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## **APPROVED MINUTES COMMISSION SPECIAL MEETING FEBRUARY 27, 2018**

The Port of Seattle Commission met in a special meeting Tuesday, February 27, 2018, in Commission Chambers at Port of Seattle offices, 2711 Alaskan Way, Seattle, Washington. Commissioners Bowman, Calkins, Felleman, Gregoire, and Steinbrueck were present. Commissioner Bowman was present until 3:36 p.m.

### **1. CALL TO ORDER**

The meeting was called to order at 12:12 p.m. by Commission President Courtney Gregoire, who led the flag salute.

### **2. EXECUTIVE SESSION pursuant to RCW 42.30.110 – None.**

### **3. APPROVAL OF THE AGENDA**

Without objection, the preliminary agenda was revised to remove agenda item 6c from the Unanimous Consent Calendar for separate discussion and vote.

### **4. EXECUTIVE DIRECTOR'S REPORT**

Executive Director Steve Metruck previewed items on the day's agenda and made announcements.

### **5. PUBLIC COMMENT**

Public comment was received from the following individual(s):

- Mike Sotelo, regarding airport concessions.
- David Fukuhara, Concourse Concessions, regarding airport concessions.
- Daniel Nguyen and Katherine Lam, CEO and President, Bambuza Hospitality Group, regarding airport concessions.
- Pat Murray, Executive Vice President Business Development, contract food services provider SSP America, regarding airport concessions.
- Nate Miles, contract food services providers Hyflyers and SSP America, regarding airport concessions.
- Sheila Brush, Founder, Quiet Skies Puget Sound, regarding airport communities. Ms. Brush submitted written materials, which are included here as minutes [Exhibit A](#).
- Debi Wagner, Burien citizen, regarding airport communities.
- Ralph Ibarra, President, Diverse America Network, regarding inclusion and diversity.

- Megan Oullette, Alaska Airlines, regarding the airline signatory lease and operating agreement.
- Rich Austin, President, International Longshore Workers Union Local 19, regarding opportunities connected to the port's cruise line of business.
- Jerry Effenberger, citizen, Lake Forest Park, regarding liveaboards at Salmon Bay Marina.
- Susie Schulmeyer, Lake Union Liveboard Association, Salmon Bay, regarding liveaboards at Salmon Bay Marina.
- Al Hughes, Seattle resident, regarding liveaboards at Salmon Bay Marina.
- Kristen Sierra, Seattle resident, regarding liveaboards at Salmon Bay Marina.

**6. UNANIMOUS CONSENT CALENDAR**

*[Clerk's Note: Items on the Unanimous Consent Calendar are not individually discussed. Commissioners may remove items for separate discussion and vote when approving the agenda.]*

**6a. Approval of the minutes of the regular meeting of October 10, 2017.**

- 6b. Approval of the [Claims and Obligations](#) for the period January 1, 2018, through January 31, 2018, including accounts payable check nos. 921673-922215 in the amount of \$6,863,005.83; accounts payable ACH nos. 005119-005833 in the amount of \$54,295,371.62; accounts payable wire transfer nos. 014808-014831 in the amount of \$12,833,766.23, payroll check nos. 188585-188791 in the amount of \$242,426.49; and payroll ACH nos. 840383-844345 in the amount of \$9,618,465.67 for a fund total of \$83,853,035.84.**

Request document(s) included an agenda memorandum.

*As noted above, agenda item 6c was temporarily postponed.*

- 6d. Authorization for the Executive Director to execute: (1) up to four indefinite delivery, indefinite quantity consulting agreements for services related to special testing, inspection, and investigation, with a cumulative total amount not to exceed \$2 million; and (2) up to two indefinite delivery, indefinite quantity consulting agreements for survey and mapping services with a cumulative total amount not to exceed \$1 million, in support of various Port projects. No funding is associated with this request.**

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

- 6e. Authorization for the Executive Director to increase the Alaskan Way Street Improvement project funding by \$375,000, for a total estimated project cost of \$1,657,000 (CIP #C800759).**

Request document(s) included an abbreviated agenda [memorandum](#).

- 6f. Authorization for the Executive Director to (1) prepare design and construction bid documents for the replacement of the passenger loading bridge (PLB) at Seattle-Tacoma International Airport Gates C11, C15, and S6 and the PLB and fixed walkway at**

Gates C9, C18, D11, and D4; (2) purchase seven new PLBs and four fixed walkways; and (3) use Port crews and small works contracts. The amount of this request is \$7,700,000 for a total estimated project cost of \$10,000,000 (CIP #C800793).

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

- 6g. Authorization for the Executive Director to cancel the authorization for Single Food Unit 1 and Small Food Package 7 as part of the Airport Dining and Retail Lease Group 3 and to amend the authorization to conduct competitive solicitations and execute lease and concession agreements for the Airport Dining and Retail Lease Group 4 by adding an RFP Food - 8 (F-8) and a CEP Food - 9 (F-9).

Request document(s) included an agenda [memorandum](#), [memorandum](#) from CEO Ted Fick dated November 11, 2015, and [presentation slides](#).

- 6h. Adoption of Resolution No. 3745: A resolution of the Port Commission of the Port of Seattle adopting the 2015 editions of the International Code Council, Building, Mechanical, Fire Codes and Fuel Gas Code, the 2015 Edition of the Uniform Plumbing Code, and 2015 Washington State Energy Code and the editorial changes made to the State Building Code by the Washington State Legislature; repealing certain sections of the Airport Building Code; adopting new sections of the Airport Building Code and repealing Resolution 3527, as amended.

Request document(s) included an agenda [memorandum](#), draft resolution, [building permit fee schedule](#), [grading permit fee schedule](#), and [presentation slides](#). Introduction of the resolution was approved on February 13, 2018. A copy of the final, adopted version of [Resolution No. 3745](#) is attached for ease of reference.

The motion for approval of consent items 6a, 6b, 6d, 6e, 6f, 6g, and 6h carried by the following vote:

In favor: Bowman, Calkins, Felleman, Gregoire, Steinbrueck (5)

## 7. SPECIAL ORDERS OF BUSINESS

- 7a. Authorization for the Managing Director, Aviation Division to (1) execute a 2018-2022 Signatory Lease and Operating Agreement between the Port and signatory airlines for the use of facilities at the Airport and (2) to approve the memorandum of understanding between the Port and airline(s) 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 Seattle-Tacoma International Airport.

Request document(s) included an agenda [memorandum](#) and [revised draft agreement](#).

Presenter(s): Lance Lyttle, Managing Director, Aviation Division, and Borgan Anderson, Director, Aviation Finance and Budget.

The key terms of the signatory lease and operating agreement were summarized and revisions to the draft agreement made as recently as February 23 were noted. Commissioners commented on the draft lease and asked for clarifications. The lease terms would apply retroactively to January 1, 2018, and would expire December 31, 2022.

**The motion for approval of agenda item 7a carried by the following vote:**

**In favor: Bowman, Calkins, Felleman, Gregoire, Steinbrueck (5)**

**7b. Cruise Overview.**

Presentation document(s) included an agenda [memorandum](#) and [presentation slides](#). Video shown during the presentation is available upon request.

Presenter(s): Stephanie Jones Stebbins, Managing Director Maritime Division; Michael McLaughlin, Director Cruise Operations; and Tom Norwalk, President and CEO, Visit Seattle.

Commissioners received a presentation on the status of the cruise business generally and in Seattle, which accommodated record numbers of passengers in 2017 while retaining emphasis on community benefits and reduced environmental impacts. The port's environmental strategy with the cruise industry was summarized.

Commissioners asked about usage of the port's baggage valet program for cruise passengers returning to port. This program provides an opportunity for cruise visitors to explore Seattle or nearby communities baggage-free at the end of a cruise and before flying out of the area through Seattle-Tacoma International Airport.

The increasing size of cruise ships and numbers of associated crew and shore workers were discussed. Commissioners asked about the unique role of the Alaska cruising experience as it contributes to the local cruise industry and Seattle's competitive advantage over the Port of Vancouver, British Columbia. Commissioners asked about opportunities for off-season cruises. Cruise passenger volumes through the airport were discussed, including implications for peak volumes for ground transportation services.

Commissioners commented on better communicating the impacts of the cruise industry for local businesses, environmental excellence in Seattle's cruise business, and opportunities for expansion into smaller exploration cruising and eco-tourism. Commissioners discussed the opportunity to further develop Seattle's cruise business as an integrated component of the local community. They noted the need to balance demand with appropriate cruise tariffs and lease terms.

*The Commission advanced to consideration of –*

**ITEMS REMOVED FROM CONSENT**

**6c. Approval of the Port's 2018 local and regional government relations priorities and for staff to engage with local and regional officials in support of these priorities.**

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

Presenter(s): Pearse Edwards, Government Relations Director.

*Previously, the commission received a presentation on this subject on February 13, 2018, under agenda item 9a.*

**AMENDMENT**

Commissioner Steinbrueck offered an amendment to the priority related to workforce development and priority hire to emphasize intergovernmental collaboration.

**The motion for approval of Amendment 1 carried by the following vote:**

**In favor: Bowman, Calkins, Felleman, Gregoire, Steinbrueck (5)**

This government relations priority now reads as follows:

**Workforce Development and Priority Hire: support proposals to enhance local and regional investments in workforce development and career connected learning through direct program coordination with other public agencies and school boards, while collaborating with industry partners and private sector outreach. Work with other jurisdictions to implement regional priority hire policies through a Memorandum of Understanding between the Regional Public Owner participants and an Interlocal Agreement between the Port, the City of Seattle and King County. As a public agency that is focused on creating jobs by advancing trade and commerce, promoting industrial growth, and stimulating economic development we are committed to working with our partners on all levels of government in this shared priority.**

**AMENDMENT**

Commissioner Steinbrueck offered an amendment to the priority related to climate, energy, and sustainability to emphasize intergovernmental and citizen collaboration. Without objection, the proposed addition was moved to the top of the text of the priority.

**The motion for approval of Amendment 2, as amended, carried by the following vote:**

**In favor: Bowman, Calkins, Felleman, Gregoire, Steinbrueck (5)**

This government relations priority now reads as follows:

**Climate, Energy and Sustainability: As regional growth increases environmental pressures we are committed to working with citizens, local governments and organizations to minimize the environmental impacts associated with port operations. Support proposals that reduce the Port's carbon emissions and promote energy-efficient operation of transportation infrastructure and policies that promote renewable energy generation, and collaborate with other jurisdictions on climate resiliency, including Seattle City Light, the King County Climate Change Collaboration (K4C) and the Puget Sound Regional Council (PSRC).**

**AMENDMENT**

Commissioner Steinbrueck offered an amendment to create a new maritime/Seattle priority, which would read as follows:

**Cruise Industry: Support efforts that recognize the value the cruise industry brings to our economy including how the industry promotes tourism, a diverse and skilled workforce and how the industry continued to thrive during the recent economic downturn.**

**The motion for approval of Amendment 3 carried by the following vote:**

**In favor: Bowman, Calkins, Felleman, Gregoire, Steinbrueck (5)**

The question recurred on approval of the agenda item, as amended.

**The motion for approval of agenda item 6c, as amended, carried by the following vote:**

**In favor: Bowman, Calkins, Felleman, Gregoire, Steinbrueck (5)**

**8. AUTHORIZATIONS AND FINAL ACTIONS**

**8a. Authorization for the Executive Director to execute an amendment to the existing Sustainable Airport Master Plan (SAMP) service agreement with Leigh Fisher for an increase of \$800,000 for a new contract amount of \$10,450,000 to finalize planning documentation and provide planning support to environmental review of the SAMP near-term projects.**

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

Presenter(s): Jeffrey Brown, Director of Aviation Facilities and Capital Programs; Arlyn Purcell, Director, Aviation Environmental; Julie Collins, Director, Public Affairs; Traci Goodwin, Senior Port Counsel; Lance Lyttle, Managing Director, Aviation Division; and Elizabeth Leavitt, Senior Director, Environment and Sustainability Center of Expertise.

The service agreement amendment request was summarized. Commissioners commented on various aspects of the request and the sustainable airport master planning (SAMP) process and engaged with staff presenters on several factors relevant to the contract. Commissioners asked about the demand model and stressed that pressure for airport growth was being driven by local rather than hub demand. They commented on the possibility that forecasted demand might not be able to be accommodated at the airport's existing, constrained location.

Commissioners noted the absence of a ground run-up enclosure (GRE or "hush house") on the list of enabling projects through 2025 and commented on the difference between airline business demand for such a facility versus the community's demand for it. Environmental review was discussed. Commissioners commented on accommodation of sustainable aviation fuels and the need to plan for extended public comment on environmental review. They discussed the need for further extensive community outreach and the need for clarity for the public about what aspect of

the SAMP the outreach is for. Commissioners opined on the level of environmental review appropriate to the magnitude of the planning effort.

Significant cost growth of the planning service agreement since 2013 was discussed.

**The motion for approval of agenda item 8a carried by the following vote:**

**In favor: Bowman, Calkins, Felleman, Gregoire, Steinbrueck (5)**

*Commissioner Bowman was present until 3:36 p.m.*

**8b. Authorization for the Executive Director to: (1) execute an amendment to the lease with PACCAR to remove land from their pad needed to meet Port Fire Department requirements, and (2) authorize the design and construction of an interim fire station next to the PACCAR hangar on the west side of Seattle-Tacoma International Airport. The total estimated project cost is \$5,500,000 (CIP #C800876).**

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

Presenter(s): Wayne Grotheer, Director, Aviation Project Management Group; Randy Krause, Fire Department Chief; David Jewett, Fire Battalion Chief; and Lance Lyttle, Managing Director, Aviation Division.

Staff described the need for the lease amendment and for an interim facility. Commissioners opined on the high cost of the project based on square footage.

**The motion for approval of agenda item 8b carried by the following vote:**

**In favor: Calkins, Felleman, Gregoire, Steinbrueck (4)**

**Absent for the vote: Bowman**

**8c. Authorization for the Executive Director to execute a maintenance contract for elevator and escalator services at Seattle-Tacoma International Airport and Maritime locations for up to five years with a competitively bid Port contract. The total cost for five years is estimated to be \$23 million.**

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

Presenter(s): Stuart Mathews, Director, Aviation Maintenance; Skip Himes, Director, Maritime Maintenance; and Rob Lane, Manager, Aviation Maintenance Logistics.

Commissioners asked about considerations for priority hiring for this contract. They asked about out-of-service times for elevators and escalators and the inspection process, particularly the supply of Labor and Industries inspectors. Commissioners asked whether the airport could request inspection jurisdiction such as other municipalities enjoy, like the City of Seattle.

The motion for approval of agenda item 8c carried by the following vote:

In favor: Calkins, Felleman, Gregoire, Steinbrueck (4)

Absent for the vote: Bowman

9. PRESENTATIONS, REPORTS, and STAFF BRIEFINGS – None.

10. QUESTIONS on REFERRAL to COMMITTEE – None.

11. ADJOURNMENT

There was no further business, and the meeting adjourned at 4:08 p.m.

Prepared:

Paul J. White, Commission Clerk

Minutes approved: July 10, 2018.

Attest:

Ryan Calkins, Commission Secretary