

**NWSA SPECIAL JOINT MEETING:  
NWSA / PORTS OF SEATTLE & TACOMA**

*August 1, 2017*

**SeaTac Airport Conference Center  
International Conference Room A**

**TACOMA COMMISSIONERS PRESENT:**

1. Dick Marzano, Co-Chair
2. Don Meyer, Vice President
3. Clare Petrich, Secretary
4. Don Johnson, 1<sup>st</sup> Assistant Secretary
5. Connie Bacon, 2<sup>nd</sup> Assistant Secretary

**SEATTLE COMMISSIONERS PRESENT:**

1. Stephanie Bowman, Secretary
2. Fred Felleman, Assistant Secretary
3. John Creighton, Commissioner At Large

**SEATTLE COMMISSIONERS EXCUSED:**

1. Tom Albro, Co-Chair
2. Courtney Gregoire, Vice President

**STAFF PRESENT:**

1. John Wolfe, CEO
2. Don Esterbrook, Deputy CEO
3. Kurt Beckett, Deputy CEO
4. Carolyn Lake, Legal Counsel
5. Tom Tanaka, Legal Counsel
6. Judi Doremus, Clerk of the Port
7. Leilani Berinobis, Executive Administrative Assistant
8. Paul Meyer, Maritime Environmental Manager
9. Ann Porter, Capital Project Manager, North Harbor
10. David Morrison, Director, Treasury & Financial Planning
11. Dustin Stoker, COO
12. David Amble, Seaport Property Manager
13. Lindsay Wolpa, King County Government Relations Manager
14. Erin Galeno, CFAO

**9:30 AM EXECUTIVE SESSION:**

**1. CALL TO ORDER:**

Co-Chair Marzano called the meeting to order at 9:30 am and recessed into Executive Session for approximately one and a half hours.

**2. RECESS INTO EXECUTIVE SESSION:**

- A. One (1) Potential Litigation Item-RCW 42.30.110(1) (i) and Real Estate-Selling Item:  
RCW 42.30.110 (1) (c)

**11:30 PM – SPECIAL JOINT MEETING: NWSA / PORT OF SEATTLE / PORT OF TACOMA:**

**1. RETURN TO ORDER:**

Commissioner Marzano called the meeting back to order at 11:37 am and a flag salute was performed.

**2. CONSENT AGENDA:**

A. **Minutes:** June 6, 2017

B. **Check Certifications:** Checks #701706 through #701975, plus wire transfers in the total amount of \$29,369,450.29 during the period of May 26, 2017 through July 21, 2017 were certified.

*Motion was made by Commissioner Johnson, seconded by Commissioner Petrich:*

***“Approve the above stated Consent Agenda.”***

**SEATTLE COMMISSIONERS VOTE:**

Commissioner Bowman     Yea  
Commissioner Creighton   Yea  
Commissioner Felleman   Yea

**TACOMA COMMISSIONERS VOTE:**

Commissioner Bacon       Yea  
Commissioner Johnson     Yea  
Commissioner Marzano     Yea  
Commissioner Meyer       Yea  
Commissioner Petrich      Yea

**MOTION CARRIED 3-0 / 5-0**

**3. PUBLIC COMMENT:**

**Chris Eaves, Seattle Department of Transportation:** Spoke regarding the Terminal 5 (T5) improvements in the North Harbor and what we've done to move this project forward. There are two MOUs in front of the Managing Members for approval today in relation to a railroad quiet zone and the Marginal Way street vacation. These are for safety along the railroad tracks and also to maintain quality of life for the T5 neighbors. He encouraged the Managing Members to approve these MOUs to help our region maintain and grow our transportation infrastructure.

#### 4. STAFF BRIEFINGS:

##### A. Mid-Year Financial Update:

1. Year-to-date net income was reviewed.
2. It has been a strong year to-date with cargo volume increases.
3. Vessel calls are down, but volume is up with larger vessels. Commissioners would like to see the data of the vessel calls.
4. Commissioner Meyer requested the cash distribution to homeports comparison of 2016 to 2017. David Morrison will provide this during the budget process.
5. Any change to properties in the Alliance would be made through a Charter update.

#### 5. ACTION AGENDA:

##### A. Extended Service Hours Program:

###### Discussion Included:

1. Business plan, goals and key performance indicators were reviewed.
2. Domestic rail rates, transloading and rail versus truck moves were discussed.
3. Subsidizing longshore work on working holidays was discussed. Commission feels that the marine terminal operators (MTOs) should be keeping the gates open on their own. MTOs ask the shipper if they want to fund a working holiday.
4. Service issues – MTOs and truckers have no service agreement. This link is the most difficult in the supply chain, as we do not have control over this piece.
5. Extended hours will help fund additional gate hours. Long-term plan is to have permanent extended gate hours.
6. Commission asked how much improvement would be gained from spending the \$2,000,000. This will buy 19 weeks of additional extended gates per week, increasing from five days to six days per week. Additionally, the improved throughput and less idling will result in lower emissions.
7. Contributors to the permanent funding: The plan is for the supply chain to fund this. It would be through a contractual agreement between the NWSA and the MTOs. There would be clean truck incentives coupled with this.
8. Ship schedule is not affected by this. Ships operate independently from the gate.
9. Have been some technical difficulties with DrayQ. They are working through this.
10. Operations Service Center initiatives were reviewed.
11. Commission would like to see more detail added to the initiatives chart to show if certain initiatives are needed at each terminal.
12. The strategy is to get more truckers signed up on DrayQ. Commission addressed the issue of ethnicity of staff reaching out to truckers; need to speak the same language and be relatable. Currently there about 125 truckers signed up for DrayQ. Goal is to have approximately 1,000.
13. A possible future Commission trip to Eastern Washington was discussed.

*Motion was made by Commissioner Petrich, seconded by Commissioner Johnson:*

***“Authorize funding the Extended Service Hour Program to expand gate hours at the NWSA’s international container terminals during the 2017 peak season, not to exceed \$2,000,000.00.”***

##### **SEATTLE COMMISSIONERS VOTE:**

Commissioner Bowman   Yea  
Commissioner Creighton   Yea  
Commissioner Felleman   Yea

##### **TACOMA COMMISSIONERS VOTE:**

Commissioner Bacon    Yea  
Commissioner Johnson   Yea  
Commissioner Marzano   Yea  
Commissioner Meyer    Yea  
Commissioner Petrich   Yea

**MOTION CARRIED 3-0 / 5-0**

##### **B. PORT OF SEATTLE ONLY VOTE: North Harbor Street Vacations:**

###### **PUBLIC COMMENT:**

Martha Neuman, Seattle Public Utilities: Stated that Seattle Public Utilities is very happy that these street vacation agreements are before the Port of Seattle Commissioners today. These have been in process for quite some time and they are looking forward to having these actions approved.

###### Discussion Included:

1. The utility agreements for approval were reviewed.
2. Easement Agreements: NWSA becomes the land owner. The utilities own the assets and they are responsible for all maintenance. Commission asked about the clarity of responsibilities in the easements.
3. Homeport versus Alliance responsibilities were discussed. The asset owner is often times the homeport even though the land is being managed by the NWSA.

*Motion was made by Commissioner Felleman, seconded by Commissioner Creighton:*

*"Authorize the five agreements listed below:*

- 1. Port-SPU Master Easement*
- 2. Port-Seattle Public Utilities Asset Transfer Agreement*
- 3. Port-Century Link Substitute Easement*
- 4. Port-Kinder Morgan Easement Amendment*
- 5. City-BP-Port Easement"*

**SEATTLE COMMISSIONERS VOTE:**

Commissioner Bowman     Yea  
Commissioner Creighton     Yea  
Commissioner Felleman     Yea

**MOTION CARRIED 3-0**

**C. Terminal 5 Berth Modernization:**

Discussion Included:

1. Language is not finalized on PSCAA and the tribal agreements. Staff will be asking for CEO authorization to sign the agreements once final language is agreed to as long as there are no substantial changes.
2. Terminal 5 permit status was reviewed.
3. The two tribal agreements were reviewed.
4. The quiet zone agreement was discussed. We are a secondary party. The financing for the whole project is being asked for today. However, we would not go to construction until we have a tenant. This shows good faith to being able to complete the quiet zone for the agreement. Quiet zone needs to be complete by the time of tenant occupancy and is a permit condition for the Terminal 5 development.
5. If there are changes to the design the MMs want to make sure the NWSA is not responsible for the cost changes. Dealing with multiple entities can be difficult. Staff will be reviewing the construction documents along the way.
6. Construction of the development and the construction of the quiet zone will happen concurrently. Quiet zone is an important element for the community.
7. Quiet zone could be constructed independent of the T5 development if the MMs so choose. Staff estimates it will take two to three years to complete the design and construction of the quiet zone.

*Motion was made by Commissioner Bowman, seconded by Commissioner Johnson:*

**DUAL VOTES: NWSA / PORT OF SEATTLE / PORT OF TACOMA:**

**1A. "Approve project authorization and funding in the amount \$5,200,000 (\$2,600,000 from each Port) for planning, design, and construction of railroad quiet zone for a total authorized amount of \$25,400,000."**

**SEATTLE COMMISSIONERS VOTE:**

Commissioner Bowman     Yea  
Commissioner Creighton     Yea  
Commissioner Felleman     Yea

**TACOMA COMMISSIONERS VOTE:**

Commissioner Bacon     Nay  
Commissioner Johnson     Yea  
Commissioner Marzano     Yea  
Commissioner Meyer     Yea  
Commissioner Petrich     Yea

**MOTION CARRIED 3-0 / 4-1**

*Motion was made by Commissioner Bowman, seconded by Commissioner Johnson:*

**1B. "Approve project authorization and funding in the amount of \$450,000 (\$225,000 from each Port) for construction impacts and pilot program as part of the agreements with tribal entities."**

**SEATTLE COMMISSIONERS VOTE:**

Commissioner Bowman     Yea  
Commissioner Creighton     Yea  
Commissioner Felleman     Yea

**TACOMA COMMISSIONERS VOTE:**

Commissioner Bacon     Yea  
Commissioner Johnson     Yea  
Commissioner Marzano     Yea  
Commissioner Meyer     Yea  
Commissioner Petrich     Yea

**MOTION CARRIED 3-0 / 5-0**

*Motion was made by Commissioner Bowman, seconded by Commissioner Johnson:*

**1C. "Approve the revised total project authorization of \$25,850,000."**

**SEATTLE COMMISSIONERS VOTE:**

Commissioner Bowman      Yea  
Commissioner Creighton    Yea  
Commissioner Felleman    Yea

**TACOMA COMMISSIONERS VOTE:**

Commissioner Bacon        Nay  
Commissioner Johnson      Yea  
Commissioner Marzano      Yea  
Commissioner Meyer        Yea  
Commissioner Petrich       Yea

**MOTION CARRIED 3-0 / 4-1**

*Motion was made by Commissioner Meyer, seconded by Commissioner Bowman:*

**NWSA ONLY VOTE:**

- 2. "Approve Execution of Agreement with City of Seattle to establish a railroad quiet zone near Terminal 5;**
- 3. Execution of an Agreement with City of Seattle for W Marginal Way SW street closure;**
- 4. Execution of an Agreement with Puget Sound Clean Air Agency to establish an Air Quality Management Program at Terminal 5 consistent with objectives established in City of Seattle shoreline land use permit;**
- 5. Execution of Agreement with Muckleshoot Tribe confirming commitments regarding construction activities related to Terminal 5;**
- 6. Execution of Agreement with Suquamish Tribe confirming commitments regarding construction activities related to Terminal 5."**

**SEATTLE COMMISSIONERS VOTE:**

Commissioner Bowman      Yea  
Commissioner Creighton    Yea  
Commissioner Felleman    Yea

**TACOMA COMMISSIONERS VOTE:**

Commissioner Bacon        Yea  
Commissioner Johnson      Yea  
Commissioner Marzano      Yea  
Commissioner Meyer        Yea  
Commissioner Petrich       Yea

**MOTION CARRIED 3-0 / 5-0**

*\*1:41 pm Commissioner Bowman departed the meeting*

**6. GENERAL BUSINESS:**

**A. NWSA Workspace Assessment:**

1. The different engagements with Commissioners and staff were reviewed.
2. Gensler is now developing the framework and criteria for evaluation of long-term space options.
3. Locations: The contractor, Gensler, looked at the physical spaces where NWSA employees currently work. Future workspace locations have not yet been evaluated.

**7. MANAGING MEMBER COMMENT:**

None.

**8. ADJOURNMENT:**

There being no further business, Commissioner Marzano adjourned the meeting at 2:07 pm.



Richard P. Marzano, Co-Chair  
The Northwest Seaport Alliance



Stephanie Bowman, Co-Secretary  
The Northwest Seaport Alliance

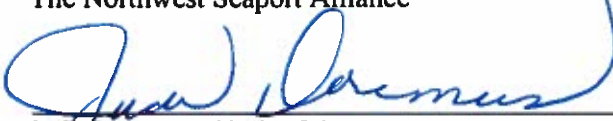
ATTEST:



Clare Petrich, Co-Secretary  
The Northwest Seaport Alliance



Fred Felleman, Assistant Secretary  
The Northwest Seaport Alliance



Judi Doremus, Clerk of the Port  
The Northwest Seaport Alliance