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APPROVED MINUTES COMMISSION REGULAR MEETING OCTOBER 26, 2021

The Port of Seattle Commission met in a regular meeting Tuesday, October 26, 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 one matter relating to litigation/potential litigation/legal risk (RCW 42.30.110(1)(i)) for approximately 40 minutes, with the intention of reconvening the public session at 12:00 p.m. Following the executive session, the public meeting reconvened at 12:02 p.m. Commission President Felleman led the flag salute.

3. APPROVAL of the AGENDA

The agenda was approved as presented without objection.

4. SPECIAL ORDERS OF THE DAY – None.

5. EXECUTIVE DIRECTOR'S REPORT

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

6. COMMITTEE REPORTS

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

7. PUBLIC COMMENT

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

- The following person spoke in support of Agenda Item 10e and waterfront electrification: Seattle City Light CEO Debra Smith.
- The following people spoke regarding Agenda Items 10c, 10d, and 10e: Leah Missik, WA Transportation Policy Manager, Climate Solutions; Miranda Marti, Volunteer, 350 Seattle

Maritime Solutions team; and Adrienne Hampton, Climate Policy and Engagement Manager, Duwamish River Cleanup Coalition.

- The following people spoke regarding Agenda Items 10c and 10d: Laura Gibbons, resident (corresponding written testimony submitted); Alexa Fay, resident (corresponding written testimony submitted); and John Birnel (corresponding written testimony submitted).
- The following people spoke regarding Agenda Item 10e: resident Iris Antman and resident Stacy Oaks.
- The following person spoke regarding cruise ship emissions: Jordan Van Voast, Seattle Cruise Control (corresponding written testimony submitted).
- The following person spoke regarding Agenda Item 10c: Bernedine Lund, resident (corresponding written testimony submitted).
- The following person spoke regarding climate goals and cruise ships: Laura Loe, Executive Director, Share the Cities Action Fund (corresponding written testimony submitted).
- The following person spoke regarding performance-based navigation and the Sustainable Airport Master Plan: David Goebel, Vashon Island Fair Skies (corresponding written testimony submitted).
- The following person spoke regarding piping renewable natural gas into the airport from landfills: Neal Anderson, resident.
- The following person spoke regarding the zero cruise emission topic discussed at the Sustainability, Energy, and Climate Committee meeting: Peggy Printz, resident.
- The following person spoke regarding the East Duwamish Waterway: Andrew Schiffer, resident.
- The following person spoke in support of Agenda Item 10e and noted his concern of the Port maintaining competitiveness with others in using zero emission green hydrogen and electrification of all vessels: Eric Ross, resident.
- In lieu of spoken comments, written comments supporting Agenda Item 10c were submitted by residents Laureen France and Robin Briggs.
- In lieu of spoken comments, written comments supporting Agenda Items 10c, 10d, and 10e were submitted by the 350 Seattle Maritime Solutions Team.
- In lieu of spoken comments, written comments supporting Agenda Items 10c and 10d were submitted by residents Elizabeth Burton, Rosemary Moore, Sharla Dodd, Anne Kroeker, and Richard Leeds.

[Clerk's Note: All written comments are combined and attached here as [Exhibit A.](#)]

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 Regular Meeting of October 12, 2021.

8b. Authorization to Design and Prepare Construction Documents for the Snow Storage Expansion Project at Seattle-Tacoma International Airport, for a Total Request Amount of \$2,500,000 and a Total Project Authorization of \$2,794,000, and the Estimated Overall Project Cost of \$17,500,000. (CIP #C801171)

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

- 8c. Authorization for the Executive Director to Execute a Change Order to Contract MC-0319240 North Terminal Utilities Upgrade Project Phase 1 (NTUUP) to Replace an Existing Roll Up Door at Seattle-Tacoma International Airport in the Amount of \$12,490.97 and a Contract Time Extension of 89 Calendar Days. (CIP #C800717)**

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

- 8d. Authorization for the Executive Director to Advertise and Execute One (1) Major Construction On-call Contract for Electrical Work to Support Project, Operational and Safety Needs of all Port Divisions and the Northwest Seaport Alliance, for a Total Amount Not-to-Exceed \$1,000,000.**

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

- 8e. Authorization for the Executive Director to Authorize \$550,000 to Complete Design and Permitting for the Rehabilitation of the Fender System Along the West Apron of Pier 66, Including the South Apron Area and North Corner Area, Increasing the Total Project Authorization To-date to \$710,000 Out of a Total Preliminary Estimated Project Cost of \$5,000,000. (CIP #C800674)**

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

- 8f. Authorization for the Executive Director to Complete Design and Permitting for the Rehabilitation of the Pile Caps on the East Side of Pier 90 at Terminal 91 (T91), Increasing the Total Project Authorization To-date to \$200,000 Out of a Total Preliminary Estimated Project Cost of \$1,000,000. (CIP #C801163)**

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

- 8g. Authorization for the Executive Director to Authorize \$150,000 in Design Funding for the Replacement of Domestic Underdock Water Lines at Pier 90 and Pier 91, Increasing the Total Project Authorization To-date to \$250,000 Out of a Total Estimated Project Cost of \$850,000. (CIP #C801243)**

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

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

- 9. UNFINISHED BUSINESS – None.**

10. NEW BUSINESS

10a. Authorization for the Executive Director to (1) Issue a Request for Proposal (RFP) to Select a Vendor for Duty Free Operations and (2) to Execute a Concessions Agreement with the Selected Duty-free Operator at Seattle-Tacoma International Airport.

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

Presenter(s):

Lance Lyttle, Managing Director, Aviation
Mandy Xiggores, Senior Development Manager, Aviation Capital Program Management
Dawn Hunter, Director, Aviation Commercial Management
Matthew Eng, Senior Business Development Analyst, Aviation Business Development

Commission Clerk Michelle Hart read Item 10a into the record.

Executive Director Metruck introduced the item and presenters.

The presentation addressed both Agenda Items 10a and 10b:

- long-term visions for the airport;
- maximizing non-aeronautical revenues to support SEA goals;
- the airport dining and retail duty-free RFP – the proposal aims to expand the leasable space for duty-free making it a more viable business model for bidders;
- the background of duty free operations at the airport;
- duty-free RFP locations;
- duty-free RFP impacts;
- concourse A duty-free project scope;
- the project roadmap;
- planned definition document phases: scope of work;
- concourse levels existing conditions;
- duty free lid/mezzanine expansion;
- project costs; and
- the business case.

Members of the Commission and staff discussed:

- keeping impacts to vendors and customers to a minimum;
- rebounding international travel markets;
- opportunities for domestic customers;
- resulting revenue increases;
- how the lease structure may differ between duty free and airport, dining, and retail;
- goals for the project for diversity in contracting and any triggers for priority hire;
- application of the sustainability framework and review process for it;
- the out-of-pocket investment cost; and
- finding more synergies with processes – there will still be an airport, dining, and retail process.

The motion, made by Commissioner Bowman, carried by the following vote:

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

Opposed: (0)

10b. Authorization for the Executive Director to Authorize \$475,000 to Complete a Project Definition Document and to Progress the Overall Project Design to 15 Percent for the Concourse A Duty Free Project at Seattle-Tacoma International Airport, for an Anticipated Total Project Cost in the Range of \$24M - \$42M. (CIP #C801206)

Request document(s) included an [agenda memorandum](#) (presentation provided in Item 10a above.)

Commission Clerk Michelle Hart read Item 10b into the record.

The motion, made by Commissioner Cho, carried by the following vote:

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

Opposed: (0)

10c. Carbon Emissions and Accelerating Century Agenda Objectives

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

Presenter(s):

Sandra Kilroy, Senior Director Environmental, Sustainability and Engineering
Leslie Stanton, Senior Manager, AV Environmental Programs Group
Ryann Child, Senior Environmental Management Specialist, Maritime Environmental & Sustainability

Commission Clerk Michelle Hart read Item 10c into the record.

The presentation addressed:

- current carbon emissions and trends;
- carbon reduction initiatives and estimated impacts;
- accelerating the Century Agenda objectives;
- portwide Scope 1 and 2 emissions and reduction initiatives;
- maritime Scope 3 emissions;
- airport Scope 3 emissions;
- accelerating Century Agenda greenhouse gas (GHG) objectives;
- GHG reduction objectives for aviation and maritime;
- Scope 1 and 2 emission reduction pathway for aviation and maritime;
- achieving 2040 target for Scope 1 and 2;
- Scope 3 GHG reduction objectives for aviation and maritime;
- achieving Scope 3 objectives for aviation and maritime; and
- the recommendation for accelerating GHG targets.

Members of the Commission and staff discussed:

- if fishing vessels are included;
- the large role that cruise emissions play in the conversation;
- the community drive to step-up reduction goals;
- forward-thinking of the Port to think about investments now that help us accelerate towards meeting the goals;
- how the Port can contribute to research and development of retrofitting efforts to reduce the energy footprint;
- a position requested in the budget to take a much more granular look at accelerating these efforts;
- the Port's efforts to reduce fossil fuel operations;
- the Port's jurisdiction and scope regarding airport and cruise operations;
- exploration of heat pumps as an idea for the airport's HVAC system;
- gathering learning available through the efforts of others;
- having a green gateway being a competitive advantage;
- continually directing funds to communities through the 'Good Traveler' program; and
- looking at tree canopy and air emission goals.

10d. Order No. 2021-10: An Order endorsing the Executive Director's Acceleration of the Carbon Emission Reduction Targets of the Port of Seattle.

Request document(s) included an [Order](#).

Presenter(s):

Aaron Pritchard, Interim Chief of Staff, Commission Office

Commission Clerk Michelle Hart read Item 10d into the record.

Commission Interim Chief of Staff Aaron Pritchard read the text of the Order.

Members of the Commission and staff discussed key opportunities to reduce Scope 3 emissions with respect to cruise operations and national and international policy on maritime fuels.

Commission Bowman asked for a specific plan of working with elected officials in the state of Alaska with the idea in mind to develop a joint policy on cruise.

The motion, made by Commissioner Steinbrueck, carried by the following vote:

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

Opposed: (0)

10e. Resolution No. 3792: Introduction of Resolution to Adopt Charting the Course to Zero: Port of Seattle's Maritime Climate and Air Action Plan.

Request document(s) included an [agenda memorandum](#), [draft resolution](#), [draft action plan](#), and [presentation slides](#).

Presenter(s):

Sandra Kilroy, Senior Director Environmental, Sustainability and Engineering
Ryann Child, Senior Environmental Management Specialist, Maritime Environmental & Sustainability
Alex Adams, Senior Manager, Environmental Programs, Maritime Environmental & Sustainability

Commission Clerk Michelle Hart read Item 10e into the record.

The presentation addressed:

- action requested – to adopt Resolution No. 3792, Charting the Course to Zero: Port of Seattle’s Maritime Climate and Air Action Plan;
- taking a comprehensive approach to maritime clean air and climate action;
- the need to have a maritime plan to help address the climate crisis and disproportionate health impacts in Seattle;
 - implement the 2020 Northwest Ports Clean Air Strategy vision in Seattle - Phase out emissions from seaport-related activities by 2050, supporting cleaner air for our local communities and fulfilling our responsibility to help limit global temperature rise to 1.5°C
 - advance the Century Agenda climate and equity goals
 - eliminate air pollution from Port maritime sources and help dismantle environmental injustices in Seattle’s near-port communities
 - advance the Port’s commitments to healthy environment and communities, and ongoing community-port collaboration as detailed in the Port’s Community Benefits Commitment (Resolution No. 3767)
- the challenge - 94% of Port of Seattle’s maritime climate emissions are outside of the Port’s direct control;
- layout of the climate and air action plan;
- engagement which informed the plan development;
- engagement themes heard;
- changes made after engagement;
- emission reduction strategies by 2030 – highlights;
- implementation of the plan;
- transparency and accountability in implementation;
- the need for partnerships, supportive policy, funding and/or capital, zero-emission infrastructure, available, affordable technology, industry commitment, and community engagement and capacity building; and
- next steps in the process.

Discussion ensued regarding emissions in the regional area.

The motion to introduce Resolution No. 3792, made by Commissioner Bowman, carried by the following vote:

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

Opposed: (0)

11. PRESENTATIONS AND STAFF REPORTS

11a. Briefing on the Tax Levy and Draft Plan of Finance for 2022-2026

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

Presenter(s):

Elizabeth Morrison, Director Corporate Finance, Finance and Budget
Scott Bertram, Manager, Corporate Finance Analysis, Finance and Budget

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

Executive Director Metruck introduced the item and presenters.

The presentation addressed:

- the Draft Plan of Finance;
- the Capital Improvement Plan (CIP) and airport funding;
- the Capital Improvement Plan (CIP) and non-airport funding;
- the portwide revenue bond debt service coverage forecast;
- finance initiatives;
- tax levy background and update;
- approach to the levy use plan;
- Commission-established levy use criteria for capital investments;
- tax levy uses;
- taxpayer impact;
- tax levy fund sources and uses 2022-2026; and
- tax levy discretionary spending.

Members of the Commission and staff discussed:

- changes in the methodology in use of the levy and related funds and the desire for a more granular breakout;
- the downward trend on bond debt service and what it implies;
- the minimum debt coverage ratio that we do not want to go below;
- sustaining the Port's credit rating;
- examples strategic initiatives and paybacks involved;
- the number of full-time employees to support community programs;
- how the millage rate is set; and
- other projects moving forward due to the removal of investment in T46.

Commissioner Bowman stated she would ask for a citizen's committee to look at Port policies around the tax levy.

[Commissioner Bowman exited the meeting at 5:00 p.m.]

[Commissioner Felleman exited the meeting at 5:04 p.m. and Commission Vice-president Calkins presided for the remainder of the meeting.]

Discussion continued regarding how money in the bank is factored into the Port's credit rating and interest rate on GO bonds and separately, how quickly the levy ceiling will be reached at the three percent rate.

12. QUESTIONS on REFERRAL to COMMITTEE and CLOSING COMMENTS – None.

13. ADJOURNMENT

There was no further business and the meeting adjourned at 5:18 p.m.

Prepared:

Attest:

Michelle M. Hart, Commission Clerk

Sam H. Cho, Commission Secretary

Minutes approved: November 9, 2021