

START OF TRANSCRIPT

[00:00:30] This is Commission President Toshiko
[00:00:32] Hasegawa convening the regular meeting
[00:00:34] of August 12, 2025. The time is 10:31am
[00:00:38] we're meeting in person today at the
[00:00:40] Port of Seattle Commission Headquarters
[00:00:42] building in the chambers as well as
[00:00:45] virtually on Microsoft Teams. Present
[00:00:47] with me today are Commissioner Calkins
[00:00:48] and Cho.
[00:00:51] Is Muhammad here? Yes, I believe so.
[00:00:54] Yeah. And Commissioner Muhammad. And
[00:00:58] they are currently gathered in the
[00:00:59] executive session room awaiting the
[00:01:01] opening of the public meeting. Will now
[00:01:05] recess into executive session to discuss
[00:01:06] two items regarding litigation or
[00:01:09] potential litigation or legal risk per
[00:01:11] RCW 42.301101 I with one of those items
[00:01:15] also related to national security per
[00:01:17] RCW 42.3 0.1101 AI for approximately
[00:01:22] 60 minutes. We'll reconvene into public
[00:01:25] session at 12pm thank you.
[00:01:35] Good morning. This is Commission
[00:01:37] President Toshiko Hasegawa reconvening
[00:01:39] the regular meeting of August 12, 2025.
[00:01:42] The time is 12:03pm we are meeting in
[00:01:45] person today at the Port of Seattle
[00:01:47] Headquarters building in the Commission
[00:01:49] Chambers as well as virtually a
[00:01:51] Microsoft Teams Clerk Hart, please call
[00:01:53] the roll for all of the Commissioners
[00:01:54] who are in attendance today. Thank you.
[00:01:57] Madam Commission President. I believe
[00:01:59] Commissioner Calkins is in the building
[00:02:00] and will be joining us here shortly.
[00:02:02] Commissioner Cho. Present. Thank you.
[00:02:05] And Commissioner Felleman, I understand,
[00:02:07] will also be joining us virtually today
[00:02:09] still waiting aye. arrival. Commissioner
[00:02:12] Hasegawa present. Thank you.
[00:02:15] Commissioner Muhammad. Thank you. We do
[00:02:18] have a quorum established. Thank you
[00:02:21] very much. And we've been joined for the
[00:02:22] record by Commissioner Calkins. Just a
[00:02:24] few housekeeping items before we begin.
[00:02:26] For everyone in the meeting room,
[00:02:28] please do turn your cell phones to
[00:02:29] silent. And for anyone participating
[00:02:31] online on Microsoft Teams, please do
[00:02:34] mute your speakers when not actively
[00:02:36] speaking or presenting. Please keep your
[00:02:38] cameras off unless you're a Commissioner
[00:02:40] or a member of staff participating
[00:02:42] virtually and are actively addressing
[00:02:44] the Commission. Members of the public
[00:02:46] addressing the Commission during public
[00:02:48] comment may turn on their cameras when
[00:02:49] their name is called to speak and turn
[00:02:50] them back off again at the conclusion of
[00:02:52] their remarks. For anyone at the dais,
[00:02:54] please turn off your computer speakers

[00:02:56] and silence your devices. And please
[00:02:58] also remember to address your request to
[00:03:00] speak through the Chair and wait to
[00:03:01] speak until you've been recognized.
[00:03:02] You'll turn your microphones on and off
[00:03:05] as needed. Thank you.
[00:03:10] All of our votes today will be taken by
[00:03:12] the roll call method or by general
[00:03:13] consent. So it's clear for anyone
[00:03:15] participating virtually how our votes
[00:03:17] are cast. Commissioners will say aye or
[00:03:19] nay when their names are called like to
[00:03:24] acknowledge that we are meeting on the
[00:03:25] ancestral lands and the waters of the
[00:03:27] Coast Salish people with whom we share a
[00:03:30] commitment to steward these natural
[00:03:31] resources for ourselves and for future
[00:03:33] generation.
[00:03:36] This meeting is being digitally recorded
[00:03:39] and may be viewed or heard at any time
[00:03:40] on the port's website and may be
[00:03:42] rebroadcast by King County Television.
[00:03:44] And now I'd like to ask that you all
[00:03:46] please stand and join in the Pledge of
[00:03:48] Allegiance. I pledge allegiance to the
[00:03:51] flag of the United States of America and
[00:03:55] to the Republic for which she says, one
[00:03:57] nation under blood, independent with
[00:04:00] liberty of justice. For Rob,
[00:04:07] the first item of business today is the
[00:04:10] approval of the agenda. As a reminder,
[00:04:12] if a Commissioner wishes to make a
[00:04:13] general comment for or against an item
[00:04:15] on the consent agenda, it's not
[00:04:17] necessary to pull that item for a
[00:04:19] separate discussion. Rather, a
[00:04:21] Commissioner may offer general
[00:04:22] supporting or opposing comments later in
[00:04:24] this meeting. Once we get to that part
[00:04:26] of the agenda, however, it is
[00:04:30] appropriate if a Commissioner wants to
[00:04:31] ask questions of staff or wishes to have
[00:04:33] a dialogue on a consent agenda item, to
[00:04:36] request that the item be pulled for a
[00:04:37] separate discussion at this time. So,
[00:04:41] Commissioners, are there any items to be
[00:04:42] pulled from the consent agenda or any
[00:04:44] additional items to re or motions to
[00:04:46] rearrange the orders of the day? Seeing
[00:04:49] none. Oh, Commissioner Muhammad. Thank
[00:04:53] you, Commission. President Hasegawa,
[00:04:55] I'd like to pull item 8J.
[00:04:58] I'd actually like to get an update, and
[00:05:01] I believe staff is aware of this and are
[00:05:03] prepared to provide a short presentation
[00:05:05] and give us a progress report. Thank you
[00:05:07] very much. Commissioner Muhammad has
[00:05:08] removed item 8J for a separate
[00:05:11] discussion. Anything else? Seeing none.
[00:05:15] Commissioners, the questions on approval
[00:05:16] of the agenda. Is there a motion to
[00:05:18] approve the agenda as presented? So who
[00:05:20] second? The motion's been made a second

[00:05:24] by Commissioner Calkins and Commissioner
[00:05:26] Cho. Is there any objection to the
[00:05:30] approval of the agenda and hearing?
[00:05:33] None. We are now approved as
[00:05:37] amended. Next, our agenda is executive
[00:05:40] director's report. So Executive Director
[00:05:41] Metruck, you have the floor.
[00:05:45] Thank you, President Hasegawa. Good
[00:05:48] afternoon, Commissioners. Before we move
[00:05:50] to our meeting today, I have a few brief
[00:05:52] updates I'd like to provide. July was
[00:05:55] one for the record books for SEA with
[00:05:57] even with major construction underway,
[00:05:59] we screened more than 1.8 million
[00:06:02] checked bags through our baggage system.
[00:06:04] TSA screened over 2.1 million passengers
[00:06:07] for the month, including our busiest day
[00:06:09] ever last Sunday with 78,763 outbound
[00:06:14] passengers. On August 10 said, well,
[00:06:17] what was special about August 10? It was
[00:06:19] Sunday, August 10, and that's why we set
[00:06:21] a new record and the overall volume was
[00:06:24] approximately also a record of 207,000
[00:06:27] passengers. And despite the increase,
[00:06:29] TSA reports that the average wait times,
[00:06:31] although busy, were 33% lower than past
[00:06:34] summers. Our staff continues to evaluate
[00:06:37] and adapt to what works best at the TSA
[00:06:39] screening checkpoints. The big news in
[00:06:42] that regard is that the TSA pre check
[00:06:45] and clear options moved to the new
[00:06:47] baggage claim Checkpoint one, which is
[00:06:49] proving to be increasingly popular and
[00:06:52] has more room for queuing. As you know,
[00:06:53] the old Checkpoint one, now Checkpoint
[00:06:56] two will be general screening with SEA
[00:06:59] Spot Saver. So those are a lot of
[00:07:01] changes. So if everyone did not catch
[00:07:04] all of that, I'll encourage everyone to
[00:07:06] follow the airport on social media where
[00:07:08] we will keep travelers updated on all
[00:07:10] these changes. On the international
[00:07:12] side, we welcomed over 302,000 arriving
[00:07:15] passengers in July with a peak day of
[00:07:18] 11,281 in our international rivals
[00:07:21] facility On July 26, our car rental
[00:07:26] shuttles moved more than 660,000
[00:07:27] passengers between the terminal and the
[00:07:30] rental car facility making more than
[00:07:32] 14,600 trips. These results are a
[00:07:35] testament to the dedication of our
[00:07:36] aviation staff and port police and fire
[00:07:38] department during the peak summer travel
[00:07:41] season before us. Shifting gears and
[00:07:44] Speaking of the of the Fire Department,
[00:07:46] I'm pleased to share recognition for our
[00:07:49] Port Fire Department that is truly
[00:07:50] historic. Last week we learned that the
[00:07:53] Washington Survey and Rating Bureau
[00:07:55] upgraded our fire protection rating from
[00:07:58] Class 3 to Class 1, their highest
[00:08:01] possible designation. And to give you a
[00:08:03] sense of the range this range goes from

[00:08:06] the lowest class is 10 to 1.
[00:08:09] The only other fire department in the
[00:08:11] Bureau's 114 year history only one other
[00:08:14] fire department in the 114 year history
[00:08:16] has reached this level. This evaluation
[00:08:19] looks at training, staffing, equipment,
[00:08:21] response times, water supply and fire
[00:08:23] prevention programs, and using national
[00:08:26] standards from the NFPA and the awwa.
[00:08:30] This achievement reflects years of
[00:08:33] investment and are a factor in
[00:08:34] determining insurance premiums for
[00:08:36] homeowners and commercial properties in
[00:08:38] our area. This is a major credit to the
[00:08:40] professionalism, training and readiness
[00:08:42] of our fire Department that works around
[00:08:44] the clock serving and protecting our
[00:08:46] facilities and and those that use them.
[00:08:48] Matter of fact, many of the team are in
[00:08:51] attendance today since we plan to seek
[00:08:53] your authorization to approve a new
[00:08:55] collective bargaining agreement on the
[00:08:56] consent agenda. And I'd like to have
[00:08:59] them rise so we can give them a round of
[00:09:00] applause for the work that they do.
[00:09:12] Thank you Chief Grouse.
[00:09:22] So just two more aviation updates as I
[00:09:25] continue here. I was just overtaken with
[00:09:27] that moment, Two more aviation
[00:09:30] updates I want to make. I want be sure
[00:09:32] to note that last week Alaska Airlines
[00:09:34] announced new nonstop services to London
[00:09:37] and Reykjavik starting in spring of
[00:09:39] 2026. These flights will operate on
[00:09:42] Alaska's redesigned Boeing 787
[00:09:44] Dreamliners, which feature an updated
[00:09:46] cabin design to support their expanded
[00:09:49] global service vision. The Washington
[00:09:52] the Washington the Washington the Wall
[00:09:55] Street Journal wrote an extensive
[00:09:57] article about the future of Seattle as a
[00:09:59] global hub for international services,
[00:10:00] and I appreciated Commissioner Cho's
[00:10:03] comment that we feel very fortunate to
[00:10:04] have two major carriers call Seattle
[00:10:07] home and we continue to work hard to
[00:10:09] ensure that we create an airport
[00:10:10] environment where shared vision can lead
[00:10:12] to shared success for multiple
[00:10:14] stakeholders. Finally, for aviation, I
[00:10:17] have an update on our sound insulation
[00:10:19] repair and replacement pilot program.
[00:10:21] After completing the assessment in 2024,
[00:10:24] we transition into the next phase,
[00:10:26] which is acoustic testing. 262 homes
[00:10:29] received an invitation for testing.
[00:10:31] Home homes contacted represented those
[00:10:34] in the highest noise DNLS with the
[00:10:36] oldest insulation packages. 32
[00:10:39] homeowners responded with interest in
[00:10:41] testing. At this point, 111 homes have
[00:10:44] either been tested or have an
[00:10:46] appointment for testing. We've received

[00:10:48] results for the first 30 homes tested
[00:10:50] and we'll be notifying these homeowners
[00:10:52] of the results this month. Port staff
[00:10:55] also expanded technical assistance for
[00:10:57] residents who may wish to replace
[00:10:59] windows for other reasons or on a
[00:11:03] faster timeline than the port can
[00:11:05] deliver. These new resources help
[00:11:07] residents search for windows or
[00:11:08] replacement parts. The information was
[00:11:11] made available on the Port's website
[00:11:12] this spring and mailed to nearby homes.
[00:11:16] Moving to Maritime Updates I have an
[00:11:19] update on an issue that's been on the
[00:11:20] radio, in social media and raised by the
[00:11:22] IBEW at the last Commission meeting here
[00:11:24] at Pier 69. I wanted to let you know
[00:11:27] I've directed staff to follow up on the
[00:11:29] reported safety issues raised by the
[00:11:31] IBEW at the Terminal 86 grain facility.
[00:11:34] Our maritime Division and safety leaders
[00:11:37] have spoken with the tenant, Louis
[00:11:39] Dreyfus Co. And met with the company
[00:11:41] leadership. As part of our due
[00:11:43] diligence, we received an extensive list
[00:11:45] of improvements Louis Dreyfus Co.
[00:11:47] Performed at the facility and reviewed
[00:11:49] the Washington State labor and
[00:11:51] Industries records from their August
[00:11:53] 2024 inspection and their January 2025
[00:11:56] inspection. As a next step, we plan to
[00:11:59] tour the facility and appreciate Louis
[00:12:01] Dreyfus Co. Offering that opportunity
[00:12:03] along with these conversations with
[00:12:05] their leadership. As I shared with the
[00:12:07] IBEW leadership in a personal meeting
[00:12:10] last week, I take safety concerns very
[00:12:13] seriously and will continue to follow up
[00:12:14] on the issues that were raised.
[00:12:16] Continuing with our Maritime Updates we
[00:12:19] are now two thirds through our cruise
[00:12:21] calls for the season through July we
[00:12:23] welcomed 1.1 million revenue passengers.
[00:12:26] Of course, remember we count passengers
[00:12:29] coming and going, so that's 575,000
[00:12:31] unique passengers if you count
[00:12:34] individuals traveling. We have an
[00:12:36] excellent news on the shore power front.
[00:12:38] With the additional shore power at Pier
[00:12:40] 66, we have had more than 45 ships
[00:12:44] utilize shore power connections this
[00:12:47] year for a total of 113 ship to shore
[00:12:50] connections through July. This is great
[00:12:52] progress. Later this summer we will have
[00:12:56] an update on the biofuel project that
[00:12:58] Carnival Cruise Lines is in the process
[00:13:00] of running. We're excited about the
[00:13:02] operational learnings from that work.
[00:13:04] We'll have more information in our end
[00:13:06] of season update as we expect even
[00:13:08] greater results on the sustainability
[00:13:10] and economic development for the year.
[00:13:13] Moving to today's Commission meeting,

[00:13:15] the theme seems to be infrastructure.
[00:13:16] I'd like to highlight a few items on
[00:13:19] today's agenda. On our consent agenda we
[00:13:21] have a contract to support comprehensive
[00:13:23] airport planning, construction of smart
[00:13:26] meters across our waterfront facilities,
[00:13:28] design Support for Terminal 91 and
[00:13:32] installation of EV fast charging points
[00:13:34] at the South 160 Street TNC lot for
[00:13:39] new business. We'll be seeking to fund
[00:13:40] the funding to complete the design for
[00:13:43] our northwest dock at Fisherman's
[00:13:45] Terminal. Finally, the marquee item for
[00:13:47] our meeting today is our second quarter
[00:13:49] financial performance briefing. At our
[00:13:52] last commission meeting, staff briefed
[00:13:53] you on the 2026 budget development
[00:13:55] process and Deputy Executive Karen
[00:13:58] Director Karen Goon sat and sat in for
[00:14:01] me at that meeting and shared my budget
[00:14:03] guidance to the staff at that meeting,
[00:14:04] which I which I will repeat here. The
[00:14:08] port faces economic and political
[00:14:09] uncertainty with slower growth and
[00:14:11] reduced federal funding expected
[00:14:13] throughout the rest of 2025 and into
[00:14:15] 2026, along with potential inflation,
[00:14:18] including inflation from tariffs. We're
[00:14:21] already seeing soft softening revenue
[00:14:23] growth, so our focus is on avoiding
[00:14:25] overextension while continuing to invest
[00:14:28] for the Future. For the 2026 budget,
[00:14:31] we're taking a conservative approach
[00:14:32] that aligns expenses with revenues and
[00:14:35] preserves funding capacity. Currently
[00:14:37] we're not planning any layoffs or
[00:14:40] benefit cuts, but we must slow down
[00:14:42] growth in new hires and non payroll
[00:14:44] costs. Payroll makes up over 60% of our
[00:14:47] operating budget and outside services
[00:14:48] add another 25%. By controlling expenses
[00:14:52] and prioritizing work today, we can meet
[00:14:54] the needs for today and stay ambitious
[00:14:57] for the future and keep the port in a
[00:14:59] strong position to deliver for the
[00:15:01] region. So commissioners more detailed
[00:15:05] comments on that when we review the
[00:15:08] second quarter performance later in this
[00:15:10] meeting. And Commissioners, this
[00:15:12] concludes my remarks. Thank you. Thank
[00:15:14] you, Executive Director Metruck and that
[00:15:16] brings us swiftly forward to our
[00:15:17] committee reports which will be
[00:15:18] presented by Strategic Advisor Erica
[00:15:21] Chung. The floor is yours. Good
[00:15:23] afternoon, Madam President,
[00:15:24] Commissioners IGDE Executive Director
[00:15:27] Metruck I have seven committee reports
[00:15:30] for you since the last Commission
[00:15:31] meeting, so I'll try my best to read
[00:15:34] them quickly. On July 15, Commissioners
[00:15:37] Hasega and Mohamed convened the Airport
[00:15:39] Workforce Conditions Ad Hoc Committee

[00:15:41] where they received a briefing on the
[00:15:43] SEA Workers Health Care Study findings
[00:15:45] which analyzed the effects of health
[00:15:47] care benefits on business outcome.
[00:15:49] Commissioners thanked the researchers
[00:15:51] for their thorough analysis and
[00:15:53] recommended for staff to conduct
[00:15:54] external and business partner
[00:15:56] stakeholder engagements and approved the
[00:15:58] proposed timeline for the policy
[00:15:59] development. The Audit Committee was
[00:16:02] convened on July 15 with Commissioners
[00:16:04] Calkins and Mohamed in attendance.
[00:16:05] Joined by public member Sarah Holmstrom,
[00:16:08] the committee received the 2024
[00:16:10] financial statement audit resort audit
[00:16:13] results from external auditor Moss
[00:16:15] Adams. The audit looked at the Internal
[00:16:17] Control Environment Management
[00:16:19] estimates. The Northwest Seaport
[00:16:21] Alliance Joint Venture looked at capital
[00:16:23] assets bond activity, environmental
[00:16:25] remediation, liability revenue
[00:16:28] recognition, airline lease and operating
[00:16:31] agreements, compensated absences
[00:16:33] fiduciary activity and the FAA Airport
[00:16:37] Improvement Program. There were no
[00:16:39] uncorrected adjustments identified as
[00:16:41] part of the Auditor's procedure and no
[00:16:44] internal control or compliance findings
[00:16:46] were made. The committee further
[00:16:48] received general audit updates,
[00:16:49] approved an update to the 2025 audit
[00:16:53] plan and received performance audit and
[00:16:55] limited Control Compliance Audit report.
[00:16:57] Committee members then recessed a closed
[00:17:00] session to discuss security sensitive
[00:17:01] information related to third party risk
[00:17:03] management. On July 29,
[00:17:07] Commissioners Felleman and Cho convened
[00:17:09] the Aviation Committee. Commissioners
[00:17:11] discussed the external TSA check in
[00:17:13] checking idea and potential barriers.
[00:17:16] Commissioners then asked how bus service
[00:17:18] will work during the 2026 FIFA World cup
[00:17:21] and how that service could be continued
[00:17:24] after the event. Next, Commissioners
[00:17:26] were briefed on the 2026 SEA Business
[00:17:28] Plan which emphasized SEA strength,
[00:17:31] discussed challenges ahead and set goals
[00:17:34] for the year. Commissioners and staff
[00:17:36] reaffirmed commitments to Port
[00:17:38] Sustainable Evaluation Framework and
[00:17:40] inquired into the Port's current non
[00:17:42] aviation revenue. Finally,
[00:17:43] Commissioners were updated on current
[00:17:45] federal funding risks and discussed how
[00:17:48] best to mitigate the potential loss.
[00:17:50] Equity and Workforce Development
[00:17:52] committee met on July 15 with
[00:17:54] commissioners Mohamed Hanskawa in
[00:17:56] attendance with two briefings, an update
[00:17:58] on the Youth Maritime Career Launch

[00:18:00] Program followed by a report out of the
[00:18:03] Port of Seattle's Anti Human Trafficking
[00:18:04] Initiative. On July 15, Commissioners
[00:18:08] Calkins and Cho convened the
[00:18:09] Sustainability, Environment and Climate
[00:18:11] Committee where they received an update
[00:18:13] on the Central Mechanical Plant
[00:18:15] Decarbonization and Resiliency Study and
[00:18:18] Next Steps which is part of the port's
[00:18:20] pathway to net zero by 2040. Scope 1 and
[00:18:24] Scope 2 action after much discussions,
[00:18:26] Commissioners approved recommendation to
[00:18:28] move forward with Emerging Technology
[00:18:30] Strategy and centralized General
[00:18:32] Generation System Sustainability,
[00:18:35] Environment and Climate Committee also
[00:18:37] met with Commissioners Cho and Calkins
[00:18:39] on August 8th. Commissioners were
[00:18:41] briefed on the Sustainable Maritime
[00:18:43] Fuels Collaborative development from its
[00:18:45] initial planning in 2023, including
[00:18:48] stakeholder stakeholders excuse me,
[00:18:51] mission and value structure and short
[00:18:53] term and long term priorities. Then
[00:18:55] discuss next steps forward, engagement
[00:18:57] with the Hydrogen Hub and reasons for
[00:19:00] building capacity and demand early the
[00:19:02] Highline Forum hosted by Highline
[00:19:04] College met on July 23 with Tukwila
[00:19:07] Councilmember Papillon chairing with
[00:19:10] Commissioner Cho traveling as the host.
[00:19:12] Vice President Institutional Advancement
[00:19:15] Josh Gerstman delivered a comprehensive
[00:19:18] update on college activities. Then CEO
[00:19:21] and President of Explore Seattle south
[00:19:23] side Mark Everton and the Seattle
[00:19:26] Southside Chamber of Commerce Samantha
[00:19:29] Lee, aided by Sidney Marks Nichols from
[00:19:32] Explore Seattle Southside provided an
[00:19:34] overview of the activities and
[00:19:35] information available to the local
[00:19:37] communities and planning ahead for the
[00:19:39] 2026 FIFA World Cup. Next Highline
[00:19:42] Colleges Dr. Tanya Powers, Highline
[00:19:45] Schools District Gay Burgard and Port of
[00:19:49] Seattle's Anna Pavlick share their
[00:19:51] commitments and efforts towards
[00:19:53] workforce development programs in the
[00:19:55] High Line area. Then Interim Aviation
[00:19:57] Managing Director Eric Giles provided an
[00:20:00] update from START Committee. He noted
[00:20:02] that START members have begun the
[00:20:04] Community Roundtables work plan for next
[00:20:07] year. During the round, the Table
[00:20:09] Sharing Port Local Government Relations
[00:20:11] Manager Dave Kaplan shared an update on
[00:20:14] the Sustainable Airport Master Plan
[00:20:16] Environmental Review process. This
[00:20:19] concludes my report. Thank you. Thank
[00:20:22] you very much Erica. I feel like we
[00:20:23] should give you a round of applause.
[00:20:27] We have a very warm room here today.
[00:20:30] Okay, so let's go ahead and move forward

[00:20:34] so we can continue to the public
[00:20:37] comment portion of our meeting.
[00:20:40] The Port Commission welcomes public
[00:20:42] comment as an important part of the
[00:20:44] public process. I feel like I need to
[00:20:47] say that again. The Port Commission
[00:20:49] welcomes public comment as an important
[00:20:50] part of the public process. Comments are
[00:20:52] received and considered by the
[00:20:54] Commission in its deliberations. Before
[00:20:56] we take public comment, let's review our
[00:20:57] rules for in person and virtual public
[00:20:59] comment and Clerk Hart, please play the
[00:21:01] recorded roles.
[00:21:05] The Port of Seattle Commission welcomes
[00:21:08] you to our meeting today. As noted,
[00:21:10] public comment is an important part of
[00:21:12] the public process and the Port of
[00:21:14] Seattle Commission thanks you for
[00:21:15] joining us. Before proceeding, we will
[00:21:18] overview the rules governing public
[00:21:19] comment. For your general information,
[00:21:22] each speaker will have two minutes to
[00:21:24] speak unless otherwise revised by the
[00:21:26] Presiding Officer for the purposes of
[00:21:27] meeting efficiency and the speaker shall
[00:21:30] keep their remarks within the allotted
[00:21:31] time provided A timer will appear on the
[00:21:34] screen and a buzzer will sound at the
[00:21:36] end of the speaker's comment period.
[00:21:37] The Commission accepts comments on items
[00:21:40] appearing on its agenda and items
[00:21:42] related to the conduct of port business.
[00:21:44] Presiding Officer will ask speakers to
[00:21:47] limit their comments to these topics.
[00:21:48] This rule applies to both introductory
[00:21:51] and concluding remarks. Disruptions of
[00:21:54] Commission public meetings are
[00:21:55] prohibited. General disruptions include,
[00:21:57] but are not limited to the following
[00:21:59] Speaking before being recognized by the
[00:22:02] Presiding Officer holding technical
[00:22:09] difficulties Placing persons signs
[00:22:13] in the meeting room in a way that
[00:22:14] endangers others or obstructs the flow
[00:22:16] of people or view of others at the
[00:22:18] meeting Intentionally disrupting,
[00:22:20] disturbing, or otherwise impeding
[00:22:22] attendance or participation at a meeting
[00:22:24] Refusing to follow the direction of the
[00:22:26] Presiding Officer or security personnel
[00:22:29] Attempting to use the comment time for
[00:22:31] purposeful delay without conveying a
[00:22:33] discernible message Using the comment
[00:22:35] period to assist in the campaign for
[00:22:37] election of any person to any office or
[00:22:40] for the promotion of or opposition to
[00:22:42] any ballot proposition, except when
[00:22:45] addressing action being taken by the
[00:22:46] Commission on a ballot proposition
[00:22:48] appearing on its agenda Directing public
[00:22:51] comments to the audience engaging in
[00:22:54] abusive or harassing behavior,

[00:22:55] including, but not limited to,
[00:22:56] derogatory remarks based on age, race,
[00:23:00] color, national origin, ancestry,
[00:23:03] religion, disability, pregnancy, sex,
[00:23:06] gender, sexual orientation, transgender
[00:23:08] status, marital status, or any other
[00:23:11] category protected by law the use of
[00:23:13] obscene or profane language and
[00:23:15] gestures, assaults or other threatening
[00:23:17] behavior and sexual misconduct or sexual
[00:23:20] harassment for safety purposes.
[00:23:23] Individuals are asked not to physically
[00:23:25] approach Commissioners or staff at the
[00:23:27] meeting table during the meeting.
[00:23:29] Individuals may provide written public
[00:23:31] comment before or after the meeting,
[00:23:33] and in addition, speakers may offer
[00:23:35] written materials to the Commission
[00:23:36] Clerk for distribution during their
[00:23:39] testimony to the Commission. A detailed
[00:23:41] list of the public comment rules is
[00:23:43] available through the Commission Clerk.
[00:23:45] If a meeting is disrupted by an
[00:23:47] individual in attendance in the meeting
[00:23:49] room or by an individual providing
[00:23:51] public comment in person or virtually,
[00:23:53] the Port will impose progressive
[00:23:56] consequences that may result in
[00:23:58] exclusion from future meetings. Written
[00:24:00] materials provided to the Clerk will be
[00:24:02] included in today's meeting record. The
[00:24:04] Clerk has a list of those prepared to
[00:24:06] speak. When your name is called, please
[00:24:08] come to the testimony table or unmute
[00:24:11] yourself. If joining, virtually repeat
[00:24:14] your name for the record and state your
[00:24:16] topic related to an item on the agenda
[00:24:18] or related to the conduct of port
[00:24:20] business. For those joining virtually
[00:24:22] when you have concluded your remarks,
[00:24:24] please turn off your camera and mute
[00:24:27] your microphone. Our public comment
[00:24:29] period will now commence. Thank you
[00:24:31] again for joining us today. Okie dokie.
[00:24:35] So, Clerk Hart, can you take us through
[00:24:36] those who have signed up in advance,
[00:24:38] who are present in the room today.
[00:24:39] Certainly we have one sign up today from
[00:24:41] the room and Madam Commission President,
[00:24:43] we had nobody sign up. Virtually
[00:24:44] acknowledged. So this is Sally Andrews.
[00:24:50] Sally, if you could please just repeat
[00:24:52] your name for the record and your item
[00:24:54] related to the conduct of port business
[00:24:55] or an agenda item. Thank you. Of course.
[00:24:58] Welcome, Sally. Thank you. I'm the
[00:25:01] Seattle based representative for Cruise
[00:25:02] Lines International association, or
[00:25:04] CLIA, and I'm here to talk about cruise.
[00:25:08] I'm also here today to offer
[00:25:09] appreciation. Today we're 65% of the way
[00:25:12] through the summer cruise season. On
[00:25:14] behalf of CLIA and our member lines, I

[00:25:16] would like to offer our thanks for the
[00:25:17] work of the Port Commission and the time
[00:25:19] that commissioners have taken to
[00:25:21] continue to learn all about that the
[00:25:23] cruise industry is doing to protect the
[00:25:26] environment, protect marine mammals in
[00:25:28] local waters, and provide support,
[00:25:29] training and career opportunities for
[00:25:32] our crews. I would also like to thank
[00:25:35] Executive Director Metruck and aye. staff
[00:25:37] for all those working so hard to ensure
[00:25:40] smooth operations throughout the season,
[00:25:42] shore power availability at all the
[00:25:44] berths and a great guest experience for
[00:25:46] the 1.9 million revenue passengers that
[00:25:49] will pass through the port this year.
[00:25:51] At this point, our local economy has
[00:25:53] already benefited from around 780
[00:25:56] million of the 1.2 billion in economic
[00:25:58] impact that cruise brings to our region.
[00:26:01] Thank you to the port for that most
[00:26:03] recent economic impact study showing how
[00:26:06] valuable cruise is to our local
[00:26:08] businesses. I know there's some agenda
[00:26:11] items today that either directly or
[00:26:13] indirectly benefit our industry and our
[00:26:15] passengers. The support of unions like
[00:26:17] those on the agenda today show your
[00:26:20] commitment to the strength of the
[00:26:21] workforce. And we are appreciative of
[00:26:23] all that goes into keeping those
[00:26:24] relationships strong. And of course,
[00:26:27] all the improvements being made at the
[00:26:28] airport will benefit cruise passengers
[00:26:30] coming through Seattle for many years to
[00:26:32] come. As we wind down this cruise season
[00:26:35] and start thinking ahead to 2026, we
[00:26:37] look forward to our continued
[00:26:39] partnership and innovation to achieve
[00:26:41] our shared goals around decarbonization
[00:26:43] and sustainable tourism. Thank you.
[00:26:46] Thank you. All right,
[00:26:50] is there anybody who did not sign up in
[00:26:52] advance? Who's in the room who would
[00:26:53] like to address the commission?
[00:26:59] How about anybody online?
[00:27:03] Okay. Going once, going twice,
[00:27:06] seeing none. That concludes our public
[00:27:11] comment. Would you give us a synopsis of
[00:27:13] the written comments that were
[00:27:14] submitted? Clerk Hart, please. And in
[00:27:16] keeping with our pace today, we've
[00:27:18] received no written comments for the
[00:27:20] meeting today. Okay. All right. Hearing
[00:27:24] no further testimony, we will move
[00:27:25] forward in our agenda. That brings us to
[00:27:27] our consent agenda. Items of the consent
[00:27:29] agenda are considered routine and will
[00:27:31] be adopted by one motion. The item that
[00:27:33] was removed from the consent agenda will
[00:27:35] be considered separately immediately
[00:27:37] after the adopt adoption of the other
[00:27:39] consent agenda items. So with that, I

[00:27:42] would like to entertain a motion to
[00:27:43] approve the consent agenda covering
[00:27:45] items 8A through 8. I so moved.
[00:27:48] Second, the motion's been made by
[00:27:50] Commissioner Ch, seconded by
[00:27:52] Commissioner Muhammad. Please say I or
[00:27:55] nay, commissioners, when your name's
[00:27:56] called for approval of consent agenda
[00:27:58] beginning with Commissioner Calkins.
[00:28:00] Oh, I'm so sorry. I do think I have a
[00:28:03] comment on the agenda before we move.
[00:28:05] Certainly. And take action. So,
[00:28:07] Commissioner Cho. Yeah. Thank you.
[00:28:09] Commissioner. I just want to acknowledge
[00:28:11] the presence of best in class
[00:28:13] firefighters in the room. Let me just
[00:28:15] start by saying I. Yes, you can clap
[00:28:20] that. You know, I have so much
[00:28:24] appreciation for what these guys do and
[00:28:26] women, obviously some of us have had the
[00:28:28] opportunity to go experience their day
[00:28:31] to day, but I always point out to folks,
[00:28:34] even, you know, I'm not going to lie,
[00:28:36] guys, when I talk to other elected
[00:28:37] officials who have gone to fire ops and
[00:28:39] they're like, oh, yeah, fire ops was
[00:28:41] awesome. And it was like, you know
[00:28:43] what's more awesome? The firefighters at
[00:28:45] the airport. Because they do so much
[00:28:46] more than your firefighters. You don't
[00:28:49] realize fighting a fire at an airport or
[00:28:52] on a plane is so much more difficult and
[00:28:55] different than what you guys deal with.
[00:28:57] Not to say it's a competition, but if
[00:28:59] there were a competition, clearly we're
[00:29:01] best in class. And so I just gotta thank
[00:29:04] our guys and our women for the service
[00:29:07] you provide, for putting your lives on
[00:29:09] the line every day, for keeping our
[00:29:11] constituents safe, our travelers safe,
[00:29:12] and the leadership you bring to this
[00:29:14] entire region. And obviously, I know
[00:29:17] from having conversations with so many
[00:29:18] of my fellow electives across the region
[00:29:20] that they sincerely appreciate it when
[00:29:23] the Port of Seattle Fire Department can
[00:29:25] provide mutual aid to their departments
[00:29:27] whenever they face situations where
[00:29:30] their engines aren't capable of dealing
[00:29:32] with or they're not, you know, they
[00:29:34] don't have the capacity. And so thank
[00:29:36] you guys for not just what you do here
[00:29:37] at the Port of Seattle, but also what
[00:29:38] you guys do to support our fellow
[00:29:40] firefighters across the region. And I
[00:29:42] just want to say congratulations. Thank
[00:29:44] you for those comments. Anybody else
[00:29:46] seeing none? Clerk Hart, please call the
[00:29:49] roll. Thank you. Beginning with
[00:29:50] Commissioner Calkins. Aye. Thank you,
[00:29:53] Commissioner Cho. Aye. Thank you.
[00:29:55] Commissioner Felleman still has not
[00:29:57] joined us as of this time. Commissioner

[00:29:59] Muhammad. Aye. Thank you. Commissioner
[00:30:01] Hasegawa. Aye. Thank you. Four ayes,
[00:30:03] zero nays for this item. Very good. The
[00:30:05] motion carries. And that brings us on to
[00:30:07] item eight, J. Clerk Hart Please
[00:30:10] introduce the item and then Executive
[00:30:12] Director Medtrick will present it.
[00:30:14] Thank you. This IS Agenda Item 8 J.
[00:30:17] Authorization for the Executive Director
[00:30:19] to take all steps necessary to complete
[00:30:21] the South 160th Street TNC Law
[00:30:23] Improvement Project at Seattle Tacoma
[00:30:26] International Airport and the requested
[00:30:28] amount of \$1,100,000 for a total
[00:30:31] estimated project cost of \$8,400,000.
[00:30:35] Commissioners, this item requests
[00:30:37] Commission authorization for an
[00:30:38] additional 1.1 million to enhance the
[00:30:41] port owned staging area for TNC and taxi
[00:30:43] operations at SEA, supporting key goals
[00:30:46] around sustainability, driver amenities
[00:30:48] and equity. While most improvements such
[00:30:51] as lighting, restrooms and
[00:30:52] infrastructure upgrades are complete,
[00:30:54] this request funds the final phase
[00:30:57] installation of the EV, the 10 EV fast
[00:31:00] charging points which the Port will
[00:31:02] procure and install directly. And to
[00:31:05] present the presentation, we have Peter
[00:31:07] Lindsay, Senior Manager, Landsat
[00:31:09] Operations, and Heather Bornhurst,
[00:31:11] Capital Program Leader in Aviation
[00:31:14] Project Management Group. So I'm going
[00:31:16] to turn it over. I think Peter's with us
[00:31:19] here virtually. I'll turn over to aye..
[00:31:22] Hi. Greetings, Commissioners. President
[00:31:24] Hasegawa, My name is Peter Lindsey. I am
[00:31:27] the Assistant Director for Landsite
[00:31:28] Operations at SEA. My pleasure to
[00:31:31] introduce this item and to provide a
[00:31:34] little bit of context. The 160th ground
[00:31:38] transportation lot provides our central
[00:31:41] staging area for TNC Transportation
[00:31:44] Network Company and taxis at the
[00:31:46] airport. The lot improvements, as was
[00:31:50] described in Director Metruck's
[00:31:53] introduction have largely been
[00:31:54] accomplished, but we still have a final
[00:31:57] phase to go related to EV charging.
[00:32:00] And the purpose of this item is to put
[00:32:04] in place funds necessary to complete
[00:32:06] that work. And with me today is Heather
[00:32:09] Bornhorst, and she'll run through the
[00:32:11] details necessary to complete the EV
[00:32:14] charges in the lot. Madam Commission
[00:32:16] President, were you looking for a full
[00:32:18] presentation? You find that sufficient
[00:32:22] or would you like the full presentation?
[00:32:23] My understanding was there's going to be
[00:32:25] a short version of the presentation,
[00:32:27] but that slides were prepared. We do
[00:32:29] have slides. Okay, let's move forward
[00:32:31] with the presentation. Great. Thank you

[00:32:35] Thank you. Good afternoon,
[00:32:37] Commissioners. My name is Heather
[00:32:38] Bornhorst. I'm the Capital Program
[00:32:40] Leader with the Landside Group here in
[00:32:42] Aviation Project Management. And I'll
[00:32:44] provide a quick overview of the the
[00:32:45] presentation today. Can you go to the
[00:32:47] next slide, please? So we've already
[00:32:51] established our request to do for
[00:32:53] additional funding of 1.1 million so we
[00:32:55] can complete the project. Next slide,
[00:32:57] please. Just a reminder, the project
[00:33:00] purpose was to improve our operational
[00:33:02] and maintenance costing and encourage
[00:33:04] sustainable ground transportation
[00:33:06] services by providing permanent lighting
[00:33:09] systems, 10 electric vehicle chargers
[00:33:11] and associated electrical infrastructure
[00:33:13] upgrades, some restrooms for our TNC
[00:33:16] operators, some security cameras for
[00:33:18] operational awareness, and then
[00:33:20] landscaping and irrigation according to
[00:33:22] our own standards. Next slide, please.
[00:33:26] This is a map that shows the location of
[00:33:28] the ground transportation lot on 160th
[00:33:31] Street. You can see north is up towards
[00:33:35] the top of the page and you can see
[00:33:36] International Boulevard to your right.
[00:33:38] You can see the lot there on the south
[00:33:40] side of 160th Street. The left side is
[00:33:43] really allocated for taxi operations and
[00:33:45] the right side is really, really
[00:33:46] allocated for transportation network
[00:33:48] company operations. Next slide, please.
[00:33:52] These are some progress photos showing
[00:33:54] the work that we have completed in the
[00:33:56] lot. You can see the four restrooms that
[00:33:57] we provided for our transportation
[00:33:59] network company partners, as well as the
[00:34:02] completed electrical infrastructure
[00:34:04] improvements to support the future
[00:34:06] installation of the EV chargers. Next
[00:34:09] slide, please. This project supports
[00:34:13] the Commission's ground transportation
[00:34:16] policy with the goal to reduce
[00:34:18] greenhouse gas emissions and the
[00:34:21] strategy to electrify our ground
[00:34:23] transportation fleet. These EV chargers
[00:34:26] are anticipated to be utilized by our
[00:34:28] ground transportation services. Next
[00:34:31] slide, please. In terms of our overall
[00:34:34] progress and schedule, we've completed
[00:34:36] quite a bit of the work. We've got the
[00:34:38] restrooms installed, the permanent
[00:34:40] lighting, the landscaping and irrigation
[00:34:42] improvements, and the electrical
[00:34:44] infrastructure upgrade should be
[00:34:45] completed this quarter. The bulk of the
[00:34:48] infrastructure is in place and we're
[00:34:50] just waiting to complete the last
[00:34:52] connection in order to power up the
[00:34:55] improvements. Our remaining work is the
[00:34:57] procurement of the electrical vehicle

[00:35:00] chargers because previously that work
[00:35:01] had been assumed to be a third party
[00:35:03] responsibility. Complete some minor site
[00:35:07] improvements to support the new
[00:35:08] chargers, and then install and activate
[00:35:11] the chargers by year end. Next slide,
[00:35:14] please. In terms of our budget, the
[00:35:17] previous budget was 7.3 million. We are
[00:35:19] now asking for a \$1.1 million increase
[00:35:22] to 8.4 million. The budget increase is
[00:35:25] due to the fact that the port is now
[00:35:27] procuring and installing those EV
[00:35:29] chargers instead of a third party,
[00:35:31] because we had previously assumed that
[00:35:32] would be done by our partner. We do have
[00:35:35] a Department of Commerce grant for a
[00:35:37] little over \$1.2 million. That's the the
[00:35:40] purchase and installation of the
[00:35:41] transformer, other electrical equipment,
[00:35:43] and the EV chargers. So the majority of
[00:35:46] these improvements will get some
[00:35:48] reimbursement. And in fact, we've
[00:35:50] already requested, I believe, nearly
[00:35:51] \$400,000 to be reimbursed supporting the
[00:35:54] transformer and electrical equipment
[00:35:56] that we've already completed. And with
[00:35:59] that, are there any. Next slide,
[00:36:01] please. And then are there any questions
[00:36:03] by the Commission? All right,
[00:36:04] Commissioner Mohamed, thank you for
[00:36:06] providing that presentation. I just want
[00:36:09] to take a moment to thank the Airport
[00:36:12] operations team, the aviation project
[00:36:14] management team, and the construction
[00:36:15] team that has worked so hard in
[00:36:17] completing this project. There was a lot
[00:36:20] of components that went into the 160th
[00:36:22] parking lot improvements. There was
[00:36:25] attention from the media on this as
[00:36:27] well. And I just think that it's
[00:36:30] important for this particular project to
[00:36:33] receive a public presentation to show
[00:36:35] the different components that went into
[00:36:38] it. From the upgrades of the restrooms
[00:36:41] being sited there, now lighting in
[00:36:44] addition to the EV charging station. It
[00:36:46] shows that not only are we improving the
[00:36:49] working conditions for the drivers, but
[00:36:52] also we are also hitting our
[00:36:54] sustainability goals. And so just
[00:36:57] appreciate everyone who's been committed
[00:36:59] to this project and making sure that
[00:37:02] it's completed and it's completed on
[00:37:04] time. The one question that I do have
[00:37:07] is, so since we're not using our partner
[00:37:12] for the EV charging, are we going to RFP
[00:37:15] that to an outside company? When is that
[00:37:18] expected to go out? We are actually
[00:37:22] pursuing a purchase through a state
[00:37:25] contract using that was put in place by
[00:37:27] the Department of Enterprise Services.
[00:37:29] And what's really driving that is that
[00:37:32] we have a very tight timeline in order

[00:37:34] to get our reimbursement with the
[00:37:36] Department of Commerce grant. Due to
[00:37:38] state budget constraints, the
[00:37:40] reimbursement is available through the
[00:37:42] end of this year. After that, they can't
[00:37:45] guarantee that we would receive that
[00:37:47] reimbursement. So in order to meet that
[00:37:49] schedule, we're actually using a state
[00:37:51] contract that was put in place by the
[00:37:52] Department of Enterprise Services to
[00:37:54] purchase the EV chargers. Great. And
[00:37:57] then how many of those EV charging
[00:37:59] stations are going to be there and how
[00:38:00] do you ensure the usage of it, that it's
[00:38:03] equitable across the board? I mean,
[00:38:05] there's a lot of cars that show up.
[00:38:09] We're putting in 10 charging stations.
[00:38:12] And with that, I have a partner online,
[00:38:15] Stephanie mine, and our environmental
[00:38:17] group, who's been working on some of the
[00:38:18] equity considerations with us.
[00:38:20] Stephanie, do you mind if stepping in?
[00:38:22] Yes. Thanks, Heather. Stephanie mine,
[00:38:25] the climate Program manager at SEA Tech
[00:38:27] Airport. Yeah, the way that we are
[00:38:30] approaching this from an equity
[00:38:32] standpoint is that our plan is to
[00:38:35] operate the these on a cost recovery
[00:38:37] basis. And so that means then that
[00:38:41] we will have a very competitive charging
[00:38:44] price and we will not be forcing any
[00:38:47] kind of subscription or anything like
[00:38:49] that. The charging rates will be at
[00:38:53] or lower than surrounding stations from
[00:38:55] that perspective. And then in terms of
[00:38:57] other users potentially using it that
[00:39:00] are not in the TNC community, we are
[00:39:03] going to do everything we can. And
[00:39:05] admittedly we may learn some things,
[00:39:06] but we are going to make sure that it
[00:39:09] isn't available on public charging maps
[00:39:12] so that drivers. It's invisible to other
[00:39:15] drivers. It would only be visible to the
[00:39:18] TNC driving community. And we will also
[00:39:21] work with the management company that we
[00:39:23] are using through the Department of
[00:39:24] Enterprise Services to explore other
[00:39:27] options to really streamline any
[00:39:32] of the connectivity to just the TNC
[00:39:34] charging community. Great. Thank you
[00:39:36] again for your work and I appreciate
[00:39:38] that the answers to those questions and
[00:39:40] commend you all for the work that you've
[00:39:42] put in to make these improvements
[00:39:44] happen. Thank you for the time.
[00:39:45] Commissioner Cho. Yeah. Real quickly,
[00:39:48] if we've decided to pivot towards
[00:39:50] installing these chargers ourselves,
[00:39:51] who's going to do the maintenance on the
[00:39:53] chargers?
[00:39:56] Yep. Stephanie, do you mind? Yeah. Just
[00:40:00] because I've. I've been involved in all
[00:40:01] the things we're procuring off the state

[00:40:03] contract, so. So to be clear, we're
[00:40:05] buying the hardware from the state
[00:40:07] contract. We're also utilizing a charger
[00:40:11] maintenance contract as well as a
[00:40:13] charger management contract. So there
[00:40:15] are three separate things we're
[00:40:16] procuring from the state contract, and
[00:40:18] the maintenance contract is also being
[00:40:21] procured. And that has certain
[00:40:25] requirements for the amount of time that
[00:40:27] a charger can be down. They also do
[00:40:29] active 24. 7 monitoring, so there's
[00:40:31] always state of health information about
[00:40:34] the chargers going to that company so
[00:40:35] that they can respond quickly and even
[00:40:38] use that data to see if some. If an
[00:40:40] issue might be arising that they need to
[00:40:42] attend to. Okay, thank you. All right,
[00:40:45] so, commissioners, the request is that
[00:40:46] we authorize the executive director to
[00:40:48] take all steps necessary to complete the
[00:40:50] South 160th Street TNC Law Improvement
[00:40:52] Project at Seattle Tacoma International
[00:40:53] Airport in the requested amount of
[00:40:55] \$1,100,000 for a total estimated project
[00:40:58] cost of \$8,400,000. Do I have a motion?
[00:41:00] Motion so moved. Is there a second also?
[00:41:03] The motion's been made by Commissioner
[00:41:05] Muhammad, seconded by Commissioner Cho.
[00:41:07] Clerk Hart, please do call the roll for
[00:41:09] this item. Thank you. Commissioner
[00:41:11] Calkins. Aye. Thank you, Commissioner
[00:41:14] Cho. Aye. Thank you. Commissioner Felleman
[00:41:16] is not online. Commissioner Muhammad, I
[00:41:19] thank you. Commissioner Hasegawa. Aye.
[00:41:21] Thank you. Four ayes zero nays for this
[00:41:23] item. Thank you. The motion carries.
[00:41:26] Okay, so we're going to move forward in
[00:41:27] the agenda. We have one new business
[00:41:29] item. Clerk Hart's going to read it into
[00:41:31] the record. Executive Director Metruck's
[00:41:32] going to introduce it. Oh, you know
[00:41:35] what? We're going to pause for one
[00:41:37] second for a photo. Do we have to go to
[00:41:40] recess for this? We can stand in Recess?
[00:41:43] Yes. All right, so we're going to
[00:41:44] reconvene here in about five minutes at
[00:41:48] 12:48. I'm sorry. Yeah, 12:48pm for
[00:41:52] every cess.
[00:41:58] All right, the time is 12:48 and we are
[00:42:02] reconvening and so we can move forward
[00:42:07] in our agenda. We have one new business
[00:42:09] item and clerk Hart, can you please read
[00:42:11] it into the record and then executive
[00:42:12] director medic will introduce it. Thank
[00:42:15] you. This IS Agenda Item 10A.
[00:42:17] Authorization for the executive director
[00:42:18] to complete design and permitting to
[00:42:21] replace the existing Piers 1 and 2 of
[00:42:23] the Northwest stock at Fisherman's
[00:42:24] Terminal in the requested amount of
[00:42:26] \$5,900,000 for a total preliminary
[00:42:29] estimated project cost between

[00:42:32] \$50,000,000 and \$70,000,000.
[00:42:34] Commissioners, this item requests
[00:42:36] authorization to complete design and
[00:42:37] permitting for the replacement of Piers
[00:42:39] 1 and 2 at the northwest dock of
[00:42:42] Fisherman's Terminal. These aging timber
[00:42:44] supported piers built in the late 1970s
[00:42:47] are nearing the end of their service
[00:42:49] life. This project is part of our
[00:42:51] infrastructure preservation efforts. It
[00:42:53] will modernize critical infrastructure
[00:42:54] for the North Pacific fishing fleet,
[00:42:56] supporting maritime job, maritime job
[00:42:59] growth and enhancing operational safety.
[00:43:02] It will also advance our sustainability
[00:43:05] goals through the removal of creosote
[00:43:08] treated materials and the insulation of
[00:43:10] efficient energy efficient utilities.
[00:43:12] The presenters this afternoon are Demas
[00:43:15] Whitaker, chief operating officer of the
[00:43:18] maritime division, and Mark Longridge,
[00:43:20] Capital project Manager, Waterfront
[00:43:22] project. So Delmas first. Good
[00:43:25] afternoon, commissioners. Delmas
[00:43:27] Whitaker, the chief operating officer
[00:43:28] for a maritime division. And thank you
[00:43:31] very much this afternoon for taking time
[00:43:34] to hear our proposal. I'm joined by Mark
[00:43:37] Longridge, who will be the giving the
[00:43:40] lion's share of what the rehabilitation
[00:43:43] would look like. So next slide, please.
[00:43:49] First off, I just want to remind the
[00:43:51] commission the Fisherman's Terminal is
[00:43:54] the port's first property that has been
[00:43:58] around since 1914, home of the North
[00:44:00] Pacific fishing fleet. As Steve has
[00:44:03] shared with you, the docks in question
[00:44:06] are very important to our operation at
[00:44:10] Fisherman's Terminal. Not only do they
[00:44:12] continue to support the Northwest
[00:44:14] Pacific fishing fleet, but it also helps
[00:44:16] support some of our other efforts, like
[00:44:19] it serves as a mortgage location for one
[00:44:22] of our busiest tenants, which is the
[00:44:25] uncruise, which they do not take
[00:44:28] passengers from that facility. However,
[00:44:29] they do have a sizable number of vessels
[00:44:33] in their fleet that moor at these
[00:44:35] particular docks. This is part of
[00:44:40] the inner harbor and as well as the
[00:44:42] outside on Salmon Bay, which is a deeper
[00:44:45] portion of our access to the water,
[00:44:48] which is critically important to our
[00:44:50] operation. So with that at this time,
[00:44:54] I'm going to turn it over to Mark
[00:44:55] Longridge to provide details about the
[00:44:57] project. Mark. Thank you, Delmas. Next
[00:45:01] slide please. The scope of work for the
[00:45:04] Fisherman's Terminal Northwest Dock
[00:45:06] rehabilitation project is the
[00:45:08] replacement of the finger piers on the
[00:45:09] north and south sides of the main
[00:45:11] northwest dock and the associated

[00:45:13] eastern fendering system. This project
[00:45:16] will address the oldest portions of the
[00:45:18] pier that are highlighted here in red
[00:45:20] and replace the structure, but also the
[00:45:22] electrical and utility elements of the
[00:45:24] piers. This is a Tier 2 project under
[00:45:27] the sustainable Evaluation framework and
[00:45:30] part of the design will be looking at
[00:45:31] possible sustainable elements including
[00:45:33] stormwater treatment and the overall
[00:45:35] life cycle cost analysis of various
[00:45:37] design options that we'll be
[00:45:38] considering. Next slide.
[00:45:42] These finger piers consist of about
[00:45:44] 25,000 square feet of timber
[00:45:46] construction and were the first part of
[00:45:48] the northwest dock to be constructed
[00:45:49] almost 50 years ago as Director Mechtra
[00:45:52] mentioned in 1978 and 79 respectively.
[00:45:55] The main backbone of the pier came about
[00:45:58] a decade later and is more durable
[00:46:00] construction method supported with
[00:46:03] concrete piles. Over the years there
[00:46:05] have been various upgrades to the pier,
[00:46:07] including electrical improvements in
[00:46:08] 1999 and a fendering upgrade to the
[00:46:11] western portion of the main pier in
[00:46:13] 2010. Next slide. Oh, excuse me,
[00:46:17] I'm going to go back. I had a little
[00:46:18] more there. As you can see here, Pier 2
[00:46:21] is currently wider than Pier 1 by
[00:46:23] roughly 50%. And this work will also
[00:46:25] give us the opportunity to widen Pier 1
[00:46:27] to allow for vehicle traffic on Pier 1,
[00:46:29] a significant upgrade for our customers
[00:46:31] there as well. Okay, next slide.
[00:46:36] As Director Metruck mentioned and Delmas,
[00:46:39] the primary users of the PURE are the
[00:46:40] North Pacific fishing fleet, but there
[00:46:42] are other users both concurrent and
[00:46:44] during the off season. And our design is
[00:46:47] planned to incorporate flexibility into
[00:46:49] the design to accommodate the widest
[00:46:51] range of customers and vessels. While
[00:46:53] the piers are in functional shape now
[00:46:55] and our maritime maintenance crews have
[00:46:57] been doing a great job keeping them
[00:46:59] usable. As you can see on the right hand
[00:47:01] side of the slide here, much of the
[00:47:02] piers are currently deteriorating and in
[00:47:04] need of replacement, both bull rail
[00:47:06] sections and also electrical
[00:47:08] infrastructure. Next slide.
[00:47:12] Here's our cone of uncertainty. As you
[00:47:14] know, all projects carry risk and
[00:47:16] uncertainty. We're coming to you now at
[00:47:18] the beginning of design with still some
[00:47:20] scope and budget elements to be decided
[00:47:22] and we expect as we resolve these design
[00:47:25] elements we'll be able to further refine
[00:47:27] that estimate before we return to you
[00:47:28] for construction authorization. Next
[00:47:31] slide. Outline Here in very small fonts

[00:47:35] are some of the key risks that we're
[00:47:38] looking at in this work, including some
[00:47:40] continued volatility in construction
[00:47:41] material costs. We continue to see that
[00:47:43] in the construction market and general,
[00:47:45] and also in electrical equipment in
[00:47:47] particular. We also need to clearly
[00:47:49] define that electrical and utility scope
[00:47:51] of our customers and tailor our design
[00:47:53] specifically to those needs. And that's
[00:47:56] going to be a big part of our design.
[00:47:58] But perhaps the greatest challenge of
[00:48:00] coordination to minimize the tenant
[00:48:02] impacts. The in water portion of this
[00:48:04] work needs to be performed during a
[00:48:06] specific permit window that overlaps
[00:48:08] significantly with the home porting of
[00:48:10] the fleet. And we plan to work with the
[00:48:12] tenants and our operations staff to
[00:48:14] minimize any displacement or disruption
[00:48:16] to their operations as much as
[00:48:17] practical. We're currently assuming this
[00:48:20] work. We phased over two in water work
[00:48:22] windows to minimize that displacement of
[00:48:24] tenants. And also on the last on the
[00:48:28] list here is permitting duration and
[00:48:29] scheduling. It's always a concern for us
[00:48:31] that we closely watch with any federally
[00:48:33] permitted work for in water marine work,
[00:48:35] and that has been built into the
[00:48:37] schedule and assumptions of the project.
[00:48:39] Our main mitigating factor is to apply
[00:48:41] as early as possible for those permits
[00:48:43] to get that clock started. Next slide.
[00:48:47] Speaking of schedule, our preliminary
[00:48:49] schedule has us starting the designer
[00:48:50] selection process as soon as we have
[00:48:52] this design authorization. With full
[00:48:54] design and permitting taking just
[00:48:56] slightly under two years to complete.
[00:48:58] Carrying the assumption of two seasons
[00:49:00] of construction. We anticipate the
[00:49:01] completion of the work in the third
[00:49:02] quarter of 2029. Next slide.
[00:49:07] As outlined in the memo, the current
[00:49:09] estimate range for the project is 50 to
[00:49:11] 70 million dollars, the majority of
[00:49:13] which is construction funding, as you
[00:49:15] can see here in blue. Today, we're
[00:49:17] asking for the design authorization,
[00:49:18] including permitting, a little over half
[00:49:21] of the green soft cost slice that you
[00:49:23] see in the chart, for a total project
[00:49:26] authorization of \$6 million to complete
[00:49:28] the design and permitting for this work.
[00:49:31] Next slide. And with that, we'd be happy
[00:49:34] to answer any questions you might have.
[00:49:36] Great, thank you very much,
[00:49:37] Commissioners. Do you have any questions
[00:49:39] of staff at this time? Commissioner
[00:49:42] Calkins, thanks too for the
[00:49:45] presentation. When I had the chance to
[00:49:47] go through the memo and documents that

[00:49:50] you all provided, one question that kind
[00:49:53] of jumped out to me was revenue. What
[00:49:55] kind of revenue these peers provide for
[00:49:58] FT in there for consequently for the
[00:50:01] Port of Seattle? And so it would help me
[00:50:03] to understand, you know, at a 50 to 70
[00:50:07] million dollar total project cost,
[00:50:10] is that recoverable? Or are we thinking
[00:50:13] about this more as kind of
[00:50:15] infrastructure that provides support for
[00:50:17] a broader economy that maybe isn't
[00:50:19] captured just by peer fees, but sort of
[00:50:22] general benefits to the community like
[00:50:24] some of our more infrastructure oriented
[00:50:27] terminals and facilities provide?
[00:50:30] That's A good question, Commissioner. I
[00:50:32] don't have that exact number and I'll be
[00:50:34] more than happy to get that for you.
[00:50:35] But I do think that as we continue to
[00:50:39] provide that service for the North
[00:50:42] Pacific fishing Fleet and bringing back
[00:50:44] the, you know, the fishing fleet and the
[00:50:47] other types of businesses that we have
[00:50:50] at that facility, it does provide more
[00:50:53] of that greater benefit to the, to the
[00:50:55] community for opportunities to, to
[00:50:58] generate jobs and different types of
[00:51:00] revenue that, that translate in
[00:51:03] different ways. But we can provide you
[00:51:05] some better numbers with regards to
[00:51:06] that. Yeah, that would be great. I mean
[00:51:08] my personal philosophy around this is
[00:51:11] that, you know, we, we simply don't
[00:51:13] capture in our direct revenue numbers
[00:51:17] the overall economic benefit that we
[00:51:20] provide. And in some ways Fisherman's
[00:51:22] Terminal is a sort of microcosm of the
[00:51:25] larger maritime division where you
[00:51:29] know we are infrastructure, we're a
[00:51:31] bridge to Alaska, we're a bridge to the
[00:51:33] North Pacific and we're not going to be
[00:51:35] able to capture all that. On the other
[00:51:36] hand, that ecosystem of maritime
[00:51:39] businesses around Fisherman's Terminal
[00:51:42] provide tens of thousands of jobs,
[00:51:46] really well paying multiple generation
[00:51:49] family business type jobs that is really
[00:51:52] important for us to help support. And I
[00:51:56] will note that later today we're going
[00:51:58] to be talking about the financial
[00:51:59] performance in our maritime division. I
[00:52:01] don't know if STEPHANIE Jones we're in
[00:52:03] the black so that's excellent. But so I
[00:52:08] want us to sort of we're a public agency
[00:52:10] so we have to think more expansively
[00:52:11] than just pure profit driven motives in
[00:52:14] our business lines. But I think it's
[00:52:16] also important for us to recognize what
[00:52:17] is that if there's a gap between those
[00:52:21] two numbers what is it and are there
[00:52:23] ways that we can minimize that or at
[00:52:25] least recognize it so that in things
[00:52:27] like should the state be supporting this

[00:52:29] since it's or the city or the county in
[00:52:33] certain areas instances. So appreciate
[00:52:35] the presentation Commission Ch.
[00:52:37] Thanks for the presentation. And I
[00:52:40] wanted to ask a little bit about the the
[00:52:43] current tenants or those who mo there.
[00:52:45] You had mentioned Uncruise and others.
[00:52:48] Are those long term agreements are we
[00:52:49] providing? Yes. I assume that we have
[00:52:52] made arrangements for them to more
[00:52:55] somewhere else while we do these repairs
[00:52:57] as this project fades such that not
[00:53:00] everyone is displaced at the same time.
[00:53:01] I just want to hear a little bit about
[00:53:03] your plans for that aspect of the. Well
[00:53:06] I can talk just a little bit to that and
[00:53:08] obviously I'm not joined here today by
[00:53:10] my senior manager Ruparez Studer who's
[00:53:13] on much deserved vacation but working
[00:53:18] with the project manager we will be able
[00:53:20] to communicate directly with our
[00:53:22] customers to be able to find those,
[00:53:25] those opportunities where we can be able
[00:53:28] to place them at different docks.
[00:53:32] And as was pointed out, we are going to
[00:53:34] be faced with some seasonal work in
[00:53:38] between the fish windows. So we
[00:53:42] don't have the complete plan today, but
[00:53:45] we will be able to. We will be making
[00:53:47] every effort to make sure that we
[00:53:49] minimize the inconvenience to those
[00:53:51] customers. Okay, great. Thank you. And I
[00:53:53] did want to point out we. We are looking
[00:53:55] at Fisherman's Terminal has about, you
[00:53:57] know, 300 plus fish of fishers
[00:54:02] that do sail out of Fisherman's
[00:54:04] Terminal. And so and the, the. Those
[00:54:08] charters like, like Uncruise,
[00:54:11] they are several large vessels and we
[00:54:14] will do what we can to make sure we
[00:54:15] accommodate them. Great. Thank you.
[00:54:19] Mark, did you have anything else to add
[00:54:21] to that? No, I, I would add that you're
[00:54:23] spot on. If we could empty the terminal,
[00:54:25] this project would be a lot more
[00:54:26] straightforward. Unfortunately, we can't
[00:54:28] do that and that's part of why we're
[00:54:29] looking at a phased approach to minimize
[00:54:32] the impacts to shuffle and, and work
[00:54:34] with the tenants to understand what the
[00:54:37] impacts might be and how we can really
[00:54:39] minimize those to be able to accommodate
[00:54:41] both activities. So you're absolutely
[00:54:43] right. Great. Thank you. President
[00:54:46] Huskawa. If I can just add to the
[00:54:49] response to Commissioner Calkins. The
[00:54:51] other thing we try to look to optimize
[00:54:53] on that return on investment. You know
[00:54:54] this is for fishing vessels and I think
[00:54:56] you covered that and Dallas talked about
[00:54:58] that as well as you know this is to
[00:55:00] support that larger economy. But we also
[00:55:01] off season uses was not fishing vessels.

[00:55:04] We do use it for other non fishing
[00:55:06] purposes. So we optimize that. That it
[00:55:09] still doesn't cover completely but we,
[00:55:11] we're looking to close that gap and
[00:55:12] optimize those. Of course fishing has
[00:55:14] priority for the use of the berths but
[00:55:17] we do fill it in wherever possible with
[00:55:19] other, other. Other berthing and other
[00:55:22] type vessels including like uncrews and,
[00:55:23] and other types of vessels, including
[00:55:26] mortgage for private vessels as well.
[00:55:30] Okay. All right. Seeing no further
[00:55:32] questions or comments. I'll look to my
[00:55:35] colleagues and see if you have. Yes, of
[00:55:37] course you can. This is a quick one. Is
[00:55:40] the overwater coverage that these piers
[00:55:42] represent, is that an asset as well? So
[00:55:44] if we remove them, we would still have
[00:55:47] that acreage that we could allocate
[00:55:50] somewhere else on the pier. So our, our
[00:55:52] footprint foot, excuse me, footprint for
[00:55:53] the replacement will essentially be on
[00:55:56] the existing footprint. We're widening
[00:55:58] Pier 1 slightly so the overwater
[00:55:59] coverage will be slightly larger than it
[00:56:01] is. So we don't expect any net reduction
[00:56:04] to over water coverage. You're right.
[00:56:06] Sometimes we are able to bank that and
[00:56:09] and be able to use that as an asset.
[00:56:10] But in this case it's direct
[00:56:11] replacement, essentially. Okay. And
[00:56:13] that. So it's similar whether it's in
[00:56:16] the freshwater above locks or. I believe
[00:56:19] so, yes. Okay. I appreciate. I'll
[00:56:21] stretch. That's another parking lot.
[00:56:23] I'm just more out of curiosity, but
[00:56:25] thanks. Do I have a motion and a second
[00:56:27] to approve this item? So moved.
[00:56:32] Second? The motion's been made by
[00:56:34] Commissioner Muhammad and seconded by
[00:56:36] Commissioner Calkins. Clerk Hart,
[00:56:37] please call the roll for this item.
[00:56:38] Thank you. Beginning with Commissioner
[00:56:40] Calkins. Aye. Thank you, Commissioner.
[00:56:42] To Aye. Thank you, Commissioner
[00:56:44] Muhammad. Aye. Thank you, Commissioner
[00:56:46] Hasegawa. Aye. Thank you. Four ayes,
[00:56:48] zero nays for this item. The motion
[00:56:49] carries unanimously. Thank you very
[00:56:51] much. Thank you. Alrighty. We're now
[00:56:54] presentations and stuff. Staff reports.
[00:56:56] Clerk Hart. Please read the next item
[00:56:57] into the record and Executive Director
[00:56:59] Mishuk will introduce it. Thank you.
[00:57:01] This IS agenda item 11A quarter 2. 2025
[00:57:05] financial performance briefing. Great.
[00:57:09] Commissioners as this as we're getting
[00:57:12] in place, I'd like to report to you that
[00:57:14] financial performance results for the
[00:57:16] first half of 2025 were strong due to
[00:57:19] delays in planned spending and and
[00:57:21] strong performance in the operating
[00:57:22] divisions. Airport passenger volume for

[00:57:25] the first half of the year was 1.6%
[00:57:27] higher than the same period in 2024.
[00:57:29] Passenger growth for 2025 is expected to
[00:57:32] be 9% higher compared to 2024 actual.
[00:57:36] Approximately 53.1 million passengers
[00:57:39] are expected in SEA in 2025. It'll be a
[00:57:43] new record. The 2025 cruise season will
[00:57:45] run through April with through April
[00:57:48] through October with a projected 298
[00:57:50] sailings. And as Sally was talking about
[00:57:52] earlier today, 1.9 million revenue
[00:57:54] passengers for the first half of the
[00:57:56] year, grain fishing, commercial
[00:57:58] recreational marinas and cruise revenues
[00:58:01] exceeded budget projections. Overall
[00:58:03] Total operating revenues were 1.2
[00:58:05] million or 2% above budget. Total
[00:58:09] operating expenses were 12.8 million or
[00:58:12] 3.8% lower than budget in the first half
[00:58:14] of 2025 with a net operating income
[00:58:17] before depreciation was 14 million or
[00:58:20] 7.1% above budget for the full year.
[00:58:23] Operating expenses are expected to be
[00:58:27] 11.2 million above budget mainly due to
[00:58:31] higher payroll and outside services that
[00:58:33] we'll hear more about. We're projecting
[00:58:35] operating revenues to be 893,000
[00:58:39] above budget mainly due to aeronautical
[00:58:42] revenues Partially offset by lower
[00:58:44] revenues from airport non aero real
[00:58:47] estate, portfolio management and
[00:58:49] conference and event centers. So
[00:58:51] accordingly, you'll hear me, continue to
[00:58:53] hear me offering cautious guidance for
[00:58:55] the full year as the outlook remains
[00:58:57] mixed due to tariffs, inflation,
[00:59:00] geopolitical and economic uncertainties
[00:59:02] as the port continues to invest in our
[00:59:05] facilities and infrastructure. So we're
[00:59:07] also forecasting to spend in
[00:59:10] infrastructure 925 million on capital
[00:59:12] this year. So we have a number of
[00:59:14] presenters this afternoon. We have
[00:59:16] Elizabeth Morrison, Interim Chief
[00:59:18] Financial Officer, Michael Tong,
[00:59:20] Director of Corporate Budget and then we
[00:59:23] have Heidi Popochock, Director of
[00:59:25] Aviation Finance and Budget and Kelly
[00:59:27] Zupon, Director of Seaport Finance and
[00:59:30] Budget. So I'm going to turn over now to
[00:59:33] to Elizabeth. Elizabeth, thank you.
[00:59:36] Next slide please.
[00:59:41] Good afternoon. Staff is pleased to
[00:59:44] present the second quarter financial
[00:59:45] report. This Q2 report is important
[00:59:49] because we at this point of the year
[00:59:52] have a good sense of where we're going
[00:59:55] to be trending for the full year. And
[00:59:57] that is also important for for informing
[00:59:59] the budget for 2026 which is currently
[01:00:03] underway. As Executive
[01:00:07] Director Metruck described,
[01:00:11] the results are helping guide how

[01:00:15] we are approaching the 2026 budget.
[01:00:18] The operations are looking reasonably
[01:00:22] good. The forecast for the
[01:00:26] implanments is above 2024 and will be a
[01:00:30] record but slightly below what we had
[01:00:32] budgeted in 2025 which may reflect some
[01:00:36] softening in the economy.
[01:00:39] Cruise is on track to meet budget with
[01:00:42] respect to passengers and ship calls.
[01:00:45] The operating revenues are projected to
[01:00:48] be slightly above budget. As Executive
[01:00:52] Director Metruck noted, that's largely
[01:00:55] due to the aeronautical revenues and I
[01:00:58] like to separate the cost recovery
[01:01:00] aeronautical revenues from the non cost
[01:01:03] recovery businesses of our non aero at
[01:01:07] the airport and the seaport. So we
[01:01:11] do have some indications that the
[01:01:16] some of the non arrow revenues may be
[01:01:20] softer due to economic uncertainty.
[01:01:23] That is only in part. There are other
[01:01:26] dynamics going on that Heidi will
[01:01:29] describe more fully. But we may be
[01:01:32] seeing some of the impacts of the
[01:01:34] economic uncertainty rippling through
[01:01:36] our revenue projections for the year.
[01:01:39] Operating expenses are noted to be well
[01:01:45] above what we had budgeted and that's
[01:01:47] primarily driven by payroll cost.
[01:01:51] For the 2026 budget, we are really
[01:01:54] focusing on trying to manage payroll
[01:01:57] costs because that is such a significant
[01:02:00] factor in our overall expenses
[01:02:03] representing about 60% of overall
[01:02:06] operating expenses. And Michael Tong can
[01:02:09] provide more detail details on on why
[01:02:12] those payroll expenses are above budget.
[01:02:15] With capital we are almost exactly
[01:02:18] tracking to budget which is a very good
[01:02:22] indicator of planning for capital
[01:02:25] spending. So with that I will
[01:02:29] turn the presentation over to my
[01:02:31] colleague Heidi Popichok to Walk through
[01:02:33] the airport. Details. Thank you,
[01:02:36] Elizabeth. Good afternoon Commission
[01:02:37] President Commissioners and Executive
[01:02:40] Director Metruck Heidi Popichock,
[01:02:43] Director of Aviation Finance and Budget.
[01:02:44] I'll provide a brief overview of the
[01:02:47] Aviation Division Q2 financial
[01:02:49] performance. Next slide please. As
[01:02:53] Executive Director Metruck and Elizabeth
[01:02:55] alluded to, this slide illustrates our
[01:02:59] total passenger growth. As you can see
[01:03:02] to the far right, the Orange is our 2025
[01:03:06] forecast of passengers at 53.1
[01:03:10] million. And to the left of that you'll
[01:03:13] see our 2025 budget assumption for
[01:03:17] passenger growth at 53.5 million.
[01:03:20] That's slightly below what we budgeted
[01:03:24] for the four. The forecast is slightly
[01:03:25] below what we budgeted but when we look
[01:03:28] at 2024 actuals and compare that to the

[01:03:31] forecast, it's up roughly nearly 1%.
[01:03:35] Next slide please.
[01:03:40] So this is an overview of our operating
[01:03:43] expenses for Q2. In particular, the bar
[01:03:47] chart illustrates that we are currently
[01:03:50] under budget by 3.4%, little over 9
[01:03:53] million. And primarily is the variance
[01:03:57] associated with salaries and benefits.
[01:04:00] Modest variance related to the
[01:04:04] compensation project and mostly due to
[01:04:07] the labor contracts that were approved
[01:04:10] in 2025. Roughly about \$5.1 million and
[01:04:15] also some lower charges to capital.
[01:04:18] Next we have the outsized services is
[01:04:21] underspent approximately \$18 million.
[01:04:23] Just kind of slower spending. We
[01:04:25] anticipate that to pick up in Q3.
[01:04:29] Next other expenses are higher, again
[01:04:32] lower charges to capital and then lastly
[01:04:35] lower charges from the central services
[01:04:39] groups about 2.3 million which we
[01:04:42] anticipate that to pick up as much.
[01:04:44] Well next slide.
[01:04:48] So this is our overall financial
[01:04:51] summary. Looking at year end forecast.
[01:04:54] As you can see at the top, the revenues.
[01:04:57] Looking at aeronautical revenues, this
[01:05:00] is our cost recovery revenues. As
[01:05:02] Elizabeth alluded to a moment ago. When
[01:05:05] we look at the budget to forecast, we
[01:05:07] are forecasting about \$6.7 million above
[01:05:11] budget and that's associated with the
[01:05:14] TSA exit lane staffing contract that was
[01:05:17] approved earlier this year and that was
[01:05:20] not included in the 2025 budget. And so
[01:05:24] there is that variance there. Looking at
[01:05:27] the non aeronautical side, we see a net
[01:05:31] reduction in budget, about 4.7 million
[01:05:34] to be under budget. And that's
[01:05:37] associated with slower growth in our
[01:05:39] public parking, employee parking and
[01:05:42] some of the ADR lines of business than
[01:05:46] we assumed in the budget. So we have
[01:05:49] with public parking. Last year we
[01:05:52] launched the reserve parking program on
[01:05:54] the fourth floor and that's been very
[01:05:56] successful. And we are seeing, you know,
[01:05:58] some behavior changes from some of the
[01:06:00] drive up customers and we're monitoring
[01:06:04] that as we move forward and towards 2025
[01:06:07] and also associated with some of the
[01:06:10] lower employment growth we're seeing in
[01:06:13] the ADR section of the non aeronautical
[01:06:16] revenues. But overall, looking at the
[01:06:20] net total revenues that we are
[01:06:23] forecasting is to be approximately \$2
[01:06:25] million. And looking
[01:06:29] at the total O and M expenses, we have
[01:06:32] approximately \$9 million of
[01:06:35] over budget associated again with the
[01:06:39] TSA exit link staffing contract as well
[01:06:43] as the payroll expenses that we are
[01:06:47] forecasting at year end. Next slide

[01:06:50] please. And so with this illustration,
[01:06:55] it's just a bar chart of the full year
[01:06:58] forecast. It's \$9 million. I won't go
[01:07:01] into detail, but just the illustration
[01:07:03] of looking at the full year forecast for
[01:07:06] the aviation division. Next slide
[01:07:09] please. This slide provides an overview
[01:07:14] of our debt service coverage ratio. We
[01:07:16] have a minimum target of an Internal
[01:07:20] policy of 1.4 times debt service
[01:07:22] coverage target for the Aviation Defense
[01:07:24] Division. And at the year end we're
[01:07:27] anticipating to meet that 1.82
[01:07:32] debt service coverage. It's roughly 2
[01:07:36] basis points lower than what we put in
[01:07:38] the budget. But we anticipate that it'll
[01:07:41] be pretty close to where we approved in
[01:07:45] budget. Next slide please.
[01:07:50] So looking at our airport development
[01:07:52] fund balance for the 2025 budget,
[01:07:55] we have \$829.8
[01:07:59] million approved.
[01:08:03] And that is essentially our 18 months of
[01:08:06] OM days cash on hand that we have in our
[01:08:09] reserve. And our forecast for year end
[01:08:12] for our fund balance is 830 million.
[01:08:15] So. So we're going to reach that target
[01:08:17] by year end, which is positive news.
[01:08:21] Next slide please. And lastly,
[01:08:25] as it was mentioned earlier, as far as
[01:08:28] our capital spending, we are 99% on
[01:08:32] target with some modest changes to for
[01:08:36] instance the C Concourse. There's a
[01:08:38] reduction in spending there and their
[01:08:41] actual spending. So, so we'll see in the
[01:08:44] total number underspend. But overall we
[01:08:48] are on track to spend with our capital
[01:08:51] program. And I believe that concludes
[01:08:54] the aviation section. And I will turn
[01:08:58] it over to Kelly Zupan, my colleague in
[01:09:00] seabort. So we're actually going to
[01:09:03] pause here if we have any questions from
[01:09:06] my colleagues and I'll start with
[01:09:08] Commissioner Cho. Yeah, thanks Heidi. I
[01:09:10] always appreciate your summary of the
[01:09:13] state of refinances. Just real quickly
[01:09:15] on slide 10, when you talk about capital
[01:09:17] spending forecasts, it says here that,
[01:09:19] well, first of all, saving \$12 million
[01:09:21] on steel is great. So that's positive
[01:09:25] news as far as the SEA Gateway project
[01:09:27] is concerned. It says we're spending
[01:09:29] less due to changes in billing. Does
[01:09:31] that just mean we're expecting to get
[01:09:33] billed in 25. So for 26, I guess we're,
[01:09:38] we have determined that we're spending
[01:09:42] less based on what we thought we would
[01:09:45] spend associated with contingency. So
[01:09:47] it's like it's lower and, and also is
[01:09:49] delayed. Yeah, yeah. So with the,
[01:09:53] as I understand it, with our contingency
[01:09:56] spending that we anticipated, it's lower
[01:10:00] and, but we, we're moving forward with,

[01:10:03] with the, with the project. Okay. So
[01:10:05] it's not just that they're kicking the
[01:10:07] invoice down to next year. There are.
[01:10:09] Right, right. Got it. All right, thank
[01:10:11] you. Okay, we can move forward
[01:10:15] to seaport. Thank you. Okay, thank you.
[01:10:21] Thanks, commissioners. So next slide
[01:10:25] please, please. And this first slide is
[01:10:27] the some of the key seaport metrics
[01:10:30] through June of 2025.
[01:10:34] Currently what you're seeing is the
[01:10:36] demand for our facilities in the
[01:10:37] seaport, especially the in water, still
[01:10:40] remains high. And so as we go into the
[01:10:43] budget season, we're going to come to
[01:10:44] you with some different ways to
[01:10:47] appropriately, you know, charge the
[01:10:49] prices of those within, within all of
[01:10:52] our, you know, constituents, needs and
[01:10:54] whatnot. Currently the, the container
[01:10:59] volumes are a little front loaded at the
[01:11:00] beginning of the year and we're
[01:11:03] expecting to still aye. budget on the
[01:11:05] container volumes as we get into the end
[01:11:08] of the year. But there's still some
[01:11:09] uncertainty ahead. We already talked a
[01:11:12] little bit about cruise calls and
[01:11:14] passengers with you. They're on track to
[01:11:17] budget. Our occupancy again at Schulze
[01:11:20] Marina is staying really high. There's
[01:11:23] just a lot of demand for like I said
[01:11:25] that in water use and we've had a lot of
[01:11:29] success in the first half of the year at
[01:11:31] the grain terminal. There seems to be a
[01:11:32] real high demand for corn at the grain
[01:11:35] terminal where fingers crossed that that
[01:11:37] carries into the second half of the year
[01:11:38] as well. Next slide please.
[01:11:42] That's all
[01:11:46] right. All right. This is, this slide
[01:11:49] here is the really the aggregate of all
[01:11:52] of the seaport divisions, including
[01:11:54] maritime, economic development and joint
[01:11:57] venture. Year to date we're really quite
[01:12:01] favorable again with some of the front
[01:12:02] loaded cargo activity and there's been a
[01:12:05] lot of delayed spending on outside
[01:12:07] services. Much of this has to do with
[01:12:11] the cyber attack which also, you know,
[01:12:15] took a little longer getting some more
[01:12:16] contracts through and just in general it
[01:12:19] was took a little longer getting going
[01:12:21] on the first half of the year. We are,
[01:12:24] we're forecasting a catch up of this
[01:12:26] spending in the second half of the year
[01:12:29] along with some, an unbudgeted
[01:12:31] environmental credit, there's a green
[01:12:34] terminal billing adjustment, some
[01:12:36] operational Cleanups and higher than
[01:12:38] expected payroll which Michael and
[01:12:42] Elizabeth spoke about. All these items
[01:12:45] together result in a forecasted
[01:12:46] operating income of about \$3.3 million

[01:12:49] below budget.
[01:12:53] Next slide please.
[01:12:57] 1.
[01:13:01] Okay, here's a brief summary of the
[01:13:04] Maritime Division financials with both
[01:13:08] a year to date and the forecast. It's
[01:13:12] been a great start again for the
[01:13:13] revenues at the Grand Terminal and the
[01:13:15] Marina as it cruises on track.
[01:13:18] Portfolio management we're
[01:13:22] pretty close to budget at our conference
[01:13:24] and event centers and in the second half
[01:13:28] of the year we do have some occupancy
[01:13:31] that we're filling three spaces at the
[01:13:34] second half of the year with some other
[01:13:35] maritime businesses for our portfolio
[01:13:38] management group. On the expense side
[01:13:41] again the cyber attack, it's really
[01:13:42] delaying some of the expenses we are
[01:13:47] expecting at the year end a negative
[01:13:49] payroll variance and we have, we
[01:13:52] continue to have remediation costs, you
[01:13:55] know with Terminal 18, the dredging and
[01:13:59] also Versix and aids that we've
[01:14:03] got booked for the year. Next slide.
[01:14:07] Maritime yeah and
[01:14:11] so as Elizabeth mentioned earlier we
[01:14:13] are, we're actually over budget for one
[01:14:17] of the first times I can remember it mid
[01:14:18] year on our capital delivery. Looking to
[01:14:22] end the year basically in between A
[01:14:25] little above budget and less than what
[01:14:27] we came to you last budget season or
[01:14:29] plan of finance season with is our plan
[01:14:31] of finance spending. Next slide
[01:14:36] please. I think we have one more.
[01:14:43] So getting used, given the reorg that we
[01:14:45] had last year, getting used to getting
[01:14:47] you all used to how we're presenting the
[01:14:50] Economic Development Division. You know
[01:14:53] any feedback is welcome as well on it.
[01:14:55] But in terms of the P and L that goes
[01:14:59] into our forecast and our funding,
[01:15:01] that's what I have listed on this
[01:15:03] particular slide here. Most of that is
[01:15:07] really just the tourism group that falls
[01:15:11] to the bottom line on economic
[01:15:13] development. We also have the Duwamish
[01:15:17] Hub, some of the earth, the EDD tax
[01:15:19] levy, which Duwamish Hub falls into that
[01:15:22] as well. And so we did get a positive
[01:15:25] variance on there from the GasB87
[01:15:28] changes. Usually we are leasing out but
[01:15:31] on this one we're actually leasing the
[01:15:34] other direction. So it's unique time on
[01:15:37] that. And so the other thing with the
[01:15:41] forecast, one of the things that we're
[01:15:44] seeing is the two year cycle impact.
[01:15:47] We'll begin to see a ton of matching
[01:15:49] grants for both tourism and our economic
[01:15:51] development grants with some of the
[01:15:54] regional towns and cities.
[01:15:57] Next slide please.

[01:16:01] So this slide I'm just showing the
[01:16:04] departmental expenses for the
[01:16:08] Economic Development Division is they
[01:16:10] pretty much charge out to Maritime
[01:16:12] aviation and aside from tourism they
[01:16:17] which sticks in edd everything really
[01:16:20] goes out or to a levy group and year to
[01:16:23] date we're well below spending like
[01:16:25] other groups and you know plan on I know
[01:16:29] Nays planning on making that up in the
[01:16:32] back half of the year and we're starting
[01:16:33] to see more contracts come to fruition
[01:16:35] and again those matching grants.
[01:16:39] With that any questions?
[01:16:44] Seeing none we can move forward.
[01:16:46] Thanks. Good afternoon Commissioner
[01:16:50] and Executive Director Matric I'm going
[01:16:53] to go for the central surfaces and then
[01:16:56] also provide you a snapshot of the I
[01:16:58] will up as well. Next slide please.
[01:17:02] So for central services total operating
[01:17:05] expenses for the first half of the year
[01:17:09] were 3 million or 3.1% lower
[01:17:13] than the budget and on the chart on the
[01:17:16] right hand side you can see the detail
[01:17:18] the payroll 1.2 million over
[01:17:22] budget and partly due to the comp
[01:17:26] project and also we have several mid
[01:17:30] year new FTE approved this year as well
[01:17:33] and also a little bit less charge to
[01:17:36] capital and then so what end up in the
[01:17:39] expenses side given everything's at the
[01:17:42] same headcount. The other budget main
[01:17:45] the major budget variance or budget
[01:17:48] saving at this point is really due to
[01:17:49] the outside services. A large part of
[01:17:52] that is because the project delay but
[01:17:55] also underspend in equipment expenses
[01:17:58] and also employee travel and other chun
[01:18:03] link expenses as well. Next slide
[01:18:06] please. So looking for the full year
[01:18:10] overall operating expenses 3 million
[01:18:15] a little bit over 3 million over budget
[01:18:17] again mainly due to the payroll but
[01:18:21] we also have some unbudgeted item as
[01:18:24] well and the unlitigated expenses
[01:18:27] and other expenses that happened this
[01:18:29] year including some of the info security
[01:18:32] con share that was not in the 2025
[01:18:35] budget that happened last year as well
[01:18:38] as this year after the cyber attack. So
[01:18:42] the police and then the engineering PCs
[01:18:45] pretty much on the budget for the police
[01:18:47] and then during a PCs we have some delay
[01:18:51] in the capital spending and some saving
[01:18:54] in the outside contract and so that we
[01:18:57] saw a little bit over 2 million below
[01:19:01] budget for the year. On the capital side
[01:19:03] we expect about 6 million below budget
[01:19:06] for the year. Next slide please.
[01:19:13] One more please. So want
[01:19:17] to provide you a portfolio up for the
[01:19:20] year to date. Excel Director as you

[01:19:23] mentioned several key number here. If
[01:19:26] you look at the operating revenue total
[01:19:29] 1.2 million above budget at this point
[01:19:33] but also the other number I do want to
[01:19:35] point out to you is the second last vote
[01:19:38] compared to the 2024 actual year to date
[01:19:42] we were 39 million or almost 8%
[01:19:45] about the 2024 actual
[01:19:50] so it's a pretty good number there. And
[01:19:52] then the other number is really the 14
[01:19:55] million in net operating income before
[01:19:58] depreciation. So it's pretty good number
[01:20:00] year to date and so still also compared
[01:20:04] to same period last year, it little bit
[01:20:07] over 7 million of 3.5% over the same
[01:20:10] period last year. So year to date number
[01:20:12] pretty good. Next slide please.
[01:20:17] For the full year again you know the
[01:20:21] expenses, revenue, operating revenues
[01:20:23] pretty close to the budget. A little bit
[01:20:25] under 900k above budget expenses mainly
[01:20:30] due to some of the TSA staffing contract
[01:20:36] at high demand Olympia area as well as
[01:20:38] some of the overall mid year approval of
[01:20:41] the new position and also the COM
[01:20:43] project and a few couple of the
[01:20:47] unbudgeted outside service items. So
[01:20:50] it's about 11 million over budget.
[01:20:53] I think that's a little bit uncertainty
[01:20:55] as well, you know. So some department
[01:20:57] tend to be a little bit conservative.
[01:20:59] So we'll see in the Q3 expect probably a
[01:21:04] bit less favorable budget variant
[01:21:08] for the year. But this is what we
[01:21:09] forecasted as of Q2.
[01:21:12] So also compared to the same period last
[01:21:16] year as you can see the NOI net
[01:21:18] operating income before depreciation 40
[01:21:21] million about the same period last year.
[01:21:23] So it's still pretty good number
[01:21:25] overall. Next slide
[01:21:29] please. So here's overall capital
[01:21:32] spending for the year. This is very,
[01:21:36] very close to the budget. 99.9, 99.8% to
[01:21:41] the budget. That's what we forecasted.
[01:21:45] So here's all the information that we
[01:21:48] want to present to you. But there's a
[01:21:50] lot of detail in the appendix slides as
[01:21:53] well as in the Vitamin V board so that
[01:21:57] conquer our presentation. Happy to
[01:21:58] answer any further question that you may
[01:22:03] Thank you. Okay, so this is our chance.
[01:22:07] If we have comments or questions.
[01:22:13] Commissioner Calkins, just to start with
[01:22:17] the top line and second year in a row in
[01:22:19] which we've breached a billion dollars
[01:22:22] in total revenue. And also even
[01:22:28] factoring in depreciation,
[01:22:32] the port generates a lot of cash and
[01:22:35] historically we've used that cash to
[01:22:37] turn it right back into capital projects
[01:22:40] that benefit the community. And that's
[01:22:42] our kind of modus operandi. I think the

[01:22:47] mantra that Steve has carried through
[01:22:49] the first six months of this year about
[01:22:51] planning for next year that we really do
[01:22:53] need to think conservatively. The kind
[01:22:57] of good news is that if in a pinch we
[01:23:01] needed to scale back capital investments
[01:23:04] for a while, we would likely maintain
[01:23:09] good cash flow.
[01:23:13] That's not a good long term plan. We
[01:23:15] don't want to defer maintenance or miss
[01:23:17] out on opportunities because we aren't
[01:23:19] investing. But it. It does. It is
[01:23:22] encouraging for me to see those really
[01:23:24] strong cash flow numbers. So thanks for
[01:23:27] the very transparent reporting and
[01:23:32] continued. I mean, we just have a truly
[01:23:34] remarkable team that puts these together
[01:23:36] for us each year and makes them
[01:23:37] palatable to non experts like us
[01:23:41] and transparent to the public. And so I
[01:23:44] really appreciate that. And I mean,
[01:23:47] all. What are we at? 2700 employees
[01:23:49] should get credit for being a public
[01:23:52] agency that is performing so well. So
[01:23:55] appreciation everybody for that. Thank
[01:23:58] you, Commissioner Calkins. All right.
[01:24:00] Well, I just like to thank and excuse
[01:24:02] the panel. I appreciate your
[01:24:03] presentation, all the work that you do
[01:24:04] every day to keep us afloat. Thank you.
[01:24:07] Thank you very much. Thank you. And we
[01:24:09] can move forward. It concludes our
[01:24:10] business meeting agenda for the day.
[01:24:12] But are there any closing comments at
[01:24:15] this time or motions relating to
[01:24:16] committee referrals for my colleagues?
[01:24:18] Commissioner Calkins, just a couple of
[01:24:22] fun things. I think he left, but Delos
[01:24:25] was here earlier. I know he's a very
[01:24:27] active participant in. In carrying out
[01:24:29] seafare each year and I think it went
[01:24:31] great this year. I think bringing the.
[01:24:33] I didn't get to participate, but it
[01:24:36] sounds like the parade down in
[01:24:37] Waterfront was a really great
[01:24:39] reintroduction and showing off the new
[01:24:42] waterfront amenities. And I
[01:24:46] also just want to shout out the land of
[01:24:47] Enchantment, New Mexico, where I got to
[01:24:49] spend that week. I went with my son on a
[01:24:51] hike and it totally blew me
[01:24:55] away. I was expecting all desert and.
[01:24:57] And the parts that we hiked through were
[01:25:00] green and beautiful. And that was my
[01:25:02] first time really spending any time in
[01:25:03] New Mexico. So not a port state,
[01:25:07] though. Landlocked, but yeah,
[01:25:11] really a great experience there. Thank
[01:25:12] you. Speaking of seafare, I think we
[01:25:16] should have a float. I'm in favor of a
[01:25:20] cruise vessel or a container ship.
[01:25:21] Okay. Is that a float? Official referral
[01:25:24] to committee. No Fund committee.

[01:25:29] All right. Executive Director Metchik,
[01:25:32] any closing comments from yourself,
[01:25:34] sir? No. Thank you, commissioners, for
[01:25:36] especially looking at that budget today.
[01:25:38] Appreciate your looking at that as we
[01:25:40] look for the rest of the year and into
[01:25:42] 2026. So thank you and thank you for the
[01:25:44] recognition of our firefighters.
[01:25:46] Absolutely. All right, thank you
[01:25:48] everybody, for your good work. Hearing
[01:25:50] no further comments. Have a no further
[01:25:51] business. The time is 1:32 2:00pm and we
[01:25:54] are adjourned.

END OF TRANSCRIPT