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APPROVED MINUTES COMMISSION SPECIAL MEETING OCTOBER 25, 2016

The Port of Seattle Commission met in a special meeting Tuesday, October 25, 2016, at Port of Seattle Headquarters, Commission Chambers, 2711 Alaskan Way, Seattle, Washington. Commissioners Albro, Bowman, Creighton, Felleman, and Gregoire were present. Commissioner Bowman was present until 5:25 p.m.

1. CALL TO ORDER

The meeting was called to order at 2:18 p.m. by Commission Vice President Tom Albro, who led the flag salute.

2. EXECUTIVE SESSION pursuant to RCW 42.30.110 – None.

3. SPECIAL ORDERS OF BUSINESS

3a. October 25, 2016, Executive Report.

David Soike, Chief Operations Officer, previewed several items on the day's agenda and announced progress on employee safety goals, developments in 2017 cruise service, and status of the employee giving campaign.

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. Approval of the minutes of the regular meetings of September 13 and 27, 2016.

4b. Approval of the Claims and Obligations for the period September 1-September 30, 2016, in the amount of \$52,239,234.50 including accounts payable check nos. 913204-913765 in the amount of \$5,386,238.27; accounts payable automated clearing house transaction nos. 044425-045014 in the amount of \$27,589,207.12; accounts payable wire transfer nos. 014295-014339 in the amount of 10,647,953.65; payroll check nos. 183879-184211 in the amount of \$226,230.24; and payroll automated clearing house transaction nos. 774713-778298 in the amount of 8,389,605.22 for a fund total of \$52,239,234.50.

- 4c. Authorization for the Chief Executive Officer to advertise and execute a single construction contract to: (1) retrofit five existing 400 Hz in-ground power stations at Cargo Area 2 (CIP #C800247), and Cargo Area 6 (CIP #C800390), and (2) reconstruct a portion of the existing pavement at Cargo Area 2 (2017 Airfield Pavement Project – CIP #C800483).**

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

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

- Dale Bright, Political Director, Local 242, regarding Resolution No. 3725 (Project Labor Agreement policy directive).
- Monty Anderson, Seattle Building Trades, regarding Resolution No. 3725 (Project Labor Agreement policy directive).
- Jerry Dinndorf, Association of General Contractors, regarding Resolution No. 3725 (Project Labor Agreement policy directive).
- Ralph Ibarra, President, Diverse America Network, regarding Resolution No. 3725 (Project Labor Agreement policy directive).
- Debi Wagner, Council Member, City of Burien, regarding the flight corridor safety program.
- James D. Langston, Des Moines Historical Society, King County Water District No. 54, President, Hillgrove Cemetery Association, regarding the flight corridor safety program.
- Walter Bala, Resident of Burien, regarding the flight corridor safety program. Mr. Bala submitted written materials, which are included here as minutes [Exhibit A](#) and are available for public review.
- Barbara McMichael, resident of Des Moines, regarding the flight corridor safety program.
- David Ortman, resident of Seattle, regarding the flight corridor safety program and the tax levy. Mr. Ortman submitted written materials, which are included here as minutes [Exhibit B](#) and are available for public review.
- John S. Teutsch, Managing Member, Teutsch Partners, LLC, regarding the Real Estate Strategic Plan.
- Wilma Warschak, Managing Partner, Washington Real Estate, regarding the Real Estate Strategic Plan.
- Written comments were submitted by Tom Pozarycki, Senior Vice President, Washington Federal Commercial Real Estate, regarding the Real Estate Strategic Plan. These comments are included here as minutes [Exhibit C](#) and are available for public review.
- Tom Malone, resident of Seattle, regarding Terminal 91.
- Edilyn Salvador, resident of Tacoma, regarding Airport concessions labor conditions.

- Yodit Habezion, resident of Burien, regarding Airport concessions labor conditions.
- Martha Vasquez, resident of Renton, regarding Airport concessions labor conditions.
- Jennifer Fulton, regarding Airport concessions labor conditions.
- Troy Carr, resident of Bryn Mawr, regarding Airport concessions labor conditions.
- Stefan Moritz, Unite Here Local 8, regarding Airport concessions labor conditions.
- Katie Garrow, Deputy Executive Director, King County Labor Council, regarding Airport concessions labor conditions.
- Leonard Smith, Teamsters 117, regarding Airport concessions labor conditions.
- Howard Greenwich, Puget Sound Sage, regarding Airport concessions labor conditions.
- Paul Pemberton, ILWU Local 52, regarding Airport concessions labor conditions.
- Mia Gregerson, Representative, District 33, Washington House of Representatives, regarding Airport concessions labor conditions.
- Written comments were provided by Kent Palosaari, SeaTac resident, regarding the flight corridor safety program. These comments are included here as minutes [Exhibit D](#) and are available for public review.

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

6. DIVISION, CORPORATE, AND COMMISSION ACTION ITEMS

6a. Second reading and final passage of Resolution No. 3725: a resolution of the Port of Seattle Commission establishing a policy directive for practices for construction labor for projects located on Port property.

Request document(s) included a Commission agenda memorandum, draft resolution, and redline version of the resolution showing changes since first reading. A copy of the adopted resolution, as amended, is attached for reference.

Presenter(s): Aaron Pritchard, Commission Issues and Policy Manager.

Previously, first reading of Resolution No. 3725 was approved on September 27, 2016.

Commissioner Gregoire offered the following amendment, which was adopted without objection: In the second-to-last Whereas clause, after “National Labor Relations Act (NLRA), 29 U.S.C.” insert: *Sections 151-169,*

The motion for Second Reading and Final Passage of [Resolution No. 3725, 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.

Without objection, the Commission advanced to consideration of –

6c. Authorization for the Chief Executive Officer to (1) award and execute a major public works construction contract for the Flight Corridor Safety Program Phase 1 project

with the lowest responsible bidder, notwithstanding the low bid exceeding the engineer's estimate by more than 10 percent; (2) change the contract as necessary to include additional scope that may be identified; and (3) to increase the budget by an amount not to exceed \$500,000 for a new total project cost of \$3,231,000.

Request document(s) included a revised Commission agenda [memorandum](#), [revised overview of environmental review](#), [implementation plan](#), and [mitigated determination of non-significance \(MDNS\)](#).

Presenter(s): Clare Gallagher, Government Relations Manager; Mark Coates, Senior Manager, Airport Operations; Ralph Wessels, Capital Project Manager, Aviation Project Management Group; and Bob Duffner, Senior Manager, Environmental Programs.

The requested action and the three-phase process for removal and replanting of trees in the Airport's flight corridor was summarized. The transition of the obstruction program from Federal Aviation Administration oversight to local airport implementation was described. Commissioners asked for clarification on the FAA's evaluation of the Port's program. Inclusion of trees expected to penetrate the flight corridor within five years and the effect that has on reducing the number of trees identified in the future for removal and replacement was discussed. Commissioners provided direction regarding confirmation of the Port's plan with the FAA. In light of a community meeting on this subject planned for November 1, Commissioners provided direction regarding further community outreach. The effects of delaying the authorization on the project schedule were discussed.

Without objection, agenda item 6c was laid on the table.

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The Commission returned to consideration of –

6b. Authorization for the Chief Executive Officer to: (1) authorize \$7,380,000 of capital spending via a tenant reimbursement agreement between the Port and Delta Air Lines Inc. for the design and construction of two new passenger boarding gates and reconfiguration of four existing gates on Concourse B at Seattle-Tacoma International Airport; (2) execute a tenant reimbursement agreement with Delta for this purpose under the Airport's AV-2 Policy; (3) authorize an additional \$4,695,000 of capital spending for Port utility and support infrastructure work associated with this project and other Port costs; and (4) authorize a \$500,000 budget transfer from this project to the Concourse B 400 Hertz Upgrade project (CIP #C800019) and authorize that project to execute a construction contract change order for up to \$500,000. This request seeks a single Commission authorization to approve the tenant reimbursement agreement and authorize design and construction of the associated work, transfer budget, and execute a change order, pursuant to Section 2.5.1 and Section 4.2.3.1 of the General Delegation of Authority. The total cost to the Port for this project is \$12,150,000.

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

Presenter(s): Mike Ehl, Director, Airport Operations; Jeffrey Brown, Director, Aviation Facilities & Capital Program; and James Jennings, Manager, Aviation Properties.

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

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

7. STAFF BRIEFINGS

7a. 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 & Economic Development; and Matt Anderson, Principal & Senior Project Director, Heartland LLC.

The presentation to the Commission focused on the objectives of the strategic plan, a review of the Port's real estate development portfolio, especially holdings at Terminals 90 and 91, properties near West Seattle and Harbor Island, and properties just north of the Airport. Key principles involved in property acquisition, the economic impacts of a development portfolio and acquisition program, and the key principles for the strategic plan were discussed. Commissioners asked for clarification and provided direction related to policy development surrounding options for workforce and low-income housing. They requested guidance on a financing plan for Port real estate to reduce appropriately the need for public investment and asked how the proposed strategic plan meshes with Seattle Mayor Ed Murray's industrial lands policy.

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

Commissioner Bowman was present until 5:25 p.m.

7b. Draft 2017 State Legislative Agenda.

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

Presenter(s): Pearse Edwards, Director, Government Relations, and Eric ffitch, State Government Relations Manager.

The proposed agenda for Port advocacy during the 2017 state legislative session was presented. Commissioners requested clarifications and provided direction regarding agenda items and issue areas. Analysis was requested on issues affecting the Port's ability to establish or enforce wage policies in light of the Supreme Court's ruling in *Filo Foods v. City of SeaTac* and the impact on

street pricing policies and concessionaires' certifications of compliance with the city's minimum wage ordinance. Advocacy regarding the state's streamlined sales tax and its effects on warehousing communities was discussed as a needed priority. A briefing was requested on the possibility of changes that might be needed to RCW Title 53 in order to facilitate the Port's efforts to promote workforce development.

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Without objection, agenda item 7c was laid on the table.

7d. Commission Briefing – 2017 Salary and Benefits Resolution, Including Initial 2017 Incentive Pay Plan Values-Based, Non-Financial Goals.

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

Presenter(s): Tammy Woodard, Assistant Human Resources Director – Total Rewards, and Dave Caplan, Senior Director, Strategic Initiatives.

Commissioners requested clarification and provided direction regarding definitions and independence of the incentive pay program from the Salary and Benefit resolution and on features of the program, especially the non-financial goals.

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

Without objection, agenda item 7e was laid on the table.

8. ADDITIONAL NEW BUSINESS – None.

9. ADJOURNMENT

There was no further business, and the meeting adjourned at 6:32 p.m.

Stephanie Bowman
Secretary

Minutes approved: November 22, 2016