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**APPROVED MINUTES
COMMISSION SPECIAL MEETING NOVEMBER 11, 2014**

The Port of Seattle Commission met in a special meeting Tuesday, November 11, 2014, in the International Auditorium at Seattle-Tacoma International Airport, Seattle, Washington. Commissioners Albro, Bowman, Creighton, and Gregoire were present. Commissioner Bryant was absent.

1. CALL TO ORDER

The special meeting was called to order at 12:05 p.m. by Stephanie Bowman, Commission Co-President.

2. EXECUTIVE SESSION pursuant to RCW 42.30.110

The special meeting was immediately recessed to an executive session estimated to last 60 minutes to discuss matters relating to legal risk, potential litigation, performance on a publicly bid contract, and sale or lease of real estate. Following the executive session, which lasted approximately 60 minutes, the special meeting reconvened in open public session at 1:05 p.m.

PLEDGE OF ALLEGIANCE

3. SPECIAL ORDERS OF BUSINESS

Announcement

Linda Styrk, Seaport Managing Director, announced that contract negotiations between the International Longshore and Warehouse Union (ILWU) and the Pacific Maritime Association had experienced a setback. Productivity at the Port of Seattle and the Port of Tacoma has dropped to half its normal level and work gangs have been let go. Terminal congestion and stalling of container ships in the harbor has resulted. The impact to small businesses and exporters could be significant. Although not a party to negotiations, the Port is advocating a timely resolution to this situation.

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 special meetings of April 9 and August 5, 2014.

- 4b. Authorization for the Chief Executive Officer to (1) design, prepare construction documents, and implement temporary measures as necessary to replace distressed pavement and joint sealant for the 2015 Airfield Pavement Replacement Program at Seattle-Tacoma International Airport in the amount of \$200,000 and (2) for the utilization of a project labor agreement for this project. The total estimated project cost is \$1,761,000 (CIP #C102573).**

Request document(s) provided by Michael Ehl, Director, Airport Operations, and Wayne Grotheer, Director, Aviation Project Management Group:

- Commission agenda [memorandum](#) dated November 3, 2014.

- 4c. Authorization for the Chief Executive Officer to issue change order #41 for the International Window Wall Ticket Counters project's construction contract, MC-0317526, to extend the contract duration from 75 to 82 days to complete the changed work on the project. The costs associated with the changed work have been settled so this is a no-cost change order. No additional funds are needed for the project (CIP #C800490).**

Request document(s) provided by Ralph Graves, Managing Director, Capital Development Division, and Janice Zahn, Assistant Director of Engineering, Construction Services:

- Commission agenda [memorandum](#) dated October 24, 2014.

- 4d. Authorization for the Chief Executive Officer to (1) design and prepare construction documents for the 2015 Fuel System Modifications project at Seattle-Tacoma International Airport in the amount of \$188,000. The total estimated project cost is \$2,069,000 (CIP #C800692).**

Request document(s) provided by Michael Ehl, Director, Airport Operations, and Wayne Grotheer, Director, Aviation Project Management Group:

- Commission agenda [memorandum](#) dated November 3, 2014.

- 4e. Authorization for the Chief Executive Officer to execute a Termination of Agreement and Release with the City of Seattle of a Memorandum of Understanding regarding Bell Harbor Marina originating on November 21, 1994.**

Request document(s) provided by Melinda Miller, Director, Portfolio and Asset Management:

- Commission agenda [memorandum](#) dated October 23, 2014.

- 4f. Authorization for the Chief Executive Officer to execute up to three indefinite delivery, indefinite quantity consulting agreements for a cumulative total amount not to exceed \$2.5 million for services related to special testing, inspection, and investigation services in support of Port projects. No funding is associated with this request.**

Request document(s) provided by Ralph Graves, Managing Director, and Janice Zahn, Assistant Director, Engineering Services:

- Commission agenda [memorandum](#) dated October 24, 2014.

Motion for approval of consent items 4a, 4b, 4c, 4d, 4e, and 4f – Creighton

Second – Gregoire

Motion carried by the following vote:

In Favor: Albro, Bowman, Creighton, Gregoire (4)

Absent for the vote: Bryant

5. PUBLIC TESTIMONY

Public comment was received from the following individual(s):

- Diana Sweeney, President of Ken's Baggage and Frozen Food Storage. Ms. Sweeney stated that the paid time off provisions of the Quality Jobs motion would result in a need for her to hire more staff and give employees fewer hours. She asked that the provision be applied only to full-time employees.
- Steve Marquardt, United Food and Commercial Workers Local 21. Mr. Marquardt commented in opposition to conversion of the Tsubota Steel property to a commercial use and in opposition to the ratio of prime operators to disadvantaged businesses in the Airport Dining and Retail program.
- Paige Miller, former Port of Seattle Commissioner and current Port Jobs Board of Directors. Ms. Miller reflected on formation of the Working in King County Task Force and the creation and work of Port Jobs since 1993. She encouraged continued support for Port Jobs at its Airport office. Ms. Miller submitted her comments, the Articles of Incorporation of Port Jobs, and a report of the Working in King County Task Force in writing. A copy is, by reference, made a part of these minutes, is marked [Exhibit A](#), and is available for review in Port offices.
- Cecilia Cordova, legal counsel for B.F. Foods and Filo Foods. Ms. Cordova highlighted some concerns about interpretation of parts of the Quality Jobs motion and commented in opposition to provisions that might mandate recognition of and negotiation with labor unions.
- Byron Hitchens, Unite Here labor union. Mr. Hitchens commented in opposition to employer exemptions in the Quality Jobs initiative as a matter of fairness.
- Olinda Johnson, Unite Here labor union. Ms. Johnson commented on the need for Quality Jobs standards to apply equally to all workers.
- Hayward Evans, Community Coalition for Contracts and Jobs. Mr. Evans commented on the many businesses operated by HMS Host and Autogrill and their foreign ownership. He also commented on the expiration of leases by Airport Disadvantaged Business Enterprises.
- Shukri Hashi, employed at the Airport by Hudson. Ms. Hashi commented in favor of worker protections and provision of sick leave for Airport employees. She said she would not have paid vacation time without her union.
- Rebecca Saldaña, Puget Sound Sage Deputy Director. Ms. Saldaña spoke in favor of improved benefits for workers and worker retention policies. Ms. Saldaña submitted a petition regarding small business at the Airport and protections for workers' rights to organize and have full-time employment. A copy of the document is by reference made a part of these minutes, is marked [Exhibit B](#), and is available for review in Port offices.

- Bao Ling Li, Unite Here labor union. Ms. Li commented on her concern that all Airport workers be covered by worker retention policies.
- Louvonis McGahee, Unite Here labor union. Ms. McGahee spoke in favor of worker retention provisions but stated that the policies do not apply to enough of the Airport workforce.
- Stefan Moritz, Unite Here labor union. Mr. Moritz commented in support of employment continuity policies but stated he opposes the proposal for 40 percent participation in the Airport Dining and Retail program by local, small, and disadvantaged businesses due to exemptions for these businesses from some Quality Jobs protections.
[Clerk's Note: The Statement in Support of the Quality Jobs motion reads in part "...increased job quality can be achieved in tandem with the achievement of these goals by 2025: ... Grow the share of sales generated by small, disadvantaged, and/or local businesses to 40 percent. These businesses are encouraged to pursue opportunities both as prime lessees/operators and as direct lessees...."]
- Pascasie Mukaruziga, Unite Here labor union. Ms. Mukaruziga commented in support of implementing Quality Jobs provisions, but stated that too many workers remain unprotected by the program provisions.
- Keith Johnson, Qdoba Mexican Grill. Mr. Johnson noted concerns about employment continuity provisions related to the employment pool and the potential for employees terminated for cause to be added to the pool. He highlighted a variety of ambiguities in the policy and requested reconsideration of the Airport's policy of offering street pricing.
[Clerk's Note: The Statement of Policy Direction of the Quality Jobs motion reads in part "...Any employee that has been dismissed for cause will be ineligible to participate in the (Employment Continuity) Pool...."]
- Lee Ann Subelbia, Owner of Filo Foods. Ms. Subelbia commented to contradict misconceptions that concessions transitions result in loss of jobs and that small and disadvantaged businesses do not offer good pay and benefits.

6. DIVISION, CORPORATE, AND COMMISSION ACTION ITEMS

6a. Authorization for the Chief Executive Officer to execute a tenant reimbursement agreement in the amount of \$343,417 for costs already incurred by Airport Management Services LLC (operating entity for Hudson Group) for the conversion of unimproved space to office space. The total estimated project cost is \$350,917 (CIP #C800154).

Request document(s) provided by James R. Schone, Director, Aviation Business Development; James Jennings, Manager, Aviation Properties; and Deanna Zachrisson, Business Leader, Airport Dining and Retail:

- Commission agenda [memorandum](#) dated October 27, 2014.
- Project site [plan](#).

Presenter(s): Mr. Schone.

The presentation on agenda item 6a included the following key information:

- A tenant reimbursement was used for this project in order to expedite relocating the tenant.
- Work for the project was completed in the first quarter of 2014.

- During cost reconciliation for project closeout, it was discovered that, through an oversight, the reimbursement agreement was never authorized by the Port Commission as required.
- It was reported that the tenant followed the requirements for the project as communicated by Port staff in good faith and is due full reimbursement.
- Aviation Business Development staff are already working on developing training for Port staff in the execution of tenant reimbursements. Installation of more efficient systems to keep track of various projects, ensuring a broader awareness of when a critical step is missed, is also in development.

Motion for approval of item 6a – Albro

Second – Creighton

Motion carried by the following vote:

In Favor: Albro, Bowman, Creighton, Gregoire (4)

Absent for the vote: Bryant

6b. First Reading and Public Hearing of Resolution No. 3698: A resolution of the Port Commission of the Port of Seattle adopting the final budget of the Port of Seattle for the year 2015; making, determining, and deciding the amount of taxes to be levied upon the current assessment roll; providing payment of bond redemptions and interest, cost of future capital improvements and acquisitions, and for such general purposes allowed by law which the Port deems necessary; and directing the King County Council as to the specific sums to be levied on all of the assessed property of the Port of Seattle District in the Year 2015.

Request document(s) provided by Dan Thomas, Chief Financial and Administrative Officer, and Michael Tong, Corporate Budget Manager:

- Commission agenda [memorandum](#) dated October 22, 2014.
- Presentation [slides](#).
- [Resolution No. 3698](#).

Presenter(s): Mr. Thomas and Mr. Tong.

The presentation on first reading of Resolution No. 3698 included the following key information:

- Major changes to the budget since publication of the preliminary budget include reduction of Real Estate division operating expenses by \$338,000 and increase of the Corporate Division operating expenses by \$85,000. The latter is due mainly to addition of \$100,000 for a Small Business Incubator project.
- Net operating income has increased slightly from \$219.1 million to \$219.3 million. In 2014 it was budgeted at \$214 million.
- Total 2015 operating revenues are budgeted at \$551.4 million, a \$13.9 million increase over the 2014 budget of \$537.4 million.

- The total 2015 operating expenses are budgeted at \$332.1 million, an \$8.7 million increase over the 2014 budget of \$323.4 million.
- The 2015 tax levy is budgeted at \$73 million, reflecting no change from the 2014 budget. While the proposed levy amount will remain the same, the projected rate change is \$0.18 in 2015, a reduction from \$0.21 in 2014.
- The total 2015 operating and non-operating revenues are budgeted at \$783.3 million.
- Total operating and non-operating expenses in 2015 are budgeted at \$666.8 million in 2015, with a change in net assets at \$116.4 million, a significant increase over the 2014 \$77.8 million.
- Transfer of accounting for a project labor agreement group from Corporate to the Capital Development Division will result in moving 3.5 full-time equivalent (FTE) positions. Of the 13.5 CDD FTEs budgeted, 10 are new.
- Overall, the total proposed net increase in FTEs in 2014 is 23.1. The total proposed Port-wide FTEs in 2015 amount to 1,853.4.
- A total of \$373.8 million in Port-wide capital spending is proposed in 2015. Approximately \$2.2 billion in Port-wide capital spending is proposed between 2015 and 2019, with Aviation accounting for three-fourths of the total at \$1.7 billion.
- More than 45 percent of Port funds are expected to originate from operating revenues. It is expected that 34.9 percent of funds will originate from the proceeds from bond issuances. Both the tax levy and passenger facility charges will contribute 6.1 percent of operating revenue.
- The largest proportion of Port funds in 2015 are anticipated to be used in capital expenditures at 35.8 percent of the total. The second largest is operating and maintenance expenses, at 22.1 percent, followed by bond redemptions at 17.8 percent.
- Interest payments will use 12.8 percent of the total. Overall, the Port expects to spend approximately \$1 billion in 2015.

Commissioner Creighton noted that the 2015 budget does not reflect accounting changes relative to operation of a Port of Seattle/Port of Tacoma Seaport Alliance. Budget planning for the Seaport Alliance will begin in 2015. Additional costs related to Alliance legal costs, financial analysis, and branding efforts are likely.

Commissioner Albro expressed concern regarding comparison of new budget amounts against the previous year's budget, rather than forecasted amounts.

Commissioner Bowman requested more information regarding the Port's interest payment percentages in relation to other public agencies with large capital programs.

Motion for approval of first reading of Resolution No. 3698 – Albro

Second – Creighton

PUBLIC HEARING

Commissioner Bowman declared the public hearing on Resolution No. 3698 open. There was no testimony at this time, and the hearing was closed.

The question recurred on the motion by Commissioner Albro, seconded by Commissioner Creighton, for first reading of Resolution No. 3698.

Motion carried by the following vote:

In Favor: Albro, Bowman Creighton, Gregoire (4)

Absent for the vote: Bryant

Without objection, the Commission advanced to consideration of –

6f. Approval of a motion of the Port of Seattle Commission regarding employment continuity, quality jobs, and service continuity assurances for the Airport Dining and Retail Program. [subsequently laid on the table]

Request document(s) provided included the following:

- Text of the [motion](#), as proposed.

Presenter(s): Larry Ehl, Commission Chief of Staff, and Mark Reis, Managing Director, Seattle-Tacoma International Airport.

Mr. Ehl described the process to date to develop the motion and its intent to strengthen the Airport Dining and Retail (ADR) program at the Airport for passengers while improving opportunities for employees in the program. He highlighted recent public hearings and extensive outreach efforts.

Commissioner Gregoire commented on the virtues of having both prime concessionaires and direct leases within the ADR program and the uncertainties and concerns of employees as the program prepares for a major leasing transition. She noted creation of an employment continuity pool for displaced ADR employees that is intended to provide benefit for both workers and employees. She stated that existing employers should be able to keep their current employees when they transition to new leases and that employees terminated for cause would not be included in the pool.

Commissioner Gregoire explained that the policy direction given under the Quality Jobs motion was not intended to result in mandates for employers to provide specific compensation or benefits. Instead, the intent is to apply the principles in the solicitation process and incentivize employers to provide employment consistent with the standards in the motion. Provision of paid time off for full-time employees is an expectation of employers under the motion, although the number of hours worked before employees are eligible to use this leave is a topic that may need further discussion.

Regarding percentage goals for Airport Concessions Disadvantaged Business Enterprises (ACDBEs) within the ADR program, Commissioner Gregoire noted that the motion of September 11, 2012, stipulated a goal of 30 percent of concessions *units* to be leased to ACDBEs and local or small businesses. The motion under consideration today includes a goal for ACDBE and local or small business participation of 40 percent of *sales generated*, rather than units in the program. There is neither a percentage split between represented and non-represented program employees nor such a split between covered and non-covered employees contemplated in the motion.

Commissioner Creighton noted that a percentage split for ACDBE and small or local businesses in the ADR program does not indicate a split in represented and non-represented employees but is intended to enhance a Northwest sense of place at the Airport. He questioned whether the 40/60 split is the right ratio and indicated more discussion should be had on that point.

Commissioner Albro commented on the need for business opportunities to be granular enough to allow for small business participation. He noted that the model of having both prime and small, direct leases is important for the ADR program to continue to grow jobs. He defended the benefits to the ADR program of preserving street pricing at the Airport.

Commissioner Albro noted that including Quality Jobs provisions in the solicitation process allows any tenant cost increases to be reconciled in rents, rather than in profit margins or wages and benefits.

He stressed the importance of excluding workers terminated for cause from the employment pool and the need for employers to be able to terminate represented employees for cause during the employment pool 90-day trial period if performance is unsatisfactory under the terms of the collective bargaining agreement.

Regarding labor harmony or service continuity provisions, Commissioner Albro expressed reservations about whether these provisions serve the Port's purpose. He suggested finding alternative ways to mitigate such disruptions without compromising principles of equal opportunity.

Commissioner Bowman stated that the current motion represents many compromises and asked stakeholders to focus on the basic intent of the motion to support creation of business opportunities that foster economic prosperity, entrepreneurial initiative, increased job opportunity, and job security. She concluded by noting that Sea-Tac Airport was recently named 15th out of 76 U.S. Airports for its sense of place by the web site *Thrillist*.

Commissioner Gregoire stated it was the intention of the Commission to lay the motion on the table so that the comments from this discussion could be considered for incorporation into the motion before it is voted on, on November 25, 2014.

Further consideration of agenda item 6f was laid on the table without objection.

ANNOUNCEMENT

Commissioner Gregoire announced that a trade association based in Washington, D.C., has filed a lawsuit challenging the Port's authority to enact the provisions of Resolution No. 3694, relating to quality jobs and Airport security. She asserted the Commission's authority to adopt the resolution, which included compensation and other employment standards for Airport workers whose jobs affect airfield security.

Following consideration of agenda item 6f, the Commission returned to consideration of –

- 6c. First Reading of Resolution No. 3699: A resolution of the Port Commission of the Port of Seattle establishing jobs, pay grades, salaries, allowances and adjustments for Port employees not represented by a labor union; authorizing and establishing conditions in connection with the following benefits: Social Security, industrial insurance, Unemployment Compensation, military leave; Faith and Conscience Days; retirement; compensated leave, including civic duty, bereavement leave, holidays, paid time off/extended illness leave, shared leave, and awarded time; insurance benefits, including medical, dental, life and long-term disability; and authorizing this resolution to be effective on January 1, 2015, and repealing all prior resolutions dealing with the same subject, including Resolution No. 3686.**

Request document(s) provided by Ann McClellan, Compensation Manager, Human Resources & Development:

- Commission agenda [memorandum](#) dated October 24, 2014.
- Presentation [slides](#).
- [Resolution No. 3699](#).
- [Exhibit A](#) to Resolution No. 3699.
- [Attachment B](#) to Resolution No. 3699.

Presenter(s): Ms. McClellan.

The presentation on first reading of Resolution No. 3699 included the following key information:

- Resolution No. 3699 delegates authority from the Port Commission to the Port of Seattle Chief Executive Officer to oversee administration of pay and benefits for the Port of Seattle's non-represented employees, who account for 53 percent of the Port's total employees.
- The resolution does not set actual pay rates, but establishes pay for performance as the basis for non-union employee pay increases.
- Staff-recommended changes to the resolution were informed by new or changing laws, updates to Port policies, current market pay levels, anticipated 2015 cost-of-living and merit increases at other local employers, and other changes to the Total Rewards package.
- The Port's 2014 salary ranges are below market levels by 0.9 percent. A 2.9 percent total average pay increase is anticipated in 2015.
- To remain competitive in today's market, staff recommends a two-percent increase to non-union salary ranges, effective January 1, 2015. This adjustment will not increase employees' pay unless their pay is less than the minimum of the adjusted range. Staff anticipate that about eight employees will be affected by this adjustment. The approximate cost for adjusting their pay is \$5,000.
- Other recommended changes include updated definitions for at-will and for-cause designations; an update to the list of non-evaluated Port jobs to include the Chief Executive Officer position; and clarifying the language regarding pay and benefits for the Chief Executive Officer.
- An additional section to the resolution clarifies how to account for the extra hour gained or lost by employees working the graveyard shift when Daylight Savings Time begins or ends.

- In accordance with new state laws, Faith and Conscience Days have been added to the benefits section, providing two unpaid holidays to public employees for matters of personal faith or conscience.

Commissioner Gregoire stated that the CEO will be continuously evaluated by the Commission; “non-evaluated” was defined as a position that is not run through the Port’s internal evaluation system to establish a grade.

Commissioner Bowman clarified that this resolution addresses a salary range increase and not an automatic cost-of-living adjustment.

Motion for approval of first reading of Resolution No. 3699 – Gregoire

Second – Albro

Motion carried by the following vote:

In Favor: Albro, Bowman, Creighton, Gregoire (4)

Absent for the vote: Bryant

6d. First Reading of Resolution No. 3700: A Resolution of the Port Commission of the Port of Seattle declaring certain personal property surplus (Port of Seattle Truck Mounted Aerial Work Platform SPE 527) for Port of Seattle purposes and authorizing its sale or disposal; and authorizing the Chief Executive Officer to execute all documents related to such sale or disposal.

Request document(s) provided by Steve Queen, Container Operations Manager, Seaport Leasing and Asset Management, and Mark Lewis, Project Manager, Marine Maintenance:

- Commission agenda [memorandum](#) dated November 4, 2014.
- [Resolution No. 3700](#).

Presenter(s): Mr. Queen and Mr. Lewis.

The presentation on first reading of Resolution No. 3700 included the following key information:

- The 1997 Condor Model 210S Truck Mounted Aerial Work Platform (SPE 527) was purchased in 1998 at the cost of \$1.2 million for the purpose of maintaining, painting, and regularly inspecting Marine Maintenance container cranes. It is expensive to maintain.
- In 2000, The Port of Seattle delegated crane maintenance duties to tenants. Since then, use of SPE 527 has decreased dramatically.
- SPE 527 is no longer needed for Port purposes and it is in the Port’s best interest that the property be declared surplus in accordance with RCW 53.08.090 and sold or disposed of while still in good operating condition.
- The net book value of SPE 527, as of October 31, 2014, is \$210,221.

Commissioner Bowman clarified that a local auction company estimated SPE 527’s value at public auction as standing between \$87,000 and \$105,000.

**Motion for approval of first reading of Resolution No. 3700 – Gregoire
Second – Albro**

Motion carried by the following vote:

In Favor: Albro, Bowman, Creighton, Gregoire (4)

Absent for the vote: Bryant

6e. Second Reading and Final Passage of Resolution No. 3697: A Resolution of the Port Commission of the Port of Seattle declaring surplus and no longer needed for port district purposes approximately 3.44 acres of Port-owned real property located in the City of Seattle and further authorizing the sale of said real property to TRF Pacific, LLC or its assigns. [Clerk's Note: This property is commonly referred to as the Tsubota site.]

Request document(s) provided by Mark Griffin, Director, Real Estate Development:

- Commission agenda [memorandum](#) dated October 30, 2014.
- Presentation [slides](#).
- [Resolution No. 3697](#).
- [Real Estate Purchase and Sale Agreement](#).
- [Site Map](#).

Presenter(s): Mr. Griffin.

The presentation on second reading and final passage of Resolution No. 3697 included the following key information:

- The Port of Seattle acquired the Tsubota Steel site, a property of approximately 3.44 acres, in April 2005, for approximately \$6.1 million. The site has been under short-term lease since its acquisition and is not essential to any current or anticipated Port operational need.
- TRF Pacific LLC presented the strongest offer from a competitive request for offers process earlier this year, with a proposed purchase price of \$7.2 million.
- The revenue generated on the site since its purchase in 2005 amounts to \$1.2 million in net operating income. At this point, the sale proceeds are anticipated to support other Real Estate projects.
- Any potential re-zoning of the site would be unlikely to increase its value. The site is currently zoned industrial, but with a permitted square footage of approximately 150,000 potentially available for development as retail and office space.
- There are several economic benefits associated with the proposed sale. While the buyer has not yet solidified a plan for developing the site, it anticipates developing approximately 50,000 square feet of retail use. This would generate approximately 100 permanent jobs and approximately \$1.4 million in ongoing tax revenue.
- Staff examined the possibility of acquiring the nearby National Guard Armory site for almost two decades. Presently, the National Guard does not have the cash to build a new facility, even if the Armory site were sold at market value.

- It is unlikely that the National Guard will succeed in disposing of the site through a cashless land swap. It would be extremely difficult for a potential buyer of the site to locate a comparable site in the region on which to place a new facility. Therefore, it is unlikely the Port would acquire the Armory site in the foreseeable future absent a change in the National Guard's real estate policy.

Regarding whether the closest comparable offer was unsolicited, Commissioner Gregoire clarified that the offer came as one of five in response to staff's original request for offers. The offer was to develop the site for multiple storage uses, creating only four jobs and approximately \$130,000 in annual ongoing tax revenue.

Commissioner Creighton clarified that the buyer anticipates developing a small retail format, similar to the Whole Foods shopping center that the buyer currently owns to the north of the site. No specific retailers have been identified at this point.

Commissioner Gregoire requested that the Real Estate Division alert the Commission if it receives notification of the buyer's intent to assign its interests to any entity in which it has a controlling interest. She also specified that the buyer will assume all environmental liability for the site and would work directly with the Department of Ecology on any environmental remediation.

Motion for second reading and final passage of [Resolution No. 3697](#) – Albro

Second – Creighton

Motion carried by the following vote:

In Favor: Albro, Bowman, Creighton, Gregoire (4)

Absent for the vote: Bryant

Agenda item 6f having been considered previously, the Commission advanced to consideration of –

7. STAFF BRIEFINGS

7a. Workforce Development Strategy Update.

Presentation document(s) provided by Luis Navarro, Director, Office of Social Responsibility:

- Commission agenda [memorandum](#) dated October 30, 2014.
- Presentation [slides](#).

Presenter(s): Mr. Navarro.

The presentation on workforce development strategy included the following key information:

- The Insight Center of Oakland, California, served as a consultant to the Office of Social Responsibility (OSR) on its workforce development strategy, which is organized under aviation, maritime, and construction sectors.
- Elements of OSR's workforce development strategy proposal include extension of the Port Jobs contract by one year; non-redundant funding and financial assistance for pre-

apprenticeship training; additional financial assistance to obtain educational credentials beneficial to the Port; provision of relevant classes at Port-owned facilities that are free of charge to incumbent workers; provision of career coaching and educational navigation services; Port-sponsored career fairs and participation in regional job fairs to promote Port-related sectors; increasing access to jobs by expanding the work of the Airport Jobs Office; collaboration with regional partners; legislative engagement; and expansion of high-school internships and veterans' fellowships.

- The need for additional funding sources is expected.
- It is recommended workforce development efforts be expanded beyond the Airport to include the maritime and construction sectors.
- Expected outputs and outcomes for the airport sector in the first year of the expanded program include 7,400 clients served, 1,200 job placements, 170 participants in career advancement, and 35 scholarships for career advancement.
- Expected outputs and outcomes for the maritime sector include 250 clients served, 160 job placements, and 50 participants in bridge-level training.
- Expected outputs and outcomes for the construction sector include 250 clients served, 150 participants in financial education classes, 135 apprenticeships/job placements, and 135 apprenticeship retention and completion services.
- OSR intends to present funding recommendations by the end of the first quarter of 2015, followed by program phasing plans.

Commissioners recommended closer consultation with regional stakeholders such as the Soundside Alliance and a focus on maritime career pathways.

Commissioner Bowman recommended greater goal specificity as the Office of Social Responsibility assembles the expanded program.

Commissioner Gregoire emphasized the need for the program to be relevant and that it include participation by women and minorities in particular. She also recommended that the Office of Social Responsibility develop reporting and monitoring specificities, such as demographics and other outcomes, and present them to the Commission in an annual report.

Commissioner Albro suggested that the workforce development program expansion be approached through building a project plan of how the program will reach its five-year objective, including points of check-in, a resolution, metrics, and purpose.

7b. Legislative Update for November 11, 2014.

Presenter(s): Clare Gallagher, State Government Relations Manager.

Issues and measures being tracked by the Port governmental relations team include the following:

Federal Government

- Potential Congressional committee changes among the Washington state delegation.
- Funding for the remainder of the 2015 fiscal year, whether by short-term continuing resolution or a full-year omnibus bill;

- Extension of expiring tax cuts, including the Research and Development tax credit, key for several large economic sectors in Washington state;
- Federal funding for airport screening embedded in the President's emergency \$6 billion request in response to the spread of the West African Ebola outbreak crisis;
- Trans-Pacific Partnership negotiations and potential fast-track authorization for the President;
- Infrastructure reauthorizations in 2015, including reauthorizing Moving Ahead for Progress in the 21st Century Act (MAP 21) and the Federal Aviation Administration (FAA) reauthorization;

State Government

- The state-wide ballot measure to limit class size that is passing but lacks a funding mechanism for its \$4 billion cost;
- State funding to meet its basic, primary role in funding education;
- Discussion of a transportation package and freight funding of the Port's Gateway Package despite other budget focus in the Legislature;

Local Government

- Stormwater utility proposal and relations with the City of Seattle;
- City of Seattle heavy-haul corridor legislation and related transportation issues; and
- Resumption of excavation of the access pit in the Viaduct Replacement project.

Commissioner Albro highlighted a need for continued focus federally on Harbor Maintenance Tax reform. Commissioner Creighton commented on the lack of optimism among Washington state legislators concerning the transportation package, considering the 2015 state-level focus on education. The Port's transportation advocacy efforts could be aided by the Seaport Alliance, allowing Commissioners from the ports of Seattle and Tacoma to approach various legislators as a single entity. Commissioners Gregoire and Creighton commented on process and potential related to enactment of a City heavy haul corridor.

8. ADDITIONAL NEW BUSINESS

None.

9. ADJOURNMENT

There being no further business, the special meeting was adjourned at 3:37 p.m.

Tom Albro
Secretary

Minutes approved: June 23, 2015.