

Commissioners

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Chair and President
Tom Albro
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Tay Yoshitani
Chief Executive Officer

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

PROPOSED AMENDED MINUTES
COMMISSION SPECIAL MEETING DECEMBER 7, 2010
(Revision to Action Requested and text passim for Item 6b)

The Port of Seattle Commission met in a special meeting at 11:30 a.m., Tuesday, December 7, 2010 in Commission Chambers, Pier 69, 2711 Alaskan Way, Seattle, WA. Commissioners Albro, *Bryant, Creighton, Holland, and Tarleton were present.

1. CALL TO ORDER

The special meeting was called to order at 11:41 a.m. by Gael Tarleton, Vice-Chair and Vice-President.

2. EXECUTIVE SESSION pursuant to RCW 42.30.110

The meeting was immediately recessed to an Executive Session to discuss RCW 42.30.110 (l)(c) Real Estate, (i) Legal Risk (d) Public Contract and RCW 42.30.140 (4)(a) Labor matters for approximately ninety minutes and reconvened to open public session.

*Commissioner Bryant was present from this time forward.

Commissioner Bryant acknowledged and welcomed Seattle City Council members Nick Licata and Mike O'Brien, present at the meeting.

3. APPROVAL OF MINUTES

None.

4. **SPECIAL ORDER OF BUSINESS**

None.

5. (00:02:29) **UNANIMOUS CONSENT CALENDAR**

- a. **Approval of Claims and Obligations for the period of November 1 through November 30, 2010, in the amount of \$42,484,210.65.**
- b. **Authorization for the Chief Executive Officer to execute appropriate contract documents to continue receiving software and hardware maintenance services for the Noise Programs flight tracking and noise monitoring system for annual payments of \$189,000 plus inflation and sales tax for up to five years for total payments of \$1,100,000.**

Request document: Commission agenda memorandum dated November 15, 2010 from Stan Shepherd, Manager, Airport Noise Programs and Kim Albert, Senior Manager, ICT Business Services

- c. **Authorization for the Chief Executive Officer to execute an amendment to the professional service contract (OTAK P-00314472) that supports the implementation of the Port's Municipal Stormwater Permit and other stormwater support services. This request is to add \$1,509,000 to this contract for a maximum of \$4,184,000 in order to continue the ongoing permit compliance work. The cumulative amendments exceed 50% of the value of the initial contract, and in accordance with RCW 53.19.060, this memo constitutes notification to the Commission.**

Request document: Commission agenda memorandum dated December 1, 2010 from Paul Meyer, Manager, Permitting and Compliance, Seaport Environmental Programs and Marilyn Guthrie, Stormwater Program Manager

- d. **Authorization for the Chief Executive Officer to enter into an Interlocal Agreement (ILA) with the Port of Tacoma staff on assignment from the National Oceanic and Atmospheric Administration (NOAA), National Marine Fisheries Service, to assist with fish and wildlife habitat evaluations require for federal authorization of port development, operation, and maintenance projects and actions. No new funding is requested.**

Request document: Commission agenda memorandum dated December 1, 2010 from Stephanie Jones Stebbins, Director, Seaport Environmental Programs and Paul Meyer, Environmental Program Supervisor, Seaport Environmental Programs. Also provided was a copy of the ILA.

- e. **Authorization for the Chief Executive Officer to enter into the following Memoranda of Agreement with (1) the Department of the Army that establishes the mutual framework governing the respective responsibilities of the parties for acceptance and expenditure of funds contributed by the Port to expedite the evaluation of permits under the jurisdiction of the Army as allowed by Section 214 of the Federal Water Resources**

Development Act, and (2) the City of Seattle Department of Planning and Development (DPD) that establishes respective responsibilities of the parties for the acceptance and expenditure of funds contributed by the Port to expedite the evaluation of land use actions under the jurisdiction of the City. No new funding is requested.

Request document: Commission agenda memorandum dated December 1, 2010 from Stephanie Jones Stebbins, Director, Seaport Environmental Programs and Paul Meyer, Environmental Program Supervisor, Seaport Environmental Programs

- f. Authorization for the Chief Executive Officer to execute a settlement agreement with Terry Miller related to personal injuries suffered in the course of construction at Seattle-Tacoma International Airport.**

Request document: Commission agenda memorandum dated November 29, 2010 from Paul M. Binting, Senior Port Counsel and Peggy McPartland, Claims Manager

- g. Authorization for the Chief Executive Officer to enter into a settlement agreement resolving the matter of Navlet v. Port of Seattle, a class action lawsuit filed by former employees of the Port of Seattle warehouse seeking continuing health and welfare benefits.**

Request document: Commission agenda memorandum dated December 7, 2010 from Craig Watson, General Counsel

Motion for approval of Consent Items 5a – 5g: Tarleton

Second: Holland

Motion carried by the following vote:

In Favor: Albro, Bryant, Creighton, Holland, Tarleton (5)

(00:03:40) Prior to moving forward with scheduled agenda items, Commissioner Bryant accepted public comment on Agenda Item 7b as follows:

- Nick Licata, Seattle City Councilmember. Mr. Licata stated his support of the Port's goal to be the cleanest, greenest, and most energy efficient port in the nation, as well as the goal to increase container traffic over the next decade. He also urged that the Port add a strong community-oriented plan as part of their clean trucks strategy.
- Mike O'Brien, Seattle City Councilmember. Mr. O'Brien commented on the importance of a spirit of collaboration when multiple overlapping jurisdictions are working to solve issues. He noted that he would like to see opportunities for further discussion of clean air issues, not only in the air shed, but on the ground. He noted that he would like to return to the Commission early next year with some proposals as to what he believes the City should be

doing, specifically with how certain neighborhoods should be managed better, and get Commission feedback on how to better proceed collaboratively.

6. DIVISION, CORPORATE AND COMMISSION ACTION ITEMS

- a. (00:14:36) Approval of the sale and conveyance to Puget Sound Energy (PSE) of those certain permanent easement rights to the Woodinville Subdivision rail corridor substantially as described in Exhibit B and Exhibit C to the Easement Purchase and Sale Agreement and authorization for the Chief Executive Officer to execute all documents necessary for sale and conveyance of said easement rights.**

Request document: Commission agenda memorandum dated November 19, 2010 from Joe McWilliams, Managing Director, Real Estate Division. Also provided was a map of the location and copies of exhibits to the Purchase and Sale Agreement.

Presenter: Mr. McWilliams

Mr. McWilliams mentioned high points of the transaction, which is expected to close by the end of this year. He noted that it was for the sale of easement rights by the Port to Puget Sound Energy for \$13,752,393 less the Port's half of the closing costs. There were no brokers to the transaction, and each party represented their own interests.

Commissioner Albro raised a question about the agreement regarding Clause 8.2 in the Purchase and Sale Agreement which addresses indemnification and a hold harmless agreement. He wondered whether the Port will be held harmless against some sort of event that would arise out of PSE using the easement to be granted, such as a fuel leak or an explosion.

General Counsel Watson responded that he would prefer to research the clause referenced before giving further comment on Commissioner Albro's question.

It was suggested that further discussion and the vote on the item be moved to later in the agenda to allow time for Mr. Watson to look further into the clause.

- b. Commissioner Bryant withdrew Item 6b from the agenda for the time being.**
- c. (00:20:22) Authorization for (1) spending \$15,000,000 in 2011 for Environmental Remediation Liability; and (2) obligating \$16,200,000 for 2011 for work that will be performed in later years; and (3) Commission approval of the five-year spending plan of \$67,960,000 for the Environmental Remediation Program for Seaport, Real Estate and Airport for 2011 through 2015.**

Request document: Commission agenda memorandum dated December 1, 2010 from Stephanie Jones Stebbins, Director, Seaport Environmental and Planning and Elizabeth Leavitt, Director, Aviation Planning and Environmental Services

Presenters: Ms. Jones Stebbins and Paul Agid, Manager, Aviation Environmental Programs

Ms. Jones Stebbins stated that this request is one that is made to the Commission annually related to environmental remediation liability. She commented on differences in the way staff is proceeding this year, noting that they are also providing a spending plan for the next five years.

Motion for approval of Item 6c- Tarleton

Second: Albro

Motion carried by the following vote:

In Favor: Albro, Bryant, Creighton, Holland, Tarleton (5)

- d. (00:23:43) **Authorization for the Chief Executive Officer to advertise and execute a Job Order Contract (JOC) for sound insulation services for up to 40 single family residential properties and 37 single family residential properties requiring replacement windows in the Safety Program located in the existing Noise Remedy Program Boundary around Seattle-Tacoma International Airport. Estimated value for the work under this contract is \$3,830,448 and includes funding from the previously authorized Window Safety project and the new funding authorized by this request. The amount of this request for the Single Family Insulation Program in \$2,462,751, bringing the total authorization to date to \$4,947,395. In the event Job Order Contract resources are unavailable, the Port will contract the work via lump sum bids utilizing small works contractors. (CIP #200093 and CIP #200035)**

Request document: Commission agenda memorandum dated December 1, 2010 from Ralph Graves, Managing Director, Capital Development Division and Diane Summerhays, Director, Aviation Community Development

Presenters: Mr. Graves and Stan Shepherd, Manager, Aviation Noise Programs

Mr. Shepherd introduced the item, noting that the Port's sound insulation program began approximately 25 years ago, and that since that time, over 9,300 single family homes have been sound-insulated, as well as 246 condominium units, and several public buildings. He stated that it was announced in 2004 that the program would be closing, and that currently approximately 40 units remain to be sound insulated.

Mr. Graves commented on the JOC contracting process for the program, noting that it is hoped the rate at which the work is performed can be stepped up in order to provide more cost savings. He also noted that this is a process which has not previously been used by the Port.

Commissioner Creighton noted that although he would be supporting this item, he had concern about prior insulation programs, after which were completed, had window insulation that did not perform according to warranty, with no recourse to homeowners, as the installers had gone out of business.

Mr. Shepherd stated that there have been ongoing discussions with the FAA to see if there are possibilities to address the issues noted by Commissioner Creighton.

Commissioner Tarleton noted that the more small businesses that could be included in upcoming contracts in this endeavor, the more beneficial it would be.

Motion for approval of Item 6d – Tarleton

Second – Holland

Motion carried by the following vote:

In Favor: Albro, Bryant, Creighton, Holland, Tarleton (5)

Following Item 6d, the agenda was returned to discussion and a vote on Item 6a, as follows:

(00:38:09) Port General Counsel Watson clarified that, after further review of the clause referenced by Commissioner Albro regarding the indemnification and hold harmless agreement within the proposed Purchase and Sale Agreement, the Port's standard language on indemnity was contained in the actual Easement.

Motion for approval of Item 6a – Albro

Second - Creighton

Motion carried by the following vote:

In Favor: Albro, Bryant, Creighton, Holland, Tarleton (5)

Commissioner Bryant referenced an email received from Puget Sound Energy supporting Item 6a. A copy of the email, dated December 6, 2010, from Sue McLain, Senior Vice President, Operations, Puget Sound Energy, is by reference, made a part of these minutes, is marked Exhibit 'A', and is on file in Port offices.

Commissioner Bryant proposed that as agenda Items 6e and 6f would be voted on in conjunction with the Briefing on the Northwest Ports Clean Air Strategy, those items be dealt with at the time the briefing was presented.

Staff Briefings were advanced on the agenda as follows:

7. STAFF BRIEFINGS

- a. (00:40:59) King County Proposal for Locating Combined-Sewer Overflow (CSO) Facility on Port Property.**

Presentation documents: Commission agenda memorandum dated November 30, 2010 from Mike McLaughlin, Director, Cruise and Industrial Properties and Mark Griffin, Senior Manager, Real Estate Division. Also provided was a computer slide presentation from King County and a photo of the proposed area for the facility.

Presenters: Mr. McLaughlin; Mr. Griffin; Pam Elardo, Director of Wastewater Treatment at King County; and Don Harris, Property Manager, Seattle Parks and Recreation

Mr. McLaughlin provided background information on the proposed location for the Combined Sewer Overflow Facility in the vicinity of the Port's West Yard at Terminal 91, noting that a number of meetings had been held related to the subject. He stated that there have been discussions of a potential related land swap between the Port and the City, which could offer potential benefits to the Port, the City, the County, and the community. Mr. McLaughlin noted that the Port's Neighborhood Advisory Committee (NAC) had been briefed on the proposed plan for the facility, and had approved of it.

Ms. Elardo briefly reviewed the combined sewer system, which would convey wastewater and stormwater to appropriate treatment plants. She also reviewed the timeline on the project, which will include submitting a plan to the Department of Ecology by the end of the year, proceeding with the SEPA process, and hopefully begin construction in 2013.

Mr. Griffin provided a brief history of the discussions of the possible land swap, which would both accommodate the County's need to site and build a CSO facility and also preserve development area at Terminal 91.

Mr. McLaughlin noted that next steps would include finalizing a Memorandum of Agreement (MOA) between the Port, the City and the County, and that staff would hope to return to the Commission in January with an update on the process.

Responding to a question from Commissioner Tarleton as to who will manage the oversight and procurement of the tank, the installation and the construction once the MOA is finalized, Mr. Griffin stated that it would be the County's responsibility.

Commissioner Tarleton also asked whether there had been discussion of how the Port, City and County can look at how the facility might be used in dealing with cruise ship waste. Mr. McLaughlin noted that cruise ships use a totally different type of system, and it was not recommended, due in part to capacity issues.

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

- Nancy Bainbridge Rogers, citizen. Ms. Bainbridge Rogers spoke in support of the proposed land swap, and the public process going forward, stating her belief that the process should include not only the CSO facility itself, but also the design of the land swap area and related details.

b. (01:05:42) Northwest Ports Clean Air Strategy Implementation Status

Presentation documents: Commission agenda memorandum dated December 1, 2010 and computer slide presentation from Stephanie Jones Stebbins, Director, Seaport Environmental Programs and Sarah Flagg, Air Quality Program Manager, Seaport Environmental Programs

Presenters: Ms. Jones Stebbins and Ms. Flagg

Ms. Jones Stebbins commented on the Port's strategy approach, noting the two main areas of focus are on diesel particulate matter and greenhouse gases. She also noted the following areas which have clear, measurable performance measures:

- Ocean-going vessels
- Cargo handling equipment
- Trucks
- Rail
- Harbor vessels

Ms. Jones Stebbins provided a breakdown of percentages of diesel particulate matter from a variety of sources within the Port of Seattle Seaport area.

Ms. Flagg reviewed performance measures for each of the areas mentioned earlier, beginning with 2010 and then addressing goals through 2015.

Ms. Jones Stebbins introduced Port staff members who have worked in various areas of the Clean Air program, as follows:

- Kate Deaver, Seaport Project Management. Ms. Deaver spoke about the Port's drayage truck registry program, noting that it is a web-based program, allowing drivers to enter their information online. Their VIN information is then vetted to determine the age of the vehicle and provide further clarification as to whether or not the vehicle will be allowed at the terminals in the future. If the truck is not eligible, drivers are provided information for options, such as the SCRAPS program.
- Sally del Fierro, External Affairs. Ms. Del Fierro stated that her role has been on the communications and outreach team. Highlights of the what the team has accomplished included handing out informational flyers at the truck gates; instituting a staff-led truck company ambassador program, and hosting a 'truck registration barbeque' at Terminal 10.
- Rene Finnie, Office of Social Responsibility. Mr. Finnie commented on his position of 'Trucker Liaison' for the Office of Social Responsibility, which he has held since 2009. He commented on outreach events which have been held, including trucker resource fairs. He also commented on partnerships with both the African Chamber of Commerce and Port Jobs, noting that a program is being developed to help those who would like to leave the trucking business. He also mentioned the 'trucker hotline' which had been created, and which he believes has been very successful, and remains quite active.

- Jonathan Mbulu, African Chamber of Commerce, was introduced by Mr. Finnie. Mr. Mbulu noted that the African Chamber will be working with the Port's Office of Social Responsibility in order to make sure the needs of the truckers are being met.

Ms. Flagg then commented Port administration of the program going forward, and mostly to be focused on Marine Maintenance and P69 Headquarters, noting that these groups remain focused on how to reduce energy consumption.

Responding to a question from Commissioner Tarleton about the Maritime Air Emissions Inventory update and who is funding it, Ms. Jones Stebbins stated that there are multiple agencies involved, including Port of Seattle, Port of Tacoma, Port of Everett, Puget Sound Clean Air Agency and Washington State Ferries, among others.

Commissioner Tarleton suggested that the City and the County might be willing to participate in the update, even at a nominal level.

Public Comment regarding Item 7b was received from the following individuals:

- Representative Dave Upthegrove, who spoke on support of the State Democratic party in support of the Federal Clean Ports Act., and the related motion which will be considered by the Commission today.
- Verline Jones, Church Council of Greater Seattle, who commented on the importance of the work going on in this area, and the importance of advocating for our community.
- Rev. Dick Gillett, Episcopal Diocese of Olympia and Church Council of Greater Seattle. Rev. Gillett noted concern of the Episcopal Church and the Church Council of conditions of the Port truck drivers. He spoke in support of the Clean Ports Act,.
- Rev. John Helmiere, Valley and Mountain Fellowship United Methodist Church, who endorsed the motion which will be made supporting the Clean Ports Act.
- David West, Puget Sound Sage. Mr. West spoke in support of the two motions on the agenda. Mr. West also provided a fact sheet for review regarding the Clean Trucks Program. A copy of the document is, by reference, made a part of these minutes, is marked Exhibit 'B', and is on file in Port offices.
- Paul Marvy, Change to Win. Mr. Marvy commented on a letter recently sent to members of Congress by a number of organizations regarding Port of Seattle trucking issues
- Heather Weiner, representing Teamsters. Ms. Weiner spoke in support of both motions to be presented to the Commission today. Ms. Weiner provided copies of articles from Science Daily regarding impacts of diesel exhaust. Copies of the articles are, by reference, made a part of these minutes, are marked collectively as Exhibit 'C'; and are on file in Port offices. Ms. Weiner also submitted copies of letters recently sent to members of Congress related to the Clean Ports Act, as well as a list of endorsers. Copies are by reference, made a part of these minutes, are marked collectively as Exhibit 'D', and are on file in Port offices.
- Sarajane Siegfried, King County Democrats. Ms. Siegfried noted concern of health issues of residents who live in areas most heavily polluted.

- Benjamin Courteau, Sierra Club, who noted that the Clean Ports Act is a national priority for the Sierra Club, stating that its provisions are essential for our environment, and key to viable long-term Port infrastructure.
- Yusuf Cabdi, United African Public Affairs Committee. Mr. Cabdi spoke in support of the two motions to be presented at today's meeting, and noted his concern about job security for Port truckers.
- Toby Guevin, OneAmerica. Mr. Guevin spoke in strong support of the motion to be presented regarding the Clean Ports Act.
- Biru Sufi, who spoke about difficulties of Port truckers, stating his belief that there is too much responsibility placed on the truckers to purchase newer model trucks.
- Abigail Stahl, Council on American-Islamic Relations (CAIR). MS Stahl spoke in support of the Clean Ports Act, and stated her belief that the Port needs to accelerate their plan.
- Christine Gallegos, Community Coalition for Environmental Justice. Ms. Gallegos commented on environmental justice issues, noting the need for air quality to be improved. She also noted her belief that too much responsibility is being placed on the truck drivers. She also stated support of both motions to be presented.
- Binyuam Biete, truck driver. Mr. Biete commented on difficulties truckers have in trying to purchase newer model trucks.
- Kelly Garber, Eagle Marine Services, who spoke in support of the Port's Clean Air programs and commented on how Eagle Marine has participated.
- Kent Christopher, Western Ports Transportation. Mr. Christopher spoke in favor of the Clean Trucks program and stated his belief that the program is enforceable.
- Craig Kenworthy, Puget Sound Clean Air Agency. Mr. Kenworthy reiterated the fact that reducing diesel pollution saves lives, and is well worth the investment to do so. He commented on the importance of focusing not only critical sites, but also systems. He also commented on looking at not only the areas of Seattle and King County, but the entire chain of goods movement in the region.

The following documents were also submitted for the record:

- Written comment from Dale Bright, a copy of which is by reference, made a part of these minutes, is marked Exhibit 'E' and is on file in Port offices.
- A letter dated December 7, 2010 from Captain Michael Moore, Vice President, Pacific Merchant Shipping Association. A copy is by reference, made a part of these minutes, is marked Exhibit 'F', and is on file in Port offices.
- A letter dated December 6, 2010 from the Clean and Sustainable Transportation Coalition. A copy is by reference, made a part of these minutes, is marked Exhibit 'G', and is on file in Port offices.
- A letter dated December 3, 2010 from Mark Knudsen, Vice President, Business Development, SSA Marine. A copy is by reference, made a part of these minutes, is marked Exhibit 'H', and is on file in Port offices.
- An email dated November 30, 2010 from Dagmar Cronn, President, South Park Neighborhood Association. A copy is by reference, made a part of these minutes, is marked Exhibit 'I', and is on file in Port offices.

- An email dated November 29, 2010 from Joy Nelson. A copy is by reference, made a part of these minutes, is marked Exhibit 'J', and is on file in Port offices.
- An email dated December 6, 2010 from Tim Banks, COSCO. A copy is by reference, made a part of these minutes, is marked Exhibit 'K', and is on file in Port offices.

The agenda was then returned to Division, Corporate and Commission Action Items as follows, and in the following order:

6. DIVISION, CORPORATE AND COMMISSION ACTION ITEMS

- f. (02:53:46) Seattle Port Commission Motion to consider alternative plans for improving the Port's drayage truck fleet, including accelerating truck emission standards no later than 2013.**

Request document: Document providing statement in support of motion and proposed motion.

Motion as written – Holland

Second - Creighton

Commissioner Holland commented on the At Berth Clean Fuels program, which has been modified over time. He noted that the spirit of his motion is to ask staff to look at another section of our clean air program to find different ways in which proposed goals for trucks can be reached.

Commissioner Albro stated that he is quite sympathetic to Commissioner Holland's objectives to foster things that are of good business nature to the Port, while addressing environmental issues.

Motion to table Item 6f - Albro

Commissioner Albro voiced his concern about diesel particulate matter in the area and his belief that we need to look at the entire region. He stated that he believes the question needs to be raised as to how to better reduce diesel particulate matter specifically, in the context of a broader strategy; that there needs to be focus on more than just a clean trucks program; and that this should be looked at through the Port's Century Agenda work.

Commissioner Tarleton suggested a friendly amendment to the original motion, revising the date for staff to return to Commission with alternative plans, to perhaps September, 2011.

Ms. Jones Stebbins and Ms. Flagg stated that the understanding is that data will not be available until the end of the year.

Second to Commissioner Albro's motion to table Item 6f - Tarleton

Motion to table Item 6f approved as follows:

In Favor: Albro, Bryant, Tarleton (3)

Opposed: Creighton, Holland (2)

e. (03:34:57) Seattle Port Commission Motion in support of the Federal Clean Ports Act of 2010

Request document: Document providing statement of motion and proposed motion.

Commissioner Creighton stated that the motion is for the Commission to call on the United States Congress to Pass H.R. 5967, the Clean Ports Act of 2010.

Motion as written – Creighton

Second - Holland

Commissioner Albro spoke against the motion, stating his belief that this is not legislation that the Port of Seattle should weigh in on at this time, and does not really have anything to do with local environmental issues.

Motion failed by the following vote:

In Favor: Creighton, Holland (2)

Opposed: Albro, Bryant (2)

Abstained: Tarleton (1)

The agenda was returned to Staff Briefings as follows:

7. STAFF BRIEFINGS

c. (03:50:35) Seaport Division Refocusing Effort

Presentation documents: Commission agenda memorandum dated December 7, 2010 and computer slide presentation from Tay Yoshitani, Chief Executive Officer and Linda Styrk, Seaport Division Managing Director

Presenter: Ms. Styrk

Ms. Styrk provided a brief overview of the recent refocusing effort done by the Port's Seaport Division, noting that following surveys, workshops, and outreach over the past nine months, what the Division felt was needed was a need for better communication, for better understanding, and for better overall alignment. She also commented that during the refocusing process, more clarity was established regarding the Port's Mission, the Division's Mission, as well as Seaport Strategies.

A computer slide was provided showing the current reporting structures of the Port and of specific Seaport teams and their areas of focus.

Responding to questions from Commissioner Creighton regarding how this refocusing effort will mesh with the Century Agenda process, Ms. Styrk reiterated that staff had been very mindful during their process in order for things to align appropriately with both the Century Agenda work as well as the Port's Guiding Principles.

Commissioner Tarleton raised the importance of Maritime security, which ensures that the Port is kept open. She asked that CEO Yoshitani look at the implications at the Corporate level for how security is being handled at the Port, and whether he is satisfied that there is in place a sufficient strategic approach.

Mr. Yoshitani noted that since he began at the Port, he had been moving security into a more centralized function.

d. (04:03:21) Capital Improvement Projects Report for the Third Quarter 2010

Presentation documents: Commission agenda memorandum dated November 18, 2010, computer slide presentation, and report from Ralph Graves, Managing Director, Capital Development Division.

Presenter: Mr. Graves

Mr. Graves stated that there is currently not a lot of updated information, and provided a brief update on projects within each Division. He noted that there are currently 74 projects included in the report; 45 that are within or ahead of target schedule and budget; 28 that have either target schedule or budget off; and 1 with both schedule and budget off.

Commissioner Bryant stated that the agenda would then be returned for Item 6b as follows: Commissioner Bryant noted that the reason this item was being addressed at this time is that he had been advised that the South Park advertisement is set for January 11, which is critical to allow them to meet the fish window and for construction to be concluded consistent with the 2011 fish window. By missing this deadline, it could add a year to the schedule and jeopardize the TIGER funds..

6. DIVISION, CORPORATE AND COMMISSION ACTION ITEMS

- b. (04:11:29) Authorization for the Chief Executive Officer to execute an Interlocal Agreement (ILA) with King County, in substantially the form attached, in connection with the South Park Bridge Replacement Project, including financial participation and property easements in favor of King County over certain Port of Seattle property with a total combined estimated value of \$5,000,000. This action will commit the payment of funds from the Port for the South Park Bridge in 2012 and 2013.**

Request documents: Commission agenda memorandum dated December 1, 2010 from Joe McWilliams, Managing Director, Real Estate Division; Geri Poor, Manager, Regional Transportation; and Dan Burke, Regional Transportation Program Planner. Also provided was a computer slide presentation.

Presenters: Ms. Poor, Mr. Burke, and Susan Oxholm, King County Department of Transportation

Ms. Poor and Mr. Burke provided background information of the project, and reviewed a map of the vicinity where the project would take place. Mr. Burke noted that due to age and maintenance, the South Park Bridge had closed on June 20 of this year, requiring trucks to find alternate routes. He stated that County Executive Dow Constantine had approached the Port to request a \$5 million contribution toward the replacement of that bridge. Mr. Burke also commented on benefits of the project to the Port, including creating jobs and economic growth in an environmentally responsible way, and specifically maintaining a transportation system that supports freight mobility and expands our role in international trade.

Ms. Poor reviewed the members of the funding partnership which will be participating in the bridge replacement project. She also provided a breakdown of amounts to be contributed by each of the partners, and noted that some are for planning or right of way contributions. The Port's cash funding contribution is \$4,286,000, and easements valued at \$714,000 for a total of \$5 million..

Commissioner Albro stated his belief that the replacement of this bridge should be King County's responsibility since it is county-owned, and he would encourage the Port to take a position similar to the Freight Mobility Strategic Investment Board (FMSIB) regarding the return of any funds not spent because the South Park Bridge was built under budget. FMSIB would receive all of its contribution back in that case, and local agencies would split the remaining cost savings proportionately.

Commissioner Creighton said he would like to see more clarity and have a more definite commitment from King County on the Eastside Rail Corridor sale before going forward on the South Park Bridge Interlocal Agreement.

Mr. Yoshitani said he had recommended going forward with the South Park bridge funding because of the January 11 deadline, but he would want to get a much more definitive commitment from King County on the Corridor purchase before executing the Interlocal Agreement. Specifically, he would like the Corridor term sheet to be reworked to include that commitment.

Commissioner Tarleton said the Commission had been vocal about exercising regional leadership. We are working with King County on a number of issues, including the Duwamish Superfund cleanup. The Port has been the recipient of the good will from the people of South Park because of our willingness to help fund South Park Bridge. Mr. Yoshitani and the staff have done their best to obtain a fair allocation of any "under-runs" and for not being responsible for any "over-runs."

Motion for approval of Item 6b – Tarleton

Commissioner Bryant restated the motion as follows: Mr. Yoshitani is authorized to proceed with executing the Interlocal Agreement with the following stipulations. There should be an agreement with King County on the term sheet and timeline with regard to King County's commitment to purchase the Eastside Rail Corridor.

Second: Creighton

Commissioner Creighton offered a friendly amendment to his second that King County's assurance should be in writing. Commissioner Tarleton accepted Commissioner Creighton's friendly amendment.

Commissioner Albro offered another friendly amendment that any savings should be shared by the Port of Seattle, the City of Seattle, the City of Tukwila and Boeing but not by King County. FMSIB would continue to receive a refund of its funding first. After further discussion, Mr. Yoshitani was directed to negotiate and report back to the Commission on any savings the Port would receive if the bridge is built under budget and to obtain a satisfactory term sheet and timeline for the Corridor purchase before executing the Interlocal Agreement.

Motion, as amended, carried by the following vote:

In Favor: Albro, Bryant, Creighton, Holland, Tarleton (5)

8. NEW BUSINESS

None.

9. POLICY ROUNDTABLE

None.

9. ADJOURNMENT

There being no further business, the regular meeting was adjourned at 5:45 p.m.

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

John Creighton
Secretary