

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 JUNE 23, 2009**

The Port of Seattle Commission met in a special meeting at 12:00 p.m., Tuesday, June 23, 2009 in the International Conference Center, Airport Office Building, Seattle-Tacoma International Airport, Seattle, WA. Commissioners Bryant, Creighton, Hara and Tarleton were present. Commissioner Davis was absent.

1. CALL TO ORDER

The special meeting was called to order at 12:35 p.m. by Bill Bryant, Chair and President.

2. EXECUTIVE SESSION pursuant to RCW 42.30.110

The regular meeting was immediately recessed to an executive session to discuss Legal Risk issues for approximately thirty minutes and reconvened to public session.

PLEDGE OF ALLEGIANCE

3. APPROVAL OF MINUTES

(00:01:01) Motion for approval of the minutes of the May 12 regular meeting and the May 19 special meeting – Hara

Second – Tarleton

Motion carried by the following vote:

In Favor: Bryant, Creighton, Hara, Tarleton (4)

Commissioner Davis was absent for the vote.

4. SPECIAL ORDER OF BUSINESS

None.

5. UNANIMOUS CONSENT CALENDAR

- a. (00:01:49) Authorization for the Chief Executive Officer to authorize all work, execute Category III procurement process for IDIG (Indefinite Delivery, Indefinite Quantity) contract and execute all contracts, service directives, and amendments for professional services to support the concession tenant-funded joint concession marketing program. Procurement estimated at \$250,000 annually for a period of up to three years (\$750,000 total).**

Request document: Commission agenda [memorandum](#) dated May 29, 2009 and computer slide [presentation](#) from James R. Schone, Director, Aviation Business Development and Deanna Zachrisson, Manager, Aviation Concessions Business

Motion for approval of Item 5a – Creighton

Second – Hara

Motion carried by the following vote:

In Favor: Bryant, Creighton, Hara, Tarleton (4)

Commissioner Davis was absent for the vote.

6. DIVISION, CORPORATE, AND COMMISSION ACTION ITEMS

- a. (00:02:35) Authorization for the Chief Executive Officer to procure and execute a contract for consultant services to implement an update to Sea-Tac Airport's Part 150 Noise Compatibility Plan.**

Request document: Commission agenda [memorandum](#) dated June 5, 2009 from Stan Shepherd, Manager, Airport Noise Programs.

Presenter: Mr. Shepherd

Staff commented on the schedule for the upcoming study, noting their commitment to expediting the process. It was also noted that the Part 150 studies are typically eligible for grant funding. It was stated that staff will work with the FAA, the consultant, and

surrounding communities in order to establish a public process prior to the Part 150 study.

Commissioner Creighton reiterated that there needs to be a full and inclusive public process, staff replied that Commissioners will also have an opportunity to weigh in before the process begins.

Commissioner Hara requested that during the study, staff return to brief the Commission on the status of the plan.

Motion for approval of Item 6a – Tarleton

Second – Hara

Motion carried by the following vote:

In Favor: Bryant, Creighton, Hara, Tarleton (4)

Commissioner Davis was absent for the vote

Item 7a was advanced on the agenda as follows:

7. STAFF BRIEFINGS

a. (00:10:43) Briefing on Rental Car Facility (RCF) Program Status

Presentation documents: Commission agenda [memorandum](#) dated June 15, 2009 and computer slide [presentation](#) from George England, Program Leader, Aviation Capital Improvement Program and Janice Zahn, Assistant Director, Engineering, Construction Services; and draft Commission agenda memorandum dated June 18, 2009 from Michael Ehl, Director, Airport Operations and George England, Program Leader, Aviation Capital Improvement Program. Also included was a draft [memorandum](#) which staff planned to present to the Commission at the June 30 Commission meeting.

Presenters: Mr. England, Ms. Zahn, and Ralph Graves, Managing Director, Capital Development Division

Mr. Graves provided information on the status of the Rental Car Facility Program, and details of the upcoming action item to lift the suspension and proceed with the restart and completion of the RCF Program. Mr. Graves stated that staff intended to return with that request at the next Commission meeting, June 30.

Also provided was the background on the suspension of the project in December, 2008, due to weakened financial markets. Comments were made regarding the significance of the impacts when a project of this magnitude is delayed.

Specific areas addressed included:

- Overview
- Current Status of RCF Program
 - Design
 - Bus Maintenance Facility Project
 - Off-Site Roadway Improvements Project
 - Main Terminal Improvements
 - Bus Purchase Project
 - Construction
 - RCF Project
- Upcoming Commission Request
- RCF Program Budget Authorization
- RCF GC/CM Construction Contract
- Change Orders – Conforming Design Development
- Change Orders – Suspension / Restart
- One-Time Change Order Policy Adjustment
- Next Steps
- Future Commission Action Items

Dick King, Barclays Capital, provided current status of the bonds sale for the financing of the project, noting that the feedback from potential investors was nearly universally positive.

Commissioner Tarleton commented on the need for staff and Turner Construction to accurately document, for the historical record, the entire experience of the suspension of the project as well as the restart, noting the importance of such a record in case of an audit in the future.

Responding to Commissioner Bryant's question as to whether or not there was a chance the Rental Car Industry would change their mind as far as supporting the project, Mr. Schone assured him that although they were concerned with cost, he was certain that the industry wanted staff to move forward with the project.

The agenda was returned to Staff Action Items as follows:

- b. (01:09:50) Resolution No. [3624](#), First Reading. Amending and restating Resolution No. 3599, and authorizing Port staff to raise the Customer Facility Charge to a level sufficient to pay the Port's obligations under the Lease Agreement for the Consolidated Rental Car Facility and requiring Port staff to raise the Customer Facility Charge to a level sufficient to at all times repay the Project Financing and Port Investment, as those terms are defined in Resolution No. 3624.**

Request document: Commission agenda [memorandum](#) dated June 12, 2009 from James R. Schone, Director, Aviation Business Development and Elizabeth Morrison, Senior Manager, Corporate Finance

Presenters: Ms. Morrison and Mr. Schone

Ms. Morrison provided background explanation of the mechanism for establishing the Customer Facility Charge (CFC) rate paid by rental car customers. She noted that the resolution be presented today would amend and restate the previous CFC Resolution, to provide for the current financing plan so that the CFC can be set to a rate sufficient to pay the debt service on the bonds, notes and Port funds used to finance the Rental Car Facility.

Motion for approval of Item 6b – Tarleton

Second – Creighton

Motion carried by the following vote:

In Favor: Bryant, Creighton, Hara, Tarleton (4)

Commissioner Davis was absent for the vote

- c. (01:14:30) Resolution No. [3622](#), Second Reading and Final Passage. Providing acquisition by purchase and/or condemnation of certain real property located at 14635 Des Moines Memorial Drive South, (King County Tax ID Number 2023.04-9091), in the City of Burien, Washington.**

Request document: Commission agenda [memorandum](#) dated June 16, 2009 and map from James R. Schone, Director, Aviation Business Development and Jude P. Barrett, Manager, Acquisitions and Relocation

Presenters: Mr. Barrett and Stan Shepherd, Manager, Airport Noise Programs

Mr. Barrett noted that staff and the property remained at an impasse regarding the property value, and therefore were requesting Second Reading and Final Passage of Resolution No. 3622.

Motion for Resolution No. [3622](#), Second Reading and Final Passage – Creighton

Second: Tarleton

Motion carried by the following vote:

In Favor: Bryant, Creighton, Hara, Tarleton (4)

Commissioner Davis was absent for the vote

- d. (01:17:30) Resolution No. [3623](#), First Reading. Providing for acquisition by purchase and/or condemnation of certain real property located at 14211 Des Moines Memorial Drive South (King County Tax ID Number 172304-9219), in the City of Burien, Washington.**

Request document: Commission agenda [memorandum](#) dated May 19, 2009 and map from James R. Schone, Director, Aviation Business Development and Jude P. Barrett, Manager, Acquisitions and Relocation

Presenter: Mr. Barrett

Mr. Barrett noted that an offer had been proposed in late 2008 to the property owner, and despite numerous attempts to request a counter offer or appraisal of the property, none had been received, and are therefore hoping this process would help lead to resolution.

Motion for Resolution No. 3623, First Reading - Tarleton

Second – Creighton

Motion carried by the following vote:

In Favor: Bryant, Creighton, Hara, Tarleton (4)

Commissioner Davis was absent for the vote

- e. (01:22:48) Authorization for the Chief Executive Officer to approve all work, purchases and contracts including: advertise, award, administer, prepare, execute and amend any and all necessary service agreements for the SharePoint Records and Document Management System project in an amount not to exceed \$800,000.**

Request document: Commission agenda [memorandum](#) dated June 5, 2009 from Linda Strout, Deputy Chief Executive Officer and Peter Garlock, Chief Information Officer

Presenter: Mr. Garlock

Mr. Garlock noted that the SharePoint system is intended to replace the current records and document management system (Hummingbird), in order to resolve technical problems, improve functionality, and reduce operating costs. He noted that the new system would be more compatible with Microsoft products currently being used at the Port.

Motion for approval of Item 6e – Tarleton

Second – Hara

Motion carried by the following vote:

In Favor: Bryant, Creighton, Hara, Tarleton (4)

Commissioner Davis was absent for the vote

- f. (01:34:17) Authorization for the Chief Executive Officer to approve all work, purchases and contracts including: advertise, award, administer, prepare, execute and amend any and all necessary service agreements for the Data Archive Project in an amount not to exceed \$560,000.**

Request document: Commission agenda [memorandum](#) dated June 11, 2009 from Peter Garlock, Chief Information Officer

Presenter: Mr. Garlock

Mr. Garlock noted that the proposed system would be to provide a better backup of archival data than is currently used. He also stated this system would be a more beneficial system in the case of an emergency.

Responding to Commissioner Bryant's question about which ICT projects are being deferred in order to proceed with this one, Kim Albert, Senior Manager, IT Business Services replied that one was the internet redesign project and another was an access control project. She clarified the project being proposed today was moved forward from 2010 to the current time, and the two being deferred were being 'switched' to 2010.

Motion for approval of Item 6f – Creighton

Second – Hara

Motion carried by the following vote:

In Favor: Bryant, Creighton, Hara, Tarleton (4)

Commissioner Davis was absent for the vote

- g. (01:39:39) Authorization for the Chief Executive Officer to execute a new Collective Bargaining Agreement between the International Brotherhood of Teamsters Local Union No. 117 representing Bus Drivers and Parking Service Revenue Representatives.**

Request documents: Commission agenda [memorandum](#) dated May 15, 2009 and agreement from David Leon, Labor Relations Manager and Gary Schmitt, Labor Relations Director.

Presenters: Mr. Schmitt and Mr. Leon

Motion for approval of Item 6g – Hara

Second – Tarleton

Motion carried by the following vote:

In Favor: Bryant, Creighton, Hara, Tarleton (4)

Commissioner Davis was absent for the vote.

7. STAFF BRIEFINGS

b. (01:42:29) Northwest Ports Clean Air Strategy 2008 Implementation Report

Presentation documents: Commission agenda [memorandum](#) dated June 15, 2009 and computer slide [presentation](#) from Stephanie Jones Stebbins, Senior Manager, Seaport Environmental Programs

Presenter: Ms. Jones Stebbins

Ms. Stebbins stated that the official Clean Air Strategy Implementation Report had been released earlier in the day and would be posted to the Port's [website](#) the following day. She provided background on the Port's clean air strategy approach and measures which had been adopted, which included the following areas:

- Ocean-Going Vessels
- Cargo-Handling Equipment
- Rail
- Harbor Craft
- Trucks

Public Testimony regarding Item 7b was received from the following:

- Heather Weiner, Coalition from Clean and Safe Ports. Ms. Weiner provided comments on what some other ports are doing related to the clean trucks program. Ms. Weiner also spoke about her interest in seeing upcoming amendments to the Port's terminal leases.

Responding to Commissioner Bryant's comments about terminal leases, Charlie Sheldon, Managing Director, Seaport Division, stated that the leases are still in negotiation, but are on track as far as the anticipated schedule.

- A written copy of comments dated June 23, 2009 was submitted for the record by Fred Felleman, Friends of the Earth. A copy of the document is, by reference, made a part of these minutes, is marked Exhibit 'A,' and is on file in Port offices.

c. (02:01:32) Briefing on July 1, 2009 Port Property Insurance Renewal

Presentation documents: Commission agenda [memorandum](#) dated June 23, 2009 and computer slide [presentation](#) from Jeff Hollingsworth, Risk Manager

Mr. Hollingsworth noted that the Port's current property policy is about to expire, and that the Port is currently working to be both selecting a broker and finalized the purchase of the coverage for the policy year beginning on July 1, 2009.

Items addressed by Mr. Hollingsworth included:

- Property Insurance Re-cap
- Property Insurance Coverage
 - Fire, Wind, Collapse, Impact, Explosion
 - Terrorism – Separate Limit
 - Construction in Process – Separate Limit
 - Rental Car Facility – Separate Builder Risk Policy
- Current Structure of Property Program
 - Major Deductibles
 - Main Limits Insured
- Underwriting of Program
- Property Insurance Cost Factors
- Major Property Losses (excluding earthquake and environmental)
- Earthquake Insurance Challenges and Options
- Current Capital Projects
- Property Renewal Forecast

8. NEW BUSINESS

Commissioner Bryant provided a brief report on his recent tour of southwest Washington rail projects, which was taken with Clare Petrich, Port of Tacoma Commission President.

He also commented on a recent trip to central and eastern Washington taken with CEO Yoshitani and Kurt Beckett, Director of External Affairs. During this trip, Port customer calls were made and transportation projects were looked at as well.

9. POLICY ROUNDTABLES

None.

10. ADJOURNMENT

The regular meeting was adjourned at 3:30 p.m.

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

Lloyd Hara
Secretary