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APPROVED MINUTES COMMISSION REGULAR MEETING JUNE 13, 2017

The Port of Seattle Commission met in a regular meeting Tuesday, June 13, 2017, 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 noon by Commission President Tom Albro.

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 performance of a publicly bid contract. Following the executive session, which lasted approximately 60 minutes, the public meeting reconvened at 1:20 p.m. Commissioner Albro led the flag salute.

3. SPECIAL ORDERS OF BUSINESS

3a. June 13, 2017, CEO Report.

Dave Soike, Interim CEO, previewed several items on the day's agenda and announced developments related to the Northeast Redevelopment Area commercial development in Burien, City of Auburn business incubator program, career partners, and Port Police support for the Special Olympics. Presentation slides were provided at the time of the meeting and are included here as minutes [Exhibit A](#).

Commissioner Albro noted that the Commission intends to engage in conversation about recent proposals at the federal level to privatize air traffic control functions at U.S. airports, and may develop a policy position on this matter.

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 May 9 and 23, 2017.

- 4b. Authorization for the Chief Executive Officer to execute an Assignment and Assumption of Ground Lease Agreement at the Des Moines Creek Business Park Phase III from the existing tenant, Des Moines Creek Business Park Phase III, LLC, to the new tenant - Des Moines Creek ILP LLC.**

Request document(s) included a Commission agenda [memorandum](#), [assignment and assumption of lease](#), and [lease amendment](#).

- 4c. Authorization for the Chief Executive Officer to conduct a competitive procurement and execute a service agreement with a consulting firm to provide investment and plan advisory services to the 457 Deferred Compensation Plan Administrative Committee. The agreement will be for three years with three possible one-year extensions. The contract will be effective February 4, 2018, and the total cost of the contract over the maximum six-year duration is estimated to be \$500,000.**

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

- 4d. Authorization for the Chief Executive Officer to design and prepare construction documents for the enhancement of Airport Operations Area perimeter fence and access gate E-105 at the Seattle-Tacoma International Airport; and advertise and execute a construction contract for the AOA Perimeter Fence Line Standards Compliance project at Seattle-Tacoma International Airport (CIP #C800842).**

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

- 4e. Authorization for the Chief Executive Officer to execute a new collective bargaining agreement between the Port of Seattle and the International Brotherhood of Teamsters, Local 117, representing Police Specialists in the Port of Seattle Police Department, covering the period from July 1, 2015, through June 30, 2018.**

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

- 4f. Authorization for the Chief Executive Officer to execute a new collective bargaining agreement between the Port of Seattle and the Teamsters Local Union No. 117, representing the Rental Car Facility Bus Drivers, covering a period from March 15, 2016, through March 14, 2019.**

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

- 4g. Authorization for the Chief Executive Officer to execute a new collective bargaining agreement between the Port of Seattle and the International Longshore and Warehouse Union Local 9 representing Aviation Operations covering the period from January 1, 2016, through December 31, 2019.**

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

- 4h. Authorization for the Chief Executive Officer to execute a new collective bargaining agreement between the Port of Seattle and the International Longshore and Warehouse Union Local 9 representing Senior Access Controllers, Construction Support Specialists, and Full Employee Screeners in the Aviation Security Department covering the period from January 1, 2016, through December 31, 2019.**

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

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

- Michael Pavelic, ILWU Local 9, in support of Aviation Operations and Employee Screener collective bargaining agreements (agenda items 4g and 4h).
- Regina Glenn, President, PCC Inc., regarding small business. Ms. Glenn submitted written materials, which are included here as minutes [Exhibit B](#).
- Kathy Casey, Lucky Louie Fish Shack, in appreciation of the Airport Dining & Retail lease group 3 competitive process.
- Stacy House, Lucky Louie Fish Shack, in appreciation of the Airport Dining & Retail lease group 3 competitive process.
- Bob Donegan, President, Ivar's, in criticism of the Airport Dining & Retail lease group 3 competitive process. Mr. Donegan submitted written materials, which are included here as minutes [Exhibit C](#).
- Lisa Bray, Shift Manager, Ivar's, in criticism of the Airport Dining & Retail lease group 3 competitive process. Ms. Bray submitted several pages of printed materials which are included here as minutes [Exhibit D](#).
- Suzette Graham, General Manager, Ivar's, in criticism of the Airport Dining & Retail lease group 3 competitive process.
- Stephen E. Douglas, Vice President, Development, HMS Host, in appreciation of the Airport Dining & Retail lease group 3 competitive process.
- Steven Hooper, Seattle Resident, regarding the Airport Dining & Retail lease group 3 competitive process.
- Jerrod Stafford, Vice President, Beecher's, in criticism of the Airport Dining & Retail lease group 3 competitive process.
- Alex II, UFCW 29, in support of the proposed competitive evaluation process for the Airport Dining & Retail lease group 4 competitive process.
- Steve Sego, Owner, Waterman Mitigation, in criticism of the Airport Dining & Retail lease group 3 competitive process.

- Pat Murrey, Executive Vice President, SSP America, in appreciation of the Airport Dining & Retail lease group 3 competitive process.
- Nate Miles, owner, HighFlyers, in appreciation of the Airport Dining & Retail lease group 3 competitive process.
- Joe Waller, CEO, Pacific Gateway, in appreciation of the Airport Dining & Retail lease group 3 competitive process.
- Daniel Nguyen, CEO, Bambuza, regarding the Airport Dining & Retail lease group 3 competitive process.
- Katharine Lam, Bambuza, regarding the Airport Dining & Retail lease group 3 competitive process.
- Erik Ward, Vice President, Pacific Gateway, in appreciation of the Airport Dining & Retail lease group 3 competitive process.
- David Kovanen, Browns Point resident, in criticism of the Airport Dining & Retail lease group 3 competitive process. Mr. Kovanen submitted written comments, which are included here as minutes [Exhibit E](#).
- Henry Yates, Tabor 100, in support of the proposed competitive evaluation process for the Airport Dining & Retail lease group 4 competitive process. Mr. Yates submitted written comments, which are included here as minutes [Exhibit F](#).
- Dennis Noland, President, Shiftpoint Strategies, in criticism of the Airport Dining & Retail lease group 3 competitive process.
- Stefan Moritz, Unite Here Local 8, in support of the proposed competitive evaluation process for the Airport Dining & Retail lease group 4 competitive process.
- Lucia Flugencio, Unite Here Local 8, in support of the proposed competitive evaluation process for the Airport Dining & Retail lease group 4 competitive process.
- Ikram Afinwala, Unite Here Local 8, in support of the proposed competitive evaluation process for the Airport Dining & Retail lease group 4 competitive process.
- Jennifer Fulton, Unite Here Local 8, in support of the proposed competitive evaluation process for the Airport Dining & Retail lease group 4 competitive process.
- Marissa Flaven, Unite Here Local 8, in support of the proposed competitive evaluation process for the Airport Dining & Retail lease group 4 competitive process.
- Nicole Grant, King County Labor Council, in support of the proposed competitive evaluation process for the Airport Dining & Retail lease group 4 competitive process.
- Herb Krohn, State Director, United Transportation Union, SMART Transportation Division, in support of the proposed competitive evaluation process for the Airport Dining & Retail lease group 4 competitive process.
- Scott Baldwin, Director of Wholesale, Café Ladro, in appreciation of the Airport Dining & Retail lease group 3 competitive process.
- Roz Edison, Co-Owner, Good Bar, in appreciation of the Airport Dining & Retail lease group 3 competitive process.
- Michelle Linden, Co-Owner, Atelier Drome Architecture, regarding Airport Dining & Retail.
- Don Morgan, Bellevue resident, in criticism of the Airport Dining & Retail lease group 3 competitive process.
- Evelyn Lemon, Seattle resident, in criticism of the Airport Dining & Retail lease group 3 competitive process.

- Keith Singleton, President, Alaskan Leader Seafoods, in criticism of the Airport Dining & Retail lease group 3 competitive process.
- Russell H. Hazzard, President, MG2, regarding Airport Dining & Retail.
- Barry Faught, Owner, Broadcast Coffee, in appreciation of the Airport Dining & Retail lease group 3 competitive process.
- Howard Greenwich, Policy Advisor, Puget Sound Sage, in support of the proposed competitive evaluation process for the Airport Dining & Retail lease group 4 competitive process.
- Bianca, Szyperski, Owner, Jujubeet, in appreciation of the Airport Dining & Retail lease group 3 competitive process.
- Jordan Royer, Seattle resident, in criticism of the Airport Dining & Retail lease group 3 competitive process.

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

Without objection, the Commission advanced to consideration of –

7. STAFF BRIEFINGS

7a. Briefing on Results from Airport Dining and Retail Lease Group 3, Insights from the Lease Group 3 Solicitation Process and Proposed Opportunities for Lease Group 4.

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

Presenter(s): Lance Lyttle, Managing Director, Aviation, and James Schone, Director, Aviation Commercial Management.

Interim CEO Dave Soike and Aviation Managing Director Lance Lyttle summarized the competitive selection process for Airport Dining and Retail (ADR) lease group 3 bids, noting the Commission's 2014 policy guidance, increased competition for a limited number of dining and retail opportunities, increased outreach to potential bidders, and the presence of independent observers throughout the competitive selection process. Mr. Soike announced that all of the bids for the lease group 3 package had been made available for public review on the Port's website.

Mr. Schone presented the business statistics and performance measures for lease group 3. He described an increase in registration of Airport Concessions Disadvantaged Business Enterprises (ACDBEs) and provided an update on the employment continuity pool. Insights gained from lease group 3 and recommendations for the competitive process for lease group 4 were presented. Recommendations included the following:

- (1) Disqualification of firms not fully compliant with providing back wages and benefits in accordance with City of SeaTac Ordinance 13-1020 (Proposition One), codified as SeaTac Municipal Code Chapter 7.45;
- (2) Increasing emphasis on wage and medical/retirement benefits over other employer-offered benefits;

- (3) Strengthen scoring for small business participation through adjustment of point allocation in the small business participation criterion;
- (4) Encourage preference for local concepts and ownership by allocating 10 points of the Concept Development criterion to creation of a Northwest sense of place;
- (5) Retention of competitive leasing for all ADR opportunities; and
- (6) Requiring submission of labor peace requirements the terms of which would not be stipulated by the Port by respondents, including small businesses operating national brand franchises, and otherwise exempting small businesses with 35 or fewer badged Airport employees.

Commissioners asked for clarification about determination of Proposition One compliance and how to provide appropriate scoring to recognize proven quality and Northwest sense of place. Commissioners discussed the benefits and challenges of using a competitive selection process compared to other alternatives to lease opportunities in the ADR program. Commissioners asked for more information about negative comments about the bid evaluation consultant. Commissioners commented on the labor peace recommendations for lease group 4.

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

RECESSED AND RECONVENED

The Commission recessed at 3:50 p.m. and reconvened at 4:00 p.m., chaired by Commissioner Albro.

The Commission returned to consideration of –

6. DIVISION, CORPORATE, AND COMMISSION ACTION ITEMS

Agenda items 6a and 6b were laid on the table without objection.

- 6c. Second Reading and Final Passage of Resolution No. 3734, a Resolution of the Port Commission of the Port of Seattle amending Resolution No. 3727, deleting the position title of Chief Executive Officer and replacing it with the position title of Executive Director; deleting the position title of Chief Executive Officer and replacing it with the position title of Executive Director in all Port of Seattle resolutions and motions currently in effect; and establishing a dual direct reporting relationship of the General Counsel to the Executive Director and the Port Commission.**

Request document(s) included a Commission agenda [memorandum](#) and draft resolution. A copy of the adopted version of [Resolution No. 3734](#) is attached for ease of reference.

Presenter(s): Paul White, Commission Clerk.

Previously, First Reading of Resolution No. 3734 was approved on May 23, 2017.

The motion for Second Reading and Final Passage of Resolution No. 3734 (agenda item 6c) carried by the following vote:

In favor: Albro, Felleman, Gregoire (3)

Absent for the vote: Bowman, Creighton

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

- 6d. Request that the Port of Seattle Commission exercise its authority under RCW 35.21.278 to (1) contract with a community service organization, Forterra, without regard to public bidding laws for public works and (2) authorize the Chief Executive Officer to enter into a three-year contract with Forterra from June 20, 2017, through June 20, 2020, for a total cost of \$450,000. This authority is also granted through RCW 53.19.020(5) which determines that a competitive solicitation process is not appropriate or cost-effective. This contract will allow Forterra to implement the Green Cities Partnership, which includes three objectives for long-term environmental stewardship in the target cities. The work includes a tree canopy assessment and strategic planning for local urban forestry opportunities, community engagement, and project implementation (e.g. habitat restoration work parties, environmental education events, and stakeholder outreach in the target cities).**

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

Presenter(s): Pearse Edwards, Director, Government Relations, and Christina Billingsley, Environmental Engagement Program Manager.

Commissioners received an update on the implementation of the Airport Ecology Fund for Airport communities, including the criteria and outreach involved in developing opportunities for use of the fund. Complementary approaches for small grants and use of the Green Cities Partnership Program, to be administered by Forterra, were presented. The justifications for the Commission's exercise of its authority to execute a sole-source contract were 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. Authorization for the Chief Executive Officer to: (1) execute cost-sharing agreement with Lockheed-Martin for the Terminal 5 Pile Removal project; (2) proceed with the construction phase; and (3) advertise and execute a major public works contract, all for an amount not to exceed \$6,500,000 with a total estimated project cost of \$6,800,000.**

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

Presenter(s): Lindsay Pulsifer, Managing Director, Maritime, and Anne Porter, Capital Project Manager V, Seaport Project Management.

The nature of the environmental cleanup work to be conducted at Terminal 5 was summarized. In addition to removal of 2,000 creosote pilings and related structures, the work will include installation of four steel piles, excavation and regrading, and installation of erosion-control measures. It was reported that by the terms of the Port's lease obligation, the work, which is to be conducted in a Superfund cleanup site, is expected to be complete by March 2018. Commissioners asked about details of the mitigation work, particularly disturbance of polluted sediments.

The motion for approval of 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.

Without objection, agenda items 6f and 6g were laid on the table.

7. STAFF BRIEFINGS

Agenda item 7a was considered previously, and agenda item 7b was laid on the table without objection.

8. ADDITIONAL NEW BUSINESS – None.

RECESSED AND ADJOURNED

The meeting was recessed at 4:32 p.m. to an executive session estimated to last 30 minutes to discuss one matter relating to qualifications for public employment. Following the executive session, which lasted approximately 45 minutes, the Commission adjourned at 5:16 p.m. without returning to public session.

Stephanie Bowman
Secretary

Minutes approved: July 11, 2017.