Item Number:7a Attach 1Date of Meeting:September 11, 2012

<u>Motion</u> <u>of the Port of Seattle Commission</u> <u>concerning the Concessions Program</u> <u>At Seattle-Tacoma International Airport</u>

STATEMENT IN SUPPORT OF THE MOTION

The Port of Seattle Commission (the "Commission") has been working with all stakeholders to develop a concessions program at the Seattle-Tacoma International Airport (the "Airport") that addresses the interests of the Airport, including revenue generation; the concessions employees; the concessionaires; and the traveling public. The Commission seeks to balance diverse values in the concessions program. The Airport concessions program should reflect the Port's commitment to the shared values of equal opportunity and non-discrimination, economic security and entrepreneurial initiative.

The Commission believes that any Port program should include a strong commitment to workers' rights, a value strongly supported by our local community, and that the the Port and the public benefit from good labor relations and the prevention of disruption caused by labor disputes. We therefore believe that any Port program, including the Airport concessions program, should also include policies that protect the exercise by workers of full freedom of association and self-organization.

The Commission has identified the following preliminary Concessions Program Goals as the basis for the Airport concessions program.

- 1. The Port will encourage participation in the concessions program by a mixture of large concessions companies and local small businesses. The Commission would like the airport concessions program to be equally attractive to national concession companies, Airport Concession Disadvantaged Business Enterprises ("ACDBE"), small businesses and locally-themed businesses.
- 2. The Port will utilize two methods to recruit concession operators: (a) competitive Requests for Proposals to recruit larger companies to operate "packages" of multiple concession units, and (b) direct solicitations for the operation of one or more units including but not limited to operators such as ACDBEs, small businesses and locallythemed businesses.
- 3. All concessionaires must:
 - Comply with all applicable wage and hour laws, health and safety laws and all other laws and regulations protecting the rights and interests of employees.
 - Make a commitment not to discriminate against any former employee based on union membership or membership in a prior bargaining unit.

- Make a commitment not to interfere with, restrain or coerce employees in their exercise of their rights guaranteed by law.
- 4. The Port will endeavor to maximize continued employment opportunities and job security for those qualified workers wishing to continue working in the concessions program in the event their employer does not remain an airport lessee. To this end, the Port will encourage, as part of its Request for Proposal process, but not require, all concessionaires to:
 - Give priority consideration to those workers possessing the requisite skills and abilities who were employed by a former employer and, whenever appropriate, to those with greater seniority or longevity of employment or demonstrated performance by the former employer.
- 5. The Port seeks to expand future ACDBE participation levels by creating more opportunities for ACDBE lessees throughout the duration of the concessions leases.
- 6. The Port will develop a program that encourages very small businesses, for example those with average annual receipts of \$750,000 or less, to open concession units with kiosks or carts that require lower initial investment costs.
- 7. The concessions program will create more opportunities for locally themed businesses that reflect the Pacific Northwest's character and sense of place.
- 8. The concessions program will continue its policy of street pricing.
- 9. The Port will take several other steps to make it easier for concessionaires to build out their concessions and be open for business more quickly and inexpensively. These steps include providing all necessary utility infrastructure to the lease line of all concessions units, streamlining the architectural review process to minimize the time and expense associated with concessions facility development, and varying the lease terms of new tenants to minimize disruption in the concessions program and to better balance the demand for and supply of construction companies available to perform concessions development work at the airport.
- 10. The Port Commission will discuss retaining independent counsel to advise it on revisiting the *CityIce* permanent injunction, which the Commission believes is overly broad in restricting the breadth of appropriate public policy options available to the Commission in carrying out its responsibilities as a duly elected body.

MOTION

The Commission adopts this statement as its policy direction to the Chief Executive Officer as the staff creates a "Concessions Master Plan" to guide the successful re-development of the airport concessions program in 2015 through 2017.