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**APPROVED MINUTES
COMMISSION REGULAR MEETING JUNE 14, 2016**

The Port of Seattle Commission met in a regular meeting Tuesday, June 14, 2016, at Port of Seattle Headquarters, Commission Chambers, 2711 Alaskan Way, Seattle, Washington. Commissioners Albro, Bowman, Creighton, Felleman, and Gregoire were present.

1. CALL TO ORDER

The meeting was called to order at 12:11 p.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 60 minutes to discuss one matter relating to litigation and legal risk and one matter relating to performance of a publicly bid contract. Following the executive session, which lasted approximately 65 minutes, the public meeting reconvened at 1:29 p.m. Commissioner Creighton led the flag salute.

ANNOUNCEMENT

Commissioner Creighton paused for brief remarks regarding the night club shootings in Orlando, Florida, in which about 50 people were killed and approximately another 50 were injured. He expressed support for the victims, their families, and their community.

3. SPECIAL ORDERS OF BUSINESS

3a. June 14, 2016, CEO Report.

Ted Fick, Chief Executive Officer, previewed several items on the day's agenda, announced new international air service, and provided an update on the City of Seattle's Freight Master Plan process and congestion impacts on Lander Street. Commissioners requested more information on the City's long-term commitments to industrial land use and commented on the importance of Lander Street as an important east/west connection for cargo.

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

3b. Recognize the 2016 Raisbeck Aviation High School Environmental Challenge Award Winners.

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

Presenter(s): Elizabeth Leavitt, Director, Aviation Planning and Environmental Services; Marco Milanese, Aviation Community Relations Manager; Steve Rybolt, Aviation Environmental Program Manager; and Bruce Kelly, Principal, Raisbeck Aviation High School.

Commissioners acknowledged award recipients and received a presentation on the background of the Environmental Challenge program and its application to innovative, hands-on education for the aviation and industrial sectors. Award recipients included Eli Benevedes, Dakota Gorder, Ulises Medoza, and Ailis Waddill. A short video was presented that is available for public review.

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

3c. Proclamation of June 14, 2016, as Clipper Day.

Request document(s) included a draft proclamation and presentation [slide](#).

Presenter(s): Ted Fick, CEO.

The Commission recognized the Port's 30-year relationship with Clipper, providing tours and ferrying passengers to Victoria, British Columbia, and the San Juan Islands from Port of Seattle piers since 1986.

June 14, 2016, was proclaimed Clipper Day 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.

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 item 4e was removed from the Unanimous Consent Calendar for separate discussion and vote.

4a. Approval of the minutes of May 17, 2016.

4b. Authorization for the Chief Executive Officer to increase overall project funding for the Terminal 91 Substation Upgrade Project (CIP #C800439) in the amount of \$154,000 bringing the total authorized amount to \$2,149,000.

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

4c. Authorization for the Chief Executive Officer to execute a contract to provide Flexible Spending and Health Savings account plan administration services with a contract

duration of up to 10 years and four months (five years and four months with five one-year options for renewal) for a total amount of \$983,000.

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

4d. Authorization for the Chief Executive Officer to execute a new collective bargaining agreement between the Port of Seattle and Local 763, Teamsters, Police Commanders, representing the Police Department for the Port of Seattle covering the period from January 1, 2016, through December 31, 2018, and affecting five Police Commander positions.

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

As noted above, agenda item 4e was temporarily postponed.

The motion for approval of consent items 4a, 4b, 4c, and 4d 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.

5. PUBLIC TESTIMONY

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

- Peter Gishuru, President and CEO, African Chamber of Commerce, regarding the request for proposals for on-demand and for-hire ground transportation services at the Airport. Mr. Gishuru submitted written materials, which are included here as minutes [Exhibit A](#) and are available for public review.
- Cindi Laws, Consultant for Unified Transport Management Company, regarding her company's bid for on-demand and for-hire ground transportation services at the Airport.
- Paul Berendt, Consultant for STITA (Seattle Tacoma International Taxicab Association), regarding STITA's bid for on-demand and for-hire ground transportation services at the Airport.
- Chester Baldwin, Gjurasic & Baldwin, representing SeaTac Taxi Corporation, regarding the impact of transportation network companies such as Uber on the ground transportation system at the Airport. Mr. Baldwin submitted written materials, which are included here as minutes [Exhibit B](#) and are available for public review.
- Abdirahman Elmi, King County taxi owner, regarding the fairness of the on-demand and for-hire services RFP's requiring dual licensure of vehicles that can pick up fares within the City of Seattle.
- Sadu Singh, King County taxi driver, regarding unequal access to the Airport for King County taxis.
- Abdirahim Hassan, King County taxi driver, in opposition to a one-year extension of the on-demand services contract for Yellow Cab (Puget Sound Dispatch) to provide services at the Airport.
- Mohamed Mohamed, Q for Hire driver, in opposition to a one-year extension of the on-demand services contract for Yellow Cab (Puget Sound Dispatch) to provide services at

the Airport and regarding continued delay in awarding an on-demand and for-hire contract.

- Sheila Stickel, Puget Sound Dispatch, regarding delays in awarding a contract for on-demand and for-hire services at the Airport.
- Amin Shifow, General Manager, Puget Sound Dispatch, regarding delays in awarding a contract for on-demand and for-hire services at the Airport.
- Dawn Gearhart, Teamsters Local 117, who asked questions related to guarantee of revenue and fair wages for on-demand and for-hire drivers given changing market conditions at the Airport.
- Chris Van Dyk, owner, Bainbridge Media, regarding concerns over bidders in the on-demand and for-hire services contract making statements to the Commission outside the bid evaluation process.
- Salah Mohamed, Western Washington Taxicab Association member, regarding the customer service record of drivers at the Airport over the past five years and the effect of transportation network companies on drivers' business.
- Samatar Guled, Eastside for Hire, regarding the request for proposals process for on-demand and for-hire transportation services at the Airport.
- Abdul Yusuf, Eastside for Hire, regarding the request for proposals process for on-demand and for-hire transportation services at the Airport.
- Matthew Shelby, Managing Director of Seattle Real Estate, Alaska Airlines, regarding air service incentives and the effects of accommodating additional air cargo on limited facilities for passenger service.
- Chris Wilke, Executive Director, Puget Soundkeeper, regarding recommendations for Port environmental objectives and initiatives; on recent litigation between Puget Soundkeeper Alliance and the Port; and in support of a Puget Sound No-Discharge Zone for vessel wastewater.
- Mike Walker, Zone Vice President, Hertz Rent-a-Car, regarding accommodation of car sharing and equitable terms and conditions compared to rental car companies operating out of the Consolidated Rental Car Facility.
- Daniel Nguyen, Bambuza, regarding the Airport Dining and Retail Program Lease Group Three competitive solicitation process.
- Devon Daniels, Unite Here Local 8, regarding compliance in the Airport Dining and Retail Program with the new compensation terms established by the City of SeaTac.
- Alma Draper, Unite Here Local 8, regarding compliance with new minimum wage standards by Airport Dining and Retail concessionaires.
- Hannah Anousheh, Unite Here Local 8, regarding the scoring value for job quality in the Airport Dining and Retail Program's competitive leasing process.
- Ali Sugule, for-hire driver, regarding delays in awarding a contract for on-demand and for-hire transportation services at the Airport.

Please also see additional public testimony below. A recording of this part of the meeting has been made available online.

Without objection, the Commission advanced to consideration of –

7b. On-Demand Taxi/For-Hire Request for Proposals Briefing.

Presentation document(s) included a Commission agenda [memorandum](#), presentation [slides](#), [request for proposals](#), [RFP Addendum 1](#), [Addendum 2](#), [Addendum 3](#), and [Addendum 4](#).

Presenter(s): Dave McFadden, Managing Director, Economic Development, and Jeff Hoevet, Senior Manager, Airport Operations.

The presentation to the Commission noted changes to the ground transportation market at the Airport since release of the request for proposals in January. A drop in taxi trips after April coincided with a Port agreement with transportation network companies to provide service at the Airport. It was reported that activity overall has increased while taxi trips have dropped. Commissioners requested a comparison with Airport parking activity during the same period, which was reported to have increased, as has total passenger activity. The Commission's criteria for the RFP were listed. Commissioners requested clarification about how opportunities for small and disadvantaged businesses were included in the RFP process, whether the level of security is high enough given recent market disruption, whether the RFP took into consideration disparate effects on owner/operators versus management companies, what the trends were for transit ridership, and whether the RFP included adequate policy flexibility to ensure opportunities for all groups affected by the RFP.

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

The Commission advanced to consideration of –

ITEMS REMOVED FROM CONSENT

- 4e. Authorization for the Chief Executive Officer to (1) proceed with adding train arrival time displays for the South Loop and Shuttle trains 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 \$580,000. (CIP #C800835)**

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

Presenter(s): Krista Sadler, Manager, Information Communications & Technology.

Commissioner Felleman requested clarification about the interoperability of the internal train arrival displays with information on arrivals of transit modes connecting the Airport to the region. Ms. Sadler described the technology architecture as conducive to adding this kind of data as the system is further developed. Commissioner Bowman expressed her interest in promoting use of regional transit with the South Loop technology as appropriate. Ms. Sadler described the passenger behavioral improvements associated with knowing more precise arrival times versus having a generic notice of arrival intervals.

The motion for approval of agenda item 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.

6. DIVISION, CORPORATE, AND COMMISSION ACTION ITEMS

6a. Authorization for the Chief Executive Officer to: (1) establish a new economic development grant fund that advances the Century Agenda, promotes a dramatic growth agenda, and supports middle class jobs; (2) authorize up to \$1,000,000 for 2016 grants to King County cities; and (3) perform necessary project management and contract administration to support the new grant program. [subsequently amended]

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

Presenter(s): Dave McFadden, Managing Director, Economic Development.

The proposed grant program was described. Commissioners inquired about the kind of community projects that would be considered applicable. It was reported that economic development criteria would be applied to all submissions to ensure consistency with the Port's core mission. Commissioners expressed concern about using tax levy funding to promote development in affluent communities without demonstrating broader, regional economic benefit. A local funding match of 50 percent was noted for all proposals that meet the economic development and job creation tests of the program. It was noted that the program assists the Port's support of economic development throughout King County. Examples of projects that would likely fall outside the scope of the program were described. The opportunity for small communities to apply jointly for local projects was discussed.

AMENDMENT

Commissioner Albro offered an amendment to insert a step for Commission concurrence in specific awards, which was adopted without objection. The request now reads as follows:

Authorization for the Chief Executive Officer to: (1) establish a new economic development grant fund that advances the Century Agenda, promotes a dramatic growth agenda, and supports middle class jobs; (2) authorize, upon Commission concurrence of specific awards, up to \$1,000,000 for 2016 grants to King County cities; and (3) perform necessary project management and contract administration to support the new grant program. [as amended]

Mr. McFadden confirmed that specific awards would likely come before the Commission for concurrence in groups, rather than as a single package for 2016.

The motion for approval of agenda item 6a, as amended, 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.

6b. Authorization for the Chief Executive Officer to implement a revised incentive program for new commercial air service for Seattle-Tacoma International Airport as described below for new international service, new domestic and short-haul international service, and new international freighter service.

Request document(s) included a Commission agenda [memorandum](#) and proposed air service incentive [program information](#).

Presenter(s): Kazue Ishiwata, Senior Manager, Air Services Development, and Tom Green, Senior Manager, Air Cargo Operations and Development.

The proposed incentive program changes were presented to Commissioners. Commissioners asked for clarification regarding the rationale for incentivizing new service amid the pressures of current Airport capacity constraints. The ability to use incentive conditions and negotiation to structure new service activity during off-peak times was discussed. This approach was also discussed relative to mitigation of noise and emissions.

The motion for approval of agenda item 6c 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 –

5. PUBLIC TESTIMONY

Additional public comment was received from the following individual(s):

- Katherine Lam, Bambuza, regarding the Airport Dining and Retail Program Lease Group Three competitive solicitation process.

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

Agenda item 6c was removed from the agenda prior to publication, and the Commission advanced to consideration of –

6d. Authorization for the Chief Executive Officer to conduct competitive solicitations and execute lease and concession agreements with selected proposers for 12 new opportunities encompassing 24 units: Large Food Package 1; Large Food Package 3; Single Food Unit 1; Small Food Package 4; Single Food Unit 5; Small Food Package 7; Single Food Unit 9; Single Food Unit 11; Single Food Unit 12; Single Food Unit 15; Single Food Unit 16; and Large Retail Package 1.

Request document(s) included a Commission agenda [memorandum](#), presentation [slides](#), Quality Jobs [memo](#) from the CEO, [Exhibit A](#) (Food Service Large Package 1), [Exhibit B](#) (Food Service Large Package 3), [Exhibit C](#) (Food Service Single Unit 1), [Exhibit D](#) (Food Service Small Package 4), [Exhibit E](#) (Food Service Single Unit 5), [Exhibit F](#) (Food Service Small Package 7), [Exhibit G](#) (Food Service Single Unit 9), [Exhibit H](#) (Food Service Single Unit 11), [Exhibit I](#) (Food Service

Single Unit 12), [Exhibit J](#) (Food Service Single Unit 15), [Exhibit K](#) (Food Service Single Unit 16), and [Exhibit L](#) (Retail Large Package 1).

Presenter(s): Jim Schone, Director, Aviation Business Development.

The Commission previously received a briefing on this lease package on May 24, 2016. Mr. Schone responded to several questions raised at that time and noted the the key elements of the lease package request. He noted that language will be incorporated into the evaluation process requesting the respondents to state their overall liabilities, including those related to retroactive pay associated with the City of SeaTac minimum wage Ordinance 13-1020 (Proposition One). Point allocations related to other Quality Jobs factors were described. The time line for development of further lease groups in the Airport Dining and Retail program was summarized.

The motion for approval of agenda item 6d 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.

6e. Request for (1) Unanimous consent to adopt Resolution No. 3723 at the same meeting at which it is first introduced, as required by Article VIII, Section 1, of the Commission Bylaws; and (2) First and Second Readings and Final Passage of Resolution No. 3723: A Resolution of the Port Commission of the Port of Seattle declaring certain personal property, construction equipment SPE.8579, SWP.1182, and SPE.1201, as surplus for Port District purposes and authorizing the Chief Executive Officer to execute all documents necessary for its sale or disposal.

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

Presenter(s): Maryann Lobdell, Senior Manager, Marine Maintenance and Fleet Compliance.

The construction equipment to be made surplus was described and includes an excavator, sweeper, and backhoe.

The motion to suspend Commission bylaws in order to take final action on Resolution No. 3723 on the same day it was introduced carried by the following required unanimous vote of all Port Commissioners:

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

The motion for adoption of [Resolution No. 3723](#) 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.

- 6f. Second Reading and Final Passage of Resolution No. 3721: A Resolution of the Port Commission of the Port of Seattle authorizing the issuance and sale of revenue refunding bonds in one or more series in the aggregate principal amount of not to exceed \$185,000,000, for the purpose of refunding certain outstanding revenue bonds of the Port; setting forth certain bond terms and covenants; delegating authority to approve final terms and conditions and the sale of the bonds; and authorizing remediation of a portion of the bonds being refunded.**

Request document(s) included a Commission agenda [memorandum](#) and draft resolution. A copy of the [adopted resolution](#) is attached for reference.

Presenter(s): Elizabeth Morrison, Director, Corporate Finance.

Previously, First Reading of Resolution No. 3721 was approved on May 24, 2016.

The motion for adoption of Resolution No. 3721 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.

- 6g. Second Reading and Final Passage of Resolution No. 3722: A Resolution of the Port Commission of the Port of Seattle authorizing the issuance and sale of intermediate lien revenue refunding bonds in one or more series the aggregate principal amount of not to exceed \$130,000,000, for the purpose of refunding certain outstanding revenue bonds of the Port; setting forth certain bond terms and covenants; and delegating authority to approve final terms and conditions and the sale of the bonds.**

Request document(s) included a Commission agenda [memorandum](#), and draft resolution. A copy of the [adopted resolution](#) is attached for reference.

Presenter(s): Elizabeth Morrison, Director, Corporate Finance.

Previously, First Reading of Resolution No. 3722 was approved on May 24, 2016.

The motion for approval of agenda item Second Reading and Final Passage of Resolution No. 3722 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.

7. STAFF BRIEFINGS

Agenda item 7a was removed from the agenda prior to publication; agenda item 7b was considered previously; and the Commission advanced to consideration of –

7c. Strategic Positioning for Growth.

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

Presenter(s): Dave Caplan, Senior Director, Strategic Initiatives, and Dan Thomas, Chief Financial Officer.

The Commission received a presentation on the intended approach to the Port's budget in 2017, which was described as designed to operationalize the Century Agenda. It was reported that the budgeting model is a hybrid of incremental budgeting used to establish a baseline for 2017, zero-based budgeting used to build department budgets in 2017, and zero-sum budgeting used to reconcile division budget targets with department roll-outs by establishing a budget ceiling. The intent is to create alignment with the objectives of the Century Agenda. Budget planning phases were described. Presentations on operational budget objectives not specific to long-range planning efforts are intended to be provided in July.

Commissioner Albro noted the need for the Commission to adopt the long-range plan and requested clarification on the process to ensure alignment between the long-range plan and the proposed budget.

Commissioners addressed staff concerns surrounding the shift in the budgeting model. It was reported that alignment of staff responsibilities to the Century Agenda is the primary purpose of the new model, rather than drastic cost cutting.

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

8. ADDITIONAL NEW BUSINESS

CEO Fick previewed several items for consideration at future meetings in June and July.

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 5:04 p.m.

Stephanie Bowman
Secretary

Minutes approved: August 9, 2016.