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**APPROVED MINUTES
COMMISSION SPECIAL MEETING**

April 16, 2024

The Port of Seattle Commission met in a special meeting Tuesday, April 16, 2024. The meeting was held at the Port of Seattle Headquarters Building, Commission Chambers, 2711 Alaskan Way, Seattle Washington, and virtually on Microsoft Teams. Commissioners Calkins (arriving at 1:01 p.m.), Felleman, Hasegawa, and Mohamed were present. Commissioner Cho was absent and excused.

1. CALL to ORDER

The meeting was convened at 10:30 a.m. by Commission President Hamdi Mohamed.

2. EXECUTIVE SESSION pursuant to RCW 42.30.110

The public meeting recessed into executive session to discuss three items regarding litigation/potential litigation/legal risk per RCW 42.30.110 (1)(i)), with one of those items pertaining to personnel litigation per RCW 42.30.110(1)(g), performance of a public employee, for approximately 60 minutes, with the intention of reconvening the public session at 12:00 p.m. Following the executive session, the public meeting reconvened at 12:03 p.m. Commission President Mohamed led the flag salute.

3. APPROVAL of the AGENDA

The agenda was approved as presented without objection.

In favor: Felleman, Hasegawa, and Mohamed (3)

Opposed: (0)

4. SPECIAL ORDERS OF THE DAY

There were no Special Orders of the Day presented.

5. EXECUTIVE DIRECTOR'S REPORT

Deputy Executive Director Karen Goon previewed items on the day's agenda and made general and meeting-related announcements.

6. COMMITTEE REPORTS

Commission Office personnel, Evan Ashe, provided committee reports.

Highline Forum

On March 27, 2024, the Highline Forum held its second meeting of the year with Des Moines Councilmember Mahoney chairing the meeting and Port Commissioner Felleman in attendance. The Forum members received: a presentation by host City of Federal Way on the Town Center 3 development and on the Sound Transit Federal Way Link Extension project; presentations on tourism by representatives from the Port of Seattle, Washington State Tourism, City of Burien, City of Federal Way, Seattle Southside Regional Tourism Authority, City of Tukwila, City of SeaTac, and Highline College, including the upcoming 2026 FIFA World Cup and responsible tourism from Forum Co-Chair Commissioner Felleman; a StART update by Aviation Managing Director Lance Lyttle, including a short presentation on what the Sustainable Airport Master Program Near-Term Projects are and the anticipated release of the first environmental review documents later this year.

Audit Committee

On March 28, 2024, Commissioners Calkins and Mohamed met in the first Audit Committee meeting of the year with Public Member Sarah Holmstrom in attendance. The Committee received the Exit Audit report of the 2022 performance audit conducted by the Office of the Washington State Auditor. It was a clean audit. The Committee then received the Annual Communication and information from the Director of Internal Audit, Glenn Fernandes, and received an update on open issues and progress of the 2024 Audit Plan. Audit reports presented later in this meeting included: a Performance Audit on the Concourse A Building Expansion for Lounges – Delta TRA; an Information Technology Audit report regarding the Port's Payment Card Industry Assessment; and a Limited Contract Compliance Audit regarding Pallino SeaTac, LLC. Management provided responses where applicable, and Members of the Committee discussed the audit reports with Internal Audit staff and management. The meeting ended with the Committee recognizing the work of Rumi Okuma and Pam Bailey from the Internal Audit Department, both retiring from the Port.

SEAC Committee

On March 28, 2024, Commissioners Cho and Felleman convened the Sustainability, Environment, and Climate Committee, at which staff provided a briefing on 2024 Pre-Season Cruise Environmental efforts. The committee learned about 2024 cruise ships' shore power capabilities and progress toward the Port's 100 percent plug-in goal, the status of the Pacific Northwest to Alaska Green Corridor feasibility study, the Cruise memorandum of understanding and how it protects Washington waters, and the Cruise Exhaust Gas Cleaning System (EGCS) Washwater Ecological Risk Assessment. The committee also discussed the voluntary Puget Sound EGCS wash water discharge pause for ships underway in Puget Sound and confirmed that both the underway discharge pause and the Port's EGCS wash water discharge ban for cruise ships at berth—enacted in 2020—remained in place for the 2024 season.

7. PUBLIC COMMENT

- The following people spoke in support of Agenda Item 8j, the Land Stewardship Plan and Tree Retention Standards and in support of community and climate benefits: Jill Kong; Hien Kieu; Emanuella Shasha; and Elhama Waezzada.
- The following people spoke regarding Agenda Item 8j, stating that it can go further in its scope and stewardship: Barbara McMichael and JC Harris.
- The following person spoke regarding the Commission's bylaws applicable to public comment rules of participation and freedom of speech: Alex Tsimerman.
- The following person spoke regarding cold ironing and shore power at Pier66: Matt Ventoza, ILWU.
- In lieu of spoken comment, the following people submitted written comments requesting the Port to reduce the number of cruise sailing until there is no water, air, and climate pollution; for the Port to lobby the Washington State Legislature to expand the mission of Washington Ports to include stewardship; to support the proposed U.S. Clean Shipping Act; to reject false solutions; to approach discussions, goals, studies, etc related to the cruise sector in an honest and unbiased way; and to work in collaboration to support regional solutions that could reduce harm immediately: Iris Antman; Sally Bartow; Jim Bernthal; Cynthia Ervin; Sandra Jones; Breck Lebegue; Cynthia Levine; an unidentified sender; Shannon Markley; Scott McClay; Patrick McKee; Anne Miller; Grace Norman; Sarah Ostheller; Ayana Parrott; Wade Phillips; Vivien Sharples; Marc Smason; Nichole Snyder; Xin Tong; and Natalie Pierson.
- In lieu of spoken comment, the following person submitted written comments to reiterate statements expressed in the Community Forest Consensus, signed by nearly 3700 community members, to protect all community forest in near airport communities and to implement suggestions made by Commissioner Felleman at the March 12 meeting: Lauren Sewell.
- In lieu of spoken comment, the following person submitted written comments regarding the condition of elevators at SEA and requested a better cell phone lot with permanent restroom facilities and a screen indicating arrival times of flights: Sharon Chafin.

[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 Minutes of the Special and Regular Meetings of March 26, 2024.**
- 8b. Approval of the Claims and Obligations for the Period March 1, 2024, through March 31, 2024, Including Accounts Payable Check Nos. 952591 through 952971 in the Amount of \$11,119,079.97; Accounts Payable ACH Nos. 064432 through 065244 in the Amount of \$56,369,853.99; Accounts Payable Wire Transfer Nos. 016268 through 016288 in the Amount of \$13,183,485.71; Payroll Check Nos. 211567 through 212007 in the Amount of \$139,832.99; and Payroll ACH Nos. 1184518 through 1191686 in the Amount of \$25,530,129.35 for a Fund Total of \$106,342,382.01.**

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

8c. Monthly Notification of Prior Executive Director Delegation Actions March 2024.

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

8d. Authorization for the Executive Director to Increase the Project Scope and Associated Budget for the Airport Terminal Solid Waste Project in the Amount of \$4,500,000; to Advertise, Bid, and Execute a Major Works Construction Contract, Execute Related Project Change Orders, Amendments, Work Authorizations, Purchases, Contracts, and Take Other Actions Necessary to Support and Deliver the Airport Terminal Solid Waste Project; and to Authorize the Use of Port of Seattle Crews to Support the Design and Construction Activities, for a Total Estimated Project Cost of \$19,180,000. (CIP# C800945).

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

8e. Commission Approval of International Travel Authorization for 2nd Quarter 2024.

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

8f. Authorization for the Executive Director to Advertise, Award, and Execute a Major Works Construction Contract to Rehabilitate and Provide Improvements to the Two Million Gallon Water Reservoir at the Port of Seattle; to Execute Related Project Change Orders, Amendments, Work Authorizations, Purchases, Contracts, and Take Other Actions Necessary to Support and Deliver the Water Reservoir Rehabilitation Project; to Authorize Use of Port of Seattle Crews to Support the Design and Construction Activities, in the Amount Requested of \$2,019,000 and a Total Estimated Project Cost of \$3,169,000. (CIP# C801172).

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

8g. Authorization for the Executive Director to Approve Additional Funding in the Amount of \$1,100,000 and to Advertise and Execute a Major Public Works Construction Contract for the Completion of the U00721 Fishermen's Terminal ADA Compliance Phase 2 Project, for a Total Estimated Project Cost of \$2,890,000. (CIP# C801198).

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

8h. Adoption of Order No. 2024-06: Providing for a 2023 Performance Rating for the Executive Director, a 2024 Cost-of-Living Base Salary Increase, and a One Percent Lump Sum Increase.

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

- 8i. **Authorization for the Executive Director to Authorize the Agreement with the Seattle Tacoma Airline Consortium (STAC) for Exit Lane Staffing Reimbursement for a Total Amount of \$2,600,000 through January 15, 2025.**

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

- 8j. **Adoption of Resolution No. 3821: A Resolution Adopting SEA Tree Replacement Standards for Airport Activities Area and the SEA Land Stewardship Plan for Seattle-Tacoma International Airport.**

Request document(s) included an [agenda memorandum](#), [draft resolution w/ exhibit A](#), [exhibit B](#), and [presentation](#).

The motion for approval of consent agenda items 8a, 8b, 8c, 8d, 8e, 8f, 8g, 8h, 8i, and 8j carried by the following vote:

In favor: Felleman, Hasegawa and Mohamed (3)

Opposed: (0)

10. NEW BUSINESS

- 10a. **Introduction of Resolution No. 3822: A Resolution Authorizing the Issuance and Sale of General Obligation and Refunding Bonds, 2024 in the Aggregate Principal Amount of Not-to-Exceed \$325,000,000, for the Purpose of Financing or Refinancing Capital Improvements to Port Facilities and Refunding Certain Outstanding Obligations of the Port; and Authorizing a Designated Port Representative to Approve Certain Matters Relating to the Sale of the 2024 LTGO Bonds.**

Requested document(s) included an [agenda memorandum](#), [draft resolution](#), and [presentation](#).

Presenter(s):

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

Clerk Hart read Item 10a into the record.

Deputy Executive Director Goon introduced the item and presenters.

The presentation addressed:

- the sale and issuance of General Obligation (G.O.) and Refunding Bonds;
- the Draft Plan of Finance anticipates the use of G.O. bonds to fund \$351 million of Non-Airport capital investments;
- 2024 G.O. bonds will provide partial funding;
- purpose of the bonds;
- investments planned for funding;

- details of the resolution; and
- next steps.

Discussion ensued regarding:

- the current bond interest rate and rates for the 2015 bonds;
- bond savings from refunding;
- why some bonds are tax exempt; and
- bond rating agencies change in methodology for rating and the Port's current bond rating under the new methodology.

The motion to introduce Resolution No. 3822, made by Commissioner Felleman, carried by the following vote:

In favor: Calkins, Felleman, Hasegawa and Mohamed (4)

Opposed: (0)

10b. Authorization for the Executive Director to Execute a Tenant Reimbursement Agreement with the Selected Duty-Free Operator and to Authorize \$10,100,000 for Design and Pre-Construction Services for the Concourse A Duty-Free Project, for an Estimated Total Project Cost Between \$46,000,000 and \$60,000,000.

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

Presenter(s):

Rajan Katru, Capital Project Manager III, AV Project Management Group
Erin Gora, Capital Project Manager V, AV Project Management Group

Clerk Hart read Item 10b into the record.

Deputy Executive Director Goon introduced the item and presenters.

The presentation addressed:

- project background and scope;
- costs and financial implications;
- project schedule;
- project location; and
- conceptual design.

Discussion ensued regarding:

- lease terms and aligning the lease with the payback period;
- executing the lease when all lease terms have been finalized;
- projected tenant revenue;
- the duty-free operator selecting the brand businesses to operate in the leased area;
- how duty-free operations are doing on a national level;
- return on investment; and
- duty free and duty paid included in the space.

The motion, made by Commissioner Calkins, carried by the following vote:
In favor: Calkins, Felleman, Hasegawa and Mohamed (4)
Opposed: (0)

11. PRESENTATIONS AND STAFF REPORTS

11a. Diversity in Contracting 2023 Annual Report and Five-Year Review.

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

Presenter(s):

Dave McFadden, Managing Director, Economic Development Administration
Mian Rice, Director, Diversity in Contracting
Emily Ho, Engagement and Training Program Manager, Diversity in Contracting
Lawrence Coleman, WMBE Program Manager, Diversity in Contracting

Clerk Hart read Item 11a into the record.

Deputy Executive Director Goon introduced the item and presenters.

The presentation addressed:

- 2023 Portwide WMBE utilization;
- goal attainment in 2023 for non-construction;
- corporate department goal attainment;
- 2024 gap-year goals;
- the Diversity in Contracting Policy Directive;
- policy to program development;
- \$375M to WMBE firms over five years;
- diversity in contracting drives WMBE spend;
- 791 WMBE firm partners over five years established;
- construction utilization;
- training and outreach;
- program evaluation in construction, consulting, goods and services, training and outreach, and lessons learned;
- 2024 Diversity in Contracting roadmap; and
- suggestions for immediate improvements.

Discussion ensued regarding:

- the video presented and representing organizational change;
- barriers to meeting goals in the construction sector and possibilities when it comes to unbundling projects;
- acknowledging barriers to bridge gaps;
- if there is a mechanism to demonstrate goals on the dashboard more intuitively in an effort to address disparities;
- how Commissioners can advocate in areas where they have influence, but not necessarily control to move these goals forward;

- where available contractors/firms come from in the program and the importance of these businesses to get their information into the WMBE databases; and
- the role of the new ombudsperson in the program – to investigate barriers and provide reports.

Members of the Commission thanked staff and Port partners for their leadership on the program and in moving goals forward.

12. QUESTIONS on REFERRAL to COMMITTEE and CLOSING COMMENTS

Commissioner Felleman thanked Port employees for clearing the roadway to the airport during the recent protest. He further stated he will be out of the office on conference studying eco-tourism; and spoke regarding the meaning of Passover, expressing sadness that world conflicts are still ongoing, stating that he hopes we can get back to the spirit of living.

Commissioner Hasegawa acknowledged information that another death has occurred related to PFAS, noting that the Port is committed to combatting the effects of PFAS and to expediting remedies. She thanked Preston Tucker, Patti Ward, and Marycruz Talavera for their hard work and dedication, as Administrative Professionals Week approaches; and also thanked law enforcement personnel for clearing the airport roadway this past week during the protest.

Commissioner Mohamed reminded that a trucker town hall will be held on May 10th at Pier 69 where they will hear from the trucker community. She also noted an Order that will come forward at the May 14 Commission meeting to eliminate barriers to Port employment by removing post-secondary education requirements for positions that do not require a degree.

13. ADJOURNMENT

There was no further business and the meeting adjourned at 2:39 p.m.

Prepared:

Attest:

Michelle Hart
Michelle Hart (May 15, 2024 15:40 PDT)

Michelle M. Hart, Commission Clerk

Ryan Calkins
Ryan Calkins (May 16, 2024 06:39 PDT)

Ryan Calkins, Commission Secretary

Minutes approved: May 14, 2024










04/16 Commission Meeting Minutes

Final Audit Report

2024-05-16

Created:	2024-05-15
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