy of a brochure reviewing Platinum Group services. Copies of these documents are by reference, made a part of these minutes, are collectively marked Exhibit '[A](#),' and are on file in Port offices.
- Karen Primeau, Platinum Group, LLC. Ms. Primeau spoke in support of the proposed resolution, and also commented on the importance of it being a Port-wide effort, and not only the Office of Social Responsibility. A copy of a letter to Port Commissioners and CEO Yoshitani, dated May 12, 2009, was submitted by Ms. Primeau; is by reference, made a part of these minutes; is marked Exhibit '[B](#),' and is on file in Port offices.
- Larry Rushing, Applied Professional Services. Mr. Rushing commented that he believed the Airport had a better understanding of available contracts than the Seaport Division, and noted an instance where payment of services took longer than he felt was necessary.
- George Pieper, Greater Seattle Business Association. Mr. Pieper spoke in support of the Port increasing opportunities for small businesses.
- Cos Roberts, Tabor 100. Mr. Roberts spoke in support of the work being done by Ms. Ko.

c. (03:26:19) Briefing on the proposed Washington State Department of Transportation (WSDOT) – Port of Seattle [land exchange and leases](#) for Aviation projects and the extension of SR-509.

Presentation documents: Commission agenda [memorandum](#) dated April 27, 2009 and computer slide [presentation](#) from James R. Schone, Director, Aviation Business Development and W. Allan Royal, Manager, Port Real Estate Development.

Presenters: Mr. Schone and Mr. Royal

Mr. Schone noted that Ms. Susan Everett from WSDOT was present in the audience and would be available to answer any questions from WSDOT's perspective if requested.

Mr. Royal provided background information on the details of the proposed land exchange transaction, and benefits to both parties.

Commissioner Tarleton stated that when staff returns to Commission for First Reading of the Resolution allowing the land exchange, it would be helpful for the record, to include within the memo, the values of all of the properties involved in the exchange.

Commissioner Tarleton was excused from the meeting from this point forward.

Ms. Everett stated that WSDOT was strongly in support of the proposed Resolution for the land exchange.

8. NEW BUSINESS

Prior to adjournment, Commissioner Creighton reported on his earlier attendance at the bill-signing ceremony related to the deep bored tunnel replacement of the viaduct.

9. POLICY ROUNDTABLE

None.

10. ADJOURNMENT

There being no further business, the meeting was adjourned at 4:57 p.m.

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

Lloyd Hara
Secretary