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APPROVED MINUTES COMMISSION SPECIAL MEETING FEBRUARY 23, 2016

The Port of Seattle Commission met in a special meeting Tuesday, February 23, 2016, in the International Auditorium at Seattle-Tacoma International Airport, Seattle, Washington. Commissioners Albro, Bowman, Bryant, Creighton, and Gregoire were present. Commissioner Bowman was absent after 4:33 p.m.

1. CALL TO ORDER

The meeting was called to order at 11:29 a.m. by Commission President John Creighton.

2. EXECUTIVE SESSION pursuant to RCW 42.30.110

The public meeting was immediately recessed to an executive session estimated to last 90 minutes to discuss one matter relating to performance of a public employee and one matter related to potential litigation and legal risk. At 1:05 p.m., the Commission Clerk announced on behalf of the presiding officer that the executive session would be extended until 1:30 p.m. to finish consideration of the matters previously announced. Following the executive session, which lasted approximately two hours, five minutes, the public meeting reconvened at 1:44 p.m. Commissioner Creighton led the flag salute.

3. SPECIAL ORDERS OF BUSINESS

3a. February 23, 2016, CEO Report.

Ted Fick, Chief Executive Officer, reported on the Port's record-setting strong financial performance in 2015 and on tourism promotion opportunities. Chief Financial Officer Dan Thomas was recognized as recipient of the *Puget Sound Business Journal's* CFO of the year award.

A recording of this part of the meeting has been made available online.

3b. Sustainable Airport Master Plan Panel Discussion.

Presentation document(s) included a Commission agenda [memorandum](#) and presentation slides for [Panel One](#), [Panel Two](#), [Panel Three – Air Cargo](#), [Panel Three – International Service](#), and [Panel Four](#).

Commissioner Creighton welcomed the panelists and thanked them for their participation.

Aviation Managing Director Lance Lytle provided an overview of the airport master planning process and introduced the panel presenters.

Panel One: Trends in Airport Development

Panelist(s): John Payne, Pueblo Technology Group Inc.

Mr. Payne presented a vision of the airport of the future in which technology will be leveraged to collect information about customers' intentions in order to provide signature customer service and create operational efficiencies not easy to conceive of today. Commissioners discussed data collection and sharing, and a distinction was drawn between collecting large amounts of random data versus passengers opting in to elect preferences related to their travel experience. Alternatives for management of baggage and the ability to reliably track baggage checked and collected remotely and other technology-driven personalizations and airport capacity extenders were discussed in terms of risk and benefit. The conversation included the value proposition of the necessary systems and the role of a variety of partners serving the traveling public in providing the necessary services to make them viable.

A recording of this part of the meeting has been made available online.

Panel Two: Airport Master Planning

Panelist(s): C.F. Booth, Leigh Fischer Inc.

Mr. Booth presented the factors and drivers involved in current airport master planning trends. Forecasts for passenger and cargo growth and various aspects affecting growth constraints were discussed. He presented comparisons to several other U.S. airports. The conversation with Commissioners included noting similarities and contrasts with other facilities. Technology developments, the FAA's focus for sustainability trends, the differing effect of increases in origin-and-destination growth versus connecting traveler growth, and issues unique to the Seattle-Tacoma International Airport were discussed. Commissioners noted and requested additional information regarding trends related to transportation network company entry into ground transportation markets and reduced use of mass transit.

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[Clerk's Note: Discussion panels three and four were taken up in reverse order to accommodate schedules for external participants.]

Panel Three: Trends in Air Cargo and International Travel

Panelist(s): Tom Green, Manager, Air Cargo Operations and Development, Port of Seattle, and Kazue Ishiwata, Manager, Air Services Development, Port of Seattle.

Mr. Green and Ms. Ishiwata summarized air cargo growth at the Airport and the role of international air freight as a driver of cargo growth. Figures were presented for air trade by country and commodity. The link between air cargo growth and Century Agenda goals was discussed. The challenges for accommodating cargo growth within a limited facility footprint were noted and projects aimed at handling air cargo capacity were summarized. International air service statistics were presented and the role of the Port's international service incentive program in international service growth was noted. Challenges for international service based on facility limitations and

competition from other West Coast airports were discussed. The geography considerations that drive international peak activity were explained. Updates to the international air service incentive program are anticipated in the near future.

A recording of this part of the meeting has been made available online.

Panel Four: Seattle-Tacoma International Airport and the Regional Economy

Panelist(s): Eric Schinfeld, Washington Council on International Trade, and Steve Wilhelm, staff reporter, *Puget Sound Business Journal*.

Mr. Schinfeld and Mr. Wilhelm presented information on trends for national gross domestic product growth, regional employment trends, and regional job growth by sector. It was noted that a few large employers provide approximately 30 percent of jobs in the region. Pressing issues for regional economic growth were presented and included education gaps, limited economic diversity, a lack of global presence, income disparity, and infrastructure gaps. Growing income disparity in Seattle was noted. There was a discussion of public attention on and the relative value placed by the community on the Port's aviation presence versus its maritime activities. Commissioners expressed interest in knowing more about companies that make decisions to opt out of doing business in the region based on transportation or air travel difficulties.

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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 joint meeting of August 4, 2015, regular meetings of December 8, 2015, and January 12, 2016, and special meetings of December 14, 2015, and February 16, 2016.**
- 4b. **Approval of the [Claims and Obligations](#) for the period January 1, 2016-January 31, 2016, in the amount of \$50,252,951.73 including accounts payable check nos. 908873-909031 in the amount of \$5,797,858.97, payroll check nos. P-180138-180398 in the amount of \$8,509,559.28, wire transfer nos. 013889-013947 in the amount of \$18,605,672.43 and EFTS nos. 039739-040241 in the amount of \$17,339,861.05 for a fund total of \$50,252,951.73.**
- 4c. **Authorization for the Chief Executive Officer to (1) proceed with the Data Network Switch Upgrade project at Seattle-Tacoma International Airport; (2) procure required hardware, software, vendor services, and maintenance; and (3) use Port staff for implementation, for a total project cost not to exceed \$2,982,000 (CIP #C800788).**

Request document(s) included a Commission agenda [memorandum](#).

- 4d. Authorization for the Chief Executive Officer to (1) proceed with the Telecommunication Infrastructure Capacity Increase project at Seattle-Tacoma International Airport; (2) procure required hardware, software, and vendor services; and (3) use Port staff for implementation, for a total project cost not to exceed \$565,000 (CIP #C800827).

Request document(s) included a Commission agenda [memorandum](#).

- 4e. Authorization for the Chief Executive Officer to advertise and award two major public works contracts for the (1) renovation of Port-owned field offices, and (2) construction of bus stops with off-airport security facilities in the contractor parking lot as part of the Construction Logistics Expansion project at Seattle-Tacoma International Airport for an additional \$2,685,000 (CIP #C800688).

Request document(s) included a Commission agenda [memorandum](#), logistics site [map](#), field office locations [map](#), and bus stop concept [diagram](#).

- 4f. Authorization for the Chief Executive Officer to amend the Low Voltage IDIQ contract, P-00316324, by \$500,000 to accommodate design changes to phase 2 for a new contract total of \$3,500,000. No new funding is associated with this request.

Request document(s) included a Commission agenda [memorandum](#) and [competition waiver](#).

- 4g. Authorization for the Chief Executive Officer to advertise for bids, award and execute a major works construction contract for the Combined Communication and Command Center Power Supply System Improvements project at Seattle-Tacoma International Airport. This authorization is for \$2,219,238 for a total authorization of \$4,555,238 (CIP #C800107).

Request document(s) included a Commission agenda [memorandum](#).

- 4h. Authorization for the Chief Executive Officer to execute up to two consulting services indefinite delivery, indefinite quantity contracts to provide environmental management and compliance support with a total value of \$3,250,000 and a contract ordering period of five years. No funding is associated with this request.

Request document(s) included a Commission agenda [memorandum](#).

- 4i. Authorization for the Chief Executive Officer to execute an interlocal agreement with the Northwest Seaport Alliance to implement a series of support service agreements to allow Port staff to provide services to the Northwest Seaport Alliance.

Request document(s) included a Commission agenda [memorandum](#), [interlocal agreement](#), and cost allocation [table](#).

- 4j. Authorization for the Chief Executive Officer to execute Amendment No. 3 to Interlocal Agreement No. 2014-052 with the Puget Sound Clean Air Agency for administering the ScRAPs 2 drayage truck replacement program to add funding to allow an additional three months of project operation. This will be accomplished by reallocating existing project budget. There is no funding request as part of this authorization.

Request document(s) included a Commission agenda [memorandum](#) and [amended interlocal agreement](#).

- 4k. Authorization for the Chief Executive Officer to execute an addendum to the Development Agreement the Port of Seattle has with the City of Des Moines surrounding development of Des Moines Creek Business Park. This amendment is needed so the Federal Aviation Administration headquarters project can break ground on construction this spring.

Request document(s) included a Commission agenda [memorandum](#), [development agreement addendum](#), and presentation [slides](#).

- 4l. Approval of the Commission's 2016 international travel plan.

Request document(s) included a Commission agenda [memorandum](#).

The motion for approval of consent items 4a, 4b, 4c, 4d, 4e, 4f, 4g, 4h, 4i, 4j, 4k, and 4l carried by the following vote:

In favor: Albro, Creighton, Felleman, Gregoire (4)

Absent for the vote: Bowman

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5. PUBLIC TESTIMONY

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

- Megan Ouellette, Managing Director, Government and Community Relations, Alaska Airlines, in support of the South Satellite Narrow-Body Gate Configuration project, agenda item 6b.
- Donnell Harvey, Regional Director, Corporate Real Estate, Delta Air Lines, in support of the South Satellite Narrow-Body Gate Configuration project, agenda item 6b.

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6. DIVISION, CORPORATE, AND COMMISSION ACTION ITEMS

Without objection, the Commission advanced to consideration of –

6c. CEO Review.

The Commissioners and Mr. Fick commented on his performance and accomplishments during 2015.

The motion to approve a performance pay increase of three percent for the Chief Executive Officer effective March 1, 2016, carried by the following vote:

In favor: Albro, Creighton, Felleman, Gregoire (4)

Absent for the vote: Bowman

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The Commission returned to consideration of –

6a. Second Reading and Final Passage of Resolution No. 3715: A Resolution of the Port of Seattle, authorizing the Chief Executive Officer to sell and convey Port personal property in 2016 in accordance with RCW 53.08.090.

Request document(s) included a Commission agenda [memorandum](#) and draft [resolution](#).

Presenter(s): Rudy Caluza, Director, Accounting and Financial Reporting.

Previously, First Reading of Resolution No. 3715 was approved on February 9, 2016.

The motion for Second Reading and Final Passage of [Resolution No. 3715](#) carried by the following vote:

In favor: Albro, Creighton, Felleman, Gregoire (4)

Absent for the vote: Bowman

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6b. Authorization for the Chief Executive Officer to (1) approve the design and construction of the South Satellite Narrow-Body Configuration Project in an amount not to exceed \$5,500,000 and (2) approve design and construction of the project scope to be completed via a contract executed for an existing project. The total estimated cost of this project is \$5,500,000 (CIP #C800781).

Request document(s) included a Commission agenda [memorandum](#) and presentation [slides](#).

Presenter(s): Sean Anderson, Capital Project Manager, Aviation Project Management Group, and Daniel Zenk, Senior Manager, Airport Operations.

There was a presentation summarizing the project and contract execution. Commissioners emphasized that although the project is not part of the International Arrivals Facility program, the same team would perform the work to capitalize on various efficiencies.

The motion for approval of agenda item 6b carried by the following vote:

In favor: Albro, Creighton, Felleman, Gregoire (4)

Absent for the vote: Bowman

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Agenda item 6c was considered previously.

7. STAFF BRIEFINGS

Without objection, agenda items 7a, legislative update; 7b, capital improvement projects update; and 7c, 2015 financial performance, were laid on the table for future consideration.

8. ADDITIONAL NEW BUSINESS – None.

9. ADJOURNMENT

There was no further business, and the meeting adjourned at 5:08 p.m.

Stephanie Bowman
Secretary

Minutes approved: March 8, 2016.