



P.O. Box 1209
Seattle, Washington 98111
www.portseattle.org
206.787.3000

**APPROVED MINUTES
COMMISSION REGULAR MEETING NOVEMBER 22, 2016**

The Port of Seattle Commission met in a regular meeting Tuesday, November 22, 2016, in the Central Auditorium at Seattle-Tacoma International Airport, Seattle, Washington. Commissioners Albro, Bowman, Creighton, Felleman, and Gregoire were present.

1. CALL TO ORDER

The meeting was called to order at 12:04 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 two matters relating to litigation and legal risk. At 1:20 p.m., the presiding officer announced that the executive session would be extended until 1:30 p.m. Following the executive session, which lasted approximately 90 minutes, the public meeting reconvened at 1:31 p.m. Commissioner Creighton led the flag salute.

3. SPECIAL ORDERS OF BUSINESS

3a. November 22, 2016, CEO Report.

Ted Fick, Chief Executive Officer, previewed several items on the day's agenda, reported on current workplace safety efforts, and announced new air service to Cologne, Germany, and the recipients of the 2015 Fly Quiet Awards.

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

3b. Authorization for the Chief Executive Officer to (1) prepare design and construction bid documents, (2) advertise and execute major works construction contracts, (3) purchase goods and services, and (4) utilize Port crews for an estimated \$3,400,000 for the Sound Transit Airport Walkway and Bridge Improvements at Seattle-Tacoma International Airport.

Request document(s) included a Commission agenda [memorandum](#) and a [presentation slide](#) provided at the meeting.

Presenter(s): Ted Fick, Chief Executive Officer, and Ralph Graves, Senior Director, Capital Development.

There was a discussion of the challenges posed by the distance of the Sound Transit light rail station from the Airport terminal and the improvements proposed for the exterior walkway that connects them. Commissioners requested clarifications and provided direction to staff.

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

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 special meetings of October 12 and 25, 2016.

4b. Approval of the following [salaries and claims](#) of the Port of Seattle issued during the period October 1, 2016, through October 31, 2016: accounts payable checks no. 913766-914290 in the amount of \$8,764,232.84; accounts payable ACH no. 045015-045583 in the amount of \$26,908,700.68; accounts payable wire transfers no. 014340-014391 in the amount of \$90,757,939.36; payroll checks no. 184212-184437 in the amount of \$8,265,983.91; and payroll ACH no. 778299-781844 in the amount of \$230,011.40; for total payments in the amount of \$134,926,868.19.

4c. Authorization for the Chief Executive Officer to execute a contract with an insurance brokerage firm for the purpose of procuring property insurance for the Port over a three-year period with two one-year extension options. The procurement of property broker insurance services for the three years plus the two one-year renewal options will utilize a competitive process and is estimated at \$450,000.

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

4d. Authorization for the Chief Executive Officer to (1) execute an assignment and assumption of ground lease agreement at the Des Moines Creek Business Park Phase I from the existing tenant, Des Moines Creek Business Park Phase I, LLC, to the new tenant CAVA Des Moines Industrial, LLC; and (2) execute amendments to the assignment provisions in the ground lease agreements with Des Moines Creek Business Park Phase I, LLC; Des Moines Creek Business Park Phase II, LLC; and Des Moines Creek Business Park Phase III, LLC.

Request document(s) included a Commission agenda [memorandum](#), [assignment of phase 1](#), ground lease amendments to [phase 2](#) and [phase 3](#), [side letter](#), and [ground lease amendment](#) to phase 1.

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

- Senator Karen Keiser, 33rd Legislative District, regarding tree removal and the Flight Corridor Safety Program at the Airport. Senator Keiser submitted a letter, which is included here as minutes [Exhibit A](#) and is available for public review.
- Richard Aldrich, SeaTac resident, regarding flight patterns and frequency over his home.
- Joel Wachtel, SeaTac resident, regarding tree removal and the Flight Corridor Safety Program at the Airport.
- Jeff Robinson, Economic Development Manager, City of SeaTac, regarding tree removal and the Flight Corridor Safety Program at the Airport.
- Rose Clark, President, Des Moines Memorial Drive Preservation Association, in support of agenda item 6c, creating an Airport Community Ecology Fund.
- Kitty Milne, Burien resident, regarding tree removal and the Flight Corridor Safety Program at the Airport.
- Michael Foster, Climate Change for Families and Plant for the Planet, regarding environmental protection, reduction of emissions, and tree planting.
- Barbara McMichael, Des Moines resident, regarding the Airport Community Ecology Fund.
- Anne Miller, Seattle Climate Action Network, regarding the Flight Corridor Safety Program at the Airport.
- Representative Tina Orwall, 33rd Legislative District, regarding tree removal and the Flight Corridor Safety Program at the Airport.
- Anne Kroecker, Des Moines resident, regarding the Flight Corridor Safety Program at the Airport.
- Debi Wagner, Quiet Skies Coalition, regarding the Flight Corridor Safety Program at the Airport.
- Theo Faloon, Plant for the Planet, regarding preserving and planting trees.
- Joanna Nelson de Flores, Forterra Green Cities Program Director, regarding urban forest management.
- Kent Palosaari, SeaTac resident, regarding the Flight Corridor Safety Program at the Airport. Mr. Palosaari submitted written materials, which are included here as minutes [Exhibit B](#) and are available for public review.
- Robert Canamar, Seattle Commission for People with Disabilities, regarding accessibility at Seattle-Tacoma International Airport.
- Candace Urquhart, Quiet Skies Puget Sound, regarding tree removal and the NextGen air transportation program.

- Cindy Richardson read remarks prepared by Jaibunben Afinwala, employed by Casa del Agave at the Airport, regarding treatment of employees and back wages.
- Myrtha Esahu, employed at the Airport McDonald's, regarding wages, back pay, and health benefits.
- Shaira Salvador, employed by Filo Foods at the Airport, regarding treatment of workers and benefits.
- Lucia Flugencia, employed by Chili's at the Airport, regarding treatment of workers and benefits.
- The Reverend Shalom Agtarap, Pastor of Highline United Methodist Church, Burien, regarding mistreatment of workers and the lease evaluation process for the Airport Dining and Retail Program.
- Hannah Anousheh, Unite Here Local 8, regarding the leasing process in the Airport Dining and Retail Program and back pay for employees.

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 execute (1) a ground lease with Seattle Gateway 2 LLC to develop aviation-related facilities in Northeast Redevelopment Area 2 in the city of Burien and (2) a ground lease with Seattle Gateway 1 LLC to develop aviation-related facilities in Northeast Redevelopment Area 3 in the city of Burien.**

Request document(s) included a Commission agenda [memorandum](#) and [map](#). Draft leases were provided at the time of the meeting, and are included here as [Exhibit C](#) and [Exhibit D](#).

Presenter(s): Dave McFadden, Managing Director, Economic Development Division, and Jeffrey Utterback, Director, Real Estate & Economic Development.

Commissioners received a presentation on the terms of the ground leases and roughly 800 jobs associated with the redevelopment. It was noted that construction work for the redevelopment will include prevailing wage and apprenticeship requirements. Commissioners encouraged local hiring as well. There was discussion on the topic of transferring assets of the Northeast Redevelopment Area away from the Airport Development Fund and making them part of the Port's general real estate portfolio.

The motion for approval of agenda item 6a 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 (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 to extend the contract duration as necessary and include additional scope that may be identified,**

including deferral of work on selected sites so that those sites can be re-evaluated for tree removal and replanting; and (3) increase the budget by an amount not to exceed \$475,000 for a new total project cost of \$3,226,000.

Request document(s) included a Commission agenda [memorandum](#), [presentation slides](#), [flight safety environmental overview](#), [Phase 1 implementation plan](#), [SEPA determination](#), [site plan](#), and [FAA letters](#).

Presenter(s): Clare Gallagher, Government Relations Manager; Michael Ehl, Director, Airport Operations; Ralph Graves, Senior Director, Capital Development; Bob Duffner, Senior Manager, Environmental Programs; and Traci Goodwin, Senior Counsel.

The presentation included a description of the program and a summary of changes proposed following a community meeting on this subject on November 1, 2016. Photos of sites included in phase 1 were presented. Environmental review was discussed and it was reported that tree replacement would be within the same basins where removal happens. Commissioners requested more information on the relationship between the obstruction removal program and FAA activities such as flight path changes and the Next Generation Air Transportation System (NextGen). There was a discussion of an environmental appeal by the City of SeaTac. Commissioners emphasized the program element to replant trees and requested clarification about the number of trees to be removed. The overlap between trees to be removed for flight corridor safety and those eventually to be removed for completion of SR-509 was discussed.

The motion for approval of agenda item 6b 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.

6c. Motion directing the creation of an Airport Community Ecology Fund to support projects and programs in Sea-Tac Airport-area communities to improve ecological and environmental attributes in airport-area communities. A sum of \$1 million shall be allocated to the Airport Community Ecology Fund. [as amended]

Request document(s) included a [draft motion](#).

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

Commissioners discussed the Airport's impacts on surrounding communities and the desire to appropriately respond to those impacts. It was noted that concrete intended program outcomes are not yet defined. Clear criteria for specific funding proposals, goals, objectives, and strategies for administering the fund was requested in the first quarter of 2017.

AMENDMENT

Commissioner Gregoire offered the following amendment to the statement of policy direction in the motion, which was adopted without objection: On page 2, in the statement of policy direction, after "outreach to the community" delete the last sentence and insert in lieu thereof: Staff will return to

the Commission no later than the first quarter of 2017 with goals, eligibility for the fund, and criteria for selection of proposals.

The motion for approval of agenda item 6c, 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.

6d. Second Reading and Final Passage of Resolution No. 3726, as amended: 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](#), [presentation slides](#), and draft resolution. For ease of reference, a copy of the adopted [Resolution No. 3726](#) is attached for reference.

Presenter(s): Dan Thomas, Chief Financial Officer.

Previously, First Reading of Resolution No. 3726, as amended, was approved on November 8, 2016.

Mr. Thomas identified the changes affecting the proposed budget since First Reading, including addition of 8 full-time equivalent positions in the Airport Fire Department, addition of a Senior Manager of Aviation Marketing Communications in Public Affairs, addition of \$100,000 to investigate a new skill center to support workforce development programs, and \$1 million to implement Energy & Sustainability Committee policy directives. Staff recommended use of the tax levy to fund workforce development and implementation of Energy & Sustainability policy directives.

AMENDMENT

Commissioner Gregoire offered an amendment to the resolution to include \$1 million for the Airport Communities Ecology Fund.

The motion to amend carried by the following vote:

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

The motion for Second Reading and Final Passage of Resolution No. 3726, as amended, (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. Second Reading and Final Passage 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, and [attachment](#). It was discovered that the version of Resolution No. 3727 posted online on November 17, 2016, was in error. A corrected copy, which is the same version approved at First Reading on November 8, 2016, was provided at the meeting. For ease of reference, a copy of adopted [Resolution No. 3727](#) is attached.

Presenter(s): Ann McClellan, Compensation Manager, and Paula Edelstein, Senior Director, Human Resources.

Staff confirmed that there were no changes to the resolution since First Reading.

The motion for Second Reading and Final Passage of Resolution No. 3727 (agenda item 6e) 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.

Agenda item 6f was removed from the agenda prior to publication.

- 6g. Authorization for the Chief Executive Officer to conduct a competitive solicitation and execute a lease and concession agreement with the selected proposer for the right for an advertising and promotion concession at Seattle-Tacoma International Airport for a period of ten years.**

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

Presenter(s): Julie Collins, Senior Director, Public Affairs; Jim Schone, Director, Aviation Business Development; and Scott Van Horn, Senior Business Manager, Airport Dining & Retail.

The motion for approval of agenda item 6g 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.

- 6h. First Reading of Resolution No. 3729: A Resolution of the Port Commission of the Port of Seattle, authorizing the sale and issuance of limited tax general obligation bonds of the Port in the aggregate principal amount of not to exceed \$150,000,000 for eligible Port purposes, including reimbursement to the Port for a portion of the Port's contribution for the Alaskan Way viaduct replacement program; and authorizing a Designated Port Representative to approve certain matters relating to the bonds.**

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

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

The projects covered by the bond issuance and the tax benefits associated with it were discussed.

The motion for First Reading of Resolution No. 3729 (agenda item 6h) 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

Without objection, the following agenda item –

7a. 2016 Third Quarter Capital Improvement Projects Report.

– was laid on the table.

Without objection, the following agenda item –

7b. Fishermen's Terminal Long Term Strategic Plan Update.

– was laid on the table.

7c. Airport Signage and Wayfinding Program Update.

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

Presenter(s): Lance Lyttle, Managing Director, Aviation; Jeffrey Brown, Director Aviation Facilities and Capital Program, and Mike Tasker, Senior Manager, Aviation Facilities & Infrastructure.

The background and considerations for developing a comprehensive wayfinding program at the Airport were discussed. The need for a methodical, comprehensive approach to the program was described. Commissioners provided direction on particular aspects of signage at the Airport.

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

8. **ADDITIONAL NEW BUSINESS** – None.

9. **ADJOURNMENT**

There was no further business, and the meeting adjourned at 5:05 p.m.

Stephanie Bowman
Secretary

Minutes approved: January 17, 2017.