



P.O. Box 1209
Seattle, Washington 98111
www.portseattle.org
206.787.3000

APPROVED MINUTES COMMISSION REGULAR MEETING JUNE 23, 2015

The Port of Seattle Commission met in a regular meeting Tuesday, June 23, 2015, in the International Auditorium at Seattle-Tacoma International Airport, Seattle, Washington. Commissioners Albro, Bowman, and Creighton were present. Commissioner Gregoire was absent. Commissioner Bryant participated by telephone until 3:43 p.m.

1. **CALL TO ORDER**

The meeting was called to order at 12:02 p.m. by Commission Co-President Stephanie Bowman.

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, legal risk, and sale or lease of real estate. Following the executive session, which lasted approximately 45 minutes, the public meeting reconvened at 1:02 p.m. Commissioner Bowman led the flag salute.

A recording of this part of the meeting has been made available [online](#).

3. **SPECIAL ORDERS OF BUSINESS**

3a. **June 23, 2015, CEO Report.**

Ted Fick, Chief Executive Officer, reported on Airport passenger and cargo volumes and awards received for the Port budget and the pre-conditioned air project at the Airport.

A recording of this part of the meeting has been made available [online](#).

3b. **Economic Development Opportunities in the City of Burien Northeast Redevelopment Area.**

Presentation document(s) included a Commission agenda [memorandum](#), project area [map](#), and presentation [slides](#). Burien City Manager Kamuron Gurol presented a letter on the Northeast Redevelopment Area opportunities, which is attached as minutes [Exhibit A](#) and is available for public review.

Presenter(s): Mark Griffin, Director, Real Estate Development; Linda Stewart, Director, Aviation Community Partnerships; and Kamuron Gurol, City Manager, City of Burien.

A brief history and description of the area, which is located in Burien and which the Port acquired for noise mitigation, was presented. When developed for commercial use, it was reported that the property could support approximately 1,000 new jobs. Commissioners commented on the

economic opportunities represented by the project and sought clarification on potential uses and overall vision for the property. It was noted that airport-compatible uses as defined by the Federal Aviation Administration are a requirement for the site in order to preserve opportunities for federal grant funding.

A recording of this part of the meeting has been made available [online](#).

3c. Cruise Industry Trends.

Presenter(s): Michael McLaughlin, Director, Cruise and Maritime Operations, and Colin Murphy, Senior Vice President, Destination and Port Operations, Norwegian Cruise Line Holdings.

The Commission received a presentation on the status of the Port's cruise line of business, including economic impacts, jobs, trends in the cruise industry, and prospects for future growth. The opportunity for the Port to collaborate with Norwegian Cruise Lines to redevelop and enhance cruise facilities at Pier 66 was presented. A proposal is expected to be brought for Commission action in July regarding this prospect. Commissioners commented on strategies for fostering continued growth in the cruise business in Seattle and urged close coordination with the Airport, through which most cruise passengers travel.

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 special joint meetings of September 30 and October 14, 2014, the special meeting of November 11, 2014, and the regular meeting of November 25, 2014.

4b. Authorization for the Chief Executive Officer to execute a contract for supplying Baggage Source Message data to Seattle-Tacoma International Airport for a three-year duration with two additional single-year options. The cost for each year of the contract is budgeted within the annual Aviation Division operating budget and the total estimated cost is \$750,000.

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

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

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

Absent for the vote: Gregoire

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):

- Monty Anderson, Executive Secretary, Seattle/King County Building and Construction Trades Council, regarding project labor agreements on Port of Seattle building projects. Mr. Anderson submitted a resolution, which is included here as minutes [Exhibit B](#) and is available for public review.
- Megan Ouellette, Managing Director, Government Affairs, Alaska Airlines, regarding concerns over cost and design alternatives for the International Arrivals Facility. Ms. Ouellette submitted written remarks, which are attached as minutes [Exhibit C](#) and are available for public review.
- Jesse Scott-Kandoll, Carpenters Union, regarding the need for a new International Arrivals Facility.
- Irene Plenefisch, Government Affairs Director, Microsoft, regarding regional growth and Microsoft's reliance on international travel.
- Mike Medeiros, Vice President, Delta Air Lines, regarding the urgency of proceeding with the International Arrivals Facility and its funding.
- Sam Kaplan, President, Trade Development Alliance of Greater Seattle, in support of a new International Arrivals Facility.
- David Blandford, Vice President, Communications, Visit Seattle, in support of a new International Arrivals Facility.
- Sally Clark, University of Washington, regarding the university's need for global connections and in support of a new International Arrivals Facility.
- Eddie Rye Jr., Community Coalition for Contracts and Jobs, regarding the Port's disparity study. Mr. Rye submitted a Port of Seattle presentation slide, which is included here as minutes [Exhibit D](#) and is available for public review.
- Guled Malin, Uber driver, regarding the ability of transportation network companies to do business at the Airport.
- Mohamed Salah, Kent, regarding taxis, for-hire vehicles, and transportation network companies.
- Mark White, AirServe Corp., in support of the Airport Jobs program.
- Jay Long, General Manager, Swissport Fueling, in support of the Airport Jobs program.
- DeAndrea Davis Taylor, DAL, in support of the Airport Jobs program.
- Denise Johnson, Port Jobs, regarding her career advancement aided by Airport Jobs.
- Samatar Guled, For-Hire Association, regarding taxis, on-demand, and for-hire transportation services.
- Charles Conatzer, Seattle, regarding Arctic oil drilling and global climate change.
- In lieu of verbal testimony, Dale Bright, Laborers Local 242, submitted written comments, which are included here as minutes [Exhibit E](#) and are available for public review.
- Zarna Joshi, Seattle, regarding Arctic oil drilling.
- Goodspaceguy, King County resident, regarding the minimum wage and homelessness.

A recording of this part of the meeting has been made available [online](#).

6. DIVISION, CORPORATE, AND COMMISSION ACTION ITEMS

- 6a. Second Reading and Final Passage of Resolution No. 3709: A Resolution of the Port Commission of the Port of Seattle authorizing the issuance and sale of intermediate lien revenue and refunding bonds in one or more series in the aggregate principal amount of not to exceed \$675,000,000, for the purpose of financing or refinancing capital improvements to aviation facilities and for the purpose of refunding certain outstanding revenue bonds of the Port; setting forth certain bond terms and covenants; and delegating authority to approve final terms and conditions and the sale of the bonds.**

Request document(s) included a Commission agenda [memorandum](#), draft [resolution](#), and [list](#) of bond projects.

Presenter(s): Elizabeth Morrison, Director, Corporate Finance, Finance & Budget.

First Reading of Resolution No. 3709 was approved June 9, 2015.

The motion for [Second Reading and Final Passage of Resolution No. 3709](#) carried by the following vote:

In favor: Albro, Bowman, Creighton (3)

Absent for the vote: Bryant, Gregoire

A recording of this part of the meeting has been made available [online](#).

- 6b. Authorization for the Chief Executive Officer to negotiate and execute a design-build contract with a design-build team for the Airport's International Arrivals Facility Program and authorize commencement of contract Validation Period work not to exceed \$6,000,000 of previously authorized funding.**

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

Presenter(s): David Brush, International Arrivals Facility Program Leader, and Mike Merritt, Interim Chief of Staff, Commission Office.

Commissioners received a presentation that included plans for stakeholder outreach during the 90-day IAF review period and a summary of project activity concurrent with that period. Commissioners asked for clarification and noted the different character of project validation by consultants versus airline and construction stakeholders. Commissioners affirmed the need for a new, expeditiously built Arrivals Facility, while also acknowledging the value of examining alternatives proposed by Alaska Airlines and others.

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

In favor: Albro, Bowman, Creighton (3)

Absent for the vote: Bryant, Gregoire

A recording of this part of the meeting has been made available [online](#).

- 6c. Authorization for the CEO to advertise and execute a contract to perform workforce development services in support of Sea-Tac Airport operations, including job training, pre-apprenticeship training and educational programs associated with Airport tenants, customers, and the Port's economic development mission. Contract will be for one year with four one-year options and an estimated cost of \$950,000 in 2016, and a total contract amount of \$5,550,000.**

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

Presenter(s): Luis Navarro, Director, Office of Social Responsibility.

Commissioners previously received a workforce development strategy update on May 26, 2015.

Mr. Navarro described the request for proposal and the modifications made in response to Commission direction. Key aspects of the workforce development strategy were noted. The requested action is a response to the need to secure workforce development services given the expiration of the Port Jobs contract at the end of the year.

Commissioners requested clarification on the increased contract costs and the increase in number of expected airport hirers.

Commissioner Bowman complimented the work of Port Jobs, but explained that she had hoped career advancement would be emphasized in addition to job placement. She offered to continue to work with staff to improve the workforce development approach and stated she would not support the authorization as proposed.

Direction was provided regarding further outreach to workforce development partners. The intent would be to obtain guidance on airline industry trends and recommendations to foster career advancement. Commissioners expressed support for the Port's efforts encouraging career pathways beyond the retail and service opportunities available within the Airport itself.

Commissioners inquired about delaying the request in order to work out further details.

Without objection, agenda item 6c was laid on the table.

A recording of this part of the meeting has been made available [online](#).

- 6d. Authorization for the Chief Executive Officer to advertise, award, and execute a major public works contract for the removal and disposal of six Port-owned container cranes located on Terminal 5 and one located at Terminal 46. The total amount of this request is \$4,665,000.**

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

Presenter(s): Ralph Graves, Managing Director, Capital Development, and Michael Burke, Director, Seaport Leasing and Asset Management.

The presentation described the cranes to be removed. Commissioners provided direction on making the cranes available to other Washington ports. How time-sensitive the action is relative to Terminal 5 redevelopment and labor considerations were discussed.

Without objection, agenda item 6d was laid on the table.

A recording of this part of the meeting has been made available [online](#).

- 6e. Authorization for the Chief Executive Officer to (1) increase the project budget by \$335,000 for the removal of Cranes No. 51, 52, and 53 at Terminal 18 and (2) issue a change order on contract MC-0317968 to add 365 calendar days to the contract duration and \$173,400. The total amount of this request is \$335,000 for a total project cost \$1,835,000.**

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

Presenter(s): Ralph Graves, Managing Director, Capital Development, and Michael Burke, Director, Seaport Leasing and Asset Management.

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

In favor: Albro, Bowman, Creighton (3)

Absent for the vote: Bryant, Gregoire

A recording of this part of the meeting has been made available [online](#).

7. STAFF BRIEFINGS

7a. Checked Baggage Optimization Project Briefing.

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

Presenter(s): David Soike, Director, Aviation Facilities and Capital Program, and Ed Weitz, Capital Project Manager, Aviation Project Management Group.

The Commissioners received a briefing that described Airport passenger growth and its effect on the capacity of the Airport's baggage systems. Project costs and potential funding from the Transportation Security Administration were summarized. Commissioners sought clarification on project acceleration and associated budget increases and the potential role of off-site baggage check-in or self-service baggage check-in to alleviate capacity issues. Direction was offered regarding coordination with cruise operations on baggage capacity issues.

A recording of this part of the meeting has been made available [online](#).

Commissioner Bryant was absent after 3:43 p.m.

7b. Port of Seattle Airport Concessions Disadvantaged Business Enterprise and Disadvantaged Business Enterprise Program FAA Compliance Review Update.

Presentation document(s) included a Commission agenda [memorandum](#), presentation [slides](#), FAA compliance review [report](#), [list](#) of ACDBEs, and [statement](#) about the Port's ACDBE program.

Presenter(s): Deanna Zachrisson, Business Leader, Airport Dining & Retail, and Luis Navarro, Director, Office of Social Responsibility.

Background, definitions, and operational organization of the Airport's Airport Concessions Disadvantaged Business Enterprise (ACDBE) and Disadvantaged Business Enterprise (DBE) programs were presented. Commissioners requested clarification on strategies to encourage ACDBEs and emphasized the importance that ACDBEs be successful enough to eventually "graduate" out of the program. Commissioners asked about permissibility of race- and gender-conscious programs for ACDBEs and stressed the importance of measuring the Airport's ACDBE participation against benchmarks of ACDBE-successful airports, rather than FAA standards. It was explained that having a race- and gender-neutral ACDBE program does not preclude collection of race and gender data. The process and findings of the FAA's audit of the Port's ACDBE program were summarized.

FAA requirements and recommendations for contracting-related DBE programs were summarized and the outcomes of the FAA's compliance review relating to DBEs were described. This included an FAA recommendation to consider a race-conscious program for DBEs at Seattle-Tacoma International Airport. Commissioners directed staff to work with the FAA to quickly implement a race-conscious DBE program for contracting.

A recording of this part of the meeting has been made available [online](#).

8. ADDITIONAL NEW BUSINESS – None.

9. ADJOURNMENT

There was no further business, and the meeting adjourned at 4:10 p.m.

Tom Albro
Secretary

Minutes approved: December 8, 2015.