

Street Pricing Policy for Airport Dining & Retail Tenants

Background

- Definition of Street Pricing
- Rationale for Policy
- History of Policy at the Airport

Street pricing has been an effective policy at the Airport

Local Minimum Wage Ordinances

- City of SeaTac Proposition One
- City of Seattle Minimum Wage Ordinance
- Washington State Supreme Court Ruling
- Staff interpretation of guidance by Port of Seattle Commission in 2014 ADR motion

Numerous local government actions affecting minimum wages

Wage increases in City of Seattle ordinance

Large Employer

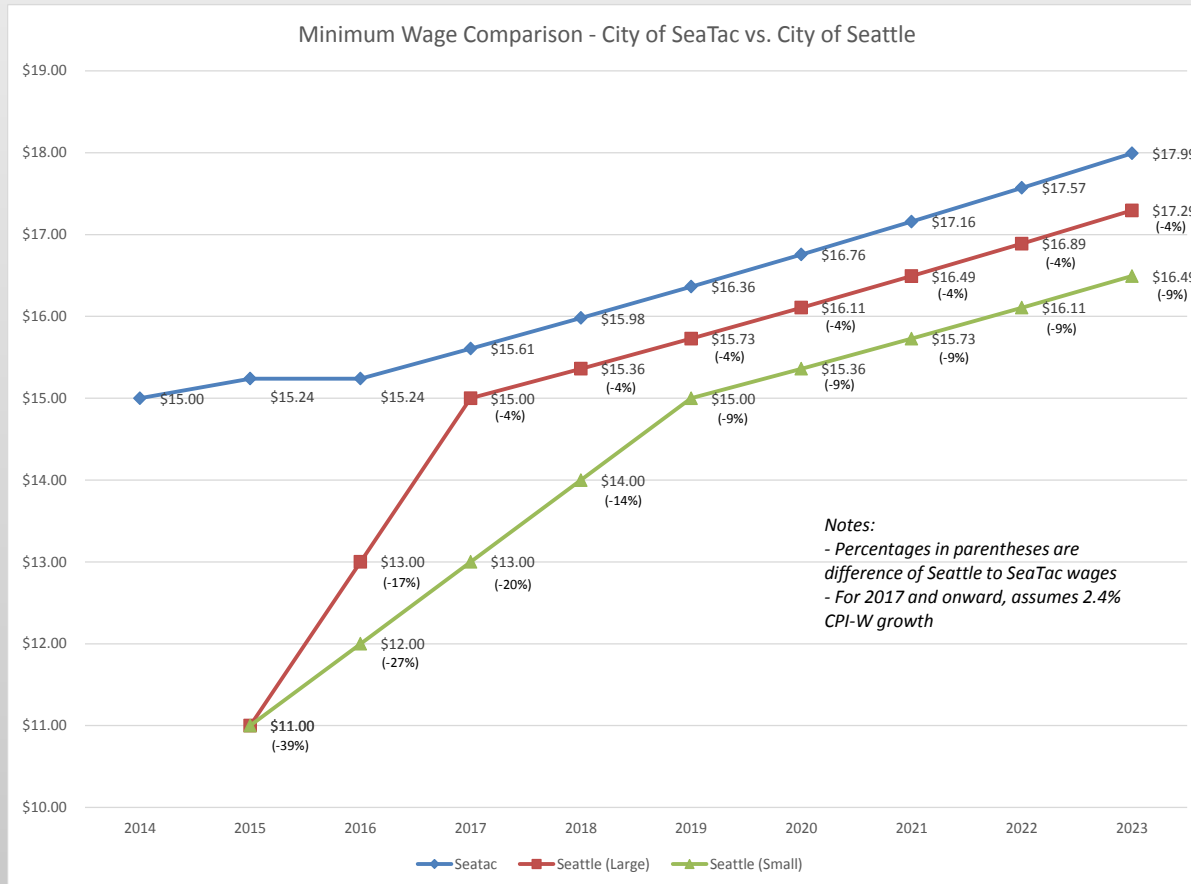
YEAR	MINIMUM WAGE only	MINIMUM WAGE with payments toward employee's medical benefits
2015 (April 1 st)	\$11.00	\$11.00
2016 (January 1 st)	\$13.00	\$12.50
2017 (January 1 st)	\$15.00	\$13.50
2018 (January 1 st)		\$15.00

Small Employer

YEAR	MINIMUM COMPENSATION	MINIMUM WAGE with tips and/or payments toward employee's medical benefits
2015 (April 1 st)	\$11.00	\$10.00
2016 (January 1 st)	\$12.00	\$10.50
2017 (January 1 st)	\$13.00	\$11.00
2018 (January 1 st)	\$14.00	\$11.50
2019 (January 1 st)	\$15.00	\$12.00
2020 (January 1 st)	\$15.75	\$13.50
2021 (January 1 st)		\$15.00
2022 (January 1 st)		\$15.75
2023 (January 1 st)		\$16.50
2024 (January 1 st)		\$17.25

City of Seattle ordinance specifies increases in minimum wage by year

Wage Disparities



Differences in local ordinances creates disparities in minimum wages

Impact of Wage Disparities

- Profitability of current tenants
- Interest from firms, particularly small, local, disadvantaged firms in ADR leasing opportunities

Minimum wage rate disparities could negatively impact ADR program

Recommendation

- A temporary change in the street pricing policy
- From 12/1/2015 through 12/31/2019, allow street plus 10%
- Sufficient time for wage rates to equalize
- Return to street pricing on 1/1/2020

Recommendation designed to support ADR employers and employees