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**APPROVED MINUTES
COMMISSION REGULAR MEETING NOVEMBER 8, 2016**

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

1. CALL TO ORDER

The meeting was called to order at 12:00 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 relating to litigation and legal risk and one matter related to collective bargaining negotiations. Following the executive session, which lasted approximately 65 minutes, the public meeting reconvened at 1:20 p.m. Commissioner Creighton led the flag salute.

3. SPECIAL ORDERS OF BUSINESS

3a. November 8, 2016, CEO Report.

Ted Fick, Chief Executive Officer, previewed several items on the day's agenda and announced results of the Port's third quarter performance. He acknowledged retiring Port of Seattle Police Chief Colleen Wilson.

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

Without objection, the Commission advanced to consideration of –

5. PUBLIC TESTIMONY

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

- Olyad Amentie, Yellow Cab, regarding compressed-natural-gas cabs.
- Harjinder Gill, Yellow Cab, regarding compressed-natural-gas cabs. Mr. Gill submitted written materials, which are included here as minutes [Exhibit A](#) and are available for public review.
- Yunis Dineh, E-Cab, regarding the cost of vans in the ground transportation fleet.
- Cindi Laws, Wheelchair Accessible Taxi Association, regarding Eastside For Hire's wheelchair accessible fleet. Ms. Laws submitted written materials, which are included here as minutes [Exhibit B](#) and are available for public review.

The Commission then returned to consideration of –

3b. Private Investments Shaping Seattle's Waterfront.

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

Presenter(s): Dave McFadden, Managing Director, Economic Development; Jeffrey Utterback, Director, Real Estate and Economic Development; Craig Kinzer, Partner, Kinzer Real Estate; Bob Donegan, President, Ivar's Inc.; and Ben Franz-Knight, Executive Director, Pike Place Market Foundation.

Trends affecting land use along the Seattle Waterfront and changes affecting real estate transformation, construction, and private real estate investment were presented. Redevelopment examples involving Expedia, Weyerhaeuser, the Pike Place Market, and the waterfront between the Seattle Aquarium and State Ferry Terminal at Colman Dock were described. The effects of current real estate trends on SODO and the Duwamish Manufacturing and Industrial Center were discussed.

Commissioners asked about encouraging more intensive use of industrial lands, provision for affordable housing, possible reversionary interest in the Terminal 48 uplands, and the boundaries of the City of Seattle Business Improvement Area in SODO. It was noted that 59 percent of privately owned, non-railroad property in SODO represents single-party ownership of multiple parcels. The dynamics of fees levied by business improvement areas and the pool of property-owner decision-makers needed to approve those fees was discussed.

[Clerk's Note: A map of the boundaries of the SODO Business Improvement Area, as provided on the improvement area's website, is included here as minutes [Exhibit C](#) and is available for public review.]

Preservation of a working waterfront in light of the presented real estate trends was discussed. Mr. Donegan presented proposals including promoting a Port "district" in Interbay to support recapitalization of the Alaska fishing fleet, accommodating increased visitors to the waterfront by converting the Port's Bell Street parking garage to a robotic system to triple its capacity, relocation of the State ferry facilities from Colman Dock to a site farther up the Duwamish River closer to major transportation routes in part to reduce the number of lanes needed at the south end of Alaskan Way near Pioneer Square, relocation of Port headquarters in order to make better use of facilities at Pier 69, and extending a trolley line to cruise facilities at Terminal 91 in order to better connect cruise passengers to the downtown.

Mr. Kinzer commented on the likelihood of continued real estate redevelopment moving south into the Duwamish Manufacturing and Industrial Center. In that context, strategies for protecting the area's industrial function and transportation routes were discussed.

Commissioners emphasized the importance of exercising priorities in promoting appropriate zoning and the Century Agenda mission as a public agency to create jobs by advancing trade and commerce, promoting industrial growth, and stimulating economic development.

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

4a. Approval of the minutes of the special meeting of October 10 and regular meeting of October 11, 2016.

4b. Authorization for Chief Executive Officer to execute Economic Development Partnership Program contracts with the cities of Black Diamond, Federal Way, Pacific, and Skykomish for a total amount not to exceed \$81,770.

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

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

4d. Authorization for the Chief Executive Officer to (1) execute contracts for the purchase of equipment for the automatic baggage tag reader replacement project at Seattle-Tacoma International Airport in an amount not to exceed \$1,145,000 and (2) utilize Port crews and small works contracts to perform construction, for a total estimated project cost of \$1,160,000 (CIP #C800802).

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

4e. Authorization for the Chief Executive Officer to (1) prepare design and construction bid documents for the South Satellite Structural Improvements project at Seattle-Tacoma International Airport, (2) advertise and execute a major works construction contract, and (3) utilize Port crews for an estimated \$3,450,000 (CIP #C800818).

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

4f. Authorization for the Chief Executive Officer to enter into a project labor agreement covering the Concourse D Hardstand Terminal construction project (CIP #C800769).

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

4g. Authorization for the Chief Executive Officer to execute an interlocal agreement with the Northwest Seaport Alliance (NWSA) to implement a series of support service agreements to allow Port staff to provide services to the NWSA for 2017.

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

4h. Authorization for a revision to the Commission's 2016 international travel plan.

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

- 4i. Authorization for the Chief Executive Officer to (1) award and execute a major public works construction contract with the low responsive and responsible bidder for the Concourse B Ramp Level Holdroom project, notwithstanding the low bid exceeding the engineers estimate by more than 10 percent and (2) increase the project budget by \$700,000. The new authorized total project cost will be \$5,558,000 (CIP #C800761).**

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

The motion for approval of consent items 4a, 4b, 4d, 4e, 4f, 4g, 4h, and 4i 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.

Having disposed of public testimony previously, the Commission advanced to consideration of –

ITEMS REMOVED FROM CONSENT

- 4c. Authorization for the Chief Executive Officer to (1) spend environmental remediation liabilities funds for 2017 in the amount of \$17,700,000; (2) approving a five-year spending plan of \$85,800,000 for the Environmental Remediation Liability Program for 2017-2021 of which an amount estimated not to exceed \$33,600,000 will be obligated during 2017 to be spent in future years.**

Request document(s) included a Commission agenda [memorandum](#) and aerial photos of mitigation sites [near the Airport](#), in [Interbay](#), and in the [Duwamish Manufacturing and Industrial Center](#).

Presenter(s): Kathy Bahnick, Manager, Environmental Programs.

Ms. Bahnick described the five-year rolling spending plan contained in the requested action and responded to questions about the funding sources for environmental mitigation on Port-owned properties, many of which have environmental issues predating Port ownership.

The motion for approval of agenda item 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.

6. DIVISION, CORPORATE, AND COMMISSION ACTION ITEMS

Agenda items 6a and 6b were removed from the agenda prior to publication.

- 6c. Authorization to pursue the legislative priorities as described in this memorandum, both specific agenda items along with general issue areas, during the 2017 state legislative session, convening January 9, 2017, in Olympia, Washington.**

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

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

Previously, a presentation on this subject was made on October 25, 2016.

Mr. Edwards presented a corrected version of the agenda [memorandum](#) and reported that the changes to the policy priorities described in the memo were in response to Commissioner requests. Commissioners provided direction on the text of the state legislative agenda.

The motion for approval of agenda item 6c, as presented in its corrected form, 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. 3726: A resolution of the Port Commission of the Port of Seattle adopting the final budget of the Port of Seattle for the year 2017; making, determining, and deciding the amount of taxes to be levied upon the current assessment roll; providing payment of bond redemptions and interest, cost of future capital improvements and acquisitions, and for such general purposes allowed by law which the Port deems necessary; and directing the King County Council as to the specific sums to be levied on all of the assessed property of the Port of Seattle District in the Year 2017.**

Request document(s) included a Commission agenda [memorandum](#), [draft Resolution No. 3726](#), tax levy and [plan of finance presentation slides](#), and [budget presentation slides](#).

Presenter(s): Dan Thomas, Chief Financial Officer, and Elizabeth Morrison, Director, Corporate Finance.

The Commission received a presentation on the Port tax levy, including a report on the status of the levy fund for 2016 and the status of funding the Port's contribution to the SR-99 bored tunnel project (Alaskan Way Viaduct Replacement Program). Commissioners requested clarification on the carrying costs associated with bond financing for the bored tunnel contribution. It was reported that interest earnings are kept within the tax levy fund. Tax levy funding for utilities infrastructure in the Terminal 91 uplands and for exterior improvements at Pier 66 were discussed. Review of options to return positive general fund balances to the tax levy fund was requested,

notwithstanding that incentive pay nonfinancial goals for 2016 had fallen short and therefore no incentive pay dividend would be disbursed for employees.

Clarification was requested regarding the setting of a Port tax levy dollar amount, which the County Assessor translates into a tax rate. As property values increase and the Port's tax levy amount remains the same, the impact to the tax rate decreases over time. The portion of the property tax rate currently dedicated to the Port's levy is estimated at less than two percent.

Commissioners received a presentation on the draft plan of finance and the Port's five-year capital improvement cost forecast. Forecasted funding shortfalls for non-Aviation capital spending over the five-year period were discussed.

The 2017 preliminary budget was presented, including budget process methodology, cost growth in the context of expansion of Port efforts to stimulate regional economic growth, net operating income projections over five years, and a tax levy amount static at \$72 million. Changes introduced since the budget briefing on October 10 were noted. Commissioner Albro reported that the Audit Committee is recommending the proposed Internal Audit budget as updated since October 10. Tourism initiatives in the 2017 budget were outlined. Clarifications were requested regarding the cruise-and-stay program and cruise ambassadors. Additional budget requests were proposed for Commission consideration that are not yet programmed into the budget as presented.

PUBLIC HEARING on Resolution No. 3726

Upon a motion and second for First Reading of Resolution No. 3726, Commissioner Creighton declared the public hearing for the resolution open. Comment was received from the following individual(s):

- Cindi Laws, Wheelchair Accessible Taxi Association, regarding a proposed fee increase of 45 percent for belled-in taxicabs. Ms. Laws submitted written materials, which are included here as minutes [Exhibit B](#) and are available for public review.

Following conclusion of public comment, the public hearing on Resolution No. 3726 was closed.

AMENDMENT

Commissioner Bowman offered an amendment to Resolution No. 3726 to allocate \$100,000 for the Economic Development Division to investigate the feasibility of a new skill center to support workforce training programs in Seattle.

The amendment was adopted by the following vote:

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

Absent for the vote: Gregoire

AMENDMENT

Commissioner Felleman offered an amendment to Resolution No. 3726 to allocate no less than \$1,000,000 to the Environment and Sustainability Center of Expertise to implement the Energy and

Sustainability Committee Policy Directives as adopted in the first quarter of 2017 by the Port of Seattle Commission.

Commissioner Felleman explained that the allocation of these funds does not obligate the Port to expend them in 2017, but serves as a placeholder to fund initiatives as the policy directives are adopted in the coming year.

Commissioners requested more information prior to Second Reading on the nature of the projects likely to be funded.

The amendment was adopted by the following vote:

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

Absent for the vote: Gregoire

AMENDMENT

Commissioner Albro offered an amendment to Resolution No. 3726 to allocate \$985,000 to support eight additional full-time-equivalent positions (FTEs) for firefighters and a senior manager of aviation marketing communications.

The amendment was adopted by the following vote:

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

Absent for the vote: Gregoire

The motion for First Reading of Resolution No. 3726, as amended, (agenda item 6d) 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. First Reading of Resolution No. 3727: A resolution of the Port Commission of the Port of Seattle Establishing Jobs, Pay Grades, Pay Ranges, and Pay Practices for Port Employees not represented by a labor union; Authorizing Legally Required Benefits, Other Benefits for Port Employees not represented by a Labor Union including Retirement, Paid Leave, Healthcare, Life Insurance and Disability Benefits, Benefits for Port of Seattle Retirees, and Benefits for Port of Seattle Commissioners; and Authorizing this Resolution to be Effective on January 1, 2017, and Repealing all Prior Resolutions Dealing with the Same Subject, Including Resolution No. 3712 and Resolution No. 3720.**

Request document(s) included a Commission agenda [memorandum](#), [draft Resolution No. 3727](#), [presentation slides](#), and [salary schedule](#).

Presenter(s): Tammy Woodard, Assistant Human Resources Director, Total Rewards.

Previously, a presentation on Resolution No. 3727 was made on October 25, 2016.

Updates for the 2017 Salary and Benefits Resolution were summarized, including changes to pay grades and ranges and addition and deletion of definitions related to benefits eligibility. A change to the definition of “floating holiday” to comply with state law regarding observance of Veterans Day was described. Commissioner Albro noted addition of a clause regarding codification of the resolution’s content as a Port of Seattle governance document.

The motion for approval of First Reading of Resolution No. 3727 (agenda item 6e) 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** – None.

8. **ADDITIONAL NEW BUSINESS**

CEO Ted Fick previewed several items on the Commission’s agenda for November 22, 2016.

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 4:07 p.m.

Stephanie Bowman
Secretary

Minutes approved: December 13, 2016.