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## **APPROVED MINUTES COMMISSION REGULAR MEETING OCTOBER 10, 2017**

The Port of Seattle Commission met in a regular meeting Tuesday, October 10, 2017, at Port of Seattle Headquarters, Commission Chambers, 2711 Alaskan Way, Seattle, Washington. Commissioners Albro, Bowman, Creighton, and Gregoire were present. Commissioner Felleman was present until 3:50 p.m.

### **1. CALL TO ORDER**

The meeting was called to order at 12:05 p.m. 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 three matters relating to litigation and legal risk, one matter relating to litigation, legal risk, and sale or lease of real estate, one matter relating to litigation, legal risk, and performance on a publicly bid contract, and one matter related to qualifications for public employment. Following the executive session, which lasted approximately 55 minutes, the public meeting reconvened at 1:12 p.m. Commissioner Albro led the flag salute.

### **3. SPECIAL ORDERS OF BUSINESS**

#### **3a. October 10, 2017, Executive Director Report.**

Dave Soike, Interim Executive Director, previewed several items on the day's agenda and commented on recent activities related to development of sustainable aviation fuels, airport emission reduction efforts, and equity and diversity promotion. Mr. Soike announced the upcoming retirement of Maritime Managing Director Lindsay Pulsifer and the selection of Stephanie Jones Stebbins, Seaport Environment and Planning Director, to succeed Ms. Pulsifer as Maritime Managing Director.

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

#### **3b. Authorization for the Executive Director to execute Economic Development Partnership Program contracts with the Cities of Auburn, Bellevue, Covington, Kirkland, Newcastle, Normandy Park, North Bend, Redmond, Sammamish, SeaTac, Snoqualmie, and Tukwila to implement local economic development initiatives for an amount not to exceed \$414,150, as detailed below.**

Request document(s) included a Commission agenda [memorandum](#), [presentation slides](#), and the [2016 City Economic Development Partnership Program Final Report](#).

Presenter(s): Dave McFadden, Managing Director, Economic Development; Ellen Wolfe, City of Kirkland; Mark Hofman, City of Snoqualmie; Mark Hoppen, City of Normandy Park; and Jesse Cando, City of Bellevue.

The commissioners received a presentation on the efforts of the 2016 Economic Development Partnership Program and the Port-supported 2017 economic development activities of the cities of Kirkland, Snoqualmie, Normandy Park, and Bellevue.

**The motion for approval of agenda item 3b 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.*

#### **4. UNANIMOUS CONSENT CALENDAR**

*[Clerk's Note: Items on the Unanimous Consent Calendar 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 Albro, agenda item 4c was removed from the Unanimous Consent Calendar for separate discussion and vote.*

**4a. Approval of the Claims and Obligations for the period September 1-30, 2017, including accounts payable check nos. 919482-919947 in the amount of \$5,515,719.28 accounts payable ACH nos. 002336-002928 in the amount of \$44,955,140.80; accounts payable wire transfer nos. 014735-014752 in the amount of \$8,581,459.38; payroll check nos. 187313-187655 in the amount of \$406,902.34; and payroll ACH nos. 822297-826362 in the amount of \$9,231,894.12 for a fund total of \$68,691,115.92.**

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

**4b. Authorization for the Executive Director to execute one professional services indefinite delivery, indefinite quantity contract for project control support services for a total amount not to exceed \$5 million and a contract ordering period of five years. There is no funding associated with this request.**

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

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

**4d. Authorization for the Executive Director to: (1) complete design and prepare construction documents for the Fishermen's Terminal Docks 3, 4, and 5 Fixed Pier Improvements; and (2) prepare and apply for permits for an amount not to exceed \$720,000 out of a total estimated project cost of \$6,400,000. (CIP #C800531)**

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

**4e. Update of the Commission's 2017 international travel plan to include additional travel in the fourth quarter.**

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

**The motion for approval of consent items 4a, 4b, 4d, and 4e 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**

An opportunity for public comment was provided, but none was offered at this time.

*The Commission advanced to consideration of –*

**ITEMS REMOVED FROM CONSENT**

**4c. Approval of the 2018 – 2022 Long Range Plan. [subsequently laid on the table]**

Request document(s) included a Commission agenda [memorandum](#), [presentation slides](#), and [2018-2022 plan document](#).

Presenter(s): Dave Caplan, Senior Director, Strategic Initiatives.

Commissioners commented on textual errors, the need to amend the Century Agenda to remain consistent with the long-range plan, incorporation of Northwest Seaport Alliance efforts to grow container volumes, and the need to reflect the goal of increasing support for small businesses by targeting the number of firms doing business, in addition to the amount of money spent. Refinements to the plan on these subjects were requested for consideration on October 24, 2017.

*Further consideration of agenda item 4c was laid on the table without objection.*

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

**6. DIVISION, CORPORATE, AND COMMISSION ACTION ITEMS**

**6a. Motion of the Port of Seattle Commission: The Port of Seattle Commission directs the Aviation Managing Director to (1) continue the Signatory Lease and Operating Agreement 2013-2017 at Seattle-Tacoma International Airport on month-to-month holdover status until the earliest of (a) March 31, 2018, or (b) Port Commission approval of a new Signatory Lease and Operating Agreement to commence before March 31, 2018; and (2) immediately implement Resolution No. 3677, as amended, in the event a new Signatory Lease and Operating Agreement has not commenced by April 1, 2018. The new Signatory Lease and Operating Agreement shall include a provision identifying use of non-aeronautical revenue, among other funding sources, for the purposes of supporting a sustainable aviation fuels program at the airport.**

Request document(s) included a draft [motion](#), as revised October 6, 2017.

Presenter(s): Borgan Anderson, Director, Aviation Finance & Budget.

*Previously, a status update on signatory lease and operating agreement negotiations was provided on September 12, 2017.*

Mr. Anderson described continued efforts to obtain agreement on an airline lease, or signatory lease and operating agreement, at the airport and the need for the time extension contained in the motion.

**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.*

## **7. STAFF BRIEFINGS**

### **7a. 2018 Operating Division Budgets Briefing.**

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

Presenter(s): Borgan Anderson, Director, Aviation Finance & Budget; Lance Lyttle, Managing Director, Aviation; Kelly Zupan, Director, Maritime Finance & Budget; Lindsay Pulsifer, Managing Director, Maritime, and Dave McFadden, Managing Director, Economic Development.

#### **Aviation Division**

Commissioners commented on and requested clarifications regarding additions of full-time-equivalent positions and correlation of employee numbers to growth in passengers and airport operations. They inquired about anticipated reduced rental car revenue, the ability to track use of light rail and other forms of public transit to and from the airport, and projected growth in air cargo.

Commissioners discussed the status of federal budgeting for Customs and Border Protection and the Transportation Security Administration. It was noted that the Port has a customer-service interest in helping to fund overtime for federal staff in order to better manage passenger throughput at the airport. Commissioners commented on their desire for a comprehensive review of disparity in port contracting and the conduct of port business in general. Commissioners requested clarifications about parking revenue relative to taxi fees.

Commissioners stressed the need to verify compliance with street-pricing exemptions in the Airport Dining and Retail program. *[Clerk's Note: On November 24, 2015, the Commission authorized temporary pricing flexibility relating to street pricing. Pricing increases for tenants meeting specific criteria for employee compensation and benefits were permitted up to 10 percent above street pricing and were to be phased out gradually by January 1, 2020.]*

More information about the proposed purchase of employee parking buses was requested.

#### **Maritime Division**

Commissioners commented on and requested clarifications regarding the Port's cruise line of business, its return on investment to the community, opportunities for revenue growth in this line of

business, and funding alternatives for the cruise baggage valet program. Capital investment at the Bell Harbor International Conference Center was discussed. Clarification was requested on the fiscal relationship between the Port of Seattle's stormwater utility and the Northwest Seaport Alliance. Commissioners asked for a clear correlation between anticipated stormwater utility revenue and a stormwater infrastructure investment plan.

*Commissioner Felleman was present until 3:50 p.m.*

### **Economic Development Division**

Commissioners commented on the potential to move real estate assets out of the Aviation Division as appropriate. Interest in Port economic development activities was expressed and commissioners endorsed discussion with the construction trades about priority hiring policies.

Commissioners urged a more consistent view of all division budgets in the future and asked that the budget documents better convey how the Port's budget accomplishes its strategic plan.

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

### **7b. Draft State Legislative Agenda for 2018**

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

Presenter(s): Pearse Edwards, Director, Government Relations, Public Affairs; Eric Fitch, State Government Relations Manager, Public Affairs; and Trent House, Political Consultant, Trent M. House Government Relations.

Commissioners were presented with a draft of state legislative priorities for port advocacy in 2018. They requested clarifications on tourism marketing and regulatory changes necessary for the port to incentivize low-carbon-fuel standards or other emission-reduction efforts at port facilities. Outreach to state legislators to tour airport facilities was recommended.

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

### **9. ADJOURNMENT**

There was no further business, and the meeting adjourned at 5:01 p.m.

Ryan Calkins  
Secretary

Minutes approved: February 27, 2018.