



**Commissioners**

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Tom Albro  
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**APPROVED MINUTES  
COMMISSION MORNING SPECIAL MEETING JULY 22, 2014**

The Port of Seattle Commission met in a special meeting the morning of Tuesday, July 22, 2014, at Port of Seattle Headquarters, Commission Chambers, 2711 Alaskan Way, Seattle, Washington. Commissioners Albro, Bowman, Bryant, Creighton, and Gregoire were present.

**1. CALL TO ORDER**

The special meeting was called to order at 8:37 a.m. by Courtney Gregoire, Commission Co-President.

**2. EXECUTIVE SESSION pursuant to RCW 42.30.110**

No executive session was convened at this point in the meeting; however, the Commission recessed into executive session later in the meeting as noted below.

**PLEDGE OF ALLEGIANCE**

**3. SPECIAL ORDERS OF BUSINESS**

None.

**4. UNANIMOUS CONSENT CALENDAR**

*[Clerk's Note: Items on the Unanimous Consent Calendar are considered routine and are not individually discussed. Port Commissioners receive the request documents prior to the meeting and may remove items from the Consent Calendar for separate discussion and vote in accordance with Commission bylaws.]*

**4a. Approval of the minutes of the regular meeting of February 11, 2014.**

**4b. Approval of claims and obligations for the period of June 1, 2014, through June 30, 2014, including accounts payable checks nos. 825182-825807 in the amount of \$33,579,227.27 and payroll checks nos. P-176975-177192 in the amount of \$8,047,504.20 for a fund total of \$41,626,731.47.**

**4c. Authorization for the Chief Executive Officer to: (1) execute a Local Agency Agreement with the Washington State Department of Transportation, substantially as drafted and attached to this request, to accept a supplemental Congestion Mitigation and Air Quality (CMAQ) grant; and (2) increase the authorized amount for the Clean Truck Program truck scrapping project by \$763,000 for a revised total of \$7,098,000. Of the**

**additional \$763,000, the supplemental CMAQ grant will provide \$638,000 and the Port will contribute \$125,000.**

Request document(s) provided by Janice Gedlund, Air Quality Program Manager, the Port of Seattle Seaport:

- Commission agenda [memorandum](#) dated July 14, 2014.
- [Project Description](#).
- Local Agency [Agreement](#).

**4d. Authorization for the Chief Executive Officer to execute First Amendment to Lease with Arctic Storm Management Group to revise the current lease period to 12 years and three months, including an early termination and a five-year option to extend and provide Port funding of \$114,000 for additional tenant improvements plus \$65,643 for a tenant broker commission fee.**

Request document(s) provided by Patricia Spangler, Real Estate Manager, and Melinda Miller, Director, Portfolio and Asset Management:

- Commission agenda [memorandum](#) dated July 3, 2014.
- Basic Lease and First Amendment [Table](#).
- First [Amendment](#) to Lease.

**4e. Authorization for the Chief Executive Officer to take the following actions with respect to contracts for support services at the Airport's Federal Inspection Services facility: (1) execute a five-month contract extension with Flight Services and Systems in the amount of \$300,000; (2) enter into a five-month contract extension with VIP Hospitality in the amount of \$250,000; (3) enter into a four-month contract extension with Olympic Security in the amount of \$75,000; and (4) extend each of these contracts on a month-to-month basis beyond the date of December 31, 2014, at which time they will be scheduled to expire. The total amount of these contract actions is estimated at \$625,000.**

Request document(s) provided by Michael Ehl, Director, Aviation Operations :

- Commission agenda [memorandum](#) dated July 14, 2014.

**4f. Authorization for the Chief Executive Officer to execute a major public works construction contract with the sole responsive and responsible bidder to perform the Second Floor Mezzanine Infrastructure Upgrade Project at Seattle-Tacoma International Airport (CIP #C800615).**

Request document(s) provided by Wayne Grotheer, Director, Aviation Project Management Group:

- Commission agenda [memorandum](#) dated July 15, 2014.

**Motion for approval of consent items 4a, 4b, 4c, 4d, 4e, and 4f – Albro  
Second – Bowman**

**Motion carried by the following vote:**

**In Favor: Albro, Bowman, Bryant, Creighton, Gregoire (5)**

**5. PUBLIC TESTIMONY**

An opportunity for public comment was provided, but no testimony was offered at this time.

**6. DIVISION, CORPORATE, AND COMMISSION ACTION ITEMS**

**6a. Second Reading and Final Passage of Resolution No. 3694: A Resolution of the Port Commission of the Port of Seattle relating to safety and security at Seattle-Tacoma International Airport and the necessary hiring standards, training opportunities, and minimum compensation required to maintain a well-trained workforce at the Airport.**

Request document(s) provided by Larry Ehl, Chief of Staff, Office of Commission; Mark Reis, Managing Director, Aviation Division; Michael Ehl, Director, Aviation Operations; and Wendy Reiter, Director, Aviation Security and Emergency Preparedness:

- Commission agenda [memorandum](#) dated July 16, 2014.
- Commission Agenda Staff Briefing [Overview](#).
- Resolution [No. 3694](#).
- Federal Aviation Administration Advisory [Circular](#).
- [AHM 611](#): Airside Personnel: Responsibilities, Training and Qualifications.
- San Francisco Airport Quality Standards [Program](#).

Presenter(s): Mr. Larry Ehl and Mr. Reis.

The Commission received a presentation that included the following relevant information:

- In January 2014, the Port Commission announced its intention of initiating and implementing policies that address the Seattle-Tacoma International Airport's wage and compensation standards, workforce development, and career advancement opportunities that support the Port of Seattle's mission as an economic development agency, enhance the safety and security of Airport operations, and are within the Port's statutory authority to enforce.
- Resolution No. 3694 is one of three actions relating to the initiative.
- The Port engaged in a public process to develop these policy proposals and gather data, meeting with employees and labor and business representatives, surveying employers and contractors, holding two public hearings, researching initiatives at other airports, and gathering wage and compensation data.
- Turnover is high among employees with badges that grant entry to the Airport operations area around aircraft and aircraft activity, with negative impact on Airport safety and security.
- Research conducted at other airports indicated that providing better training and higher wages and compensation significantly reduces turnover, resulting in greater Airport safety and security as staff become more familiar with and better trained in the Airport operations area.
- Resolution No. 3694 strengthens the safety and security of the Airport and ensures quality jobs for its employees by establishing new training, education, work experience, and wage and compensation standards for aeronautical workers, especially those with Airport operations badges. Workers are guaranteed paid time off.

The policies proposed by the resolution are designed to incentivize the provision of benefits to employees, reduce turnover, and ensure safer and more secure airport operation.

Commissioner Gregoire commented on Commission efforts over the past eight months to craft this resolution. She noted acceptance of comments from Port tenants, stakeholders, employers, and employees on the measure.

Commissioner Gregoire explained the intent of an amendment being offered to set a “floor” or minimum requirement for Airport job quality and enable employers to extend their efforts above the minimum. The amendment clarifies compensation, benefits, and paid time off while still allowing employers flexibility. It also clarifies language relating to reporting and certification procedures for Airport employers.

In the event of a Supreme Court ruling on the City of SeaTac’s Proposition One, it was noted that the Commission intends to take 45 days to consider changes needed, including a 30-day public comment period, to adjust for implementation.

Commissioner Creighton remarked on mixed reception of the resolution, but commended the policy as addressing the issue of high turnover rates among badged workers who play a role in Airport safety and security. Commissioner Gregoire noted the policy goal to raise employee standards of living and reduce employee turnover. She acknowledged that the resolution represents a compromise between various conflicting interests. She commented on a sign of successful compromise being criticism from all quarters.

The Commission acknowledged Airport employers that already provide quality job benefits equal to or greater than those specified by the resolution.

**Motion for second reading and final passage of Resolution No. 3694 – Albro**

**Second – Creighton**

**AMENDMENT**

The following amendment was offered as presented by Commissioner Gregoire:

In Section 2, delete the text of subsection D and insert the following in lieu thereof:

*“Bonuses” means payments in addition to hourly, salary, Commission, or Piece-Rate payments paid by the employer to the employee, including, without limitation, profit-sharing arrangements, bonuses and other incentive payments that are not intended to qualify for favorable tax treatment as retirement plans under the Internal Revenue Code.*

And in Section 2, subsection H, insert before both instances of “Compensation” the following:

*Total*

And in Section 2, delete the text of subsection J and insert the following in lieu thereof:

"Benefits Plan" means a plan of an Airport Employer offering health and welfare benefits, whether on an insured or self-insured basis, such as medical, dental or vision benefits under a group health plan (as defined in the Internal Revenue Code) or an essential health benefits package (as defined in the Affordable Care Act, 42 U.S.C. § 18022), or as permitted by the Rules and Regulations promulgated by the Director.

And in Section 2, delete the text of subsection K and insert the following in lieu thereof:

"Minimum Total Compensation" means the sum of the Minimum Wage plus all other pay and benefits paid by an Airport Employer to, or on behalf of, an Airport Employee that may be comprised in whole or in part by any of the following items: (i) additional pay, (ii) Tips received by the employee as reported to the Internal Revenue Service, (iii) contributions made by the employer to an employee's Benefits Plan, (iv) irrevocable contributions made by the employer to an employee's retirement plan that is intended to qualify for favorable tax treatment under the Internal Revenue Code, and (v) any verifiable payments made by the employer for an employee's educational expenses, whether paid directly to the employee or to a provider of educational services. Amounts paid for payroll taxes, unemployment taxes, workers compensation, and education or training required for employees to perform in their current roles are specifically excluded from the Minimum Total Compensation calculation.

And in Section 2, subsection M, insert before "Compensation" the following:

Total

And delete "exclusive of lost Tips or Commissions" and insert the following in lieu thereof:

excluding Tips or Commissions

And after "absence from work" delete "for the reasons and in the manner specified in the Rules and Regulations promulgated by the Director" and insert the following new sentence in lieu thereof:

Paid Time Off may be provided through vacation, sick leave, combined PTO, or other plans that permit employees to accrue paid leave and then use the leave in accordance with the employer plan.

And in Section 2, subsection R, delete "compensation" and insert the following in lieu thereof:

payment

And after "full face value" insert the following:

or any alternative electronic banking method.

And in Section 4, subsection A, after "of their Covered Employees" insert the following:

no less than

And after "payment of the Minimum Wage" insert the following:

to its Covered Employees.

And after “is in compliance with all applicable” delete “law” and insert the following in lieu thereof:

laws

And in Section 4, delete the text of subsection B and insert the following in lieu thereof:

Hourly Minimum Total Compensation Policy. Subject to the initial hiring period below, effective January 1 of each year, Airport Employers are required to compensate each of their Covered Employees with no less than that year’s corresponding Hourly Minimum Total Compensation for each hour worked within the physical boundaries of the Airport according to the following schedule:

<u>Year</u>	<u>Hourly Minimum Total Compensation</u>
<u>2015</u>	<u>\$13.72</u>
<u>2017</u>	<u>\$15.50</u>

Effective January 1, 2018, the Hourly Minimum Total Compensation provided by Airport Employers to any Covered Employee will increase annually on a percentage basis to reflect the rate of inflation, calculated to the nearest cent on January 1 of each year. Airport Employers may meet the applicable Hourly Minimum Total Compensation requirement by providing Minimum Total Compensation to their Covered Employees, provided that the Airport Employer is in compliance with all applicable laws.

And in Section 4, subsection C, after “Hourly Minimum” insert:

Total

And in Section 5, subsection B, after “accrue” insert:

at least

And in Section 5, subsection C, after “Paid Time Off” delete “beginning on” and insert in lieu thereof:

no later than

And in Section 6, subsection A, after “annually certify” delete “by February 1”

And after “of this Resolution” insert the following:

for that calendar year

And in Section 6, subsection B, after “required to provide” delete “a copy” and insert in lieu thereof:

notice

And in Section 6, subsection C, delete “Minimum Compensation” and insert in lieu thereof:

Minimum Total Compensation

And in Section 6, subsection E, after “Hourly Minimum Wage” delete “the Hourly Minimum Compensation and insert in lieu thereof:

the Hourly Minimum Total Compensation

And after “between the Minimum Wage” delete “Minimum Compensation” and insert in lieu thereof:

Minimum Total Compensation

And in Section 6, Subsection F, delete “14 calendar days” and insert in lieu thereof:

45 calendar days

And in Section 7, after “without limitation, a” insert:

full or partial

And after “holding of invalidity or” delete “partial invalidity” and insert in lieu thereof:

inapplicability

[End of amendment]

**Motion to amend [Resolution No. 3694](#), as shown above – Bryant**

**Second – Bowman**

**Motion carried by the following vote:**

**In Favor: Albro, Bowman, Bryant, Creighton, Gregoire (5)**

The question recurred on the motion by Commissioner Albro, seconded by Commissioner Creighton, for second reading and final passage of Resolution No. 3694, as amended.

**Motion carried by the following vote:**

**In Favor: Albro, Bowman, Bryant, Creighton, Gregoire (5)**

**6b. Authorization for the Chief Executive Officer to (1) execute the Terminal 5 Lease Termination Agreement with Eagle Marine Services Ltd. and (2) execute a conditional consent to sublease agreement and amendments consistent with the draft letter of intent in the attached exhibits to the Terminal 18 Crane and Terminal leases with SSA Terminals LLC and Terminal 30 lease with SSA Terminals (Seattle) LLC, due to negotiations associated with the most favored nations clause in the respective terminal leases triggered by the Port’s Terminal 46 lease extension with Total Terminals International LLC.**

Request document(s) provided by Michael Burke, Director, Seaport Leasing and Asset Management:

- Commission agenda [memorandum](#) dated July 16, 2014.
- Lease Termination [Agreement](#).
- [Draft Proposed Deal Points](#) for POS/SSAT Approval to Sub-lease.

Presenter(s): Linda Styrk, Managing Director, Seaport Division.

The Commission received a presentation that included the following relevant information:

- The current container cranes at Terminal 5 cannot handle the upsized vessels calling in the Pacific Northwest by the G6 shipping alliance. Terminal 5 is being upgraded to accommodate dual-hoist cranes. Despite the detriment caused by temporarily closing the terminal, its upgrade is essential to the Port's remaining competitive in a rapidly changing global market of increasingly larger container vessels.
- The Port of Seattle Seaport will consider interim uses of the industrial maritime facility during the upgrade's design and permitting phase.
- Terminal 5's current tenant, Eagle Marine Services Ltd., would like to move its operations to Terminal 18.
- In response to Commissioner Albro, regarding the shift of Eagle Marine Services and APL to Terminal 18, it was reported that the Seaport has a 150,000-lift guarantee, in addition to an annual payment guarantee and a 50-vessel-call guarantee. There are substantial penalties should those guarantees not be met.
- Container operations at Terminal 5 currently generate over 5,000 direct, indirect, and induced jobs for the region. To preserve this business activity and related jobs, the Port would execute the Terminal 5 Lease Termination Agreement with Eagle Marine, and a Conditional Consent to Sublease to allow SSA Terminals LLC (SSAT) at Terminal 18 to sublease to Eagle Marine Services. SSAT will pay the Port \$9 million a year for ten years, starting August 1, 2014, recovering those costs from Eagle Marine as part of its sublease.
- The lease termination at Terminal 5 decreases Seaport 2014 net operating income by \$6,000,000 from \$18,377,000 to \$12,377,000.
- In response to Commissioner Albro, it was reported that the Most Favored Nations (MFN) clause of the Lease Termination Agreement was drafted to provide a sense of equivalency in the harbor among terminal operators, and to be more favorable to the Port than in the previous agreement. Commissioner Gregoire suggested that the term "Most Favored Nation" would be better rendered as "equity clause."
- The lease rate currently prevailing in the harbor is set by the TTI lease amendment, effective January 2013. Should that rate rise, the terms provide that the SSAT rate would rise too, according to amendments. If that rate decreases, the Terminal 30 and Terminal 18 leases would reap the benefit of Terminal 5's lower leasing rate.
- If tenants decide it is not feasible to raise rates due to commercial reasons, the new lease has a one-time opt-out provision. If tenants opt out, the MFN clauses are removed from their leases permanently.
- The new MFN will increase equivalency among terminal operators and set an equitable and flexible standard in a rapidly changing industry. It also enables the Port to engage in conversation should the rate rise or fall at a similarly situated terminal.

Commissioner Bowman expressed her support job preservation and indicated that reinvestment in resources such as Terminal 5 is consistent with the Port's responsibility to create jobs for the region.



**Motion for approval of item 6b – Creighton**

**Second – Bowman**

**Motion carried by the following vote:**

**In Favor: Albro, Bowman, Bryant, Creighton, Gregoire (5)**

**6c. Second Reading and Final Passage of Resolution No. 3692: A Resolution of the Port Commission of the Port of Seattle declaring certain real property located in the Cities of Woodinville and Bothell in King County (portions of the Woodinville Subdivision) and any improvements located thereon surplus and no longer needed for Port purposes, authorizing its transfer to the City of Woodinville, and authorizing the Chief Executive Officer to execute all documents related to such transfer.**

Request document(s) provided by Joe McWilliams, Managing Director, Real Estate Division:

- Commission agenda [memorandum](#) dated July 14, 2014.
- [Resolution No. 3692](#).
- Real Estate Purchase and Sale [Agreement](#).
- Ancillary Property Purchase and Sale [Agreement](#).

*There was no presentation at this time. The Port Commissioners received a presentation on Resolution No. 3692 during its consideration on June 24, 2014, and the request documents were distributed for review prior to the meeting of July 22, 2014.*

**Motion for second reading and final passage of [Resolution No. 3692](#) – Bryant**

**Second – Albro**

**Motion carried by the following vote:**

**In Favor: Albro, Bowman, Bryant, Creighton, Gregoire (5)**

## **7. STAFF BRIEFINGS**

**7a. International Arrivals Facility Project Progress Briefing (CIP #C800583).**

Presentation document(s) provided by Elizabeth Leavitt, Director, Aviation Planning and Environmental Services; Wayne Grotheer, Director, Aviation Project Management Group; and Michael Ehl, Director, Airport Operations:

- Commission agenda [memorandum](#) dated July 16, 2014.
- Presentation [slides](#).

Presenter(s): Mr. Grotheer; Mark Reis, Managing Director, Aviation; and Frederick Robinson, Capital Program Leader, Aviation Project Management Group.

The Commission received a presentation that included the following relevant information:

- The Seattle-Tacoma International Airport is one of the fastest growing in the country, with a 10.2 percent increase of international traffic in 2013.
- The Airport's principal international carrier, Delta Airlines, projects a total of 95 daily departures from the Airport by December 2014, and 150 daily departures by 2017.
- To accommodate projected airline growth, at least four additional wide-body gates will need to be built at the North Satellite facility.
- The Airport has 87 gates, and 400,000 passengers use each gate daily. Gate use at the Airport is more intense than at other U.S. airports.
- The Airport's cost per enplanement (CPE) remains at the middle of its three closest peer airports, and 10<sup>th</sup> of 22 peer airports, and is expected to rise to 11<sup>th</sup> between 2013 and 2018.
- Staff does not have a clear picture of other airports' debt per enplaned passenger.
- Future growth of enplanements at the Airport is projected at above 2.2 percent.
- The Airport's current International Arrivals Facility (IAF), located in the basement of the South Satellite facility, is insufficient for current and future passenger and airline needs, and reduces the Airport's competitiveness among its West Coast peers. The new IAF will be located landside of Concourse A, connected to the South Satellite by an aerial connector bridge.
- Since July 2013, the project has validated the best and most responsive procurement method, assembled its team, conducted a lessons learned effort, completed the project planning, and started cost validation.
- The first rough order-of-magnitude cost estimate was projected to be \$316 million. This specificity gives an impression of accuracy that is still not possible at this point, due to the project scope still being under development.
- The project will advance in two prongs, long and short-term. The short-term prong makes improvements to the existing IAF to meet growing customer demands until the new IAF opens. The long-term prong is the construction of a new IAF.
- Of the several projects associated with the short-term prong, the twelfth wide-body aircraft gate and ramp and hardstand busing are projected to continue beyond the completion of the new IAF. Until additional gates are added, the Airport will need to institute off-gate hardstand locations for aircraft, and will need to bus passengers to and from locations remote from the terminal. Busing to hardstands will be needed before new gates open in 2020.
- In order to be responsive to international travel growth, reduce construction duration impacts to current operations, and take advantage of recent revisions to Washington State procurement rules, the project is proposed to be delivered using the progressive design build (PDB) methodology.
- The schedule for the selection of a PDB team runs from commencement of cost validation on June 30, 2014, to a Commission update on January 13, 2015. The team should be selected by January 12, 2015.
- The two components of the project, construction of the new IAF and of the connector bridge, will be contracted to a single team.
- A connector bridge is proposed rather than a tunnel connector due to cost, customer service, risk, and construction considerations.

- The July 29 meeting action items will include request for Commission authorization of additional funding of \$16 million for the new IAF, the procurement of the connector bridge as part of the IAF PDB contract, the advertisement of requests for qualifications to procure a PDB team, and use of Port of Seattle crews as needed to advance the IAF.

Commissioner Albro noted that his earlier concerns about a new IAF representing excess airport capacity are no longer an obstacle to his support of the project. Commissioner Gregoire acknowledged population growth in Seattle, expansion of business travel, and geographic proximity to Asian markets as factors driving the need for increased international capacity.

In response to Commissioner Creighton, it was reported that marginal improvements are available to improve efficient use of gates. The reconstruction of the Center Runway is an example. Some aircraft movement efficiency and safety can be obtained without affecting gates directly.

Commissioners requested additional information about historic debt for capital projects over the past decade and a better understanding of the Airport's historic debt per enplaned passenger. Cost per enplanement was reported as being a reliable performance measure on which the Airport has a wealth of data. Additional information was also requested about the drivers of cost per enplanement growth in Los Angeles and San Francisco. CPE at Los Angeles has grown in a few years from \$3.00 to almost \$12.00 due to runway relocation and reconstruction of multiple terminals. San Francisco has also completed reconstruction of several terminals. Commissioner Bowman noted that subsidizing airport capital improvements by the Cities of Los Angeles and San Francisco has the effect of reducing those airports' relative CPE position considerably compared to Seattle and other airports.

In response to Commissioner Bowman, it was reported that consideration of the effects of using a progressive design build approach on the contractors bidding on the program was included in initial program analysis. It is believed the PDB methodology will not impact the contractors bidding on the program.

In response to Commissioner Creighton, it was reported that the size of aircraft currently being manufactured and those already planned for the future would not conflict with the planned height of the bridge connector, which would cross taxiways on the airfield.

Commissioner Bowman expressed concern over the cost estimates for the bridge or tunnel connector and requested specific information about the difference in estimated cost between the two options. It was noted that cost validation is expected in October, after which more specific numbers will be known.

Commissioner Albro stated that the guaranteed maximum price (GMP) would be a critical decision point for the Port Commission and should be presented in that way during the July 29 meeting. Commissioner Creighton noted a recent San Diego Airport PDB project that he said was finished approximately \$40 million below budget.

Commissioner Creighton expressed concerns for adequate concessions planning for arriving and departing international passengers, particularly in the area of duty-free shopping. It was noted that

arriving passengers tend not to buy in the Airport, whether domestic or international, but that concessions opportunities, including duty-free, are being explored.

**7b. North Satellite Expansion, NorthSTAR Program – Seattle-Tacoma International Airport.**

Presentation document(s) provided by Michael Ehl, Director, Airport Operations; Elizabeth Leavitt, Director, Aviation Planning and Environmental; and Wayne Grotheer, Director, Aviation Project Management Group:

- Commission agenda [memorandum](#) dated July 14, 2014.
- Presentation [slides](#).

Presenter(s): Mr. Grotheer and Greg Vouros, Capital Project Manager, Aviation Project Management Group.

The Commission received a presentation that included the following relevant information:

- The current North Satellite (NSAT) is a 40-year-old facility that requires substantial updating, installation, and coordination of sustainable, complex building systems.
- Greg Vouros is the Port Project Manager for the NSAT within the NorthSTAR program.
- The current design concept for the new North Satellite includes a unique, undulating roof and space for an Alaska Air Group restaurant and lounge. There is an emphasis on natural light, expanded passenger facilities, intuitive wayfinding, and environmental sustainability.
- Design complexity challenges include limited available interior space, an existing low level of service (LOS), constrained vertical circulation, difficult wayfinding, and aging infrastructure.
- The current NSAT is insufficient to handle current and future traveler volume, with an International Air Transport Association LOS rating of E. With the renovation, the LOS rating is projected to rise to B+.
- Current holdrooms for travelers will be consolidated into four facilities to accommodate Alaska's currently used aircraft and allow flexibility in gate location adjustments if another tenant occupies the NSAT or Alaska adopts a larger aircraft type.
- The concessions area would increase from 19,000 to 46,000 square feet. The projected need is 48,000 square feet.
- The NSAT will be seismically reinforced. Support areas will be enlarged and better located. Data and Wi-Fi coverage will be upgraded.
- In response to Commissioner Creighton, it was reported that aging infrastructure will be replaced with energy-efficient systems. Design sustainability will be supported through features such as high performance building systems, a high performance glass and building envelope, water conserving features, interior daylighting, regionally sourced materials with a high recycle content and white "cool" roof materials for heat reflection. The new facility's energy use is projected to be only slightly higher than the old despite expansion, due to the use of energy-saving features throughout the new design. In response to Commissioner Bryant, it was reported that the project has been registered with the U.S. Green Building Council for LEED™ (Leadership in Energy and Environmental Design) certification, potentially at the Silver standard or higher.

- The new NSAT will accommodate 20 contact gates with passenger loading bridges. The expansion will make room for either seven small regional planes or six large aircraft, giving Alaska flexibility in use of space. Dual-door loading capability will be incorporated into the design, with escalators or elevators connecting the gate level to the ramp level.
- North Satellite ramp space will have capacity for future baggage expansion. Such an expansion is not part of the current project. If needed, it would be a separate request.
- New Washington State law allows companies and firms to pre-qualify potential electrical and mechanical subcontractors based on their expertise rather than cost. The General Contractor/Construction Manager delivery methodology is recommended.
- The General Contractor/Construction Manager methodology will save costs, bring in expertise early, and reduce the risk of conflicts during the construction phase.
- Action items for the July 29 Commission meeting include the request of a project budget increase from \$214.2 million to \$405.5 million for the NSAT expansion, bringing the total budget for the entire NorthSTAR program to \$505 million.

In response to Commissioner Bowman, additional details about restrooms and laptop charging stations were presented. She commented in support of gate expansion, but expressed concerns about project cost escalation.

In response to Commissioner Creighton, it was reported that improved wayfinding with appropriate verbiage and messages is planned for the North Satellite.

Commissioner Creighton requested clarification of Alaska Airline's investment in passenger loading bridges, in light of the Airport's current policy of taking over bridge ownership. It was reported that Alaska has a strong interest in owning and operating its own bridges. While the Airport's general strategy for passenger loading bridges is to try to acquire and maintain them by the Port, potentially for use by multiple airlines, Alaska's ownership of bridges primarily at the North Satellite is a reasonable exception, given that the airline is headquartered in Seattle and has the capacity to maintain its own bridges at the Airport.

Commissioner Albro inquired why the general contractor/construction manager (GC/CM) delivery method was selected for the North Satellite Expansion while the progressive design build methodology (PDB) was chosen for the IAF project. It was reported that with the North Satellite already at 30 percent design, GC/CM was more appropriate than PDB.

In response to Commissioner Bryant, there was a discussion of the functionality, consistency, and integration with the overall look of the Airport of the North Satellite's current undulating roof design.

## **8. NEW BUSINESS ANNOUNCEMENT**

Commissioner Albro reported that the Washington Public Ports Association is promoting a Mutual Aid Agreement in which signatory ports could provide material aid to each other in cases of emergencies or natural disaster. He encouraged the Port of Seattle to become a signatory. Aiding another signatory would be completely voluntary, and benefits to signing include protection from liability and reimbursement of disaster relief funds.

**RECESSED AND RECONVENED**

The special meeting was recessed at 10:45 a.m. to an executive session estimated to last 75 minutes to discuss matters relating to qualifications for public employment. Following the executive session, which lasted approximately 75 minutes, the special meeting reconvened in open public session at 12:10 p.m.

**10. ADJOURNMENT**

There being no further business, the special meeting was adjourned at 12:10 p.m.

Tom Albro  
Secretary

Minutes approved: April 14, 2015.