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## APPROVED MINUTES COMMISSION SPECIAL MEETING APRIL 14, 2015

The Port of Seattle Commission met in a special meeting Tuesday, April 14, 2015, at Port of Seattle Headquarters, Commission Chambers, 2711 Alaskan Way, Seattle, Washington. Commissioners Albro, Bowman, Bryant, Creighton, and Gregoire were present. Commissioner Bryant was absent after 4:10 p.m.

### 1. CALL TO ORDER

The meeting was called to order at 12:15 p.m. by Commission Co-President Gregoire.

### 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 potential litigation and legal risk. Following the executive session, which lasted approximately 60 minutes, the public meeting reconvened at 1:35 p.m.

### PLEDGE OF ALLEGIANCE

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

### 3. SPECIAL ORDERS OF BUSINESS – None.

### 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 special meeting of July 1, the morning special meeting of July 22, the afternoon special meeting of July 22, and the special meetings of September 10-11, September 30, October 7, and December 18-19, 2014.

4b. Approval of the [Claims and Obligations](#) for the period March 1-March 31, 2015, in the amount of \$46,465,664.77 including accounts payable check nos. 902907-903501 in the amount of \$38,696,805.48 and payroll check nos. P-170443-179601 in the amount of \$7,768,859.29 for a fund total of \$46,465,664.77.

4c. Authorization for the Chief Executive Officer to: (1) adjust the scope of work for the C60-C61 Baggage Handling System Modification project to include design and

construction necessary for installation of an additional Explosive Detection System machine, the addition of tag readers, and enhanced reporting; and (2) authorize the use of Port crews in support of the project. (CIP #C800168)

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

- 4d. Authorization for \$125,000 of additional project funding to complete the Terminal 91 Lighting Upgrade for a total authorization of \$1,160,000. (CIP #C800160)

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

- 4e. Authorization for the Chief Executive Officer to design and prepare construction bid documents for the Combined Communication and Command Center Uninterruptible Power Supply System Improvements project at Seattle-Tacoma International Airport. This authorization is for \$832,000 of a total estimated project cost of \$4,555,238. (CIP #C800107)

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

- 4f. Authorization for the Chief Executive Officer to (1) authorize award of a job order contract for construction of portions of the infrastructure modifications associated with the redevelopment of the Airport Dining and Retail program and (2) authorize the use of Port labor to construct portions of the infrastructure work and space modifications. The total amount of this request is \$6,217,000 out of an estimated total budget of \$13,953,000. (CIP #C800638)

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

- 4g. Authorization for the Chief Executive Officer to (1) execute a design contract for the Long-Term Cell Phone Waiting Lot (CIP #C800324) and the Air Cargo Road Safety Improvements (CIP #C102162) project at Seattle-Tacoma International Airport, and (2) to continue the Long-Term Cell Phone Waiting Lot (CIP #C800324) project for an additional \$649,900 for a total authorization to date of \$3,300,000.

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

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

In favor: Albro, Bowman, Bryant, Creighton, 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):

- Tim Petrick, CEO, K2 Sports, regarding the International Arrivals Facility (IAF) and the benefit of efficient international air travel to local businesses.

- Joe Sprague, Senior Vice President, Alaska Airlines, expressing concern over the use of passenger facility charges (PFCs) as a funding model for the International Arrivals Facility (IAF). Mr. Sprague also submitted written comments, a copy of which are attached as minutes [Exhibit A](#) and are available for public review.
- Donna Estacio, Director, Government Affairs, American Airlines, expressing concern over the use of PFCs for the IAF and the size of the projected IAF budget.
- Nathan Lopp, Managing Director, United Airlines, suggesting a funding model for the IAF that places the majority costs on the airlines who use the facility.
- Maud Daudon, Seattle Metro Chamber, in support of the IAF and improved international connectivity in the Puget Sound region.
- Mike Medeiros, Vice President – Seattle, Delta Air Lines, in appreciation of the Port's planning thus far on the IAF, and in favor of the plan of finance Scenario 6.
- Holden Shannon, Senior Vice President, Delta Air Lines, regarding the economic benefits of an improved international facility.
- Charles Conatzer, Seattle resident, regarding Arctic oil drilling.
- Frannie Ein, Seattle resident, regarding the public health effects of oil rig maintenance.
- Zarna Joshi, Seattle resident, regarding Arctic oil drilling.
- Peter Illetchko, Seattle resident, regarding Arctic oil drilling.
- Cameron Williams, President, ILWU Local 19, regarding the Seaport Alliance and concerns about a potential decrease in container terminal capacity, and the need to maintain communication with labor.
- Dan McKisson, Puget Sound Council President, ILWU Local 19, regarding the Seaport Alliance and the importance of maintaining terminal capacity.

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

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

### **6a. First Reading of Resolution No. 3704: A Resolution of the Port of Seattle Commission repealing portions of Resolution No. 3605, as amended, and adopting the General Delegation of Authority from the Port Commission to the Chief Executive Officer.**

Request document(s) included a Commission agenda [memorandum](#), [draft resolution](#), [draft text](#) for inclusion in the General Delegation of Authority, and presentation [slides](#).

Presenter(s): Tom Barnard, Research and Policy Analyst, Office of the Commission, and Lindsay Wolpa, Commission Issues & Policy Manager, Office of the Commission.

There was a presentation on the scope of and process for changes to the current General Delegation of Authority. The role of future policy committees and internal and external outreach efforts were described.

Commissioners emphasized the public outreach process and provided direction.

**The motion for First Reading of Resolution No. 3704 carried by the following vote:**

**In favor: Albro, Bowman, Bryant, Creighton (4)**

**Absent for the vote: Gregoire**

Commissioner Gregoire later noted her regrets for missing the vote and her support for First Reading of Resolution No. 3704.

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

**6b. Second Reading and Final Passage of Resolution No. 3705, as amended: A Resolution of the Port Commission of the Port of Seattle amending Resolution No. 3699, 2015 Salary and Benefit Resolution, to allow the Chief Executive Officer to offer modified terms related to the Paid Time Off plan to direct-report at-will employees.**

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

Presenter(s): Tammy Woodard, Assistant Director, Human Resources & Development – Total Rewards.

**The motion for [Second Reading and Final Passage of Resolution No. 3705](#), as amended, carried by the following vote:**

**In favor: Albro, Bowman, Bryant, Creighton, Gregoire (5)**

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**6c. First Reading and Public Hearing of Resolution No. 3707: A Resolution of the Port Commission of the Port of Seattle declaring surplus and no longer needed for port district purposes certain real property located at approximately 26th Avenue South and South 204th Street in the City of SeaTac, Washington, and authorizing the Chief Executive Officer to execute all documents necessary to transfer title of the surplus property to the City of SeaTac for use in its Connecting 28th/24th Avenue South Project.**

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

Presenter(s): Allan Royal, Real Estate Development Manager.

#### **PUBLIC HEARING on Resolution No. 3707**

With a motion and second on the floor for First Reading of Resolution No. 3707, Commissioner Gregoire declared the public hearing on the resolution open. There was no public comment offered at this time, and the public hearing was closed. The question recurred on the motion for First Reading of Resolution No. 3707.

**The motion for First Reading of Resolution No. 3707 carried by the following vote:**

**In favor: Albro, Bowman, Bryant, Creighton, Gregoire (5)**

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

**6d. First Reading of Resolution No. 3706: A Resolution of the Port Commission of the Port of Seattle declaring certain personal property, Backscatter X-Ray vans and trailers, surplus and no longer needed for port district purposes and authorizing its disposal.**

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

Presenter(s): Anne Purcell, Senior Port Counsel; Mark Thomas, Deputy Chief of Police; and Russ Read, Seaport Security Program Manager.

**The motion for First Reading of Resolution No. 3706 carried by the following vote:**

**In favor: Albro, Bowman, Bryant, Creighton, Gregoire (5)**

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

**6e. Motion of the Port of Seattle Commission amending the relocation agreement with CEO Ted J. Fick.**

Request document(s) included the text of the [motion](#) and [relocation terms](#).

The full text of the motion reads as follows:

**The Port of Seattle Commission hereby amends the relocation agreement with CEO Ted Fick approved Sept. 11, 2014 (Attachment A), to increase reimbursement by \$23,000 to reflect the actual cost of moving to the Seattle area, for a total of \$108,000.**

**The motion to amend the relocation agreement with CEO Ted Fick as described above (agenda item 6e) carried by the following vote:**

**In favor: Albro, Bowman, Bryant, Creighton, Gregoire (5)**

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

**6f. Motion in support of passage of a statewide transportation package to strengthen our state's economy and competitiveness of the Puget Sound Gateway.**

Request document(s) included the text of the [motion](#).

Presenter(s): Clare Gallagher, Government Relations Manager.

The full text of the motion reads as follows:

**The Commission supports approval by the Washington State Legislature of a comprehensive statewide transportation funding package to strengthen the state's economy and the competitiveness of the Puget Sound Gateway.**

The motion as described above in support of the State Legislature's approval of a comprehensive statewide transportation funding package (agenda item 6f) carried by the following vote:

**In favor: Albro, Bowman, Bryant, Creighton, Gregoire (5)**

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

**6g. Authorization for the Chief Executive Officer to amend the lease with ATZ Inc. (Exhibit A) for the operation of the Doug Fox Parking Lot located north of South 170th Street and east of the Northern Airport Expressway to extend the term nine months, defer increases in the concession fee and Minimum Annual Guarantee, and provide other modest relief for operational impacts and delays caused by construction of the Doug Fox Parking Lot Services Upgrades Project. [subsequently laid on the table]**

Request document(s) included a Commission agenda [memorandum](#) and [amendment](#) to the lease and concession agreement.

Presenter(s): Jolene Culler, Aviation Property Manager.

The Commission received a presentation on the background and negotiations between the Port and ATZ Inc. regarding delayed project completion in the Doug Fox Parking Lot. ATZ's delay in compliance with contract terms (divestiture of interest in another parking facility within a three-mile radius) was discussed.

The Commission inquired about the divestiture timeline. A delay on the divestiture was granted on February 1, 2014, but it came to Port staff's attention in September 2014, that it still had not occurred.

Commissioners noted concern about the problems with this project and the actions of the tenant. There was no motion for approval of this item.

*Without objection, further consideration of agenda item 6g was laid on the table.*

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

**6h. Industrial Development Corporation – Approval of minutes, designation of officers, and annual report for 2014.**

Request document(s) included IDC agenda [memorandums](#) regarding approval of the minutes of April 1, 2014, election of officers, and 2014 annual report.

IDC meeting minutes of [Tuesday, April 14, 2015](#), will be made available for public review upon approval.

## **RECESSED AND RECONVENED**

The meeting of the Port of Seattle Commission was recessed at 3:00 p.m. to hold the annual meeting of the Industrial Development Corporation of the Port of Seattle. The meeting of the Port of Seattle Commission reconvened at 3:04 p.m., chaired by Commissioner Gregoire.

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

### **7. STAFF BRIEFINGS**

*Without objection, the Commission advanced to consideration of –*

#### **7b. International Arrivals Facility – Funding Plan Update.**

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

Presenter(s): Mark Reis, Managing Director, Aviation, and Borgan Anderson, Director, Aviation Finance & Budget.

There was a presentation of the timing and process for proposing International Arrivals Facility funding plan scenarios at this time. Meetings with airline partners and their recommendations regarding project scope and cost reductions were noted. Two new funding scenarios were presented, including a proposal by Alaska Airlines.

Commissioners requested several clarifications and provided direction on a number of points related to this presentation. They emphasized the relationship of international air service with the region's participation in a global economy.

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

*Following consideration of agenda item 7b, the Commission returned to consideration of –*

#### **7a. Chief Executive Officer's 2015 Goals and Objectives.**

Presentation document(s) included a Commission agenda [memorandum](#) and [2015 Goals and Objectives](#).

This update to the previously presented Goals and Objectives reflected the addition of metrics, organization goals, and Century Agenda goals.

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

*Commissioner Bryant was absent after 4:10 p.m.*

**7c. Seattle-Tacoma International Airport Skybridge Announcements.**

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

Presenter(s): Mike Merritt, Interim Commission Chief of Staff, and Jane Kilburn, Tourism Development Director.

There was a presentation on the decision by the Public Disclosure Commission on complaints related to 2013 Airport skybridge recordings by Commissioners.

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**7d. Legislative Update for April 14, 2015.**

Presenter(s): Clare Gallagher, Government Relations Manager.

Legislation and Port policy advocacy at the federal, state, and local government levels were summarized.

Commissioners provided direction and clarification.

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**8. ADDITIONAL NEW BUSINESS**

Dave Caplan, who recently joined the Port as Senior Director, Strategic Initiatives, was introduced to the Commission.

Commissioner Gregoire noted that April 14 is Equal Pay Day, and requested that the 2016 Salary and Benefit Resolution examine gender equity.

**9. ADJOURNMENT**

There was no further business, and the meeting adjourned at 4:35 p.m.

Tom Albro  
Secretary

Minutes approved: October 27, 2015.