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APPROVED MINUTES COMMISSION REGULAR MEETING NOVEMBER 28, 2017

The Port of Seattle Commission met in a regular meeting Tuesday, November 28, 2017, in the International Auditorium at Seattle-Tacoma International Airport, Seattle, Washington. Commissioners Albro, Bowman, Creighton, Felleman, and Gregoire were present. Commissioner Gregoire was present until 4:50 p.m. Commissioner Bowman was present until 5:15 p.m.

1. CALL TO ORDER

The meeting was called to order at 12:30 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 two matters relating to litigation, legal risk, and sale or lease of real estate and one matter relating to performance on a publicly bid contract, litigation, and legal risk. Following the executive session, which lasted about 85 minutes, the public meeting reconvened at 2:02 p.m. Commissioner Albro led the flag salute.

3. SPECIAL ORDERS OF BUSINESS

3a. November 28, 2017, Executive Director Report.

Dave Soike, Interim Executive Director, commented on the process for development of the 2018 budget and announced the reopening of the Airport's meditation room on the mezzanine level.

ANNOUNCEMENT

Commissioners commented on the progress of negotiations for a new signatory lease and operating agreement (SLOA, or airline lease) at the airport, summarizing their positions on negotiation principles and their commitment to pursue provision and use of sustainable aviation fuels at Seattle-Tacoma International Airport.

4. UNANIMOUS CONSENT CALENDAR

[Clerk's Note: Items on the Unanimous Consent Calendar are not individually discussed, although commissioners may remove items from the consent calendar for separate discussion and vote in accordance with commission bylaws.]

Agenda item 4d was removed from the Unanimous Consent Calendar for separate discussion.

- 4a. Authorization for the Executive Director to execute a contract with King County Metro of up to \$375,000 to purchase One Regional Card for All (ORCA) cards for Port employees as noted in the Port's approved Commute Trip Reduction Program.**

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

- 4b. Approval for the Executive Director to increase the South Satellite Heating, Ventilation, and Air Conditioning Replacement/Upgrade Project authorization by \$1,425,000 for a total estimated project cost of \$13,925,000 (CIP #C800798).**

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

- 4c. Authorization for the Executive Director to (1) advertise and execute major public works contracts to construct a new airline baggage service office and enlarge the north employee screening room at Seattle-Tacoma International Airport; (2) procure additional security equipment, and (3) use Port crews to install infrastructure for the new equipment. This authorization is for \$1,550,000 of a total estimated project cost of \$2,950,000 (CIP #C800880).**

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

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

The motion for approval of consent items 4a, 4b, and 4c carried by the following vote:

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

5. PUBLIC TESTIMONY

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

- Anna Pavlik, Labor Equity Program Manager, City of Seattle, regarding priority hire.
- Samantha Kealoha, Labor Equity Program Manager, King County, regarding priority hire.
- Kris Larson, Priority Hire Program Manager, Urban League, regarding priority hire.
- Monty Anderson, Manager, Seattle Building Trades, regarding priority hire.
- Ralph Ibarra, President, Diverse America Network, regarding priority hire. Mr. Ibarra submitted written materials, which are attached as minutes [Exhibit A](#).
- Earl Gipson, SeaTac resident, regarding the port's interlocal agreement with the City of SeaTac.
- JC Harris, Des Moines resident, regarding air traffic noise.
- Andrew Harrison, Alaska Airlines, regarding the airline lease.
- Matthew Shelby, Chair, Airline Airport Affairs Committee, regarding the airline lease. Mr. Shelby submitted written materials, which are attached as minutes [Exhibit B](#).
- Mike Pearson, Vice President, Delta Air lines, regarding the airline lease.
- Eddie Rye, Jr., Civil Rights Coalition, regarding Airport Concessions Disadvantaged Business Enterprises. Mr. Rye submitted written materials, which are attached as minutes [Exhibit C](#).

- Hayward Evans, Afro-PAC, regarding Airport Concessions Disadvantaged Business Enterprises.
- Bob Armstead, National Association of Minority Contractors, regarding Airport Concessions Disadvantaged Business Enterprises.
- Henry Yates, regarding Airport Concessions Disadvantaged Business Enterprises.

Without objection, the Commission advanced to consideration of –

6. DIVISION, CORPORATE, AND COMMISSION ACTION ITEMS

and proceeded to consideration of –

6c. Second Reading and Final Passage of Resolution No. 3736, as amended: A resolution of the Port of Seattle Commission establishing a Priority Hire Policy Directive; and amending the Policy Directive related to practices for construction labor for projects located on Port property adopted by Resolution No. 3725.

Request document(s) included an agenda [memorandum](#), text of the resolution as of first reading, redline version, and amended draft resolution. A copy of the final draft of [Resolution No. 3736](#) will be made available upon adoption.

Presenter(s): Veronica Valdez, Commission Specialist.

Previously, First Reading of Resolution No. 3725 was approved on October 24, 2018, and amendments to the resolution were adopted.

Commissioner Albro read a November 15, 2017, letter from the Port of Seattle Commission addressed to King County Executive Dow Constantine on the subject of building an opportunity pipeline for disadvantaged communities through an interlocal agreement. A copy of the letter is attached as minutes [Exhibit D](#).

As presented, the purpose of the policy directive is to encourage economic growth and job creation in geographic areas of King County that demonstrate high poverty levels, concentrated unemployment, and gaps in educational attainment. Key elements of the policy include the following:

- Applicability to port construction projects with construction labor costs of \$5 million or more;
- Use of bid documents to target a required percentage of labor hours by workers residing in economically distressed areas;
- Hiring and dispatch of priority workers before non-priority workers;
- Project-specific requirements aimed at achieving at least 20 percent of labor hours performed by priority workers annually;
- Hiring and dispatch of priority workers living in King County before other priority workers;
- Provision of job coordinators to facilitate referral, training, and employment of priority workers; and
- Establishment of benchmarks and measurement.

AMENDMENTS

Amendments 1-17 detailed in the agenda memo were characterized as housekeeping changes. These amendments have the following effects:

- Improved phrasing;
- Insertion of a recital (whereas clause) relating to conducting port business ethically;
- Emphasis on the importance of “Career Connected Learning”;
- Provision for cataloguing of the policy directive;
- Assignment of risk-mitigation activities to the “designee”;
- Provision of an allowance for contractors/dispatchers to consider availability of priority workers in the workforce;
- Utilization tracking of small and women- and minority-owned business enterprises;
- Generalized reference to annual review of fiscal impacts; and
- Incorporation of the findings of fact into the body of the policy directive.

The motion to adopt Amendments 1-17 carried by the following vote:

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

Amendments 42-45 detailed in the agenda memo were summarized. These amendments would incorporate efforts in pursuit of the policy directive into the port’s long-range plan and provide for related reporting.

The motion to adopt Amendments 42-45 carried by the following vote:

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

Amendments 18-41 detailed in the agenda memo and sponsored by Commissioner Albro were characterized as broadening the scope of the priority hire initiative beyond construction projects to apply to leases, concession agreements, and procurement contracts. Amendment 36 also provided for efforts to lower entry barriers for recruits from priority hire zip codes.

Commissioners commented on this set of amendments, noting support for the sentiment of the amendments but expressing concern that lack of enabling support structures outside the construction sector might harm early priority-hire efforts.

The motion to adopt Amendments 18-41 failed to pass; the vote was:

In favor: Albro, Creighton (2)

Opposed: Bowman, Gregoire, Felleman (3)

Commissioner Gregoire offered the following Amendment 46 as an alternative to Amendments 18-41: In Section 5, Policy, strike subsection (l) and insert the following in lieu thereof:

- (l) *The Port shall review and recommend how the intent of priority hire can be implemented throughout the Port beyond the covered projects, including future leases, concession agreements, and procurement contracts by September 1, 2018.*

The motion to adopt Amendment 46 carried by the following vote:

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

The question recurred on adoption of the resolution, as further amended.

The motion for adoption of Resolution No. 3736, as further amended, carried by the following vote:

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

ITEMS REMOVED FROM CONSENT

- 4d. Authorization for the Executive Director to: (1) authorize \$1,600,000 of project spending via a tenant reimbursement agreement (TRA), see Attachment 1, between the Port and Ivar's, Inc. for the design and construction of a shared cooking facility and venting system in support of temporary food carts offering hot food in the Central Terminal at Seattle-Tacoma International Airport; (2) execute a lease and TRA with Ivar's for this purpose under the Airport's AV-2 Policy, and (3) authorize an additional \$400,000 of project spending to support this tenant project. This request seeks a single authorization to approve the TRA and complete design and construction. The total estimated cost for this project is \$2,000,000 (CIP #C800154). *[subsequently laid on the table]*

Request document(s) included an agenda memorandum, presentation slides, draft reimbursement agreement, and draft lease agreement.

Presenter(s): Jim Schone, Director, Aviation Commercial Management, Dawn Hunter, Senior Manager, Airport Dining and Retail, and Sean Anderson, Capital Program Leader, Aviation Project Management.

Commissioners asked for clarification on the long-term use of the facility, including potential to train food service workers. Commissioners asked that information regarding the long-term use of the facility be clearer in the request documents. Commissioners expressed concerns regarding the short lease term of the tenant in question and asked for more information on the urgency justifying use of a tenant reimbursement agreement.

Subsequently, agenda item 4d was laid on the table without objection.

6. DIVISION, CORPORATE, AND COMMISSION ACTION ITEMS

- 6a. Second Reading and Final Passage of Resolution No. 3738, 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 2018; 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 2018.

Request document(s) included an agenda [memorandum](#), [presentation slides](#), and draft resolution. A copy of the final draft of [Resolution No. 3738](#) will be made available upon adoption.

Presenter(s): Dan Thomas, Chief Financial Officer, and Michael Tong, Assistant Finance Director - Budget.

Previously, First Reading of Resolution No. 3738 was approved on November 14, 2017, and amendments were adopted.

Commissioners commented on the amendment process for the budget on First Reading and asked for improvements next year. There were questions regarding budget status for priority projects arising from an airport accessibility study. With the Special Olympics coming to Seattle in 2018, commissioners expressed interest in a briefing on airport accessibility. Also noted was a study on airport ground transportation.

The motion for adoption of Resolution No. 3738, as amended, carried by the following vote:

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

6b. Second Reading and Final Passage of Resolution No. 3739: 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, 2018, and repealing all prior resolutions dealing with the same subject, including Resolution No. 3727 as amended by Resolution No. 3734.

Request document(s) included an agenda [memorandum](#), draft resolution, redline resolution, and [salary ranges table](#). A copy of the final draft of [Resolution No. 3739](#) will be made available upon adoption.

Presenter(s): Jeniann Kaelin, Total Rewards Consultant, Human Resources.

Previously, First Reading of Resolution No. 3738 was approved on November 14, 2017.

The content of the resolution was summarized.

AMENDMENT

Commissioner Gregoire offered the following amendment:

In Section II(E)(8) before “be addressed in a separate resolution” delete “will” and insert in its place “may” so that the sentence reads “The Incentive Pay Plan may be addressed in a separate resolution.”

The motion to adopt the amendment carried by the following vote:

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

The question recurred on adoption of the resolution, as amended.

The motion for adoption of Resolution No. 3739, as amended, carried by the following vote:

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

Agenda item 6c was considered previously, and the Commission advanced to consideration of –

6d. First Reading of Resolution No. 3741: A resolution of the Port Commission of the Port of Seattle authorizing the Executive Director to execute an interlocal agreement with the City of SeaTac to establish a mutual and cooperative system for exercising their respective jurisdictional authority regarding land use, surface water management, interagency cooperation, economic development, and public safety.

Request document(s) included an agenda [memorandum](#), draft resolution, and [draft agreement](#). A copy of the final draft of [Resolution No. 3741](#) will be made available upon adoption.

Presenter(s): Lance Lyttle, Managing Director, Aviation, and Clare Gallagher, Director, Capital Project Delivery, Public Affairs.

Previously, a presentation on the proposed interlocal agreement was provided on November 14, 2017.

Staff summarized the key terms of the interlocal agreement and commissioners commented on the benefits of constructive dialog with the City of SeaTac and their appreciation of the efforts of port and city staff.

Commissioner Albro commented on Section 7.6.1 of the agreement, which provides \$1.4 million to the city for community relief related to public safety, including enforcement of traffic and parking regulations. Ms. Gallagher acknowledged that use of airport funds in the manner described would be considered revenue diversion by the Federal Aviation Administration; therefore, funding would have to come from a non-airport source. Mr. Albro concluded funding would come from the tax levy. He indicated his intent to vote against the agreement on this basis because the City of SeaTac already benefits in a unique way from taxes on parking, concessions, and construction at the airport. He also restated his position that the FAA should provide greater flexibility for airport funding of economic development efforts in airport communities.

Commissioners noted that there was an attempt to ensure that mitigation for parking and public safety impacts would not be duplicated by the relief fund and future National and State Environmental Policy Act (NEPA and SEPA) mitigation measures. It was also noted that a new section of the agreement calls for joint discussions between the airport and the city on economic opportunity and workforce development.

The motion for First Reading of Resolution No. 3741 carried by the following vote:

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

Opposed: Albro (1)

Commissioner Gregoire was present until 4:50 p.m.

6e. Authorization for the Executive Director to execute a consulting contract for Airport Dining and Retail consulting services for up to five years and a total amount not to exceed \$1,000,000.

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

Presenter(s): Dawn Hunter, Senior Manager, Airport Dining and Retail, and Nora Huey, Director, Central Procurement Office.

Commissioners commented on the proper role of a consultant for the Airport Dining and Retail program and the extent of the port's responsibility for proposal analysis. There was discussion of the value of the current consulting firm and whether adequate commission direction has been provided on the scoring of solicitations in the ADR program. Commissioners commented on whether the scope of the contract is sufficiently transparent in the action as requested and whether agenda materials on lease awards include enough detail of the bid process and related outreach efforts.

The motion for approval of agenda item 6e carried by the following vote:

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

Absent for the vote: Gregoire

Commissioner Bowman was present until 5:15 p.m.

6f. Authorization for the Executive Director to execute an interlocal agreement with the Washington Department of Transportation to complete a statewide disparity study on Federal-Aviation-Administration-funded projects. The Port would put \$90,000 into this effort and also complete additional disparity studies to cover other contracts and enterprises across the agency.

Request document(s) included an agenda [memorandum](#), [presentation slides](#), and [draft agreement](#).

Presenter(s): Mian Rice, Small Business Program Policy Manager, and Jeffrey Brown, Director, Aviation Capital Programs.

The relationship of the disparity study to establishment of race-conscious goals for contracting in the disadvantaged business enterprise (DBE) program was explained. The role of the port's Office of Social Responsibility was examined and the method for determining the \$90,000 contribution was discussed.

The motion for approval of agenda item 6f carried by the following vote:

In favor: Albro, Creighton, Felleman (3)

Absent for the vote: Gregoire, Bowman

RECESSED AND RECONVENED

The meeting was recessed at 5:29 p.m. and reconvened at 5:32 p.m., chaired by Commissioner Albro.

7. STAFF BRIEFINGS

Without objection, the Commission advanced to consideration of –

7b. Port of Seattle Women and Minority Business Enterprise Policy Briefing.

Presentation document(s) included an agenda [memorandum](#), [presentation slides](#), and draft resolution. A copy of the final draft of [Resolution No. 3737](#) will be made available upon adoption.

Presenter(s): Aaron Pritchard, Commission Issues and Policy Manager; Teresa Delicino, Small Business Development Director; and Nora Huey, Director, Central Procurement Office.

The objectives and key components of the proposed policy directive were described. In order to successfully implement the policy, a phased approach is recommended in which past policy direction on small businesses and women- and minority-owned businesses would remain effective as needed until September 1, 2018.

Commissioners commented on goals for contracting with the number of firms as well as percentage of spending with firms, on measuring the number of employees affected, and on potential revision of Century Agenda goals for alignment with the new effort. There was discussion on the relationship between the businesses targeted by the policy directive and organized labor.

The Commission returned to consideration of –

7a. Review of Proposed 2018 Federal Legislative Agenda.

Presentation document(s) included an agenda [memorandum](#), [presentation slides](#), [2017 Maritime Federal Legislative Agenda](#), and [2017 Aviation Federal Legislative Agenda](#).

Presenter(s): Pearse Edwards, Director, Government Relations, Public Affairs, and Eric Schinfeld, Senior Manager, Federal & International Government Relations.

Commissioners and staff discussed proposed federal legislative priorities for the Port of Seattle in 2018. Notable were several priorities related to immigration, staffing of Customs and Border Protection and Transportation Security Administration personnel, sustainable aviation fuels, and FAA funding for various community issues. Priorities related to fishing fleet modernization, operation and maintenance of the Chittenden locks in Ballard, international trade, and the possibility of privatization of air traffic control activity were also noted.

Commissioners commented on collaboration with airport communities when engaging with the port's congressional delegation and whether the Port Commission has a position on privatization of air traffic control. There was discussion of opposition to mining activity or other resource extraction operations in Alaska's Bristol Bay and the Arctic National Wildlife Refuge relative to impacts on North Pacific fisheries. Commissioners commented on FAA consideration of whether to continue to rely on the day-night average sound level (DNL) as the operative measurement for determining aircraft noise impacts.

8. ADDITIONAL NEW BUSINESS – None.

9. ADJOURNMENT

There was no further business, and the meeting adjourned at 6:26 p.m.

Prepared:

Paul J. White, Commission Clerk

Attest:

Ryan Calkins, Commission Secretary

Minutes approved: May 22, 2018.