



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

## **APPROVED MINUTES COMMISSION REGULAR MEETING MARCH 27, 2018**

The Port of Seattle Commission met in a regular meeting Tuesday, March 27, 2018, in the International Auditorium at Seattle-Tacoma International Airport, Seattle, Washington. Commissioners Bowman, Calkins, Felleman, Gregoire, and Steinbrueck were present.

### **1. CALL to ORDER**

Pursuant to Article IV, Section 8, of the Commission Bylaws, the meeting convened at 11:10 a.m. to conduct an executive session.

### **2. EXECUTIVE SESSION pursuant to RCW 42.30.110**

The notice posted during the executive session included one matter related to legal risk and one matter related to legal risk and performance of a publicly bid contract. The time for reconvening was posted as 12:00 noon, in accordance with commission bylaws and the public meeting notice previously published. Following the executive session, which lasted approximately 75 minutes, the public meeting reconvened at 12:28 p.m. Commissioner Gregoire led the flag salute.

### **3. APPROVAL of the AGENDA**

Without objection, the preliminary agenda was revised to remove item 6g from the Unanimous Consent Calendar for separate discussion and vote and to lay on the table items 6d and 8c.

### **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):

- Steve Edmiston, Des Moines, regarding impacts on airport communities. Mr. Edmiston submitted written materials, which are attached as minutes [Exhibit A](#).
- Debi Wagner, Burien, regarding impacts on airport communities. Ms. Wagner submitted written materials, which are attached as minutes [Exhibit B](#).
- Alli Larkin, Des Moines, regarding impacts on airport communities. Ms. Larkin submitted written materials, which are attached as minutes [Exhibit C](#).
- Kathleen G. Tansey, Kent, regarding signage at Pier 91. Ms. Tansey submitted written materials, which are attached as minutes [Exhibit D](#).

- Ralph B. Ibarra, President of Diverse America Network and representing Sundancer Electric, regarding payment of subcontractors and suppliers working on the airport's International Arrivals Facility. Mr. Ibarra submitted written materials, which are attached as minutes [Exhibit E](#).

**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.]*

*Agenda item 6a was removed from the agenda prior to publication.*

- 6b. Authorization for the Executive Director to execute a new collective bargaining agreement between the Port of Seattle and the International Brotherhood of Electrical Workers, Local 46, representing 72 electricians assigned to the Port of Seattle Aviation Maintenance and Maritime Maintenance divisions, covering the period from June 1, 2017, through May 31, 2019.**

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

- 6c. Authorization for the Executive Director to execute a new collective bargaining agreement between the Port of Seattle and the International Brotherhood of Electrical Workers, Local 46, representing seven utility workers assigned to the Port of Seattle Aviation Maintenance and Maritime Maintenance divisions, covering the period from June 1, 2017, through May 31, 2020.**

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

*As noted above, agenda item 6d was laid on the table.*

- 6e. Authorization for the Executive Director to execute up to five professional services indefinite delivery, indefinite quantity contracts for mechanical and electrical design services for a total maximum value of \$10,000,000. There is no funding request associated with this authorization.**

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

- 6f. Authorization for the Executive Director to add scope and increase the Concourse B Ramp Level Holdroom project budget by \$436,000 in order to complete and upgrade the Concourse B ramp level holdroom at Seattle-Tacoma International Airport. The new authorized total project cost will be \$5,994,000 (CIP #C800761).**

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

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

The motion for approval of consent items 6b, 6c, 6e, and 6f carried by the following vote:

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

**7. SPECIAL ORDERS of BUSINESS**

**7a. City of Seattle Waterfront Seattle Local Improvement District Proposal.**

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

Presenter(s): Geraldine Poor, Regional Transportation Manager; Marshall Foster, City of Seattle Office of the Waterfront and Civic Arena; and Joshua Curtis, City of Seattle Office of the Waterfront and Civic Arena.

In anticipation of completion of the opening of the SR-99 tunnel and subsequent removal of the Alaskan Way Viaduct and related waterfront improvements, the commission received a presentation on next steps and redevelopment funding. A local improvement district is estimated to contribute \$200 million to waterfront redevelopment. The area identified as deriving special benefit from waterfront development and potentially subject to assessment under the local improvement district runs south of Wall Street and Denny Way, from Interstate 5 west to the waterfront as far south as Jackson Street and Yesler Way, and includes Pioneer Square and the Stadium District at its southern end. The area would include some Port of Seattle facilities, such as the Bell Harbor Conference Center, World Trade Center, and related garages.

Commissioners asked about overall port investment in transportation-related projects and in the SR-99 project in particular. Commissioners commented on the port's separate investment in stormwater facilities through its marine stormwater utility. They asked about the effect on the local improvement district should philanthropic funding sources prove higher than estimated. Commissioners opined on the port's representation when it comes to decisions affecting the waterfront.

Commissioners inquired about the management structures involved in the public/private partnerships for waterfront redevelopment and questioned the boundaries of the area considered to derive "special benefit" from redevelopment that therefore would be included in the local improvement district. They asked whether representation on the oversight committee would be proportional to the size of assessment in the district. It was confirmed that public entities would be included in the local improvement district assessment as provided by state law. The process for establishing the local improvement district was summarized, including assessment protest opportunities and appeals. It was confirmed that the First Avenue Street Car cannot legally benefit from the assessment.

**7b. Authorization for the Executive Director to enter into a memorandum of agreement with King County to become an official member of the King County-Cities Climate Collaboration.**

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

Presenter(s): Elizabeth Leavitt, Senior Director, Environment and Sustainability; Lindsay Wolpa, Regional Government Relations Manager; Rachel Brombaugh, Energy Policy and Partnerships Specialist, King County.

The objectives and composition of the coalition, which includes King County and 13 cities, were summarized. The port and the coalition share similar carbon emission reduction goals. Commissioners asked how measurement and progress on carbon emission reduction would be performed. The structure of the coalition was discussed. Commissioners expressed interest in focusing on local carbon reduction efforts and commented on the opportunity to share the work of the port's Energy and Sustainability Committee with coalition participants. Commissioners commented on the low percentage of transit use among airport users and the hope that Sound Transit would also act to join the coalition.

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

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

*The Commission advanced to consideration of –*

**ITEMS REMOVED from CONSENT**

**6g. Authorization for the Executive Director to establish an Energy Services Company registry, a list of pre-approved energy services contractors the port can use for future energy services performance contracting.**

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

Presenter(s): Terrance Darby, Senior Environmental Management Specialist, and Nora Huey, Director, Central Procurement.

Commissioners asked for clarification of the purpose of the energy services company registry. It was reported that the registry will streamline energy efficiency projects. Energy audits and options for metering capabilities were described.

**The motion for approval of agenda item 6g 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 sign an EPA Administrative Settlement Agreement and Order on Consent requiring the Port of Seattle to perform a Preliminary Assessment and Site Investigation at Terminal 108. Funding for this work was included in the 2018-2022 annual Environmental Remediation Liability Program authorization.**

Request document(s) included an agenda [memorandum](#) and [administrative settlement agreement](#).

Presenter(s): Kathy Bahnick, Senior Manager, Remediation Programs, and Roy Kuroiwa, Senior Environmental Program Manager.

The Terminal 108 environmental remediation site and the scope of work under the administrative settlement agreement were described. Commissioners asked about the history of ownership and contamination of the site.

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

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

**Absent for the vote: Bowman**

**8b. Motion 2018-04: A motion of the Port of Seattle Commission adopting the charter of an Energy and Sustainability Special Committee, as attached.**

Request document(s) included a proposed motion and proposed charter. Copies of the final draft of [Motion 2018-04](#) and the adopted [committee charter](#) are attached.

Presenter(s): Aaron Pritchard, Commission Issues and Policy Manager and Elizabeth Leavitt, Senior Director, Environment and Sustainability.

It was explained that the Energy and Sustainability Committee constituted January 26, 2016, had fulfilled its scope of work with the December 19, 2017, proposal that included development of a sustainability evaluation framework and updating Century Agenda emission reduction goals. The scope of work for the new committee will include implementation and oversight of many of the previous committee's recommendations. These include development of the framework and review of related pilot projects, recommendation and implementation oversight of a sustainable aviation fuel strategy, development of a blue carbon strategy related to sequestration of carbon dioxide in coastal ecosystems, and a recommendation to update the port's environmental awards program.

Commissioners commented on the attainability of sustainable aviation fuels development and the importance of ground transportation emissions as a component of airport emissions.

The text of the motion reads as follows:

**The Port of Seattle Commission hereby adopts the attached charter of the 2018 Energy and Sustainability Special Committee to develop policy recommendations and provide oversight of the Century Agenda's environmental and sustainability goals including "be the greenest and most energy-efficient Port in North America" and "meet all increased energy needs through conservation and renewable sources"; implementation of the Commission's motion of October 24, 2017; and of the items described in the attached charter.**

**The motion for adoption of Motion 2018-04 (agenda item 8b) carried by the following vote:**

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

*As noted above, agenda item 8c was laid on the table.*

**9. PRESENTATIONS, REPORTS, and STAFF BRIEFINGS**

**9a. International Arrivals Facility Program Update (CIP #C800583).**

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

Presenter(s): Ralph Graves, Senior Director, Capital Development; David Brush, International Arrivals Facility Program Leader; and Loren Armstrong, Senior Port Counsel.

Commissioners received an update on the status of the airport's International Arrivals Facility (IAF), including budget overruns, schedule delays, and delay in negotiating the progressive-design-build project's guaranteed maximum price (GMP).

Commissioners expressed concerns over project growth and uncertainty and the content and frequency of updates. They requested clarification about project elements and contractual terms.

Commissioners noted that other progressive-design-build projects to which the IAF has been compared had obtained a GMP near 60-percent design, whereas the IAF is at 90 percent design without an agreed GMP. They commented on scope and budget increases being authorized during the past two years without commission awareness of the contractor's poor performance.

Staff described the contractor's GMP proposal at 60 percent design, representing more than \$100 million more than the project's late-2015 validated cost plus \$80 million of subsequent added scope. They reported the decision made in July 2017 to postpone GMP negotiation until the 90-percent-design point to obtain better GMP documentation and reconcile the additional cost.

Commissioners asked for justification for not being alerted sooner to the seriousness of contractor performance issues, including incomplete documentation to substantiate costs. Commissioners remarked on the need for direct involvement by the executive director, a deadline to supply adequate documentation, an audit of the IAF program, and a written response from the contractor.

**10. QUESTIONS on REFERRAL to COMMITTEE – None.**

**11. ADJOURNMENT**

There was no further business, and the meeting adjourned at 4:25 p.m.

Prepared:

Paul J. White, Commission Clerk

Minutes approved: July 24, 2018.

Attest:

Courtney Gregoire, Commission President