

MOTION 2018-03
OF THE PORT OF SEATTLE COMMISSION TO EXTEND
THE AIRLINE SIGNATORY LEASE AND OPERATING AGREEMENT AND
CONTINGENT DIRECTION TO IMPLEMENT RESOLUTION 3677
(SUBSTITUTE FOR MOTION OF OCTOBER 10, 2017)

PROPOSED
FEBRUARY 13, 2018

TEXT OF THE MOTION

The Port of Seattle Commission hereby amends its motion previously adopted October 10, 2017, relating to extension of the airline Signatory Lease and Operating Agreement 2013-2017, by substituting for the entirety of the previously adopted motion the following text:

The Port of Seattle Commission directs the Aviation Managing Director to (1) continue the Signatory Lease and Operating Agreement 2013-2017 at Seattle-Tacoma International Airport on month-to-month holdover status until May 31, 2018, and (2) immediately implement Resolution No. 3677, as amended, in the event a new Signatory Lease and Operating Agreement (SLOA IV) has not commenced by June 1, 2018. A memorandum of understanding between the Port and air carriers that is consistent with the Motion on Sustainable Aviation Fuels (SAF) adopted by the Commission on December 19, 2017, to advance the use of SAF and other technologies and methods to reduce harmful air emissions at the airport must be executed concurrently with any new Signatory Lease and Operating Agreement.

STATEMENT IN SUPPORT OF THE MOTION

Port staff has been negotiating with airlines since early 2017 over a successor lease to the signatory lease and operating agreement (SLOA III) that expired on December 31, 2017. This lease agreement is currently in month-to-month holdover status. The Commission motion of October 10, 2017, set a deadline of March 31, 2018, for the commission to approve a new lease agreement that would commence by April 1, 2018. In spite of diligent negotiations, the Port and the airline negotiating committee did not reach agreement in time to meet this deadline. Acceptance by the airline negotiating committee of the Port's recent best and final offer on February 9, 2018, provides confidence that a sufficient number of airlines will approve the new lease agreement for it to commence on June 1, 2018. This motion is necessary to provide the additional time for the commission to approve SLOA IV (scheduled for February 27, 2018) and for a sufficient number of airlines to execute the lease (deadline is April 25, 2018) for it to commence on June 1, 2018.

The approval threshold for SLOA IV includes two conditions: (1) airlines representing 66⅔ percent of 2017 terminal rents and landing fees must sign SLOA IV by April 25, 2018, and (2) airlines representing at least 40 percent of 2017 terminal rents and landing fees must sign a

memorandum of understanding (MOU) by April 25, 2018. If both conditions are met, SLOA IV will become effective June 1, 2018, and will be implemented retroactive to January 1, 2018.

The MOU documents the terms and understanding between the Port of Seattle and the airlines to work together to develop a strategic plan to reduce carbon emissions and air pollutants, and the community and environmental impacts from existing and forecasted aviation growth at Sea-Tac Airport. The plan will identify the opportunities, challenges, supporting policies, and financial incentives needed to meet identified goals. The plan will also analyze and recommend additional mechanisms that could contribute to carbon and air emission reductions and the environmental impacts from forecasted aviation growth at Sea-Tac Airport, including technology, operations, infrastructure, and future aircraft technology. This MOU is intended to further the goals identified in the Commission motion of December 19, 2017, relating to the development of a sustainable aviation fuels strategy.