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**APPROVED MINUTES
COMMISSION REGULAR MEETING DECEMBER 8, 2015**

The Port of Seattle Commission met in a regular meeting Tuesday, December 8, 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 3:44 p.m. Commissioner Gregoire was absent after 4:42 p.m.

1. CALL TO ORDER

The meeting was called to order at 12:00 noon 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 four matters relating to litigation and legal risk. Following the executive session, which lasted approximately 65 minutes, the public meeting reconvened at 1:24 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

Without objection, the Commission advanced to consideration of –

3c. Recognition for Departing Commissioner Bill Bryant.

Commissioners made remarks in acknowledgment of Commissioner Bryant's eight years of elected service to the Port of Seattle. Commissioner Bryant expressed his thanks to friends, staff, and colleagues, and noted that he had accomplished the objectives for which he originally sought election to the Port Commission. Commissioner Bryant was presented with a framed photograph of the Seattle waterfront and the Seattle-Tacoma International Airport.

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

The Commission returned to consideration of –

3a. December 8, 2015, CEO Report.

Ted Fick, Chief Executive Officer, reported on an article in *Time Magazine* on airline competition and passenger growth at Seattle-Tacoma International Airport. He noted a lease at the Des Moines Creek Business Park to be executed with Greencore Group that promises to add 350 jobs to the region. Mr. Fick announced the selection of Lance Lyttle to become the new Managing Director of

the Aviation Division and commented on the contributions of Port volunteers like Rachel Garson, recipient of the 2015 Volunteer of the Year Award.

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

3b. Authorization for the Chief Executive Officer to execute a memorandum of understanding between the Port, Alaska Airlines, and Boeing to conduct an Aviation Biofuels Infrastructure Feasibility Study.

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

Presenter(s): Elizabeth Leavitt, Director, Aviation Planning & Environmental; Sean Newsum, Director, Environmental Strategy, Boeing Commercial Airplanes; and Joe Sprague, Alaska Airlines, Senior Vice President, Communications & External Relations.

The Commission received a presentation that noted the benefits of using biofuels for aviation and the economic signals that development of biofuels sends to the marketplace. Boeing and Alaska Airlines expressed their enthusiasm for partnering with the Port through the memorandum of understanding to define a roadmap for the delivery and use of aviation biofuels at the Airport. Commissioners expressed support for the biofuel development effort and the job opportunities associated with it. They provided direction on incentivizing local sourcing of material for biofuels, the need for biofuel to be cost-effective for airlines, and acknowledged the key role of commercial aviation in addressing global climate change.

The motion for approval of agenda item 3b 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.

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 in accordance with Commission bylaws.]

At the request of Commissioner Bryant, agenda item 4d was removed from the Unanimous Consent Calendar for separate discussion and vote.

4a. Approval of the minutes of the special meeting of May 12 and the regular meetings of May 26, June 9, June 23, and November 24, 2015.

4b. Approval of the [Claims and Obligations](#) for the period November 1-30, 2015, in the amount of \$41,688,324.77 including accounts payable check nos. 907633-908208 in the amount of \$7,487,825.13; payroll check nos. P-180955-181165 in the amount of \$8,231,946.78; wire transfers nos. 013781-013828 in the amount of \$13,752,815.61; and EFTs nos. 038366-039051 in the amount of \$12,215,737.25 for a fund total of \$41,688,324.77.

- 4c. Authorization for the Chief Executive Officer to design, advertise, and execute a major works construction contract for the South Utility Tunnel Steam Piping Upgrade project at Seattle-Tacoma International Airport in the amount of \$1,000,000. (CIP #C800708).**

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

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

- 4e. Authorization for the Chief Executive Officer to execute a contract with King County Metro to purchase One Regional Card for All cards for February 2016 – January 2017 at a cost not to exceed \$350,000.**

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

- 4f. Authorization for the Chief Executive Officer to advertise for bids, award and execute a major works construction contract for the Concourse B Gate Improvements project. The amount of this request is \$3,567,282 for a total authorization of \$16,734,282. (CIP #C800019).**

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

- 4g. Authorization for the Chief Executive Officer to execute (1) an amendment to Agreed Order No. DE 8938 with Washington State Department of Ecology; and (2) a three year contract for consulting services to perform sediment investigation at Terminal 91 for an estimated value of \$900,000.**

Request document(s) included a Commission agenda [memorandum](#), [agreed order amendment](#), [related area diagrams](#), [munitions management plan](#), and [Terminal 91 site plan](#).

- 4h. Authorization for the Chief Executive Officer to retain existing liaison agreements for five additional years to expedite the evaluation of permits under the jurisdiction of the U.S. Army Corps of Engineers and from National Oceanic and Atmospheric Administration, National Marine Fisheries Service. No new funding is requested. Funding for the agency staff resources on specific projects will come from capital and expense projects approved by the Commission. Some programmatic planning funds will be provided from the Maritime Environmental operating expense budget.**

Request document(s) included a Commission agenda [memorandum](#), [interlocal agreement](#) between the Ports of Tacoma and Seattle, and [intergovernmental agreement](#) between the Port of Seattle and the Department of the Army.

- 4i. Authorization (1) for the Chief Executive Officer to spend environmental remediation liabilities funds for 2016 in the amount of \$13,900,000 and (2) approving a five-year spending plan of \$71,700,000 for the Environmental Remediation Liability Program for the Seaport, Real Estate, and Aviation Divisions for 2016-2020.**

Request document(s) included a Commission agenda [memorandum](#) and maps of remediation sites on [north Port properties](#), [south Port properties](#), and the [Airport](#).

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

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

Agenda item 4d was temporarily postponed.

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):

- Eric Grant, Uber, regarding customers' demand for Uber's services.
- Kirk Safford, Lyft, regarding the benefits of Lyft's services for passengers and the Airport.
- Abdul Yusuf, Q For-Hire, regarding the process for opening the Airport to services from for-hire drivers.
- Joe Blondo, cab driver, regarding identification of transportation network companies' vehicles and insurance verification.
- Salah Mohamed, cab driver, regarding concerns over transportation network companies' insurance and background checks and the need for a fair business environment.
- Chris Van Dyk, Q For Hire, regarding the need for a comprehensive ground transportation proposal at the Airport.
- Belai Belete, United For Hire, regarding transportation network companies and for-hire services in Seattle.
- Brooke Steger, General Manager, Uber, in support of transportation network company services at the Airport and provision of wheelchair accessible services.
- Larry Green, Uber, regarding the technology available to make transportation network drivers identifiable and adaptable.
- Patricia Stephens, Stita Taxi Board of Directors and Wheelchair Taxi Association, regarding accessible on-demand services at the Airport and the need for an holistic ground transportation strategy. Ms. Stephens submitted written materials, which are included here as minutes [Exhibit A](#) and are available for public review.
- Chester Baldwin, Lobbyist, SeaTac Taxi Corporation, regarding consumer protection and reporting transparency among transportation network company drivers.
- Samatar Guled, Eastside For-Hire Association, regarding fair and open competition among different ground transportation providers at the Airport.
- James Kelly, Manager, United For Hire, regarding insurance requirements for ground transportation providers and abuses of the Airport's ground transportation system.
- Dawn Gearhart, Teamsters Local 117, regarding wages and regulation of ground transportation and in opposition to transportation network companies at the Airport.
- Wally Balcha, All Day For Hire, regarding fairness in making provisions for transportation network companies and for-hire drivers at the Airport.

- Aamar Khan, Yellow Cab, regarding fair competition and regulation for ground transportation modes at the Airport.
- Sheila Stickel, Puget Sound Dispatch, regarding consumer protections, provision of commercial insurance, background checks, and complaint procedures for ground transportation providers.
- Eddie Rye Jr., Community Coalition for Contracts and Jobs, in opposition to agenda item 6b based on work on the solicitation process performed by now-terminated employees.
- Charlie James, Afri-PAC, regarding delaying agenda item 6b until new Aviation Director Lance Lyttle is installed at the Airport.
- Hayward Evans, Community Coalition for Contracts and Jobs, regarding a proposal to convert the port district from at-large positions to mostly single-member districts within King County.
- Megan Ouellette, Managing Director, Government Affairs, Alaska Airlines, regarding concerns over North Satellite scope changes, construction phasing, and loss of gate positions.
- Donnell Harvey, Regional Director, Delta Air Lines, in support of agenda item 6d relating to the C-60/C-61 baggage handling system.
- M.C. Halvorsen, Boyer Towing, regarding the Port's habitat work along the Duwamish Waterway, legal compliance, and public waterway access in an industrial area. Ms. Halvorsen submitted written materials, which are included here as minutes [Exhibit B](#) and are available for public review.
- In lieu of verbal testimony, transportation network company Uber submitted 105 written customer survey responses about their company's ability to provide services at the Airport. A copy of the material is included here as minutes [Exhibit C](#) and is available for public review.

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

ITEMS REMOVED FROM CONSENT

4d. Authorization for the Chief Executive Officer to prepare and sign an interlocal agreement with the Muckleshoot Indian Tribe, substantially as described in this memorandum, allowing for construction of a fish and wildlife habitat rehabilitation project at the existing Terminal 105 public shoreline access site. Port management and construction costs will be reimbursed by Muckleshoot Indian Tribe, using restoration grant funds received by the Muckleshoot Indian Tribe. No new funding is requested.

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

Presenter(s): Stephanie Jones Stebbins, Director, Maritime Environmental and Planning, and George Blomberg, Senior Environmental Program Manager.

The habitat restoration efforts provided for in the interlocal agreement were described and the Port's commitment to restoration of the Duwamish River overall were noted.

The motion for approval of agenda item 4d 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.

6. DIVISION, CORPORATE, AND COMMISSION ACTION ITEMS

- 6a. **Second Reading and Final Passage of Resolution No. 3712: 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, 2016, and repealing all prior resolutions dealing with the same subject, including Resolution No. 3699.**

Request document(s) included a Commission agenda [memorandum](#), [draft resolution](#), salary ranges [listing](#), and [comparison table](#) of the resolutions for 2015 and 2016.

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

Previously, First Reading of Resolution No. 3712 was approved on November 10, 2015. The resolution was laid on the table on November 24, 2015.

Employee opinions and responses to salary and benefits changes received since November 24 were summarized and program changes for 2016 were outlined. Extension of paid parental leave to represented employees was discussed. Commissioners acknowledged that there are a number of organizational changes reflected in the 2016 salary and benefits program and thanked staff for considering employee comments seriously. There was discussion of conducting an employee benefits survey in the first quarter of 2016 and the need for organizational progress and investment to be systematic.

AMENDMENT

The following amendment was adopted without objection: In Section II.D – Pay Practices, after paragraph 9, insert the following paragraph 10:

10. One-Time Special Pay. Consistent with the Port's Total Rewards Program, and particularly with respect to supporting a high-performing organization that enables the Port to attract and retain the most qualified high-performing employees, and in response to the newly adopted 40-hour work week, all eligible salaried employees will, on December 31, 2015, receive a one-time payment consisting of seven percent of the employee's annual compensation amount. This Section II.D.10 shall expire on December 31, 2016.

[Clerk's Note: Resolution No. 3712, as amended, stipulates in Section VII that the resolution as a whole shall be effective January 1, 2016, through December 31, 2016.]

The motion for approval of [Second Reading and Final Passage of Resolution No. 3712, as amended](#) (agenda item 6a) 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.

6b. Authorization for the Chief Executive Officer to conduct competitive solicitations and execute lease and concession agreements with selected proposers for ten new small business-oriented opportunities: (1) Single Unit #2 – Food Service/Fast Casual; (2) Single Unit #6 – Food Service/Casual Dining; (3) Single Unit #8 - Food Service/Gourmet Coffee; (4) Small Unit #16 – Personal Services/Manicure (1 unit); (5) Small Package #6 – Personal Services/Massage (2 units); (6) Single Unit #12 - Small Specialty Retail; (7) Small Package #2 – Specialty Retail (2 units); (8) Small Package #3 – Specialty Retail/Tech Products (2 units); (9) Single Unit #15 – Specialty Retail; (10) Single Unit #14 – Passenger Services - Baggage/Luggage Storage and Delivery. Unit and package numbers reflect how each is denoted in the ADR master plan.

Request document(s) included a Commission agenda [memorandum](#) dated December 4, 2015, previous Commission agenda [memorandum](#) dated November 23, 2015, and [presentation slides](#). A revised listing of evaluation criteria and point values was provided at the meeting. It is included here as minutes Exhibit D and is available for public review.

Presenter(s): Jim Schone, Director, Aviation Business Development.

Previously, this and a similar authorization request were considered and laid on the table on November 24 and August 4, 2015, respectively.

Changes made to the point allocations for the competitive evaluation process at Commission request were described. Commissioners commented favorably on the new point values based on interest in providing opportunities within the community and the importance of Commission leadership in related policy issues. Commissioners cautioned staff about the appropriate role of the Airport Dining and Retail program external consultant.

The revised competitive evaluation process criteria and scoring values proposed are as follows:

Company profile, experience, and financial capability	20 points (13%)
Concept development	25 points (17%)
Unit design, materials, and capital investment	25 points (17%)
Financial projections and rent proposal	20 points (13%)
Management, staffing, operations, and environmental sustainability	20 points (13%)
Job quality, workforce training, employment, and service continuity	20 points (13%)
Small business participation	20 points (13%)

Total 150 points

The motion for approval of agenda item 6b, as consistent with the evaluation criteria presented above, carried by the following vote:

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

Absent for the vote: Bryant

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

- 6c. Request Commission authorization for the Chief Executive Officer to take the following actions to advance two significant capital projects at Seattle-Tacoma International Airport (Sea-Tac), the details of which are described in Attachments A and B for: (1) Increasing project authorizations, and execute contract amendments and change orders to; Clark/SOM in the amount of \$275.5 million for the IAF and Hensel Phelps General Contractor/Construction Management (GC/CM) in the amount of \$98.1 million for the NSAT, for a total of \$373.6 million additional authorization for the two projects. (2) Execute a contract for project specific construction audit services for the term of each project. (3) Amend the previous Commission Authorization for the IAF validation contract not-to-exceed to include sales tax for the estimated amount of \$570,000. *[request subsequently corrected]*

Request document(s) included a Commission agenda [memorandum](#), [presentation slides](#) as revised on the meeting day regarding the International Arrivals Facility, and [presentation slides](#) regarding the NorthSTAR program.

[Clerk's Note: The action request shown above was determined after authorization to be incorrect. Although the authorization amounts, purposes, and projects were cited correctly, the original request erroneously made reference to specific contractors and omitted some of the parties to whom funds would be disbursed as a result of the approval. Therefore, a corrected action request was approved by the Commission in subsequent action on February 9, 2016. An agenda memorandum showing the corrected action request and related materials is attached as minutes [Exhibit E](#) and is available for public review. The corrected request approved on February 9 reads as follows:

Request Commission authorization for the Chief Executive Officer to take the following actions to advance two significant capital projects at Seattle-Tacoma International Airport, as described in Attachments A and B, by (1) increasing project authorizations, and executing contract amendments and change orders for the International Arrivals Facility Program in the amount of \$275.5 million and for the North Satellite Renovation & North Satellite Transit Station Lobbies Project in the amount of \$98.1 million for a total of \$373.6 million additional authorization for the two projects; (2) executing a contract for project specific construction audit services for the term of each project; and (3) amending the previous Commission authorization for the IAF validation contract not-to-exceed amount to include sales tax for the estimated amount of \$570,000.]

Presenter(s): Mark Reis, Director, Aviation Division; David Brush, International Arrivals Facility Program Leader; George England, NorthSTAR Program Leader; and Ralph Graves, Senior Director, Capital Development.

Commissioners received a presentation that included a discussion of the phasing of construction on the North Satellite project and Alaska Airlines' concerns regarding gate disruptions and potential hardstand use. It was reported that the preliminary construction for which funding was requested would not be at risk to the Port. The progress of design and the budget status for the projects were summarized. An error in the presentation slides was noted. The amounts given on slide 12 for contractor and design fees were transposed. The attached presentation was subsequently revised to reflect the correct information.

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

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

[See also the approved minutes of February 9, 2016, agenda item 4f.]

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

6d. Authorization for the Chief Executive Officer to (1) proceed and complete the design for the work elements in the C60 Interim Baggage Handling System Project; (2) authorize the use of Port crews to self-perform work; (3) purchase equipment for various work elements; (4) amend the BNP Baggage Handling System Design indefinite design, indefinite quantity [contract] by \$3,500,000; and (5) execute a contract to provide proprietary software services for the integration of upper and lower level controls and software programming on the baggage handling systems, campus-wide. The amount of this request is \$4,377,000 (CIP #C800825).

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

Presenter(s): Ralph Graves, Senior Director, Capital Development; David Soike, Director, Aviation Facilities & Capital Program; and Wayne Grotheer, Director, Aviation Project Management Group.

The circumstances surrounding the need for the request and the need to expedite its authorization were described, including lessons learned and strategies for improved communications in the future. Drivers noted for the project included needs of the Transportation Security Administration and unprecedented Airport growth. Commissioners requested clarification and provided direction.

The motion for approval of agenda item 6d 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.

Commissioner Bryant was absent after 3:42 p.m.

7. STAFF BRIEFINGS

7a. Annual Government Relations Briefing.

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

Presenter(s): Julie Collins, Senior Director, Public Affairs; Beth Osborne, Government Relations Manager, Federal Government Relations; Clare Gallagher, State Government Relations Manager; Lindsay Wolpa, Regional Government Affairs Manager; and Geraldine Poor, Manager, Regional Transportation.

Commissioners received a presentation on local, state, and federal legislative priorities of the Port of Seattle in 2016 and significant accomplishments in 2015. Commissioners requested clarifications and provided direction regarding tourism effects of visa waiver restrictions, passenger facility charge increases, use of enhanced identification cards for aircraft boarding, pursuit of a solution for Lander Street congestion, potential challenges for fishing fleet recapitalization from U.S. Global Resources, jurisdictional issues in which local decisions adversely affect regional and statewide objectives of the Puget Sound gateway, and building awareness around aircraft biofuels in the state Legislature, especially in the Eastern Washington delegation.

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

7b. Ground Transportation Briefing: Introduction of Transportation Network Companies.

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

Presenter(s): Mark Reis, Managing Director, Aviation Division.

Mr. Reis made a presentation that summarized efforts underway to address ground transportation needs at the Airport, including provisions for transportation network companies, and the schedule for the existing contract with Puget Sound Dispatch for on-demand transportation services and the eventual request for proposals for on-demand services to be issued in 2016. Mr. Reis updated the Commission on the status of discussions with transportation network companies (TNCs) on a draft term sheet. Issues related to per-trip fees, designation of a pick-up area, and environmental considerations for TNCs were noted.

Commissioners asked about the relative merits of using requirements versus incentives to reduce deadheading, in which carriers leave or arrive at the Airport without a fare, which runs counter to the Port's environmental goals. Commissioners acknowledged the complexity of devising an equitable and accessible model for on-demand transportation services. The importance of deliberating the Airport's model and balancing business goals with public agency considerations before issuing the next request for proposals was discussed. Commissioners encouraged allowing businesses in the ground transportation market to make creative proposals to balance the competing interests of different transportation modes. Direction was provided to keep the term of the next ground transportation contract short in order to leverage the experience of working with an emerging transportation services sector. It was noted that environmental considerations go beyond

the issue of deadheading and that it is important to incentivize use of transit to and from the Airport. Staff was asked to return with a briefing at the first Commission meeting of 2016 on this subject.

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

Commissioner Gregoire was absent after 4:42 p.m.

7c. 2015 Third Quarter Capital Improvement Projects Report.

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

Presenter(s): Ralph Graves, Senior Director, Capital Development.

Mr. Graves presented the status of portwide capital improvement projects with a focus on department successes and variances to schedule or budget. Commissioners asked about making Terminal 91 developable following environmental remediation and asked for contracting methods on projects to be indicated in the report. The potential to present the capital project information in groupings indicative of the Port's areas of investment was discussed.

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 4:50 p.m.

Stephanie Bowman
Secretary

Minutes approved: February 23, 2016.