

START OF TRANSCRIPT

[00:00:40] Whoa, whoa, whoa, whoa, whoa.
[00:01:13] I believe this is why I say everybody focuses on the issue.
[00:01:25] Just a.
[00:01:45] I am so sorry. I will start that again.
[00:01:48] So we are now at the point of approving the agenda in the order of the agenda, the
[00:01:54] motions are to add or arrange the orders of the day or request to remove items from the
[00:01:59] consent calendar. Please say so at this time.
[00:02:02] I do have one item. Is there any others?
[00:02:06] All right, so I move I move that we add a presentation on the maritime economic
[00:02:11] development divisions, capital budgets to the agenda so that the order of the
[00:02:15] presentations is 9B operating budgets, nine capital budgets would be added and at last
[00:02:25] nine, a financial policy would fail, would follow 9B and then the capital budget
[00:02:30] presentation. All right, so I think you have to make the motion, and I just that's the
[00:02:36] way it should be on the table.
[00:02:41] All right. So unless there's any any opposition all so moved and we proceed from here, at
[00:02:49] this point we get the executive directives report.
[00:02:51] Mr. Metruck Commissioner, since we have a long day of meetings this afternoon following
[00:02:56] this morning, I'm I'm providing just one announcement for today.
[00:03:00] Commissioners last week, the ports of Seattle and Tacoma, the seaport alliance, along
[00:03:04] with partners from Washington State Ferries, Noah and the Puget Sound Partnership,
[00:03:09] sponsored an underwater noise reduction workshop.
[00:03:13] Representatives from the tribes, the Commission on Non-governmental Organizations,
[00:03:18] Researchers, state and federal agencies and the maritime industry attended the workshop.
[00:03:23] The workshop marks a key step in implementing the Orca Task Force Recommendation Number
[00:03:27] 22, which specifies that Washington state should establish a program to reduce underwater
[00:03:33] noise from vessels, underwater noise from vessels known to be harmful to the southern
[00:03:37] resident orcas because it masks their ability to use sonar to hunt and to communicate.
[00:03:42] We're proud to have taken the initiative to coordinate this effort.
[00:03:45] That took a lot of planning to put this.
[00:03:47] But this workshop together.
[00:03:49] Overall, the workshop was a tremendous success.
[00:03:52] Participants remarked about the sense of a shared response, a bit of responsibility and
[00:03:57] collaborative atmosphere.
[00:03:58] During the workshop, the port and its co convenors are working together to plan the next
[00:04:02] steps. And I really would like to appreciate Commissioner Filmand for his leadership in
[00:04:07] this organizing workshop and executing this workshop.
[00:04:10] Thank you. And as well as to the staff who know, you only notice things that when they go
[00:04:14] wrong, it went flawlessly.
[00:04:16] So I obviously meant a lot of preparation and recognizing Commissioner Corkins for being
[00:04:20] there as well. I don't know if any other commissioners showed up during the course of the
[00:04:23] day regarding today's commission meeting.
[00:04:27] There are several items I'd like to highlight.
[00:04:29] Number one related to my earlier announcement item 8c relates to our maritime stormwater
[00:04:35] utility. This request as part of our effort to enhance the water quality of Puget Sound.
[00:04:40] In the second item commissioners, you know that our airport staff is constantly striving
[00:04:45] to deliver positive customer service for travelers, and I heard that is a major theme in
[00:04:49] this morning's discussion.
[00:04:51] To that end, there are two items on your agenda in this regard.
[00:04:54] Item 8 A is a project that takes us one step closer to alleviating some traffic
[00:04:58] congestion at the airport.
[00:05:00] May B is a request to fund infrastructure to improve our ability to meet the waste and
[00:05:04] recycle needs of airport operations and travelers.
[00:05:07] And with that commissioners, this concludes my remarks.
[00:05:14] Thank you. Executive metric.
[00:05:16] I think now we go to a part of the agenda which we accept public testimony.
[00:05:23] I will. The commission will now accept that testimony at any written materials can be
[00:05:27] given to the clerk for inclusion in the meeting.
[00:05:30] If you wish to speak. Please sign in.
[00:05:32] Identify the specific item.
[00:05:33] You want to address the commission time.
[00:05:35] At this point, we'll be two minutes and we have people already signed up.

[00:05:40] If nobody has any bail, still wants to sign up, please do so at this time.
[00:05:45] And I will start with John Lee.
[00:05:49] Lee Leahy. You don't know Jan by Leahy.
[00:05:53] I'm sorry. Sorry I changed your change your sex on that by accident.
[00:05:58] Sorry. Good afternoon.
[00:06:04] I'm Jan Van Light. I'm a volunteer with 350 Seattle, as well as my church's Sacred Earth
[00:06:10] Ministry. And I'm here today to follow up in discussion about the crew's expansion plans
[00:06:17] that the port has.
[00:06:19] I'm here with my colleague Stacey from 350 Seattle.
[00:06:23] We had a very fruitful meeting with Stephanie Jones, Stebbins and the leaders in the
[00:06:29] Environment and Sustainability Group last month and really appreciate all the efforts
[00:06:35] that are being taken to have the port be very environmentally progressive port in North
[00:06:43] America. However, it became clear that there is no plan to address the scope three
[00:06:51] indirect greenhouse gas emissions where the target that the port has is to reduce them by
[00:06:58] 50 percent in 10 years.
[00:07:00] And there is no clear plan that that will happen.
[00:07:03] And expanding cruise actually obviously makes it worse.
[00:07:09] So I'm here representing 350 Seattle and asking you to consider that cruises
[00:07:19] emit three to four times the greenhouse gases of flying on a per passenger mile.
[00:07:25] The cruise ships will have a 30 year life cycle.
[00:07:30] It is a serious thing to add more cruises to our Salish Sea with orca whales.
[00:07:39] So our request and Stacy will speak more to that is that you strengthen your RFP to be
[00:07:47] sure that we meet the goals for our environment.
[00:07:52] And if we're not able to, we really need to think about putting a pause and the people of
[00:07:56] Seattle. I would expect we want you to do that and to be good stewards, given that 70
[00:08:03] percent of them voted for Initiative 16 31.
[00:08:06] So thank you and appreciate your efforts to make this a cleaner and cleaner world in the
[00:08:13] middle of a climate crisis.
[00:08:27] No. My name is Stacy Oak's, I'm an organizer with 350 Seattle and just a can continue at
[00:08:34] Jan Vonleh. He was saying these are some of the points that we would like to see included
[00:08:38] in an RFP in order to really be able to say that we are going to be one of the greenest
[00:08:43] ports and be really jumping ahead of the things we need to do in criminal and civil
[00:08:48] liability disclosure.
[00:08:49] All entities submitting proposals must disclose any and all violations of criminal,
[00:08:54] federal, state and local laws and regulations occurring within the last 10 years.
[00:08:59] Or entities submitting proposals must disclose any and all civil liabilities and lawsuits
[00:09:04] of parties involved on environmental impact disclosure.
[00:09:08] Most cruise ships have an official life span of 30 years.
[00:09:11] All entities submitting proposals must present a comprehensive lifecycle assessment of
[00:09:16] the volume and types of fuel used in emissions and pollution to be emitted by the type of
[00:09:21] cruise ships expected to use Terminal 46 for a period of 30 years.
[00:09:26] All entities submitting proposals must conduct an inventory of current and projected
[00:09:30] emissions based on the proposed changes at Terminal 5 and Terminal 46.
[00:09:34] Using the EPA as current methodologies and best practices for estimating greenhouse gas
[00:09:39] emissions, all entities emitting proposals must conduct air dispersion models for the
[00:09:43] terminal 46.
[00:09:45] All entities submitting proposals must disclose their estimate of the total amount of
[00:09:48] their discharges for the year 2016, 17 and 18, including sewage, greywater, whaley, bilge
[00:09:55] water and solid waste and hazardous waste.
[00:09:58] All entities submitting proposals must summarize the EPA as findings of fault in the area
[00:10:03] of human rights commitment.
[00:10:04] The principles of free, prior and informed consent requiring gauging and government to
[00:10:08] government consultation with regional tribes, including obtaining free prior and informed
[00:10:13] consent from the due omeish people.
[00:10:15] Despite their lack of federal recognition on racial and economic justice.
[00:10:20] Commitment requiring state preference for progressive hiring.
[00:10:23] Employment practices i.e.
[00:10:24] goals for local hires.
[00:10:26] New apprenticeship opportunities and positions for groups underrepresented in the trades.
[00:10:31] Unionized contractors.
[00:10:33] And I'll go ahead and submit these papers.
[00:10:34] I have enough for each of you to drop off.
[00:10:36] If you'd look those over, we would really appreciate it.

[00:10:39] Thank you. One moment when I'm very, very sensitive to when public comment.
[00:10:46] But Pete, I think this is a question for legal counsel, which is which we could take up
[00:10:50] later, given where we are in the RFP cycle.
[00:10:52] We have had the Coppock capability to ask follow up questions.
[00:10:54] I think it would help the commission once we have this in the record to understand where
[00:10:57] we are in the cycle. I know there's several phases of questions to the petitioners.
[00:11:01] I'd like us to make sure we have the ability consideration to ask some additional
[00:11:05] questions. And if there is a fully, I guess, done that these questions could be posed in
[00:11:13] the scoping comments, that would then require our reply.
[00:11:19] We'll work on it. Yes.
[00:11:21] Great. Excellent. Moving on, we've got Carlo netsky, followed by Kimiko Jones.
[00:11:36] I first want to apologize for my unprofessional appearance.
[00:11:40] I was notified of this meeting last minute.
[00:11:42] You look transparent. Worry about him.
[00:11:46] I'm a resident of the Inner Bay, tiny Cavin village.
[00:11:49] The port owns the property.
[00:11:52] I think it's pretty much known that Lihi.
[00:11:56] Shelters, the hadone housed.
[00:11:58] That's given, but that's just the tip of the iceberg.
[00:12:02] I work for the Seattle Conservation Corps.
[00:12:04] Between my case managers there and coordination with my case managers at the village,
[00:12:11] I've been able to get treatment and help that I've needed.
[00:12:15] I've got a job. I have a Seattle paycheck.
[00:12:22] I don't eat. I think when people think of the how the houseless, they think we need to
[00:12:29] help them. And I mean, that's part of it.
[00:12:32] But the big part of it also is that you guys import your cruise ships are right there
[00:12:38] from a commerce point of view.
[00:12:40] Tourist, you know, don't want to see tents.
[00:12:44] When they get off the cruise ship.
[00:12:48] LIHI takes 60 tents off the street.
[00:12:51] Would that one village so we're not naive, we know the value of the land monetarily.
[00:12:58] But I think you're getting value of the land by how it's being used to sow.
[00:13:05] Yeah. And then, you know, whatever the cost of housing the homeless is, I guarantee you,
[00:13:11] is cheaper than lawyers in the court system.
[00:13:13] And if you're under a bridge, you're gonna meet a cop.
[00:13:16] Ask any cop in this room.
[00:13:20] So that's my piece.
[00:13:23] But I appreciate your time and thank you and I really hope you let ussey sign the lease.
[00:13:29] Thank you, Carla. Kimiko followed by.
[00:13:34] Oh, excuse me. Kyle monsey go.
[00:13:38] Like Meka. First of all, I would like to thank the port for allowing innervate to utilize
[00:13:47] the property. Also thank the volunteers and the donors of our community.
[00:13:54] I'm a 42 year old grandmother and I'm experiencing homelessness for the first time.
[00:14:00] I lost my apartment due to an electrical fire and a couple of weeks later lost my 3 month
[00:14:06] old granddaughter. At that time, I was just unable mentally to move forward.
[00:14:15] After almost two years of living in different Wal-Mart parking lots and.
[00:14:20] Disperement camps.
[00:14:22] I decided to put my pride aside and ask for help and then met.
[00:14:28] You know, in my mind, the homeless being homeless.
[00:14:32] It was just something that I was just unable to accept.
[00:14:36] As for myself, you know, so as they're called and as tiny cabins, did they have any
[00:14:44] openings? And they did.
[00:14:46] And. Since being there, I've been.
[00:14:51] Allowed to get all of the get help for my anxiety.
[00:14:56] Get back on my blood pressure medicine and yoga for the first time, the healing of yoga.
[00:15:05] Drum circle.
[00:15:09] I'm just very appreciative.
[00:15:12] You know, no one looked down on me.
[00:15:18] Everyone make me feel welcoming, welcoming and just the community itself.
[00:15:23] The gardening going on, the life inside that.
[00:15:29] That is going on. There's been this allowing other people to help themselves to ask for
[00:15:37] help and not feel less than.
[00:15:41] I think that was the most important thing.

[00:15:44] So I just wanted to take the time.
[00:15:46] Thank you. Thank you so much.
[00:15:49] Thank you. Can we can thank you for sharing that.
[00:15:54] Kyle Fire, followed by Janis Trevin.
[00:16:00] Afternoon. My name is Carl Monsanto.
[00:16:03] I'm the site coordinator at Inter Bay Village with LIHI.
[00:16:07] And I just wanted to discuss a little bit about the the village.
[00:16:10] It is a self-managed village and.
[00:16:17] Just want to talk about the self-management process a little bit and what we've been
[00:16:22] doing with that inner babe has been parts of participating with other self-manage
[00:16:28] villages and King County, such as the Georgetown Village Camp Second Chance and.
[00:16:33] Oh, TheLate a village. We have spent many hours brainstorming the imperatives to what
[00:16:39] makes self-management works in the tiny cabin program.
[00:16:44] And we're even putting together a training module for other villages interested in the
[00:16:49] program and the process of self-management.
[00:16:53] We've had many reports are a few representatives come from out-of-state interested in
[00:16:58] self management process, from like Denver, Oakland and even Hawaii.
[00:17:04] I've even talked with a church organization from Georgia, even interested in the
[00:17:08] self-management process in tiny cabins, village leadership and hours of service is the
[00:17:16] main key to success in making the process work.
[00:17:19] In my opinion, every resident does two securities a week at three hours a shift to watch
[00:17:24] the village and do daily chores to keep the village and neighborhood clean.
[00:17:30] The residents hold each other accountable per code, per the code of conduct.
[00:17:34] Any violations are documented and turned into leadership.
[00:17:38] We have a huge support and interest from the surrounding community and have mini village
[00:17:42] tours and have many donators come to innovate to help with residents and talk with them.
[00:17:48] The village even has a lady who comes every week to do a healing drum circle and yoga.
[00:17:53] The self-management inside the village brings everyone together closer.
[00:18:00] We have a village meeting once a week and discuss any concerns in the village.
[00:18:04] And do we do positive praises to residents and re-elect village leaders to make it work?
[00:18:11] I just want to thank you guys. Thank you, Kyle.
[00:18:18] And then Justin Pricella.
[00:18:21] Hi, Janice. Hi, I'm Janice Draven.
[00:18:23] I have served represented Magnolia Community Council on the Community Advisory Committee
[00:18:29] for First Tent City when it was over by the UFC on Dreyfuss.
[00:18:34] And now for the entire Bay Village at the base of the Magnolia Bridge on Port Property I.
[00:18:42] When it was first set up, there was a one year lease with a one year renewal over by
[00:18:47] indar Bay, and the city was obligated to move them.
[00:18:53] There were several people, Sibby DeForest, the Rev.
[00:18:56] Marilyn Cornwell and myself, who I later learned were referred to by some of the
[00:19:02] residents as owls.
[00:19:04] I learned that that meant old white ladies lobbied very hard to find a place in Magnolia,
[00:19:11] to keep them nearby, to keep leveraging the goodwill that's been built up in our
[00:19:16] community and miracle of miracles.
[00:19:19] The port offered this about a property for which we owls are very, very grateful to keep
[00:19:26] them nearby, and seeing the village continue on its trajectory has been extraordinary.
[00:19:32] I thank you for what you have done.
[00:19:34] Encourage you to renew the lease.
[00:19:39] Thank you. Is it?
[00:19:42] I said, Dad. Excuse me, Justin.
[00:19:44] Or is it Joseph? It's Joseph.
[00:19:46] Sorry. It's a little difficult to read here.
[00:19:48] And then followed by Aaron Moth's.
[00:19:53] Herself, I'd like to thank the commission for allowing us to speak.
[00:19:57] My name is Joseph Purcell.
[00:19:58] I'm a resident of Seattle.
[00:20:00] I'm a voter in Seattle.
[00:20:02] I'm also a past resident of the village and also a past resident of the tent city when it
[00:20:07] was on Davis.
[00:20:09] I helped in facilitating and moving the village to the new location.
[00:20:14] We were very pleased to get some more centrally located.
[00:20:20] Place to be in order to help more people in the long run.
[00:20:23] And I lived at that village for 18 months.

[00:20:26] I had been in housing for the past six months.
[00:20:29] I'm very thankful to be in housing, but I'm even more thankful to have had a safe place
[00:20:34] to be while being homeless on the streets of Seattle, which is a very crime ridden city.
[00:20:42] And I was worried about those kind of issues and problems, Bob, going through a tent city
[00:20:47] in a village. But when I found out it was self-manage and that I could have some control
[00:20:51] over my own destiny.
[00:20:53] I've shined and I enjoyed living there.
[00:20:57] I enjoyed participating and involving the community, involving the people that live there
[00:21:02] to participate, to get a handle on their own situation, to regain control of their lives
[00:21:09] in order to get housing, get a job, gets mental health, get physical health, get hospital
[00:21:15] help, whatever help that they were necessarily needing.
[00:21:18] And everybody has a different story and a different reason for being homeless.
[00:21:22] So we can't just blame one specific thing that causes it.
[00:21:26] We have to realize that we are the compassion that we seek.
[00:21:31] And by the city of Seattle, the port of Seattle and all the other entities in the city of
[00:21:37] Seattle, they have large amounts of compassion to help human beings that have real issues
[00:21:43] and problems and needs.
[00:21:45] The Port Authority, by allowing the village to be there, has made it safer for people to
[00:21:51] live in Seattle.
[00:21:52] That made it safer for people to be homeless in Seattle.
[00:21:56] We would just ask that you would consider this and renew the lease.
[00:22:02] Thank you very much for your time.
[00:22:04] Thank you, Joseph. Aaron months and then anybody else signed up.
[00:22:11] And then Alex Zimmermann.
[00:22:13] Be last. Hi.
[00:22:16] Thank you for having me. My name is Aaron Monts.
[00:22:18] I'm the pastor at United Church in Queen Anne.
[00:22:20] We have been serving the safe harbor, tiny village for the past two years, providing
[00:22:25] meals every Thursday night.
[00:22:27] We show up with a home cooked meal and there is a group of people that serve the meal
[00:22:32] every single week.
[00:22:34] We've been doing this since they were at the Dreyfuss location in the tents.
[00:22:38] And to see the drastic change in living situation and living environment over the past
[00:22:43] two years has been absolutely remarkable.
[00:22:45] What the port has been able to do and facilitate by providing this land has been
[00:22:49] tremendous for the residents and for the overall experience of the neighborhood in
[00:22:54] general. So thank you for that.
[00:22:56] Thank you for taking this chance and taking this risk and making that happen.
[00:23:01] I want to ask that you would not only extend it, but extend it for five years with the
[00:23:05] potential for another five year lease.
[00:23:07] Beyond that, I think that it would be a tremendous benefit not only for the residents,
[00:23:12] but for the neighborhood as well.
[00:23:14] We have experienced some tremendous relationships with the people and have seen so many
[00:23:21] people actually move their way into housing.
[00:23:23] Through this, we know this is not a permanent solution, but it is a temporary it is a
[00:23:27] beautiful temporary solution for the people that live there and their lives.
[00:23:34] They get to find some stability as a result.
[00:23:37] So thank you for what you have done.
[00:23:39] And we ask that you continue to do it.
[00:23:41] So thank you. Thank you, Aaron.
[00:23:45] Mr. Me, quickly, I just want to thank the folks that have come out and told us about some
[00:23:51] Botha's success this year as well as the year before.
[00:23:55] And. But the point that you just raised about the transition to permanent housing,
[00:24:00] obviously some small housing, tiny houses are not the solution.
[00:24:04] But if they are documented to provide that pathway forward, those data would be very
[00:24:09] helpful to justify the ongoing effort.
[00:24:11] So I hope you're keeping track.
[00:24:13] Thank you. All right. Alex, it turns out we have one more Danny Armory.
[00:24:18] Excuse me, among Alex.
[00:24:20] Come on up. Make sure.
[00:24:26] I'm not less than Rono.
[00:24:27] Oh.
[00:24:42] Goodish timeor. All right.

[00:24:47] I'll tell you when you're done. I'll tell you I'm done.
[00:24:49] Go ahead, Kyle. Might do it.
[00:24:51] He called me a Nazi.
[00:24:55] Damn a pig from Animal Farm, fascist strapper, anti-Semite and killer.
[00:25:01] My name Alex Zimmerman and I'm president of Stand Up America.
[00:25:04] I can't Race Solutions is B.S.
[00:25:06] for many years and I try to understand how is this possible?
[00:25:09] You know, it has been very simple point for the last 20 years.
[00:25:12] See, I thought controlled by one party, a Democratic Party, a pure mafia, a Barndioota in
[00:25:18] people come and complain and complain and complain is go votes is don't go better.
[00:25:23] Why? It's very simple.
[00:25:25] Right now we have a five brown court.
[00:25:28] So who control and see.
[00:25:30] Yet for the last few years, it makes situation absolutely a bit weird.
[00:25:34] I would question about this.
[00:25:37] So how we can change this?
[00:25:38] How 700000 idiot includes this.
[00:25:41] People could sit in this room.
[00:25:43] Always go in.
[00:25:44] Vote for Democrat.
[00:25:45] This don't have sense.
[00:25:47] Then situation got worse and worse for all 700000 people.
[00:25:51] And Mealer, 2 million people.
[00:25:52] And right now, gorgeous state Washington.
[00:25:55] Why is this idiot always elect same people again and again?
[00:25:59] Can you explain to me how is this possible, a Democrat controlling this city and state
[00:26:05] and senator for twenty five years?
[00:26:09] Can you explain to me what the Soviet Union.
[00:26:12] Come on, you servile politburo sometimes don't stay in for so long.
[00:26:16] So why is this freakin idiot come to see us complain, complain and nothing change every
[00:26:21] year? What again, for a Democrat, for this croque for this mafia forces bandits who steal
[00:26:27] and money from us. So I spoke right now to everybody who listen to me.
[00:26:31] Stand up America.
[00:26:33] Thankyouverymuch Janae.
[00:26:37] Is standing still in the room.
[00:26:39] OK, great. Come on up.
[00:26:42] And I just want to note that the handout that people gave that I didn't have a chance to
[00:26:46] read. Points out that 62 of the residents have transitioned.
[00:26:50] So obviously you are keeping close count.
[00:26:52] Thank you for that. But you see, I politely they all were like, we can do that.
[00:26:58] Hi, Danny. Welcome. Thank you.
[00:26:59] Good morning. I would like to thank the court and the city of Seattle and Lee.
[00:27:05] Would you move a little closer to the microphone then?
[00:27:08] You hear me now? That's okay.
[00:27:11] I want to thank everyone.
[00:27:15] I am probably the oldest age wise member there at in a bay village, and I came in March.
[00:27:24] I will be leaving soon by the end of November.
[00:27:28] However, it was a place I needed to be at the time.
[00:27:34] There were things going on in my life.
[00:27:36] I made a financial error.
[00:27:38] I'd probably make the same choice again with more insight.
[00:27:43] However, when I needed a place to be, they were there.
[00:27:47] And I appreciate that.
[00:27:49] And I'm grateful for it. Has it been all smooth sailing since then?
[00:27:56] No, it hasn't. But everything is a process.
[00:28:00] And I've watched. I came when it was a tent.
[00:28:03] Now it's in a cabin.
[00:28:06] And that transition period.
[00:28:08] It's a work in progress.
[00:28:10] But I've watched people come and I've watched people go.
[00:28:13] And it does give you a sense of stability.
[00:28:16] It gives you a chance to stand up again.
[00:28:20] The ground isn't shaking under you.

[00:28:22] You're not afraid every night.
[00:28:25] So it does work.
[00:28:28] And I would like to see it remain there for those who need that particular stability
[00:28:35] under their feet. Thank you, Danny.
[00:28:44] All right. With that public comment is closed and we're going to move on to items on the
[00:28:49] unanimous consent calendar.
[00:28:52] Mr. Gregoire, I was gonna move adoption of the names, 10 calendar grades.
[00:28:55] That's item 6 8 through 6 F moves.
[00:28:59] And second, in all those in favour please indicate by saying I I.
[00:29:02] All those opposed nay i's have it.
[00:29:05] Terrific. So now we will move on to our special orders items set in a authorization for
[00:29:11] the executive director to renew the lease agreement for one year with the city of Seattle
[00:29:16] for continued use of the Sebo to site sixty no one Fifteenth Avenue, West Seattle for a
[00:29:22] temporary homeless encampment.
[00:29:26] Commissioners were pleased to assist the city in the community with the lease of this
[00:29:29] property that we heard so much about earlier.
[00:29:32] We have reached agreement with the city and seek your approval to extend the lease
[00:29:35] agreement for one year.
[00:29:36] Presenters are Broncho Valdés, Mengel older or brooding and director external affairs
[00:29:44] with the City of Seattle in Sharon Lee, Executive Director, Low Income Housing Institute.
[00:29:50] Good afternoon, commissioners and executive director Steve Metric.
[00:29:54] I'm Veronica Valdez, commission specialist at the Port of Seattle Commissioners.
[00:29:58] Today, you will receive a briefing on the Inner Bay's Safe Harbour Village, located on
[00:30:02] port property at Sloboda, which is north of the Magnolia Bridge, west of 15th Avenue and
[00:30:08] adjacent to the National Guard Armory.
[00:30:11] Before I turn it over to to our speakers, I'd like to provide some background in November
[00:30:16] 26 17.
[00:30:17] The commission authorized a lease with the city of Seattle for a portion of the support
[00:30:21] of property for the Inner Bay Safe Harbor Village.
[00:30:24] The current lease is set to expire this November.
[00:30:27] On November 16. Twenty nineteen.
[00:30:30] In August of this year, the port commission received a request from the city of Seattle
[00:30:34] to renew the lease agreement of this abode, a property through 2020 for the continued
[00:30:39] operations of the village.
[00:30:41] Today, we are requesting commission authorization for the executive director to renew the
[00:30:45] lease agreement for one year with the city of Seattle for continued use of the property
[00:30:50] for this about a village.
[00:30:52] I would like to acknowledge the port staff, our friends at the city of Seattle in low
[00:30:56] income housing institute, the Community Advisory Committee members, the residents of
[00:31:01] Inner Bay, Safe Harbor Village, the many faith based organizations and community members
[00:31:06] who have been instrumental in making this village a success.
[00:31:09] I'll now turn it over to my old birding.
[00:31:17] There we go. Good afternoon, commissioners.
[00:31:19] And I don't know if I can run the slides or.
[00:31:28] Doesn't look like it's up. So thank you for having us here today.
[00:31:39] Thank you to the port commissioners for all your support and partnering with the city of
[00:31:45] Seattle as we address this unsheltered crisis that we face.
[00:31:49] Your support over the last two years has been invaluable and instrumental in helping us
[00:31:54] to better shelter people who are living on our streets and has led many people to find
[00:31:59] permanent housing. As you've heard today, it's been a critical support today on behalf of
[00:32:05] the city. I'm here to ask the port to continue this critical partnership by voting to
[00:32:10] extend the port's lease of this about a property.
[00:32:13] The city, Seattle Seattle Human Services Department has sent a letter to the port to port
[00:32:18] commissioner bowmen, I believe, and formally requesting this extension.
[00:32:23] And since then, the city and its village operator, the low income housing institute who
[00:32:27] joins me today, have been engaging community in this matter.
[00:32:32] We have last month we hosted a public meeting and with community to learn more about the
[00:32:39] community's experiences with the villages and have overall heard great support from
[00:32:45] Magnolia, Queen Anne and the surrounding communities for this village and its operations.
[00:32:52] I just wanted to see.
[00:33:00] Just use that. Perfect.
[00:33:02] So I just wanted to provide a little bit of context about how the villages fit into the
[00:33:07] overall response to homelessness that the city is undertaking these days.

[00:33:14] So in twenty seventeen, as you've heard, we've we completely changed really the way the
[00:33:20] Human Services Department invests, manages and measure success in our homeless response
[00:33:25] system. And we wanted to increase both the quality and the quantity with more people
[00:33:30] finding housing and with more solutions.
[00:33:33] And so we really changed our entire model to go to more supportive services, more
[00:33:40] enhanced shelters with things like 24/7 access, more case management, allowing people to
[00:33:47] come inside with their pets, their possessions, their partners.
[00:33:51] And now we are seeing the positive results in those investments.
[00:33:55] And on the screen, you can see that we have in twenty nineteen in the first six months,
[00:34:00] our data is showing that we have more people served, more people moved into housing and
[00:34:05] more people living with disabling conditions remaining Staveley house.
[00:34:10] So our efforts are working and your contribution is part of that is making a difference.
[00:34:15] The villages perform at a high level in this system and as some of the most sought after
[00:34:20] shelter resources we have available.
[00:34:23] We hear anecdotally and when we talk to people outside on the streets that coming into a
[00:34:28] village provides a first step on their journey into homeless, into being housed.
[00:34:36] Again, you've heard that they provide the kind of connections to housing that that they
[00:34:42] need. And the city now has eight villages that operate on public, religious and privately
[00:34:48] controlled property.
[00:34:49] These are crucial and are showing results.
[00:34:53] As commissioner, to your your question about results in 2017, when we first started, we
[00:35:00] saw a 22 percent exit rate to permanent housing from villages.
[00:35:06] Today, that figure is 37 percent and it outpaces some of the city's other successful
[00:35:11] shelter programs.
[00:35:13] So the villages and the evolution of the model there, thanks in large part to LIHI, is
[00:35:18] working. And really, I just wanted to give a little bit of of kudos.
[00:35:27] This slide is just really meant to show how that that program has evolved and that we are
[00:35:33] making a difference.
[00:35:34] We are now running these very much like enhanced shelters with hygiene services, running
[00:35:40] water showers, case management onsite, helping people really develop their own plans.
[00:35:47] Let's share and talk about that a little bit more.
[00:35:50] And really, they this democratic governance structure has made a difference for people
[00:35:57] who are living in these villages and they are very responsible and in very proud of that
[00:36:04] model. And so we would like to just.
[00:36:10] Here's your numbers, Commissioner.
[00:36:12] We just wanted to talk a little bit about the the results we're seeing, the increase of
[00:36:18] people leaving these villages and moving into housing and ask for your continued support
[00:36:24] so that we can continue these great results.
[00:36:27] And now I'd like to turn it over if it's OK to Sharon.
[00:36:32] Thank you so much.
[00:36:33] And I really appreciate the commissioner's support in the last few years.
[00:36:38] And thank you, Commissioner Steinbruck, for coming to the Open House event we had
[00:36:44] Councilwoman Sally Bagshaw was there as well as on port staff.
[00:36:49] And there was an open house where we featured the new houses that were moved into the
[00:36:54] village. We had twenty three tiny houses and expand it to 42.
[00:37:00] And instead of just a row of on Porta-Potty and people having to hunt around for showers
[00:37:06] and go across town to do the laundry, we were able to put in plumb toilets, showers,
[00:37:13] laundry. And I've really nice kitchen sink and and amenities.
[00:37:18] So we are grateful to the airport for this invaluable resource.
[00:37:25] You have land. We have the city.
[00:37:28] The city is providing the operating support, water, sewer, garbage.
[00:37:32] And a city, most importantly, is providing funding for case managers.
[00:37:36] And the case managers are doing a terrific job moving people into housing employment.
[00:37:41] Just because instead of having a tent, people can lock their door.
[00:37:45] People are going to school, going to work.
[00:37:48] Moving into housing is just absolutely phenomenal.
[00:37:52] We invite you all to come in and we'll give you a individual guided tour and you can
[00:37:58] really meet the residents.
[00:38:01] I would say that what you've done is also a national model.
[00:38:05] We have lots of we just had the mayor of San Jose.
[00:38:10] He's agreed to build two tiny house villages and he wants to expand to eight.
[00:38:14] We just had the mayor of Tacoma come by.
[00:38:17] We've had Honolulu City Council.

[00:38:19] We've had lots of people around the country.
[00:38:22] And now that this is a proven model, that instead of people staying in tents during the
[00:38:27] heat, it insulate a tiny house.
[00:38:29] They're able to make a quick bridge into permanent housing, long term housing.
[00:38:34] And numbers are really, really high.
[00:38:38] Which is which is great.
[00:38:41] And we are very blessed to have the city support.
[00:38:44] When Mayor Durkin came into office, she immediately set up three tiny three new tiny
[00:38:49] house villages, Whittier, for homeless women to hope with a focus on African-American and
[00:38:56] people of color. And then she also has been helping with new villages and expanding the
[00:39:05] villages. Lake Union Village is also in South Lake Union, which is the third one she
[00:39:12] helped setup. So we are very pleased to be here today in support with the community and
[00:39:20] with our residents.
[00:39:21] And ask that you consider renewal of the lease.
[00:39:26] Great, thank you, Sharon.
[00:39:28] Questions for staff.
[00:39:31] Sure, Steinbruck. You didn't talk.
[00:39:34] I don't have too many questions.
[00:39:36] You've really answered them all.
[00:39:38] And so have this wonderful testimony provided by some of the residents and past residents
[00:39:44] of Inner Bay Village.
[00:39:48] You know, just the fact that it's called Inner Bay Village gives a sense of place and
[00:39:53] community as compared to well, I mean, this shelter or that shelter last week or what
[00:39:59] have you. But thinking about this.
[00:40:02] Sharon, you've done such tremendous work and you're your organization at Lehigh that you
[00:40:08] continue to do and now setting an example and nationwide on the one hand.
[00:40:14] Sometimes people ask, well, the parts not involved in housing and homeless housing.
[00:40:21] Well, we're not really involved in the homeless housing, but we're facilitating, you
[00:40:25] know, the land that supports what what what you've created there, such as being part of
[00:40:32] community. And I think fulfilling a an important aspect of our mission really recently
[00:40:39] read written to include quality of life.
[00:40:42] So while economic development is central to our mission and quality of life is very much
[00:40:50] a part of making this possible and very consistent with our mission.
[00:40:56] So I'm very, very supportive of continuing this lease.
[00:41:00] It's not clear to me why it's only one year.
[00:41:03] I mean, that's a question for you, Sharon.
[00:41:05] Why it couldn't be extended a little longer.
[00:41:07] But I think the tour cinched it for me.
[00:41:10] Again, thanks to the residents who guided us around and showed us with great pride and
[00:41:17] sense of dignity there and hope.
[00:41:23] Once you lose hope, it's pretty hard to get it back.
[00:41:25] And I think this gives hope and dignity, which are essential to getting your feedback on
[00:41:30] the ground, stable, stabilizing lives and finding a longer term solution.
[00:41:37] And nobody would say this is a long term solution, but it certainly is preferable interim
[00:41:47] solution. And the concept and the model to to bringing things, to restoring that sense of
[00:41:55] dignity, stability and safety and security even for children.
[00:41:58] Parents we spoke to there felt very comfortable and safe.
[00:42:02] And the community provides that safety net.
[00:42:05] It's the same community of residents, not some enforcer from outside.
[00:42:10] The self-management also gives a sense of self-determination, which also adds to the
[00:42:16] dignity. And so there's so many things here that are so good and so important to helping
[00:42:22] people get back on their feet and achieve, you know, longer term permanent housing.
[00:42:30] I could go on, but I'll just say that about it.
[00:42:33] And seeing is believing if any of you haven't visited, it's well worth it.
[00:42:38] You should start charging, however, you at least put a collection box around for all
[00:42:44] these cities that are coming by and maybe that contribute a little something back for for
[00:42:49] the time involved. So that's that's about it.
[00:42:53] It clearly is a model that is producing successful outcomes.
[00:42:58] It's it's not it's not entirely new because Hooverville in Seattle and elsewhere in the
[00:43:06] country in the 30s during the depression was also a community of a sort of self made in
[00:43:12] checks, basically. These are a little better up little improvement over some of the
[00:43:17] Hooverville, the pictures I've seen, but that the idea of community and
[00:43:22] self-determination and self-management, all those kinds of principles are proven to to

[00:43:30] lead to better outcomes.
[00:43:31] So thank you so much for your hard work.
[00:43:35] You've done the heavy lifting.
[00:43:36] You and your community of residents, I hope, will continue to see this this approach that
[00:43:44] brings much greater dignity and compassion to this crisis that faces our city, the region
[00:43:50] and the country. Well, I just want to say we would absolutely be delighted if the lease
[00:43:56] was longer than one year.
[00:44:00] So I just want to say, in terms of your quality of life, we know that.
[00:44:05] We know that the homeless crisis we have in Seattle is having a really negative impact on
[00:44:11] tourism, trade and walkability that.
[00:44:16] And so we feel part that we're really part of the solution.
[00:44:20] Absolutely. When the police encounter people living in tents.
[00:44:25] An unsafe location, their choice in terms of having to move is to move into a tiny house
[00:44:32] as opposed to relocating or moving into a mat on the floor or moving a block away.
[00:44:41] We want to be able to provide tiny houses for people and we think that that would help
[00:44:47] the environment, especially the waterfront.
[00:44:49] Pioneer Square, downtown locations, neighborhoods, industrial areas.
[00:44:54] We think that we could set up more tiny house villages.
[00:44:57] You will see the difference immediately in in our neighborhoods and in our commercial
[00:45:03] areas. Commissioner Gregoire, I wouldn't take just a quick moment.
[00:45:09] I feel that so many of you have come before and said thank you to the Port of Seattle and
[00:45:13] thank you to the city of Seattle.
[00:45:14] And I really need to flip this and say thank you to the community who has embraced this
[00:45:20] opportunity wholeheartedly.
[00:45:22] I. It was about three years ago when several of you came before us and said, we want
[00:45:29] these residents to be in our community.
[00:45:31] We need to find a place in our community so that we can continue this important
[00:45:36] partnership that we've built and a true spirit of community.
[00:45:40] So thank you for bringing us the opportunity.
[00:45:43] Thank you for enabling us to be a real partner.
[00:45:45] But honestly, thank you for showing us day in, day out what being a community and what
[00:45:49] being a neighbor really means because you take care of each other every single day.
[00:45:54] If two asks because I'm leaving at the end of this year as a commissioner, it's very hard
[00:46:00] for me. One.
[00:46:01] It was very meaningful to help when we established the tiny village.
[00:46:07] I want to be clear about this photo.
[00:46:08] I'm holding a paintbrush.
[00:46:09] Not anything that had to do with construction that would not have helped anybody.
[00:46:15] But I do think that moment helped a lot of our community at the port invest their time.
[00:46:21] And so if there was an opportunity to do a refresh, whether it's painting or gardening,
[00:46:27] I'm looking at my great leader, Veronica, to think about how we bring the Port of Seattle
[00:46:31] employees to understand what this means by being our true neighbor and to be our true
[00:46:34] community. That's one.
[00:46:35] Ask the seconds.
[00:46:37] I just had the pleasure of serving on the Inter Bay Armory Committee for the last year.
[00:46:43] Please continue to monitor that.
[00:46:45] There will be a report going to the state legislature about a public development
[00:46:49] authority for that property.
[00:46:51] I was the sole representative of the manufacturing industrial port.
[00:46:54] I could add a bunch of other slashes there.
[00:46:57] I advocated that.
[00:46:58] I think this is an opportunity for where we have a great, great community partnership and
[00:47:03] I wouldn't want to see that go away from that space.
[00:47:07] There's an opportunity to integrate housing.
[00:47:09] I would only in that space.
[00:47:11] It would only be meaningful if we continue to provide manufacturing and industrial
[00:47:14] economic opportunity for our residents alongside truly affordable housing.
[00:47:20] Otherwise, that would be an opportunity completely squandered.
[00:47:23] And I think you guys were the best advocates I've ever seen in this space.
[00:47:27] So please monitor that and continue to advocate for the great community that you saw.
[00:47:32] Thank you. I think Commissioner Caulkins wanted the season.
[00:47:39] Just a quick follow up. I do recall three years ago some hand-wringing going on about
[00:47:45] using port property, even on a temporary industrial lands.

[00:47:48] Even on a temporary basis for said uses and then a recall with great pleasure of painting
[00:47:55] with Commissioner Gregoire, although you don't see me in the photograph.
[00:47:58] But the but the reality is the fact that whatever two years later, we have a doubling of
[00:48:04] the facilities at what a tremendous success.
[00:48:06] And the community that came and advocated is even doubling down for that.
[00:48:11] So talk about alleviating any trepidation we might have had up front.
[00:48:15] And thank you very much for your community efforts.
[00:48:19] I do want to say that we had that February snowstorm that was really wicked and
[00:48:27] impactful. And just to let you know that we had people off the streets in the snow storm
[00:48:35] and we moved them into inner bay.
[00:48:38] And then very quickly they were able to have heat in tiny houses.
[00:48:44] So Enter Bay was part of the emergency solution to get people out of there.
[00:48:49] The snow. So just a quick question.
[00:48:53] I had a chance to visit when it was still 23 houses and I at the time I believe there's
[00:48:57] some litigation that was preventing you from reaching the what you intended with the full
[00:49:01] scope where you are right now.
[00:49:03] Is this the the full scope of what you think you can fit there?
[00:49:07] And relatedly, are there any other things like Liddick pending litigation or anything
[00:49:12] that's stopping you from fulfilling your mission?
[00:49:15] Yes. We had a challenge, which is a CPA challenge.
[00:49:19] And we went fruit went to the hearing examiner and the hearing Zarmina ruled in our
[00:49:23] favor. And so we were able to expand the village.
[00:49:27] But I will say that that one complaint caused people to live for eight months without
[00:49:34] flush toilets and plumb showers and and expanding the village.
[00:49:38] That was a real hardship.
[00:49:40] There is, I should say to the port staff, there is more land surrounding the village that
[00:49:49] we would like to use if we could.
[00:49:52] And we're happy to talk to the port about that.
[00:49:55] The other thing is that we rented a port storage facility and we have 60 tiny houses that
[00:50:01] have been built by volunteers and donated to us.
[00:50:05] And we have 60 tiny houses that are ready to you know, we just pick them up on a flatbed
[00:50:10] truck or on skids and we're looking for another site.
[00:50:14] And so we just want you to know that we feel it's very important to help people who are
[00:50:20] unsheltered, who have no place to go.
[00:50:22] And we stand ready.
[00:50:24] If you have additional property or if you want to expand the existing property, we would
[00:50:29] be very, very grateful.
[00:50:33] Any other questions, commissioner, sir?
[00:50:36] I thought that I wanted to share.
[00:50:39] There is a book that was recently published.
[00:50:41] I think it was called Shell during the Depression era.
[00:50:45] And it traces very closely the whole emergence of the shantytowns and Hoovervilles.
[00:50:52] And it tells the story of how Hooverville done the damage Tide Flats was set fire to, and
[00:51:00] it was believed to be done by port officials to clear the area.
[00:51:06] That, yeah, I don't know if was ever proven, but it's but but it's something that
[00:51:15] demonstrates how far we've come.
[00:51:18] And this little shacks didn't have heating and plumbing and so forth.
[00:51:21] And large community kitchens.
[00:51:23] But that gave rise to the era of public housing because in the city council worked to
[00:51:30] establish the first public housing authority in the United States, it built yes or
[00:51:34] terrorists, which my dad was a project architect on.
[00:51:37] So a little history there. All right.
[00:51:41] Well, I just wanted to close before we take a vote on this and just say I think
[00:51:45] Commissioner Feldman said it.
[00:51:47] This is not what the port normally does.
[00:51:49] But that said, three years ago, I had no hand-wringing over this.
[00:51:54] I was more than happy to move forward in my day work.
[00:51:58] I work with low income communities and I know every day that it is you are unable to move
[00:52:03] forward if you don't have stability.
[00:52:05] You just cannot move forward if you're living in a car or in a tents or on the streets.
[00:52:10] And so he was proud that my colleagues, Bill, voted in favor of this.
[00:52:15] We're all very supportive of moving forward.
[00:52:18] And again, when echo what Commissioner Gregoire said, thank you all for coming out.

[00:52:21] I mean, Janice, you and rest your team.
[00:52:24] I wouldn't have ever called you owls.,
[00:52:26] but. Yeah.
[00:52:29] And Reverend Cornwell, I mean, you guys, you were just amazing.
[00:52:32] And you really you kept at it and and, you know, sharing.
[00:52:36] You've been working in this space for 30 years as long as I've known you.
[00:52:39] So thank you for everything you've done.
[00:52:41] And probably most importantly, you know.
[00:52:44] Thank you. Danny and Joseph and Kimiko and Karlo for sharing your stories.
[00:52:49] It takes a lot of bravery to come up and talk about that personal struggles in front of
[00:52:54] everybody. And we just really appreciate it.
[00:52:56] And I think we're all really proud of the small role that we can play to help you all
[00:53:00] move forward and hopefully continue this.
[00:53:02] So. Well, thank you.
[00:53:06] Thank you. Well, with that, I'll call for a motion for adoption of seven a second that
[00:53:11] it's been moved and seconded.
[00:53:13] All those in favour please indicate by saying I I.
[00:53:16] All those opposed nay it's have it.
[00:53:18] Thank you. Thank you.
[00:53:24] The next item on the agenda is 8, a introduction and public hearing for resolution number
[00:53:30] thirty seven. Sixty two.
[00:53:32] A resolution of the Port of Seattle Commission declaring surplus and no longer needed for
[00:53:36] approved port district purposes.
[00:53:38] Approximately four hundred seventeen thousand nine hundred sixty three square feet.
[00:53:42] Nine point six acres of port owned real property located in the city of SeaTac.
[00:53:47] King County. And further authorizing the executive director or his designee to finalize
[00:53:51] negotiation. Prepare and execute on necessary documents to transfer said real property to
[00:53:56] Washington State Department Transportation for use and the extension of state route 5 or
[00:54:00] 9 in connection with washcloths seatac to I-5 freeway extension.
[00:54:05] S.R. 5 0 9 Corridor Completion Program.
[00:54:07] Phase 1 Project.
[00:54:11] Commisioners this transaction could assistant relieving traffic at the north end of the
[00:54:15] airport and to present this is island.
[00:54:17] Royal. Good afternoon, commissioners.
[00:54:23] That's right. You know what I what I think that would be?
[00:54:27] Yeah. I actually I was I mean, that motion and a second to the public.
[00:54:31] So I have to have a motion to entertain motion second for introduction of resolution 37
[00:54:37] 60 to. Excellent.
[00:54:41] Second, second. It's been moved and seconded, continue on.
[00:54:48] Well, I'll keep it simple.
[00:54:49] I feel pretty mundane after listening to what I did for the last hour here.
[00:54:54] Legal portions of it.
[00:54:55] This property is being acquired by Washington State Department Transportation under the
[00:54:59] threat of condemnation.
[00:55:02] That is not a negative thing.
[00:55:03] That's just a process.
[00:55:05] They have offered fair market value for that in an appraisal.
[00:55:10] We have reviewed the appraisal with an MRI.
[00:55:12] He has concurred with it.
[00:55:13] That'll be the \$7.4
[00:55:14] million we receive for it.
[00:55:16] And given the length of time we have to get through a commission memo, the FAA has
[00:55:23] already approved this.
[00:55:24] I have it in writing. It says it's pending in the commission memo, but it's not anymore.
[00:55:30] And under some editorial language here that is unrelated to the motion we're asking for,
[00:55:35] which is trying to explain why we're getting seven point eight million instead of seven
[00:55:38] point four. And that is somebody would ask me that question sooner or later.
[00:55:44] That is the finishing of the memorandum of agreement we had with Washe Dot back in 2009
[00:55:51] when we swapped them about \$16 million with the property, which actually enabled 5 0 9 to
[00:55:56] raise up in US standards, became a leading project with the state of Washington.
[00:56:01] So they owed us a little bit of money after the end of that deal.
[00:56:03] And that's what that is.
[00:56:06] Have any questions? Any questions?

[00:56:10] No. Me too, maybe testified on the resolution.
[00:56:13] Nope. OK.
[00:56:14] Well, with that, we're gonna actually have to now close the public hearing and
[00:56:18] resolution. I'm sorry, Greg.
[00:56:20] Yeah, closing it. Closing a public hearing on resolution thirty seven.
[00:56:24] Sixty two says no gavel.
[00:56:26] I'm messing with the gavel.
[00:56:28] All right. With that there is a motion second on the floor.
[00:56:32] No other discussion. Oh, a commissioner.
[00:56:37] Just very quickly, obviously, we hear from our partners in SeaTac about the traffic
[00:56:43] congestion. They are very aware that we're moving forward with this today and how this
[00:56:47] could potentially address some of some of the congestion on their city streets, is that
[00:56:51] correct? It is correct.
[00:56:53] It wasn't long ago, a couple of years, that in my role I sold to the city of SeaTac
[00:56:59] property that connected 24th Street Twenty Eighth Street in Des Moines, which in effect
[00:57:04] gave a bypass to International Boulevard and hooked up the airport with the massive
[00:57:10] development that the port did on the south end.
[00:57:13] This will is actually in a very same spot.
[00:57:15] They're sitting on top of each other.
[00:57:17] And actually we had them coordinate because I didn't feel like it would be a good idea to
[00:57:22] have one come in and build a road and then another one come in and build a freeway and
[00:57:27] not be compatible.
[00:57:28] So if you go out on 24 28 right now, you'll see a tunnel underneath it.
[00:57:33] And that's because of the cooperation between Washington and the city of SeaTac for the
[00:57:37] future exchange.
[00:57:39] So that whole thing was planned well ahead of time.
[00:57:41] We've been at this for years.
[00:57:44] Thank you, Mr.
[00:57:46] Stern. Just a question about why we've been carrying a debt with washed-up since 2009 on
[00:57:54] another property. In 2009, the commission entered into an agreement with washed-out for a
[00:58:01] land exchange and there is a very complicated deal here.
[00:58:05] The exhibit alone is one hundred and eighty seven pages long, but the ultimate goal of it
[00:58:10] was multi-fold for the Port of Seattle.
[00:58:14] We got property we needed to do the rental car facility site that washed-out had.
[00:58:18] We had a piece of what is everybody thinks is the freeway, but it's actually our driveway
[00:58:23] on the north end that we needed for improvement.
[00:58:27] We got three deals with them, including what's called a soil nail wall, which is
[00:58:32] basically a bunch of steel things going underneath the freeway off of 5:18 holds up the
[00:58:38] wall for the rental car facility site.
[00:58:40] We have the approach lighting system for 1:06, right?
[00:58:44] That goes over 5:18 that we had to have an agreement with them on that.
[00:58:48] And then we had a right to a future bridge, private bridge between the north into the
[00:58:55] airport and the property that the port owns, north of 5:18, the L-shape parcel, even our
[00:59:00] employee parking lot. They got the right away on the south end for the new alignment
[00:59:05] because the alignment had changed and we tried to match it up as close as we could.
[00:59:10] Dollar wise, because they had not been not in a position yet where the state had allowed
[00:59:14] them funds to do this.
[00:59:16] So it was a zero sum transaction.
[00:59:18] They use the balance of what they owed is after all the appraisals and everything were
[00:59:23] finished out to pay for those leases that we owed them for and just took credit down.
[00:59:29] Ultimately, we wanted a long term right away, but that required a trip back to
[00:59:34] Washington, D.C.
[00:59:35] so we didn't want to wait for that.
[00:59:38] And they did pursue it and agreed to do that.
[00:59:40] It took them two years, but they finally got us the right of ways that we want for a long
[00:59:45] term on the soil and they along and the approach lighting system.
[00:59:49] And there were still a little bit of a balance left that they owed us at the end of the
[00:59:52] deal. This is a 5 0 9 project for them.
[00:59:55] They want to reconcile it with us now and pay us back.
[00:59:58] I bet Commissioner Sandbrook was not expecting that answer, but that was fascinating.
[01:00:04] One time. Yes.
[01:00:06] Yeah, I just was it was unclear to me why why they owed us that money for now for almost
[01:00:13] 10 years. And I don't know if interest is accrued on that, but it sounds like it was a

[01:00:20] complex no cash transaction and they didn't have the money at the time to pay it.
[01:00:25] And now they have the money to pay us.
[01:00:28] Correct. They like that.
[01:00:29] Plus they reduced it by the permanent right away.
[01:00:32] So we're not paying for those either anymore.
[01:00:35] Mr. Corkins view flipped side three.
[01:00:40] It's a diagram of the property.
[01:00:43] You know, I got that.
[01:00:44] I can. OK.
[01:00:50] So my question is that remnant parcel still owned by port?
[01:00:57] That's correct. And they they will only take what they need for their operation.
[01:01:02] My review appraiser or may I appraiser said that that property is still valid.
[01:01:07] It is not an uneconomic remnant.
[01:01:09] OK. So we had no grounds to try to say that it's an uneconomic rent.
[01:01:14] Anticipated my question perfectly.
[01:01:15] Thank you so much. Mr.
[01:01:17] Feldman. And following up on that very point, then it's a rather treed lot.
[01:01:22] And then the property off to the right is even more treed.
[01:01:27] And I was just wondering whose property is that?
[01:01:30] And the adjacency makes it very interesting.
[01:01:33] The adjacent property is owned by a private, private party, the ones that actually owned
[01:01:37] the trailer park that I acquired for the port a long time ago.
[01:01:43] And he still owns it.
[01:01:45] And do you have any sense of their intent for the property?
[01:01:50] I don't think he really has.
[01:01:51] He did really, really well when he sold his interests.
[01:01:54] And so there's no construction on the property.
[01:01:57] It's just a natural site.
[01:02:00] Very good. Thank you. Great.
[01:02:03] Any other questions? No.
[01:02:06] Okay, with that.
[01:02:08] There's a motion on the floor for introduction of resolution thirty seven.
[01:02:12] Sixty two.
[01:02:15] Let's see. Any motions on the floor?
[01:02:19] All those in favour please indicate by saying I I.
[01:02:22] All those opposed. Nay, I said.
[01:02:24] All right. Thank you. Next agenda item 8 B authorization for the executive director to
[01:02:32] one, prepare design and construction bid documents for the Terminal Solid Waste
[01:02:36] Improvement Project at Seattle-Tacoma International Airport to execute a long term
[01:02:41] contract for standardized solid waste compactors through a competitive process for a
[01:02:46] period of up to 10 years and three use port cruise for pre-construction activities.
[01:02:51] The amount of this request is one million two hundred twenty five thousand dollars for a
[01:02:54] total estimated project cost not to exceed \$6.4
[01:02:57] million. Commissioners This project will ensure we have the infrastructure to meet the
[01:03:02] waste and recycle needs for operators, travelers and worker safety presenters are Michael
[01:03:07] Dai's Hart and Tom Burney.
[01:03:19] We don't want to do the aviation budget again.
[01:03:29] Well done. All done.
[01:03:32] That's our job.
[01:04:05] Executive Director metrick.
[01:04:08] My name is Michael Dysart and I'm a capital program manager at the airport.
[01:04:12] And with me is Tom Burney.
[01:04:14] The US solid waste program manager for the airport.
[01:04:19] Again, today we're gonna be requesting for design authority for the terminal solid waste
[01:04:24] project. We're gonna be requesting authority to enter into a long term contract to
[01:04:30] purchase compactors.
[01:04:33] And we're going to be requesting authority to use port crews for pre-construction
[01:04:36] activities. We're requesting one million two hundred and twenty five thousand dollars for
[01:04:42] a total estimated project costs not to exceed six million four hundred thousand dollars.
[01:04:49] There's three main reasons for this project growth at the airport.
[01:04:53] Addressing sanitation requirements and supportive environmental initiatives, we'll give a
[01:05:00] brief project scope overview and a cost and budget summary.
[01:05:09] The very first line we're going to talk about is the first slide is about passenger and

[01:05:16] waste growth. This slide depicts two really good problems.
[01:05:22] One, the airport's growing the airport and to the airport's recycling and compost
[01:05:31] programs are working. Over the last eight years, the airport grew 58 percent from 32
[01:05:37] million annual passengers in 2010 to just under 50 annual met and passengers in 2018.
[01:05:50] Total annual solid weed processing increased 45 percent with 55000 tonnes in 2010 and
[01:05:57] eight thousand tons in 2013.
[01:06:00] What is interesting is that composting, recycling and trash all increased about the same
[01:06:06] amount in volume.
[01:06:08] But that's not the interesting part.
[01:06:10] This represents a 400 percent increase in composting posting, a 90 percent increase in
[01:06:17] recycling and only a 20 percent increase in trash.
[01:06:23] Which is pretty astounding for the risks for the composting program in eight years.
[01:06:31] But with growth brings challenges.
[01:06:41] Tom would be more than happy to take you down there.
[01:06:44] Just don't wear your good shoes, I promise.
[01:06:50] So the North and central terminal collection areas there right below the central terminal
[01:06:56] or the glass wall, as were constructed in 2003 for garbage and recycling only.
[01:07:03] And they're the primary areas that handle the vast majority of the airport terminals, B,
[01:07:10] C and the main terminal.
[01:07:12] About 75 percent of the terminal.
[01:07:18] Unfortunately, there's no more space available in the area down there on the secure side.
[01:07:22] The pictures that you see on the left is what it normally looks on a normal day.
[01:07:28] Operations pretty good.
[01:07:29] The staff does a really good job of keeping it pretty clean.
[01:07:33] Unfortunately, if there's a problem, if something breaks down, if there's a risk, there's
[01:07:39] a peak day. If there's a limited visibility of the hollar, can't get there.
[01:07:47] We've had a number of overages and it's starting to happen more frequently.
[01:07:52] Things get overwhelmed and we have trash overages.
[01:07:57] I particularly want to point out the picture in the lower right hand corner, which is how
[01:08:03] we handle our current compost.
[01:08:06] As you remember, I said that we it was built for recycling and trash.
[01:08:12] Our current solution for compost is these little 2 yard movable bins.
[01:08:18] As a new program, it's grown immensely and we haven't.
[01:08:23] That's how we we do it now.
[01:08:25] Can I ask a question?
[01:08:26] This overall is passenger waste.
[01:08:29] M Help me understand.
[01:08:30] Are we talking about just in common areas or is this also tenant ADR?
[01:08:34] This is the combo.
[01:08:37] That's correct. So forgive me, maybe I go back to the other chart that I'd love to
[01:08:42] understand because I think there's another diversion off of the growth of waste and that
[01:08:47] has been our food donation program.
[01:08:49] That's not going into any of these three buckets.
[01:08:51] Absolutely. So I sit there and think about how we represent this one put in the waste
[01:08:55] category 'cause clearly we're talking about food donation to deserving community
[01:08:59] organizations. But both of those have been partner important to ensuring that's not
[01:09:03] ending up in that room.
[01:09:05] Absolutely. There's several tactics, says part of that waste diversion program, the food
[01:09:09] donation program has been very successful component of that.
[01:09:13] The composting, the food and composed tables not to include donations, but rather what's
[01:09:18] generated within the airport, dining, retail, the consumables passengers, the rest of the
[01:09:23] food that's used by kitchen waste that is brought down to these areas.
[01:09:27] What's being captured as well as recycling, those are the core components for waste
[01:09:30] diversion program. And that's specifically what we need to ensure we up gauge the size of
[01:09:36] containers for. So we continue to support do we charge our tenants by volume or it's
[01:09:43] included in their lease?
[01:09:45] It's a great question. We charge a pay as you throw fee for accessing, which is a
[01:09:51] incentive to recycle more.
[01:09:53] And that's been shown to work quite well for both the airport terminal and the airfield.
[01:09:59] And so the compost answer question would be free for disposal, as is the recycling.
[01:10:05] Do we actually turn this into compost or we're just gathering it as compost?
[01:10:10] That's correct. We're gathering the materials and we set it off to Cedar Grove, who
[01:10:14] processes it. And it turns into hopefully we're using your own garden beds.

[01:10:19] What kind of increase in costs have we seen for disposal of recycling?
[01:10:25] As a result of the Chinese embargo, essentially on recycle, that's a great question.
[01:10:31] Recently, the city of SeaTac to pass a resolution to support our Horler within the city
[01:10:37] of SeaTac, which has recalled G and has assessed four commercial entities.
[01:10:42] A couple of fines and essentially we paid out in twenty nineteen seventy nine thousand
[01:10:46] dollars in additional fees to support the hauler and their continued operation.
[01:10:52] That money was used as capital to invest in their additional processing capabilities in
[01:10:57] machinery. They invested in optical sorters to get better stream purity to ensure they
[01:11:01] could find viable in markets.
[01:11:04] So as I think it's come to light, that recycling is a bit more problematic than we like
[01:11:10] to think. And I'm wondering if we are using an old model to determine moving forward
[01:11:18] whether this is the appropriate emphasis.
[01:11:23] Moving ahead, I guess what I'm getting at is should we also be considering charging for
[01:11:29] recycling at the tenant level to encourage the use of reusable bags at the airport more
[01:11:37] often or less packaging overall so that the actual production of waste, regardless of
[01:11:43] stream, is lower? Absolutely.
[01:11:45] That's a great question. Right now, we have an ongoing investigation for our solid waste
[01:11:49] management plan update for 2020, which is also looking at additional capital.
[01:11:53] We should invest in other programs and opportunities such as single use plastics, where
[01:11:58] else we can accomplish that waste diversion goal.
[01:12:02] So we'll be investigating that this next year as we continue to study it.
[01:12:06] In terms of charging whether that will provide a positive incentive, we'll be one of
[01:12:10] things we'll be looking at as well.
[01:12:13] I'm familiar with a couple of examples of facilities of our size or maybe larger that
[01:12:20] that use their own waste to produce energy.
[01:12:25] This is obviously a much larger scope project, but is it something we've ever considered?
[01:12:31] Yes, I think we can talk at length that that is about that as well.
[01:12:35] We will be looking at that as an opportunity within the utility master plan and the solar
[01:12:42] rays master plan in 2019 2020.
[01:12:46] We've done an initial study to look at the feasibility of wtt, as has King County, and
[01:12:53] we're looking at matching King County and remaining aligned, most importantly within our
[01:12:57] waste diversion plan within what federal, state, county and city are looking to do.
[01:13:03] And by pursuing recycling, we are indeed maintaining that alignment.
[01:13:08] In my overview this it appears as if we're not spending money on.
[01:13:12] I mean, this would probably be necessary even if we chose to put our waste energy
[01:13:17] facility on site.
[01:13:18] But because since this is really about collection and sorting, correct?
[01:13:23] Yeah. One last question.
[01:13:27] Our numbers.
[01:13:30] I think the first slide, the passenger and waist growth, how do we compare to like size
[01:13:36] airports elsewhere?
[01:13:38] And I'd be particularly interested in European airports with about 50 million annual
[01:13:44] passengers. I would love to find out that out about European airports.
[01:13:49] I put in a couple of requests to go and travel abroad and take a look and gather better
[01:13:53] data, see if that gets approved.
[01:13:56] But in the meantime, I know that domestically we are one of the leaders.
[01:14:00] We're doing terrific. Of course, we're fighting for first with SFO.
[01:14:05] But in terms of other comparable sized airports, we're doing quite well as I've done
[01:14:10] other preliminary calls and screeds.
[01:14:12] Sounds like we're leading the field, especially with our composting food and compostable
[01:14:17] diversion. Quite well.
[01:14:20] Thank you. So you went to the exact comparison that I wanted to do, and I think this
[01:14:23] question is to exact a director metric.
[01:14:25] And I can ask my commissioners if they would support this.
[01:14:27] I'd love a study and just a memo to us reflecting the recent prohibition on plastic water
[01:14:34] bottles at SFO at Kennedy and how quickly are ADR tenants could potentially make that
[01:14:40] change? I think that would be a waste diversion opportunity here.
[01:14:42] And that does not. That means there still be water at the airport that you could purchase
[01:14:45] at Reebok's water. It, of course, would encourage people.
[01:14:47] But now that our airline partners have actually tabled in Alaska, making announcement
[01:14:52] that we can bring your own water bottle on.
[01:14:54] We've kind of solved I call it the ecosystem problem a little bit.
[01:14:58] I'd love us to do an analysis just to understand what it would take, I think legally

[01:15:02] based on our ADR contracts.
[01:15:04] But understanding the opportunity from SFO and JFK and how it's changed their way,
[01:15:08] streams would be in great commission.
[01:15:10] Great. A friendly amendment possibly to expand it to say single use plastics generally.
[01:15:14] Not just water bottles.
[01:15:15] Yeah, but all single use plastics.
[01:15:17] Yep. To look at that, an example.
[01:15:19] It's going to take I think some effort on staff, maybe outside consultants part to say
[01:15:24] what's feasible, but it's a significant part of our waste stream.
[01:15:27] Correct. Thank you. I totally agree.
[01:15:29] It's a friendly amendment and what we need is the feasibility because of existing
[01:15:32] contracts. Otherwise, believe me, I think you would've had a commission passing this the
[01:15:37] second that we talked about.
[01:15:38] But when you talk about the feasibility and how we could make that change, I believe we
[01:15:42] ran into some of that legal questions when we tried to go strapless.
[01:15:46] I think there was some of that investigation of and I think we ended up buying it for
[01:15:51] them. But the adoption of strollers or compostable straws.
[01:15:57] I know that was part of the exploration and the challenge associated with implementation.
[01:16:02] One of the things that was brought up earlier was the question about the, you know, the
[01:16:06] actual food donation part.
[01:16:09] That is just an extraordinary amount of waste in food in general.
[01:16:12] But that it is, I think you said, subsumed by the compost category or is it is it within
[01:16:18] that category? It's actually excluded from these numbers and rightly so, because it's
[01:16:23] reused and repurposed.
[01:16:24] Okay. So is that then?
[01:16:27] Wouldn't that be a great line to have separately?
[01:16:30] Commissioner Gregoire said no, but I did know was that actually you were asking to have
[01:16:34] it expressly?
[01:16:36] I know you broke it out. I don't know that it was not to be.
[01:16:40] I differently.
[01:16:45] Yeah. Yeah, I that's great.
[01:16:46] As long as we can show that trend 'cause I know it's a relatively recent effort and one
[01:16:50] of things I know in our own catering efforts that I know staff often take their own
[01:16:56] initiative to take whatever leftovers we have and we often have rather nice capabilities.
[01:17:02] What we don't always deal with when we order catering to have like to go containers to go
[01:17:08] with your film, is this relevant to.
[01:17:09] I just I just need to let these guys finish their presentation.
[01:17:12] The the one thing I just want to make sure is this, including material that come off the
[01:17:16] island, off the airplanes.
[01:17:18] Now, this this specifically is targeting the airport terminal.
[01:17:23] The airlines are collecting this material as well.
[01:17:25] That's correct. And some of them are recycling or sorting.
[01:17:29] So is there a way in which we can embrace their participation as well?
[01:17:35] Yes. And we'll be exploring that along with our solid waste management plan update for
[01:17:38] this next year. The majority of their food waste for deplaned is handled by their flight
[01:17:42] kitchens. I am really excited that everyone has chimed in about this topic.
[01:17:47] That warms my heart and gives some validation.
[01:17:49] So thank you. I was doing a great job.
[01:17:51] There's got to be some economies of scale.
[01:17:53] I mean, depending on what we're doing and the scale that we need to embrace, we'd have a
[01:17:58] lot to do with their participation or else collaborating with the flight kitchens.
[01:18:01] And to that end, we've included that scope within our utility master planning to look at
[01:18:05] the aggregate volumes so we can look at long term capital projects over the next 25 years
[01:18:11] that can address this as well.
[01:18:13] Ok. Next slide.
[01:18:15] All right. So moving on.
[01:18:19] So slender for this is this is not a pretty picture at all.
[01:18:23] So this project goes to fix.
[01:18:29] So what you're looking on the left is that our current facility doesn't have proper
[01:18:32] drainage. So this project goes to fix the drainage and sloping of what we currently have
[01:18:39] now. It just needs to be fixed.
[01:18:42] And on the right, you see how workers and a lot of spots are currently cleaning their
[01:18:48] trash carts. They take water from a hose or a bucket.

[01:18:51] They swish around their cart and they dump it on the ground.
[01:18:55] This project addresses both concerns.
[01:18:57] These may be regular toworry requirements that we're fixing.
[01:19:01] But more importantly, this is for the safety, health and welfare of the workforce that
[01:19:04] needs to use these facilities, be it tenant airlines, custodial contract or port
[01:19:09] employees. The third driver for this.
[01:19:15] And kind of to Tom Point and we've been talking about this is how this really supports
[01:19:20] kind of our environmental initiatives.
[01:19:26] On the left hand side of the slide is how the project necess- supports the overall
[01:19:29] century agenda goals in the dark or in the medium Bluebox.
[01:19:36] This Inforum the airport's environmental strategy plan goal number 10, which was to
[01:19:42] divert 60 percent of terminal waste by 2020.
[01:19:46] To achieve this, the first solid waste management plan was developed in 2010 and then
[01:19:51] updated in 2015 and then will be updated next year.
[01:19:56] One component of the plan of many is the forecast and capacity analysis study, which you
[01:20:01] see on the right. Slight side of the slide and which the project was based.
[01:20:08] The volumes that we see for this specific portion, the multiple colors, represents the
[01:20:14] different way streams and tells us we have gaps in our compost capacity or that we need
[01:20:19] to enlarge our recycling and garbage compactors to reduce our overages or provide
[01:20:25] resiliency dart peak times.
[01:20:30] But that's not the only thing the plan does.
[01:20:31] It looks at many things at a time.
[01:20:34] It attempts to align with the local, state and national goals, emerging trends.
[01:20:38] For example, things like the single use plastics reduction and food waste and food waste
[01:20:44] prevention programs.
[01:20:46] So all of the environmental programs, all the things that you've talked about it.
[01:20:51] It's looking at.
[01:20:58] On the next slide, we have the waste.
[01:21:03] What you're looking here on this this slide is really the the slide depicts the
[01:21:10] percentage of terminal waste that the airport has diverted away from landfills.
[01:21:14] This does include things such as the food scrap waste program in the terminal itself.
[01:21:23] Really, in 2006, it was just the recycling program.
[01:21:28] In 2006, they added coffee grinds to the max.
[01:21:32] And in 2009, they really started with a food and compostable collection program.
[01:21:39] In the past 10 years, it's grown significantly.
[01:21:45] And as of 2016, a big victory for the program.
[01:21:51] All new food and beverage leases have recycling and compostable service where
[01:21:55] requirements in them.
[01:22:00] Recycling and compostable volumes in the central terminal are expected to double in the
[01:22:05] next year as a central terminal is expected to come online, or at least in that that
[01:22:11] section. So it's expected to double in that area.
[01:22:16] A couple of questions related to these trends in the earlier slide.
[01:22:22] It looked as though waste is being produced.
[01:22:26] Is tracking closely with passenger growth.
[01:22:28] In other words, the production of waste is not decreasing in itself.
[01:22:31] If that if I'm looking at that chart correctly, which is to say the consumers consuming
[01:22:37] public is not reducing its waste, it's keeping right up.
[01:22:41] On the other hand, we've seen a pretty impressive achievement of reaching 40 percent
[01:22:48] waste diversion and 10 years from where we were before.
[01:22:52] How are we going to reach 60 percent in the years to come?
[01:22:56] When do we expect to reach that?
[01:22:58] What strategies are are being contemplated to get it to the next level?
[01:23:07] And are we building capacity within our recycling and composting to accommodate at least
[01:23:13] a 60 percent waste diversion?
[01:23:16] That would be at the time that the volume of waste is even greater because we have that
[01:23:24] much more passengers say 10 years from now.
[01:23:28] That was sort of packed a lot in there, but maybe you can piece that together.
[01:23:32] Thank you. So these single stream recycling and composting are the backbone, the large
[01:23:38] components of our waste aversion programs.
[01:23:41] And by supporting this proposal to add additional capacity specifically for the
[01:23:45] composting, the recycling, we were able to achieve that.
[01:23:49] Both the capacity for this investment will accomplish the need at least of the capacity,
[01:23:57] recycling capacity, capacity and almost trash all through later.

[01:24:02] This trend continues with passenger growth and the volume of waste that's being
[01:24:05] generated, which we would hope would come down over time.
[01:24:08] But it doesn't seem to be per person or per passenger at all.
[01:24:14] So I just want to be sure we're building in that capacity for at least a 60 percent and
[01:24:22] that we have strategies in place to get to 60 percent.
[01:24:26] And maybe you could follow up with that later.
[01:24:29] If you don't have that information.
[01:24:31] Absolutely. So we can. We conducted a gap analysis based on what we expected for
[01:24:35] throughput and volumes.
[01:24:37] And this project opposes the recommended infrastructure to support the volume and
[01:24:42] throughput that we anticipate through 2030.
[01:24:44] Forward to support not just the 60 percent diversion goal, but beyond that.
[01:24:49] And this supports beyond that also resiliency for the terminal so that you have alternate
[01:24:53] disposal. And this is not part of a SAP project.
[01:24:58] No bucket list.
[01:25:01] We don't have we worry about investing in recycling here.
[01:25:06] So so that first part of that question is a fairly complex question.
[01:25:09] And we can have the environmental folks come right back and ravages and bring back.
[01:25:14] Yeah. Because I'd like to feel confident that we are working toward that eventual goal of
[01:25:20] 60 percent or more.
[01:25:22] But I think there's a general message to consuming public that we're still producing way
[01:25:27] too much waste in the front end with plastic bottles, plastic, single use and the rest of
[01:25:35] it. So maybe we have a answer to our biofuels supply.
[01:25:41] Ok. But plastic is not a biofuel.
[01:25:44] It isn't the rate. I think if I can interject really quickly, I think Commissioner
[01:25:49] Steinberg's point, it would be helpful not now, but to get an understanding of more of a
[01:25:53] breakdown, you know, how much your plastic bottles, et cetera, et cetera, so that we can
[01:25:58] hopefully his staff can develop some really specific strategies that we can educate the
[01:26:02] public about in terms of recycling and composting.
[01:26:06] And Commissioner. And we would absolutely love to share that.
[01:26:08] Our solid waste management plan not only does a waste characterization study to
[01:26:12] understand exactly what you're describing, the percentage breakdown of each stream, but
[01:26:16] also identifies the viable tactics that are being used domestically, globally that are
[01:26:22] most efficient at accomplishing that waste diversion in terms of emissions.
[01:26:26] Steinberg's comments about what tactics we're currently employing.
[01:26:30] There's many there's the food waste diversion.
[01:26:33] We have containers with the best industry.
[01:26:35] Recognize signage that we're employing for the traveling public.
[01:26:39] We've done a lot of engagement with our leases by having postal service wear
[01:26:43] requirements. So we are leading the pack in those tactics.
[01:26:47] In terms of the growth, it is indeed growing the executive directors comments and prove
[01:26:53] our very first slide.
[01:26:54] We're experiencing a matching trend of volume of waste with our passenger growth.
[01:26:59] And it will continue to grow.
[01:27:01] Oh, we are trying to capture as much of possible away from landfill.
[01:27:06] That is, the gender still operate a voluntary program basis.
[01:27:10] We not for all recycling and composting SeaTac.
[01:27:15] Or is it voluntary for the.
[01:27:18] We did implement twenty seventeen the tenant recycling service where requirements
[01:27:22] suspended their licenses.
[01:27:25] We look to incorporate this into tenant leases when new leases come up.
[01:27:29] So as as it can be done.
[01:27:30] So plastic included can be.
[01:27:35] So did you have any.
[01:27:36] Just what? He said that we've got a whole solid waste management plan that this team is
[01:27:40] busy working on, and when it's ready, we'll come back to you and look great and help you
[01:27:44] dive into the details.
[01:27:46] Thank you for coming. I don't know whether this is in your ballpark or ESCA executive
[01:27:52] metric, but I would love to know what's being generated at the flight.
[01:27:55] Kitchens will from the from the airlines themselves.
[01:27:58] It seems to me that you're doing this enumeration of our waste, which is we have a lot
[01:28:03] greater control over.
[01:28:04] And I would just ask to see if the airlines would provide similar data, because I would

[01:28:08] imagine just I would love to know, just from a volume perspective, how does it how does
[01:28:13] it rate compare, does while we're taking on this heroic task?
[01:28:16] Let's see if we can do it comprehensively.
[01:28:21] Understood. We'll look to include that within our future analysis.
[01:28:26] My. So continuing on.
[01:28:30] So in our proposed solution.
[01:28:34] We create space by expanding that to existing airside waste collection and processing
[01:28:39] areas by adding approximately 20, 400 square feet of space to the west of the central
[01:28:44] terminal. We address levelling and drain issues of the current areas.
[01:28:49] Again, these are the primary areas that serve the majority of the airport terminal and
[01:28:54] passengers. We buy new, larger compacter units size to handle the projected volumes
[01:29:00] through completed contract that allow for a long term standardization of assets.
[01:29:06] We buy eight new compactors that are located on the secure side of the central terminal
[01:29:10] in one new compactor that is located in the service tunnel for an additional non-secure
[01:29:15] operations. And lastly, we add six sanitation and cart wash stations throughout the
[01:29:20] airport to provide safe working conditions for tenants and our employees.
[01:29:28] Today, again, today, we're asking for one million two hundred and twenty five thousand
[01:29:33] dollars to proceed with design.
[01:29:36] This estimate is based on a fifteen percent concept design.
[01:29:41] The design will take approximately one year to complete and we should be back next year
[01:29:46] to ask for authority to award the construction project, which will take approximately a
[01:29:52] year. Once it's awarded to construct pending any further questions.
[01:29:58] That concludes our brief. Great.
[01:29:59] Any further questions?
[01:30:02] Great work. Thank you.
[01:30:04] Good presentation, Mr. Ziff.
[01:30:05] If I can just ask one question, which is do we have other mitigation measures that
[01:30:08] between this time and the time that we get this project going that we'll be employing
[01:30:12] just as we're continuing to address because it's going to continue to before?
[01:30:19] I think that answer depends entirely on whether we approve the FTA that are part of the
[01:30:24] mitigation response.
[01:30:27] So I'm not aware of that approval.
[01:30:31] Well, it's like you were made for today.
[01:30:33] I slice. I just came back from Utah for a week, a backpack and new employees.
[01:30:40] I feel new employees and a trip to Europe sound like they're on.
[01:30:46] All right. Well, with that, I will call for a motion to approve.
[01:30:50] Item seven B.
[01:30:52] Segment. OK. It's been moved and seconded.
[01:30:54] All those in favour please indicate by saying I I.
[01:30:58] All those opposed nay eyes have it.
[01:31:00] Thank you. And great presentation.
[01:31:03] Thank you very much. The next item on the agenda is 8 C authorization for the executive
[01:31:09] director to set 2020 marine storm water utility rates with an increase of 8.2
[01:31:14] percent commisioners.
[01:31:16] This rate increases consistent with the forecasts we presented to you last year.
[01:31:20] These funds will enable us to improve our stormwater system and enhance our efforts to
[01:31:24] protect water quality in Puget Sound.
[01:31:26] Presenters are Sandra Kilroy and Srin SREENIVASAN.
[01:31:31] Bandai Kotler.
[01:31:35] Right. Good afternoon, President Bowmen Commissioners, Executive metrick, Thank you.
[01:31:43] I am Sandy Kilroy, the director of the Ports, Maritime Environment and Sustainability
[01:31:48] Programs. And as was introduced, this item is the approval of the storm water utility
[01:31:55] rate for 2020.
[01:31:58] The executive mentioned that we were here a year ago for the 2019 rate.
[01:32:03] And what we're coming here to present to you today is consistent with the projections
[01:32:09] that we gave you a year ago.
[01:32:13] The Marine stormwater utility does provide us the mechanism and the resources to achieve
[01:32:19] our goals for water quality protection and Puget Sound.
[01:32:23] And it also is critical for us to maintain over time are built assets.
[01:32:29] I just want to hit a few highlights.
[01:32:31] One is we are now five years into running our storm water utility and it continues to go
[01:32:40] very successfully.
[01:32:42] We as part of our establishment, had committed to do a full system assessment by the end

[01:32:49] of this year. And we are hopefully on track.
[01:32:53] We'll show you some information in a few more slides, but we're expecting to complete
[01:32:59] that by the end of this year.
[01:33:01] We have completed 50 urgent repairs to the system and those have been identified because
[01:33:07] of this full system assessment and condition assessment.
[01:33:10] We've been able to do and we've installed 17 tide gates in our system and this helps
[01:33:16] reduce operational and safety hazards as well as improve water quality.
[01:33:21] Leaving our sites are fees to our tenants and our operational divisions and the alliance
[01:33:27] continue to be well below the city's fees.
[01:33:32] So on average, 16 percent.
[01:33:36] We also have been experimenting and delivering a few projects for under green stormwater
[01:33:44] infrastructure that we've completed four locations and I'll touch on a couple of those.
[01:33:50] And I'm pleased to announce that we've received an AARP, a award of excellence for
[01:33:56] innovative stormwater operations and treatment techniques, and that will be awarded next
[01:34:00] week at the national conference.
[01:34:05] So just a few pretty pictures.
[01:34:09] This is one of the green stormwater infrastructure projects that we're experimenting
[01:34:13] with. They're called splash boxes and essentially bio filtration techniques.
[01:34:19] We've installed one at Horten and one at the mic.
[01:34:25] One collects parking lot sheet flow and the other four roof run off.
[01:34:29] And essentially this is part of a pilot study for us to evaluate the different techniques
[01:34:35] for removal of pollutants from our site.
[01:34:39] We don't have to do this.
[01:34:40] This is part of the reason I think we're winning awards as we think it's really important
[01:34:45] in this area to continue to innovate and experiment with how we can improve water quality
[01:34:50] leaving our sites. So this is in addition to the oyster shell project that we presented
[01:34:56] to you last year.
[01:35:00] This is another project that we completed this year.
[01:35:04] We on the Centennial Park Pathway in front of Terminal 86 had significant flooding and
[01:35:10] ponding of water on the trail that was impeding the public use as well as our tenants use
[01:35:17] from the grain terminal.
[01:35:19] So one of the solutions that we chose to do was to create a stormwater pound or a green
[01:35:28] stormwater infrastructure that could hold the water and have it infiltrate and to the
[01:35:33] ground before and during Puget Sound.
[01:35:36] So again, this we would have had to do a very poor here anyway.
[01:35:41] And instead of doing a strict pipe pipe repair, we chose to do this green technique,
[01:35:47] which provides some ecological benefit.
[01:35:51] Overall, we continue to deliver better and more services at a significantly reduced cost
[01:36:00] to our tenants, to the alliance and to our operational divisions.
[01:36:04] And I'm just pleased to say that we're in the utility and very good operational and
[01:36:10] financial health.
[01:36:12] So I am now going to pass the mike to Sorini, Pendent Cotliar.
[01:36:16] He's our water utility manager and he's going to walk through the budget and the rate
[01:36:22] proposal for today.
[01:36:26] Mischer Gregoire, do you mind? Can I forget just unpack for a second.
[01:36:29] The better outcomes.
[01:36:31] I say this because in my view, this is one of the greater things we have done in the last
[01:36:37] decade for stormwater management.
[01:36:40] Forming the utility was not the easiest conversations that I've ever had with the city of
[01:36:44] Seattle or you or many others who got there.
[01:36:47] But we're at a point where we're 16 percent lower than the city of Seattle's rate would
[01:36:51] be for for our tenants and for ourselves using all the revenue.
[01:36:55] Investing in infrastructure that's core, just water pollution that would potentially be
[01:36:59] coming off. But you said we have better with cheap.
[01:37:02] Help me understand the better. So we are able to collect the resources for from our
[01:37:09] tenants and facilities and use those directly to maintain and manage our assets.
[01:37:15] So when our revenue was going to the city, they have a lot of needs and they don't always
[01:37:24] prioritize our needs.
[01:37:26] So we've been able to invest in pollution control techniques and pipe maintenance
[01:37:33] techniques that helps us deliver better water quality because we have had direct
[01:37:37] management of those assets.
[01:37:39] And I guess when it was going to the city, I was going into a black box as opposed to a
[01:37:42] splash box of rights itself writes itself.

[01:37:49] And I'm actually looking at forgive me if we were thirty three point two percent of our
[01:37:53] infrastructure inspected back then.
[01:37:57] That's really the inheritance for the city system.
[01:37:59] Right? So they weren't necessarily doing a full assessment of our system.
[01:38:07] That's a commitment that we made because we wanted to know what we have underground.
[01:38:12] And I think that was a wise choice that was made before before I came in and knowing very
[01:38:18] few utilities are able to know exactly what they have underground.
[01:38:21] And by the end of this year, we will perhaps perhaps you can address this in your
[01:38:30] presentation. But while we're still at 16 percent lower, if we went 10 percent lower than
[01:38:37] this than the city, we would have an even better cleanup rate.
[01:38:42] But the justification for not doing that, as best I can say, is C is that it would
[01:38:47] overburden or capacity to do the work, which then suggests to me, well, why don't we just
[01:38:53] hire another person if we're saving money anyway so we could exceed this?
[01:38:59] Right now, this this maintains the standards rather than exceeds the standards in what
[01:39:05] you're proposing right now. Right.
[01:39:08] Yeah. I think I'll just change quickly.
[01:39:10] And I think, as you know, we'll get there.
[01:39:12] But yes, I mean, we could have a higher rate to end with that, potentially do more.
[01:39:18] And then it's a balance of the internal capacity to deliver that work, not just on our
[01:39:25] side, but the maintenance staff side.
[01:39:28] And then. But we could do.
[01:39:31] You're you're correct. Yeah.
[01:39:32] We could do additional sweeping and treatment techniques if there were more money.
[01:39:37] But it's just it's a choice of balance of having more money, but it's still less
[01:39:44] than they were then the city would they would be paying correct the city anyway.
[01:39:49] And who are the folks who pay this rate?
[01:39:52] Terminal operators.
[01:39:54] Others who are using shoreline properties that we lease out?
[01:39:59] Correct. It's our it's our tenants that we lease to.
[01:40:04] If there's not a tenant on the property, then it's our either the alliance directly or
[01:40:09] our operational divisions within ourselves for a lot of these correctly.
[01:40:14] So if we raise prices, we're just moving money from one.
[01:40:21] The question for Sandy, before we get into the same issues, I wanted to ask about
[01:40:29] capacity and quality.
[01:40:32] If our green stormwater infrastructure is partial as part of the infrastructure, correct,
[01:40:38] it's only part of it.
[01:40:40] I don't know all the treatment methods involved here, but are we.
[01:40:44] Are we ever overcapacity?
[01:40:48] And I'm thinking of the analogy to the manner in which US cities and counties in our
[01:40:55] county have a system that cannot accommodate no heavy rainfall.
[01:41:03] And it goes into polluting Puget Sound through the combined sewer overflows.
[01:41:10] Are we having to do that sort of thing also, or is our water quality better treated?
[01:41:15] Is where I'm going with that and more complete so we don't have any combined sewer
[01:41:23] overflows essentially into our system.
[01:41:27] Not everything that comes off our site is necessarily treated.
[01:41:32] We try to prevent pollution coming in through best management practices like sweeping and
[01:41:41] cite site activities, you know, best practices for outside activities.
[01:41:45] Some of the tenants are required to have stormwater treatment and and they've installed
[01:41:50] that. So we for the most part, don't have significant flow capacity outlets.
[01:41:59] Renee? Correct. Correct me on this one.
[01:42:02] We have done some analysis related to climate change and sea level rise that we could run
[01:42:07] into problems in some future.
[01:42:08] And we're looking to address that.
[01:42:10] But currently we're not seeing a lot of backing up of of our system.
[01:42:15] And that was the corollary to my question was, are we building capacity for future
[01:42:21] occurrences of extreme, you know, weather, rainfall, tidal surge and king tides, etc.?
[01:42:29] Yeah. And I'd say the engineering folks are taking that into account as we design towards
[01:42:37] the future. And I think we might have to do some proactive work because of that.
[01:42:44] More of the tidal push into the system when you have big storms and and high tides.
[01:42:50] So that's part I'm sure that's part of our resiliency work that we're looking at.
[01:42:54] What's the impact of sea level rise and then the storms with that and in the engineering
[01:42:59] that we'd have to do to overcome those and to be part.
[01:43:02] That's music to my ears.

[01:43:03] Thank you. Okay.

[01:43:07] And as Sandy mentioned, the first slide we haven't sold, 17 died gates, which keep the

[01:43:13] tidal inflow out of the somewhere's system so that there wouldn't be a backing up of the

[01:43:17] system when there's a higher tide conditions that would still work as it's designed to.

[01:43:24] So then I'll continue on the presentation here.

[01:43:26] So this side here we have we show our assessment goals and progress.

[01:43:30] So the bar represents our actual goal per year.

[01:43:33] And this is starting in 2017.

[01:43:35] So the previous two years are shaded in gray and the current year is in blue either.

[01:43:41] As you mentioned, we're expected to finish the overall assessment by the end of the year.

[01:43:47] And we shouldn't lose my voice a little bit here today.

[01:43:51] And the numbers above are the progress in the previous years and the current year

[01:43:57] progress is at 83 percent or that was as of a couple weeks ago.

[01:44:02] And there's a couple of reasons for the slower progress so far this year.

[01:44:05] First. The focus early in twenty nineteen was on priority repairs, the conditions that

[01:44:12] were found in twenty eighteen.

[01:44:13] Essentially these are fully collapsed pipes that pose or that posed a safety and

[01:44:19] operational concern.

[01:44:21] So the focus was to fix those and about 20 were done earlier this year.

[01:44:27] And as you mentioned, 50 overall.

[01:44:29] And then secondly, our stormwater crews, which are comprised of Marine maintenance

[01:44:35] personnel, worked at 2:46 to manage and successfully complete the high priority

[01:44:42] obligations at that facility associated with the tenant vacating the site.

[01:44:47] And that work was not associate with the utility itself or funded by the utility, but it

[01:44:52] did utilize much of the utility resources both in people and equipment.

[01:44:58] So and then as a side note, those crews in rain maintenance did get a lot of kudos from

[01:45:05] the various departments and the lines for that work because of its quality and expediency

[01:45:10] in completing the obligations there.

[01:45:14] And yes, we do still intend to meet the 100 cent goal we have.

[01:45:19] Well, can't these numbers about three plus months or come as close to it as possible?

[01:45:28] So this side details the 2020 operating budget.

[01:45:32] All told, we are expected to have about 5.6

[01:45:35] million dollars in expense.

[01:45:37] And this is in line with our previous projections.

[01:45:41] There's a lot of detail on the side.

[01:45:42] So the next slide summarizes some of the key points of the expense and the capital

[01:45:47] budget. So the 2020 capital budget approximately is 2.3

[01:45:56] million. And that includes the TTN Outfall Project, which was a four year commission for

[01:46:02] project that totals about 4 million also.

[01:46:06] And this is the last year, 2020 of that project.

[01:46:09] Also, we have a small treatment project at twenty five and then some smaller full pipe

[01:46:14] replacements that are in various phases of planning and scoping.

[01:46:20] We also have an administration budget, which includes three full time utility staff,

[01:46:25] various city taxes and other administration costs, then the maintenance budget, which is

[01:46:30] the meat of it, is about 3.2

[01:46:32] million and that includes continuing pipe assessments and reassessments as well as repair

[01:46:39] of conditions that have been found.

[01:46:41] And also we have we have all the required regulatory activities for our properties, which

[01:46:47] are all the other bullets listed on the screen.

[01:46:50] And funding these activities was one of the original goals of forming the utility.

[01:46:55] And initially we decided to transition it over the last few years, culminating in all of

[01:47:01] it being transitioned by 2020.

[01:47:03] So with this proposed budget, we we will meet that goal.

[01:47:10] So with that, the utility once again recommends a rate increase of 8.2

[01:47:16] percent, and that is guided by feedback from the Utilities Advisory Group, which is

[01:47:23] comprised of port and alliance operations leaders as well as port finance leaders.

[01:47:30] The main criteria that tenants involved in that by any chance, I know.

[01:47:36] The main criteria we considered is listed on the site here, but essentially is to meet

[01:47:41] our LRP and charter goals and to build an open air reserve by 2023, which is consistent

[01:47:47] with our policies.

[01:47:49] And this recommendation is also consistent with the five year rate path we presented last

[01:47:54] year, as Cindy mentioned earlier as well.

[01:47:58] So here we have one quick question before we move from the rape criterion considerations.

[01:48:07] I suspect that many of these are associated with longer term leases and so are
[01:48:12] probably not too susceptible to fluctuations associated with macro economic conditions
[01:48:17] like a recession. Is that true?
[01:48:21] Or will these. If there's a recession and local economy dips, well, we see a significant
[01:48:25] dip in in revenues associated with it.
[01:48:29] So the fees are based off of square footage of the lease.
[01:48:33] So as long as that does not change legally, then the amount that we would charge would be
[01:48:38] the same. Okay. Thank you.
[01:48:45] So this slide shows the projected rate path or the previous rate path through the
[01:48:52] projected path through next year.
[01:48:53] So the city rate is on top.
[01:48:56] This is for one particularly rate category, the very heavy, which is the highest
[01:49:00] impervious surface and therefore the highest rate cost.
[01:49:03] The majority of our facilities fall in this category.
[01:49:07] So the city houses on top in the green and the part is below in blue.
[01:49:10] And it's actually the numbers just show the percent below the city's rate.
[01:49:15] So the city's amount that the category or the port rate is for that category.
[01:49:22] And then so for next year, it's a proposed increase where we are looking at thirteen
[01:49:27] point three percent below the city for this particular rate category and on average, 16
[01:49:31] percent below for all the rate categories.
[01:49:36] Then to illustrate the impact on our tenants here, we have two examples.
[01:49:40] So one is a small commercial tenant fisherman's terminal, and with a proposed rate change
[01:49:47] where we're looking at a little less than two dollars a month on a 20 to plus dollar bill
[01:49:52] per month. And then for a larger industrial tenant, such as the majority of a container
[01:49:57] terminal, we're looking at seventeen hundred dollars a month for twenty one thousand a
[01:50:03] month Bill. And then finally, here we have the actual proposed rate structure, so we have
[01:50:12] the city on the left.
[01:50:14] The part is in the middle.
[01:50:16] And as mentioned earlier, our rates are an average 16 percent lower than the city's.
[01:50:20] But the percentages vary across the different rate categories.
[01:50:24] So the the how much it varies is on the right hand column.
[01:50:28] And the 8.2
[01:50:30] percent increase that we're asking for, your approval would essentially result in this
[01:50:35] restructure, which we would then adopt in 2020.
[01:50:40] And then with that, we're happy to answer any questions that you may have.
[01:50:45] Mr. Fellman, I'm cognizant of how patients are officers have been waiting for us for just
[01:50:50] a couple more questions. So the fact that it's our utility, it's still we are.
[01:50:56] We are. The alliance properties are subject to it.
[01:51:01] Yes. All right. So one of the reasons that the rate structure well below the city is the
[01:51:06] competitive question is what is it in other cities, in other states are the ports around
[01:51:10] the country. And my understanding is like Port Vancouver doesn't even have a stormwater
[01:51:15] requirement. So. So I can understand why the alliance might have input on keeping it at
[01:51:22] the stated goal rather than exceeding it as I as I was suggesting.
[01:51:27] But in addition that be again, because it's our utility did the known inputs for
[01:51:34] stormwater challenges like zinc, copper and.
[01:51:38] Right. And those are the two primary ones.
[01:51:40] As far as metals. Yes.
[01:51:41] Yeah. And so that's where off the exigencies come from.
[01:51:45] Right. Right. So and copper is brake pads and zinc is tires, right.
[01:51:50] Essentially, yes. Right.
[01:51:52] And so it's just doesn't see.
[01:51:54] I know you have to paint the galvanized roofs of our some of our sheds and that that's
[01:52:00] the other zinc source. Right.
[01:52:01] So it just doesn't seem to be like rocket science, but it's a huge expense if you don't
[01:52:06] pretreated. So I'm just wondering.
[01:52:08] My understanding is that cars have gotten off of copper brake pads, that there are like
[01:52:13] ceramic anyway.
[01:52:16] I understand there is evolution on this and with tires.
[01:52:19] I'm just wanting. Are we going to spend any time looking at alternatives?
[01:52:23] I mean, rather than incurring if we're going to be incurring this kind of expense, is
[01:52:27] this something that we would look to explore some research on?
[01:52:31] You don't have to answer that in depth right now.
[01:52:34] I'm just like you can get back to Commissioner Phelim and let me know.

[01:52:37] It's just like it's the same old problem.
[01:52:39] I mean, what are we going to do about addressing the problem?
[01:52:42] Yeah, I think, Commissioner, you point out that the big problem with stormwater in
[01:52:46] general, it's a large contributor to the problems in Puget Sound, water quality.
[01:52:52] It's a non-point source and a lot of it is from automobiles.
[01:52:57] As Commissioner Barmen said, we're happy to follow up with you after the meeting.
[01:53:02] We at this point, we are not doing research on brake pad and tire alternatives.
[01:53:08] But I know there was some work at the state and looking at reducing copper in and in
[01:53:15] brake pads. So happy to get back to you.
[01:53:17] That's an important question, but not for this particular item.
[01:53:22] Richard Gregoire, can you go back Slide 6 for a second?
[01:53:25] I think it's that this is the Dormandy utility operating budget.
[01:53:27] You mentioned it was really detailed.
[01:53:29] This looks like how it would be reflected in our budget, meaning our final budget
[01:53:35] document that would go to the public.
[01:53:37] And it's obviously here for the public as well.
[01:53:39] That's I need us to describe why we're claiming negative sixty six point one percent
[01:53:44] reduction in environmental and sustainability, which I recognize is being picked up in
[01:53:49] other buckets here. But it looks like we've decided to just wear out the environment and
[01:53:53] do something called a capital development division, which is actually, of course, where
[01:53:56] the work goes to achieve our environmental sustainability goals.
[01:54:00] So essentially the invite.
[01:54:02] So up until basically recently, I'm officially the only person within the utility so that
[01:54:09] the change is essentially just transferring after you over the summer, the manager over
[01:54:12] from the Environmental Sustainability Group into the utility, which is part of our
[01:54:17] overall goal of self-funding the whole summer program by 2020 to knowing I'm looking at
[01:54:23] Dan right behind you. Forgive me because I know I'm looking at a representation is how
[01:54:26] this budget will be reflected.
[01:54:27] And that's not actually what that makes perfect sense.
[01:54:31] It used to be a separate environmental sustainability division and there was a cross
[01:54:34] charge. This is all a corporate cross charge exercise, but it don't look like what it
[01:54:38] should have. You just footnote it, I think is where we're going.
[01:54:42] I actually think you could relabel all of this if that makes sense.
[01:54:45] I mean, at this point, you're saying, you know, we're bringing in the function.
[01:54:49] We're not going to cross charged, but let's be clear about that with some relabelling for
[01:54:53] the budget documents. Okay.
[01:54:54] I'm happy to relay about.
[01:54:56] Yeah. Sam, we had had municipal stormwater costs while before the utility and we're just
[01:55:00] moving them from environmental sustainability is across Shahd to this organization to a
[01:55:05] self-funded organization.
[01:55:06] But I think the title that sorry to be so fast.
[01:55:09] Got it. Self-funding our stormwater obligations could be heading.
[01:55:15] Are we still the only port in Washington with our own stormwater utility?
[01:55:20] Yes, I actually think where they only went in the country.
[01:55:24] Still. Still? Yeah.
[01:55:25] Yeah. So we don't have.
[01:55:26] But I know that every other state has the ability are in the same port structure that we
[01:55:30] do. But I'm just surprised.
[01:55:32] Moorst Washington state ports haven't taken this up.
[01:55:38] All right. Really?
[01:55:40] Yeah. Have we done it? w.p.a..
[01:55:42] Presentation on this great 70 seniors.
[01:55:47] Great. All right, terrific.
[01:55:50] Well, any any other questions?
[01:55:52] Nope. Then we will call for approval.
[01:55:55] A motion to approve item C 7 or excuse me, 8 C so moved.
[01:56:01] Great spin. Move. Seconds, Krisher, great work.
[01:56:04] All right. Second it. All those in favour please indicate by saying I by all those
[01:56:09] opposed. Nay. I have it.
[01:56:11] Thank you. And Sandy, I think we'll see you at APJ next week.
[01:56:17] OK, great.
[01:56:19] I'll see you there. Congratulations.
[01:56:23] Agenda item A D authorization for the executive director to increase funding for the

[01:56:28] interim West Side Fire Station design build contract by three million six hundred ninety
[01:56:33] seven to 303 million six hundred seventy nine thousand dollars for a new total project
[01:56:40] cost of nine million one hundred seventy nine thousand dollars.
[01:56:45] Commissioners, I recall being on the site on the west side of the airfield with
[01:56:49] Commissioners Fellowmen and Steinbruck.
[01:56:51] When we first encounter problems with providing proper accommodations for a fighter for
[01:56:55] firefighters with this authorization, accommodations will improve from the substandard
[01:57:01] arrangement of disconnected rooms to a new cohesive space of thirty five hundred square
[01:57:06] feet for our firefighters.
[01:57:08] The project management team as we go forward, this is the third time I've brought this
[01:57:11] before you has acknowledged in our discussions missteps in delivering this project,
[01:57:17] including couple starts in different directions, I would say.
[01:57:20] So with that, I appreciate the forthrightness of the team and looking at this.
[01:57:25] No program can ever be perfect, but we really have to work to identify the lessons
[01:57:28] learned and incorporate them into our future projects as we move forward.
[01:57:34] You may be aware of my effort to begin overhauling the port.
[01:57:36] Port wide capital delivery process.
[01:57:39] And if you if not, you're gonna hear both more about it this afternoon.
[01:57:43] But with this authorization, this will improve safety via a quicker response time.
[01:57:47] And it really points ahead the definite way to get us to where we need to be, because we
[01:57:52] now we know Wahhabi with the completion of this project, will have adequate fire stations
[01:57:58] on both sides of the airfield to meet the FAA requirements as we move forward.
[01:58:02] So the presenters this afternoon are Sean Anderson and Randy Cross.
[01:58:06] Great. And before you get started, I just wanted to say we all know how essential this
[01:58:10] project is and we've discussed it several times.
[01:58:14] And I also want to say that none of us want to see anybody fall on their sword about the
[01:58:19] increases in costs. But we do need to identify what went wrong.
[01:58:23] We don't make the same mistake again.
[01:58:24] So just level set it there.
[01:58:27] So thank you very much.
[01:58:28] But we know this is essential.
[01:58:29] Yes. Good afternoon, commissioners.
[01:58:33] Mr. metrick, I'm Sean Anderson and I'm the program leader with Aviation Project
[01:58:38] Management responsible for delivering this project.
[01:58:43] This project has gone through several iterations and it is located on the west side of
[01:58:51] the airport airfield.
[01:58:54] And back when this project was first created, we were looking at making improvements
[01:59:02] within the existing at PACCAR building at the time that warehouse our facility and adding
[01:59:09] another truck shelter in order to accommodate the two crews necessary for that site.
[01:59:17] And since that time, the project has now become a separate building from that pack our
[01:59:23] facility and offering both crew quarters and apparatus space for two
[01:59:33] vehicles. The.
[01:59:37] Let's see. And last May.
[01:59:40] You know, we were in front of you requesting authorization for to use the design build
[01:59:46] alternative contracting approach to deliver the project.
[01:59:49] We report recommended this approach in order to provide greater innovation and
[01:59:55] flexibility by leveraging the expertise of the designer builders.
[02:00:00] Since that time, we have advertised interviewed candidates and selected the most
[02:00:05] qualified proposal which figures into the cost increase you see before you today.
[02:00:11] That design build team has given us a firm fixed price proposal that will form the basis
[02:00:18] for the design build contract.
[02:00:20] The additional three million six hundred and seventy nine thousand dollars includes the
[02:00:25] additional cost of this proposal relative to our previous estimates, along with
[02:00:30] additional sales tax contingency and appropriate ports.
[02:00:33] So soft costs in looking at the cost increases, the the majority of our cost increases
[02:00:41] really fall within the construction.
[02:00:45] I would say that in our previous efforts where we were looking at building and installing
[02:00:51] a modular building system, that that really constrained the the the actual design of
[02:01:01] the facility now that we've been able to sort of liberate ourselves from that and
[02:01:07] actually use the expertise of the design, the winning proposal, we're seeing the slightly
[02:01:15] larger facility, but a much better design facility.
[02:01:19] And that accounts for the majority of the increase in cost.
[02:01:24] We have looked at our soft costs are pretty level.

[02:01:27] We have had some sunk costs that were wet that we spent on the first efforts that will
[02:01:37] form part of that increase as well.
[02:01:39] And the other thing we have done is increase the project contingency in order to ensure
[02:01:47] that we don't have to come back here again.
[02:01:51] But just to be clear, this is still an interim facility.
[02:01:55] Yes, this is still an interim facility.
[02:01:58] The. Let's see.
[02:02:03] Should you authorize this budget request today?
[02:02:05] We'll complete construction by late next year.
[02:02:08] Looked at looking to occupy the building before this, the end of 2020.
[02:02:13] We have now begun work on important site infrastructure improvements that we needed to
[02:02:20] get started during our dry or season conditions to have in order to have it ready for
[02:02:26] this building, which we will plant.
[02:02:29] We are planning now to start construction early next year.
[02:02:34] We are looking at the long term plans for that parcel of land is really part of the
[02:02:43] sustainable airport master plan near-term projects.
[02:02:46] But looking at where this building is sited relative to what those future plans are, we
[02:02:52] do we are growing confidence that this building has a longer potential life than we first
[02:03:00] thought. So the right now
[02:03:10] where it is cited, there are competing uses that some of which are much further looking
[02:03:18] like they're much further in the future before they would require the space that this
[02:03:23] building would occupy, where the where the plans are for the future, more permanent fire
[02:03:29] station will not impact this location.
[02:03:33] And so this facility could continue to be used beyond what we may have, you know, what we
[02:03:39] had earlier articulated as a much more limited life.
[02:03:47] It really depends on those long term goals, but certainly greater than the three years
[02:03:53] that I think we had articulated earlier.
[02:03:55] And I think just add to that to the interim use living, you know, as opposed to just a
[02:04:01] short lifespan.
[02:04:02] It also depends when we can get the projects and when we finalize the projects for sampan
[02:04:06] if, if and if and when those projects go forward.
[02:04:09] So this you know, when you build this, I've I've been in my experience, I've been in
[02:04:15] temporary buildings in a long time.
[02:04:17] They've been there for a long period of time.
[02:04:19] So so anyway, so with this, I think it gets us to a level of a level of a building that
[02:04:24] accommodate our firefighters for however long they have to occupy it.
[02:04:28] So that's that's an important thing for me moving forward is getting them into this
[02:04:32] building as soon as possible for however long they may occupy it.
[02:04:38] In in the diagram, you show a little cut off here, but in the current Packer Erdan, the
[02:04:45] current formulation, we are occupying part of the pack.
[02:04:47] Our building that would be vacated once this is built, while we recoup some revenues from
[02:04:52] that and being able to lease that space out.
[02:04:55] Well, that that is space set.
[02:04:57] We are leasing from zakhar right now.
[02:04:59] So an expense. Yes.
[02:05:01] Yes. Total revenue we get out of PACCAR is one hundred thousand dollars and we're paying
[02:05:10] them back some. I'm sorry, you're getting.
[02:05:14] That's a question I did.
[02:05:15] I did. I kill observance.
[02:05:16] That's there. Now, we are looking for the long term plans as we go forward with our
[02:05:21] plans. The rental park car building is.
[02:05:27] Chief, were you gonna jump in here?
[02:05:29] I. Yeah.
[02:05:30] Whenever it's convenient. Go ahead.
[02:05:34] I want to thank Shaun for giving an overview and then good afternoon.
[02:05:38] President Bowman, Commissioners and Executive Director Metric.
[02:05:41] Thank you for the opportunity to speak today.
[02:05:43] I'm Randy Cross, the fire chief.
[02:05:45] I'm not going to going to detail of the efforts that have taken place over the past four
[02:05:48] years. But I do know that everyone involved is always place the comfort and safety of the
[02:05:52] firefighters at the forefront because of the delays of this project.
[02:05:56] It may not seem like this, but we know it to be true from the planning team, the
[02:05:59] consultants. We have worked with our leadership and you commissioners, we know you care

[02:06:04] and are looking out for the best solution to accommodate the firefighters needs.
[02:06:08] The men and women of local 2:57 have been very patient.
[02:06:11] In regards to this project and we all appreciate the efforts being made to accommodate
[02:06:15] us. Again, thank you for this opportunity.
[02:06:18] And I ask on behalf of all of us that you support moving this project forward.
[02:06:22] And we'd like to end with two principles that I believe most important, and that's
[02:06:25] communication and teamwork.
[02:06:28] We've gelled into a cohesive team and our communication amongst the team has been open,
[02:06:32] honest and respectful, which allows me to stand behind this effort and on behalf of the
[02:06:36] entire fire department.
[02:06:38] Ask you to approve this project for the greater firefighter and airfield safety.
[02:06:41] Thank you. Thanks, Randy.
[02:06:45] Any other questions? Mr.
[02:06:46] Stamper? Yes.
[02:06:48] Thanks. You're finished with the presentation.
[02:06:53] Yes. So, first of all, I'd like to ask.
[02:06:56] Well, noting that this project began at 2.4
[02:07:00] million and the original estimate.
[02:07:01] I don't know when that was, but it's now 400 percent over that.
[02:07:07] And we've spent close to a million dollars in soft cost, primarily design.
[02:07:13] Is that correct? And yet, yes, we've spent close to eight hundred thousand.
[02:07:18] Okay. So is that money that money spent there basically not contributing to the new
[02:07:28] proposal? Because the new proposal is designed.
[02:07:31] Built. So what happened with the 60 percent design from that?
[02:07:35] That that money was spent on that.
[02:07:37] So the design did inform how we would move the project forward.
[02:07:42] We used it as a to develop our basis of design.
[02:07:46] There are portions the utility work that we are now undertaking was part of that design
[02:07:52] effort as well. And so we are making that use of it as well.
[02:07:56] What? What I was looking for in the briefing, memo and presentation was more details as
[02:08:01] to how a break breakdown of costs here, basically, which have not been really provided
[02:08:08] other than the fact that it has escalated and that we've spent up to a million on design.
[02:08:14] I think it helps to understand better how we could have gotten from hit from there to
[02:08:20] here with a little closer understanding of the cost escalation.
[02:08:24] And as Commissioner Bowman opened with comments about how we all fully understand and
[02:08:32] appreciate the need and the need for timely and efficient delivery, as part of that, we
[02:08:37] have not had timely and efficient delivery year.
[02:08:39] We've had a series of missteps.
[02:08:42] And it's still, for me, somewhat inexplicable how we could have taken this much time.
[02:08:49] We could have had this built by now.
[02:08:52] And that's hindsight better than foresight, of course.
[02:08:56] But still, that's that's just a fact.
[02:08:58] And so.
[02:09:04] So what I'm hearing is that 60 percent design, which is a substantial level of design
[02:09:09] accomplishment, but primarily it's just now it's not the same project that it was under
[02:09:15] the previous. Is that correct?
[02:09:19] Well, the 60 percent was part of the modular proposal.
[02:09:23] It was a book or play on the structure facility, the utilities, all the rest of the shed.
[02:09:29] The parking, you know, the truck garage and the rest of it.
[02:09:33] I would characterize it the way you see under the new improvements, the building looks
[02:09:40] entirely different.
[02:09:41] It's no longer constrained, for instance, by the modular nature of its construction.
[02:09:47] You know, we would have to have had built it according to a modular dimension which
[02:09:54] limited how it would be designed.
[02:09:57] We're we're a little more free with that now, but we're still have two apparatus bays.
[02:10:03] We still have room for two crews within the facility itself.
[02:10:07] Yeah. Okay. Well, that hasn't changed to feel that that million was more or less
[02:10:11] squandered. We could have, you know, you know, that has.
[02:10:17] And through these various series of redirects and again, the escalation in costs, I guess
[02:10:27] it looks like you've got a sizable contingency, but you haven't provided the numbers
[02:10:30] there. You know, simple, basic, you know, cost projection that shows, you know, where
[02:10:40] those costs have grown.
[02:10:41] It would be helpful to understand this project and how we got where we are today, but

[02:10:47] it's just not been provided with the materials.
[02:10:50] So I would hope that we would seriously understand and review what principles of project
[02:10:59] delivery need to be improved upon through this exercise, this expensive exercise.
[02:11:06] So part of that, if I can jump in.
[02:11:09] Commissioner, I understand what you're saying.
[02:11:11] And I think if you move to the to the appendix in the presentation, there actually is the
[02:11:16] lessons learned of the actions that were taken and then the improvement in the lessons
[02:11:20] learned that we have from this process.
[02:11:22] And I think it's kind of laid out there within those and these are things that we
[02:11:28] incorporated and identified.
[02:11:30] And I think just to go back to the expanding of the building back at that time when we
[02:11:34] were limited in, as Sean has said, the constraints, we actually were approaching that in
[02:11:39] order to try to meet the the the portability of the that the building that could be
[02:11:45] moved, a concept that was really constrained to meeting the needs, the firefighters
[02:11:49] there. And that became obvious that we're not being able to meet the minimum needs of
[02:11:53] this building. So then we went back and that gave us an opportunity.
[02:11:56] We knew that we had gone down that road and we had to retrace our steps and there were
[02:12:00] costs. We tried to cooperate as much as we can within the process here within that.
[02:12:05] But there's a we've learned the lessons from that and we've talked about that at length
[02:12:10] before of that. That is one area that is not listed here, which is project delivery, the
[02:12:16] procurement method itself.
[02:12:18] We undertook this initially with a fair amount of in-house staffing that perhaps missed
[02:12:25] some of the critical aspects of site plan, site design, logistics, things that a
[02:12:32] contractor is going to know much better in that regard.
[02:12:35] So and you know, part of that from as a really a serious lesson learned for me when we
[02:12:42] started and I showed you that slide of the early iteration of the project when it was
[02:12:46] within the building itself, we assembled a small team to assist with that as the project
[02:12:53] expanded into a newer iteration and a building outside.
[02:12:57] We didn't not read, go back and reexamine to see did we have the the best team available
[02:13:06] to assist us with that?
[02:13:07] And that was something that in hindsight we really needed to have done anyway.
[02:13:13] Thank you. And just to add to that, I think one of the lessons learned and when you can
[02:13:16] don't jump in here if is one of the things of the site where it was.
[02:13:20] I think underestimating the team at the beginning was underestimating the complexity of
[02:13:24] working with the FAA and the regulations that were in place in that site.
[02:13:28] And I think that's something that's reflected now with our discussions with the the
[02:13:32] builders that bit on this.
[02:13:34] What's the contingency built into that?
[02:13:37] Into this, too?
[02:13:39] We've got, I would say, close to a million dollars worth a contingency, roughly.
[02:13:45] It's relatively confident.
[02:13:47] We're not going to see scope changes and change orders and data.
[02:13:53] Yes. Yes, yes.
[02:13:55] Right. Indeed. No, we did.
[02:13:57] You know, we took a very deep look at the different teams that we're proposing.
[02:14:02] I think we. Selection committee picked the best team, the best proposal.
[02:14:08] And it also was the one with the lowest price.
[02:14:11] So we have reliability.
[02:14:13] Now you're saying I feel much more comfortable with that than the delivery date is when
[02:14:20] right now we will be occupying this building in quarter four of next year.
[02:14:24] One last January. Thank you.
[02:14:27] Is why is the percent minority women on business utilization below significantly
[02:14:36] below? What are our target goals are for the court wide achievement at 9 percent.
[02:14:45] Part of that is based on the type of work and what was available.
[02:14:49] We did an analysis of the different types of work available and looked with our diversity
[02:14:58] and contracting team as to what different firms were able to also participate on it.
[02:15:06] We then made that.
[02:15:09] We presented that to the different teams.
[02:15:12] They went out and looked in the marketplace and that was what they were able to find.
[02:15:21] Mr. Fellman, I still don't know why you wouldn't just set the goal and being what they
[02:15:27] come, you know, following that point, set the goal and see how close we can get to it
[02:15:31] rather than, you know, play to what you think is available.
[02:15:35] It just seems like we still have the same goal of achieving the women minority owned

[02:15:40] businesses. I see.
[02:15:42] What is the blue line circumference around the pack?
[02:15:46] Our building that doesn't include the whole space.
[02:15:50] It's the first slide in the appendix.
[02:15:53] OK. Slide five.
[02:15:57] Sorry, I'm trying to read.
[02:15:59] Ok. OK.
[02:16:02] Well, what this is is an overlay of the site photograph with the design document
[02:16:11] placed on top of it.
[02:16:13] The drawing in AutoCAD.
[02:16:15] And unfortunately the two of them don't exactly line up, but that's really what that's
[02:16:19] meant to be, is just the outline of the building to be the same.
[02:16:24] It should be the same. Unfortunately, the two aren't precisely aligned right now.
[02:16:31] So again, since so the the overall design, I mean, this could be done in a year.
[02:16:38] The hopeful life lifespan of this, assuming everything goes right, is three to five
[02:16:44] years. Yes.
[02:16:47] If not longer. I mean, this certainly could be longer, it's just what it's going to be,
[02:16:51] that is you that you are part of that depends on that permanent fire station being
[02:16:56] constructed and ready for Occupy.
[02:16:58] What is expected to be in this place where and, you know, associate with that footprint
[02:17:04] of the of the temporary building?
[02:17:07] Yeah. At some point there is a plan to build an additional what they call an end around
[02:17:13] taxi lane or a taxi way that would require that space where that building is, which would
[02:17:20] also include the park, our building to the year before that is starting to get over my
[02:17:26] knowledge level here.
[02:17:27] So I apologize. I don't have an answer.
[02:17:29] I mean, he doesn't want to jump in.
[02:17:31] Yes. Thank you, Commissioner.
[02:17:33] Commissioner Prison Boman Commissioners and Executive Director.
[02:17:35] metrick Wayne Growth here. Director, Aviation Project Management.
[02:17:38] The Integrated Taxiway.
[02:17:39] Just to clarify. And that that is part of the Sustainable Airport Master Plan.
[02:17:43] That is not a near term project, meaning it is not in the first 10 years of sustainable
[02:17:48] airport master plan. So this building could be used for quite some time.
[02:17:52] The other item I'd like to address, if it's timely now, is lessons learned.
[02:17:56] I know we've talked about that several times.
[02:17:59] And as as noted, one of our ways to ensure improvement in project performance is to
[02:18:04] ensure that our project managers learn from the experience of their peers on other
[02:18:08] projects. We require project managers to review lessons learned from other relevant
[02:18:13] projects during project definition, require them do that again.
[02:18:16] If there's any significant change to the defined project, require them to do that again
[02:18:20] before they contract for construction.
[02:18:23] We've also begun reviewing key lessons learned as part of each staff meeting of aviation
[02:18:28] project management so we can review those as a group.
[02:18:31] And finally, as executive director metrick noted in his e-mail this morning regarding
[02:18:36] organizational realignments and initiatives, making capital project delivery more
[02:18:40] effective and efficient requires the efforts of every single port employee.
[02:18:44] To that end, we will also be bringing monthly lessons learned.
[02:18:48] Some reads to all the airport directors monthly at our project oversight meetings.
[02:18:52] So we are trying to get that word out and increase our efforts to get that word out as to
[02:18:57] both our good and bad experiences so that we have that collective learning.
[02:19:04] Wayne, thank you. So of the costs, I would imagine the aft side of it is a smaller
[02:19:10] portion of the cost of the overall \$9 million dollar expense.
[02:19:13] Or is it about half the space?
[02:19:15] But I would assume it's not half the costs.
[02:19:18] Do you mean the the apparat?
[02:19:21] So, yeah, yeah.
[02:19:23] I don't have a precise breakout of that at this moment, but yes, I'm just wanting you
[02:19:28] know, it doesn't seem to be a very technical space.
[02:19:31] I mean, living quarters can be very specific and insulated, all that.
[02:19:34] But why can't we just park cars in the park, our building?
[02:19:42] Actually, actually, I mean, it's the.
[02:19:45] You can't. Well, right now, we don't have to use the building, number one.

[02:19:48] I think number two is that the actual the actual entrance out into the response times,
[02:19:53] which we studied in depth.
[02:19:54] China is spending nine million dollars.
[02:19:57] We can't put in another garage door.
[02:19:59] I mean, it's like at this point, if it's a temporary facility, we have a parking garage.
[02:20:04] What is the what's the what's the rocket science here?
[02:20:07] Because they're not located, because I can tell you right now, if we build this building
[02:20:10] and then the responders, I mean, there's so many different things you have to go into
[02:20:13] that. It slows down the response time.
[02:20:16] I can just tell you right now, the response time wouldn't work there.
[02:20:18] That's if we had access to the packed car building and if we were parking them.
[02:20:22] My understanding was you'd have to put in a different garage door.
[02:20:26] You'd have to oriented at the other side of the building and on the surface.
[02:20:29] I'm right with you tracking the very, very beginning.
[02:20:32] But we've had consultants look at it.
[02:20:34] We've had our own internal team that does that.
[02:20:37] I was right where you are, Mr.
[02:20:39] Fellowman, at the beginning. Why can't we just punch a couple holes in the north end of
[02:20:42] that building and we use that for our space.
[02:20:44] The consultants say it's not feasible because of the structure and the way it's designed,
[02:20:48] that there's a lot more work to rehab and refresh that building to meet our needs,
[02:20:53] probably in excess of what we're spending to build this facility.
[02:20:57] Well, my other thing originally was I was exploring, you know, moving the whole facility
[02:21:00] into there. And that posed all sorts of challenges about concurrent use and all that
[02:21:05] other other thing.
[02:21:06] But it just it struck me to build a temporary facility for just the vehicles and knowing
[02:21:13] that other forces need a place to cover for covered vehicles, heated floors.
[02:21:18] I mean, it's a pretty spectacular space.
[02:21:21] I don't know whether the design question was really asked just for a garage instead of a
[02:21:27] facility for inhabitation as well as a fire truck isn't like a regular car.
[02:21:34] Yeah, it's amazing how it is more than enough as they've been.
[02:21:37] I think it's kind of difficult for us to try to engineer a build in base and does was
[02:21:44] soon there because apart from the structural changes that chief talking about is not easy
[02:21:50] or feasible. Does it change its structure?
[02:21:52] Coal points a building. The second most important thing is that in addition to the
[02:21:57] horizontal constraints I have from the facility, that location is at the end of the.
[02:22:01] We have also vertical constraints of God and your space utilization.
[02:22:06] So to look at a simple joint at this and try to engineer it here is difficult and
[02:22:10] complicated. And that's one reason why this project went from 2.4
[02:22:14] to 10, because we tried to come to the estimate to understand what the challenges were.
[02:22:20] And for the simple route, it's a difficult challenge.
[02:22:22] Inside the same time, we have to ensure that not assuming the outcome of this sum.
[02:22:28] But we have to ensure that facilities that we're built is aligned, is an alignment with
[02:22:33] future plans. So it's very it's very, very complicated, not easy.
[02:22:38] And I think if we tried to engineer this content, to engineer this building, begin and
[02:22:43] spend more than 10 million dollars in.
[02:22:45] One of the lessons learned that you pointed out was that the firefighters should have
[02:22:48] been involved in the beginning and not at the end.
[02:22:51] You're the ones that can tell us best.
[02:22:53] And I also want to just that issue that was raised earlier regarding Wimberley.
[02:22:58] I'm very involved in the setting of goals for your pet projects.
[02:23:01] munin an arrest myself.
[02:23:03] Some projects you get lower than the average.
[02:23:06] Others get above the average.
[02:23:07] What we do, we'll look at the what's called the code and the availability of contractors
[02:23:13] in the area. This project is very unique and doesn't lend itself to the wimbish process
[02:23:19] patient. All the projects we can go over the course, for example, tax we're project.
[02:23:23] Last year we achieved 90 percent, which is up over 13 percent.
[02:23:27] So in our average, we're aiming for a 13 percent higher and some lower and the others.
[02:23:33] Thank you, Jeffrey. OK, any other questions?
[02:23:37] Mr. Caulkins, did you know?
[02:23:39] All right. I'm trying to make sure we don't do anything else.
[02:23:43] OK. I would love us to just go to this library, actually.

[02:23:47] Yep. So we're gonna go back to just a slip of the slide of the lessons learned.
[02:23:54] Can I just make a comment in reference to the firefighters be involved?
[02:23:57] I want to recognize Union Vice President Chris Nuttall in the audience.
[02:24:00] Him and I are on the selection committee.
[02:24:01] So Chris has been very involved.
[02:24:04] And I think what comes complicated this in.
[02:24:06] I'm the customer, just the fire guy.
[02:24:08] I don't understand all the complexities of all the other stuff, the minutia that goes
[02:24:12] along with this project. But I think we definitely got out ahead of ourselves in
[02:24:16] temporary. I mean, you heard originally we talked about temporary, temporary, temporary,
[02:24:20] and everyone was trying to satisfy those needs of the firefighters.
[02:24:22] And every step along the way, there was too much compromise.
[02:24:25] And we go back to quality of life and sustainability.
[02:24:28] What we have here, once things switched in, in hindsight, going back from the beginning
[02:24:33] and starting where we're at today would have been amazing because really under Shawn's
[02:24:39] team, the program was actually developed and written out.
[02:24:43] And that's what we've been working to since that program was developed.
[02:24:46] And that's given us this particular product that we're very proud to say.
[02:24:51] We'll meet the functional needs and safety measures for the firefighters without access,
[02:24:55] to be honest with you. It's gonna be a nice building, but there's not.
[02:24:58] It meets our basic needs for whatever period of time.
[02:25:02] And so as the fire guy.
[02:25:04] I don't want to misspeak.
[02:25:05] But with with the master plan in place and all the other complexities downstream,
[02:25:10] everybody's afraid to say, how long is this use and give you a set number.
[02:25:14] But we feel pretty confident that we could be within that facility for a significantly
[02:25:20] length of time, because there is there appears to be at this time no conflict.
[02:25:24] I can't commit to that. But there appears to be no conflict.
[02:25:27] And the potential for repurposing that space is definitely there into the future out
[02:25:32] until the only conflict that arises is way out into the future that I can't see that far
[02:25:38] yet. So but that's just all I'd like to.
[02:25:43] Michigan yet? Maybe to Steve, I'll let anyone answer.
[02:25:47] I appreciate all the entire conversation and I appreciate the company we've been having
[02:25:51] for a while and I'm glad we're to space to move forward.
[02:25:55] I just care that we're learning lessons that don't applicable to the next fire station.
[02:26:00] And that's what this slide reflects for me.
[02:26:02] And I take a step back and say, I think we've learned much broader lessons and I'd like
[02:26:08] to hear those in terms of how they pull forward beyond this project.
[02:26:14] And I'll add to that, I mean, what I identified in this is that, I mean, we have systems
[02:26:18] challenges which led us to where we are not just against specific to this project,
[02:26:23] modular versus not modular, etc.,
[02:26:26] etc. So if not, I know, Steve, that you were intending to do kind of a final action
[02:26:31] report on this and give us more detail.
[02:26:33] I don't know if you are prepared to do that today, but I think it's an outcome that we
[02:26:37] need. Well, I think I'm anticipating we're going to approve this.
[02:26:41] But that said, we do need this is a case study in how we do things differently.
[02:26:48] And please don't get me wrong.
[02:26:49] I mean, Steve and I talked about this several times.
[02:26:52] And at one point, you know, there's conversation.
[02:26:54] It's just one project.
[02:26:56] But this is the commission that at least two of us lived with the IMF.
[02:26:59] And so, you know, we've got the fire station on one end and the I.F.
[02:27:04] on the other. And so we need to feel more confident about the systems that we have in
[02:27:07] place as we're designing these projects.
[02:27:10] And I will go so far as to say I wanted to write today, but this memo is not acceptable
[02:27:16] for me. The memo that we reviewed in advance of coming in here today in this PowerPoint
[02:27:19] slide is not acceptable for me.
[02:27:21] You own up to mistakes and you document how they will be improved for the next project
[02:27:26] that is called progress.
[02:27:28] We will support this.
[02:27:30] I'm sorry. I will support this action.
[02:27:33] But I don't want to look back to the next commission and have this memo be what's
[02:27:37] attached and say, well, well, I don't know what went wrong in that project.

[02:27:41] That's not acceptable.
[02:27:42] We document and that's how we improve.
[02:27:44] We learn that way. I will load up when I make a mistake.
[02:27:48] I expect this team to be transparent about that.
[02:27:50] And there were many mistakes that led us to today.
[02:27:53] So that was my concern with the memo.
[02:27:56] And the way the presentation has been today does not change my desire for us to move
[02:28:00] project. But I'd actually prefer that a different memo be filed for the record.
[02:28:03] So commissioners, future commissions can learn from this.
[02:28:06] And Steve, you in a speech such as in terms of your plans for a deep dive into this.
[02:28:10] And yes, we have.
[02:28:12] I mean, this is a summary of the improvements in Mr.
[02:28:15] Gregoire. Go back to these improvements.
[02:28:17] These improvements are brought there not just for building a fire station, but these are
[02:28:20] definitely part of that.
[02:28:22] You know, the complex, the lessons, you know, of making sure that the end users are
[02:28:26] involved. And I think that's one of the steps we took already is to take CTD and break it
[02:28:31] within the operational units, eliminating one of those seams already between the end
[02:28:35] users and the the construction progress.
[02:28:38] I mean, that's a primary one that we took in advance in advance of this going forward.
[02:28:42] So here's where that's not very applicable for me.
[02:28:46] I go back to the north satellite.
[02:28:47] This can happen. Good luck, guys, for us.
[02:28:49] Three months of my tenure.
[02:28:51] We had the end users, too, involved.
[02:28:54] We had change orders every three weeks.
[02:28:57] So the commission did not get adequate information as to understand why staff was making
[02:29:00] changes at the request of one airline.
[02:29:03] So I get why for our firefighters were we don't understand their operations and their
[02:29:08] needs. They should absolutely be there.
[02:29:10] But what is what does this actually mean in practice?
[02:29:12] It means more than a box on a PowerPoint slide, because the commission needs to have the
[02:29:17] ability to understand how to ensure that we're doing this at the right level for it, for
[02:29:22] whatever capital project we're talking about.
[02:29:25] So that's where I struggle with, because to me, they are written right now recognizing
[02:29:28] the lessons we learned from this experience, unique to what it means to have our
[02:29:33] firefighters at the table and understand the operational constraints and needs at the
[02:29:35] beginning, but doesn't apply to every capital project.
[02:29:38] Otherwise, we're gonna have a NF experience.
[02:29:43] But of course, this of course there's.
[02:29:49] Well, I think you're much more at risk of I understand completely of that of the, you
[02:29:55] know, saying is that it's open ended, but then you don't have them.
[02:29:58] I would say in that case, if you're not if you're not responsible for it altogether, then
[02:30:03] you don't have just you're you're not responsible for the building of it.
[02:30:06] You're just really responsible for the requirements.
[02:30:08] So that's one side of that equation.
[02:30:10] If you're responsible of both sides, you don't just have oh, what do you want enforcing
[02:30:15] on that? You have to balance it with the cost associated with it.
[02:30:18] And that's why I think what we're going what we're doing going forward puts those two
[02:30:22] together. Commissioner, just on that one specific example.
[02:30:25] I mean, this is complex. We want to build the best capital delivery program that sets the
[02:30:30] standard for this. And I know this is, you know, the complexity of this operating in
[02:30:36] environments that we operate here within the within the airfield, in spite especially the
[02:30:40] closer you get to the actual regulated area of the FAA, the more complexity.
[02:30:46] And I think that some of these things and I've learned a lot from this as well.
[02:30:49] I have to say that right up front from this is my first project are brought before you.
[02:30:53] And I'm hoping we're still not discussing this, but two years from now of this project,
[02:30:59] because. Because this is one of the ones where it's a small project.
[02:31:02] But there's a lot of lessons learned wedged into this.
[02:31:05] Commissioner, and to go back, if I could just help with this conversation and we need to
[02:31:10] move on, I'm sure. But the roll of the end user in this case, the firefighters who know
[02:31:15] best their practices and profession comes to play in the building program and its
[02:31:22] functionality, the construction and logistics and code requirements and challenges on the

[02:31:28] building on an airfield are beyond that range.
[02:31:32] And so it's a balancing act.
[02:31:34] Yes, you need to have the end users involved in those two areas.
[02:31:39] And I've seen also in public works where the end users were not involved in all kinds of
[02:31:45] irreversible mistakes were made in the final plans.
[02:31:48] But in this case, I think we've gotten to that point where we've addressed the needs
[02:31:53] functionally and serviceability of this building and the complexity is not in the
[02:31:58] building program. It's a simple building program.
[02:32:01] As I read it, it's very simple.
[02:32:04] It's the logistics and the construction challenges of the site.
[02:32:08] That's all I wanted to do.
[02:32:10] And then we are going to move on.
[02:32:13] OK. And you get seconds.
[02:32:15] I I have nothing against Packer.
[02:32:18] However, it is a unique asset, the only private asset on a constrained airfield.
[02:32:24] And it's a year to year lease.
[02:32:27] And from what I understand, there are other assets that are not well protected that we
[02:32:33] have like the bomb machine.
[02:32:35] I've seen I've seen other assets when I got my tour out there that we have a state of the
[02:32:40] art garage right on our own property.
[02:32:43] And I'm just wondering.
[02:32:45] So throughout this whole process, their lease does continues.
[02:32:47] And it's the same old without us looking at the strategic deployment of all of our
[02:32:52] assets, not just our firefighters.
[02:32:55] That's a great place.
[02:32:56] This has been always a question when how will that facility be looked at in the context
[02:33:01] of this construction? I haven't told you.
[02:33:03] It's gonna be looked at together, but I'm just told that it's now it's just not possible
[02:33:06] to have anything to do with each other.
[02:33:08] So that's a question that Steve needs to answer.
[02:33:10] Sean is not that's not what he does.
[02:33:13] So we need to have Steve answer you directly.
[02:33:17] Ok. All right.
[02:33:20] Yeah, yeah, I'm Paul.
[02:33:23] Do we. We don't yet. Yes.
[02:33:25] Please. Thank you. Make a motion.
[02:33:26] Could I put a motion on the table, too, for commission authorization for the executive
[02:33:30] director to increase funding for the interim West Side Fire Station design build contract
[02:33:34] by three million six hundred and seventy nine thousand dollars for new total project cost
[02:33:38] of nine million one hundred ninety seven thousand dollars with a lesson learned and after
[02:33:42] action report by management due to the commission by October thirty first twenty nineteen
[02:33:46] second rate.
[02:33:48] It's been moved and seconded.
[02:33:50] You do what? Yeah, yeah.
[02:33:52] Yeah. She wrote it down. Excellent.
[02:33:54] All those in favor please indicate by saying I I.
[02:33:57] All those opposed any eis have it.
[02:34:00] Thank you. Thank you.
[02:34:01] OK. Go forth and built with that.
[02:34:05] Let's take a quick five minute break.
[02:34:07] Sorry we kept you guys so long.
[02:34:10] Thank you. There are no fires out at the airport because they're here.
[02:34:14] Madam President, Madam President, if I may, just before we recess.
[02:34:19] Yeah. Because of our rules relating to a member of actions once the agenda has been
[02:34:25] approved. What I believe we want to do is show that as an amendment to the action request
[02:34:32] that is approved without objection.
[02:34:33] Yes. And then approved the whole thing here.
[02:34:37] Ok. Thank you. Otherwise, you should do help.
[02:34:42] Right. So quick, 5 minute recess and then we'll come back at 2:15 and tackle the maritime
[02:34:49] budget. All right.
[02:34:55] Good afternoon. This is Commission President Stephanie Bowman reconvening the regular
[02:34:59] meeting of our two days.
[02:35:02] It is 8 8 8 October 8th.

[02:35:06] Back to order. The time is 250.
[02:35:09] So now we're going to go ahead and we have a little bit.
[02:35:11] We had already approved a reordering of the agenda.
[02:35:15] So we're going to tackle item 9 B.
[02:35:18] And then we're gonna go into the capital budget for maritime and then do 9:08.
[02:35:22] So with that nine B B 20:20 Maritime and economic development divisions, preliminary
[02:35:27] budgets, commissioners, this afternoon we continue a series of presentations on our
[02:35:32] proposed 2020 budget.
[02:35:34] At the last public meet, we presented the proposed Central Services Budget.
[02:35:38] This morning we presented Davie's Aviation Division Operating and capital budget.
[02:35:43] This afternoon, we're presenting the maritime and economic wealth.
[02:35:46] We just Commissioner Bowman just recapped what we're gonna do this afternoon.
[02:35:50] As I mentioned during the last meeting, the proposed budget is in line with our port
[02:35:53] strategies and is fiscally responsible and responsive to the needs of the region's needs
[02:35:59] and the nation. So I'll throw that in there to the operating budget you'll be reviewing
[02:36:06] today are driven by a focus on sustainability.
[02:36:08] These themes that you'll see innovation, customer service, safety and security.
[02:36:12] Orji Organizational effectiveness and equity in the capital budget investment plan, which
[02:36:19] we'll discuss later, which amounts to more than \$3 billion over the next five years.
[02:36:24] In addition, with aviation continues, our commitment to investing in regional
[02:36:27] infrastructure, to grow our transportation gateways, create jobs and stimulate the
[02:36:32] economic development.
[02:36:34] Presenters are Stephanie Jones, Stebbins, Dave McFadden and Kelly Zupan.
[02:36:39] So we'll start with Stephanie.
[02:36:41] Thank you. Executive Director.
[02:36:42] Thank you. Commissioner, we'll start with the Maritime Division Budget.
[02:36:45] So we're here in on October 8.
[02:36:48] We've already seen a budget development briefing over the summer briefing today.
[02:36:53] We'll be followed by first reading and then the second reading by November 19th and
[02:36:59] adoption of the budget. So we're right in the middle of a process here.
[02:37:03] As you heard this morning in the aviation budget, as we look at our budget, it's it's not
[02:37:08] it's really about what we do with that money.
[02:37:11] So we have gone from this century agenda, looking at what our goals are, what the gaps
[02:37:16] are, what we need to do to achieve our goals and really built that into the business plan
[02:37:21] and budget. And in fact, we will see it in all of our individual employee performance
[02:37:25] plans as well. This graph shows really what our maritime priorities are.
[02:37:32] Of course, as we every day we're thinking about safety and resiliency, our financial
[02:37:37] sustainability and customer service, it's a foundation of what we do.
[02:37:41] But also as we put together this budget, we're really looking to the future, thinking
[02:37:45] about sustainability, thinking about innovation and equity, how we drive those things to
[02:37:50] make sure this is a business and industry that's relevant really into the future here in
[02:37:55] Seattle as we take advantage of the ocean economy desk.
[02:38:00] Were these principles derived from what sort of commission approved set of principles or
[02:38:06] just your working principles?
[02:38:09] Well, it's it's a combination.
[02:38:10] These do flow down from the century agenda.
[02:38:13] And then as we look at the port wide goals, really last year, they discussed formed this
[02:38:20] graphic in my mind.
[02:38:21] So it's a haunting.
[02:38:23] Yeah, it's just to ask again.
[02:38:24] They came from and I have thought about maybe one additional goal principle to add in
[02:38:30] there. You know, keep us in suspense, though.
[02:38:34] Can I just note that it's not because we're dealing with capital projects and we're
[02:38:40] dealing with the waterfront and the potential of extreme weather.
[02:38:44] I'm I'm repeating myself as I am to the north that startwith that our resilience and
[02:38:49] adaptation, resilience, principle in terms of incorporating into the design of all major
[02:38:55] new infrastructure and infrastructure replacement resiliency is the very foundation of
[02:39:00] this. You'll see we have it on the bottom there.
[02:39:02] And I think maybe perhaps we need to highlight it a little, highlighted a little bit more
[02:39:06] our principles. Yeah, I.
[02:39:09] All right. We've skipped ahead.
[02:39:11] Thank you. The material that was in the booklet is different than the hand-up that I was
[02:39:18] earlier. Are you looking at the CIPA doc or are you looking at the maritime struggle?

[02:39:23] Okay. All right. So the S.O.P.
[02:39:25] Doc is what was handed out.
[02:39:27] And memo we have is the budget that's inside the nine.
[02:39:33] What would that be?
[02:39:34] Is there a time in a._d._d?
[02:39:36] No, we're actually in the operating budget.
[02:39:37] So there should be a picture of a fishing vessel on the front, not a cruise vessel.
[02:39:41] Different thing that the cruise ship.
[02:39:43] Different. Okay. That's our capital budget, which will be right after this.
[02:39:47] Sorry. Oh, they weren't related until.
[02:39:53] Wait a minute, where is the screen aligned with what took.
[02:40:00] Ok. Got it.
[02:40:05] So I'm looking at this.
[02:40:06] Right. I'm looking at this right here.
[02:40:08] Just give me a chart or pyramid chart and focus on equity, innovation and sustainability.
[02:40:19] So as we think about achieving all those things until we have to do that is through our
[02:40:23] budget. In addition to achieving sustainability, equity innovation, we are also trying as
[02:40:30] a division to achieve positive net operating income, including depreciation by 2024.
[02:40:35] So that means that we pay for all our operating expenses, the share of corporate costs
[02:40:41] that belong to maritime and pay for building the capital that we use, really leveraging
[02:40:50] the cruise business and grain business.
[02:40:52] Those are the two businesses with the highest positive net income to support the fishing
[02:40:57] fleet, environmental work and local maritime small businesses.
[02:41:02] We also really need to focus on managing our expense growth expense growth to meet that
[02:41:07] target and executing our five year capital plan is also an important part of bringing new
[02:41:13] revenues in. News24 always been our goal.
[02:41:19] We. That has been our goal.
[02:41:22] Yes, it always has been.
[02:41:24] It's what we felt was like last year.
[02:41:27] It's what we felt was possible.
[02:41:29] Yep. So if we look bottom line up front, our revenues are up 5.4
[02:41:34] percent and our expenses are up 2.9
[02:41:37] percent. So our revenues are up more than our expenses.
[02:41:40] If we look at what's really driving our budget, the growth of Cruze is also a plus side
[02:41:46] on the revenues. And we're also looking at some expenses that support that.
[02:41:50] We also have costs associated with supporting that transformational capital plan that the
[02:41:56] commission approved last year.
[02:41:59] That includes both project management's staff as well as some planners, innovation and
[02:42:06] sustainability. You'll also see focused on in the budget as we go.
[02:42:11] Doesn't it also have to do with taking on those responsibilities?
[02:42:14] Correct. Is the re-alignment indeed it.
[02:42:17] Indeed, that's correct.
[02:42:19] Can I just ask, in terms of the cruise revenue growth, we had both an increased number of
[02:42:24] passengers and an increase in the rate.
[02:42:27] Right? That's correct. Yes.
[02:42:29] Of the two, which you think was the greater driving force.
[02:42:32] If we just kept the rate the same and had the same growth and passengers.
[02:42:36] So passengers were up.
[02:42:39] Let's see, it was the rate was was the bigger driver than than the passenger growth.
[02:42:46] Thank you. So overall, a strong growth in crews is really driving our revenues.
[02:42:53] That's balancing constriction elsewhere.
[02:42:56] We're seeing that our cruise revenues are up 19 percent budget over budget.
[02:43:02] We also see, however, that grain volumes and therefore revenues are down 18 percent.
[02:43:09] That has to do with broader things going on and what the port is doing.
[02:43:14] And then in our larger fishing vessels, the loss of our largest vessel is it's about 14
[02:43:22] percent of our revenue.
[02:43:23] And we'll be we are looking to rebuild that over year.
[02:43:26] Over the years, we have many larger vessels coming on line, but it will take some time to
[02:43:31] do that. So it was announced that the Chinese are going to remove the tariffs on soy and
[02:43:39] remove the restrictions on soy.
[02:43:40] Do you anticipate seeing a bounce back in the grain?
[02:43:44] What we hear is that so we may.
[02:43:46] And what we hear is really the uncertainty has been it's just been very volatile.

[02:43:51] So we will certainly hope for that.
[02:43:54] We'll have to see how this works out and trade.
[02:43:56] Right. Because if you've had to replace that in your market, there's an opportunity that
[02:43:59] may not come back to the same suppliers.
[02:44:04] Can we. I mean, the crews revenue is always something that we've dug into, we did a
[02:44:07] little bit of work at the audit committee.
[02:44:09] So, you know, when we see things like the new gangway I see is one of the items that
[02:44:14] we're looking at for ninety one, which is seems like the second new gangway.
[02:44:18] Right. So we did one, we did not do one last budget cycle.
[02:44:22] We took that out of the budget last.
[02:44:24] But it's the same gangway.
[02:44:26] That is correct. OK, good.
[02:44:28] And then I never see the advertising budget as being included as a as a cruise item.
[02:44:34] And I see now the way it's being enumerated, it's being folded in with our other maritime
[02:44:40] promotional budget.
[02:44:42] So I say as I see.
[02:44:45] So we formed last year, we formed a division wide marketing department so that we could
[02:44:51] really see some businesses have a lot of pressures when others don't.
[02:44:55] And really, we wanted to have a more cohesive approach and able to bring on a senior
[02:45:00] manager. We say in a result of that was a very excellent billboards we've seen on a
[02:45:04] ballot bridge lately, for instance.
[02:45:06] So, yes, we are.
[02:45:07] We do now have a marketing department within Maritime that looks broadly at Cruise, but
[02:45:14] also fishing, recreational boating as well.
[02:45:18] So I was wondering, are there any of those expenses then assigned to credit?
[02:45:22] Yeah, absolutely. Yes, they would be assigned to Cruise.
[02:45:24] Mm hmm. That's correct.
[02:45:27] If we look at our expenses, they are up in within the maritime division, about 2.4
[02:45:33] percent. If we look overall, including corporate expenses, et cetera, it's they're up
[02:45:41] just under 3 percent as we went through like the rest of the port, we really took at the
[02:45:47] guidance of the commission and executive met director metric zero based budgeting
[02:45:53] mindset. We really looked at everything.
[02:45:55] Do we need to do this?
[02:45:56] Can we take it out? So we did remove about a million dollars worth of various costs
[02:46:01] through the budget. Wasn't that mostly police?
[02:46:06] Well, in terms of the line item, was the police expenses were that million dollars is
[02:46:11] things we removed.
[02:46:12] Additionally, we did have a reduction in police costs.
[02:46:15] That's correct. But there was something about you recalibration, deployment hours.
[02:46:21] So you're going gonna get to that later.
[02:46:24] On letting Kelley answer questions.
[02:46:27] Yeah. Yeah. Now move to the next.
[02:46:30] Let me just let me go back to this slide for one second.
[02:46:33] I do want to note that we are proposing to add additional FTD to support a capital
[02:46:40] program, to support our cruise program, to support innovation.
[02:46:45] So, you know, we and we are eliminating three other positions that were unfilled to
[02:46:51] balance that out and reducing some pretty significant capital costs and bringing that
[02:46:56] work internal. So you will see that as we go through, you'll see that as a theme.
[02:47:01] Sometimes we look at the consulting, it's better for us to bring on FTE that continue to
[02:47:05] pay those costs for consulting.
[02:47:07] And that's something that will actually realize some savings in this budget and doing
[02:47:11] that. I see with the 14 percent reduction in the Elliott Bay fishing, a letter attributed
[02:47:17] to the ocean Phoenix going away.
[02:47:19] That's correct. Isn't the trend, though, to have these more efficient fishing vessels
[02:47:23] replace more than one of the older ones?
[02:47:27] There will be. There is a vessel replacing the ocean Phoenix.
[02:47:31] I think it will also be named the Ocean Phoenix.
[02:47:33] It will be quite a bit smaller in this case.
[02:47:36] In every other case, it has been a larger vessel.
[02:47:38] But that's correct. You're seeing these more efficient and larger vessels may sometimes
[02:47:42] replace more than one.
[02:47:44] So I'm just saying, as a revenue projection, we all are more efficient vessels taking out
[02:47:50] more bigger ones.

[02:47:52] It just seems to me that's that's a bad trend as far as.
[02:47:56] Ninety one in general, the fishing vessels are getting larger.
[02:48:00] The Ocean Phoenix was an anomaly in general.
[02:48:03] The vessels are getting larger and we are actually short on space there.
[02:48:09] As the cruise season gets longer, what we find is there is more of an overlap.
[02:48:14] So there is a period where we do not have enough marriage for both the fishing and cruise
[02:48:20] vessels, which is why part of the reason we are looking at our capital program additional
[02:48:25] berth space at terminal on day one.
[02:48:28] Finally, when you talk about ship canal fishing and operations, is that not just
[02:48:31] fisherman's terminal? It's Fisherman's terminal.
[02:48:34] The Maritime Industrial Center and Salmon Bay Marina.
[02:48:37] The whole collective negatives.
[02:48:39] Thank you. And with that, I will turn this over to Kelly Zupan, who is the finance
[02:48:45] director for Maritime and a_d_d.
[02:48:47] Thank you. All right.
[02:48:50] So on this slide here, you see this is the basic roll up.
[02:48:55] You can see the maritime division had a 24 percent increase in bottom line over the
[02:49:00] twenty nineteen budget.
[02:49:02] A couple of items to highlight here.
[02:49:05] One, from a cost standpoint, economic development growth was driven by tenant
[02:49:11] improvements at the A1 building on the Maritime Industrial Center.
[02:49:16] They're transforming the second floor, a twenty thousand square foot second floor into a
[02:49:22] multi-tenant building as we were to meet the demand.
[02:49:26] Additionally, you'll see maintenance costs went up and that is offset by economic
[02:49:33] development division maintenance costs.
[02:49:35] It's how we allocate sort of shared costs at Pier 66 and Terminal Ninety one.
[02:49:41] They had a little challenging for the maintenance people to go in there and have five
[02:49:45] different businesses in each of those facilities and try and figure out where to charge
[02:49:51] it to. So we create an allocation that would that would proportionally divide that out.
[02:49:57] And in the benefits, we're more seeing an economic trouble in the maritime.
[02:50:01] Additionally, the police recalibrated their deployment hours and that led to a slight
[02:50:09] change in the non aviation distribution between the Alliance Economic Development
[02:50:15] Division and the Maritime Division.
[02:50:20] And this slide, the one thing to note on the next slide here is it's basically the same
[02:50:27] PNL, but including the Terminal 46 Seaport Alliance payment.
[02:50:33] This is a \$3.8
[02:50:34] million payment. We're beginning to pay in January of 2020 and it will escalate at 2
[02:50:41] percent a year for the twenty nine acres at Terminal 46.
[02:50:45] We expect to get revenue associated with that in 2023 when the earlier financials were
[02:50:53] done on the proposed cruise terminal.
[02:50:56] Forty six, the earlier find out pro forma, did it include this figure and the ongoing
[02:51:05] leaseback of that portion of the terminal?
[02:51:09] Yes, it did. It was we took it and we did it ourselves.
[02:51:12] We hadn't worked out the terms of that until recently.
[02:51:16] So I had to when I built when we built that one, we had \$2 million because it's the sort
[02:51:21] of the incremental costs going in because we actually will get half of that format.
[02:51:26] And, you know, roughly \$4 million back through in the form of Seaport Alliance revenues.
[02:51:31] So we looked at it. Right. We're paying ourselves in that line division of.
[02:51:35] Yeah. Yeah. I just wanted to know that we have considered that that was incorporated into
[02:51:41] the pro forma cruise.
[02:51:42] It was in the long term lease.
[02:51:46] Ok. But you you say here on page 10 that the payment increased revenue seaport lines, 50
[02:51:53] percent protected. The return is not shown in this.
[02:51:57] Well, apparently the maritime division will pay the lease, but then the half that comes
[02:52:04] back to the port will go into with the alliance revenue.
[02:52:07] So they show up in different places.
[02:52:08] I tried to get them both, but that will show up in a different location.
[02:52:13] So it's all there is one hundred eighty thousand less than what we didn't initially
[02:52:18] anticipate. I remember it being a formula, you know, you number of times.
[02:52:21] Yes. I don't know how you did that, but congratulations, Dan..
[02:52:27] Work that one out. I'm not sure.
[02:52:30] So. And and so and the next slide here we're looking at this is the basic trend of the
[02:52:38] maritime division. You see this does incorporate in the pattern that mitigation are that

[02:52:44] payment of the Sea Port Alliance.
[02:52:46] We're continuing toward our profitability goal.
[02:52:50] And again, once we see that incremental bump in 2023, which is before our 2024 target, we
[02:52:57] should, you know, bringing on if we get one sailing, it's going to be close to break,
[02:53:04] even if we get to net new sailings out at forty six.
[02:53:07] Then it becomes it's going to add to our profit.
[02:53:13] Next, as you can see here, next slide is the crew's financial.
[02:53:17] Still the most profitable division in the part, even when you factor in that \$3.8
[02:53:24] million payment.
[02:53:28] What is an eye on the cruise currently?
[02:53:34] It is. That's it.
[02:53:36] Not see. Any idea?
[02:53:42] Yeah, actually, I didn't. You know what I did?
[02:53:46] Could. Could we?
[02:53:47] Could I follow up later with that?
[02:53:49] And also with the anticipated future projections, with the additional cruise terminal?
[02:53:59] Absolutely. I mean, you're lucky.
[02:54:00] It's roughly three to four million dollars on the side.
[02:54:03] But, yeah, I'll I'll get that.
[02:54:06] You can see that.
[02:54:08] And, you know, via the revenue over the costs there, including depreciation, it's about 4
[02:54:13] million bucks and including capital investments.
[02:54:17] Yeah. We use depreciation, which is the dark blue color.
[02:54:21] Because you're out of the capital investments amortize the terminals at 20 years or what
[02:54:27] order they amortized at the LA terminal.
[02:54:31] Any one was 20 years I believe.
[02:54:33] And the plan is for forty six to be 20.
[02:54:36] So isn't it. We haven't.
[02:54:38] Well I leave that up some well.
[02:54:41] And somehow or in order to understand the the financial aspects of this you need to know
[02:54:49] how what what the amortization rate is on the capital investment.
[02:54:56] Well usually you take the investment in year one and the total amount and then you go up
[02:55:02] based on the cash flow.
[02:55:04] Yeah, it's a pro forma basis.
[02:55:06] But yeah, I mean, that's a good point.
[02:55:07] I'd like to understand a little better.
[02:55:09] Okay. So when we come back with a presentation on that on the terminal 46 crew's
[02:55:13] presentation, we will project.
[02:55:16] We will include that. Yeah.
[02:55:17] Oh, thank you. I always like to hear about jobs also and associated with these
[02:55:21] activities. Whenever you have those figures to show, you know what jobs are supported
[02:55:27] directly and indirectly.
[02:55:30] Great. Well, I can tell you that this industry today supports about fifty five hundred
[02:55:34] jobs. And currently so as that goes up, it will increase.
[02:55:39] Thank you. We will include that in our presentation going forward.
[02:55:43] But Commissioner Stamberg's point is, as you're going for each of these different they're
[02:55:49] not divisions, but recreational boating, Dahlia Bay, Ship Canal.
[02:55:53] To be very candid, this is way too broad.
[02:55:56] We need we should have more a little more detail on these slides as opposed to just
[02:56:00] here's your revenues. Here's your expenses.
[02:56:02] That's what I mean. Okay.
[02:56:05] Okay. So detail on the specifics of our revenue and expense.
[02:56:10] Exactly. Cases. Okay.
[02:56:13] Again, here are the revenue.
[02:56:15] The revenue increase was driven by.
[02:56:19] We went. The increase, yeah, the tariff increase.
[02:56:27] And then we. There was eleven eleven additional sailing's about 100000 passenger increase
[02:56:34] the costs. We actually kept.
[02:56:36] It's harder to note as well because I get it because of the three point eight million
[02:56:40] dollars sort of drives the bulk of the expense growth on there, but we actually reduced
[02:56:48] consulting costs over almost seven hundred thousand dollars.
[02:56:52] And that was one of the major pieces of the costs.
[02:56:56] And that's great. That's the sort of detail.

[02:56:58] I think that's what we'd like to see, you know, exactly what are we where our expenses.
[02:57:03] What are the revenues? What are the opportunities?
[02:57:06] I mean, as we saw with the aviation budget, you've scrubbed it through.
[02:57:10] We understand the trends.
[02:57:11] Great. Okay. Will do.
[02:57:13] Thank you for that.
[02:57:15] Well, I have a question about really the potential for growth in crews.
[02:57:20] You know, I was just wondering how we looked at what Alaska's capacity is, because that's
[02:57:25] one of the things I think the I think the desire is insatiable.
[02:57:29] I mean, I've heard the consultant reports it's a small percentage of the overall vacation
[02:57:35] travel. But, you know, when I see seven cruise ships in Juneau at the same time, at a
[02:57:41] certain point in time, there's not only will Juneau not tolerated.
[02:57:44] I don't think the public will see that as a getaway.
[02:57:47] And so I'm just wondering, has there been an evaluation?
[02:57:49] We say one trip, additional trip as a and it seems to me that people the terminal.
[02:57:55] I mean, it seems to me they're going to probably want to treat any trips in there as
[02:57:59] possible. And that seems to be a very modest assumption, which is good conservative
[02:58:04] budgeting. But I'm I'm just wondering what what would be the ultimate what would be the
[02:58:09] maximum bill that you could expect given the capacities in Alaska?
[02:58:12] And so that that's going to be a homework assignment, not an answer today.
[02:58:16] I don't know. But I mean, I think in the course of what is the problem, what is the
[02:58:20] potential payback on this kind of an investment?
[02:58:23] We need to kind of have a sense of where it was, where it's going to asymptote.
[02:58:27] The other thing is, in light of these other expenses, you know, there's a proposal here.
[02:58:32] We'll spend 16 million dollars on electrification and it just seems like an assumption.
[02:58:37] And I've talked about whether we're going to share that cost and let's good luck.
[02:58:43] But that's a no no.
[02:58:44] But I'm going to cut in here.
[02:58:45] We need to let them get through these slides, because you're jumpy, because I want to be
[02:58:49] able to answer questions about their questions.
[02:58:50] And that's where we're get their crews here in a minute.
[02:58:54] So. But there should be a reputation.
[02:58:56] We'll we'll tackle that when we get to that slide.
[02:58:58] So they'll answer your questions.
[02:59:00] I want to hear it as we go into more depth than the S.O.P.
[02:59:03] Briefing that we're gonna have as well on air.
[02:59:06] So this is the operating side of things.
[02:59:08] And then we're gonna again do capital right after this.
[02:59:11] So. And so recreational boat boating goal is to basically pay for itself.
[02:59:22] You can see where we're getting closer to that.
[02:59:25] Revenues went up about just under 5 percent this year, kept expenses flat.
[02:59:32] A lot of this was decisions made from SAP.
[02:59:34] And you'll see we reduced a couple of positions that had been in the budget that we
[02:59:41] didn't carry forward for for my colleagues.
[02:59:45] I've asked for a briefing on the recreational boating just cause we realize we haven't
[02:59:51] had one at least a year and a half.
[02:59:52] It's been quite a while. I think it's its since Commissioner Corkins and Steinbruck
[02:59:57] joined the commission where we did sort of a deep dive.
[02:59:59] So. All right.
[03:00:01] I know that's coming up some time for you, I think in January.
[03:00:05] I believe that's when we're scheduling it.
[03:00:06] Yes. And there was a question in terms of the profitability of Salmon Bay and whether
[03:00:10] this showed any bump or decline from additional Salmon Bay.
[03:00:14] And we've been increasing the rates at shealso.
[03:00:17] But we have more expenses at shealso.
[03:00:18] So I always wanted to see some sort of breakdown of the profit, really, of individual
[03:00:23] marinas, given that we're really in the marina business in the majority of what the
[03:00:29] numbers you see in front of you here relate to the majority of it is really social.
[03:00:34] Bay Marina is what is the driving factor in what's here?
[03:00:38] It. It's definitely the most profitable of the three marinas by far.
[03:00:46] Elliott Bay Fishing and commercial operations.
[03:00:49] This is where you see the impact of the Ocean Phoenix.
[03:00:53] And additionally, we additionally the Navy vessel from seafair, we typically get about

[03:00:59] two hundred thousand dollars a year and they had canceled their deployment here for next
[03:01:05] year. The expenses went up primarily related to keeping the expenses went up,
[03:01:14] primarily related to security and maintenance costs.
[03:01:18] The security being the new the contract that's going to be coming up here as well.
[03:01:24] We expect that to be a little more expensive than the existing contract and just break
[03:01:32] out of our projects for maintenance.
[03:01:38] And ship canal operations, this is again a maritime and maritime industrial center,
[03:01:46] fisherman's terminal and Salmon Bay Marina.
[03:01:50] And it is kind of growing.
[03:01:54] Normal, normal standard.
[03:01:55] We're looking down the road.
[03:01:56] Some of the big initiatives here are getting the innovation center up and running and
[03:02:00] some of the redevelopment fisherman's.
[03:02:04] Somebody may put a little more specificity on my request.
[03:02:08] I'd like before the end of the week detailed information on these different budgets,
[03:02:12] because I appreciate that you're kind of calling out selectively some of the factors.
[03:02:16] But the whole point of this briefing is to do a deep dive into these budgets so that we
[03:02:21] understand it. Before we get to budget adoption, we can provide specific feedback.
[03:02:25] So it's challenging to not have the budget in front of us and just get the top.
[03:02:31] Understood. Understood.
[03:02:32] You know, when I started this job, we used to just present the maritime budget as a
[03:02:36] whole, not broken down between the different business units.
[03:02:39] So we're gradually moving in the way.
[03:02:41] We have not yet hit the point where we've gotten to the detail you want.
[03:02:45] And so we will we will provide that by Friday.
[03:02:48] It's a lot more than we used to provide for, whatever that's worth.
[03:02:51] And sometimes one of the challenges we have here is we're presenting a sub class budget.
[03:02:56] So there's so many costs allocated in and out and I used to put the allocations in.
[03:03:01] But we have to make some system adjustments because of the way we've reallocated the
[03:03:06] costs. It it becomes more misleading.
[03:03:09] You know, it's one of those balances of if you put too much and it starts becoming
[03:03:12] misleading. But we do have the details out on our SharePoint and I'm okay.
[03:03:17] I'll definitely share those as well with you.
[03:03:20] And I respect that tension.
[03:03:22] And I go back to a previous comment made today.
[03:03:23] I don't want to know the cross charge allocations with internally.
[03:03:27] I do want to understand the overall revenue picture and the overall expense pictures for
[03:03:31] the line of business right now.
[03:03:34] I'm sorry if I'm asking for a different document than is the internal cross charged
[03:03:38] budget. But in my day job, I have to do both of those things too, because I got to know
[03:03:42] the actual inflows and outflows, which is what we need for visibility.
[03:03:45] You got to do a bunch of cross charging across your organization that I have to say is
[03:03:50] internal management. And I do not think as commissioner visibility, but we need more
[03:03:53] inputs and outputs. So just to be clear, when what we provide you, the numbers that make
[03:03:59] up those columns in front of you, the green, especially the green one that will be made
[03:04:04] up of the costs of of our teams that are out on the ground, boots on the ground at
[03:04:09] Fishermens that shows all that.
[03:04:11] It also includes our costs from human resources and external relations and the commission
[03:04:17] office and the police.
[03:04:18] All of that is what makes up the green.
[03:04:20] And that will be included in what we give to you.
[03:04:23] Consider us a cost benefit as well, I'm sure.
[03:04:27] Yes, I think that's the quickest answer.
[03:04:29] Yeah. Okay.
[03:04:31] Thank you. But yes, we didn't even know that that.
[03:04:34] That's right. You're right. I think it's perfectly reasonable.
[03:04:37] If we're going to ask you to provide us all this information, then you get to quiz us on
[03:04:41] it after we consume it.
[03:04:43] So I look forward to that our way and if we don't do our homework.
[03:04:47] So I gave Commissioner Fellman the full detail file a couple years ago.
[03:04:52] And there's nothing there is about 12000 line items that float through this next maritime
[03:05:01] portfolio management.
[03:05:02] Again, you'll see the revenues are flat here in part.

[03:05:08] We expect these to go up in twenty two.
[03:05:14] We expect to have in 2021 a big lift in revenue with associate with Terminal 1 0 6
[03:05:23] Groundlings coming online.
[03:05:24] And also we expect that 2020 to pardon me.
[03:05:28] And then next year, after we get done renovating the A1 building at the Maritime
[03:05:33] Industrial Center, we expect that to help drive some growth as well in revenue.
[03:05:39] But for right now, as that's under development and one or 6 is under development, we've
[03:05:43] got relatively flat year on year growth in revenue.
[03:05:48] And then a grain terminal, we reduced revenue due to feedback from Louis-Dreyfus on our
[03:05:56] forecasts. Its charm, most of its charges from divisional charges and
[03:06:06] allocations, there's not a lot of direct expense that goes to this.
[03:06:10] It's how we allocate it based on revenue and expenses.
[03:06:12] So it's it's bit that's basically how we allocate to all of the business lines as we look
[03:06:19] at it in a revenue basis in all of our costs have to show up to a property.
[03:06:24] So. So given that this is typically been a revenue generator, it gets a little bit more
[03:06:29] of the allocations despite the costs being fairly low on the terminal.
[03:06:40] So just a couple of the groups that make up the big share of expenses is a Marine
[03:06:48] maintenance budget, which this is just one to one demonstrating with this slide, with
[03:06:55] this pie chart that the marine maintenance costs are up and they are supporting, of
[03:07:03] course, maritime, but also the Northwest Sea Port Alliance, Economic Development
[03:07:07] Division, Stormwater Utility and others.
[03:07:09] So while it's a large expense, expenses are up, it's supporting a lot of different
[03:07:15] divisions. The biggest part of those increases is just that there is a 4 percent increase
[03:07:20] in labor across labor costs across the board.
[03:07:26] So that that's maintenance costs additionally.
[03:07:29] That's right. In our environmental programs, we are actually we'll be adding to FTE in
[03:07:38] the environmental team that supports maritime.
[03:07:42] They really will be offsetting costs.
[03:07:47] Consulting costs. So we expect actually to see the outside services go down and staff
[03:07:53] expenses go up. So it's really about flat.
[03:07:56] And we will be supporting a number of new set, new bringing on those two.
[03:08:00] Fte will allow the environmental team to support new priorities in sustainability or a
[03:08:06] recovery focus on cruise environmental.
[03:08:09] That's something that I've wanted to do for quite a while and engagement in the Duwamish.
[03:08:14] So bringing that expertise in-house so we can really build that support for those
[03:08:19] programs and yet not really increase in the costs because the reduction in outside
[03:08:25] services. So the allocation of when I asked about the South King County Fund, whether it
[03:08:32] be allocated to the airport goes to corporate.
[03:08:36] But the dwarfish engagement we have in maritime and not in equity diversity.
[03:08:42] So we have said this is some staff time that will be supporting it.
[03:08:46] But in external relations, has that the majority of that in their budget?
[03:08:52] As well. Yes.
[03:08:54] Mr. George at all?
[03:08:56] I don't know, it's this.
[03:08:57] Well, certainly Georges can't put a price tag on that.
[03:09:03] But I actually am perhaps he can speak more specifically to what those costs are.
[03:09:07] OK. That's OK. And as I mentioned before, we are including several new staff positions.
[03:09:16] There are three positions in project management.
[03:09:19] So it is noted that this is a transfer to us.
[03:09:25] But additionally, to support the capital program going forward, there are new positions
[03:09:30] proposed, including more scheduling expertise.
[03:09:34] A person does focus specifically on that as well as project management.
[03:09:39] We are over the years, the planning function and the maritime division has has been
[03:09:47] reduced quite a bit. When I started at the port, actually, we had a very robust planning
[03:09:51] team. That's how I started here.
[03:09:52] We had, I think, six folks.
[03:09:54] And over the time with the smaller capital program, we that is something that we've just
[03:10:02] little by little eliminated with the capital plan in front of us and the growing
[03:10:08] businesses. It's as well as a land use impact.
[03:10:13] It is really a function that we have a great need for us.
[03:10:17] So we will be proposing, proposing, bringing two planners on board we with the cruise
[03:10:26] cruise business. Even with its remarkable growth, we have had two people, two full time
[03:10:32] position people, us supporting that business for the last 20 years.

[03:10:37] And we're really at a point where we need to increase a staff person, their significant
[03:10:43] operational demands as we look at things like storm water, best management practices, all
[03:10:51] the ins and outs with with vessels coming, there's a lot for our team to do that we this
[03:10:56] will really enable us to do what we need to to support the business and our
[03:11:01] responsibility as the public landlord.
[03:11:05] And finally, we will be including a continuous process improvement person focused in the
[03:11:10] maritime division that will work closely with the port wide CPI functions.
[03:11:16] In order to support that, we have eliminated three other positions that were at the time
[03:11:23] unfilled. So there'll be a net change of 5.5
[03:11:26] positions proposed.
[03:11:30] Is it when you're providing this information Friday, will you include that as well?
[03:11:35] And I think it's Steve.
[03:11:36] I'd ask you the aviation budget this morning.
[03:11:39] The the template that they used for identifying this is the purpose and this is how, you
[03:11:46] know, what we're trying to accomplish.
[03:11:47] That's really helpful.
[03:11:48] Okay. Because we can make a clear correlation between how we're allocating resources and
[03:11:53] what the outcome is. But just to see eight and a half new positions eliminated, three,
[03:11:58] not five. Basic math doesn't it doesn't give me or the other commissioners the ability to
[03:12:03] say to the public, this is what we're accomplishing with this budget in maritime.
[03:12:08] Okay. Sure. That's exactly what I wrote down.
[03:12:10] Outcomes were FTD before?
[03:12:12] Yes. Yeah. I think data upon which we are talking is out there now.
[03:12:15] And I know we were talking about them here, but they're not reflected in the written
[03:12:18] materials. I know we're discussing that, but.
[03:12:23] And I'll be interesting in particular, what are those positions that are being eliminated
[03:12:27] there? It's.
[03:12:28] It's actually listed in the appendix.
[03:12:30] You'll see the more detail on it, but it doesn't have the outcomes.
[03:12:34] It just has the little more specific names of the positions.
[03:12:44] So that was also included in the maritime business division is a storm water utility,
[03:12:50] you've already had a very excellent presentation on that today.
[03:12:52] So unless you have questions, I think I propose that we skip through that.
[03:12:57] And then there's several slides.
[03:13:02] There's a four hundred and thirty four percent increase in the capital development
[03:13:07] division. Right.
[03:13:10] Between the budget change.
[03:13:14] It was it was.
[03:13:15] Sorry. He jumped to storm water.
[03:13:16] The storm. That's where you just work.
[03:13:23] Yeah, I mean, it went from 17 to ninety thousand dollars in there, it's just how they
[03:13:29] allocate their time, their overhead time, they're doing more work within the stormwater
[03:13:33] utility and. And a portion of that got allocated out and some of that may have to do with
[03:13:40] the transfer from capital development division into the maritime division.
[03:13:45] And then the trend the other way also for environment and sustainability.
[03:13:49] Yeah. Footnoted it down below.
[03:13:51] It's interesting because this is basically the side screen you had and you guys asked for
[03:13:55] the footnote on that where we moved from FTE growth from two to three.
[03:13:58] Offset with that. Got.
[03:14:02] The transfer of the one FTE.
[03:14:06] So thank you, commissioners. That's our presentation.
[03:14:08] We have a number of follow up items that we will get to.
[03:14:13] Thank you. So we'll transition to Dave for the economic development
[03:14:22] presentation. Yes, this is the twenty twenty capital budgets for.
[03:14:28] So right now it's continuation.
[03:14:30] Yeah. One with many pictures on.
[03:14:40] Rome, good afternoon, commissioner is executive director Metric highlighting our economic
[03:14:48] development budget today.
[03:14:50] Just to level set, here's where we are in the timeline in July presented you our division
[03:14:54] business plan. I'm going to update you on our draft budget today and the process will
[03:14:59] unfold and continue towards its culmination in November.
[03:15:03] You know, we updated our business plan this year, and I'm I'm pleased.
[03:15:10] I think economic development is really closely tied to our sentri agenda, whether that's

[03:15:14] driving fishing and maritime cluster growth, advancing tourism, supporting disadvantaged
[03:15:20] businesses. You know, I I really I think we all try and hold very close to the mark in
[03:15:27] terms of supporting the port mission.
[03:15:29] And I also think we're very closely aligned with some of the ports top goals this year.
[03:15:32] One of the things I'm particularly proud of is being a good partner out there through our
[03:15:36] grant programs.
[03:15:38] We have over 70 different partners out there on an ongoing basis through our city
[03:15:42] program, through our tourism spotlight or tourism grant program.
[03:15:47] I think those partnerships are effective.
[03:15:48] I think they are effective in our backyard, but also statewide.
[03:15:52] And so with that, that's how our goals fit into the broader picture.
[03:15:57] And I'm going to turn it over to Kelly now, who will cover some of our budget drivers and
[03:16:01] budget. Similar to the Maritime Division, Dave and team managed to a zero based
[03:16:11] approach for the 2020 budget and identified 1.8
[03:16:14] million of reductions from the twenty nineteen budget.
[03:16:17] This helped and helped self-drive an 8 percent increase to the bottom line.
[03:16:23] Revenue is down 3 percent exclusively by Belle Harbor International Conference Center.
[03:16:28] Construction downtime expenses fell by one point four million dollars.
[03:16:35] I'm sorry, just to clarify, so the reduction in the revenue from conference centers is
[03:16:40] specifically Belle Harbor.
[03:16:42] Yes. The entire thing in your attributing that to the construction.
[03:16:47] And so you're anticipating that it will go back up or increase.
[03:16:50] Correct. Yeah. It'll be it was down a little bit in twenty nineteen.
[03:16:54] It'll be down a little bit in 2020 and then we expect it to follow.
[03:16:59] You'll see in the trends that we have down.
[03:17:02] I'm curious Dave, how and how does that align with the opening of the expanded Washington
[03:17:08] State Convention Center.
[03:17:10] Have we taken that into consideration?
[03:17:13] I don't I don't have an answer in terms of how that times, because I don't know when the
[03:17:17] convention center finishes.
[03:17:19] We're gonna finish probably mid-year next year.
[03:17:21] I can come back and.
[03:17:23] Yeah, I'll make sure that would be great.
[03:17:25] Yeah. Because it does go to the longer term viability.
[03:17:28] I mean we've always Bill Harbour's always been talked about as more of a boutique type of
[03:17:34] a convention center. But that said, the state is investing hundreds of millions into the
[03:17:39] expansion of the Washington State Convention Center.
[03:17:42] And I'd really like to understand if we believe that there's gonna have an impact.
[03:17:47] Well, we'll respond to that.
[03:17:48] To that point, though. I recall somewhere in this memo that you express a potential
[03:17:54] impact from newly built convention centers on page 7 portfolio management trend.
[03:18:01] So, I mean, you do envision that as a possibility.
[03:18:05] We did. We're pretty careful when we brought forward.
[03:18:07] You know, the requests to rehab the convention center to do a competitive analysis and
[03:18:13] forward looking cash flow that took some of those competitive considerations into into
[03:18:18] stride as we're developing a plan for our own facilities.
[03:18:22] I would have no question that keeping investment in 66 is a no brainer.
[03:18:27] It's a gold mine in terms of an asset you can't replace.
[03:18:31] But what I'm what I was originally thinking about that is the off season uses at forty
[03:18:36] six, you know, in terms of the potential, what's the demand out there?
[03:18:40] And that's what that highlighted to me as a potential concern, but certainly doesn't.
[03:18:46] Not to second guess the value of redeveloping 66.
[03:18:52] Now it's Unst here in slide five.
[03:18:55] This is a roll up of the economic development PNL summary to the right.
[03:18:59] You'll see the initiatives assigned to the tax levy.
[03:19:03] Dave, a walk through in detail later in the presentation.
[03:19:07] And as stated in the maritime presentation, we changed the distribution of common area
[03:19:12] expenses at Pier 66 and Terminal 91, which increased the cost for maritime and lowered
[03:19:18] them for economic development division.
[03:19:21] Additionally, there is some variable expense savings from the conference center.
[03:19:25] Volume reductions.
[03:19:31] Again, we see an 18 percent reduction environment and sustainability.
[03:19:38] Yeah. That has more to do that the environmental and sustainability grew, it has more to

[03:19:42] do with how the costs are allocated than it is.
[03:19:45] Dave's not making that decision on it and I hate the invite and not cutting the budget
[03:19:49] for sustainability.
[03:19:51] Commissioner Bellum and.
[03:19:57] Kelly? Well, you're. You've cited this.
[03:20:00] I just wanted to say one of our exercises this year was, you know, the we we obviously
[03:20:05] accounted for a revenue downturn, but we really scrubbed our budget hard for cost
[03:20:09] savings. I would admit when we look back, we had underspent in a couple areas.
[03:20:15] And so the team took a much closer look at just our level of spend and what we needed to
[03:20:20] be successful going forward.
[03:20:23] You can see in the appendix on Slide 21 that the list of what makes up that one point
[03:20:29] eight million dollars that we scrubbed out as well.
[03:20:36] Dave, is this the on page 5?
[03:20:40] Is this the the total of what's going to be spent on workforce development?
[03:20:46] No. I have another slide that provide detail in that area.
[03:20:51] And I guess my question just.
[03:20:53] I know we've talked with Mr.
[03:20:55] Corkins and I with the Workforce Development Committee that over the past two years we
[03:21:00] had more budgeted than we were able to spend.
[03:21:04] And so I guess maybe I'd just be interested in diving into a little more detail when we
[03:21:08] get there. I'm I'm sorry.
[03:21:10] I'm poorly prepared there.
[03:21:11] I think you'll see a different budget picture this year than last year.
[03:21:15] Commissioner, just to comment on if I can just come in on that, because as you know,
[03:21:19] based on my announcements, we're in the middle of that transfer, transferring
[03:21:23] responsibilities. And Dave's had it and been working on with booked, I guess are on the
[03:21:29] on the transfer of that. So as we look at that, we're in the middle of that process and
[03:21:33] booked. We'll be able to talk a little bit about that as we go forward.
[03:21:36] You know, once we were in the process of completing that transition, but regardless of
[03:21:43] whether it's in EDTA or within booked US department, it's still a function, something
[03:21:49] that's coming out. So that's what I'm more interested in now.
[03:21:52] Really? I'm glad it's your decision about where it sits in corporate, but it's more about
[03:21:57] what the outcomes are and where we're spending the money.
[03:21:59] And I'm just from the rough numbers, just looking at this, the twenty nineteen budget was
[03:22:04] a little over 2 million in an anticipated 2020 is 1.9.
[03:22:08] So that doesn't feel without having more detail, it looks to be able.
[03:22:13] I will come to that. Okay. Thanks.
[03:22:17] We have we have definitely further detail on that in future slides.
[03:22:22] Next slide, this shows that economic development, financial trend.
[03:22:27] Well, again, what you're seeing right here is 2019, 2020.
[03:22:34] You're seeing the impact of that conference and event center, which is really we have the
[03:22:39] division split up between sort of leased properties and the conference and events center
[03:22:44] from revenue generating properties in the leases are fairly fixed.
[03:22:48] They don't tend to fluctuate much in a given year.
[03:22:51] And that event centers got it's almost entirely variable revenue.
[03:22:55] So we expect that trend that you've seen from 2016 to 2018 to kick back in starting in
[03:23:02] twenty twenty one, twenty two when the conference and event center is fully up
[03:23:07] and running again in here.
[03:23:11] Portfolio management, you can see expenses are down again from the from the variable
[03:23:19] costs associated with it.
[03:23:20] It's about a seventy five percent.
[03:23:23] That conference, an event center is about 70 are 25 percent margin business up to 30
[03:23:28] percent if you know at different levels.
[03:23:30] So when we reduce the revenue on it, you're getting an expense savings as well.
[03:23:40] And now, Dave, I'll talk about some initiatives and priorities I just laid out some.
[03:23:46] Yes. When we talk about risk, a potential downturn in the real estate.
[03:23:52] And so I guess when you talk about the next slides, about strategic priorities, when we
[03:23:57] spoke about becoming a land development, flipping property with conditions on it and all
[03:24:02] that, at least I was speaking about it.
[03:24:04] Your response was, well, the downturn is when you start thinking about those sort of
[03:24:09] acquisitions. So I would just love to know with that potential in front of US strategic
[03:24:16] assets and we keep on looking at the loss of industrial waterfront or properties like
[03:24:20] that. I mean, are we keeping some some reserve thoughts like opportunities that might

[03:24:25] appear? My answer is generally yes.
[03:24:27] And I'll provide a part answer now and a part answer.
[03:24:30] During our capital planning discussion.
[03:24:33] OK. So just to set the table.
[03:24:37] We've been busy in real estate development.
[03:24:41] One of the recent things that we're proud of is Trammell Crow just finished constructing
[03:24:45] a new four hundred and sixty thousand square foot building that's in the picture there.
[03:24:49] If you really count back over the fast five years we have developed or our partners will
[03:24:54] be groundless, our properties around the airport and put in place over 2.2
[03:24:57] million square feet of new space.
[03:25:00] And so I think that's significant.
[03:25:02] We want to build on that momentum.
[03:25:04] You know, right off the top, we're right in the middle of construction at conference
[03:25:07] center. We certainly want to finish status fast as possible.
[03:25:11] We're well into negotiations on our terminal 1 0 6 ground lease.
[03:25:15] I've got that scheduled to come back to you for authorization still this year.
[03:25:19] More to come on that we have in the pipeline our desire to ground, lease and put out our
[03:25:25] for our development of the s.m
[03:25:27] property in the Drummoyne Creek West property, which is adjacent to the FAA headquarters.
[03:25:34] And I'll update you on the C IP update in a few minutes.
[03:25:39] But we'll continue to push forward on terminal ninety one uplands as well as developing
[03:25:44] new facilities at Fishermans Terminal.
[03:25:46] We also will take care of our Pier 69 headquarters along the way and want to maintain
[03:25:52] strong occupancy across our economic development maritime portfolios.
[03:25:58] So with that, the budget for this is pretty simple.
[03:26:01] A lot of the work we actually do is for aviation and maritime and it's in it's charged to
[03:26:05] them. So really the resources that I'm asking for are maintaining in here.
[03:26:12] We want to use for appraisals and other things, but we really want to update our real
[03:26:16] estate strategic plan.
[03:26:18] This goes to Commissioner Balance.
[03:26:21] No question. We want to take a close look at where we are.
[03:26:25] We've done a lot of work since the last real estate strategic plan almost four years ago.
[03:26:31] So I want to state stock of what's left to do with our port properties.
[03:26:36] But we also want to look around, especially with the protection of industrial lands, a
[03:26:41] key issue unfolding at properties for our future.
[03:26:45] Our strategic properties for us in the future.
[03:26:48] And so want to plan to kick that study out early next year, completing that mid-year and
[03:26:54] sharing the results along the way.
[03:26:56] I think the best news I'd share with you about real estate development is, you know,
[03:26:59] Daniel's done a great job in the interim, but we'll have a new real estate development
[03:27:03] director starting here in a couple of weeks.
[03:27:05] And I'm anxious to introduce her to you as soon as possible.
[03:27:13] p60 9 pretty simple.
[03:27:15] The only thing we did last year is put in an extraordinary one time funds to operate a
[03:27:20] sixty nine shuttle during the time the viaduct was coming down in that period of what I'd
[03:27:26] call maximum constraint.
[03:27:28] That worked well.
[03:27:29] It has not been cost effective on an ongoing basis as I as a resource for our own port
[03:27:35] employees to commute up and down the waterfront.
[03:27:38] So we're looking at band share and other options.
[03:27:41] This is no longer needed in my budget, so I zero that out.
[03:27:47] Switching gears, Diversey and contracting.
[03:27:50] This is man and his team think they've done a great job getting out of the gate.
[03:27:55] You know, he's had a twelve point four percent goal this year for when big utilisation.
[03:28:01] I just looked at where we were after quarter two and we're tracking the head at that at
[03:28:05] thirteen point eight percent.
[03:28:07] So we're doing something to move the needle.
[03:28:09] We also just unveiled our new Vendor Connect database.
[03:28:14] It's a replacement for p_m_, our assets searchable by wimbish firm by Beltrán status.
[03:28:19] It can be searched by our buyers.
[03:28:21] It can be searched by external stakeholders outside the agency.
[03:28:25] This is a big refinement over what we had before.
[03:28:28] So what we're really going to continue to do is offer training and community engagement,

[03:28:34] really helping those disadvantaged business learn about our opportunities, take advantage
[03:28:40] of our opportunities, and then we're going to continue to work with our public sector
[03:28:45] partners like washe dot the city and the county to advance when B and dbp utilization
[03:28:54] generally kept the budget the same here we've moved around a few resources mean was just
[03:29:00] brand new and really didn't have a lot of input on the budget last year at this point in
[03:29:05] time. So he's moved some funding from when be best practices in implementation to
[03:29:09] concentrate that more under mentor protege and really describe what we're trying to do.
[03:29:14] There is really take the existing set of our pork contractor subs and really help them
[03:29:21] sustain the work they're doing with this already, but ideally work to create their
[03:29:26] capacity so they can be more effective and possibly bigger partners for us in the future.
[03:29:32] So we want to continue to work to really try and triple R when be utilization.
[03:29:38] I think we've made a lot of progress on there, but we're not done yet.
[03:29:47] How do we measure the effectiveness of these line items?
[03:29:51] And I say, you know, we're talking about moving dollars between them, which makes perfect
[03:29:55] sense with the expertise that we're gaining.
[03:29:57] Is it post survey?
[03:30:00] It's very difficult to think about.
[03:30:02] But I'm saying here is a how do I know that you've actually helped us move to thirteen
[03:30:05] point eight percent because of the mentor protege vs.
[03:30:10] procurement technical assistance?
[03:30:13] Good question. I'd like a little time to respond to that.
[03:30:16] And please wait. Like someone that is just getting more people into our system, providing
[03:30:21] tangible assistance to some of our prospective or actual contractors, some of those are
[03:30:28] actually contracted with partners as well.
[03:30:30] So if I may, I'd like to be a little more thorough and give you a memo on that if it gets
[03:30:34] a good like Q&A.
[03:30:36] And I say that because otherwise you're at risk of me hearing in my outreach the
[03:30:40] procurement, technical assistance is the top priority.
[03:30:42] That is the most useful. That's what I really need the help on.
[03:30:44] I don't want to change without having some actual debt.
[03:30:47] I don't make any recommendations without having some data.
[03:30:49] So a good Q&A back and forth and I would be happy to do that.
[03:30:54] So I have a couple of questions there.
[03:30:55] Diversity in contracting some areas that I don't know if they're embedded in some of
[03:31:01] these line items that you've listed here, but relationship building with the general
[03:31:06] contractors and the smaller subs.
[03:31:09] There's one area that has long been identified as you can do everything else, but if
[03:31:15] there's no relationships there, you don't get to the numbers of participation.
[03:31:21] Yeah, maybe me and wants to come up here.
[03:31:23] I'd love to have your answer.
[03:31:26] Now, if that's part of the work here to increase or.
[03:31:32] Yes, therapy, I'm speaking specifically to the larger GS j.c.'s
[03:31:38] relationship building with the smaller subs where more of the minority and women owned
[03:31:46] businesses are. Absolutely.
[03:31:48] And it's the song that is critical.
[03:31:52] One of the things when we're talking about primes and major jeezy's, we have to be
[03:31:57] partners with them to help identify and cause there might be some women minority
[03:32:02] businesses out there that we may not even know, not know about.
[03:32:05] But we leverage those primes like the Turners scans, the cell.
[03:32:09] Girma Lenos of the world.
[03:32:11] It's actually so we work partner with them to help identify and build that vendor connect
[03:32:17] database with, they've just got done talking about where we can continue to build up the
[03:32:21] pool so we can continue to set higher and more established more goals for our future
[03:32:26] projects as well. Well, that's a good thing.
[03:32:29] Critical because if you just worked with the smaller contractors, you'd still have a big
[03:32:34] challenge there and absolutely connecting.
[03:32:37] The other areas. I'm interested in our vendors and suppliers to the port and professional
[03:32:45] consultants who each of which has their own distinct kind of characteristics and and and
[03:32:52] challenges. So yeah.
[03:32:54] And if those areas of contracting and awards is being pursued and those areas will
[03:33:02] increase, well thus there's some big ones here.
[03:33:05] Yeah. So let's start off with the agency, architects, engineers and professional
[03:33:10] consultants and so forth.

[03:33:11] So that is an industry where you're dealing with, you know, your rates, right?
[03:33:19] You're dealing with making sure the polls are correct or answering the proposals to right
[03:33:24] away. You're dealing with making sure they understand the standards and specifications
[03:33:29] correctly. You want to make sure how they understand the port process.
[03:33:34] So that's reason why part of this mentor protege, a program that you have up there that
[03:33:40] we're trying to get started is they support those new or recently new businesses that
[03:33:48] just got on board with the port for any tier to actually give them support structure,
[03:33:54] saying this is how the port works from a from a A&E perspective and we're bringing in our
[03:34:02] port staff to help teach them those particular sorts of support net.
[03:34:08] And for in the case of a much larger professional consulting firm that may have multiple
[03:34:16] offices and thousands of employees that somehow can claim what we're missing there is the
[03:34:24] small business component.
[03:34:25] Yes, they might build to meet some of the, you know, the women and minority, but they
[03:34:30] don't they don't meet the small business.
[03:34:32] So how do you how do you have that small business participation as well as women and
[03:34:38] minority? Well, that's where when you're talking about from an consulting perspective,
[03:34:44] we'll just use some of these larger consulting firms, you know, agency B and so.
[03:34:49] Right. We want to really make sure that, A, they understand where we're going be.
[03:34:57] We want to make sure that we understand who they have out there.
[03:35:01] Again, from an A&E perspective, locally first and then start building out from there
[03:35:06] because we want to make sure we capture those local businesses.
[03:35:09] See, we have the port gin, water smells, support sales, small business generator programs
[03:35:14] in which we partner and we bring in the agent t.v.'s
[03:35:17] and hiccups and all the other larger primes in the picking upon what what we're doing.
[03:35:24] So we want to really make sure that its partner is the key here, especially from those
[03:35:31] professional A&E and consulting business world.
[03:35:35] It's it's the training of also encouraging those small, disadvantaged, minority owned
[03:35:45] businesses to take a leap leap of faith.
[03:35:49] Because sometimes when you're working at the Port of Seattle, especially with you're
[03:35:54] working on at the airport, sometimes they don't know about some of the rules and
[03:35:59] regulations as relates to insurance cost and how much insurance is cause.
[03:36:04] That is an area where that could be a boundary.
[03:36:07] And sometimes those larger firms can actually help identify and teach and maybe even help
[03:36:13] cover some of the costs to help them get on board.
[03:36:16] So it's a it's truly a partnership work to do.
[03:36:20] We have a lot of work to do, but we're moving that forward now.
[03:36:23] Goods and services, goods, services, we're talking more specifically about buying
[03:36:29] widgets, at least one side, buying widgets, buying components.
[03:36:33] And that's fairly very straightforward.
[03:36:36] But it's just a matter of those businesses understanding how and what the port procures.
[03:36:45] We've had tours over the years past.
[03:36:48] We've had tour just a couple of months ago of our aviation facilities for those folks who
[03:36:54] are selling these widgets and saying what is support by now from a service perspective,
[03:37:00] janitorial. We try to bring those janitorial businesses out to say, here's an opportunity
[03:37:07] with the Port of Seattle.
[03:37:08] Here are the components.
[03:37:10] You may not be ready for the airport, but you might be ready for precisely nine or six,
[03:37:15] six or some others.
[03:37:17] But it's the sort of stand.
[03:37:18] It's a it's a stepping process in terms of that.
[03:37:21] And a lot of those training aspects happen through our Port Gine projects or efforts.
[03:37:26] We have workshops and not to mention separate trainings.
[03:37:30] I I would add at this point, Peter, we have.
[03:37:33] Excuse me, Commissioner Steinbruck, we have a secondary goal.
[03:37:36] It's not just %'s band.
[03:37:38] It's also a number of wimbish vendors use in a given year.
[03:37:41] I think our interim number from July was one hundred and eighty eight.
[03:37:45] So, you know, that's a mid year.
[03:37:48] I can't put that in context and saying if we continue at that pace, we're doing very well
[03:37:54] for twenty nineteen.
[03:37:56] But as as we all know here in a room, there's always room for improvement.
[03:38:01] You know, this is you know, this is I mean, we're how we started last year.
[03:38:06] You guys laid the foundation and now we're springboarding forward and.

[03:38:11] But we're heading in.
[03:38:13] I mean, we're already caught up to what we were in years past.
[03:38:16] You know what? I was just going to just wrap up here.
[03:38:19] Thank you very much for that more detailed response.
[03:38:23] What are some areas of your greatest challenges in terms of and goals?
[03:38:27] I know it's all challenging, but what is particularly?
[03:38:30] Well, I mean, I.
[03:38:33] There's a lot. You're right.
[03:38:35] There are a lot of challenges.
[03:38:36] I think one of the greater challenges that we really want to make sure is that there is
[03:38:41] trying to balancing out our our small business when be participation versus some of our
[03:38:48] rules and regulations are the policies.
[03:38:49] We may have some conflicting policies as relates to construction projects and things like
[03:38:57] that. That would be good for us to know more about also.
[03:39:00] Sure. Those kinds of, you know, conflicting missions and requirements that are difficult
[03:39:06] for the smaller businesses to meet.
[03:39:08] Thank you. I won't take it.
[03:39:09] And just so that, you know, some of the small businesses, they're not even just to touch
[03:39:15] the airfield. It's like 10 million dollars for some insurance.
[03:39:18] Right. That's I mean, that's that's a killer.
[03:39:21] Yeah. So how do you solve some of these small business saying, well, wait, let me step
[03:39:27] back then from from going out for a poor projects, because I don't have that type of
[03:39:33] insurance at this time of moment, actually.
[03:39:36] So get out there so.
[03:39:39] I'd put that as a Stephen.
[03:39:40] We'd really love to understand working with men to get a fuller understanding what some
[03:39:44] of those challenges are in and give us the opportunity, think about are there.
[03:39:48] What are the different ways to address it?
[03:39:50] I will say I mean, we've been in.
[03:39:52] We passed our diversity in contracting motion three years ago, I believe year and a half
[03:39:57] ago. Early, early 2017.
[03:40:01] It does. But that said, I mean, it was supposed to be it is designed as a north star for
[03:40:08] where we want to go over five years.
[03:40:10] And we acknowledge in beginning we're not going to hit those.
[03:40:12] It's not a year by year goal, which is why it was a five year goal.
[03:40:16] But what I'd ask is that in all of us in economic development is well-being in diversity
[03:40:21] and contracting. You know, give us a better sense of if we invest in these programs,
[03:40:26] they're aiming towards getting us closer to the goals that we set out.
[03:40:30] And that's what's missing.
[03:40:32] And again, it's a budget is only an allocation of resources towards an end.
[03:40:37] And so I think Commissioner Gregoire mentioned why.
[03:40:41] Eighty thousand to mentor protege vs.
[03:40:45] more money in wimbish certification.
[03:40:48] I don't know. Because it's not here.
[03:40:50] So you have it where you want to go and tell us if you provide us this money commission.
[03:40:55] This is where we're gonna end up or we're going to hope to end up.
[03:40:58] And it's OK if you don't get there.
[03:40:59] But it's difficult to see where we're going to be very candid or be happy to eliminate
[03:41:07] that. I think all I'd ask is to allow us to illuminate the whole not just what's in our
[03:41:12] budget, because CPO has added resources.
[03:41:15] Some of the divisions, you know, have resources that are, you know, really supporting our
[03:41:19] efforts to move the needle.
[03:41:20] And so we'll be thorough.
[03:41:24] And the proof is in the pudding.
[03:41:25] You're moving the needle. That's right.
[03:41:26] And thank you for that. And we have no reason to second guess that.
[03:41:29] That's your recommendation. Just bring us along for the ride.
[03:41:32] Tell us why. Well, thank you for that.
[03:41:34] Thank you. On to tourism goes really?
[03:41:39] Or utilize tourism grant programs to increase awareness of Washington State's unique
[03:41:45] opportunities, attractions, expand cruise and stay options, conduct farm tours to
[03:41:50] generate interest in King County in Washington state's tourism entities.
[03:41:53] And finally, partner with Visit Seattle and watching tourism.

[03:41:58] So to leverage our own efforts.
[03:42:00] I think Ron and Patty are doing a good job to advance tourism.
[03:42:04] Just some quick highlights.
[03:42:07] Tourism Grant program.
[03:42:08] We awarded 30 of those grants this year.
[03:42:10] 20 of them went to Eco's sustainable or cultural tourism activities.
[03:42:16] We traced the money over 80 percent of supporting those kinds of activities.
[03:42:21] As you know, some of those projects are right in our backyard.
[03:42:24] But I'm proud to say that they're stretched across the state.
[03:42:27] Savan in eastern Washington and several out on the coast.
[03:42:31] So we've truly are advancing the entire state as a tourism destination.
[03:42:37] We complemented the tourism grant program to support our airport spotlight advertising.
[03:42:43] That's 18 locations on an ongoing basis that we work with external relations and aviation
[03:42:49] to support. And then Ron and Patty are definitely out there promoting Cruise and Stay
[03:42:57] partnering with both our internal team.
[03:43:00] But also I mentioned visit Seattle, conducting travel, FAMM tours.
[03:43:06] We've probably end up doing 20 of those this year will impact over 250 travel
[03:43:12] influencers. Remember, Europe still has a lot of travel agents and travel operators, but
[03:43:17] we also are trying to touch travel writers that write favorable stories about our cruise
[03:43:22] opportunities. This year, we expect to generate about 1.2
[03:43:26] million dollars worth of that favorable coverage.
[03:43:29] And so if I advance the slide, really, this is the budget.
[03:43:36] I think Patty and Ron wanted to continue what they've started with the biggest
[03:43:40] allocations towards visit Seattle, the sponsorship, some of our European representation.
[03:43:46] We have representatives in U.K.
[03:43:49] slash Ireland as well as mainland Europe with the person stationed in Germany.
[03:43:55] In addition to that, we plan to go to the London travel show.
[03:43:59] It's one of the biggest ones we used to lead that country representation, but we stepped
[03:44:04] back and now visits. Seattle is leading that effort.
[03:44:07] So we're partnering with them and the new Washington tourism alliance to do a joint booth
[03:44:12] at that show. It's one of the biggest travel shows in the world again.
[03:44:16] And this time we're taking along some of our local partners, destination marketing
[03:44:21] organizations from Long Beach, Bellingham and Wall Wall.
[03:44:24] That's really focus. Our focus is going to be on the cruise and stay options.
[03:44:29] And so that's some of the things we're doing and in those partnerships.
[03:44:35] And then finally, just.
[03:44:38] Sometimes we will also work beyond crews and support.
[03:44:43] Long haul destination FAMM tours.
[03:44:45] We did this in conjunction with the launch of Singapore Airlines and we have also worked
[03:44:50] favorably with Air Lingus and Iceland Aero over time.
[03:44:53] Just you promote the travel opportunities here in Washington State.
[03:45:01] Appause can I ask a question on the site?
[03:45:04] Yes. Will you go back to first principal here and tell us why we fund tourism?
[03:45:10] I know there's a good answer, but would you clarify for us?
[03:45:14] Why do we fund these tourism initiatives?
[03:45:16] The Port of Seattle specifically because we operate true tremendous gateways that are
[03:45:22] gateways for travel and travelers and tourism generates significant favorable economic
[03:45:30] impacts, not just to Seattle, but all the way through the state of Washington.
[03:45:35] And it's it's a nexus point for us.
[03:45:39] So as we really operate these gateways, we want to maximize the impact and value that
[03:45:46] travel that the traveler and the tourism to our region.
[03:45:51] And I know that during the Great Recession, the state really pulled back tourism
[03:45:57] promotion funding.
[03:45:59] And we kind of stepped into the breach there to fill the gap and at least keep something
[03:46:04] moving. Now the state is starting.
[03:46:07] It's got a little bit of anemic funding.
[03:46:09] Can you give us an update on whether the state is going to expand that funding over the
[03:46:13] coming years? And the state has gotten some anemic initial funding to get out of the
[03:46:18] gate. It's gotten some match funding, including counting some match from us as well.
[03:46:23] That's favorable. It allows them to draw more of those state dollars.
[03:46:27] I think they're at a very early stage, though, where they have to get out and show what
[03:46:31] they can do, leverage their own fund with partnerships with us and others, and then
[03:46:35] hopefully be able to make a compelling case for either more public or private investment

[03:46:40] going forward. So one of the challenges of Cruisin Stay
[03:46:50] would be to get the folks who are going to make the reservation to make it more than the
[03:46:56] week long cruise. And so I know this has been an ongoing effort and really would require,
[03:47:02] I think, greater collaboration with the cruise lines because that's where they're booking
[03:47:07] their ticket and all at the same time.
[03:47:09] So I'm just wondering, what are those?
[03:47:13] How are we doing in that effort and what do we still need to do to expand that
[03:47:17] opportunity? What we're doing in that area is very typically trying to promote our our
[03:47:22] crews and crews and stay options through travel writers that are promoting the Alaskan
[03:47:27] cruise. We're working with the cruise line.
[03:47:29] So for a good example, Patty just did a familiar Asian presentation to the NCL team in
[03:47:38] Germany. And she got great compliments because while they're very, very well of what they
[03:47:43] offer Alaska, they were completely unaware of what their travelers could do in and around
[03:47:48] that cruise. And so it's planting seeds with those folks in the middle so that when they
[03:47:53] have a traveler who's going to oh, yeah, I want to do the Alaska cruise, but I've got an
[03:47:57] extra week. You know, we've got somebody that's ready to provide some suggestions or
[03:48:01] connect them back with us for that fulfillment and help.
[03:48:07] That sounds great, but the cruise lines themselves are there because the model for them
[03:48:12] is to have them spend all the money on the boat.
[03:48:14] Right. So there's no there's no reciprocity.
[03:48:17] Women figure out a system in which the cruise lines in their brochure could show.
[03:48:23] We have not quite cracked that yet.
[03:48:25] No, I think you're right.
[03:48:26] You're at your perceptions are accurate.
[03:48:28] They are really trying to promote, you know, getting people on to the cruise and staying
[03:48:33] onboard and drawing the manatees on the same topic.
[03:48:38] I know that with these three existing cruise berths were bringing on a fourth at those
[03:48:46] three. I don't think they're used Monday, Tuesday, Wednesday, Thursday, for the most
[03:48:52] part. Correct. There's a couple of days, I believe, yes, you're right.
[03:48:57] They're not. They're not utilized.
[03:48:58] Do we charge the same rates for those days that we do for the peak days, Friday,
[03:49:03] Saturday, Sunday? Stephanie can answer that.
[03:49:06] I'll jump in and say that we do right now.
[03:49:08] Right. Is the hair lower?
[03:49:11] Is it the tariff rate is lower on?
[03:49:13] I believe each day.
[03:49:16] Wednesday, Thursday.
[03:49:18] Oui, oui. Oui, oui.
[03:49:19] We talk about changing it each year.
[03:49:21] We'll get back to.
[03:49:23] Because I actually thought it was not lower.
[03:49:25] So we will follow up. I'm curious to know.
[03:49:28] I mean, variable pricing based on demand.
[03:49:32] We've got this incredible resource center utilized.
[03:49:35] You know, I couldn't give it away in order to generate revenue on other channels.
[03:49:40] The key is that right now, all of our weekend of Saturdays and Sundays are all under a
[03:49:46] long term burthen agreements.
[03:49:48] And the other days are.
[03:49:50] So there really aren't isn't a comparison between the weekdays and weekends on tariff
[03:49:56] because right now they are under different kind of agreements just as it's worked out.
[03:50:01] We do have increasing demand.
[03:50:04] For one thing, the Alaska births are available.
[03:50:07] If you cut leave here on a weekday, they actually can burn.
[03:50:10] So we have the new ship coming next year, for instance.
[03:50:14] We had a new ship this year.
[03:50:15] So we we do see increased uptake.
[03:50:17] But whether that differential tariff.
[03:50:21] It would be. It would drive additional volume is a great class, and I admit that I'm
[03:50:26] speaking from ignorance right here, but not knowing how much of an impact our reducing
[03:50:31] the tariff would have on consumer demand.
[03:50:35] You know, when these get passed through the cruise line and everything else.
[03:50:38] But if it's significant, it's 5 to 10 percent and somebody may decide, I'm going to take
[03:50:44] two more days of vacation and do a a nine day trip that would allow them to leave on a

[03:50:51] Tuesday and come back on.
[03:50:53] What we're seeing is really all the cruise lines are filled.
[03:50:56] No matter what day they're on and in the passenger fees, the tariff rates are passed
[03:51:02] through. The cruise lines actually don't pay them.
[03:51:04] The passenger pays them.
[03:51:06] So we actually don't see a lot of price, a lot of elasticity, I guess you might say.
[03:51:15] But we can look into that, commissioner, because we have discussed that of the.
[03:51:19] How do you. Because you have unused capacity and how do you manage that?
[03:51:23] And how do you nudge people towards that?
[03:51:25] We expect you to buy the final thought not to answer now just as we get into more detail
[03:51:33] would be great to understand what we're doing the same in the tourism budget.
[03:51:38] I don't mean the numbers are exactly the same.
[03:51:40] Yeah, we look at this, but in terms of initiatives and I'm Echo Commissioner Gregoire
[03:51:45] from a couple of years, I think you've said the same thing every year.
[03:51:48] Are we looking at new markets?
[03:51:50] Are we invest? You don't have to answer that now.
[03:51:52] But I'd really like to understand, is it still basically the U.K.?
[03:51:56] Are we considering other markets, all of that yet again?
[03:51:59] Don't have to answer it now. But what are we trying to achieve with this budget?
[03:52:03] Because, again, it looks it's that it's exactly the same.
[03:52:05] I'm happy to respond.
[03:52:06] Okay, thanks. And the new market, New Zealand and Australia.
[03:52:10] So I'll just leave you with that and then put that in writing and give you more detail.
[03:52:14] Okay. Thank you.
[03:52:17] Move on to just our economic development admin and now maritime innovation partnerships.
[03:52:24] Joe Myer on My Team does a good job managing our EDI grant program with King County
[03:52:29] Cities. We want to continue that.
[03:52:33] My budget also contains support for Greater Seattle partners.
[03:52:38] Christine, we just met around the demolished community equity idea.
[03:52:43] Very exciting. Want to do that place based economic development and support that
[03:52:47] community, trying to diversify and strengthen its neighborhood economy.
[03:52:51] And finally, want to continue supporting maritime innovation initiatives.
[03:52:56] Again, I think our city grant program is doing well.
[03:53:00] You know, the city's abused those funds for a variety of different things, from business
[03:53:05] recruitment to business assistance, to planning feasibility studies, to supporting
[03:53:09] tourism. And we'll have a more fuller report when they finish the grant cycle.
[03:53:17] They're due to provide their project report to here at the end of this month.
[03:53:21] And we always summarize those and provide a summary report before the end of the year on
[03:53:25] that program. I believe Greater Seattle Partners is off to a good start.
[03:53:30] Bryan McGowan and his team are doing a good job to raise the region's image as a business
[03:53:34] location. What I'm really pleased with is how he's building and the team is building
[03:53:40] prevalent, productive and collaborative bridges across the three county region.
[03:53:44] That was the premise for Greater Seattle Partners.
[03:53:47] And I see that webbing in that stitch in bringing us together around a stronger regional
[03:53:53] effort. And I'm pleased with that.
[03:53:55] And then finally, I want to continue supporting maritime innovation.
[03:53:58] You know, as the Maritime Innovation Center projects taken shape, I've been struck by the
[03:54:04] public and private support.
[03:54:05] We've picked up around the table that the the depth of interest.
[03:54:10] And so we're a key partner in these efforts and helping lead regional efforts in a
[03:54:14] positive direction.
[03:54:16] If you look at the budget for this oedema admen, it carries forward Avlon's won't say
[03:54:22] yes. So at the last Seaport Alliance meeting, we had a great presentation on industrial
[03:54:29] lands challenges NARAS and we and we look at our our HMIC are Southern Make in
[03:54:36] particular, and we're talking about all our concerns about Sodo encroachment and same old
[03:54:42] story. But the.
[03:54:46] You know, Epiphany kind of struck me at the same time that, well, there are people that
[03:54:49] live there, too. Right.
[03:54:51] And I had to raise this question, but where we're trying to preserve the industrial
[03:54:55] footprint. But the zoning in the in the Duwamish is such a.
[03:55:00] Crazy thing is that people are living right next to industrial development.
[03:55:03] So it's a it's a delegate challenge.
[03:55:07] And in terms of allocating attention to, you know, the industrial versus the residential

[03:55:15] where they coexist, and I don't think there's an answer to that.
[03:55:19] But when we when we look at these real estate opportunities, it seems that we have to
[03:55:24] think about both when I'm thinking about, you know, preserving a light industrial.
[03:55:28] The idea is there could also be appropriately located residential spaces that are subject
[03:55:36] to, you know, incredible, you know, real estate increases in costs and cost of living and
[03:55:42] things like that. So I'm just wondering, in the course of looking at your real estate
[03:55:46] portfolio, these are competing interests in very overlapping areas that I encourage you
[03:55:53] to look at with strategically in mind.
[03:55:57] Ok. Thank you. We will do that carefully.
[03:56:02] And on the budget side, very deep.
[03:56:05] You want to continue the funding for E-D partnership grants.
[03:56:09] You know, the state moved a workforce development pilot program.
[03:56:12] I put that funding in there.
[03:56:13] It's a career advancement center.
[03:56:15] You're going to see that on the next slide on workforce.
[03:56:17] It's just moved into its appropriate place.
[03:56:20] Then I zeroed out the membership.
[03:56:23] So he carried last year the really past tense, the former Economic Development Council
[03:56:28] trade development. We used to total one hundred and ninety three thousand dollars giving
[03:56:32] to those two separate firms.
[03:56:34] I at least just penciled in an amount for a annual donation to Greater Seattle Partners
[03:56:40] at one hundred and fifty.
[03:56:42] I know Brian and his team will be calling on us.
[03:56:45] They're about ready. Go in.
[03:56:46] They have started a fundraising campaign.
[03:56:48] We'll learn more and socialize a recommended funding level for 2020.
[03:56:55] I have some funding there for promotional, hosting and sponsorships.
[03:57:00] I actually took some funding out of the maritime or the Opportunity Fund that I've
[03:57:04] carried for special projects and earmarked it specifically for maritime innovation
[03:57:09] initiatives. We signed M.O.
[03:57:11] you with Maritime Blue.
[03:57:13] We have a contract that we put into one year.
[03:57:16] I want to just have the resources to consider that on an ongoing basis as we move
[03:57:21] forward. And then finally, workforce, as Steve mentioned, you know, this is a this is a
[03:57:30] department that's in flux, announced that it's moving to the new equity diversity and
[03:57:36] Inclusion Department as a result.
[03:57:38] I'm happy and I'm going to provide some details around this department's work.
[03:57:42] But I asked Booth to join us in session today in case you have some questions about the
[03:57:48] future. You passed a resolution on workforce five years ago.
[03:57:55] It's been a long time.
[03:57:57] And we have talked about through a workforce commission committee, a new policy.
[03:58:02] And so one of the things that I said is a priority and I've talked a book to about is to
[03:58:09] support a new workforce policy.
[03:58:12] And you'll see that as a as outlined in the budget in terms of a robust community
[03:58:18] engagement process and strategic planning process that would follow your policy
[03:58:24] resolution and make sure it is alive and well as we put a strategic plan together.
[03:58:31] Also advocating that we continue to sustain construction industry training, that we
[03:58:37] operate our airport employment center, that we implement in aviation career pathway pilot
[03:58:44] training initiative that's focused on aviation maintenance.
[03:58:47] And finally, that we sustain the Maritime Youth Collaborative and look at how we can also
[03:58:52] expand that as a model to aviation career connected learning.
[03:58:57] So here's the budget page that could you could you update us on what?
[03:59:03] Recent things happened with the Youth Maritime Co-operative, with the recent Iren.
[03:59:09] Where we're going with that. Yes.
[03:59:12] I want to thank first as we get into that, we did an RFP and just made a decision on a
[03:59:20] contractor to take that forward.
[03:59:22] And what I want to just tip my hand on is lutely.
[03:59:25] And Cerrato was very helpful.
[03:59:27] Consuelo really helped sculpt that out and select the consultants.
[03:59:32] We had a good competitive proposal and we ultimately chose partnership between Maritime
[03:59:37] Blue and Goodwill Industries to help move the youth collaborative forward.
[03:59:44] Goodwill will make sure that it's got a strong equity focus and Joshua and his team will
[03:59:49] make sure that that's embedded within the maritime industry.

[03:59:53] So what that really does is make sure that they sustain that alliance of youth serving
[03:59:58] organizations into the future.
[04:00:01] And it's a two year contract.
[04:00:04] And so the port was a soul.
[04:00:08] No, the city. The city is also helping fund that under a separate contract and has been
[04:00:13] supporting Maritime Youth Collaborative for a while.
[04:00:16] Great. So we split that. Not exactly.
[04:00:20] But their funding.
[04:00:22] Yes, they are helping fund that.
[04:00:24] OK. On the workforce and it just took off from the top.
[04:00:32] OAPs I'm sorry I went too fast in terms of airport employment center.
[04:00:36] We offset the rent that's lying too.
[04:00:39] But really, that supports.
[04:00:40] Last year they placed over 2000 job seekers.
[04:00:43] They supported job search for over 7000 people.
[04:00:47] And when you think there's twenty one thousand badged employees at the office, having a
[04:00:52] good, robust and busy employment office at the airport is a vital resource both for job
[04:00:58] seekers, but also for all of our employees are employers.
[04:01:02] Excuse me. We go quick.
[04:01:05] Forgive me. The Q&A for back.
[04:01:07] How are we doing on that?
[04:01:08] The FAA, that in-kind rent for this purpose is totally consistent with FAA guidelines.
[04:01:14] Do we know what that is? Pete, do you mind if I ask for help as a follow up?
[04:01:18] Definitely. Thank you. You know what I'm saying?
[04:01:20] Bye, guys, right? Yeah. In terms of the construction trades, we support training,
[04:01:28] pre-apprenticeship, training through the iron workers and a new and they've done 90.
[04:01:34] They've placed ninety five people coming out through those pre-apprenticeship programs.
[04:01:39] That contract is on an annual basis.
[04:01:42] That's what we would expect.
[04:01:43] And New will add to those totals next year.
[04:01:46] This is a partnership with the city and the county.
[04:01:49] So that's our contract in the city and county and in turn contracted with PAC to add
[04:01:55] another seventy five people to their and pre-apprenticeship program.
[04:01:59] So in total, we're doing about 160 a year through the three partners.
[04:02:05] And then in addition to that, the city added some funds so that a new could just provide
[04:02:12] employment search services for additional one hundred and seventy five people, not
[04:02:17] exclusive to the trades.
[04:02:19] And so that's some of those contracts under construction trades.
[04:02:23] We also have a contract with Urban League as part of that tandem, along with the city and
[04:02:29] county to provide outreach, assessment and referral services.
[04:02:34] And that's to make sure that we are recruiting people from disadvantaged neighborhoods
[04:02:38] with an emphasis on women and people of color.
[04:02:41] And in addition to not just bringing them in and referring to iron workers in a new if
[04:02:47] the prospective employee means an orca pass, protective clothing, remedial math, that
[04:02:56] contract provides some of those important wraparound services.
[04:02:59] And if you really study the trajectory of construction, apprenticeships, what you will
[04:03:04] see is a lot of drop out over the course a year.
[04:03:07] And some of that contract is really to keep an eye on our key people that we're making an
[04:03:12] investment in so that they're successfully advancing through their apprenticeship.
[04:03:18] I just got to say that was one of things that is really impressive at Goodwill.
[04:03:21] They really carry the people through at least three years, a couple of years and in high
[04:03:26] school. And then the even the year afterwards was, I think, one of the very effective
[04:03:31] things that their program showed.
[04:03:34] Mm hmm. I think I touched on the Maritime Youth Collaborative, the new contract that that
[04:03:41] one hundred thousand dollars a year, I put a fifty thousand extra in case we wanted to
[04:03:46] support certain special events or outings, just a little extra flexible resource that we
[04:03:53] might be able to boost those efforts.
[04:03:55] That's a very successful.
[04:03:57] And then we have the Career Advancement Center.
[04:03:59] We basically going to see that they're starting to set up shop.
[04:04:04] They're looking at. They found a vocation down in SeaTac.
[04:04:07] They are gearing up to open.
[04:04:10] And they're really going to launch their efforts, especially with a robust outreach and

[04:04:15] educational efforts starting in January.
[04:04:18] And I'm sure they'll be sharing the news.
[04:04:20] Well, before that launch.
[04:04:23] One second. No.
[04:04:24] In the in the Maritime Youth Collaborative, that number where you the budget changes a
[04:04:30] hundred thousand badly.
[04:04:31] Yes. That's what we have contracted per year.
[04:04:35] And I am being transparent.
[04:04:38] We've got a 50 thousand extra in case we want to invest more behind certain types of
[04:04:44] maritime youth or career connected learning initiatives.
[04:04:47] Because I'm specifically working on doing a trip with the tribal partners that we have.
[04:04:54] We've spoken about that.
[04:04:55] So this would be something that we would talk that this would be the kind of money that
[04:04:59] would be applied to something like that.
[04:05:03] You'll be able to talk to book to about that.
[04:05:05] Yes. Right. So I guess the way I see it.
[04:05:08] So the actual budget.
[04:05:12] OK. So it's a fifty thousand leftover.
[04:05:16] But there's also the hundred thousand that actually we're putting towards the contract.
[04:05:21] Nader. That's right, yes.
[04:05:23] That's really the resource, the coordinator and the equity training from Goodwill is is
[04:05:28] contained in that contract.
[04:05:31] Deeply thank you for all that detail.
[04:05:33] And would you be able to provide that just in a one page?
[04:05:37] How much is going to each of these different organizations and what we're doing?
[04:05:40] Got it. OK, great.
[04:05:42] I'll just finish with the airport.
[04:05:43] Her pathways implementation and that one's been slow.
[04:05:49] It took a lot of research.
[04:05:51] It took a lot of hand-holding.
[04:05:53] I've had a consultant working on the pieces of this initiative for over a year, maybe
[04:05:58] even a year and a half.
[04:06:01] Knock on wood, though.
[04:06:02] I think we're very close.
[04:06:03] What we have now come up with is a partnership with South Seattle College.
[04:06:07] There is an Avey there's FAA certified aviation maintenance training program.
[04:06:12] And for a seed investment, we can kick off a pilot program where our hundred thousand
[04:06:18] dollars is leveraged by other resources to put a cohort of 19 through that program.
[04:06:26] And if that's successful, then we would have time to run a second cohort through that
[04:06:31] program as well.
[04:06:33] This is, I think, a very productive direction.
[04:06:36] I know that you've been interested in not just placing people at the airport, but
[04:06:40] actually seeing how they can progress up the ladder.
[04:06:43] It's taken us some time to hit a sweet spot where we know there is demand for aviation
[04:06:48] maintenance, training and a very good local training program that has the capacity.
[04:06:53] That's that's part of the conversation that took us a while with South Seattle College.
[04:06:57] But now we've arrived at the right timing, the right mix of resources, the right mix of
[04:07:02] partners to where we think we can really test this, move this forward productively.
[04:07:07] But take a break, CAPTA, our first cohort to make sure, hey, are we doing this right or
[04:07:12] is there another tweak that's needed, making sure we pause for lessons learned?
[04:07:17] So we're going to kick that off in January and that will unfold over the following year.
[04:07:23] In terms of down at the bottom, you can see most of our workforce funding this year is
[04:07:28] under contract.
[04:07:30] I did ask in a maskin you to fund an engagement and strategic plan that's premised on a
[04:07:36] new workforce policy.
[04:07:37] And then I have put some resources in there to continue the discussion around maritime
[04:07:43] secondary education.
[04:07:46] So I will put this into a one pager with highlights on the outcomes, just so it's really
[04:07:51] clear what we're getting under these contracts.
[04:07:54] And I think that brings me to the last point.
[04:07:57] Gregoire's got a question. Yes.
[04:07:58] Just real quick and I completely agree with commissioner and comment that exact direct
[04:08:02] documented earlier that it's on.

[04:08:05] You have made a good decision about where workforce development should sit in the future.
[04:08:08] As someone who came into a role in the middle of a budget year, I'm very cognizant of
[04:08:13] leaving the flexibility to the new leader to come and make some recommendations.
[04:08:16] What I've heard so far, if that makes sense, is some commitments that have been
[04:08:20] multi-year. And so this makes complete sense as line items.
[04:08:23] I'm just not seeing the flexibility to let the leaders say, hey, let me make some
[04:08:27] recommendations. I think that's what I hear, an engagement in strategic planning, etc.
[04:08:31] But I gonna give that feedback and say, let's make sure there's flexibility for someone
[04:08:37] who comes in mid. You know, I'm just speaking from personal experience just to say that
[04:08:41] we may need some resources to do this work.
[04:08:44] Yes, we act solute. We have a discussion on the handoff to that.
[04:08:47] We've had that discussion especially on some of these programs that Dave has outlined.
[04:08:51] And if they really tick off, we could put more resource behind them or on other
[04:08:55] initiatives. And does this line up.
[04:08:57] I know that David BUIK does, but I've been talking about the handoff and I have total
[04:09:01] flexibility within my resources.
[04:09:04] We've already talked about that supporting the office of VDI as well as we're stand up
[04:09:09] and as we're moving forward.
[04:09:10] Same similar to us.
[04:09:11] We ended up at the end of 19, the resources we put some in there.
[04:09:15] But of course, if there were other needs that she identified in order to go forward, that
[04:09:20] I'm going to be able to fund those.
[04:09:21] And we have the flexibility within our budget to be able to do that in 20.
[04:09:25] It's great. And welcome to an area that the commissioners have a lot of passion about.
[04:09:29] Lots of ideas about.
[04:09:31] Thank you. I look forward to working with all of you.
[04:09:34] And it reminds me that I will put contract Lange up.
[04:09:38] I'll put dates of any contracts.
[04:09:39] And so this all that way, you know, what we've committed to and some of more, you know,
[04:09:45] like Airport Employment Center goes through 2021.
[04:09:48] But your decision will actually come back next year.
[04:09:51] Because I'm reminded when I first got here, we authorized Nahh P for that.
[04:09:55] And that's gonna take some time.
[04:09:57] So I will make sure we're transparent on just the dates around some of these key
[04:10:01] contracts. My last slide I am asking for Dave, can I get a sort of three quick questions?
[04:10:08] So one of the themes that came out of the Maritime Secondary Education Summit that we
[04:10:12] held a couple of weeks ago is that at certain areas in the awareness building to career
[04:10:19] launch spectrum, there's actually a lot of resources available out there.
[04:10:23] In other areas. There's a dearth, including, I think, in that early awareness building.
[04:10:29] And so I'm always paying attention to where we might be able to step up as a port to to
[04:10:34] support those kinds of things.
[04:10:35] So, you know, I think like Commissioner Fellman has talked about the awareness building
[04:10:39] through, particularly working with the tribes.
[04:10:42] I think that makes a ton of sense of the Maritime Youth Collaborative.
[04:10:45] I'm curious to know on that K-12 career connected learning that 400000 and 2019 budget
[04:10:51] that I presume was not spent trying.
[04:10:53] Correct. So which is why we're not rolling it over into the 2020.
[04:10:57] Was there an intention there?
[04:10:59] And so would we be open again to the possibility of re including that recognizing that,
[04:11:06] you know, from really what we're hearing from successful models in maritime education,
[04:11:12] it's getting started in kindergarten with awareness building, letting these kids know
[04:11:17] that these careers exist, that they're prestigious and well compensated.
[04:11:23] And so that we do get them really early on in the pipeline.
[04:11:29] Yes, answer I put that funding in there because I saw a potential opportunity that we
[04:11:35] might work with Workforce Council or other partners to do a larger career connected
[04:11:41] learning initiative that.
[04:11:45] Well, OK, thank you.
[04:11:48] That that was the premise.
[04:11:50] You know, that that just didn't materialize.
[04:11:52] And so rather than go out on our own and do something right, you know, just to spend the
[04:11:57] money, I just pulled it back.
[04:11:59] And I think there's huge opportunities.
[04:12:01] I would agree. Whether it's a partnership or just to deepen our own efforts in certain

[04:12:06] key areas where we're seeing success.
[04:12:08] I would hope that week we weave circle back to that conversation.
[04:12:13] I think that's an opportunity for book to explore with her team.
[04:12:17] Yeah. Commissioner CAUCHON, we've already set up a meeting for the Workforce Development
[04:12:22] Committee. I think it's on October twenty ninth that I'll be meeting with you and
[04:12:27] Commissioner Bowman and we'll talk more in our meeting.
[04:12:32] But I intend to, as as Dave mentioned, to launch a series of committee community meetings
[04:12:39] to get more input about workforce development, our impact, our results and the strategic
[04:12:45] plan. But also for myself to really do a deep dive over the next few months to look at
[04:12:51] where we have not spend, what what the institutional barriers or community barriers have
[04:12:57] been has.
[04:12:59] Do we need to shift the focus of those dollars?
[04:13:01] But I just need a couple more months to really have a better idea about your question.
[04:13:08] But what you're saying makes perfect sense to me that we to get kids really early on and
[04:13:15] there are a lot of programs in this city that do that.
[04:13:18] But we need to look at the gaps and and figure out where we can focus.
[04:13:22] And I think it's really important that there are there are few gatekeepers for funding
[04:13:27] that that have created very have created criteria to release that funding.
[04:13:35] And if we don't structure our programs in recognition of those criteria, then we miss out
[04:13:39] on that opportunity to access that exterior funding.
[04:13:43] Yeah, agreed.
[04:13:44] And I think that's one area where I could have some flexibility if during the school year
[04:13:48] there becomes I mean, not the school year at the budget year that we have an opportunity
[04:13:53] to look at something that that is an early on thing, that that comes arises out of this,
[04:13:58] that we can look at the availability of funding that.
[04:14:02] May I finish?
[04:14:05] I'm here. We're requesting point six FTE, Jeff, for a real estate analysts.
[04:14:11] I need to keep somebody on top of the lease rates.
[04:14:14] Market research especially, we're building new facilities.
[04:14:18] About a third of our existing real estate portfolio took over, turns over in a given
[04:14:22] year. So, you know, this person, for instance, just was able to affect our lease rates by
[04:14:27] 1 to 2 percent.
[04:14:29] They'd pay for their own position.
[04:14:31] And so that's really the goal is to stay on top of this, especially if we start going to
[04:14:36] market with the products we're building.
[04:14:38] We need to be really acute here.
[04:14:39] We need to know where the pulse of the market and rates are.
[04:14:43] So I think we're done.
[04:14:48] I have one question and then two things.
[04:14:51] First of all, I just want to give a heads up.
[04:14:53] I think we're all hitting the running out of steam.
[04:14:56] And so I want to out of respect to Dan and Elizabeth and the rest of the team.
[04:15:01] I'm sorry that you've been here the whole time, but I think the financial policy is so
[04:15:05] important that can we take that up at the top of the agenda for the next meeting?
[04:15:09] Because it's it's really critical.
[04:15:10] And I don't want I want you to all to benefit from our good thinking on it.
[04:15:14] And so thank you for that.
[04:15:18] Dave, I just have a quick question in terms of the zero.
[04:15:21] Your last slide in the appendix rejections from zero based approach.
[04:15:25] Is there anything that actually was eliminated?
[04:15:29] I mean, I see some, you know, some slight reductions in areas.
[04:15:34] But is there anything I mean, a zero based budgeting means you start from scratch.
[04:15:39] Do you evaluate every single program and expense and you go?
[04:15:42] I firmly believe that we should continue this.
[04:15:47] Is there anything that we're not continuing, that you've did a trillion initiative that
[04:15:50] you've taken off the table other than just really the career connected learning that I
[04:15:55] took off the table? Everything else is a reduction.
[04:16:02] Ok. Last but not least, I think we can get through the cap.
[04:16:06] The capital budget's not huge.
[04:16:08] Had we filled, Fred's eyes were getting big.
[04:16:11] It's a wolf. The groups, we can we can take it up at the beginning of the next meeting.
[04:16:14] But what do you think?
[04:16:17] Talked about? Well, I'm I'm asking my colleagues.

[04:16:26] Excuse me. We're its policies.
[04:16:35] Ok. But I will. The one thing I will say, though, is that the budget will be the initial
[04:16:40] draft document will be produced the 21st, 22nd.
[04:16:46] So it'll be the morning of that.
[04:16:48] So we'll get the budget document and then we'll have that briefing first thing.
[04:16:52] So if you have questions about the maritime capital budget, you need to get them to
[04:16:56] Stephani. Aissa, within the next two weeks, I provided some feedback yesterday.
[04:17:03] A couple days ago when I saw the presentation.
[04:17:06] Yes, Commissioner. And those additional materials, we provided some some additional
[04:17:09] information that's in the separate hand out there and then stuff.
[04:17:13] I'm sure you'll be available for two to ones if we want to do it that route as well.
[04:17:19] I will be in Japan for part of next week, but all the times that I'm here, I will be
[04:17:24] available and I will be able to cover most of those.
[04:17:27] Well, I think Mr. Coffin's and Steinberger out of town next week as well.
[04:17:30] I'm remembering correctly. An observation that this is a very good conversation.
[04:17:37] But I think the Pacific magazine story this Sunday on Port Townsend was really
[04:17:44] instructive in that that the the struggle that that community is brother saltiest
[04:17:48] community we have in the state left is is experiencing very much the same challenges that
[04:17:54] we're having. And then some.
[04:17:56] And, you know, cost of living and not understanding what you have in your own backyard.
[04:18:01] And I think, you know, they if they can't win that battle.
[04:18:06] I mean, I think that is really a litmus test to our ability to make the case for why
[04:18:12] maritime is important.
[04:18:14] And that I think and to some degree that we somewhat owe it to ourselves to help them
[04:18:19] make their case as well.
[04:18:20] I mean, I think this is like the battle royale in a lot of ways.
[04:18:23] And I put that out there because and when we lose Jensen Shipyard, when we lose these
[04:18:29] things, like where did those guys go?
[04:18:31] I mean, I'm hoping they're going to Port Townsend.
[04:18:33] But this is a this is really the microcosm of our challenge right now.
[04:18:37] Now, I'm fortunately, they have now developing programs, starting young in the
[04:18:41] classrooms, telling kids this this is part of the fabric of your life, but that.
[04:18:47] Even with that, we see this erosion occurring, so please let's look at this as a four
[04:18:53] band for boating to the challenges we're up against and how we have to double down in our
[04:18:58] efforts here. Great challenge.
[04:19:02] I would returning to the question of the economic development division.
[04:19:08] Capital improvement plan.
[04:19:10] I would say the only thing that we would want to.
[04:19:14] My suggestion is if there is going to be any change to the levy consideration, we'd
[04:19:21] probably want to begin that conversation with staff quickly so that we're not waiting two
[04:19:26] more weeks to have an airing of that in public, because that I think that would be the
[04:19:30] most significant change to everything in here.
[04:19:33] There's only. Well, no, it's the same.
[04:19:38] So just as a reminder, the what Mr.
[04:19:42] Metruck proposed last year was over five increase the levy by 3 percent each year over
[04:19:48] five years just as a baseline.
[04:19:51] So I still should propose and that's still a proposal and that's what the capital
[04:19:56] projects presented in there are within that 3 percent.
[04:20:01] And that will be presented in if if we just the items that we come forward on the 22nd
[04:20:06] will reflect the work that's that's in the presentation now.
[04:20:12] But there are no really new S.O.P.
[04:20:17] As pointed out there. There is there is a number of preservation items in there.
[04:20:21] There's a number of one hundred and seven million dollars of additional preservation
[04:20:26] items from the backlog list that weren't included previously.
[04:20:29] They were in the perspective list last year and they're included not in, I will point
[04:20:33] out. I mean, there's a law there is a large one of those preservations, which is the
[04:20:37] north side of Terminal 46, which is a 60, 65 million dollar project deeply made.
[04:20:43] Let's just just scheduled to two ones.
[04:20:45] Yes, I got the present.
[04:20:47] There's it. Remember last year there was above the line and below.
[04:20:51] Yeah. I always like this are the ones that we're of the line and now it's moving, but now
[04:20:55] it's moving about. It wasn't it to begin with.
[04:20:57] And then just the funding. Did we ever lease P2?

[04:21:01] OK, we're gonna do it. So we got a revenue item.
[04:21:04] We're going to go. All right.
[04:21:05] Thank you. That's a good question.
[04:21:08] But I mean, it's just another revenue stream that we were going to develop.
[04:21:11] All right. Okay. All right.
[04:21:12] With that. So we're going to do so again.
[04:21:15] Two to ones on the maritime capital budget.
[04:21:19] We'll take up the financial policy at the very top of the agenda on the 20 seconds and
[04:21:24] anything else for the good of the year.
[04:21:26] No, thanks for your thanks for your time today.
[04:21:29] Okay. We earned her \$14 an hour.
[04:21:32] All right. Thank you.
[04:21:33] Meeting is adjourned at for it.
[04:21:35] Yes, you may. One quick thing.
[04:21:39] I think my son Gus is watching.
[04:21:41] So I just want to say hi to guys.
[04:21:42] It really is fantastic.
[04:21:45] All right. We are adjourned for 440.

END OF TRANSCRIPT