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APPROVED MINUTES COMMISSION SPECIAL MEETING MARCH 12, 2019

The Port of Seattle Commission met in a special meeting Tuesday, March 12, 2019, in the International Auditorium at Seattle-Tacoma International Airport, Seattle, Washington. Commissioners Bowman, Calkins, Felleman, Gregoire, and Steinbrueck were present.

1. CALL to ORDER

Pursuant to Article IV, Section 8, of the commission bylaws, the meeting convened at 11:05 a.m. to conduct an executive session.

2. EXECUTIVE SESSION pursuant to RCW 42.30.110

The notice posted during the executive session included two matters related to potential litigation and legal risk. The time for reconvening was posted as 12:00 noon, in accordance with commission bylaws and the public meeting notice previously published. Following the executive session, which lasted approximately 60 minutes, the public meeting reconvened at 12:11 p.m. Commissioner Bowman led the flag salute.

3. APPROVAL of the AGENDA

Without objection, the preliminary agenda was approved without revisions.

4. EXECUTIVE DIRECTOR'S REPORT

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

5. PUBLIC COMMENT

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

- Steve Edmiston, the Briefing Project, regarding airport community impacts. Mr. Edmiston submitted written materials, which are attached as minutes [Exhibit A](#).
- Sheila Brush, Quiet Skies Puget Sound, regarding airport community impacts. Ms. Brush submitted written materials, which are attached as minutes [Exhibit B](#).
- Debi Wagner, Quiet Skies Puget Sound, regarding airport community impacts. Ms. Wagner submitted written materials, which are attached as minutes [Exhibit C](#).
- Bernedine Lund, Quiet Skies Puget Sound, regarding airport community impacts.

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 meeting of February 26, 2019.

6b. Approval of the Claims and Obligations for the period February 1-February 28, 2019, including accounts payable check nos. 928528-928969 in the amount of \$5,298,725.25; accounts payable ACH nos. 15014-15597 in the amount of \$56,583,191.58; accounts payable wire transfer nos.15054-15075 in the amount of \$6,391,164.83, payroll check nos. 193136-192327 in the amount of \$280,255.08; and payroll ACH nos. 898086-902255 in the amount of \$10,666,703.99 for a fund total of \$79,220,010.73.

Request document(s) included an agenda memorandum.

6c. Authorization for the Executive Director to proceed with construction of the Tenant Network Demarcation Upgrade project at Seattle-Tacoma International Airport in the amount of \$2,093,000 to modernize phone and Internet access for port tenants. The total estimated cost for this project is \$2,815,000 (CIP #C800841).

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

6d. Authorization for the Executive Director to execute contract documents for Maximo System software and maintenance services for port-wide asset and inventory management for up to 10 years at an estimated total cost of \$3,500,000.

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

6e. Approval of a commission international travel plan for 2019, as attached.

Request document(s) included an [agenda memorandum](#) and copy of [Resolution 3604](#).

6f. Authorization for the Executive Director to advertise and execute a major works construction contract for the replacement of distressed pavements and related utilities for the 2019 portion of the 2016-2020 Airfield Pavement Replacement Program at the Seattle-Tacoma International Airport. This authorization is for \$10,440,000 with a total project cost of \$11,800,000 (CIP #C800483).

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

6g. Authorization for the Executive Director to execute two contracts for facilitation and project management services involving complex business or public policy issues, for a cost not to exceed \$1,000,000 and duration of up to three years. There is no funding request associated with this authorization.

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

The motion for approval of agenda items 6a, 6b, 6c, 6d, 6e, 6f, and 6g carried by the following vote:

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

7. **SPECIAL ORDERS of BUSINESS** – None.

8. **AUTHORIZATIONS and FINAL ACTIONS**

8a. **Adoption of Motion 2019-02, a motion of the Port of Seattle Commission supporting principles for the development of the Port’s cruise business and to guide engagement with prospective partners and stakeholders in the operation of existing and potential new cruise facilities; directing the issuance of a request for qualifications.**

Request document(s) included a revised [agenda memorandum](#), [draft motion](#), and [presentation slides](#). The adopted version of the motion is [attached](#).

Presenter(s): Stephanie Jones Stebbins, Managing Director, Maritime Division; Mike McLaughlin, Director, Cruise Operations; Elizabeth Morrison, Director, Corporate Finance; Lindsay Wolpa, Project Advisor, Regional Government Relations Manager; Margaret Su, Deputy Director of Institutional Giving and Marketing, Wing Luke Museum; Mike West, General Manager, Hotel Interurban; Monty Anderson, Assistant Executive Secretary, Seattle Building Trades; Kelsey Beck, Regional Affairs Director, City of Seattle; and Michael Hughes, President, Bon Vivant Wine Tours.

The presentation included comments by panelists representing local hospitality and related interests describing the impact of Seattle’s cruise business on local business. Commissioners asked for panelists’ insight on what is effective in promoting their businesses and communities. They commented on measures to encourage use of shorepower for cruise vessels to continue to reduce greenhouse gas emissions associated with cruise operations. Commissioners commented on the importance of job and worker data in connection with port capital projects.

Port staff presented six key principles recorded in the motion and described the strength of the port’s cruise business and its regional economic impact. Commissioners asked for clarification on how prospective private partners to build a new cruise facility would be evaluated against the principles of the motion and noted the high standards represented in the motion. Commissioners noted the importance of redevelopment of Terminal 5 as a container terminal to the ability to develop cruise facilities and maintain container business at Terminal 46. They stressed the need to find ways to connect cruise facilities to the airport without relying on single-occupant vehicles.

AMENDMENT

The following amendment was adopted without objection:

On page 3, line 129, after “tourism opportunities” insert: throughout Washington state

The motion for adoption of Motion 2019-02, as amended (agenda item 8a) carried by the following vote:

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

9. PRESENTATIONS, REPORTS, and STAFF BRIEFINGS

9a. Washington Sustainable Aviation Fuels Summit.

Presentation document(s) included an [agenda memorandum](#), [Presentation slides](#) and a short video were provided at the time of the meeting.

Presenter(s): Pearse Edwards, Senior Director, External Relations, and Eric Schinfeld, Federal and International Government Relations Manager.

On March 7 and 8, the port convened the first-ever Washington Sustainable Aviation Fuels Summit, co-sponsored by Earth Day Northwest 2020, Boeing, Alaska Airlines, and Delta Air Lines to discuss strategies to develop local sustainable fuels for aviation in Washington state. Summit conversations included availability of sufficient agricultural stocks and factors affecting financing of the necessary infrastructure and development costs. The event was summarized, and video clips of keynote speakers were presented.

9b. 2018 Fourth Quarter Capital Improvement Projects Report.

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

Presenter(s): Ralph Graves, Senior Director, Capital Development, and Krista Sadler, Director, Information and Communications Technology, Technology Delivery.

The quarterly capital improvement project report was presented, including summaries of projects with new schedule or budget variances and highlighting status of key projects in the Aviation, Maritime, and Economic Development Divisions.

Commissioners asked for clarification on variances to the Pier 69 solar panel installation project and inquired about features of the Sea-Tac mobile app for the airport. They stressed the need to prioritize the quarterly report by relative organizational risk or financial magnitude associated with projects experiencing variances. They asked that the variance explanations be more informative.

9c. 2018 Financial Performance Briefing.

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

Presenter(s): Dan Thomas, Chief Financial Officer; Michael Tong, Assistant Finance Director-Budget; Lance Lyttle, Managing Director, Aviation Division; Borgan Anderson, Director, Aviation Finance and Budget; Stephanie Jones Stebbins, Managing Director, Maritime Division; Dave McFadden, Managing Director, Economic Development Division; and Kelly Zupan, Director, Seaport Finance and Budget.

Port-wide and divisional financial and business highlights for 2018 were presented. Commissioners asked about the airfield composite safety score, occupational injury rate, and days-away severity rating for 2018. They also asked about traffic congestion reductions on the airport drives.

Commissioners asked for more information on customer service efforts at the airport, progress of the sound insulation program in the airport communities, and revenue variances from airport lounges. Commissioners commented on depreciation of maritime assets and noted the importance of international context when examining the performance of the port's grain export line of business.

ANNOUNCEMENT

Commissioner Gregoire announced that the commission had completed its annual performance review of Executive Director Steve Metruck and were awarding him a 3.8-percent salary increase, in accordance with the terms of his employment agreement. She noted that the Executive Leadership Team was asked for input on Mr. Metruck's 2018 performance.

10. QUESTIONS on REFERRAL to COMMITTEE – None.

11. ADJOURNMENT

There was no further business, and the meeting adjourned at 3:58 p.m.

Prepared:

Attest:

Paul J. White, Commission Clerk

Peter Steinbrueck, Commission Secretary

Minutes approved: April 16, 2019.