



**COMMISSION
AGENDA MEMORANDUM**

Item No. 8f

ACTION ITEM

Date of Meeting November 16, 2021

DATE : October 28, 2021

TO: Stephen P. Metruck, Executive Director

FROM: Luis Navarro, Director Workforce Development

SUBJECT: Employment Center Lease at Seattle-Tacoma International Airport

Total estimated revenue: \$3,442,109

ACTION REQUESTED

Request Commission authorization for the Executive Director to negotiate and execute a five-year base lease with two additional option years with the selected entity among for the operation of the employment center (Employment Center) at Seattle-Tacoma International Airport.

EXECUTIVE SUMMARY

On May 11, 2021, the Port Commission authorized the solicitation process to seek entities (Consultant), interested in providing services related to management of the Airport Employment Center, and to provide employment services, training, and workforce development supports at Seattle-Tacoma Internal Airport (SEA Airport). The solicitation is for five years (2022-2026), plus two additional optional years (2027, 2028).

The solicitation process was initiated by the Port's Central Procurement Office (CPO) in coordination with the workforce development team in the Office of Equity Diversity and Inclusion (OEDI). The solicitation provided bidders with the option to propose an offsite location, as an alternative. All bidders submitted proposals that included providing the majority of services related to employment and training at SEA Airport, as it is currently done by the incumbent, Port Jobs.

JUSTIFICATION

The provision of employment services for job seekers and the engagement with SEA Airport employers requires a physical space, including a training facility. For the Consultant to provide employment and training services from SEA Airport it must enter into a space lease with the Port, which will be managed by staff from Aviation Properties. The lease document contains all the relevant provisions to operate as a tenant at SEA Airport.

Diversity in Contracting

N/A

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DETAILS

The Port’s investments in workforce development are based on principles of equity, diversity and inclusion, and investment outcomes are measured in accordance with the Policy Directive approved by the Port Commission. To accomplish these goals the Consultant will support SEA Airport employers in finding qualified workers, will provide employment and training services to job seekers, incumbent workers, and will support the Aviation Career Pathways program managed by the workforce development team. These services will be provided from the office space and training space leased at SEA Airport, and in collaboration with community-based organizations and training institutions, as appropriate.

Scope of Work

N/A

Schedule

The lease will enter into effect on approximately January 1, 2022

ALTERNATIVES AND IMPLICATIONS CONSIDERED

Leasing a location at SEA Airport is part of the solicitation.

Alternative 1 – Not include the lease as part of the services contract with the selected Consultant.

Cost Implications: The Port will not receive rent for the space.

Pros:

- (1) The SEA space becomes available for other uses.

Cons:

- (1) Provision of services to employers and job seekers will become very difficult to accomplish without a physical location at SEA.

This is not the recommended alternative.

Alternative 2 – Include the lease as part of the services contract with the selected Consultant.

Cost Implications: The Port earns rent revenue from the Consultant.

Pros:

- (1) SEA employers and jobseekers will have access to a central location at SEA.

Cons:

- (1) The space is not readily available for other uses.

This is the recommended alternative.

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FINANCIAL IMPLICATIONS

Future Revenues

The total expected rent revenues will be approximately \$3.4 million. Base rent revenue to the Port for the five-year base contract (2022-2026) will be approximately \$2.4 million assuming an annual CPI at the high end of the scale. The base rent for the additional two-option years, if exercised (2027-2028) would be approximately \$1.0 million, also assuming a high end of the CPI scale. The actual rent escalation will be determined on an annual basis based on the published CPI index.

ATTACHMENTS TO THIS REQUEST

- (1) Lease agreement
- (2) Previous Commission Authorization Memo
- (3) Presentation slides

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

May 5, 2021 – The Commission approved the solicitation SEA Employment Center services
None