

Commissioners

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



Tay Yoshitani
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(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 FEBRUARY 24, 2009**

The Port of Seattle Commission met in a regular meeting at 1:00 p.m., Tuesday, February 24, 2009 in the International Conference Center, Airport Office Building, Seattle-Tacoma International Airport, Seattle, WA. Commissioners Creighton, Davis, Hara and Tarleton were present. Commissioner Bryant was absent.

1. CALL TO ORDER

The regular meeting was called to order at 1:10 p.m. by Gael Tarleton, Vice-Chair and Vice-President.

2. EXECUTIVE SESSION pursuant to RCW 42.30.110

None.

PLEDGE OF ALLEGIANCE

3. APPROVAL OF MINUTES

(00:01:37) Motion for approval of minutes of the special meeting of January 6, 2009 - Davis

Motion carried by the following vote:

In Favor – Creighton, Davis, Hara, Tarleton (4)

Commissioner Bryant was absent for the vote.

(00:01:11) Motion for approval of minutes of the regular meeting of January 13, 2009 - Hara

Motion carried by the following vote:

In Favor: Creighton, Davis, Hara (3)

Commissioner Tarleton was absent from the subject meeting

Commissioner Bryant was absent for the vote.

4. SPECIAL ORDER OF BUSINESS

None.

5. UNANIMOUS CONSENT CALENDAR

(00:02:55) Commissioner Tarleton noted that two items were being removed from the Consent Calendar for individual votes. She noted that Port legal counsel had suggested removing from the consent calendar, Item 5a, as resolutions should be voted on as a separate item; and also stated that Item 5b would be removed for a separate vote due to Commission request for further discussion of the item.

5c (00:04:06) Authorization to amend the Lease and Concessions Agreement of Concessions International

Request document: Commission agenda [memorandum](#) dated February 18, 2009 from James R. Schone, Director, Aviation Business Development and Deanna Zachrisson, Manager, Aviation Concessions Business

Motion for approval of Item 5c – Davis

Motion carried by the following vote:

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

Commissioner Bryant was absent for the vote

The agenda was returned to Items 5a and 5b for separate votes, as follows:

a. (00:04:55) Resolution No. [3610](#), Second Reading and Final Passage. Declaring Port of Seattle Crane 54 surplus for Port purposes and authorizing its sale or disposal.

Request document: Commission agenda [memo](#) dated February 9, 2009 from Nora Huey, Director, Central Procurement Office and Mike Burke, Director, Container Operations

Motion for Second Reading and Final Passage of Resolution No. 3610 – Hara

Motion carried by the following vote:

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

Commissioner Bryant was absent for the vote.

- b. (00:05:43) Authorization to bid and execute a contract for Banking Services for five years with the right to extend for two additional one-year periods at an estimated cost of \$8,800,000**

Request document: Commission agenda [memorandum](#) dated February 6, 2009 from Craig J. Kerr, Treasure Manager

Presenter: Mr. Kerr

Mr. Kerr responded to Commissioner Hara's question as to whether staff needed to return to the Commission for final approval once bids for the banking services were received. He stated that that hadn't been necessary in the past, but could do so if directed by the Commission. CEO Yoshitani noted that traditionally, the committee reviewing the bids makes the selection of the winning bidder. General Counsel Watson stated that one of the reasons the process has been structured in this manner is to avoid pressure being put on Commissioners from those who were not selected for the contract.

Commissioner Tarleton commented that this type of a contract would have substantial visibility to the Port's Audit Committee, allowing visibility to any abnormalities or concerns.

Commissioner Hara reiterated that his concern had to do with the large dollar amount of the contract being discussed.

Motion for approval of Item 5b – Davis

Motion carried by the following vote:

In Favor: Creighton, Davis, Tarleton (3)

Opposed: Hara (1)

Commissioner Bryant was absent for the vote

6. POLICY AND STAFF BRIEFINGS

a. (00:15:11) Briefing on progress made to fulfill the actions requested in the motion of the March 25, 2008 Commission Regular Meeting addressing support for federal and local initiatives related to aviation greenhouse gas emissions.

Presentation documents: Commission agenda [memorandum](#) dated December 22, 2008 and computer slide [presentation](#) from Elizabeth Leavitt, Director, Aviation Environmental Programs; Russ Simonson, Senior Environmental Program Supervisor; and Michael Lufkin, Senior Environmental Strategy Manager

Presenters: Ms. Leavitt, Mr. Simonson and Mr. Lufkin

Staff provided background on the substance of the original Commission motion regarding greenhouse gas emissions, which was proposed in 2008.

Staff discussed the following within their presentation:

- Progress made to date
- Actions taken to support Federal initiatives
- Targets to reduce emissions
- POS Owned/Controlled Emissions
- Emission Reductions Needed to Achieve Recommended Goals
- Emission Reduction Initiatives
- Airline Emissions
- Airline Emission Reduction Projects
 - Pre-conditioned Air
 - Gate Electrification
 - Ground Support Equipment Electrification
 - Third Runway Activation
 - Continuous Descent Approach
- Public Owned/Controlled Emissions, which include Vehicle Miles Traveled
- Next Steps

Commissioner Creighton stated that he believed the two major areas of concern of community members in the Airport area continue to be noise and emissions. Staff responded to his questions about addressing a 'stratified approach' to aircraft landings similar to that which is done at Heathrow Airport.

Staff also responded to Commissioner Creighton's question about what may be forthcoming with the Federal stimulus money, noting that at this point it was unsure.

Commissioner Davis commented on the importance of hydro power and the need to figure out new ways of energy use for the future.

Commissioner Hara commented on the use of wind turbines at Boston Logan Airport, and noted that the largest use of the carbon footprint there was the jet engines.

Public comment regarding Item 6a was received from the following:

- Ed White, Vice-president, Corporate Real Estate, Alaska Airlines. Mr. White commented on Alaska Airline's and Horizon Air's support of their commitment to reducing greenhouse gas emissions. A written copy of Mr. White's comments was submitted for the record; is by reference, made a part of these minutes; is marked as Exhibit 'A;' and is on file in Port offices.

b. (00:53:32) Briefing on the Port of Seattle's first emission reduction credits banked with the Puget Sound Clean Air Agency

Presentation documents: Commission agenda [memorandum](#) dated January 6, 2009 and computer slide [presentation](#) from Elizabeth Leavitt, Director, Aviation Environmental Programs and Russ Simonson, Senior Environmental Program Supervisor

Presenters: Ms. Leavitt, Mr. Simonson

Ms. Leavitt provided background on the emissions reductions credit program, noting that in 2000, the Port of Seattle entered into an agreement with Puget Sound Clean Air Agency which allowed Seattle-Tacoma International Airport (Airport) to bank emission reduction credits (ERC's) for use at a later time. She stated that this is the first emission reduction credit banking is being done in the state of Washington.

Staff reviewed amounts of credits banked, which included:

- 22 tons/year of carbon monoxide
- 6 tons/year of hydrocarbons
- 34 tons/year of oxides of nitrogen
- 2 tons/year of sulfur oxides
- 10 tons/year of particulate matter
- 971 tons/year of carbon dioxide

Commissioner Tarleton noted the importance of tracking the numbers in order to avoid any double-counting, and also stated that a standard should be set on how the public receives this information.

Comments were made noting the importance of encouraging the Seaport and other divisions to work on emissions reductions, not only the Airport.

Commissioner Davis stated that the emissions reductions plan needs to be included in the joint Port of Seattle/Port of Tacoma work.

c. (01:10:40) Briefing on Amendments to Concession Leases of prime concessionaires: Host International, Seattle Restaurant Associates, and Airport Management Service LLCs (dba Hudson News)

Presentation documents: Commission agenda [memorandum](#) dated February 17, 2009 and location map from James R. Schone, Director, Aviation Business Development and Deanna Zachrisson, Manager, Aviation Concessions Business.

Presenters: Mr. Schone and Ms. Zachrisson

Staff presented background on efforts to address impacts to certain concessionaires at Seattle-Tacoma International Airport (Airport), and clarified that changes being proposed were related to operational changes in concourses at the Airport and not due to the current economic downturn.

Public comment regarding Item 6c was received from the following individuals:

- Jerry Whitsett, Owner, Africa Lounge and Mountain Room Bar. Mr. Whitsett voiced his concern over the options being proposed by staff.
- Carla DewBerry, legal representation of Mr. Whitsett. Ms. DewBerry stated her concern over the Port's proposed plan and commented that she would like to see a shift in the use of gates at the Airport concourses.
- David Fukuhara, Managing Partner of Concourse Concessions. Mr. Fukuhara provided copies of documents to the commission for reference, one being a response to moves at Sea-Tac Airport and the other a compilation of maps of food and beverage concessions at the Airport. Copies of these documents are, by reference, made a part of these minutes; are marked collectively as Exhibit '[B](#);' and are on file in Port offices. Mr. Fukuhara commented on the importance of job retention and the need to maintain a high level of service to the traveling public.
- Renee Tedesco, HMS Host/SRA. Ms. Tedesco commented in favor of the proposed Port plans for concessionaires.
- Dan Eberhardt, Business Owner, Old Seattle Deli. Mr. Eberhardt addressed the possible domino effect which could result to businesses from the changes being suggested by the Port.
- LeeAnn Subelbin, Business Owner, Filo Foods, BF Foods. Ms. Subelbin commented that as an owner of two businesses at the Airport, she would receive a 'double hit' from the changes being suggested by the Port.
- Tracy Peters, CVC Foods, LLC dba Burger King. Mr. Peters commented that the proposed changes may result in a need to reduce the number of his employees.
- Fred Felleman, who noted that, as a traveler, it would be helpful to provide maps to travelers letting them know the location of vendors near individual gates.

Commission Creighton commented that due to the current national economic crisis, staff may need to be more creative and think harder about options available for concessionaires at the Airport, stating that job retention is a critical issue. He talked about the need to continue to work collaboratively with the concessionaires.

Commissioner Hara spoke about the need for the Port to continue to examine the small business component and commented that he believes a large number of small businesses

on Concourse A are at risk. He also raised the question of the possibility of setting up some type of kiosk businesses for the DBE's to operate.

Commissioner Tarleton stated the importance of helping the tenants understand how they can plan for the upcoming year. She also commented that she would like to see a range of impacts and consequences to the budget that may result from decisions being made.

Commissioner Davis commented on the need to help the Airlines as well as the tenants, and stated that she would like to have a briefing prior to the March 5 meeting to better understand the options the Port will be offering the concessionaires.

d. (02:20:00) Briefing on Aviation Maintenance Continuous Improvement and Cost Management Efforts

Presentation documents: Commission agenda [memorandum](#) dated February 17, 2009 and computer slide [presentation](#) from Michael Feldman, Deputy Managing Director, Aviation Division and John Christianson, General Manager, Aviation Maintenance

Presenters: Mr. Feldman, Mr. Christianson, and Jennifer Mims, Senior Manager, Aviation Maintenance Assets and Logistics

Staff provided background on a program within the Aviation maintenance department which began in January, 2006 as part of one of the Airport's strategic goals regarding cost management.

Mr. Feldman recognized the partnership with ICT in developing the operating systems which are now being used as part of the cost management efforts. He also acknowledged the efforts of the maintenance department technicians in the development of the program.

Within the Continuous Improvement Program, staff noted three areas of focus:

- Materials Management
- Work Management
- Equipment (Asset) Management

Staff commented on how the program contributes to the management of Cost Per Enplanement (CPE) growth, and noted that the information has been communicated to the Airlines.

Staff noted awards which have been received since the inception of the Continuous Improvement Program.

e. (02:43:14) Third Runway 16R/34L Noise Briefing

Presentation documents: Commission agenda [memorandum](#) dated February 6, 2009 and computer slide [presentation](#) from Stan Shepherd, Manager, Airport Noise Programs

Presenters: Mr. Shepherd and Diane Summerhays, Manager, Community Development Program and Russ Simonson, Senior Environmental Program Supervisor.

Staff provided an update on the use of the third runway (runway) at Seattle-Tacoma International Airport (Airport), which opened in November, 2008, and noted that the need for the runway was driven by the impact of airline delays in poor weather.

Mr. Shepherd clarified roles and responsibilities related to the runway:

- FAA
 - Manages air traffic and use of runway
- Port of Seattle
 - Operator of airport
 - Manages airport facilities and infrastructure
 - Manages community noise programs

Staff reviewed comments commonly received by community members since the opening of the runway, which include:

- More noise than expected
- Use of runway more than promised
- Thought runway was to be used only in bad weather
- Want more noise mitigation

Runway usage statistics were reviewed as were changes in the mix of aircraft at the Airport. Staff also provided background information on noise mitigation accomplished prior to the opening of the runway.

Mr. Simonson spoke about projected air quality and climate benefits, and noted that actual numbers would be tracked against the projections. Commissioner Tarleton stated that she would like to receive reports on the actual benefits in order to provide accurate information to the community.

Ms. Summerhays talked about community outreach being done, and noted that the noise department's website has been revamped to include much more information for the public. She also spoke of the need to reach a broad range of communities to address issues of concern.

Ms. Summerhays mentioned that Mr. Shepherd has formed a small working group with the FAA and other technical people in order to have open and ongoing communication regarding the runway.

7. MARINE ITEMS

None.

8. AVIATION ITEMS

- a. (03:08:42) Authorization to execute a professional services agreement for Airline Technical Representative (ATR) to perform technical review on behalf of the airlines and airport related to Capital Projects at a maximum estimated cost of \$1.6 million for four years.**

Request document: Commission agenda [memorandum](#) dated January 21, 2009 from Dave Soike, Deputy Managing Director, Aviation Division

Presenter: Borgan Anderson, Manager, Aviation Finance and Budget

Public comment regarding Item 8a was received by the following:

- Ed White, Alaska Airlines. Mr. White commented on the cost beneficial services that the ATR provides, and stated his agreement with the selection made.

Motion for approval of Item 8a – Hara

Motion carried by the following vote:

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

Commissioner Bryant was absent for the vote

- b. (03:13:58) Authorization for construction and approval to advertise for construction bids for the 2nd floor Heating, Ventilation and Air-Conditioning (HVAC) Upgrades Project at Seattle-Tacoma International Airport in the amount of \$1,282,350, for a new estimated total project cost of \$1,497,000.**

Request document: Commission agenda [memorandum](#) dated February 6, 2009 from James R. Schone, Director, Aviation Business Development; Robert F. Riley, Director, Aviation Capital Improvement Program, and Richard Ottele, General Manager, Aviation Facilities and Infrastructure

Presenters: Deanna Zachrisson, Manager, Aviation Concessions Manager and Joe Nessel, Capital Project Manager

Motion for approval of Item 8b – Davis

Motion carried by the following vote:

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

Commissioner Bryant was absent for the vote

c. (03:20:17) Authorization for additional funding for the Parking Consolidation Project in the amount of \$65,000 for a total project cost not-to-exceed \$250,000.

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

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

Motion for approval of Item 8c – Creighton

Motion carried by the following vote:

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

Commissioner Bryant was absent for the vote.

d. (03:23:44) Resolution No. [3612](#), First Reading and Public Hearing. Authorizing the Chief Executive Officer to Transfer Ownership of security equipment from the Port of Seattle to the Transportation Security Administration (TSA).

Request document: Commission agenda [memorandum](#) dated February 3, 2009 from Michael Ehl, Director, Airport Operations and Nick Harrison, Senior Manager, Airport Operations

Presenter: Mr. Harrison

Mr. Harrison provided background on the surplusing of security equipment owned by the Port and used by the TSA.

Commissioner Tarleton recessed the Port Commission special meeting to an open public hearing, and there being no comment, the public hearing was closed and the Commission special meeting was reconvened.

Motion for First Reading of Resolution No. 3612 – Hara

Motion carried by the following vote:

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

Commissioner Bryant was absent for the vote

9. CAPITAL DEVELOPMENT

None.

10. REAL ESTATE

None.

11. GENERAL BUSINESS

None.

12. NEW BUSINESS

Public comment was received from the following individuals:

- Fred Felleman, Friends of the Earth. Mr. Felleman commented on the need for public understanding of how the Port works within the legislature.
- Stephen Sullivan, who noted appreciation of the Port's willingness to listen to work with their concessionaires in providing some relief during these difficult financial times.

Commissioner Davis asked that in the near future, there be a formal recognition of Port awards recently received, and also commented that she would like to see a presentation on the avian radar.

Commissioner Hara commented on attendance at the recent Black History Month presentation.

13. ADJOURNMENT

There being no further business, the meeting was adjourned at 4:49 p.m.

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

Lloyd Hara
Secretary