

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>

Due to technical difficulties with the recording of the January 27, 2009 meeting, some areas of the audio may not be heard clearly.

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

**APPROVED MINUTES
COMMISSION SPECIAL MEETING JANUARY 27, 2009**

The Port of Seattle Commission met in a regular meeting at 1:30 p.m., Tuesday, January 27, 2009 in the International Conference Center, Airport Office Building, Seattle-Tacoma International Airport, Seattle, WA. Commissioners Bryant, Creighton, Davis, Hara and Tarleton were present.

1. CALL TO ORDER

The regular meeting was called to order at 1:30 p.m. by Bill Bryant, Chair and President.

2. EXECUTIVE SESSION pursuant to RCW 42.30.110

None.

PLEDGE OF ALLEGIANCE

3. APPROVAL OF MINUTES

(00:00:56) Motion for approval of the minutes of the special meeting, November 25, 2008 and the special work session of December 2, 2008 - Tarleton

Motion carried by the following vote:

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

4. SPECIAL ORDER OF BUSINESS

None.

5. UNANIMOUS CONSENT CALENDAR

(00:01:18) Commissioner Bryant noted that the commission would like to have discussion regarding Item 5a; the item was removed from the consent calendar for discussion and vote which would follow the vote on remaining consent calendar items.

b. Request for Motion Authorizing the Sale of Port Personal Property by the Chief Executive Officer

Request document: Commission agenda [memorandum](#) dated January 20, 2009 from Craig Watson, General Counsel

c. Request for Authorization for Commission International Travel for 2009

Request document: Commission agenda [memorandum](#) dated January 23, 2009 from Mary Gin Kennedy, Director of Commission Services

Motion for approval of Unanimous Consent Items 5b and 5c – Hara

Motion carried by the following vote:

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

The agenda was returned to Item 5a for a separate vote, as follows:

a. (00:02:04) Request for authorization for the Chief Executive Officer execute a Relocation Agreement and other documents providing for the final reimbursement of the moving and re-establishment expenses incurred by the relocation of Inspiration Media, Inc. dba Salem Communications, located within the Terminal 18 expansion area on Harbor Island for \$1,741,687.95

Request document: Commission agenda [memorandum](#) dated January 20, 2009 from Mike Burke, Senior Manager, Container Leasing and Operations

Presenters: Mr. Burke and Isabel Safora, Deputy General Counsel

Mr. Burke provided to the Commission a background of the request, noting that the project goes back to the mid 1990's, when there was a 90-acre expansion of, and improvements to Terminal 18. He also noted that since this request is a result of an act of condemnation, the Port is obligated to provide reimbursement funds.

Motion for approval of Item 5a – Davis

Motion carried by the following vote:

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

(00:10:20) Prior to scheduled agenda items, Commissioner Bryant announced that all Commissioners have signed the Port Commissioners' Code of Conduct for the year 2009, as required annually. Copies of the documents are on file in Port offices.

Commissioner Bryant also announced that Commissioners Hara and Creighton would serve as member of the Port Audit Committee for the year of 2009, and thanked Commissioner Tarleton for her work on the Committee over the previous year.

CEO Yoshitani then commented on the recommendations made as a result of the McKay Investigation, noting that work has begun on all recommendations and that the staff has created a matrix, showing the progress made on all recommendations. He noted that the matrix will be posted on the Port's website, both internally and externally.

Mr. Yoshitani stated that in regard to a review of Port ethics and fraud awareness policies, the firm of Davis, Wright, Tremaine has been retained in order to assist with the endeavor. He also noted that all Port staff had been asked by him to read all existing Port Policies, namely Employee Ethics Policy; Consultant Ethics Policy; Fraud Awareness Policy; Whistleblower Protection Policy; Anti-harassment Policy; and ICT (Information and Communication Technology) Appropriate Use Policy by March 31, 2009.

6. POLICY AND STAFF BRIEFINGS

a. (00:15:37) Update on the Consolidated Rental Car Facility Program

Presentation document: Commission agenda [memorandum](#) dated January 20, 2009 and [attachment](#) from Michael Ehl, Director, Airport Operations and George England, Program Leader, Project Management Group

Presenters: Mr. England; Ralph Graves, Managing Director, Capital Development Division; Jim Schone, Director, Aviation Business Development and Management; Elizabeth Morrison, Senior Manager, Corporate Finance. Dick Schober, Seattle Northwest Securities also participated in the presentation.

Staff provided an update on the financing situation and construction activities for the Rental Car Facility.

Mr. Schone commented that the Rental Car companies had all been apprised of the information that was being presented in today's briefing to the Commission.

Mr. Schober provided an update on the current credit market situation.

Ms. Morrison spoke about the three fronts staff is currently working on, including pursuing bank loans, proceeding with a bonds issue for second quarter, and continuing to work with potential partners.

Commissioner Bryant commented that he understood today's presentation was only a briefing, but stressed that before any action is taken on the Rental Car Facility Project, staff return with another briefing.

Mr. England reported on the construction side of the project, updating the Commission on the reduction and reassignment of workers, on the project schedule, and on the project budget..

Commissioner Hara stated that it would be helpful to see information on dollar amounts already expended, including the \$20 million the Commission had previously authorized.

Commissioner Bryant stressed that he wants staff to remain within the current level of authorized expenditure and also to consider opening the facility later than 2011.

b. (00:45:21) Terminal 30 and Terminal 91 Financial and Schedule Status

Presentation document: Commission agenda [memorandum](#) dated January 12, 2008, [attachment](#) and [table](#) from Michael Burke, Director, Container Operations and Dakota Chamberlain, Director, Seaport Project Management

Presenter: Mr. Chamberlain

Mr. Chamberlain provided a status update on the Terminal 30 (T30) and Terminal 91 (T91) projects, noting that the cruise facility building at T91 was approximately 90% complete and that the container terminal at T30 was approximately 70% complete.

Marine Item 7a was advanced on the agenda as follows:

7. MARINE ITEMS

a. (00:53:45) Resolution No. [3210](#), Second Reading and Final Passage. Naming the new cruise terminal located on Pier 91 'Smith Cove Cruise Terminal.'

Request document: Commission agenda [memorandum](#) dated January 21, 2009 from Charlie Sheldon, Managing Director, Seaport Division

Presenters: Mr. Sheldon and Mike McLaughlin, Senior Manager, Cruise and Industrial Properties

Motion for Second Reading and Final Passage of Resolution No. 3210 – Creighton

Motion carried by the following vote:

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

The agenda was returned to Policy and Staff Briefings as follows:

6. POLICY AND STAFF BRIEFINGS

c. (00:56:02) Briefing on Alaskan Way Viaduct/Seawall Replacement Project

Presentation documents: Commission agenda [memorandum](#) dated January 21, 2009 and computer slide [presentation](#) from Kurt Beckett, Director, External Affairs and Geri Poor, Regional Transportation Manager

Presenters: Ms. Poor and Mike Merritt, Government Relations Manager

Staff provided a program description of the bored tunnel hybrid project as developed by Washington State Department of Transportation. Ms. Poor commented that the Port is now beginning to engage as a partner with the City, the State, and the County to implement that program.

Ms. Poor noted that the bored tunnel option would address the Port's priorities regarding capacity and connection.

Topics reviewed by staff included:

- Funding strategy
- Next steps
 - Legislative approval for funding
 - Coordinate project implementation
 - Environment review
 - Engineering and soils exploration
 - Meet with community groups and businesses to finalize design
- Program timeline
- Tunnel timeline
- Port project needs
- Key Port components
- Next steps for Port of Seattle

Commissioner Tarleton stated her concern that she had only seen projections for growth in the area through 2015, and that it would be better to see projections through 2030 or 2040.

Public Comment regarding Item 6c was received from the following:

- Bob Donegan, Seattle Historic Waterfront Coalition, who thanked the Port for their participation in the Viaduct Replacement Project

- Tom Tanner, Magnolia Community Club. Mr. Tanner read into the record a letter to the Port Commission dated January 22, 2009 from Randall Thomsen, President of Magnolia Community Club. A copy of the letter is by reference, made a part of these minutes, is marked Exhibit 'A,' and is on file in Port offices.
- Gene Hoglund, who voiced concern that the bored tunnel option as proposed needed to provide better access to communities in the north
- John Blackman, Argosy, who spoke in support of the bored tunnel option. A copy of a letter dated January 7, 2009 from Mr. Blackman to Gov. Gregoire regarding the tunnel was provided, is by reference made a part of these minutes, is marked Exhibit 'B,' and is on file in Port offices.
- A letter dated January 27, 2009 from Dave Gering, Executive Director, Manufacturing Industrial Council of Seattle to Commissioner Bryant was received, is by reference, made a part of these minutes, is marked Exhibit 'C,' and is on file in Port offices.

Commissioner Davis reiterated the importance of considering capacity, environmental issues, and jobs, and emphasized the need for a public process regarding the Viaduct replacement.

Commissioner Tarleton stressed that the solution needs to accommodate growth in the region.

8. AVIATION ITEMS

Request for authorization to execute a professional services agreement to perform technical review on behalf of the airlines and airport related to capital projects. The total estimated cost during the coming four years is \$1,600,000. *Item 8a was withdrawn from the agenda as an action item, and a briefing was provided under New Business.*

11. GENERAL BUSINESS

None.

9. CAPITAL DEVELOPMENT

None.

10. REAL ESTATE

None.

12. NEW BUSINESS

a. (01:49:20) Dave Soike, Deputy Director, Aviation Division provided a brief background review of Aviation agenda Item 8a, which was withdrawn from the agenda, noting that the item would come forward for approval at a meeting in the near future.

b. (01:53:41) Mr. Soike also provided a brief review on an item which would be coming forward for approval in the near future, that being a request for authorization for relocation of residents in the Town and Country Mobile Home Park.

13. ADJOURNMENT

There being no further business, the meeting was adjourned at 3:26 p.m.

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

Lloyd Hara
Secretary