



**Commissioners**

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Courtney Gregoire  
Commission Co-President  
Tom Albro  
Bill Bryant  
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**APPROVED MINUTES  
COMMISSION REGULAR MEETING NOVEMBER 25, 2014**

The Port of Seattle Commission met in a regular meeting Tuesday, November 25, 2014, in the International Auditorium at Seattle-Tacoma International Airport, Seattle, Washington. Commissioners Albro, Bowman, Bryant, Creighton, and Gregoire were present. Commissioner Bowman participated by telephone. Commissioner Albro was absent after 3:40 p.m.

**1. CALL TO ORDER**

The regular meeting was called to order at 12:10 p.m. by Courtney Gregoire, Commission Co-President.

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

The meeting was immediately recessed to an executive session estimated to last 60 minutes to discuss matters relating to legal risk, potential litigation, performance of a publicly bid contract, and labor negotiations. Following the executive session, which lasted approximately 50 minutes, the regular meeting reconvened in public session at 1:14 p.m.

**PLEDGE OF ALLEGIANCE**

**3. SPECIAL ORDERS OF BUSINESS**

**3a. Seaport Update: Seaport Alliance; PMA/ILWU West Coast Contract Negotiations.**

Presenter(s): Kurt Becket, Port of Seattle Deputy CEO, and Julie Collins, Port of Tacoma Chief External Affairs Officer.

The following relevant information was provided:

- Main contract negotiations between the Pacific Maritime Association and International Longshore & Warehouse Union are on hold until December 2 at the earliest.
- Customers affected by the disruption in productivity at West Coast ports include northwest agricultural exporters and local manufacturers and shippers.
- The ports of Seattle and Tacoma have sent a letter to the President of the United States urging assignment of federal mediators to aid in reaching a positive resolution to the negotiations and related shipping disruptions.
- Public engagement regarding the proposed Seaport Alliance between the ports of Seattle and Tacoma has included recent presentations to the Pacific Marine Expo,

Freight Mobility Strategic Investment Board (FMSIB), the Manufacturing Industrial Council's Summit at Safeco, South County Area Transportation Board, Tacoma Propeller Club, the Seattle Metro Chamber of Commerce Business Issues Forum, and the Bellevue Chamber of Commerce.

- Seaport Alliance town hall meetings are planned for December 3 and 4, and a joint work session for both commissions is scheduled for December 3.
- The work of the Seaport Alliance due diligence team is organized around issue areas of commercial strategy, infrastructure and capital development planning, legal issues and governance, finance and administration, and communications and outreach. A strategic business plan is under development.

#### **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.]*

*Item 4b was removed from the agenda prior to publication. To accommodate public testimony, agenda item 4e was removed from the Unanimous Consent Calendar for separate discussion and vote. Agenda item 4f was also removed from the Unanimous Consent Calendar for separate discussion and vote.*

#### **4a. Adoption of an amendment to the approved minutes of the regular meeting of August 5, 2014, to add an inadvertently omitted vote.**

Request document(s) provided by Larry Ehl, Commission Chief of Staff, and Paul J. White, Commission Clerk:

- Commission agenda [memorandum](#) dated November 17, 2014.
- Proposed [revised minutes](#).
- [Annotated agenda](#) of November 25, 2014, including the voting outcomes, published on November 26, 2014.

**4b.** *As noted above, agenda item 4b was removed from the agenda prior to publication.*

**4c.** Approval of the [Claims and Obligations](#) for the period October 1-October 31, 2014, in the amount of \$58,841,237.79 including accounts payable check nos. 827774-900569 in the amount of \$50,381,163.23 and payroll check nos. P-177888-178175 in the amount of \$8,460,074.56 for a fund total of \$58,841,237.79.

**4d.** Authorization for the Chief Executive Officer to execute a contract for operation of common-use premium lounges at Seattle-Tacoma International Airport for a total contract cost to the Port not to exceed \$2,000,000 and a term of three years with two 1-year options to extend.

Request document(s) provided by James R. Schone, Director, Aviation Business Development  
Nick Harrison, Senior Manager, Aviation Operations, and Jeff Wolf, Manager, Aviation Business  
Development and Analysis:

- Commission agenda [memorandum](#) dated November 10, 2014.
- Presentation [slides](#).

**4e. Authorization for the Chief Executive Officer to execute two indefinite delivery, indefinite quantity contracts for real estate services for the Port of Seattle with a contract ordering period of three years and a combined value not to exceed \$4,000,000. [temporarily postponed]**

*– was temporarily postponed as noted above.*

**4f. Authorization for the Chief Executive Officer to execute a lease, substantially as drafted, with ConGlobal Industries LLC for a term of 12 years for Terminals 106 west and 108. [temporarily postponed]**

*– was temporarily postponed as noted above.*

**Motion for approval of consent items 4a, 4c, and 4d – Albro**

**Second – Bryant**

**Motion carried by the following vote:**

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

## **5. PUBLIC TESTIMONY**

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

- Kathryn Campbell, City of SeaTac City Council Member. Council member Campbell commented on proposed Resolution No. 3696. She noted the significant impact the resolution could have on the City of SeaTac if the stormwater utility was applied to the Port's airport holdings. Council member Campbell expressed the city's desire for further negotiation on the issue of stormwater fees before any implementation of a Port stormwater utility at the Airport.

*[Clerk's Note: A letter from the Port of Seattle Commission to the City of SeaTac regarding Resolution No. 3696 and dated November 20, 2014, is, by reference, made a part of these minutes, is marked [Exhibit A](#), and is available for review in Port offices.]*

- Paul Chiles, President, Chiles & Company Commercial Real Estate Services. Mr. Chiles requested tabling selection of a real estate advisor in agenda item 4e pending implementation of a strategy to ensure open and equal opportunity for women and minority disadvantaged business enterprises to compete for this business. Mr. Chiles submitted written comments, which are, by reference, made a part of these minutes, are marked [Exhibit B](#), and are available for review in Port offices.

*[Clerk's Note: Capital Development Director Ralph Graves clarified later in the meeting that as of November 25, no contracts had been awarded nor bids rejected for the contracts described in agenda item 4e. Authorization for the execution of these kinds of contracts is often requested prior to identification of the apparent bid awardee.]*

- Herbert Gould, founder and President of Anthony's Restaurants. Mr. Gould commented on the history of his restaurant as a tenant of the Port of Seattle and the restaurant's relationship with HMS Host International. He spoke in favor of the lease and concession agreement amendment contained in agenda item 6e.
- Dan Seydel, small business advocate. Mr. Seydel commented on the relationship between small businesses and the Port, and opportunities for progress in inclusion and diversity of businesses contracting with the Port.
- Kathleen Taylor, owner of Dilettante Chocolates. Ms. Taylor described her business and its official status as an Airport Concessions Disadvantaged Business Enterprise and Women-Owned Business Enterprise. She asked for consideration as the Port addresses its Quality Jobs initiative at the Airport.
- Steve Marquardt, speaking on behalf of United Food and Commercial Workers International Union Local 21. Mr. Marquardt commented in favor of employment continuity provisions in the Port's Quality Jobs proposals and in support of agenda item 6g, relating to the Airport lease and concession agreement with Hudson.
- Cecilia Cordova, legal counsel representing Filo Foods and BF Foods LLC. Ms. Cordova spoke in opposition to agenda item 6a and commented on the issue of involuntary unionization of concessionaires in the Airport Dining & Retail program. Ms. Cordova provided a memorandum in opposition to agenda item 6a that is, by reference, made a part of these minutes, is marked [Exhibit C](#), and is available for review in Port offices.
- Lane Hoss, senior executive in charge of beverage program marketing for Anthony's Restaurants. Ms. Hoss commented in favor of agenda item 6e and on the history of Anthony's at the Airport.
- Sandy Sun, owner of Manchu Wok. Ms. Sun commented on her background in the restaurant business and the effect of Port Quality Jobs proposals on the families operating businesses at the Airport.
- Stefan Moritz, Director of Strategic Affairs, Unite Here Local 8. Mr. Moritz commented in support of agenda items 6a, 6e, and 6f. He stated the lease extensions are in line with progress of the Airport Dining and Retail program.
- Hayward Evans, representing the Community Coalition for Contracts and Jobs. Mr. Evans commented on the international business affiliations of Host International and Host's business policies that he stated deny fair contract terms to Airport Concessions Disadvantaged Business Enterprises.
- David Fukuhara, Owner of Concourse Concessions LLC. Mr. Fukuhara questioned the provision of new leases for large prime contractors at the Airport. He contrasted aspects of these companies' business practices and their contributions to business at the Airport and to the community with those of local small businesses in the Airport Dining & Retail program.
- Matt Scruggs, national account executive supporting Starbucks in its relationship with HMS Host. Mr. Scruggs commented on the history of Starbucks and its partnership with HMS Host.
- Byron Hitchins, employed by Anthony's. Mr. Hitchins commented in support of agenda item 6a, related to the Quality Jobs initiative, and in support of agenda item 6e, a lease extension for Anton Airfoods.

- Randi Sibonga, speaking on behalf of Airport Management Services. Ms. Sibonga spoke in favor of agenda item 6g and commented on the additional investment planned by the joint venture.
- LeeAnn Subelbia, Chief Executive Officer of Filo Foods and BF Foods LLC. Ms. Subelbia commented on the opportunities inherent in a transition in the Airport Dining & Retail program. She made several recommendations for how to deal fairly in providing leasing opportunities to small and minority-owned businesses.
- Eddie Rye Jr., representing the Black Contractors Coalition. Mr. Rye spoke in opposition to extended leases for Hudson and Host International and unfair treatment of minority businesses.
- Arick Davis, Information Technology Manager for Concourse Concessions. Mr. Davis commented on the failure of Airport staff to implement the Commission's September 11, 2012, motion regarding relief for Airport Concessions Disadvantaged Business Enterprises and other small businesses at the Airport (agenda item 6e on September 11, 2012).
- Kenneth James, LaTrelles Management Corporation, operating the Airport Wendy's restaurant. Mr. James commented on the planned change of use for the space occupied by Wendy's at the Airport and on the disadvantages perpetuated on Airport Concessions Disadvantaged Business Enterprises by requirements such as the need to enter into agreements with labor.
- Derryl Benton, Executive Vice President, Business Development, Host International. Mr. Benton spoke in favor of agenda items 6e and 6f and the proposed investments and potential revenues for Host's operations at the Airport.
- Kathy Casey, owner of Dish D'Lish, a partner concession with Host International at the Airport. Ms. Casey spoke in support of agenda items 6e and 6f, noting her company's positive relationship with Host and the local flavor contribution of Dish D'Lish and Anthony's to the Airport Dining & Retail program.
- Rick Tillman, radio host on AM 1180 KLAY in Tacoma. Mr. Tillman commented on the rent paid by the Africa Lounge at the Airport, which he described as unfair.
- Rod O'Neal, partner in the Sea-Tac Bar Group and operator of the Africa Lounge and Mountain Room Bar at the Airport. Mr. O'Neal commented on closure of Quiznos at the Airport and what he described as disproportionate rents for Airport Concessions Disadvantaged Business Enterprises (ACDBEs). He asked that the Commission not authorize agenda item 6f without consideration for ACDBEs on Concourse A.

*The Commission advanced to the following agenda items, which were removed from the Unanimous Consent Calendar for separate discussion and vote, as noted above –*

**4e. Authorization for the Chief Executive Officer to execute two indefinite delivery, indefinite quantity contracts for real estate services for the Port of Seattle with a contract ordering period of three years and a combined value not to exceed \$4,000,000.**

Request document(s) provided by W. Allan Royal, Manager, Real Estate Development:

- Commission agenda [memorandum](#) dated November 25, 2014.

Presenter(s): Ralph Graves, Director, Capital Development Division.

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

- No proposals for the contract have been opened or rejected at this time.
- Although not a requirement of the General Delegation of Authority, evaluation of bids generally does not begin prior to authorization by the Commission to award a contract.

**Motion for approval of item 4e – Albro**

**Second – Bryant**

**Motion carried by the following vote:**

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

**4f. Authorization for the Chief Executive Officer to execute a lease, substantially as drafted, with ConGlobal Industries LLC for a term of 12 years for Terminals 106 west and 108.**

Request document(s) provided by Mike Campagnaro, Manager, Seaport Leasing and Industrial Properties, and Jasmin Contreras, Property Manager, Seaport Leasing and Industrial Properties:

- Commission agenda [memorandum](#) dated November 18, 2014.
- Draft lease [agreement](#).
- Presentation [slides](#).

Presenter(s): Mr. Campagnaro.

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

- Terminals 106 and 108 are divided by the right-of-way for Oregon Street. Ingress and egress from the sites requires crossing this right-of-way.
- The terminals are located on the Duwamish Waterway. Terminal 108 has a long history of contamination.
- These factors make the terminals difficult to operate.
- ConGlobal Industries has a 20-year history with the Port and has worked with the Port over the past 2-3 years to find alternatives to allow them to continue to operate industrial yards in this location.
- There are alternative sites available to ConGlobal for their current use of the terminals.
- Net cash flow for alternative arrangements with the tenant was presented. Variation in the discount rates accounts for the risk inherent in the facility becoming vacant.

**Motion for approval of item 4e – Creighton**

**Second – Albro**

**Motion carried by the following vote:**

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

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

**6a. Approval of a motion of the Port of Seattle Commission regarding quality jobs, service and employment continuity assurances for the Airport Dining & Retail program.**

Request document(s) provided by Larry Ehl, Commission Chief of Staff:

- Text of the [motion](#).

Presenter(s): Mr. Ehl.

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

- Stakeholder outreach included sharing a draft of the motion in mid-October with about 110 individuals representing 37 current dining and retail tenants.
- About 20 people joined staff for an in-person presentation and information-gathering exercise at the Airport.
- The motion has been discussed at three public meetings.
- Outreach included business partners besides current tenants and labor representatives. Anonymous input has also been gathered by consultants.
- Clarifying language added subsequent to public comment includes acknowledgment of leasing models via prime concessionaires and direct leases, exclusion of employees dismissed for cause from the employee continuity pool, exemption from using the employee continuity pool for returning lessees, and clarification on paid time off expectations that employees work at least 270 days per year.

Commissioner Albro stated he intends to vote against the motion on the basis of the service continuity language, which he said alters the playing field in a way that is not in the public interest and that has implications for scenarios that might be seen to require negotiation with organized labor.

Commissioner Bryant acknowledged the need for policies that benefit working families through living wages and sick leave and added that support for local and small businesses, particularly minority- and women-owned businesses, also benefits working families and builds community. He stated that the motion as currently crafted does not accomplish the goal of providing support and compassion to working families while also providing opportunities for small and minority businesses. He encouraged delaying a vote on the motion until its impact on minority- and women-owned businesses is better understood and stated he would abstain if the vote were held today.

The motion for agenda item 6a reads as follows:

**The Commission hereby reaffirms its commitment to the program principles articulated in the Commission motion of February 14, 2012, as clarified and expanded upon in the Statement in Support of the Motion and Statement of Policy Direction [attached].**

**Also consistent with the principles described in the Statement in Support of the Motion and Statement of Policy Direction, the Commission further directs staff to:**

- Provide the Commission with regular reporting on the financial performance of the Airport Dining and Retail Program (“Program”) as well as on the number of employees retained in Airport employment and the growth of such employment;
- Establish job quality reporting requirements in new leases for Program operators similar to other common financial reporting requirements;
- Utilize a combination of “prime” lessee/operators and direct leases with small, local, and/or disadvantaged businesses when soliciting new operators as leases expire in or after 2015;
- Incorporate quality jobs, service and employment continuity assurance expectations as described in this motion into solicitation processes to the maximum degree possible when recruiting and selecting restaurant, retail, duty free, and personal services operators; and
- Incorporate into the Internal Audit plans and programs the inclusion of periodic auditing of compliance with this motion.

Motion for approval of [item 6a as shown above](#) – Creighton

Second – Bowman

Motion carried by the following vote:

In Favor: Bowman, Creighton, Gregoire (3)

Opposed: Albro (1)

Abstaining: Bryant (1)

*Without objection, the Commission advanced to consideration of –*

**6e. Authorization for the Chief Executive Officer to execute an amendment to the lease and concession agreement with Anton Airfoods (operated by Host International) for an additional two years and three months under modified terms and conditions. The draft lease amendment is attached (Exhibit B). *[subsequently laid on the table]***

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

- Commission agenda [memorandum](#) dated November 25, 2014.
- Presentation [slides](#).
- Lease [amendment](#).

Presenter(s): Ms. Zachrisson; Mark Reis, Managing Director, Seattle-Tacoma International Airport; and Craig Watson, Port General Counsel.



The Commission received one comprehensive presentation on agenda items 6e, 6f, and 6g that included the following relevant information:

- The Commission motion of September 11, 2012, included an aspirational goal that 30 percent of Airport concessions units be leased by Airport Concessions Disadvantaged Business Enterprises or small or local businesses. The motion also called for negotiations with existing concessionaires to extend or execute new leases consistent with federal regulations provided the terms are competitive and doing so does not impede the ability to attract additional small businesses as direct tenants.
- The motion created a temporary committee of the Commission to seek guidance from the Federal Aviation Administration (FAA) as to the allowable terms for actions to be taken pursuant to the motion. At the end of December 2012, the FAA responded with an initial review that raised several concerns including that entering into leases under the motion could subject the Port of Seattle to a formal complaint under Part 16 of FAA regulations.
- Concerns raised in that letter included the lack of evidence that there were available lessees to meet the target, that direction to negotiate with specific lessees might constitute a quota or “set-aside,” that a local geographic preference for disadvantaged business enterprises was not permitted, and that there were concerns about Airport Improvement Program grant assurances posed by implementing the Commission’s motion. Following receipt of this letter, the temporary committee was disbanded. Neither of the Commissioners who served on that committee remain on the Commission today.

*[Clerk’s Note: A copy of the letter from the Federal Aviation Administration referenced above from December 2012 is, by reference, made a part of these minutes, is marked [Exhibit D](#), and is available for review in Port offices.]*

- In the absence of an established means to identify an objective Port-concessions-program-specific rationale for lease extensions as contemplated in the September 2012 motion, staff attempted to satisfy the intent of the motion through the Airport Dining and Retail master planning process in order to effect such lease extensions.
- Review of the permissibility of the lease arrangements reflected in agenda items 6e, 6f, and 6g was not requested from the FAA. The proposals arise from the past few years of lease transition planning. Port legal counsel has reviewed the lease arrangements without indicating concern over their legality.
- For the leases described in agenda items 6f and 6d, there are six units not leased to DBE subtenants that will be returned to the Port early by Host in order to facilitate lease transitions that will not be accompanied by the typical unamortized net book value consideration.
- Six leases will expire on time. Three North Satellite leases will continue temporarily until there is more clarity on concessions development connected to North Satellite renovation and expansion. Seven exclusive Host leases for Starbucks locations will be offered new leases, along with three others.
- No ACDBE subtenants will return units early to the Port. Four ACDBE unit leases will expire on time, and six ACDBE unit leases would be extended under the proposed terms.
- The criteria for these lease arrangements is what benefits the Dining and Retail program as a whole and constitutes the most efficient and customer-friendly way to manage a lease transition to a re-imagined concessions build-out in 2019.

- The dining and retail transition phasing plan identifies concessions packages for operator proposals and shows the current use and tenant and the projected future use of each space. Sales potential and anticipated investment requirements are included for each space.
- In the interim, widespread concurrent lease expirations require attention and adjustment in order to facilitate a smooth transition to the future program without disruption of service to customers or non-aeronautical revenue to the Port.
- The lease modifications proposed in agenda items 6e, 6f, and 6g will enable a more manageable schedule of lease expirations during the 2017-2019 timeframe. This is possible through early returns, extended operations, and new leases. Extended operations are executed under existing terms with no changes to rent structures and no new investment requirement. New leases are only considered when there is an additional benefit to the Port, such as early return of units, additional lessee investment, or higher rent. New leases come at a premium.
- Modification of the lease with Anthony's in agenda item 6e will achieve a higher rent with a lease term cap of 12 years, three months, while preserving needed restaurant capacity during infrastructure and program transitions. Additional job security for Anthony's employees during this period is an added benefit of the modification. The lease term cap effectively nullifies previously arranged lease options.
- Modification of the Host lease in agenda item 6f returns six units to the Port early at no cost to the Port. Six Host units would expire on time, while four North Satellite units would remain in operation during North Satellite infrastructure changes connected with the NorthSTAR capital program. Four subtenants expire on time, and five continue in operation for an additional year or two. Ten new leases would be granted for Host exclusive concepts and would expire in 2023.
- Host units extended under the new arrangement would include six units operated by ACDBEs. Including previous lease extensions, total extended lease terms for five of the Host ACDBE subleases would come to about 14.5 years. The industry standard is 10 years based on amortization requirements.
- New leases for Host are focused on Host-exclusive concepts, such as Starbucks Coffee and are to be leased for a short term at a premium rent.
- Hudson is 25 percent ACDBE-owned. Modification of the Hudson lease described in agenda item 6g results in early return of seven units to the Port at no cost, new investment of \$12.3 million, higher percentage rent, and a splitting of the lease into two leases with staggered expirations.
- Existing tenants have not been approached with requests to change their business models.

Commissioner Creighton commented on his concerns as to the objectivity of the criteria used to propose the new lease arrangements in agenda items 6e, 6f, and 6g and the implications for the Port's decision-making as a public entity. He indicated he would oppose the items if they were decided today without further clarifications. Commissioner Bowman also requested additional clarifications on the lease modifications proposed for agenda items 6e, 6f, and 6g.

*Without objection, further consideration of agenda item 6e was laid on the table.*

*Without objection, further consideration of the following agenda item –*

- 6f. Authorization for the Chief Executive Officer to: (1) amend the current lease and concession agreements with Host International and Seattle Restaurant Associates to remove eight units and provide for the early return of six units, and (2) execute a new lease and concession agreement with Host International to operate ten food service locations at Seattle-Tacoma International Airport for a term that will expire in 2023. [laid on the table]**

*– was laid on the table.*

Request document(s) for agenda item 6f provided by James R. Schone, Director, Aviation Business Development, and Deanna Zachrisson, Business Leader, Airport Dining and Retail, included the following:

- Commission agenda [memorandum](#) dated November 10, 2014.
- Presentation [slides](#).
- [Phasing plan](#).

*Without objection, further consideration of the following agenda item –*

- 6g. Authorization for the Chief Executive Officer to: (1) amend the lease and concession agreement with Airport Management Services LLC (Hudson) to remove 14 units and provide for the early return of seven units; (2) terminate a separate lease and concession agreement with Airport Management Services LLC covering the “Hudson Marketplace” unit; and (3) execute two new lease and concession agreements with Airport Management Services LLC for the continued operation of convenience retail and specialty retail. The first lease and concession agreement will include seven convenience retail locations and one specialty retail location for a term that will expire in 2022. The second lease and concession agreement will include seven convenience retail locations and two specialty retail locations for a term that will expire in 2024. [laid on the table]**

*– was laid on the table.*

Request document(s) for agenda item 6g provided by James R. Schone, Director, Aviation Business Development, and Deanna Zachrisson, Business Leader, Airport Dining and Retail, included the following:

- Commission agenda [memorandum](#) dated November 10, 2014.
- Presentation [slides](#).
- [Phasing plan](#).

*Commissioner Albro was absent after 3:40 p.m.*

*The Commission returned to consideration of –*

- 6b. Second Reading and Final Passage of Resolution No. 3698, as amended: 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 & Administrative Officer, and Michael Tong, Corporate Budget Manager:

- Commission agenda [memorandum](#) dated November 7, 2014.
- Presentation [slides](#).
- [Resolution No. 3698, as amended](#).

Presenter(s): Mr. Thomas.

Items added to the budget since its presentation on First Reading on November 11, 2014, include approximately \$300,000 for Port Jobs and \$500,000 for the Port of Seattle's expected share for contracted services related to implementing the Seaport Alliance between the Ports of Seattle and Tacoma.

**Motion for second reading and final passage of [Resolution No. 3698, as amended](#) – Creighton**

**Second – Bowman**

**Motion carried by the following vote:**

**In Favor: Bowman, Bryant, Creighton, Gregoire (4)**

**Absent for the vote: Albro**

**6c. Second Reading and Final Passage 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:

- Commission agenda [memorandum](#) dated November 7, 2014.
- [Resolution No. 3699](#).
- [Redline version showing changes since the 2014 resolution](#).
- [Salary range schedule](#).

Presenter(s): Ann McClellan, Compensation Manager.

There were no changes to the resolution since its presentation on First Reading on November 11, 2014.

Motion for second reading and final passage of [Resolution No. 3699](#) – Creighton

Second – Bryant

Motion carried by the following vote:

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

Absent for the vote: Albro

6d. **Second Reading of Resolution No 3696, as amended: A Resolution of the Port Commission of the Port of Seattle establishing a Port Stormwater Utility and adopting a Stormwater Utility Charter pursuant to RCW 53.08.040 et seq. and other statutes, for the purpose of establishing, operating, furnishing, and funding a stormwater system comprising facilities, services, and programs for the management, collection, control, conveyance, treatment, and discharge of stormwater within the Port of Seattle.**

Request document(s) provided by Ralph Graves, Acting Director, Stormwater Utility, Stephanie Jones Stebbins, Director Seaport Environmental & Planning, and Marilyn Guthrie, Stormwater Program Manager:

- Commission agenda [memorandum](#) dated November 18, 2014.
- [Resolution No. 3696, as amended.](#)
- [Redline version of the resolution.](#)
- [Stormwater Utility Charter.](#)

Presenter(s): Mr. Graves.

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

- The resolution was presented at length on September 11, 2014.
- Agreement in intent has been reached with the City of Seattle that despite establishment of a Port stormwater utility on January 1, 2015, during 2015, the City would receive the fees it would normally have collected had the utility not been established.
- An interlocal agreement formalizing the fee relationship with the City of Seattle for 2015 is expected to be proposed in 2015.
- Establishment of a similar stormwater utility at the Airport will require further action by the Port Commission as noted in communications with the City of SeaTac.

## AMENDMENT

Commissioner Creighton offered the following amendment, which was adopted without objection:

In Section 5, delete “The Airport Utility will become activated pursuant to subsequent Commission action.” and insert in lieu thereof the following:

Activation of the Airport Utility will require subsequent Commission review and approval, and will not occur prior to the expiration of the current Interlocal Agreement (ILA) between the Port and the City of SeaTac in February 2016.

**Motion for second reading and final passage of [Resolution No. 3696, as amended](#) – Bryant  
Second – Bowman**

**Motion carried by the following vote:**

**In Favor: Bowman, Bryant, Creighton, Gregoire (4)**

**Absent for the vote: Albro**

*Agenda items 6e, 6f, and 6g having been considered earlier, the Commission advanced to consideration of –*

**7. STAFF BRIEFINGS**

None.

**8. NEW BUSINESS**

None.

**9. ADJOURNMENT**

There being no further business, the regular meeting was adjourned at 3:55 p.m.

Tom Albro  
Secretary

Minutes approved: June 23, 2015.