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APPROVED MINUTES COMMISSION REGULAR MEETING AUGUST 23, 2016

The Port of Seattle Commission met in a regular meeting Tuesday, August 23, 2016, in the International Auditorium at Seattle-Tacoma International Airport, Seattle, Washington. Commissioners Albro, Bowman, Creighton, and Felleman were present. Commissioner Gregoire was absent. Commissioner Bowman was present until 5 p.m.

1. CALL TO ORDER

The meeting was called to order at 12:05 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 performance of a public employee. Following the executive session, which lasted approximately 60 minutes, the public meeting reconvened at 1:27 p.m. Commissioner Creighton led the flag salute.

3. SPECIAL ORDERS OF BUSINESS

3a. August 23, 2016, CEO Report.

Chief Executive Officer Ted Fick previewed items on the day's agenda and reported on progress in waste-reduction efforts at the Airport. He noted increases in Airport operations and accomplishments of the Port's safety program.

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

3b. Authorization for the Chief Executive Officer to execute Economic Development Partnership Program contracts with the Cities of Auburn, Des Moines, Duvall, Issaquah, Kenmore, Kirkland, Normandy Park, North Bend, and Redmond to implement local economic development initiatives for an amount not to exceed \$294,335, as detailed below.

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

Presenter(s): Dave McFadden, Managing Director, Economic Development; Susan Chamberlain, Economic Development Coordinator; Matt Pina, Mayor, City of Des Moines; Michael Matthias, Economic Development Director, City of Des Moines; Dereck Speck, Economic Development Administrator, City of Tukwila; and Doug Lein, Economic Development Manager, City of Auburn.

The presentation to the Commission included the goals of the program to stimulate economic development efforts in communities throughout King County. Mayor Matt Pina and Economic Development Director Matthias of the City of Des Moines, Tukwila Economic Development Administrator Speck, and Auburn Economic Development Manager Lein described the projects in their communities that are benefitting from the partnership program. Commissioners stressed leveraging the use of Port facilities to promote economic development throughout the county, such as through advertising opportunities at the Airport. Community leaders were challenged to consider ways in which the Port might leverage its political influence and unique statutory powers to increase economic development impacts throughout the county.

The motion for approval of agenda item 3b carried by the following vote:

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

Absent for the vote: Gregoire

3c. Announcement: Airport Flight Safety Corridor Obstruction (Tree) Removal Phase One Update.

Presenter(s): Mike Ehl, Director, Airport Operations; Stephen St. Louis, Capital Project Manager, Aviation Project Management Group; and Elizabeth Leavitt, Senior Director, Environment and Sustainability.

The Commission received an update on the Airport's preparation to implement tree removal efforts required by the Federal Aviation Administration as part of its Flight Corridor Safety Program. Earlier briefings and authorization to commence Phase 1 of the program were summarized. It was reported that approximately 2,800 trees have been identified for removal during Phase 1 on Airport-owned property. Community outreach sessions and the comments arising from these and environmental permitting comment periods were summarized.

It was reported that Phase 2 is expected to proceed in 2017 with removal of trees on publicly owned land not belonging to the Port and that Phase 3 is anticipated in 2018 with removal of trees on private property close to the flight corridor.

Commissioners asked about plans and timing for tree replacement, which was reported to occur concurrent with selective removal. It was reported that in some cases, replanting would occur on the same site as removal, and in some cases elsewhere. It was noted that only trees projecting into the flight corridor would be removed, rather than a clear-cutting operation. The size of replacement trees and importance of ensuring their survival were discussed. Staff was directed to work closely with community leaders to determine the best locations for replanting.

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.]

- 4a. Authorization for the Chief Executive Officer to increase the Project budget for the Air Cargo 4 Building HVAC Upgrade Project (WP 105074) by \$15,000 for an authorized project budget total of \$325,000 (WP 105074; CIP #C800017).**

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

- 4b. Authorization for the Chief Executive Officer to authorize the remaining budget of \$1,466,000 and proceed with construction with the use of Port crews to construct the Zone 5 Ticket Lobby Reconfiguration project. The total estimated cost of this project is \$1,781,000 (CIP #C800824).**

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

- 4c. Authorization for the Chief Executive Officer to execute a memorandum of agreement between the Port of Seattle and the International Union of Operating Engineers, Local 286, to establish a job classification within the bargaining unit, Baggage Systems Engineer.**

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

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

5. PUBLIC TESTIMONY

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

- Albert Torrico, Senior Planner, City of SeaTac, regarding the Sustainable Airport Master Plan.
- Nancy Sumner, Service Employees International Union, regarding janitorial services at the Airport.
- Matt Haney, Director, Service Employees International Union Local 6, regarding janitorial services at the Airport.
- Ralph Ibarra, President, Diverse America Network, regarding janitorial services at the Airport. Mr. Ibarra submitted written materials, which are included here as minutes [Exhibit A](#) and are available for public review.
- John Yasutake, Washington State Civil Rights Coalition, regarding Airport Concessions Disadvantaged Business Enterprises.
- Eddie Rye Jr., Washington Civil Rights Commission, regarding Airport Concessions Disadvantaged Business Enterprises. Mr. Rye submitted written materials, which are included here as minutes [Exhibit B](#) and are available for public review.

- Elias Shifow, Yellow Cab, regarding the contract for taxi service at the Airport. Mr. Shifow submitted written materials, which are included here as minutes [Exhibit C](#) and are available for public review.
- Amar Kahn, Yellow Cab, regarding the contract for taxi service at the Airport.
- Cindi Laws, Director, Wheelchair-Accessible Taxi Association, regarding the contract for taxi service at the Airport.
- Dawit Tesfaye, Wheelchair-Accessible Taxi Association, regarding the contract for taxi service at the Airport.
- Abdul Yusuf, Eastside For Hire, regarding the contract for taxi service at the Airport.
- Samatar Guled, Eastside For Hire, regarding the contract for taxi service at the Airport.

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) develop, advertise, and execute an alternative public works delivery using the design-build method for the Concourse D Hardstand Terminal Project at Sea-Tac International Airport with a total project cost estimated at \$38,400,000 and (2) authorize the use of Port crews for preliminary work in support of the project (CIP #C800769).**

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

Presenter(s): Michael Ehl, Director, Airport Operations, and Sean Anderson, Capital Project Manager, Aviation Project Management Group.

The need to provide facilities supporting hardstand operations was explained. Staff's proposal to expedite the project using a design-build contracting methodology was described. Passenger and airline perceptions of use of hardstands were discussed. The life expectancy for the requested improvements was discussed in light of continued development of Airport plans aligned with the Sustainable Airport Master Plan.

The motion for approval of agenda item 6a 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. Authorization for the Chief Executive Officer to develop design documents, enter into agreements with parties whose property interests are affected, self-perform construction, and advertise for bids, award, and execute contracts to construct improvements for the Alaskan Way Street Improvement Project for an estimated cost of \$987,000 and a total authorization of \$1,282,000 (CIP #C800759).**

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

Presenter(s): Michael McLaughlin, Director, Cruise and Maritime Operations; Fred Chou, Capital Project Manager, Seaport Project Management; and Jon Layzer, Director of Regional and Interagency Programs, Seattle Department of Transportation.

The relationship of the project improvements to cruise operations at Pier 66 and the elements of the project work were described. Commissioners asked for clarification on the design and capacity for cruise-related passenger and cargo movement. Mr. Layzer described congestion expectations for Alaskan Way following removal of the Alaskan Way Viaduct and reported that the City of Seattle is donating the staff time necessary for support of the project. Commissioner concerns about project delays due to utility relocation and safety aspects of the new street design were noted.

The motion for approval of agenda item 6b 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. Authorization to cancel Large Food Package 3 as part of the Airport Dining and Retail Program's Lease Group 3; to issue a new Large Food Package 4 in the same lease group and for the Chief Executive Officer to conduct competitive solicitations and execute lease and concession agreements with the selected proposers for this new Large Food Package 4.

Request document(s) included a Commission agenda [memorandum](#), [presentation slides](#), [Exhibit A](#), [Exhibit B](#), and [Exhibit C](#).

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

Mr. Schone summarized the changes requested in the composition of Lease Group 3. He explained the emergent opportunity with an existing tenant that precipitated the change. Commissioners requested clarification on the lease term with respect to opportunity for tenants to recoup investment. The potential for business disruption due to renovation of the South Satellite and appropriate forms of risk mitigation for tenants and the Port were discussed.

The motion for approval of agenda item 6c 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. Protecting and Enhancing Industrial Lands, Draft Principles.

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

Presenter(s): Lindsay Wolpa, Regional Government Affairs Manager, Public Affairs.

Ms. Wolpa presented the following draft principles for protecting and enhancing industrial lands for Commission consideration:

- (1) Require transportation policy and planning that supports land-use needs.
- (2) Maintain no net loss in industrial lands to support the industrial job base.
- (3) Encourage the creation of incentives to promote industrial investment in job growth.
- (4) Formally recognize industrial lands as essential public facilities.
- (5) Seek changes to relevant code to reflect industrial land use policy.
- (6) Prevent sprawl to protect from negative environmental impacts.
- (7) Support efforts to expand industrial training and related workforce development.

Direction from Commissioners included restating the goals in a plainer style, drawing a stronger connection between preservation of industrial lands, middle-class jobs, and affordability of living in Seattle and providing a stronger emphasis on the environmental benefits of limiting industrial sprawl, which preserves farm and forest land. Commissioners expressed a desire to make the reasons for protecting industrial lands more evident within the draft principles. It was requested that a final draft of the principles be brought back for Commission action.

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

7b. Pier 66 Facility Exterior and Interior Modernization.

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

Presenter(s): Melinda Miller, Director, Real Estate Asset Management; Michael McLaughlin, Director, Cruise and Maritime Operations; and Brian Flaherty, Senior Vice President, Columbia Hospitality.

The proposed options for renovating the façade and interior design of the Bell Harbor International Conference Center were presented. The need to improve connections within the conference center and improve its appearance were described as necessary to preserve the facility's competitiveness. Commissioners discussed elements of the design and sustainability features. It was clarified that the conference center work is not part of the Port's arrangement with Norwegian Cruise Lines to expand and upgrade their facilities at Pier 66. The project sponsors were asked to clarify the need for the investment, given the ability to negotiate the Norwegian Cruise Lines partnership without these upgrades. A better quantification of the return on investment was requested, as was an early pro forma during design preparation and environmental review.

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

Without objection, the Commission advanced to consideration of –

7g. Port CEO Board Membership for National Truck Protection Co. Inc.

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

Presenter(s): Ted Fick, Chief Executive Officer.

The nature of the warranty business of National Truck Protection Co. Inc. was described. Acknowledging provisions of the CEO employment agreement, Mr. Fick reported that action by the Commission to approve his participation on the company's board of directors would be requested on September 13 and would not become effective until after September 29, 2016. The compensation and amount of time estimated to be required to serve on the board was discussed. Commissioners asked the CEO to document his participation on other for- and not-for-profit boards at the time of the requested action.

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

Commissioner Bowman was absent after 5 p.m.

Following consideration of agenda item 7g, the Commission returned to consideration of –

7c. Sustainable Airport Master Plan.

Presentation document(s) included a Commission agenda [memorandum](#) and [presentation slides](#). A draft documentation outline was provided at the time of the meeting and is included here as Minutes [Exhibit D](#), which is available for public review.

Presenter(s): Elizabeth Leavitt, Senior Director, Environment and Sustainability, and Thomas Hooper, Senior Planner, Aviation.

The Commissioners received a presentation on the status of the Sustainable Airport Master Plan (SAMP) process with a focus on planning for project phasing and a review of the progression of design options for Airport facility expansion and reconfiguration. Three-dimensional concept drawings for the South Aviation Support Area (SASA) were presented. Development of a cost model for the projects envisioned by the SAMP was discussed. Commissioners discussed traffic congestion accompanying Airport growth and the need to incentivize passengers to use mass transit to get to and from the Airport. The concerns of the City of SeaTac related to its commercial development at Angle Lake near the SASA were discussed. Commissioners requested the SAMP documents overtly draw a connection to Airport development and the economic development of the region.

RECESSED AND RECONVENED

The meeting was recessed at 5:01 p.m. and reconvened at 5:08 p.m. to conclude the presentation on agenda item 7c. The meeting continued, chaired by Commissioner Creighton.

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

Without objection, the following agenda item –

7d. Incentive Pay Program Status Update.

– was laid on the table.

7e. Contract for Janitorial Services at Sea-Tac Airport.

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

Presenter(s): Michael Ehl, Director, Airport Operations, and Stuart Mathews, Director, Aviation Maintenance.

The proposal for a competitive selection process for janitorial services at the Airport, including four separately contracted zones, was presented. The objectives were described as improving cleanliness and customer service at the Airport by leveraging competition between zones. It was reported that one zone would be set aside for small or minority business. Commissioners requested clarification about preserving job quality within the contracts and providing for labor harmony.

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

7f. Second Quarter Financial Performance.

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

Commissioners received the Second Quarter Financial Performance Report, which was published online, prior the meeting. There was no presentation made during the public session, but an opportunity for questions was provided. No clarifications were requested.

8. ADDITIONAL NEW BUSINESS

CEO Fick previewed upcoming items for Commission consideration.

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 5:52 p.m.

Stephanie Bowman
Secretary

Minutes approved: October 10, 2016.