

**CITY OF SHORELINE**  
**SHORELINE CITY COUNCIL**  
**SUMMARY MINUTES OF WORKSHOP DINNER MEETING**

Monday, July 14, 2008  
6:00 p.m.

Shoreline Conference Center  
Highlander Room

**PRESENT:** Mayor Ryu, Deputy Mayor Scott, and Councilmembers Eggen, Hansen, McConnell, McGlashan, and Way

**STAFF:** Robert Olander, City Manager; Julie Underwood, Assistant City Manager, and Scott MacColl, Intergovernmental Program Manager

**GUESTS:** Port of Seattle Commissioners Lloyd Hara and Bill Bryant

At 6:12 p.m., Mayor Ryu called the meeting to order.

Commissioner Hara began the presentation with an overview of Port Business, including the fact that the Port has 27 employees that reside in Shoreline. There are 1,700 Port employees in their three main lines of business:

- SeaTac Airport, which is the 18<sup>th</sup> largest airport in the country, but is 28<sup>th</sup> largest in terms of acreage;
- SeaPort, which includes four container terminals, three large bulk goods terminals, and two cruise materials; and
- The new Real Estate Division, which operates the marinas and other real estate holdings.

The Port has a \$1.1 billion budget, distributed approximately with 70% to SeaTac, and 30% to the SeaPort and Administration. The Port had income of \$116 million in 2006, increasing to \$127 million in 2007. In addition, the Port reduced the tax levy rate in 2008 from 23.3 to 22.5 cents per thousand. New Executive Director Tay Yoshitani came onboard last year and has made significant changes. He created a new Real Estate Division to ensure a reasonable rate of return on their investments, and a new Office of Social Responsibility to work with small businesses to improve their economic impact.

**Airport Division Update:**

Virgin Atlantic is a new airline at SeaTac, and existing airlines are expanding international service from SeaTac, including Hawaiian Airlines to China, AirFrance to Paris, and Northwest service to Heathrow. Light rail will open to the airport by the end of 2009 and roadways into the airport are being revamped. There is a new off-site rental car facility that will open up 3,000 new spaces in the garage.

Mayor Ryu noted that the cell phone waiting lot is too small, and Commissioner Hara responded that staff is analyzing the problem, but are waiting for the roadway to be completed.

SeaPort Division Update:

SeaPort had two million TEU's (20-foot trailer equivalents) pass through last year.

Councilmember Hansen asked whether the Port was considering the airline cut-backs in their budget deliberations. Commissioner Hara noted SeaTac still has positive growth, and Commissioner Bryant noted they are addressing it through the budget, and have instructed staff to budget for flat growth.

Councilmember Way questioned how the Port is dealing with greenhouse gas/carbon emissions are what their impacts are on the environment. Commissioner Hara noted that the Port is working on an air quality inventory with Tacoma and Vancouver's Ports. The program is voluntary, but added that the Port has a good working relationship with shipping companies, including plug-ins for cruise ships. The Port is also working toward providing lower emission cargo handling equipment, using electrified cranes, and upgrading railroad engines. The Commissioner noted that the truckers are a tougher problem, as most are independent.

Mayor Ryu discussed the economic impact, and whether environmental stewardship is an economic incentive. She followed her question by wondering if there is an incentive or goal to not use the tax levy.

Commissioner Bryant discussed the budget. He noted that the Port requires the tax levy in part since airport profits must stay at the airport, making the airport self sufficient. The levy is focused entirely on the SeaPort, which allows the Port to operate Fisherman's Terminal and purchase the Eastside Rail corridor. Most of the levy goes to pay off long-term bonds and contribute to other projects, such as:

- The Alaskan Way Viaduct corridor;
- Social Responsibility;
- Fisherman's Terminal, which creates thousands of jobs, but can't drive up rates high enough to cover the costs;
- Cleaning up the environment; and
- Purchase of the Eastside Rail Corridor

Councilmember Scott questioned whether the Port requires a certain rate of return, and whether or not the jobs are living-wage jobs. Commissioner Bryant answered yes, they aim for a 6-9% return, and maritime jobs create approximately 40,000 jobs at a salary of approximately \$50 - \$70,000.

Commissioner Bryant noted that they want to wean the SeaPort Division off tax levy dollars to be able to float revenue bonds. Councilmember Hansen inquired about the Stampede Pass Project. Commissioner Hara answered that there was supposed to be a trade with King County that didn't happen and that the railroad is still negotiating with the State.

Councilmember Hansen also noted the large volume of TEU's that travel from Oakland to Chicago. Commissioner Bryant noted that the Port needs to work with the Port of Tacoma to figure out how to move 10 million TEU's in the Puget Sound region. He also noted that that only works with an integrated system to get over the Cascades and Rockies, and that the Port may work toward a joint transportation package to take to Olympia this fall. Commissioner Hara noted that traffic is already being diverted using the Panama Canal.

Commissioner Scott questioned how the Port ensures that containers are secure if they are not being scanned or searched. Commissioner Hara answered that the Port will move inspectors to factories where the shipments are produced and loaded.

Mr. Olander questioned how the Port can help chambers and the Suburban Cities Association make connections. Commissioner Hara said he wants to work with trade fairs and other interested organizations to help expand their markets, and that the Port conducts yearly seminars with their trade representatives.

The Mayor thanked the Commissioners for attending and at 7:25 p.m. the meeting was adjourned.

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Scott MacColl, Intergovernmental Program Manager

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