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APPROVED MINUTES COMMISSION REGULAR MEETING AUGUST 11, 2020

The Port of Seattle Commission met in a regular meeting Tuesday, August 11, 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 one matter relating to litigation/potential litigation/legal risk (RCW 42.30.110(1)(i)) with the intention of reconvening the public session at 12:00 p.m. Following the executive session, which lasted approximately 60 minutes, the public meeting reconvened at 12:03 p.m. Commission President Steinbrueck led the flag salute.

3. APPROVAL of the AGENDA

Commission President Steinbrueck called for any changes to the agenda, noting a request to remove Item 6e from the agenda, to be brought back for consideration in September.

A motion was made to remove Item 6e from the agenda, to be brought back for consideration at the September 8, 2020, Commission meeting, and carried by the following vote.

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

Opposed: (0)

Without objection, the preliminary agenda was approved as amended.

4. EXECUTIVE DIRECTOR'S REPORT

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

At this time, Commissioner Policy Manager, Aaron Pritchard, overviewed upcoming committee meetings.

5. PUBLIC COMMENT

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

- Bernedine Lund, Member of the 350 Seattle Aviation Team, spoke and submitted written comments regarding Item 6e, airport noise monitoring data, missing data, data anomalies, and supersonic flights. Written materials are attached as minutes [Exhibit A](#).
- Ann Kroeker, Quiet Skies Puget Sound, spoke regarding Item 6e and setting up a noise monitoring system under the full flight pattern with constantly monitored data.
- JC Harris, Des Moines City Councilmember, spoke regarding Item 6e, stating he feels the noise monitors are inaccurate and suggested receiving the recording files from the vendor for audit purposes.
- David Goebel, Vashon Island Fair Skies, spoke and submitted written comments regarding Item 6e, requested a procedural change in how data from noise monitors is collected, and stated that more time was needed to review and compare the contract. Written materials are attached as minutes [Exhibit B](#).
- Sarah Shifley, Member of the 350 Seattle Aviation Team, spoke and submitted written comments regarding the second quarter financial performance report, as it relates to airport climate change and greenhouse gas emissions. Written materials are attached as minutes [Exhibit C](#).
- Jordan VanVoast, Citizen, spoke and submitted written comments regarding a regional climate emergency and asked the port for their rapid response to it. Written materials are attached as minutes [Exhibit D](#).
- Iris Antman, Citizen, thanked the Commission for withdrawing the cruise terminal request for proposals and encouraged full termination of the proposal.
- In lieu of spoken comment, Laura Gibbons, Member of the Aviation Team of 350 Seattle, submitted written materials regarding wanting a reduction in aviation, not subsidies to the airline industry, 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.]

6a. Approval of the minutes of the regular meetings of July 14 and 28, 2020

6b. Approval of [claims and obligations](#) for the period of for the period July 1, 2020, through July 31, 2020, including accounts payable check nos. 936031-936337 in the amount of \$3,890,628.91; accounts payable ACH nos. 027739-028497 in the amount of \$71,203,175.13; accounts payable wire transfer nos. 015403-15435 in the amount of \$13,573,347.21, payroll check nos. 196841-197000 in the amount of \$54,585.39; and payroll ACH nos. 977381-981769 in the amount of \$11,718,579.85 for a fund total of \$100,440,316.49.

Request document(s) included an agenda memorandum.

6c. Authorization for the Executive Director to (1) complete design, (2) advertise and execute a major public works construction contract, and (3) utilize Port crews for preconstruction

activities for the Concourse C Temporary Air Handling Units project at Seattle-Tacoma International Airport. This authorization is for \$1,950,000, for a total estimated project cost of \$2,000,000. (CIP#801149)

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

- 6d. **Authorization for the Executive Director to direct staff to develop, advertise, and execute a Public Works Building Engineering Systems Contract for the Central Waterfront Elevator Modernizations (Lenora and Bell Street Elevators). The scope is to modernize the elevators' operation, control systems, stair treads at Lenora, and refurbish the Lenora street structural tower, for an estimated total project cost of \$1,808,000. The amount requested under this authorization is \$1,658,000 (the remaining \$150,000 was previously authorized by the Economic Development Division division). (CIP # C801016)**

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

- 6e. ~~**1Authorization for the Executive Director to execute a contract with L3 Harris for the Aviation Flight Tracking, Permanent and Portable Noise Monitoring and Complaint Management System in an amount not to exceed \$1,600,000 for a term of up to five years. This reduces cost for an increased length of the contract.**~~

~~Request document(s) included an abbreviated agenda memorandum.~~

- 6f. **Authorization for the Executive Director to execute an Early Termination Agreement (form of which is approved by the Port's legal team) to terminate the 2018-2022 Signatory Lease and Operating Agreement between the Port of Seattle and Xiamen Airlines in advance of its scheduled expiration of December 31, 2022.**

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

- 6g. **Authorization for the Executive Director to execute an Interlocal Agreement with the City of Burien specifying the Port will contribute \$800,000 toward the City's project to divert Miller Creek and municipal stormwater from a culvert underneath a private storage facility, abandon a failing stream culvert under Des Moines Memorial Boulevard, and construct fish-passable culverts along 450 linear feet of newly restored stream habitat on Port property.**

Request document(s) included an [agenda memorandum](#), [presentation slides](#), a [project concept](#) document, and a [draft agreement](#).

- 6h. **Authorization for the Executive Director to increase the authorized spending for the Restroom Upgrades Concourses B, C, and D project at Seattle-Tacoma International Airport by \$350,000, of which \$232,000 are COVID-19 related. (CIP #C800697)**

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

¹ This item was pulled from the agenda and postponed to a time certain of September 8, 2020.

- 6i. **Authorization for the Executive Director to execute a settlement agreement with Great American Insurance Company.**

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

- 6j. **Authorization for Executive Director to sign an Interlocal Agreement (ILA) with University of Washington's Sea Grant program, substantially in the form attached, with minor changes to be approved by legal counsel. The ILA will allow the Port to host two (2) 12-month Hershman Fellowship positions.**

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

- 6k. **Authorization for the Executive Director to execute a joint partnership agreement with Maritime Blue, a non-profit agency, to advance economic recovery by offering a maritime accelerator initiative, hosting maritime blue forums and developing a prioritized strategic plan and budget for 2021-2022. The contract would be for two years at the rate of \$150,000 annually. Staff is also requesting that the commission determine a competitive process is not appropriate or cost effective and exempt this contract from a competitive process consistent with RCW 53.19.020(5).**

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

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

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

Opposed: (0)

7. **SPECIAL ORDERS of BUSINESS** – None.
8. **AUTHORIZATIONS and FINAL ACTIONS** – None
9. **PRESENTATIONS, REPORTS, and STAFF BRIEFINGS**

9a. Recreational Boating Briefing

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

Presenter(s): Kenneth Lyles, Director, Maritime Operations and Security
Jo Woods, Senior Manager, Recreational Boating
Stephanie Jones Stebbins, Managing Director, Maritime

Mr. Lyles and Ms. Woods provided a report regarding:

- priorities for advancing public values and interests;
- recreational boating principles;

- response to COVID-19 and emergency preparedness;
- Port of Seattle marinas – Shilshole Bay; Bell Harbor; Harbor Island; and Salmon Bay;
- business strategies for operating the marinas;
- customer and industry engagement;
- 2020 capital and small capital projects;
- capital development;
 - customer service buildings
 - parking lot improvements
- environmental sustainability;
- electric vehicle charging stations;
- equity and workforce development;
- 2019 recreational boating financial performance; and
- 2019 rate survey recommendations.

Commission discussion ensued regarding:

- vacancy levels at the marinas;
- the financial status of marina operations – expenses greater than revenues;
- the West Seattle Bridge closure and resulting financial impacts;
- rental of slips in Everett and benefits received by the tenants of the slips – Commissioner Felleman would like to see the port explore that as an option;
- an uptick in boating activity in spite of COVID-19;
- receiving historical data and expense drivers over revenues for the marinas; and
- analyzing capital reserves to ensure necessary maintenance and upkeep of the marinas is performed.

9b. Q2 2020 Financial Performance Briefing

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

Presenter(s): Dan Thomas, Chief Financial Officer;
Stephanie Jones Stebbins, Managing Director, Maritime;
Dave McFadden, Managing Director, Economic Development;
Borgan Anderson, Director, Aviation Finance and Budget;
Michael Tong, Corporate Finance and Budget; and
Kelly Zupan, Director, Sea Port Finance and Budget

Mr. Thomas, Mr. Anderson, Mr. Tong, Mr. Zupan, Ms. Jones Stebbins, and Mr. Dave McFadden, provided a report regarding:

- context for second quarter financial performance;
- Aviation Division;
 - financial summary and business highlights
 - Projected passenger change by month
 - Business events
 - Capital spending
- Non-aviation Divisions;

- summary of year-to-date performance
- Maritime Division;
 - Financial summary and business highlights
 - Events and achievements
 - Stormwater utility second quarter financials;
 - Northwest Seaport Alliance summary;
 - Joint venture second quarter financials
- Economic Development Division;
 - Financial summary and business highlights
 - Program achievements
- Central Services;
 - Financial summary and business highlights
 - Business events
- Portwide
 - Financial highlights
 - Net operating income performance
 - Capital spending
 - Community programs summary

Commission discussion ensued regarding:

- the status of the aeronautical revenue revised budget;
- year-end results and collections;
- year-end forecast for non-aeronautical year-end vs. year-to-date;
- being in a better place financially than expected;
- forecast following projections for ADRs;
- meeting challenges of the COVID-19 crisis due to fiscal prudence and curtailing expenses;
- forecasting for cruise, approved budget vs. revised budget;
- requests for deferments of lease payments and mortgages in maritime;
- project deferments and projects that are still moving forward in the maritime portfolio;
- pursuing maritime technology staff as potential near-term tenants;
- need for additional screening technologies at the cruise terminals;
- awaiting Center for Disease Control protocols for ports;
- any HVAC systems in need of COVID-19 upgrades;
- the status of cost-sharing and when Pier 86 will be returned to public use;
- unbundling of diversity in contracting;
- honing strategies for work in contracts, looking at diversity and equity;
- if cutting harbor police staffing by the City of Seattle will negatively impact the port's level of staffing;
- increases in outside legal costs;
- billing legal costs associated with the airport to the airport;
- program tracking of mutual aid police response;
- the costs of mutual aid and overtime costs for the port police;
- funding budgeted for tourism and current constraints on travel;
- making strategic investments in tourism promotion that will benefit us later;

- executing an agreement with the Washington Tourism Alliance which will leverage dollars contributed by the port;
- conserving expenses and the importance of federal assistance for aviation; and
- the port tracking well against the revised budget and expecting to come in lower than the cuts that have been implemented.

10. QUESTIONS on REFERRAL to COMMITTEE – None.

11. ADJOURNMENT

There was no further business, and the meeting adjourned at 3:18 p.m.

Prepared:

Attest:

Michelle M. Hart, Commission Clerk

Sam H. Cho, Commission Secretary

Minutes approved: September 8, 2020