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APPROVED MINUTES COMMISSION REGULAR MEETING JUNE 23, 2020

The Port of Seattle Commission met in a regular meeting Tuesday, June 23, 2020. The meeting was held remotely in accordance with the Governor's 'Stay at Home' order and Proclamation 20-28. Commissioners Bowman, Calkins, Cho, Felleman, and Steinbrueck were present.

1. CALL to ORDER

Pursuant to Article IV, Section 8, of the Commission bylaws, the meeting convened at 11:00 a.m. to conduct an executive session.

2. EXECUTIVE SESSION pursuant to RCW 42.30.110

The public meeting was immediately recessed to an executive session to discuss two matters relating to litigation/potential litigation/legal risk (RCW 42.30.110(1)(i)) and the performance of a public employee (RCW 42.30.110(1)(g)), respectively, with the intention of reconvening the public session at 12:00 p.m. Following the executive session, which lasted approximately 65 minutes, the public meeting reconvened at 12:12 p.m. Commission President Steinbrueck led the flag salute.

3. APPROVAL of the AGENDA

Without objection, the preliminary agenda was revised to remove agenda items 6b, 6g, and 6h from the Unanimous Consent Calendar for separate consideration, as Special Orders, later in the meeting agenda.

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):

- Heather Worthley, Director of Port Jobs, spoke and submitted written comments regarding port jobs accomplishments in 2019, the Port Jobs 2019 Annual Report, healthcare enrollment, and efforts to sustain employment during the pandemic. Written materials are attached as minutes [Exhibit A](#).
- Dan Jaffe, Citizen, regarding cruise terminal environmental impacts, Terminal 46, shore power, and diesel in the Puget Sound.
- Heather Price, Citizen, regarding equity and climate impacts caused by cruise ships.
- Dylan Slinger, American Express, regarding expanding their lounge at the airport.
- Dave Kipnis, Citizen, regarding air quality and against cruise industry expansion.

- Ernest Thompson, Citizen, regarding the port's carbon footprint.
- In lieu of spoken comment, Sarah Shifley, Citizen, submitted written materials regarding emissions and pollution from airport operations, which are attached as minutes [Exhibit B](#).
- In lieu of spoken comment, Laura Gibbons, member of 350 Seattle's Aviation Team, submitted written materials regarding aviation impacts on climate change, which are attached as minutes [Exhibit C](#).

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 Special meeting of April 9, May 4 and May 13 and the Regular meeting of May 12, 2020**
- 6b. ¹Authorization for the Executive Director to: (1) execute a professional services contract for design; (2) pay an honorarium to shortlisted design firms who do not win the award to develop concept proposals; (3) utilize Port crews for preliminary work; (4) and complete the design for the Airport Shared Kitchen Food Trucks Project at Seattle-Tacoma International Airport for an estimated cost of \$1,150,000. The total estimated project cost to the Port is \$5,500,000.**

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

- 6c. Authorization for the Executive Director to execute one (1) consulting services Indefinite Delivery/Indefinite Quantity (IDIQ) contract to perform environmental audit and regulatory support for the Maritime Environment and Sustainability Department with a total value not to exceed \$3,000,000 and a contract ordering period of five (5) years. No funding is associated with this authorization request.**

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

- 6d. *[Clerk's Note: Removed from agenda prior to publication]***

- 6e. Authorization for the Executive Director to execute a power supply contract with the Bonneville Power Administration for a portion of the electrical power requirements to the Seattle-Tacoma International Airport.**

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

- 6f. [Motion 2020-18](#): A motion of the Port of Seattle Commission directing the Executive Director that competitive solicitation is not appropriate or cost-effective for youth opportunity services and exempting such contracts from the requirements of Chapter 53.19 RCW.**

Request document(s) included: none.

¹ Item 6b was removed from the Unanimous Consent Calendar and addressed separately.

- 6g. ²Authorization for the Executive Director to execute the first amendment to the lease with Mad Anthony's, Inc., substantially similar to the attached draft amendment and on the following terms, effective June 1, 2020: 1) remove Minimum Rent requirement for two years; 2) increase percentage rent from 6% to 6-1/2% for two years; 3) effective June 1, 2022, increase percentage rent permanently from 6% to 6-1/4% for the remainder of the lease term.

Request document(s) included an [agenda memorandum](#), [presentation slides](#), and a [draft lease amendment](#).

- 6h. ³Authorization for the Executive Director to execute the third amendment to the ground lease with Duke's Shilshole Bay Chowder House, LLC., substantially similar to the attached draft amendment and on the following terms, effective April 1, 2020: (1) reduce the square footage of the amended ground lease to 4500 square feet; (2) reduce the base monthly rent during the Construction Phase from \$4188/month to \$2,048/month and during the Post-Construction Phase from \$14,753/month to \$7,216/month; (3) to defer payment of the Construction Phase Rent from April 1, 2020 through March 31, 2023; and (4) Duke's to repay the Port for the deferred rent over ten years, beginning April 1, 2023 through March 31, 2033.

Request document(s) included an [agenda memorandum](#), [presentation slides](#), and a [draft lease amendment](#).

- 6i. Authorization for the Executive Director to execute an Airport Term Lease Agreement substantially as described in this memorandum with American Express Travel Related Services Company, Inc. of approximately 13,700 square feet and located in the Central Terminal at Seattle-Tacoma International Airport. The proposed lease term is for ten years with one five-year renewal option.

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

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

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

Opposed: Name (0)

7. SPECIAL ORDERS of BUSINESS

- 7a. Motion 2020-16: A Motion of the Port of Seattle Commission appointing a Commission Chief of Staff.

Request document(s) included: An adopted version of [Motion 2020-16](#) is attached.

Presenter(s): Eric Schinfeld, Interim Commission Chief of Staff

² Item 6g was removed from the Unanimous Consent Calendar and addressed separately.

³ Item 6h was removed from the Unanimous Consent Calendar and addressed separately.

Kimberley DesMarais, HR Director, Talent Management

The Commission Clerk read Item 7a into the record.

Mr. Eric Schinfeld, Interim Commission Chief of Staff, introduced Ms. Barb Wilson, candidate for Commission Chief of Staff. Mr. Schinfeld spoke regarding the robust process undertaken to interview Ms. Wilson.

Ms. Wilson thanked everyone for the welcome, spoke regarding challenging times and many opportunities in front of the Port, including equitable economic recovery in the region.

Members of the Commission welcomed Ms. Wilson and thanked staff for the extraordinary, well-planned process of recruiting to fill the Chief of Staff position.

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

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

Opposed: Name (0)

7b. Request (1) unanimous consent to adopt [Resolution 3776](#) at the same meeting as which it is first introduced; (2) introduction and adoption of Resolution 3776: A resolution of the Port of Seattle Commission establishing a Workforce Development Policy Directive to guide the increase in the number of skilled employees within the industries necessary for Port development.

Request document(s) included an [agenda memorandum](#), [presentation slides](#), a draft policy, draft resolution, and a [draft Commission motion](#).

Presenter(s): Aaron Pritchard, Commission Policy Manager
LeeAnne Schirato, Commission Specialist

The Commission Clerk read Item 7b into the record.

Mr. Aaron Pritchard, Commission Policy Manager, overviewed the sections of the Workforce Development Policy Directive, and spoke regarding policy development and conforming the policy to RCW 53.08.245. Introduction and adoption were requested.

Ms. LeeAnne Schirato, Commission Specialist, reported regarding:

- the work Commissioners Bowman and Calkins, which began under the 2019 Workforce Committee Development Charter, to bring this Port policy directive forward;
- policy development in concurrence with the workforce strategic plan and informed by feedback received from multiple outreach sessions of the team;
- presentation of the workforce development strategic plan for further discussion will occur during the July 14, 2020, meeting;
- the Port's objective to increase workforce development and initiatives that have been established to support that objective;
- expanding the definitions of port-related sectors to further support workforce development

- the policy's support of the Port's commitment to equity diversity and inclusion;
- leveraging the Port's impact and innovation;
- evaluating outcomes – the Executive Director, or a delegate, shall establish benchmarks and metrics to include in an annual report to the Commission;
- next steps in supporting all other workforce development programs of the Port, including:
 - Opportunity Motion;
 - South King County Fund;
 - Duwamish River Green Jobs Programs.

Commission discussion ensued regarding:

- the Port's long-standing effort to address workforce development issues;
- the program's growth, resulting in a more robust and targeted effort;
- focusing more on outcomes and community impacts;
- amazing careers available at the Port of Seattle;
- workforce development being economic development; and
- fulfilling the goal of shared prosperity.

Appreciation was given to Commissioners Bowman and Calkins, and to all staff who supported bringing the policy directive package forward for consideration to build career pathways.

A motion to waive the rules to allow adoption of Resolution 3776 at the time of the first reading carried by the following vote:

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

Opposed: Name (0)

A motion to introduce and adopt Resolution 3776 was made.

A motion to amend Resolution 3776, to add the word "partnership" on line 348 carried by the following vote:

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

Opposed: Name (0)

A motion to adopt Resolution 3776, as amended, carried by the following vote:

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

Opposed: Name (0)

ITEMS REMOVED FROM THE CONSENT AGENDA

- 6b. Authorization for the Executive Director to: (1) execute a professional services contract for design; (2) pay an honorarium to shortlisted design firms who do not win the award to develop concept proposals; (3) utilize Port crews for preliminary work; (4) and complete the design for the Airport Shared Kitchen Food Trucks Project at Seattle-**

Tacoma International Airport for an estimated cost of \$1,150,000. The total estimated project cost to the Port is \$5,500,000.

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

Presenter(s): Dawn Hunter, Senior Manager, Airport Dining and Retail
JJ Jordan, Capital Project Manager

The Commission Clerk read item 6b into the record.

Executive Director Metruck introduced the item.

Ms. Dawn Hunter, Senior Manager, Airport Dining and Retail and Mr. JJ Jordan, Capital Project Manager, provided a report regarding:

- shared kitchen food trucks;
- scope overview;
 - port-constructed and maintained kitchen
 - infrastructure can be utilized by rotating tenants
 - fun faux food truck exterior with digital signage
 - unique flavors and concepts
 - food truck concepts rising in popularity nationally
- rationale;
 - incorporates food and beverage into a kiosk program for small business
 - reduces tenant's cost of development compared to a traditional space
 - provide small business with short-term, flexible leasing to test their offerings
 - provides SEA customers with diverse local dining options
 - creates new stream for non-aeronautical revenue
- proposed locations for the food trucks in Concourse B and the Central Terminal;
- project risks and considerations; and
- project schedule and budget.

Commission discussion ensued regarding:

- the format for how the kitchen is shared – used by multiple tenants, but not at the same time;
- the “food truck” being a façade front;
- leasing opportunities in addition to short-term leasing, with 2026 being the next lease bid opportunities;
- whose responsibility it is to pay for the updating of branding when leases change;
- businesses’ ability to transition to longer-term leases;
- honorariums and their ability to encourage competition for store front design;
- whether or not utilities include availability of enough conditioned air;
- containing cost at the airport and not knowing when demand will resume;
- the proposed facility not being in place until 2023;
- design authorization requested at this time; and
- the honorarium not being restricted to micro businesses.

A motion to lay agenda Item 6b on the table carried by the following vote:

In favor: Bowman, , Cho, Felleman, Steinbrueck (4)

Opposed: Calkins (1)

6g. Authorization for the Executive Director to execute the first amendment to the lease with Mad Anthony's, Inc., substantially similar to the attached draft amendment and on the following terms, effective June 1, 2020: 1) remove Minimum Rent requirement for two years; 2) increase percentage rent from 6% to 6-1/2% for two years; 3) effective June 1, 2022, increase percentage rent permanently from 6% to 6-1/4% for the remainder of the lease term.

Request document(s) included an [agenda memorandum](#), [presentation slides](#), and a [draft lease amendment](#).

Presenter(s): Melinda Miller, Director, Real Estate Asset Management

The Commission Clerk read item 6g into the record.

Executive Director Metruck introduced the item.

Ms. Melinda Miller, Director, Real Estate Asset Management, provided a report regarding:

- the first amendment to the lease with Mad Anthony's at Pier 66;
- the Maritime/EDD Tenant Relief Program – proposed relief is consistent with what has been done across the Port;
- long-term lease (20+ years remaining) and restaurants seriously affected by COVID-19;
- businesses participating in the deferral program with hopes of a lease amendment;
- Anthony's at Pier 66 current lease agreement and proposed lease amendment; and
- risks and benefits associated with the proposed lease amendment.

A motion to approve agenda Item 6g carried by the following vote:

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

Opposed: Name (0)

6h. Authorization for the Executive Director to execute the third amendment to the ground lease with Duke's Shilshole Bay Chowder House, LLC., substantially similar to the attached draft amendment and on the following terms, effective April 1, 2020: (1) reduce the square footage of the amended ground lease to 4500 square feet; (2) reduce the base monthly rent during the Construction Phase from \$4188/month to \$2,048/month and during the Post-Construction Phase from \$14,753/month to \$7,216/month; (3) to defer payment of the Construction Phase Rent from April 1, 2020

through March 31, 2023; and (4) Duke's to repay the Port for the deferred rent over ten years, beginning April 1, 2023 through March 31, 2033.

Request document(s) included an [agenda memorandum](#), [presentation slides](#), and a [draft lease amendment](#).

Presenter(s): Melinda Miller, Director, Real Estate Asset Management

The Commission Clerk read item 6h into the record.

Executive Director Metruck introduced the item.

Ms. Melinda Miller, Director, Real Estate Asset Management, provided a report regarding:

- the third amendment to the ground lease with Duke's Chowderhouse, LLC;
- the Maritime/EDD Tenant Relief Program – proposed relief is consistent with what has been done across the Port;
- long-term lease (20+ years remaining) and restaurants seriously affected by COVID-19;
- businesses participating in the deferral program with hopes of a lease amendment;
- Duke's current lease agreement and proposed lease amendment;
- Changes to the business model and proposed development concept;
- Duke's has requested three years+ for redesign, permitting, and construction plus some buffer for uncertainties due to COVID-19;
- Revised terms for the ground lease; and
- risks and benefits associated with the proposed lease amendment.

Commission discussion ensued regarding:

- this being the third amendment in under two years' time for Duke's;
- continuing deferrals;
- the need to have a plan for the rest of the square footage; and
- COVID impacts on the industry.

A motion to approve agenda Item 6h carried by the following vote:

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

Opposed: Name (0)

8. AUTHORIZATIONS and FINAL ACTIONS

8a. Motion 2020-17 a Motion of the Port of Seattle Commission supporting the Executive Directors recommendation to adjust the Commission-approved 2020 Port budget and to authorize the execution of \$3,000,000 in new community benefit programs to spur regional economic recovery.

Request document(s) included a draft motion, an adopted version of [Motion 2020-17](#) is attached.

Presenter(s): Steve Metruck, Executive Director and Aaron Pritchard, Commission Policy Manager

Executive Director Metruck advised that the motion formalizes the action and provides transparency on both the adjustments and the investments the Port is making in response to the pandemic.

Members of the Commission discussed:

- partnering with agencies to help mitigate effects of COVID-19;
- supporting the focus on outdoor-related activities;
- creating jobs in the short-term and supporting youths;
- receiving a report back on the outcomes of the project; and
- tribal partnerships in the internship program for the first time.

Commission Policy Manager Aaron Pritchard advised that reporting is required by the Revised Code of Washington. He overviewed the reporting criteria.

A motion to approve agenda Item 8a carried by the following vote:

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

Opposed: Name (0)

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 3:43 p.m.

Prepared:

Attest:

Michelle M. Hart, Commission Clerk

Sam H. Cho, Commission Secretary

Minutes approved: September 8, 2020.