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APPROVED MINUTES COMMISSION REGULAR MEETING MARCH 8, 2016

The Port of Seattle Commission met in a regular meeting Tuesday, March 8, 2016, at Port of Seattle Headquarters, Commission Chambers, 2711 Alaskan Way, Seattle, Washington. Commissioners Albro, Bowman, Creighton, Felleman, and Gregoire were present. Commissioner Gregoire was absent after 3:00 p.m.

1. CALL TO ORDER

The meeting was called to order at 12 noon 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 60 minutes to discuss three matters related to litigation and legal risk and one matter related to sale or lease of real estate. Following the executive session, which lasted approximately 70 minutes, the public meeting reconvened at 1:27 p.m. Commissioner Creighton led the flag salute.

3. SPECIAL ORDERS OF BUSINESS

3a. March 8, 2016, CEO Report.

Ted Fick, Chief Executive Officer, reported on activities and economic impact related to Fishermen's Terminal and on the 88th annual blessing of the fishing fleet. He noted trends and milestones in air cargo and passenger growth, including efforts to alleviate Transportation-Security-Administration-related delays at security checkpoints. Mr. Fick recognized Port of Seattle Police Detective Josh Landers, recipient of 2015 Officer of the Year, a peer-awarded recognition.

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

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.]

At the request of Commissioner Felleman, agenda items 4b and 4c were removed from the Unanimous Consent Calendar for separate discussion and vote.

4a. Approval of the minutes of the regular meetings of January 26 and February 9 and the special meeting of February 23, 2016.

As noted above, agenda items 4b and 4c were temporarily postponed.

- 4d. Authorization for the Chief Executive Officer to (1) execute a consent decree with the Washington State Department of Ecology for the design and implementation of the Terminal 30 Cleanup Action Plan and (2) execute a project-specific consultant contract to design and provide first-year environmental monitoring for Terminal 30 cleanup for an estimated cost of \$1,200,000.**

Request document(s) included a Commission agenda [memorandum](#) and copy of the [consent decree](#).

- 4e. Authorization for the Chief Executive Officer to execute up to three professional services indefinite delivery, indefinite quantity contracts to provide environmental review and permitting support with a total value of \$6,000,000 and a contract ordering period of five years. There is no funding associated with this request.**

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

The motion for approval of consent items 4a, 4d, and 4e carried by the following vote:

In favor: Albro, Bowman, Creighton, Felleman, Gregoire (5)

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

Without objection, the Commission advanced to consideration of –

- 7c. Local Legislative Update: Seattle Department of Transportation’s Proposed Vacation of Occidental Avenue.**

Presentation document(s) included a Commission agenda [memorandum](#), [attachment](#), and [map](#). A presentation of the survey results of polling firm Strategies 360 was provided at the meeting, is marked minutes [Exhibit A](#), and is available for public review.

Presenter(s): Lindsay Wolpa, Regional Government Affairs Manager; Geraldine Poor, Manager, Regional Transportation; Marni Heffron, Transportation Consultant, Heffron Transportation Inc.; Ron Dotzauer, Co-founder and CEO, polling firm Strategies 360; and Traci Goodwin, Senior Port Counsel.

Commissioners received a presentation outlining review and public engagement leading to consideration by the City of Seattle of a request to vacate a portion of Occidental Avenue running through the SoDo neighborhood in the Duwamish Manufacturing and Industrial Center. The importance of freight mobility through this area of the city and the challenges facing the transportation grid in SoDo were noted. The importance of Occidental Avenue as a “pressure valve” to accommodate congestion spilling over from backups on Holgate Street was described. Steps in the environmental review related to the street vacation, which is linked with a proposed new sports and event arena in the neighborhood, were clarified, and a poll of public opinion in Seattle regarding the relative importance of the overall project as a city priority was discussed.

Commissioner comments were generally unfavorable toward the prospect of vacating Occidental Avenue, and the following is a representative list of the information stressed and clarifications made during Commissioner comment:

- (1) The Seattle International Gateway (SIG) rail yard adjacent to the proposed arena development is an active rail yard where freight is loaded.
- (2) The intersection at First Avenue and South Atlantic Street is an F-rated intersection for which Occidental is an important relief valve.
- (3) There is no indication at this time that the adverse effects of another arena in this area are possible to mitigate, based on the cumulative changes in the neighborhood, the capacity options that have been forestalled with continued development, and the conclusions of the city's own environmental impact statement.
- (4) The timing of the street vacation request seems arbitrary based both on the absence of an NBA or NHL team and the requirements of the city's memorandum of understanding with developers.
- (5) Street vacation is a conditional approval, typically finalized after the building of a project.
- (6) The city's report on the street vacation recommendation ignores basic operational dynamics of a marine terminal, not factoring in activities prior to vessel loading that occupy a terminal even though a ship may not be at berth.
- (7) Participation at dual events, when more than one neighborhood venue would be in use, and the potential number of such events annually, including non-sports events, are impossible to estimate with the amount of information available at this time.
- (8) With appropriate renovation at cost significantly less than building a new arena, further review suggests that Key Arena could be made adequate to host the sporting and other events intended for a new arena venue in SoDo.

The methodology for the polling conducted by Strategies 360 was described. The relationship of the form of questions to the survey's accuracy was discussed at length. It was reported that issues of transportation, homelessness, housing, and cost of living were prioritized by respondents as significantly higher priorities than the building of a new arena in SoDo. It was noted that the poll was of Seattle voters, not other King County residents.

Support by Commissioners for a new sports team was mentioned, but not at the expense of the city's maritime and industrial core.

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

5. PUBLIC TESTIMONY

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

- Dale Bright, Laborers Local 242, regarding use of project labor agreements and community workforce agreements.
- Howard Greenwich, Puget Sound Sage, regarding best practices for forming project labor agreements for public agencies.
- Matt Haney, SEIU Local 6, regarding safety concerns of airfield workers at Seattle-Tacoma International Airport.

- Jerry Dinndorf, District Manager, Associated General Contractors of Washington, regarding project labor agreements from a contractor's perspective.
- Carol Pearl, tenant at Shilshole Bay Marina, regarding proposals for paid parking at the marina. Ms. Pearl submitted written materials, which are included here as minutes [Exhibit B](#) and are available for public review.
- Damon Darley, tenant at Shilshole Bay Marina, regarding proposals for paid parking at the marina. Mr. Darley submitted written materials, which are included here as minutes [Exhibit C](#) and are available for public review.
- A letter from the Queen Anne Community Council is included as minutes [Exhibit D](#) and is available for public review.

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

Commissioner Gregoire was absent after 3:00 p.m.

The Commission advanced to consideration of –

ITEMS REMOVED FROM CONSENT

4b. Authorization for the Chief Executive Officer to prepare design and construction bid documents for the replacement of the Concourse B Roof at Seattle-Tacoma International Airport for an amount not to exceed \$1,211,000 of a total estimated project cost of \$7,262,000 (CIP #C800770).

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

4c. Authorization for the Chief Executive Officer to advertise and execute a contract to construct the Concourse C Roof Replacement project at Seattle-Tacoma International Airport for an amount not to exceed \$5,047,000 of a total estimated project cost of \$5,921,000 (CIP #C800702).

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

Presenter(s): David Soike, Director, Aviation Facilities and Capital Program, and Sean Anderson, Capital Project Manager.

Mr. Soike and Mr. Anderson responded to Commissioner Felleman's questions about the differences in description of environmental review for items 4b and 4c, of which item 4b is entering its design phase and 4c is entering its construction phase. The opportunity to consider installation of solar panels and the need to consider Federal Aviation Administration reflectivity restrictions were addressed.

The motion for approval of agenda item 4b and agenda item 4c carried by the following single vote:

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

Absent for the vote: Gregoire

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

6. DIVISION, CORPORATE, AND COMMISSION ACTION ITEMS

6a. 2016 Port-Wide Goals.

Request document(s) included a [listing of goals](#) (unsigned).

The motion for approval of agenda item 6a, 2016 Portwide goals, carried by the following vote:

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

Absent for the vote: Gregoire

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

6b. First and Second Reading and Final Passage of Resolution No. 3717: A resolution of the Port Commission of the Port of Seattle amending Resolution No. 3688 and authorizing the transfer of certain real property located in Snohomish County (portions of the Woodinville Subdivision) and any improvements located thereon, including the Snohomish River Bridge to Snohomish County at a reduced sales price, and further authorizing the Chief Executive Officer to execute all documents related to such transfer.

Request document(s) included a Commission agenda [memorandum](#), [draft resolution](#), presentation [slides](#), [purchase and sale agreement](#), rail corridor [map](#), and property [description](#).

Presenter(s): Melinda Miller, Director, Real Estate Asset Management, and Tom Teigen, Snohomish County Parks Director.

The history of the Port's involvement in procuring the Eastside Rail Corridor from the BNSF Railroad to secure public ownership of the 42-mile transportation corridor from Renton to Snohomish was summarized. Snohomish County's plans to preserve the rail use while accommodating trail facilities was described. With this transfer, all ownership and associated liability for the final stretch of the corridor will be transferred from the Port to Snohomish County.

Commissioners acknowledged the multi-year effort to obtain and transfer the rail corridor and commended keeping the land in public ownership while maintaining some of the rail use associated with it.

There was a motion to suspend Commission bylaws in order to take final action on Resolution No. 3717 on the same day it was introduced, which carried by the following required unanimous vote of all Port Commissioners:

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

Absent for the vote, but submitting advance written consent: Gregoire

A copy of Commissioner Gregoire's written consent for this Bylaws suspension is attached as minutes [Exhibit E](#) and is available for public review.

The motion for [First and Second Readings and Final Passage of Resolution No. 3717](#) carried by the following vote:

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

Absent for the vote: Gregoire

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

6c. First Reading and Public Hearing of Resolution No. 3718: A Resolution of the Port Commission of the Port of Seattle amending Unit 18 (Seattle-Tacoma International Airport) of the Comprehensive Scheme of Harbor Improvements of the Port of Seattle, declaring certain real property located in the City of Burien surplus and no longer needed for port district purposes; authorizing its sale to Bridge Burien LLC and deleting said property from Unit 18 of the Comprehensive Scheme.

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

Presenter(s): Allan Royal, Real Estate Development Manager, Real Estate Development & Planning.

Commissioners commented on the land sale as reflective of the Port's mission to put its real estate to work to generate economic development for Airport communities. They emphasized their hope that the eventual use of the property would further advance aviation-related activity.

PUBLIC HEARING on Resolution No. 3718

Upon a motion and second for First Reading of Resolution No. 3718, Commissioner Creighton declared the public hearing for the resolution open. There was no public comment offered at this time, and the public hearing was closed.

The motion for First Reading of Resolution No. 3718 carried by the following vote:

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

Absent for the vote: Gregoire

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

6d. First Reading and Public Hearing of Resolution No. 3719: A Resolution of the Port Commission of the Port of Seattle declaring surplus and no longer needed for Port District purposes a parcel of Port-owned real property located in Seattle, Washington, consisting of approximately 5,743 square feet of unimproved land that has its western edge submerged in the Duwamish West Waterway, its northern edge abutting Klickitat Avenue SW right-of-way, and its southern edge abutting the BNSF Railroad right-of-way ("Parcel No. 7666703100"); amending the Port's Comprehensive Scheme to delete Parcel No. 7666703100 from Unit 20 of the Port's Comprehensive Scheme; and authorizing its sale to Bluefield Holdings Inc.

Request document(s) included a Commission agenda [memorandum](#), draft [resolution](#), purchase and sale [agreement](#), and aerial [photo](#) of the parcel.

Presenter(s): Stephanie Jones Stebbins, Director, Maritime Environmental and Planning, and Jon Sloan, Senior Environmental Program Manager, Maritime Environmental.

The location and small size of the subject parcel were described, as was its unsuitability for development as a stand-alone property. The proposal would make it possible to combine the property with abutting shoreline to the north for creation of riparian habitat. The investor, Bluefields Holdings Inc., would use the habitat created as environmental credits for entities required to provide habitat restoration as a permitting or mitigation requirement.

PUBLIC HEARING on Resolution No. 3719

Upon a motion and second for First Reading of Resolution No. 3719, Commissioner Creighton declared the public hearing for the resolution open. There was no public comment offered at this time, and the public hearing was closed.

The motion for First Reading of Resolution No. 3719 carried by the following vote:

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

Absent for the vote: Gregoire

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

6e. Industrial Development Corporation (IDC) – Approval of minutes, designation of officers, and annual report.

Request document(s) included [IDC agenda memorandums](#) regarding approval of minutes, election of officers, and 2015 annual report.

[IDC meeting minutes of March 8, 2016](#), will be made available for public review upon approval.

RECESSED AND RECONVENED

The regular meeting of the Port of Seattle Commission was recessed at 3:39 p.m. to hold the annual meeting of the Industrial Development Corporation of the Port of Seattle. The regular meeting of the Port of Seattle Commission reconvened at 3:45 p.m., chaired by Commissioner Creighton.

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

6f. Authorization for the Chief Executive Officer to amend the Baggage Optimization Design Services contract, P-00317641, to increase the contract value by \$6,000,000 for a new not-to-exceed value of \$18,000,000. No new funding is associated with this request.

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

Presenter(s): Ralph Graves, Senior Director, Capital Development, and Greg Carey, Capital Program Leader, Aviation Project Management Group.

The need to adjust the contract amount despite there being no need for additional funding was explained. Clarifications for Commissioners included the information that the airlines continue to support the project. Staff was asked to keep the ergonomics of new baggage system components in mind.

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

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

Absent for the vote: Gregoire

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

6g. Authorization for the Chief Executive Officer to advertise, award, and execute a contract not to exceed \$3,000,000 to provide a leased, modular, construction barricade and vinyl graphics wrap system for public-facing construction projects in the Airport terminal. This contract will be for 3 years with 2 additional 1-year options. No funding is associated with this request.

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

Presenter(s): David Soike, Director, Aviation Facilities and Capital Program, and Sean Anderson, Capital Project Manager, Aviation Project Management Group.

The new style of construction barriers that allow for illustrations, marketing, and wayfinding content was presented. Commissioners stressed the opportunity to use the new barricades to highlight Washington products and tourism options statewide. It was proposed to consider using the new system to highlight up-and-coming photographers in the region.

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

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

Absent for the vote: Gregoire

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

7. STAFF BRIEFINGS

7a. 2015 Fourth Quarter Capital Improvement Projects Report.

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

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

Mr. Graves presented an update on capital improvement projects Port-wide, noting key milestones and variances to budget or schedule. Commissioners requested an additional focus for future reports to reflect which projects are time critical for Port operations.

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

7b. 2015 Financial Performance Briefing.

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

In lieu of a formal presentation, Commissioners received presentation materials in advance of the meeting and had an opportunity to discuss the material under consideration at this meeting.

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

Agenda item 7c was considered previously, and the Commission advanced to consideration of –

7d. 2015 Annual Investment Portfolio Report and Treasury Update.

Presentation document(s) included a Commission agenda [memorandum](#), presentation [slides](#), and a copy of the [Port's investment policy](#).

In lieu of a formal presentation, Commissioners received presentation materials in advance of the meeting and had an opportunity to discuss the material under consideration at this meeting.

Presenter(s): Diane Campbell, Treasury Manager, Finance & Budget.

Ms. Campbell responded to Commission questions regarding innovative financing surrounding alternative energy and fossil fuel divestiture, noting that investment by the Port is limited by statute. Ms. Campbell pointed out that the Port's investment strategy typically outperforms the market during periods of declining interest rates, but tends to under-perform in periods of rising interest rates, an environment that is potentially on the horizon.

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

7e. Real Estate Strategic Plan.

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

Presenter(s): Dave McFadden, Managing Director, Economic Development; Jeffrey Utterback, Director, Real Estate Development & Economic Development; and Matt Anderson, Principal, Heartland LLC.

The process for development of a Real Estate Strategic Plan for the Port of Seattle was presented. The objectives of the plan were described in relationship to Century Agenda goals and division initiatives. The role of an external advisory committee was discussed. Commissioners commented

on development at Terminal 91, the desire for Commission involvement early and throughout the process of strategic plan development, and the benefit of coordinating with other agencies to advance economic development goals by leveraging the Port's real estate holdings. Staff was encouraged to think creatively and work closely with the City of Seattle, especially with a view to initiating development at Terminal 91, hopefully by 2017. Staff was encouraged to analyze the strategic value of retaining fully developed property. Consideration for the future state of the Seattle waterfront was also stressed. Also emphasized was analysis of the use of the Port's marine terminals in support of cruise operations, including facilities for pre-clearance of cruise baggage.

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

7f. Construction Labor Relations Policy.

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

Presenter(s): David Freiboth, Senior Director, Labor Relations, and Ralph Graves, Senior Director, Capital Development.

The elements of a project labor agreement (PLA) were summarized and the background of project labor agreements at the Port was described. Commissioners were asked to consider a policy proposal that would include policies for PLAs for Port contracts, work directed by tenants and reimbursed by the Port, and tenant-funded work such as for ground leases.

Commissioners commented on the desire to advance local hiring and apprenticeship goals, regardless of PLA status, and asked for clarification of certain legal restrictions.

Community workforce agreements (CWAs) were described broadly as PLAs that include a local hiring requirement. It was noted that locality hiring requirements are considered a way to ensure participation in contract labor by local and disadvantaged populations. The need to encourage apprenticeship participation locally in conjunction with local hiring was stressed, as was the importance of taking a broader look at workforce development opportunities beyond PLA criteria. Consideration of PLA policy in the Projects and Procurement Committee was discussed. Approval of a charter for the Projects and Procurement Committee, to include PLA policy consideration, was requested in April. Adoption of a PLA policy was proposed for May.

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

8. ADDITIONAL NEW BUSINESS

8a. Preliminary Briefing on South Satellite Interior Renovations budget increase.

CEO Fick reported that at the March 22 meeting there would be a request to increase the budget for the South Satellite Interior Renovations project at the Seattle-Tacoma International Airport.

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

9. ADJOURNMENT

There was no further business, and the meeting adjourned at 5:19 p.m.

Stephanie Bowman
Secretary

Minutes approved: March 22, 2016.