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**APPROVED MINUTES
COMMISSION REGULAR MEETING MAY 25, 2021**

The Port of Seattle Commission met in a regular meeting Tuesday, May 25, 2021. The meeting was held remotely in accordance with Senate Concurrent Resolution 8402 and in accordance with Governor Inslee's Proclamation 20-28. Commissioners Bowman, Calkins, Cho, Felleman, and Steinbrueck were present.

1. CALL to ORDER

The meeting was convened at 10:30 a.m. by Commission President Fred Felleman.

2. EXECUTIVE SESSION pursuant to RCW 42.30.110

The public meeting recessed into executive session to discuss two matters relating to litigation/potential litigation/legal risk (RCW 42.30.110(1)(i)) for approximately 25 minutes each, with the intention of reconvening the public session at 12:00 p.m. Following the executive session, which lasted approximately 73 minutes, the public meeting reconvened at 12:02 p.m. Commission President Felleman led the flag salute.

3. APPROVAL of the AGENDA

Without objection, the preliminary agenda, as amended, was approved with Commissioner Felleman pulling item 11b, to be brought back at a future date.

4. SPECIAL ORDERS OF THE DAY

4a. External Presentation from Washington State Department of Transportation – Commercial Aviation Coordinating Commission Update Re: New Regional Airport Analysis and System Capacity Needs.

Presentation document(s) included presentation slides.

Commission Clerk Michelle Hart read agenda Item 4a into the record.

Executive Director Metruck introduced the item and presenters.

Presenter(s):

Jeffrey Brown, Chief Operating Officer, Aviation (Lead)
David Fleckenstein, Director Aviation Division, WSDOT (External)
Warren Hendrickson, Airport Manager, Port of Bremerton (External)

Mr. Fleckenstein, WSDOT, provided a presentation addressing:

- the basic requirements of the Commission's charter;
- guiding principles of their tasked mission;
- Commission recommendations in December 2020;
 - An initial list of six possible airport sites identified;
- the current status of the study:
 - as part of its Phase One December 2020 report, the CACC offered the following general conclusions
 - The most resilient strategy is to pursue both a large new airport and expand or improve existing airports
 - Locating a single large commercial airport must address
 - Physical requirements
 - Public sentiment
 - Size
 - Location
 - Multimodal transportation accessibility
 - Sponsor and airline interest
 - Commitment from both airport sponsors and the aviation industry partners are key requirements
 - The Commission must consider general aviation needs as well as air passenger service and air cargo
 - Public involvement is critical to future siting decisions
- Setting the stage for phase two of the study;
 - Airport analysis of six sites;
 - Additional opportunities for meeting capacity across Washington State;
 - Study of greenfield sites;
- The Commission developed a preliminary list of six existing airports with the potential to meet some of the projected demand for air passenger service, air cargo, or general aviation;
 - Arlington Municipal Airport
 - Bremerton National Airport
 - Paine Field/Snohomish County Airport
 - Sanderson Field/Shelton
 - Tacoma Narrows Airport/Gig Harbor
 - South Lewis County Airport/Toledo
- Commission member feedback on the six sites;
- Summary of feedback;
 - Paine Field has potential to accommodate additional air passenger service and air cargo
 - Bremerton has potential for expansion to accommodate air cargo
 - All six preliminary sites have potential for expansion to accommodate general aviation
 - Several existing airports across the state have potential to accommodate additional air passenger service, air cargo and/or general aviation
- Feedback from the public; and
- Next steps;

- Utilizing the current feedback and ongoing projects, estimate the “delta” regarding what additional capacity is required to meet demand
- Analyze the feedback/data as a result of the public engagement survey
- Execute the guidance from this legislative session
- Mid-June webinar on emerging aviation technology
- August webinar on public health and the environment and Commission meeting
- Develop the scope of work for the 2022 Washington Aviation System Plan Update.

Members of the Commission and Mr. Fleckenstein discussed:

- ultimate steps being the Commission’s recommendations to the Legislature and then the start of the Federal Aviation Administration process;
- transportation demand management and alternative modes of transportation;
- building out in a greenfield site that currently does not have intermodal links;
- studying other large airports who went through similar processes;
- learning more about looking at a regional airport system and considering the creation of a regional airport authority;
- air cargo demand following people; and
- considering electric aircraft and building for a future which can accommodate new technologies.

4b. Juneteenth Proclamation for All Port Employees

Request document(s) included a draft proclamation proposing amendment to the November 17, 2020, Commission-adopted Juneteenth proclamation.

Commission Clerk Michelle Hart read agenda Item 4b into the record.

Executive Director Metruck introduced the item.

Presenter(s):

Aaron Pritchard, Deputy Chief of Staff, Commission Office

**The motion, made by Commissioner Bowman, to Amend Something Previously Adopted to the November 17, 2020, Commission-adopted Juneteenth proclamation - to strike the words “non-represented employees” and replace it with the words, “all Port employees” - carried by the following vote: In favor: Bowman, Calkins, Cho, Felleman, Steinbrueck (5)
Opposed: (0)**

At this time, Delmas Whittaker, Senior Manager of Fishing Vessel Services and representative of employee resource group Blacks in Government spoke regarding the Port’s efforts to address equity. He also spoke regarding the one year anniversary of the death of George Floyd. Commissioner Felleman also spoke regarding Mr. Floyd and provided additional opening comments.

5. EXECUTIVE DIRECTOR’S REPORT

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

6. COMMITTEE REPORTS

Mr. Aaron Pritchard, Deputy Commission Chief of Staff, provided a report regarding recently held committee meetings.

7. PUBLIC COMMENT

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

- John Boesche, Tourism VP of Visit Seattle, spoke in support of Alaska cruise restart on behalf of Visit Seattle's 800 partner businesses.
- Iris Antman, volunteer with Seattle Cruise Control, spoke in opposition to the Alaska cruise restart in the Seattle region.
- Bob Donegan, of the Seattle Historic Waterfront Association, spoke in support of the restart of Alaska cruises in the Seattle region and in support of the development of the T46 cruise terminal.
- Jordan Van Voast, volunteer with Seattle Cruise Control, spoke in opposition to cruise restart and increase of air traffic volume at SEA. Written materials received are attached as minutes Exhibit A.
- Aleksandr Yeremeyev, Economic Development Director for the City of SeaTac, spoke in support of the Alaskan cruise restart.
- Eric Ross, resident, spoke in opposition to Alaska cruise restart.
- Annemarie Dooley, PHD, spoke in opposition to the public health effects of the restart of the cruise industry in the Seattle area.
- Charlotte Wells, resident, spoke in opposition to foreign flag ships and July cruise resumption to Alaska.
- Anne Kroeker, member of 350 Seattle Aviation, spoke in support of the reduction of Port operation's carbon emissions in the cruise and aviation industries.
- Mark Netherland, Trammell Crow, spoke in support of Agenda Item 10a, to Develop a Multi-story, Maritime-related, Light-industrial Warehouse Facility in the City of Seattle at Terminal 106;
- John Lane, Washington Hospitality Association, and also representing the Seattle Hotel Association and the Seattle Restaurant Alliance, spoke in support of the restart of Alaska cruises and economic recovery in the region.
- Stacy Oaks, organizer with 350 Seattle, spoke in opposition to the restart of Alaska cruise.
- Michael Foster, resident, spoke in opposition to Port operations and carbon emissions created by those operations.
- In lieu of spoken comment, Laura Gibbons, submitted written comments asking the Port to inquire with the Commercial Aviation Coordinating Commission how expanding aviation is consistent with a livable climate for the future generations. Written materials received are attached as minutes Exhibit B.
- In lieu of spoken comment, Bernadine Lund, submitted written comments also asking the Port to inquire with the Commercial Aviation Coordinating Commission how expanding aviation is consistent with a livable climate for the future generations and also spoke regarding toxic aircraft emissions absorbed by plants, and its applicability to residents who grow their own food and

fruit gardens, including community gardens. Written materials received are attached as minutes Exhibit C.

- In lieu of spoken comment, Sarah Shifley, submitted written comments speaking in support for the reduction of aviation activity. Written materials received are attached as minutes Exhibit D.
- In lieu of spoken comment, Nick Szumlas, submitted written comments speaking in opposition to the restart of the Seattle cruise industry. Written materials received are attached as minutes Exhibit E.
- In lieu of spoken comment, Sharla Dodd, submitted written comments speaking in support for the reduction in aviation and for replacement of short flights with rail and limiting longer business and leisure flights to 2019 levels by 2050. Written materials received are attached as minutes Exhibit F.
- In lieu of spoken comment, Chris Cottrell, submitted written comments in opposition to the return of cruise to the Seattle region and to environmental hard caused by cruise ships. Written materials received are attached as minutes Exhibit G.
- In lieu of spoken comment, Kara Sweidel, submitted written comments in opposition to the cruise industry's return to the Seattle region, noting incompatibility with the Port's goals of emission reduction. Written materials received are attached as minutes Exhibit H.
- In lieu of spoken comment, Patrick McKee, submitted written comments inquiring of the Port's plan for addressing environmental impacts of the renewed cruise industry. Written materials received are attached as minutes Exhibit I.
- In lieu of spoken comment, Lisa Marcus, submitted written comments speaking in opposition to the restart of cruise. Written materials received are attached as minutes Exhibit J.
- In lieu of spoken comment, Anna Humphreys, submitted written comments speaking in opposition to the restart of cruise and health effects to humans and animals as a result of operations. Written materials received are attached as minutes Exhibit K.
- In lieu of spoken comment, Jim Bernthal, submitted written comments speaking in opposition to the restart of cruise, noting that increased cruise causes an increase in aviation for people getting to their cruise destinations. Written materials received are attached as minutes Exhibit L.
- In lieu of spoken comment, Ilene Friedman, submitted written comments speaking in opposition to the restart of cruise and to resulting environmental impacts. Written materials received are attached as minutes Exhibit M.
- In lieu of spoken comment, Elaine Hickman, submitted written comments speaking in opposition to the restart of cruise and to resulting environmental impacts. Written materials received are attached as minutes Exhibit N.
- In lieu of spoken comment, Laura Loe, Executive Director, Share the Cities, submitted written comments speaking in opposition to the restart of cruise in the Seattle region. Written materials received are attached as minutes Exhibit O.

8. CONSENT AGENDA

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

8a. Approval of the Minutes of the Regular Meeting of May 11, 2021.

- 8b. Authorization for the Executive Director to Execute Up to Six (6) Professional Services Indefinite Delivery, Indefinite Quantity (IDIQ) Contracts to Provide Project Management Services, and Up to Two (2) IDIQ Contracts to Provide Project Control Services, in Support of the Aviation Capital Programs, Tenant Improvement, and Expense Projects, with a Total Value of \$60,000,000 and a Contract Ordering Period of Five (5) Years.**

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

- 8c. Authorization for the Executive Director to Execute Up to Four (4) Professional Services Indefinite Delivery, Indefinite Quantity (IDIQ) Contracts for Mechanical and Electrical Design Services, in Support of the Aviation Capital Programs, with a Total Value of Up to \$16,000,000 and a Contract Ordering Period of up to Five (5) Years.**

Request document(s) included an agenda memorandum.

- 8d. Authorization for the Executive Director to execute a one-year rollover Memorandum of Understanding (MOU) to the Collective Bargaining Agreement between the Port of Seattle and Teamsters Local 117 Credential Specialists covering the period from July 1, 2021, through June 30, 2022. (memo and draft memorandum of understanding enclosed)**

Request document(s) included an agenda memorandum and draft memorandum of understanding.

- 8e. Introduction of Resolution No. 3790: A resolution of the Port of Seattle Commission Amending the Policy Directive for Salaries and Benefits for Employees Not Covered by a Collective Bargaining Agreement Established by Resolution No. 3739, to Reflect an Administrative Change Modifying Two Definitions Related to Probationary Employees, and Providing an Effective Date for All Amendments of June 8, 2021.
(memo and draft resolution enclosed)**

Request document(s) included an agenda memorandum and draft resolution.

- 8f. Authorization for the Executive Director to Execute Change Orders to Contract MC-0319802 Rental Car Facility (RCF) Pavement Remediation to Provide Additional Weatherproof Membrane Preparatory Coating Work for an Amount up to \$900,000 and Time Extensions of up to 90 Calendar Days (CIP #C800977)**

Request document(s) included an agenda memorandum.

**The motion for approval of consent agenda items 8a, 8b, 8c, 8d, 8e, and 8f carried by the following vote: In favor: Bowman, Calkins, Cho, Felleman (4)
Opposed: (0)**

***Commission Steinbrueck was not in attendance at the meeting at the time of the vote.**

9. UNFINISHED BUSINESS

9a. Q1 2021 Financial Performance Briefing

Presentation document(s) included an agenda memorandum, report, and presentation slides.

Presenter(s):

Dan Thomas, Chief Financial Officer, Finance and Budget
Michael Tong, Director, Corporate Budget
Borgan Anderson, Director, Aviation Finance and Budget
Kelly Zupan, Director, Maritime Finance

Commission Clerk Michelle Hart read Item 9a into the record.

Executive Director Metruck introduced the item and presenters.

The presentation addressed:

- Key highlights of the first quarter;
- Aviation division;
 - passenger growth rebounding
 - enplaned passengers comparison
 - key to financial results – increased federal relief
 - operating expenses summary (YTD)
 - operating expenses summary (forecast)
 - aeronautical revenue
 - aero rate base revenue requirements
 - non-aero revenue concessions grant impact
 - non-aeronautical revenues
 - non-aero tenant rent deferred status
 - strategic use of federal relief grants to achieve debt service coverage target;
 - Federal Covid relief: Concession Grants, Coronavirus Response and Relief Supplemental Appropriation Act, Coronavirus Aid, Relief, and Economic Security Act
 - 2021 capital spending: 95 percent of budget
 - 2021 airport development fund balance
- Seaport;
 - Seaport performance summary
- Maritime;
 - financial summary and business highlights
 - first quarter financials performed better than expected – revenue is \$831K below budget
 - stormwater utility tracking to budget
 - Northwest Seaport Alliance summary
 - joint venture first quarter financials

- Economic Development Division;
 - financial summary and business highlights
- Central Services; and
 - financial summary and business highlights
- Portwide;
 - financial summary
 - portwide capital spending.

Members of the Commission and staff discussed:

- grain terminal surplus;
- concession relief grants;
- cost reduction efforts reduced revenue requirements with federal grants not making the Port whole, but policies have allowed the Port to build the cash balance back up; and
- Port direction for the budget for the remainder of the year and big items may be that require visibility.

10. NEW BUSINESS

- 10a. Authorization for the Executive Director to Execute a Ground Lease with Trammell Crow Northwest Development to Develop a Multi-story, Maritime-related, Light-industrial Warehouse Facility in the City of Seattle at Terminal 106, for a Project Cost of \$2,750,000 and \$3,100,000 in Initial Annual Revenue. (memo, draft ground lease, map and site survey, and presentation enclosed)**

Request document(s) included an agenda memorandum, draft ground lease, map and site survey, and presentation slides.

Presenter(s):

Dave McFadden, Managing Director, Economic Development Administration
Kyra Lise, Director, Real Estate Development
Daniel Alhadeff, Manager, Real Estate Development

Clerk Hart read Item 10a into the record.

Executive Director Metruck introduced the item and presenters.

The presentation addressed:

- authorization for the Executive Director to execute the Ground Lease Agreement and associated easement for the redevelopment of Terminal 106 between Trammell Crow and the Port of Seattle;
- redevelopment opportunity in Terminal 106;
- competitive request for proposals demonstrates a strong market;
- Port of Seattle partners with Trammell Crow to develop a state of the art multi-story warehouse for new development supporting maritime and logistics industries;
 - 650 to 1200 jobs
 - generates income for maritime operations and capital projects

- developer commitment to prevailing wages during construction and apprenticeship utilization; diversity in contracting goals
- redevelopment protects industrial lands and enhances freight mobility
- a strong market for industrial development;
- financial summary;
- project milestones; and
- substantial completion of development by the fourth quarter of 2024.

Members of the Commission and staff discussed:

- the project being the largest real estate development brought to the Port for approval in some time;
- the need to preserve industrial land;
- the long-term lease and building for that future use now;
- affidavits in place to ensure the developer will pay prevailing wage and the Port will monitor for apprentice and pre-apprentice programs from the start of the project to the end of the project;
- hiring workers from the local area;
- the footprint of the proposed building in comparison to the existing footprint;
- making the roof of the building solar ready; and
- the number of jobs associated with the project.

**The motion, made by Commissioner Steinbrueck, carried by the following vote: In favor: Bowman, Calkins, Cho, Felleman, Steinbrueck (5)
Opposed: (0)**

11. PRESENTATIONS AND STAFF REPORTS

11a. Equitable Recovery Panel Briefing

Presentation document(s) included an agenda memorandum, port presentation, City of Seattle Recovery presentation, Washington Department of Commerce Economic Recovery presentation, King County Recovery presentation, and Tourism Recovery Initiatives Update.

Presenter(s):

- Dave McFadden, Managing Director, Economic Development Administration
- Pamela Banks, Director of Recovery and Interim Director of Economic Development, City of Seattle (External)
- Chris Green, Assistant Director, WA Department of Commerce (External)
- Ashton Allison, Director of Economic Development and Recovery, King County Executive's Office (External)
- Kate Becker, Creative Economy Director, King County Executive's Office (External)

Commission Clerk Michelle Hart read Item 11a into the record.

Executive Director Metruck introduced the item and presenters.

Members of the Commission received presentations from Port staff, the City of Seattle, the Washington State Department of Commerce, and King County regarding economic recovery for the region.

Presentations addressed:

- equitable recovery;
- economic impacts and challenges;
- a recovery plan with possible initiatives and next steps;
- tourism recovery updates, destination development, travel publicity, travel trade development, and regenerating North American air markets;
- Workforce Development Council (WDC);
- Port of Seattle alignment with WDC and Greater Seattle Partners regarding equitable recovery goals and metrics;
- recovery vision – economic recovery with community resilience;
- recovery timeframes;
- potential resource streams to leverage all available resources;
- economic recovery in Seattle neighborhoods and downtown and for small businesses;
- Downtown revitalization and strategies;
- neighborhood-specific revitalization strategies;
- strengthening communities;
- widely varying impacts among industries from the pandemic;
- small business impacts;
- Covid response and recovery funding through the Washington State Department of Commerce;
- small business grants;
- manufacturing sector opportunities;
- small business resiliency network;
- King County Covid-19 economic impact;
- creative economy impact;
- King County Covid recovery response;
- King County Executive's priorities for economic recovery;
- making King County a welcoming community where every person can thrive;
- King County economic recovery strategic framework;
- critical actions and accomplishments of King County's recovery efforts; and
- King County opportunities for Port partnership.

Members of the Commission and presenters discussed:

- how the Port can work with the City of Seattle on economic recovery;
- getting youth in the area thinking about careers in maritime and construction well ahead of employment age;
- revitalization of the downtown waterfront, of which the Port owns one-third of the waterfront land;
- potential of properties swaps with King County where it makes sense;
- focusing on eco-tourism in the future;
- getting better bus service to SEA;

- conducting a supply chain mapping initiative and youth workforce initiatives;

(Commissioner Bowman exited the meeting at this time.)

- the timeline for businesses to apply for the Department of Commerce's flex fund;
- community lenders involved in the flex fund process;
- barriers for some minority businesses when working with larger lenders;
- devoting attention to technical assistance for those seeking loans;
- helping microbusinesses; and
- addressing wrap-around services like childcare.

Executive Director Metruck appreciated the presenters and the discussions held, as the .

12. QUESTIONS on REFERRAL to COMMITTEE and CLOSING COMMENTS

Members of the Commission offered closing comments including a commendation received for a Port of Seattle Police Officer Gonzales who had gone above and beyond service to assist airport customers; the final week of Asian Pacific Islander Month; and Port of Seattle op-ed that ran in the Seattle Times regarding the future of infrastructure.

13. ADJOURNMENT

There was no further business and the meeting adjourned at 4:51 p.m.

Prepared:

Attest:

Michelle M. Hart, Commission Clerk

Sam H. Cho, Commission Secretary

Minutes approved: June 8, 2021.