START OF TRANSCRIPT

[01:00:01] investment in SEA to ensure the region
[01:00:04] has world class travel facilities that
[01:00:07] it needs. They are pleased to see
[01:00:09] progress on the current suite of Upgrade
[01:00:11] SEA projects and celebrate the FAA's
[01:00:15] completion of the Federal Environmental
[01:00:16] Review of the Society Sustainable
[01:00:18] Airport Master Plan.
[01:00:20] Sonya Foerster, Seattle District Manager
[01:00:24] for the Construction association,
[01:00:26] writes on behalf of Associated General
[01:00:28] Contractors in support of efforts to
[01:00:31] continue investments into SEA, noting
[01:00:34] that incredible strain has been put on
[01:00:36] the SEA's current facilities and that it
[01:00:39] is essential that SEA finds a way to
[01:00:41] continue to provide a high quality of
[01:00:43] service for its travelers. Sonia also
[01:00:46] states that the SAMP portfolio of
[01:00:48] construction projects represents both
[01:00:50] investment into SEA and investment into
[01:00:53] the people of the Puget Sound region.
[01:00:55] Phoebe Huan, Seattle resident, also
[01:00:59] writes to support continued investment
[01:01:01] into SEA, stating that a better airport
[01:01:04] means better travel options for locals
[01:01:06] and a boost in the economy for tourism.
[01:01:08] Phoebe states that our airport is the
[01:01:11] first expansion experience of the region
[01:01:13] for newcomers and we want to make a
[01:01:15] great first impression. Samantha Lee,
[01:01:18] CEO and President of the Seattle
[01:01:20] Southside Chamber of Commerce, shared a
[01:01:23] letter expressing the Chamber's strong
[01:01:25] support for the port's continued
[01:01:26] investment at SEA and states that as
[01:01:29] partners surveying the communities of
[01:01:32] Burien, Des Moines, Normandy Park,
[01:01:34] SEATAC and Tukwila, they recognize the
[01:01:37] vital role SEA plays in driving economic
[01:01:39] opportunities across the region.
[01:01:42] Samantha concludes that the Chamber and
[01:01:45] its members deeply value the Port's
[01:01:46] leadership on sustainable growth,
[01:01:49] workforce development and infrastructure
[01:01:52] investments that keep the region
[01:01:53] competitive and connected.
[01:01:56] Christine Eggers, Senior Vice President
[01:01:59] of HNTB Corporation,
[01:02:02] Washington Office Leader, also writes to
[01:02:05] express their support for the continued
[01:02:07] investments at SEA through the
[01:02:09] Sustainable Airport Master Plan, noting
[01:02:11] that they stand ready to support the
[01:02:13] Port in advancing SAMHS vision for
[01:02:16] sustainable, resilient and inclusive
[01:02:18] regional mobility. Christina Hudson
[01:02:21] submitted written comments in support of
[01:02:24] her spoken comments today. We've also
[01:02:27] received other written comments that we
[01:02:29] will distribute after the meeting that

[01:02:31] came in at the door. Mary cruise has
[01:02:33] those. So in support of spoken comment
[01:02:36] received here today. Okay, and then
[01:02:39] Tatum Hills concluding with Tatum Hills,
[01:02:42] a student at Seattle, Seattle University
[01:02:45] writes expressing concern for how
[01:02:47] sustainable practices will be
[01:02:49] implemented by the airport in the SAMP
[01:02:51] project. They also are worried about the
[01:02:54] impact sample have on surrounding
[01:02:56] communities and the larger Seattle
[01:02:58] Tacoma area due to the pervasive
[01:03:01] environmental and health impacts that
[01:03:03] already exist in nearby neighborhoods.
[01:03:05] And that concludes the written comments
[01:03:06] we've received today. Thank you very
[01:03:08] much, Clerk Hart, and to all the people
[01:03:10] who took the time to come and provide
[01:03:12] your public comment today. We hear you.
[01:03:13] Thank you very much. So that concludes
[01:03:18] the public comment portion of our
[01:03:19] meeting. And that brings us into our
[01:03:22] consent agenda. Items on the consent
[01:03:24] agenda are considered routine and will
[01:03:26] be adopted by one motion. Items removed
[01:03:29] from the consent agenda will be
[01:03:30] considered separately immediately after
[01:03:32] adoption of the remaining consent agenda
[01:03:35] items. So at this time, I'd like to ask
[01:03:37] for a motion to approve consent agenda
[01:03:39] items 8A through 8J.
[01:03:44] So moved. Second. Well, the motion's
[01:03:48] been made by Commissioner Choan,
[01:03:49] seconded by Commissioner Felleman. Any
[01:03:53] comments at this time? Seeing none.
[01:03:56] Clerk Hart, please call the roll. And
[01:03:58] Commissioner say irony when your name is
[01:04:01] called. Thank you. Beginning with
[01:04:02] Commissioner Calkins. Aye. Thank you.
[01:04:06] Commissioner Cho. Aye. Thank you.
[01:04:08] Commissioner Felloman. Aye. Thank you.
[01:04:11] Commissioner Muhammad. Thank you. And
[01:04:13] Commissioner Hasegawa. Aye. Thank you.
[01:04:16] Five ayes, zero nays for this item.
[01:04:18] Okay. The motion carries unanimously,
[01:04:20] bringing us forward to new business.
[01:04:24] Before us. There is none. And so we'll
[01:04:27] go straight into presentations and staff
[01:04:28] reports. Clerk Hart, please read the
[01:04:30] first item into the record and then
[01:04:32] executive Director Metruck can introduce
[01:04:33] it. Thank you. This is agenda item 11,
[01:04:36] a sustainable airport master Plan. Near
[01:04:38] Term Projects final National
[01:04:40] Environmental Policy Act, Environmental
[01:04:42] Assessment, Federal Aviation
[01:04:44] Administration Finding of no significant
[01:04:46] impact, Record of decision and State
[01:04:49] Environmental Policy Act Next steps,
[01:04:51] Briefing commissioners.
[01:04:55] This item is an update on the
[01:04:57] Sustainable Airport Master plan. You
[01:05:01] will hear an overview of where we

[01:05:02] started, where we are, and where we are
[01:05:04] going in our planning and evaluation
[01:05:06] options to accommodate passenger growth
[01:05:08] that the regional economy has created
[01:05:11] over the past 15 years and that we
[01:05:15] project will continue to grow over the
[01:05:17] next decade. As we know from our recent
[01:05:19] economic study, Seattle Tacoma
[01:05:21] International Airport, or SEA, is one of
[01:05:23] the most significant economic drivers in
[01:05:25] the Puget Sound region, serving as a
[01:05:27] gateway for people and goods to move to
[01:05:30] and from the rest of the world. SEA
[01:05:32] creates jobs, generates economic
[01:05:34] activity for businesses large and small,
[01:05:36] and serves an important node as an
[01:05:39] important node in the overall national
[01:05:40] airspace system. And so we need to be
[01:05:43] thoughtful and strategic in how we
[01:05:45] consider potential investments to our
[01:05:47] airport. Balancing environmental
[01:05:49] sustainability and the quality of life
[01:05:50] with responsible. Responsible. The
[01:05:54] quality of life with responsible.
[01:05:55] Managing growth One of our biggest
[01:05:58] concerns is becoming a choke point to
[01:06:00] economic growth and serving as a
[01:06:02] disincentive for businesses to locate
[01:06:03] their facilities and grow their employee
[01:06:05] base because of the challenges of a
[01:06:07] congested airport. That is where the
[01:06:09] Sustainable Airport Master Plan began as
[01:06:12] an effort to to figure out how our
[01:06:14] airport, originally intended to
[01:06:15] accommodate 30 million passengers
[01:06:17] comfortably, can best accommodate the 53
[01:06:20] million we have today and the 56
[01:06:24] million we project to serve within a
[01:06:26] decade. These proposed projects are
[01:06:29] intended to improve efficiency, safety
[01:06:31] and access to the airport and support
[01:06:33] facilities for airlines and the airport.
[01:06:36] Key projects include a second terminal
[01:06:38] with 19 gates, a ground transportation
[01:06:40] center to better connect to light rail,
[01:06:41] and a dedicated bus guideway with three
[01:06:44] stations to connect the rental car
[01:06:45] facility, the new terminal and the main
[01:06:48] terminal. The Sustainable Aviation
[01:06:50] Master Plan has been years in the
[01:06:52] making, first with planning and now with
[01:06:54] Federal and State Required Environmental
[01:06:55] Review Today's briefing is an
[01:06:57] opportunity to provide a status update
[01:06:59] on the work to date and the path
[01:07:00] forward. Now let me pass it to our
[01:07:02] Senior Director of Environment
[01:07:04] Sustainability, Sandy Kilroy, who comes
[01:07:06] to us from London to provide some
[01:07:08] additional opening remarks.
[01:07:12] Thank you Executive Director Metruck and
[01:07:15] Good afternoon Commissioners. As
[01:07:17] Executive Director Metruck just mentioned

[01:07:20] today, we will be providing an overview
[01:07:23] of the Federal Aviation Administration's
[01:07:25] final environmental assessment and
[01:07:27] finding of no significant impact record
[01:07:30] of decision on the Port Sustainable
[01:07:33] Airport Master Plan near term projects.
[01:07:36] In addition, we will share our
[01:07:38] preliminary plans and schedule for the
[01:07:41] State Environmental Policy Act SEPA
[01:07:43] Environmental Impact Statement work that
[01:07:46] the Port will be conducting over the
[01:07:47] next year. The purpose of an Airport
[01:07:50] Master Plan is to develop and propose
[01:07:53] the airport improvements needed for
[01:07:55] future forecast demand and as with all
[01:07:58] our capital improvement programs and
[01:08:00] projects, we follow a process process of
[01:08:02] planning, environmental review, design
[01:08:04] and construction and for the SAMP, we
[01:08:08] are currently in the middle of
[01:08:09] environmental review, which is a
[01:08:11] critical step in all our project
[01:08:13] delivery. The FAA served as the
[01:08:17] lead agency for the Federal NEPA
[01:08:19] Environmental Review, with the Port
[01:08:21] providing technical support and
[01:08:23] outreach. Now that the FAA's work is
[01:08:25] complete, the Port will lead the SEPA
[01:08:28] EIS process. Both NEPA and CEPA
[01:08:32] are important documents and together
[01:08:33] will provide you with rigorous and
[01:08:36] thorough analysis backed by research
[01:08:38] data and expert input to objectively
[01:08:42] understand the environmental impacts of
[01:08:44] these proposed 31 projects versus not
[01:08:47] implementing those projects.
[01:08:49] Ultimately, you will be the decision
[01:08:52] makers on whether and when to proceed
[01:08:54] with each of these 31 investments and
[01:08:58] the comprehensiveness and accuracy of
[01:09:00] these environmental reviews are intended
[01:09:02] to provide you with important
[01:09:03] information as part of your
[01:09:05] consideration. We do recognize that it
[01:09:09] has taken longer to complete the FAA's
[01:09:12] work than was originally anticipated,
[01:09:13] both with COVID pandemic occurring in
[01:09:17] the middle of the effort, as well as
[01:09:19] other unanticipated delays. And so, as
[01:09:22] part of today's presentation, we want to
[01:09:24] briefly revisit the entire process,
[01:09:27] starting with the plan and forecast work
[01:09:30] that drove the development of the
[01:09:32] Airport Master Plan. In today's
[01:09:35] presentation, Erif Gauss, our acting
[01:09:37] Managing Director at SEA, will discuss
[01:09:40] the importance of the airport to our
[01:09:41] region and the drivers and process for
[01:09:44] the Sustainable Airport Master Plan.
[01:09:47] Following RF Steve Reiboldt, our Senior
[01:09:50] Environmental Program Manager, will
[01:09:51] discuss the purpose and intent of
[01:09:54] environmental review, report out on the

[01:09:57] findings within the final NEPA
[01:09:59] environmental assessment and preview the
[01:10:01] work that will be coming under the Port
[01:10:04] led CEPA EIS again today is one
[01:10:08] milestone in a continuing process and so
[01:10:11] we do look forward to your questions and
[01:10:13] feedback as we lean into a robust CEPA
[01:10:16] analysis and engagement effort. And so
[01:10:19] now thank you and I will now pass it to
[01:10:22] ARIF to begin the presentation.
[01:10:26] Thank you Sandy and good afternoon
[01:10:28] commissioners and Executive Director
[01:10:30] Matric. For the record, I'm Arif or
[01:10:34] Arif Ghauss, Aviation Interim Managing
[01:10:37] Director for Seattle Tacoma
[01:10:38] International Airport. Thank you for the
[01:10:40] opportunity to provide an update on the
[01:10:42] status of the Sustainable Airport Master
[01:10:45] Plan near term project, which we refer
[01:10:47] to as SAMP ntp. The development and
[01:10:51] environmental review of the SAMP NTP has
[01:10:53] been almost a decade in the works at
[01:10:56] this point and we have much more work to
[01:10:58] do before there is a final decision on a
[01:11:00] path forward. And so our goal today is
[01:11:03] to make sure you understand what SAMP
[01:11:05] MTP are, where they came from, what they
[01:11:09] propose to accomplish and what the next
[01:11:11] steps are.
[01:11:16] Yeah, if you can do the next slide,
[01:11:18] please. Thank you.
[01:11:23] To begin with the headline, the FAA
[01:11:26] completed its federal environmental
[01:11:27] review through the National
[01:11:28] Environmental Policy act, or nepa. They
[01:11:31] released their final environmental
[01:11:33] Assessment and Finding of no Significant
[01:11:34] Impact Record of Decision or fons EROD
[01:11:38] on September 26 of this year which found
[01:11:41] that the 31 SAMP NTP would not have a
[01:11:44] significant environmental impact on once
[01:11:46] all the required mitigation has been
[01:11:49] done. Now this conclusion may be
[01:11:51] surprising to members of the community
[01:11:52] who are concerned about aircraft and
[01:11:55] noise emissions. And one of the key
[01:11:57] points of this presentation is to help
[01:11:59] everyone understand what NEPA looked at
[01:12:01] and how the FAA came to this conclusion.
[01:12:04] Just as important, we would talk about
[01:12:07] how NEPA environmental review is only
[01:12:09] one step in the process and that the
[01:12:11] Port will now take the lead on
[01:12:13] conducting an environmental review using
[01:12:15] the State Environmental Policy act, or
[01:12:17] cepo. But before we do that, I want to
[01:12:20] make sure you understand how we got here
[01:12:22] and why. Next slide, please.
[01:12:26] Just for reference, on this chart over
[01:12:29] here on the left hand side is a
[01:12:31] population of the central Puget Sound
[01:12:33] region in millions. On the bottom, you
[01:12:35] have a timescale in years. And on the

[01:12:37] right hand side, you have the number of
[01:12:40] total passengers passing through the
[01:12:42] airport annually in millions. In the
[01:12:45] year 2010, SEA Airport served
[01:12:48] approximately 31 million annual
[01:12:50] passengers. In the year 2019, SEI served
[01:12:54] around 52 million passengers. That's 31
[01:12:57] to 52 million in just nine years.
[01:13:00] There are several reasons for this
[01:13:02] significant increase, but the most
[01:13:04] tangible one is the economic and
[01:13:05] population growth of the Puget Sound
[01:13:07] region. The more people who live here
[01:13:10] and do business here, the more that
[01:13:12] people want to fly in and out of this
[01:13:13] region for business, tourism, leisure,
[01:13:16] and to see family and friends. As you
[01:13:19] can see from this chart, air travel
[01:13:21] demand and regional growth have a clear
[01:13:23] relationship. And more importantly, we
[01:13:27] project that this relationship will
[01:13:28] continue in the future as increased
[01:13:30] growth drives increased demand for the
[01:13:32] next decade. Next slide, please.
[01:13:39] However, while we keep seeing increased
[01:13:41] demand for air travel, SEA Airport is
[01:13:44] one of the most, if not the most
[01:13:45] constrained, major airport in the
[01:13:47] country. Surrounded by cities and
[01:13:49] highways, we can't further expand,
[01:13:51] which means that we have to accommodate
[01:13:53] all future growth in our current
[01:13:54] footprint. And let me be clear, under
[01:13:57] federal law, we cannot deny air service.
[01:14:00] And so, barring the development of
[01:14:03] another regional airport or a change in
[01:14:05] air travel demand, we must prepare to
[01:14:07] accommodate future projected growth in
[01:14:10] air travel within our facilities. As we
[01:14:13] have seen over the past decade, what
[01:14:15] that means for our current airport is
[01:14:17] increasing congestion and declining
[01:14:19] customer experience while people wait in
[01:14:22] traffic, in long security lines and in
[01:14:25] crowded hold rooms, or even less
[01:14:27] pleasant getting on and off the
[01:14:30] airplanes from a remote hard stand
[01:14:31] because there are no available gates.
[01:14:33] Next slide, please.
[01:14:37] Just to demonstrate how constrained we
[01:14:39] are, here is the Atlanta Airport in red
[01:14:43] with SEA Airport in blue. Obviously,
[01:14:46] we're significantly smaller. But even
[01:14:49] more impressive is the fact that Atlanta
[01:14:51] is only processing twice as many
[01:14:52] passengers at way more than twice the
[01:14:55] size as us. Which means that SEA is
[01:14:58] actually pretty efficient in its small
[01:15:00] but mighty footprint. Next slide,
[01:15:05] Of course, one person's efficiency is
[01:15:08] another person's terrible airport
[01:15:09] experience. Our goal is not only to make
[01:15:12] SEA work, but also make comfortable for

[01:15:14] travelers. Which means that we do not
[01:15:17] want to be squeezing more and more air
[01:15:18] service into our constrained facility.
[01:15:21] Without additional investments, SEA Air
[01:15:23] would see increasingly worse conditions.
[01:15:25] More delays, longer lines and More
[01:15:28] congestion not only at the airport
[01:15:30] itself, but also more traffic on the
[01:15:32] roadways in nearby cities and more
[01:15:34] planes circling overhead waiting for
[01:15:36] their chance to land, which will lead to
[01:15:38] extra aircraft emissions and noise.
[01:15:40] Next slide, please.
[01:15:44] And so we started to plan, looking at
[01:15:48] dozens of different options for ways
[01:15:49] that we could design and or renovate our
[01:15:51] passenger and gate facilities to meet
[01:15:53] air travel demand in an acceptable way.
[01:15:55] It was a very involved process and we
[01:15:58] worked hard to identify the best, most
[01:16:00] efficient and the most sustainable
[01:16:02] option. What you see here are many of
[01:16:04] the different layouts we looked at to
[01:16:06] address the passenger terminal needs.
[01:16:08] Next slide, please.
[01:16:12] The Result is the 31 projects that we
[01:16:14] are proposing, which includes a second
[01:16:17] standalone passenger terminal and 19
[01:16:19] additional gates. We believe that this
[01:16:22] proposal works best to accommodate
[01:16:23] growing air travel demand at the airport
[01:16:25] and also updates our facilities to meet
[01:16:27] operational need. The new terminal is
[01:16:31] necessary not just because of the 19
[01:16:32] gates, but also because it allows the
[01:16:34] airport to add new roadways, more
[01:16:37] parking, additional curbside, more TSA
[01:16:40] lanes, and more retail and dining
[01:16:42] options. All of the things that will
[01:16:45] allow the airport to continue to work
[01:16:46] when it reaches 56 million passengers or
[01:16:48] more. Next slide, please.
[01:16:52] Of course, the SAMP MTP are much more
[01:16:55] than just the terminal. These key
[01:16:58] projects span the footprint of the
[01:16:59] airport from the off site cargo to the
[01:17:02] north. And on this drawing chart, the
[01:17:04] north is to our right to an expansion of
[01:17:08] the fuel farm in the south. In addition
[01:17:10] to those three, you can see at the
[01:17:12] bottom of the slide some of the most
[01:17:13] impactful projects in the plan,
[01:17:15] including a new ground transportation
[01:17:18] center on the bottom left to better
[01:17:20] connect the light rail stop to the
[01:17:22] terminal, as well as an elevated
[01:17:24] guideway shown here in a dotted black
[01:17:27] line that will connect the main
[01:17:28] terminal, the new terminal and the
[01:17:30] rental car facility. Next slide,
[01:17:33] please. Once the planning
[01:17:36] for these works for these projects was
[01:17:38] completed, we then turned to the

[01:17:40] environmental review. So with that, let
[01:17:42] me turn things over to Steve Raibo, our
[01:17:44] Senior Environmental Program Manager who
[01:17:47] led the port's effort with the FAA on
[01:17:49] the need for process. Good afternoon,
[01:17:52] commissioners and Executive Director
[01:17:53] Metruck. Thank you, Erif.
[01:17:56] My name is Steve Reibel, Senior
[01:17:58] Environmental Program Manager with SEA
[01:18:00] and the SAM Near Term Projects Project
[01:18:03] Manager representing the NEPA ea. I'm
[01:18:06] going to start with an overview of the
[01:18:08] environmental review process. The
[01:18:10] purpose of an environmental review is to
[01:18:12] assess potential impacts of a proposed
[01:18:14] project or program related to the
[01:18:17] Sustainable Airport master plan. The FAA
[01:18:20] assessed the 31 near term projects. For
[01:18:24] this environmental assessment, the FAA
[01:18:26] analyzed the required resource
[01:18:27] categories under its NEPA regulations.
[01:18:29] And special purpose laws. These 31
[01:18:32] projects all were evaluated for
[01:18:35] potential impacts related to air
[01:18:37] quality, biological resources, land use,
[01:18:39] historical resources, hazardous
[01:18:42] materials and more. If impacts
[01:18:46] were identified, the analysis evaluated
[01:18:48] the extent extent of those impacts and,
[01:18:50] if required, identified ways to avoid,
[01:18:52] minimize and mitigate those impacts.
[01:18:55] Next slide as
[01:18:59] mentioned previously, the FAA is the
[01:19:01] lead on the NEPA process with the Port
[01:19:04] as the project sponsor. However, for the
[01:19:07] SEPA process, the Port will be the lead
[01:19:09] agency. The Port has identified that it
[01:19:11] will be conducting a SEPA eis. Next
[01:19:20] On this slide, it identifies the purpose
[01:19:23] and need that was identified as part of
[01:19:25] the initial environmental review
[01:19:27] process. This is one of the first steps.
[01:19:30] The NEPA documentation identified five
[01:19:33] primary purpose and needs specifically
[01:19:35] accommodate 56 million annual passengers
[01:19:38] at an optimal level of service
[01:19:41] accommodate projected cargo demand,
[01:19:43] ensure airfield infrastructure meets FAA
[01:19:47] airport design standards, enhance the
[01:19:50] efficiency of the overall taxiway layout
[01:19:52] and meet projected fuel storage demand,
[01:19:56] including space for sustainable aviation
[01:19:58] fuels. Next slide as
[01:20:05] ARIF mentioned, the growth in the
[01:20:06] regional economy and population,
[01:20:08] coupled with the lack of another large
[01:20:10] commercial airport in the region, means
[01:20:12] that SEA is the main receptacle for
[01:20:14] increased Puget Sound commercial air
[01:20:17] travel. This slide shows the anticipated
[01:20:20] growth of passengers and operations at
[01:20:22] SEA in 2032 and 2037 with
[01:20:26] and without the near term projects.

[01:20:29] 2032 is the year the near term projects
[01:20:32] are anticipated to be completed or
[01:20:34] substantially complete for the purposes
[01:20:37] of the environment review. We also look
[01:20:39] five years beyond the opening year.
[01:20:41] It's important to note that with or
[01:20:44] without the near term projects,
[01:20:45] passenger and operations will continue
[01:20:48] to increase. Airlines will find a way to
[01:20:51] put another person on a plane up, gauge
[01:20:53] the aircraft or change their schedules
[01:20:55] because passengers and operational
[01:20:58] volumes will continue to grow with or
[01:21:00] without the near term projects. The
[01:21:02] difference between future passenger and
[01:21:04] operational volumes was minor. This is
[01:21:07] one reason why significant noise and air
[01:21:09] quality impacts were not identified
[01:21:12] within the environmental review. Next
[01:21:15] Slide the
[01:21:18] Environmental Assessment evaluated three
[01:21:20] alternatives. These alternatives were
[01:21:23] derived from planning the environmental
[01:21:25] review itself and comments received
[01:21:27] during the NEPA and CEPA scoping. The
[01:21:30] three alternatives were a no action
[01:21:32] scenario or if we do not build the near
[01:21:35] term projects, the proposed action or
[01:21:38] the 31 near term projects identified and
[01:21:41] a hybrid terminal option that was
[01:21:43] identified as part of the scoping
[01:21:45] process. The hybrid terminal option
[01:21:47] connects the existing decon course to
[01:21:50] the proposed north gates and terminal.
[01:21:53] All three of these alternatives were
[01:21:55] fully evaluated within the environmental
[01:21:57] assessment, with the proposed action
[01:21:59] being the alternative that best meets
[01:22:01] current and future needs at SEA. Next
[01:22:05] slide the draft
[01:22:09] NEPA EA was released by the FAA on
[01:22:11] 10-21-2024 all the resource categories
[01:22:16] identified in this slide were analyzed
[01:22:18] in the draft dea, including QLIB
[01:22:20] impacts. Sarah Potter, sitting next to
[01:22:23] me, who is the Executive Vice President
[01:22:26] at Landam and Brown and the Consultant
[01:22:27] Project Manager and I will now walk you
[01:22:30] through the evaluation process that
[01:22:32] occurred during the draft environmental
[01:22:34] assessment. This is important as it
[01:22:36] reflects the rigor that went into the
[01:22:38] draft documentation that was presented
[01:22:40] for public and agency comment on the
[01:22:43] first row. Surface Transportation in the
[01:22:46] draft, surface transportation is the
[01:22:48] only resource category where significant
[01:22:50] impacts occurred that would require
[01:22:52] mitigation. Throughout the analysis,
[01:22:55] the FAA and Port worked with
[01:22:57] transportation staff at WSDOT, the City
[01:22:59] of Burien, Des Moines, SEATAC,
[01:23:02] Tukwila to consult on assumptions made

[01:23:05] within the analysis and also shared any
[01:23:08] proposed mitigation with their
[01:23:10] jurisdictions. The analysis identified
[01:23:12] 10 intersections that would require
[01:23:14] physical mitigation. Mitigation includes
[01:23:17] everything for roundabouts, roadway
[01:23:19] rechannelization, adding new lanes,
[01:23:21] updated and updated signal timing.
[01:23:24] Payments are proposed for 16
[01:23:26] intersections to account for the Port's
[01:23:29] proportional share of impacts. The
[01:23:31] mitigation is approximately $40 million
[01:23:33] in improvements. The FAA will require
[01:23:36] that once a single trip generating NTP
[01:23:40] occurs, all mitigation will be required
[01:23:42] to be implemented even if all the near
[01:23:46] term projects do not move forward.
[01:23:51] The second row are resource categories
[01:23:53] where less than significant impacts
[01:23:55] occurred with mitigation measures.
[01:23:57] These mitigation measures are common
[01:24:00] practices and programs that are
[01:24:01] currently in place at SEA. For
[01:24:04] biological resources. The draft
[01:24:06] environmental assessment require the
[01:24:08] evaluation of threatened or endangered
[01:24:10] species and their habitats. They are
[01:24:12] evaluated against many critical
[01:24:13] criteria, including the Endangered
[01:24:15] Species Act, Marine Mammal Protection
[01:24:17] Act, Migratory Birdie Treaty act, and
[01:24:20] several other statutes. The evaluation
[01:24:22] did not identify any direct impacts to
[01:24:24] threatened or endangered species and
[01:24:26] their habitats. The Port has many
[01:24:29] permits and programs in place to
[01:24:30] minimize impacts to biological
[01:24:32] resources. This includes its stringent
[01:24:35] National Pollution Discharge Eliminated
[01:24:36] System or NPDS Permit and its and
[01:24:40] its complementing Stormwater Pollution
[01:24:43] Prevention Plan or swp. Both minimize
[01:24:46] environmental impacts to streams and
[01:24:47] wetlands and any related habitats. The
[01:24:50] NEPA analysis found that based on
[01:24:52] current permits and programs, SEA there
[01:24:54] are no direct impacts to threatened or
[01:24:56] endangered species and their habitats.
[01:24:58] No significant impacts were identified
[01:25:01] for water resources within the draft
[01:25:04] NEPA ea. This includes wetlands,
[01:25:06] surface waters, which includes streams
[01:25:09] and stormwater, groundwater and
[01:25:10] floodplains. Under nepa, each water
[01:25:13] resource category has its own
[01:25:15] significance thresholds. The NEPA
[01:25:18] analysis showed that there would be 0.79
[01:25:21] acres of permanent and 0.21 acres of
[01:25:25] temporary impacts to wetlands. It is
[01:25:27] important to note that permanent impacts
[01:25:29] were reduced to 0.79 during the scoping
[01:25:33] process from the elimination of a
[01:25:35] proposed employee parking surface lot.

[01:25:37] Additionally, permanent wetland impacts
[01:25:40] will require examining avoidance,
[01:25:41] minimization and mitigation measures
[01:25:44] with the Army Corps of Engineers.
[01:25:45] During the permitting process, the Port
[01:25:48] will develop a plan for any unavoidable
[01:25:50] permanent impacts. Temporary impacts
[01:25:53] would be replaced impact in kind and on
[01:25:54] site. As a result, no impacts to
[01:25:58] wetlands would occur. The NEPA analysis
[01:26:01] showed that it would be 0.01 acres of
[01:26:04] permanent impacts to streams and an
[01:26:06] increase in stormwater runoff. However,
[01:26:08] this would not exceed water quality
[01:26:11] standards or impact public drinking
[01:26:13] supply. The NEPA analysis showed there
[01:26:17] would be permanent impacts to wellhead
[01:26:19] protection areas. To mitigate these
[01:26:21] impacts, the Port will abide by all
[01:26:23] applicable regulations related to spill
[01:26:25] prevention and control regulations to
[01:26:27] prevent spills from causing significant
[01:26:29] adverse impacts to groundwater. And
[01:26:32] lastly, no floodplains were impacted for
[01:26:38] hazardous waste within the draft NEPA
[01:26:41] ea. The FAA has not established a
[01:26:44] significant threshold for hazardous
[01:26:46] materials, but have factors to consider
[01:26:48] when analyzing impacts. The analysis
[01:26:50] identified areas of known contamination
[01:26:52] within the NTP footprint of disturbance.
[01:26:55] Mitigation for this category includes
[01:26:59] screening all materials and removing any
[01:27:01] contaminated materials in accordance
[01:27:02] with federal state mobile requirements.
[01:27:04] Also, the Port requires the development
[01:27:07] of a construction pollution prevention
[01:27:08] plan that includes an inventory or
[01:27:10] inspection of known hazardous materials
[01:27:12] in the buildings to be demolished and on
[01:27:15] the construction site and a hazardous
[01:27:17] materials cleanup and disposal plan. As
[01:27:20] a result of this mitigation, no
[01:27:21] significant impacts of hazardous
[01:27:23] materials would occur. I'll now turn it
[01:27:25] over to Sarah Potter to review the
[01:27:27] analysis that was done for resource
[01:27:28] categories with less than significant
[01:27:30] impacts. Good afternoon. Starting with
[01:27:34] air quality, as Steve mentioned, these
[01:27:36] are the categories that have less than
[01:27:38] significant impacts. There were impacts,
[01:27:40] but they were not significant. So with
[01:27:42] the air quality analysis in the NEPA
[01:27:45] process, a significant impact occurs if
[01:27:48] there's an increase in emissions that
[01:27:50] exceeds the National Ambient Air Quality
[01:27:53] Standards, or what we call the NACS for
[01:27:55] short, which were established by the EPA
[01:27:58] under the Clean Air Act. Excuse me. The
[01:28:01] NEPA process included development of a
[01:28:04] protocol that was coordinated with the
[01:28:06] Puget State Sound Clean Air Agency, and

[01:28:09] the analysis ultimately showed there
[01:28:11] would be increases in air emissions.
[01:28:13] However, that would occur with or
[01:28:16] without the projects. The emissions
[01:28:19] increase was coordinated with the Puget
[01:28:21] Sound Clean Air Agency and they
[01:28:23] confirmed the increase would not be
[01:28:25] expected to exceed the NACs and
[01:28:28] therefore there was no significant
[01:28:29] impact in air quality. The next category
[01:28:33] is noise. The NEPA analysis evaluated
[01:28:37] both aircraft and construction noise.
[01:28:39] For the NEPA analysis, FAA has an
[01:28:42] established threshold for noise. That's
[01:28:45] if when compared to the project or
[01:28:48] Compared to the no action of the same
[01:28:50] year, the project would result in a 1.5
[01:28:53] decibel or more increase in the 65 day
[01:28:58] night average samps sound level or above
[01:29:00] over a noise sensitive area. The FAA has
[01:29:04] no significance Criteria Threshold for
[01:29:07] Construction Noise Ultimately, the noise
[01:29:10] analysis for the NEPA document was
[01:29:12] prepared using the FAA Aviation
[01:29:14] Environmental Design Tool or otherwise
[01:29:16] known as AEDT and we used version 3F,
[01:29:20] which was the latest at the time. The
[01:29:22] modeling was complicated. The analysis
[01:29:25] showed that it would result in aircraft
[01:29:29] noise increases both with and without
[01:29:31] the project, but would not exceed the
[01:29:33] levels of significance. Therefore,
[01:29:36] there were no significant impacts. The
[01:29:38] NEPA analysis also evaluated the
[01:29:41] construction noise for impact for
[01:29:43] projects at the north end of the airport
[01:29:45] and temporary increases in construction
[01:29:48] noise were identified.
[01:29:51] Moving on to socioeconomic,
[01:29:54] environmental justice and children's
[01:29:56] health and safety risks. This category
[01:29:58] has three resource categories grouped
[01:30:00] together, but they're each analyzed
[01:30:02] individually and differently starting
[01:30:04] with socioeconomics. The FAA does not
[01:30:07] have significance thresholds for
[01:30:09] socioeconomic impacts, but has factors
[01:30:11] to consider when analyzing impacts which
[01:30:14] include induced growth or substantial
[01:30:16] loss in tax space, division of
[01:30:19] communities, and relocation of
[01:30:21] residences or businesses. The NEBA
[01:30:23] analysis found that the projects would
[01:30:26] support long term economic growth for
[01:30:28] the region and support new jobs. The
[01:30:32] cargo facilities on the north side of
[01:30:34] the airport would potentially eliminate
[01:30:36] access to 24th Avenue from South 150th
[01:30:39] Street. However, there are alternative
[01:30:42] routes for the homes located in the area
[01:30:44] and therefore no division of communities
[01:30:46] would occur. The surface transportation
[01:30:50] analysis that Steve discussed earlier

[01:30:51] also looked at that same area to
[01:30:54] determine if there were impacts and the
[01:30:56] mitigation was proposed. If necessary.
[01:30:59] The Doug Fox lot would also be closed
[01:31:02] due to the new second terminal and the
[01:31:04] PACCAR Aviation would also close due to
[01:31:06] the construction of the ARFF facility.
[01:31:08] The port will offer assistance to to the
[01:31:10] Doug Fox Law employees and it's
[01:31:13] anticipated that the PACCAR employees
[01:31:15] will relocate to another airport in the
[01:31:17] region. Therefore, no significant
[01:31:19] impacts would occur. Now, in the Draft
[01:31:22] ea, we looked at environmental justice
[01:31:25] populations and an environmental justice
[01:31:28] population was defined at that time
[01:31:31] under NEPA standards as a minority or
[01:31:33] low income population. The FAA did not
[01:31:37] have established thresholds for the
[01:31:39] environmental justice impacts. However,
[01:31:41] the potential for the project to result
[01:31:43] in a disproportionate and adverse impact
[01:31:45] to an environmental justice population
[01:31:47] was analyzed in the Draft ea. The
[01:31:50] analysis followed guidance from the
[01:31:52] Biden administration at the time and
[01:31:54] each resource category was examined to
[01:31:57] identify if there was a disproportionate
[01:31:59] or adverse impact to the environmental
[01:32:00] justice population. Ultimately, no
[01:32:03] significant environmental justice
[01:32:05] impacts were identified and then
[01:32:09] lastly under that category, children's
[01:32:11] health, environmental health and safety
[01:32:13] risks. FAA does not have an established
[01:32:16] significant threshold for this category.
[01:32:18] However, the potential for the project
[01:32:20] to lead to a disproportionate health or
[01:32:22] safety risk to children was examined.
[01:32:25] Similar to environmental justice, this
[01:32:27] category considers impacts to the other
[01:32:29] resource categories. The NEPA analysis
[01:32:32] found that no significant changes to
[01:32:34] air, food, drinking water, soils or
[01:32:37] products children would use or be
[01:32:40] exposed to. However, there would be
[01:32:42] temporary impacts from construction
[01:32:44] noise. Ultimately, the NEPA analysis
[01:32:47] found no significant impacts to
[01:32:49] children's health and safety risks. The
[01:32:52] next category is climate, which is now
[01:32:54] known as air emissions or greenhouse gas
[01:32:56] gas emissions. The FAA also did not have
[01:33:00] a regulatory threshold for greenhouse
[01:33:03] gas emissions. A greenhouse gas analysis
[01:33:06] was prepared in the NEPA document and
[01:33:08] there was also a protocol that was
[01:33:10] developed and coordinated with the Puget
[01:33:12] Sound Clean Air Agency. The NEPA
[01:33:15] analysis found that greenhouse gas
[01:33:16] emissions will increase with or without
[01:33:18] the project and moving on lastly
[01:33:23] to natural resources and energy support.

[01:33:26] Again, FAA does not have established
[01:33:28] significance thresholds for this
[01:33:30] category. However, they consider several
[01:33:32] factors and it's the potential for the
[01:33:35] project to cause demand that exceeds
[01:33:37] available or future supplies of natural
[01:33:39] resources or energy supply. The NEPA
[01:33:42] analysis found there would be increases
[01:33:44] in energy and an increase in natural
[01:33:47] resources. This is a result of the
[01:33:50] increase in electricity, natural gas,
[01:33:52] potable water, diesel and aviation fuel
[01:33:55] use from the near term projects and in
[01:33:58] addition the increase in operations.
[01:34:00] The NEPA analysis found that the natural
[01:34:03] resources and materials are not in short
[01:34:05] supply and infrastructure is available
[01:34:07] to support the near term projects and
[01:34:09] the growth of SEA. Therefore, no
[01:34:12] significant impacts were identified in
[01:34:16] rows 4. These are the resource
[01:34:18] categories where no impacts were
[01:34:20] identified. This includes historical,
[01:34:22] architectural, archaeological and
[01:34:24] cultural resources, land use,
[01:34:25] Department of transportation, section
[01:34:28] 4F, visual effects and coastal resources
[01:34:31] and row 5. These are resource categories
[01:34:33] where that were not present within the
[01:34:37] ea. I'll now turn it back to Sarah to
[01:34:40] discuss what was done for cumulative
[01:34:41] impacts. Thanks. So in the draft we did
[01:34:43] evaluate cumulative impacts which looks
[01:34:46] at past, present and future projects.
[01:34:49] The NEPA evaluation included 36 past
[01:34:52] projects, 10 present projects and nine
[01:34:54] future projects. The analysis examined
[01:34:57] potential cumulative impacts for air
[01:34:59] quality, biological climate, hazardous
[01:35:02] materials and solid waste, natural
[01:35:04] resources and energy supply, noise and
[01:35:07] noise compatible land use,
[01:35:08] socioeconomic, environmental justice and
[01:35:11] children's environmental health and
[01:35:12] safety risks, surface transportation and
[01:35:15] water resources and ultimately it was
[01:35:17] determined there were no significant
[01:35:18] impacts under QBWF resources. Next slide
[01:35:23] please. The release of the draft
[01:35:27] environmental assessment initiated the
[01:35:28] public comment period. The FAA extended
[01:35:30] the public comment period twice as a
[01:35:33] result of a request from the port,
[01:35:34] community interest and the Thanksgiving
[01:35:36] holiday. The robust public outreach and
[01:35:38] engagement led by the port included four
[01:35:41] open houses with over 230 individuals
[01:35:44] participating, 42 community
[01:35:46] presentations conducted by Port staff,
[01:35:49] and many other approaches to ensure
[01:35:52] broad outreach to the community, from
[01:35:54] 10,000 plus mailings to publishing
[01:35:56] documents in multiple languages. Next

[01:35:59] Slide As a result of the outreach,
[01:36:03] there were 591 comment letters received
[01:36:06] with 2,554 unique comments. For example,
[01:36:10] one letter could have included 10 unique
[01:36:13] comments. On this slide are the general
[01:36:15] themes that were identified, ranging
[01:36:17] from a request to complete, a nepa, bis
[01:36:20] request for additional analyses, and
[01:36:23] build a new airport. Every comment
[01:36:25] received to every comment received or
[01:36:29] was responded to and these responses can
[01:36:32] be found in Appendix O of the final
[01:36:34] environmental Assessment. The document
[01:36:37] is available online at the ports Project
[01:36:38] website
[01:36:39] www.sampntpenvironmentalreview.org and
[01:36:44] is available in all the libraries in the
[01:36:46] High Line Cities. Next Slide the
[01:36:51] FAA issued the final Environmental
[01:36:53] Assessment on September 26. The comments
[01:36:56] received did not warrant any changes to
[01:36:58] the analysis between the draft and the
[01:37:00] final environmental assessment and
[01:37:04] because no significant impacts were
[01:37:06] identified that could not be mitigated,
[01:37:08] the FAA did not conduct a NEPA eis.
[01:37:12] However, the final environmental
[01:37:14] Assessment There were changes in three
[01:37:15] areas Climate, environmental justice,
[01:37:19] and cumulative impacts were removed as a
[01:37:21] result of the regulatory changes by the
[01:37:23] Trump administration. In the draft
[01:37:25] environmental assessment, all three of
[01:37:27] these topics underwent a robust analysis
[01:37:29] as previously described. None of these
[01:37:33] resource categories identified
[01:37:34] significant impacts even though these
[01:37:37] were removed from the final
[01:37:38] environmental assessment. The
[01:37:40] information is still available in the
[01:37:42] draft environmental assessment and this
[01:37:44] continues to be available on the
[01:37:45] project's webpage. Next Slide along
[01:37:51] with the issuance of the final
[01:37:52] environmental assessment, the Federal
[01:37:54] Aviation issued a finding of no
[01:37:56] significant impact or FONSI and a record
[01:37:58] of decision or rod.
[01:38:03] The Fonsi rod identified 18 conditions
[01:38:06] that SEA would need to adhere to if the
[01:38:08] near term projects were to move forward.
[01:38:10] These were identified in five
[01:38:12] categories. Of the 18 conditions, 16 are
[01:38:16] conditions that are common practices at
[01:38:18] SEA. I'll dive into the surface
[01:38:20] transportation in the next slide and
[01:38:22] we'll provide an overview of these. An
[01:38:24] overview of the other resource
[01:38:25] categories on the slide for historical,
[01:38:29] architectural, archaeological, and
[01:38:31] cultural resources, the FAA specified
[01:38:33] the following conditions in the ROD for
[01:38:35] select near term project There must be

[01:38:37] an archaeological monitor on site during
[01:38:39] ground disturbing activities and have a
[01:38:41] plan in place if anything is found. For
[01:38:44] biological resources, the FA specified
[01:38:48] the following conditions in the ROD
[01:38:50] Implement strategies outlined in the
[01:38:52] 2024 Land Stewardship Plan specifically
[01:38:55] the tree replacement Policy. Conduct
[01:38:57] nest surveys prior to construction of
[01:39:00] the near term projects. Follow all FAA
[01:39:03] Advisor circulars related to
[01:39:04] construction practices and hazardous
[01:39:06] wildlife attractions. For water
[01:39:08] resources specific to stormwater, the
[01:39:11] FAA specified the following conditions
[01:39:13] in the Improve and expand the stormwater
[01:39:16] drainage system known as the SDS and the
[01:39:19] industrial wastewater System known as
[01:39:21] the IWS to support near term projects.
[01:39:23] Track pollutant generating impervious
[01:39:25] surfaces and report those to the FAA.
[01:39:28] Include the near term projects within
[01:39:30] SEA's Stormwater Pollution Prevention
[01:39:32] Plan known as the SWP and use Best
[01:39:35] Management Practices or BMPS to limit
[01:39:37] impacts during construction for all near
[01:39:39] term projects. For water resources
[01:39:42] specific to wetlands, when possible,
[01:39:43] avoid and minimize wetland impacts,
[01:39:46] obtain all applicable permits and no
[01:39:49] vehicle or material storage occurs in
[01:39:51] wetland areas or other sensitive areas.
[01:39:54] For hazardous materials, pollution
[01:39:56] prevention and solid wastes, the FAA
[01:39:59] specified the following Monitor
[01:40:01] contaminant levels and groundwater
[01:40:03] during and following completion of
[01:40:05] construction of the near term projects
[01:40:07] and for all near term projects handle,
[01:40:10] store and dispose of hazardous materials
[01:40:12] in accordance with applicable federal,
[01:40:13] state and local regulations. I'll now go
[01:40:17] over the surface transportation
[01:40:18] requirements. Next slide the one
[01:40:22] resource category where impacts were
[01:40:24] identified and could be mitigated was
[01:40:26] surface transportation. The FONSI Rod
[01:40:29] requires SEA to provide intersection
[01:40:31] improvements or support to 26
[01:40:33] intersections. This includes
[01:40:36] approximately $40 million in
[01:40:37] improvements within the community. This
[01:40:40] includes, as mentioned previously, 10
[01:40:42] intersections where physical
[01:40:43] improvements will be made and 16
[01:40:45] intersections where a proportional
[01:40:47] payment will be paid to account for the
[01:40:49] incremental increase in impacts related
[01:40:51] to the near term projects. Next slide
[01:40:56] this slide identifies all the
[01:40:58] intersections where physical
[01:41:00] improvements would be required. This
[01:41:02] includes roundabouts, new signals,

[01:41:04] reconfigured lanes, and non motorized
[01:41:06] transportation amenities. Next slide the
[01:41:12] FAA's NEPA findings are one step and a
[01:41:14] longer process. Individuals have 60 days
[01:41:17] from September 26th to appeal the final
[01:41:20] environmental assessment and FONSI Rod.
[01:41:22] In the meantime, the Port has begun the
[01:41:25] additional analyses as part of SEPA with
[01:41:29] a goal to open public comment on a SEPA
[01:41:31] EEIS in late quarter one 2026.
[01:41:35] Next slide CEPA includes
[01:41:39] additional analyses that are more
[01:41:40] refined than what was done in NEPA and
[01:41:43] focuses on requirements within the State
[01:41:44] of Washington. The CEPA EIS will also
[01:41:47] include categories the Trump
[01:41:49] Administration removed. Climate,
[01:41:50] environmental justice, and cumulative
[01:41:52] impacts will be included. Next slide as
[01:41:58] with nepa, the Port will lean into
[01:42:00] outreach engagement throughout the SEPA
[01:42:02] process. We will have a robust outreach
[01:42:04] and engagement program providing advance
[01:42:07] notice to the release of the SEPA draft
[01:42:09] eis. We will translate materials home,
[01:42:11] hold a variety of stakeholder Meetings
[01:42:13] and reach out to underrepresented
[01:42:15] communities. Next slide. And the final
[01:42:19] slide. And finally, here's our proposed
[01:42:22] timeline to complete the environmental
[01:42:24] review work. Ultimately, of course, it
[01:42:26] is the purview of the Port of Seattle
[01:42:28] Commission to determine whether or not
[01:42:29] and when to build any of these projects.
[01:42:31] But the NEPA and CEPA will help inform
[01:42:34] your decision along with other factors.
[01:42:36] And now we are happy to answer any
[01:42:38] questions, questions that have been
[01:42:39] submitted to. That have been submitted
[01:42:41] to. From you. Thank you. Thank you.
[01:42:44] All right, so our turn to ask some
[01:42:47] questions. And I'm going to start to my
[01:42:49] right with Commissioner Felleman for the
[01:42:51] first run.
[01:42:55] I. I wanted to just make sure there's
[01:42:57] one clarification that while these are
[01:43:00] completely separate analyses,
[01:43:03] the scoping process was the same.
[01:43:06] Right. So when the public was asked to
[01:43:08] provide the scope of analysis for the
[01:43:12] ea, the Port is using those data
[01:43:16] for the analysis of our eis so
[01:43:20] that the public will not be asked again
[01:43:23] to do a scoping period, right? That's
[01:43:26] correct. Scoping occurred jointly as
[01:43:28] both for NEPA and cipo. The result of
[01:43:31] scoping identified that both NEPA and
[01:43:33] CEPA would be separated. The Port has
[01:43:36] interest in doing additional analyses
[01:43:38] and the FAA would not support that. So
[01:43:40] thus the decision was made to separate
[01:43:42] NEPA and sepa. I think important
[01:43:44] distinction to be made is because CEPA

[01:43:48] will occur after nepa, the many comments
[01:43:50] that we received as part of NEPA, we
[01:43:53] will be considering as part of how we
[01:43:55] address some of those issues, interests
[01:43:57] as concerns as part of the SEPA process.
[01:44:00] And usually scoping comments are very
[01:44:02] broad. And so I don't
[01:44:06] personally think it's necessary to do
[01:44:08] additional scoping. But if there were
[01:44:10] things that were not brought up, I would
[01:44:13] assume people will bring that to our
[01:44:15] attention. But because we have a more
[01:44:17] comprehensive review and the public had.
[01:44:20] I was glad we saw that many public
[01:44:23] participants that I believe. I feel
[01:44:25] confident that at least the Port
[01:44:26] understands the scope of the analysis.
[01:44:28] Whether the public thinks it's
[01:44:30] sufficient is to be seen. But I just
[01:44:33] wanted to make it clear they're not
[01:44:34] going to be asked again for scoping
[01:44:37] meetings. That's correct. And then just
[01:44:39] the one thing, I would. I should know
[01:44:41] this, but could you go to the slide that
[01:44:44] shows the off site cargo. Cargo
[01:44:47] component And I, I just, I just don't
[01:44:50] know whether that is just for the second
[01:44:54] terminal or whether we're combining. I
[01:44:56] should have given you the page number,
[01:44:58] but it was the overall near term
[01:45:00] projects. Yeah, go back to slide. Oh my
[01:45:04] gosh, that's so small slide. Nine, I
[01:45:07] believe. Nine. Thank you.
[01:45:11] Yes.
[01:45:16] So if they're with the Triangle property
[01:45:18] and so is, is that off site cargo
[01:45:22] to handle all of our air cargo or is
[01:45:26] that, is that just for the new terminal?
[01:45:29] No, there's. There will continue to be
[01:45:31] cargo facilities located within the
[01:45:33] secure airport fence line. This is
[01:45:36] identified for really additional cargo
[01:45:39] air facilities. Yeah. So we'll have
[01:45:42] cargo located to the north as well as
[01:45:44] existing cargo facilities on airport.
[01:45:47] All right, thanks for clarification.
[01:45:51] Commissioner Sam Cho. Yeah, thank you
[01:45:54] for the presentation team. Can you, you
[01:45:56] know, just for our benefit, but also for
[01:45:58] the public, can you just tell us what
[01:46:00] role we played as a port authority in
[01:46:02] the NEPA review and what role the FAA
[01:46:05] played in this NEPA assessment? Yeah,
[01:46:08] happy to. The Portis Dome is what's
[01:46:11] called the project sponsor. So we bring
[01:46:12] that. We bring our projects to them.
[01:46:15] The FAA is the lead agency and they
[01:46:17] provide final oversight of the analysis.
[01:46:20] Our consultant, Landam and Brown as well
[01:46:22] as many other sub consultants conducted
[01:46:25] the detail analysis under the purview of
[01:46:28] faa, the port. The port provides much of
[01:46:31] the data because we have that Landeman

[01:46:34] Brown conducts the analyses. And these
[01:46:35] are subject matter experts within the
[01:46:37] industry and throughout the United
[01:46:38] States. And then the FAA reviews it,
[01:46:41] provides guidance, comments, and then we
[01:46:44] update it appropriately. Inevitably,
[01:46:46] the FAA is the one who has to approve
[01:46:48] this document. It's their document.
[01:46:50] It's not the ports, it's not Landman
[01:46:52] Brown's. And that's why we undergo a
[01:46:54] SEPA process. And so just to kind of sum
[01:46:57] up what you just said is one, we provide
[01:46:58] data to a third party consultant. The
[01:47:02] FAA looks at that data and comes up with
[01:47:04] this conclusion, right? Yes. So we,
[01:47:06] Landon and Brown does the analysis,
[01:47:08] then faa, they're the one that makes the
[01:47:10] final decision of impacts based on their
[01:47:12] regulations. And I ask because I heard
[01:47:15] both of you refer to these, this report
[01:47:18] as we looked at this, we looked at that,
[01:47:20] we looked at X, Y and Z. And what I'm
[01:47:23] hearing you tell me now is that we did
[01:47:24] not look at anything. The FAA and the
[01:47:26] consultants looked at it and they're the
[01:47:28] ones who came up with the conclusion of
[01:47:29] the nepa. And I just want to make sure
[01:47:31] that the public understands that we do
[01:47:34] not have any hand in making any
[01:47:36] decisions when it comes to the results
[01:47:40] of the nepa. Is that fair to say?
[01:47:42] That's correct. We don't make the
[01:47:44] decision. I really appreciate that
[01:47:47] clarification and I just wanted to add
[01:47:49] one comment that I think one really
[01:47:51] important key distinction that needs to
[01:47:53] be made about both the NEPA and I assume
[01:47:57] the SEPA is that the in the impacts of
[01:48:00] SAMP are not assessed based on a
[01:48:03] baseline of today of volume.
[01:48:07] It's not what do we, what do we have
[01:48:10] today versus what would we have if we
[01:48:13] were to do SAMP? It's actually based on
[01:48:15] what would we have then
[01:48:19] versus what we would do at cemp. And I
[01:48:21] think that's really important because a
[01:48:22] lot of people frame this in a way where
[01:48:24] we do 53 million passengers a year
[01:48:28] today. Right. And that is in most
[01:48:31] people's minds, including, you know,
[01:48:33] sometimes our minds, the baseline for
[01:48:35] the effects of SAMP in whatever year
[01:48:39] that we end up building it or completing
[01:48:41] it. But when you were presenting us the
[01:48:44] no significance it was relative to what
[01:48:48] growth we would see regardless of
[01:48:50] whether or not we do SAMP. So whether
[01:48:52] it's the air quality or the noise,
[01:48:54] we're going to see increases regardless
[01:48:57] of whether or not SAMP exists or not.
[01:48:59] And so the baseline, understanding what
[01:49:02] the baseline is is really important
[01:49:05] because I think when people hear there's

[01:49:06] no significant impact, the media thought
[01:49:09] it was, well, how can there be no
[01:49:10] significant impact if you're going to go
[01:49:12] from 53 to what, 56, 57. But what
[01:49:16] we know is that we're going to aye. that
[01:49:17] number regardless. And so I think for
[01:49:21] those who are listening and may not be
[01:49:23] as privy to how this, how we're
[01:49:26] assessing this, it's not based on
[01:49:28] today's numbers, it's based on projected
[01:49:29] forecasts of numbers that are going to
[01:49:31] go up regardless of whether or not we do
[01:49:33] these projects. And I think that's a
[01:49:35] really important point we need to be
[01:49:36] making with the public so that they
[01:49:38] understand what how we could have
[01:49:40] possibly come up, how not we, how the
[01:49:42] FAA could have possibly come up with
[01:49:44] this conclusion. Yeah, it's, it's the
[01:49:48] incremental difference between what the,
[01:49:50] the forecast is of growth regardless
[01:49:53] relative to what we can accommodate if
[01:49:56] we were to do. Sam? Yes, very important
[01:49:58] distinction. And you're correct,
[01:49:59] Commissioner, and you've heard from both
[01:50:01] ERIF and I as if we do nothing,
[01:50:04] passengers and operations will continue
[01:50:06] to increase. It is the incremental
[01:50:08] difference between with the near term
[01:50:10] projects and without the near term
[01:50:12] projects in the future when they're
[01:50:14] built. So 2032 and 2037. So the point
[01:50:17] that we harp on here is that we are just
[01:50:20] accommodating the growth that we already
[01:50:22] know is coming. We are not necessarily
[01:50:25] expanding to a point where we are
[01:50:28] exceeding the growth that we expect to
[01:50:30] see in the next couple of years. That's
[01:50:32] correct. The planning was done to
[01:50:33] accommodate what's being forecasted.
[01:50:34] Great. Thank you. That's all. I
[01:50:39] Commissioner Muhammad well,
[01:50:44] first of all, let me say thank you for
[01:50:45] the presentation on and for the
[01:50:48] briefings you have provided to the
[01:50:51] Commission. I want to thank everyone who
[01:50:54] participated and provided public comment
[01:50:57] for the NEPA process, both those who
[01:51:00] highlighted the economic benefits and
[01:51:04] also for those who have highlighted the
[01:51:08] serious concerns, particularly those who
[01:51:10] live nearest, closest to the airport
[01:51:14] community. It is important for us to
[01:51:18] hear all of those different perspectives
[01:51:20] and inputs and I appreciate that. And we
[01:51:24] have to be able to balance the economic
[01:51:26] benefits with with the community impact,
[01:51:28] which are both positive at times and can
[01:51:31] be negative. And I also want to express
[01:51:34] my frustration with the changes that
[01:51:37] were made by the federal government,
[01:51:38] particularly under the Trump
[01:51:40] administration, the significant altering

[01:51:44] of the NEPA implementation and that
[01:51:46] resulted in the removal or modification
[01:51:50] of key aspects of the draft ea.
[01:51:55] But I am looking forward to us being
[01:51:58] able to address that in the SEPA
[01:51:59] process. I'm glad we will be able to
[01:52:01] have more input and we'll be able to
[01:52:05] drive that process more.
[01:52:09] I wanted to just
[01:52:14] ask did I didn't see it in this
[01:52:16] presentation, but when will we be
[01:52:19] putting out a plan for the public to
[01:52:23] be able to engage with the CEPA process?
[01:52:25] Whether that's the website timeline,
[01:52:27] when should the public expect out?
[01:52:30] Yeah, great question, Commissioner. And
[01:52:31] I just want to emphasize we've heard
[01:52:33] loud and clear that environmental
[01:52:34] justice is important to the port and the
[01:52:36] commission and thus it will continue to
[01:52:38] be in the SEPA process. We anticipate
[01:52:41] that the draft SEPA EIS will be released
[01:52:43] in late quarter one of 2027 6. We'll
[01:52:46] provide at least a 30 day notification
[01:52:49] when that's going to come out. We're
[01:52:51] just starting to get into the analysis,
[01:52:53] so it's going to take us some time to
[01:52:55] make sure that we have all our ayes
[01:52:56] dotted t's crossed and more. We will
[01:52:59] have at minimum 30 day public comment
[01:53:01] period, if not more and we will have
[01:53:05] a robust outreach and engagement
[01:53:06] program. So really trying to ensure that
[01:53:08] everybody knows when it will be released
[01:53:09] and then how to provide additional
[01:53:12] comments as part of the SEPA draft.
[01:53:14] Great. So more to come on that and the
[01:53:17] public expect a published timeline and
[01:53:20] can provide inputs on maybe additional
[01:53:22] meetings that they may request.
[01:53:23] Absolutely. We know we received a lot of
[01:53:25] those requests during the SEPA process
[01:53:27] from even some of the elected leaders in
[01:53:30] the Highline community. Can you
[01:53:35] explain how we're Going to use our EIS
[01:53:38] to look at environmental justice issues
[01:53:40] as it affects communities that are
[01:53:43] closest to the airport. Yeah, happy to.
[01:53:45] So under when NEPA was required as part
[01:53:49] of. When EJ was required as part of
[01:53:52] nepa, the FAA looks at really two
[01:53:54] indices, both race and income. Under the
[01:53:58] SEPA documentation, we anticipate to
[01:54:00] look into more detailed data. So for
[01:54:03] example, we have the PORTS Equity Index,
[01:54:04] which is a really powerful tool looking
[01:54:06] at everything from education,
[01:54:08] environmental considerations and more.
[01:54:10] And so as part of our environmental
[01:54:12] justice analyses, we anticipate to look
[01:54:14] at the Equity index, which has over 20
[01:54:17] indicators to help us better understand
[01:54:20] if or do we have impacts as a result of

[01:54:23] the near term projects in and around our
[01:54:25] communities. Thank you for that. Well,
[01:54:29] I look forward to us continuing to learn
[01:54:31] more and to engage with the EIS process.
[01:54:34] And what I say to the listening public
[01:54:36] is continue to engage us and
[01:54:41] continue to make your voices heard
[01:54:43] because we do take all of those comments
[01:54:44] into consideration as we make decisions.
[01:54:47] And so just appreciate everyone who is
[01:54:50] participating in this process. And thank
[01:54:52] you for the presentation. Again,
[01:54:54] Commissioner Felleman has a follow up
[01:54:56] question just
[01:55:00] so we don't have to be presented with
[01:55:03] the request for extended timeline for
[01:55:05] review. This has taken close to a decade
[01:55:08] of analysis to do this. And so why don't
[01:55:12] we just give a longer than 30 day public
[01:55:15] comment period up front rather than
[01:55:17] asking the public to for that, you know,
[01:55:20] waiting for the public to ask us for
[01:55:21] that. Just what we sended it twice
[01:55:24] already, you know, for the previous one.
[01:55:25] This will only be more thorough. So I
[01:55:28] just would prefer that we do something
[01:55:32] more than 30 days up front. Yeah, I
[01:55:34] really appreciate your comment. So as I
[01:55:36] start to refine the schedule, we'll come
[01:55:37] back to you Commissioner Cho work
[01:55:39] through what that public comment period
[01:55:41] will look like. Thank you. I think
[01:55:43] that's appropriate. And just for
[01:55:44] context, the last time there's a public
[01:55:46] comment period, we heard loud and clear
[01:55:48] from stakeholders across, across the
[01:55:49] entire county that wanted more time.
[01:55:51] And although the commission is not
[01:55:53] actually allowed to provide comments on
[01:55:56] that itself, we did lend our voice in
[01:55:59] support of extending the public comment
[01:56:00] period. So taking lessons learned from
[01:56:04] that and applying that to this process,
[01:56:05] I think I agree it's appropriate to give
[01:56:08] a longer Runway, so to speak. Yeah.
[01:56:10] Okay. No longer runways are part of this
[01:56:14] project. I just want to identify that.
[01:56:16] So a couple questions from myself.
[01:56:20] You mentioned air quality. They
[01:56:22] identified increases that exceed the
[01:56:24] nacs. I'm just wondering, are those
[01:56:27] scope one or scope two emissions? Are
[01:56:29] they considering our own output or are
[01:56:32] they considering, you know, what the
[01:56:34] airlines are doing? Yeah, great
[01:56:37] question. And I'll start and then turn
[01:56:39] it to Sarah. So first we did not exceed
[01:56:41] the number national Ambient air quality
[01:56:43] standards for air quality. Thus there
[01:56:45] were no. If we did, we would have
[01:56:46] significant impacts. Okay, Sarah, do you
[01:56:49] want to walk through. I thought they
[01:56:50] said that they were going to exceed with

[01:56:52] or without changes the emissions
[01:56:55] would increase with or without, but they
[01:56:57] would not exceed the nax. Okay, so
[01:57:00] that's, I guess my, my follow up
[01:57:02] question to that is like if they exceed
[01:57:06] with or without changes, like what's the
[01:57:09] difference in the amount and what's the
[01:57:12] threshold for exceeding the next.
[01:57:14] Unfortunately, I don't have the numbers
[01:57:16] right in front of me, but I would refer
[01:57:18] to the ea. Chapter four has
[01:57:22] that information in it and also appendix
[01:57:24] C, but I don't have the actual
[01:57:27] difference in that. Delta is like the
[01:57:30] figure that all of us will be interested
[01:57:31] in action versus no action. And it is
[01:57:35] provided in the ea. Unfortunately I just
[01:57:37] don't have the ea. That's okay, so
[01:57:38] basically what you have here is a
[01:57:40] punchline, right? Like there's,
[01:57:42] there's. It doesn't exceed, it does
[01:57:46] not. Correct. Okay. But it does
[01:57:48] increase. And so we want to. Your
[01:57:50] emissions would increase. Yes. Yeah.
[01:57:51] And Commissioner, I want to identify,
[01:57:53] as part of the CEPA analysis, we're
[01:57:55] going to do a refined analysis. So we
[01:57:57] will be doing dispersion modeling,
[01:57:58] which is a more refined advanced model
[01:58:01] to help us really understand what those
[01:58:03] impacts are for air quality.
[01:58:07] Great. For the 1.5 decibel
[01:58:11] increase for DNL. I'm sorry,
[01:58:15] that's correct. Yeah. Decibel. Yes.
[01:58:21] He's, it's, he's working on a jet lag,
[01:58:25] so he gets a pass this time. So are
[01:58:29] those for, and you said for construction
[01:58:31] noise impacts that you mentioned that
[01:58:35] those impacts are identified to be
[01:58:37] temporary. So does it or does it not
[01:58:39] impact? Is that, is it or is it not
[01:58:41] factored into dnl? The construction
[01:58:44] noise is separate from the aircraft
[01:58:45] noise. So the aircraft noise is the 1.5
[01:58:47] decibel increase within the 65 DNO
[01:58:50] that's very specific to aircraft. The
[01:58:53] construction is separate. It does look
[01:58:55] at decibel increases and that's
[01:58:57] temporary increases and decibel levels.
[01:58:59] Sorry about that. And I know that. So
[01:59:01] let me separate those, those questions
[01:59:03] then. For the DNL impacts, the decibel
[01:59:06] increase. I. What would change other
[01:59:10] than like the frequency or the volume
[01:59:12] of, of the aircraft? Isn't DNL
[01:59:16] based upon like the maximum noise output
[01:59:19] from when is doesn't it basically
[01:59:20] matter, aircraft by aircraft, how loud
[01:59:23] they are. Yes. So are we anticipating
[01:59:25] like louder planes to come through?
[01:59:27] What's with the 1.5 decibel increase?
[01:59:29] So there would not be a 1.5. But what we
[01:59:32] look at in the NEPA analysis, this goes

[01:59:34] back to what the baseline is. So we look
[01:59:36] at the future, what we call a no action
[01:59:38] scenario. And that's if you do not build
[01:59:40] any of the near term projects. And let's
[01:59:43] use 2032, for example, we would compare
[01:59:46] that scenario to the 2032 scenario where
[01:59:49] you do build the near term projects.
[01:59:52] Okay. So the near term projects do allow
[01:59:54] an increase in operations. And that's
[01:59:56] where you see there would be a delta,
[01:59:59] but the delta is not large enough to
[02:00:00] cause the 1.5. Glad I asked
[02:00:04] then for the construction noise impacts,
[02:00:07] is that was
[02:00:13] the punchline, that because they're
[02:00:14] temporary, they're, they're not,
[02:00:17] they're not considered to have to be
[02:00:20] significant? Well, FAA does not have
[02:00:23] significance thresholds for construction
[02:00:25] noise, but we did look at it and it's,
[02:00:28] it's due to the construction of the,
[02:00:30] the cargo facility on the north side.
[02:00:33] And there would be variations of
[02:00:36] construction equipment used throughout
[02:00:38] the process of building those
[02:00:39] warehouses. And that's why it's
[02:00:40] temporary. So it would vary, you know,
[02:00:44] month by month depending on the
[02:00:46] construction equipment. So it never
[02:00:48] really is consistently a high level.
[02:00:51] Sure. So then what is temporary? Take
[02:00:54] for example, our biggest project, if it
[02:00:56] were hypothetically approved. Are we
[02:00:59] talking about five years of
[02:01:00] construction? You know, so consistently
[02:01:04] I would say so a temporary impact is a
[02:01:06] consistent increase over a six month
[02:01:09] period. So that can mean that's
[02:01:11] typically what FAA refers to as a
[02:01:13] temporary impact. In this case, we did
[02:01:15] not. I don't believe I would have to
[02:01:17] refer back, but I don't believe the
[02:01:19] noise levels would be six months, but it
[02:01:23] would be for months and then it would
[02:01:24] decrease and then it would be for maybe
[02:01:27] an additional two months and then it
[02:01:28] would decrease just depending on stage
[02:01:30] and the phasing of the construction.
[02:01:34] Okay. And so moving on to greenhouse gas
[02:01:37] emissions analysis.
[02:01:42] No, just the same issues with air
[02:01:45] quality that they will increase with or
[02:01:48] without any changes, but it's not
[02:01:52] actually specified by how much or it is
[02:01:55] specified. We just don't have that data.
[02:01:56] It is specified in the document. I just
[02:01:59] don't have. Holding that one up again
[02:02:00] does just a matter of commission
[02:02:01] interest. And then even though I.
[02:02:05] You've heard it from all of us before
[02:02:08] and you're hearing it on the dais again
[02:02:09] from my colleagues but reiterating that
[02:02:13] the NEPA final document did remove the

[02:02:16] climate environmental justice standards
[02:02:19] from its final report, but that the SEPA
[02:02:22] can and will use those metrics as
[02:02:26] a floor and will even reach a bit
[02:02:28] beyond. That's correct for climate
[02:02:30] environmental justice. And we will
[02:02:32] continue to include cumulative impacts
[02:02:34] as well within the SEPA eis. Will that
[02:02:36] be a separate presentation to kind of
[02:02:38] get into the more greater details or is
[02:02:40] that coming after the public comment
[02:02:41] period? Yeah. So we anticipate that once
[02:02:44] we have the draft ready, we'll come to
[02:02:46] you as the commissioners and present
[02:02:47] that information to you and then we'll
[02:02:49] continue to present all that information
[02:02:50] during the public comment period. Well,
[02:02:53] a variety of public open houses and more
[02:02:56] based on similar to nepa. Once we get
[02:02:59] public comments, we may need to refine
[02:03:01] the analysis again or update it and do
[02:03:03] something different. And again we'll
[02:03:05] present the final EIS CEPA EIS to you,
[02:03:09] the commission as well, before, once we
[02:03:12] have that completed. We're tremendously
[02:03:13] interested in understanding the breadth
[02:03:15] and the depth of those different kinds
[02:03:17] of impacts on adjacent communities and
[02:03:20] particularly proud that we've developed
[02:03:22] tools that can be a resource to be
[02:03:24] considered as a data source in this
[02:03:27] process. Our equity index gets into a
[02:03:30] level of granularity about who our
[02:03:32] communities are, where they are, the
[02:03:33] disparities that they're experiencing.
[02:03:35] All to say is that growth has economic
[02:03:40] opportunities, but it also presents some
[02:03:43] burdens and understanding those burdens
[02:03:45] helps us understand, understand what
[02:03:48] those are and take action to mediate or
[02:03:50] mitigate or identify opportunities for
[02:03:53] intentionality so that those benefits
[02:03:55] are connecting to those who are
[02:03:57] disparately impacted. So thank you very
[02:04:00] much for this presentation. I think it
[02:04:02] was really presented in a, in an
[02:04:06] intuitive way for everyday people to be
[02:04:08] able to come in and understand the data
[02:04:10] that's here. As a commission, we are
[02:04:13] committed to helping staff
[02:04:17] do the best they can in promoting
[02:04:20] transparency, public understanding and
[02:04:22] streamlining input into the nepa, the
[02:04:25] SEPA process and what comes after.
[02:04:28] We're in the midst of a budget session.
[02:04:32] We're going to hear the budget after
[02:04:34] this presentation and you'll find that
[02:04:36] community engagement is as a priority,
[02:04:39] priority line item for the Commission.
[02:04:42] So we understand the tremendous public
[02:04:45] interest evidence, you know, by the, by
[02:04:48] the public comment here today and the
[02:04:49] folks who are in the room. So thank you

[02:04:52] all to say thank you very much and look
[02:04:55] forward to supporting the public comment
[02:04:56] period for the SEPA process. Thank you,
[02:04:58] Commissioners. Okay. Any other. Oh,
[02:05:01] Commissioner Calkins has rejoined. Do
[02:05:03] you have questions or comments?
[02:05:07] I feel like I missed the homework
[02:05:09] assignment for a pop quiz. Now I gotta
[02:05:11] jump right back in. No, I mean, we've
[02:05:14] had a number of briefings on this. I
[02:05:17] look forward to continuing conversations
[02:05:19] and a lot of public discussion about
[02:05:21] what is, quite honestly one of the most
[02:05:23] important decisions we'll be making over
[02:05:24] the next couple years. So I particularly
[02:05:28] appreciate the continued work with our
[02:05:30] external affairs folks who've been
[02:05:32] working with community members to
[02:05:34] understand concerns and to highlight
[02:05:36] those to the Commission. And so we'll
[02:05:39] continue to seek out forums where we can
[02:05:41] get that kind of feedback. I appreciate
[02:05:43] it. Anything else?
[02:05:46] I'd just like to thank you again. We'll
[02:05:49] look forward to seeing you next time.
[02:05:52] We are cruising right through, folks.
[02:05:56] We can move into the next item. Clerk
[02:05:59] Hart can read it into the record, and
[02:06:01] then Executive Director Metruck will
[02:06:04] introduce it. Thank you very much.
[02:06:06] Thank you. This is Agenda Item 11B, the
[02:06:09] 2026 Maritime and EDD Operating and CIP
[02:06:12] Budgets Briefing.
[02:06:18] Thank you, Commissioners. We're in the.
[02:06:20] We're in the home stretch now on the
[02:06:23] Commissioners this morning. Continuing
[02:06:26] on our theme of budgets today. This
[02:06:29] morning, staff briefed you on the
[02:06:31] aviation budget. This afternoon we'll
[02:06:32] turn our attention to the port's other
[02:06:34] two core business lines, maritime and
[02:06:36] economic development. As with aviation,
[02:06:38] we project growth in the year ahead.
[02:06:40] However, we must manage through the same
[02:06:42] challenges that affect our overall
[02:06:44] financial position, including rising
[02:06:46] operational operating expenses,
[02:06:49] inflationary pressures, tariffs and
[02:06:51] economic uncertainty. The continued need
[02:06:53] to invest in our workforce and our
[02:06:55] environmental liabilities. These factors
[02:06:58] influence our capital capacity and the
[02:07:00] pace of project delivery. I'd like to
[02:07:02] again express my appreciation to our
[02:07:04] financial budget teams for their
[02:07:06] exceptional work. You'll hear from Kelly
[02:07:07] Zupon today. And our partnership with
[02:07:10] the operating divisions. Together they
[02:07:12] devote hundreds of hours to ensure our
[02:07:14] budget reflects not only sound fiscal
[02:07:16] management, but also our raised value in
[02:07:19] the port's broader mission and strategic
[02:07:21] goals. Today's presentation includes.

[02:07:23] Please don't faint, 56 slides. And
[02:07:27] summarizing performance trends and key
[02:07:30] commission priorities in both maritime
[02:07:32] and economic development, along with an
[02:07:34] overview of each capital program so we
[02:07:36] will move through them quickly.
[02:07:40] President Hasegawa, I am giving Steve a
[02:07:43] very sideways look right now. 56 slides.
[02:07:46] Let's go. I wanted to be transparent.
[02:07:48] And so with that, I'm going to turn it
[02:07:50] over to Managing Director for Maritime,
[02:07:53] Stephanie Jones Stebbins. And we also
[02:07:55] have Managing Director Economic
[02:07:59] Development will be here as well. And
[02:08:00] Kelly Zoupon, Director of Maritime
[02:08:03] Finance and Budget. So with that, I'll
[02:08:05] turn it over to Stephanie to kick us
[02:08:06] off. Thank you very Much, Steve.
[02:08:10] Thank you, Steve. And thank you,
[02:08:12] commissioners. And I'm going to start by
[02:08:13] turning it over to Kelly to give us an
[02:08:15] overview of the whole seaport. And then
[02:08:18] I'll talk about the maritime budget.
[02:08:19] It. Thanks. Yeah.
[02:08:22] All right. Good afternoon,
[02:08:24] commissioners and Executive Director
[02:08:25] Matrick. I do know that this is a long
[02:08:28] presentation, but there are many slides
[02:08:31] I will go through really quickly on it.
[02:08:33] So I do promise we were. We said we
[02:08:36] would do this in EDD and CIP in 90
[02:08:39] minutes. I think we can do it in less
[02:08:41] time than that, but I think it was 90
[02:08:44] minutes is what we'll see.
[02:08:49] Okay.
[02:08:53] All right, Commissioner, for the record,
[02:08:55] I think that included questions as well.
[02:08:57] Yes, yes, exactly.
[02:09:02] All right. So now we'll be presenting
[02:09:05] the seaport budget and capital plan.
[02:09:07] First, we will look at the overall
[02:09:10] seaport operating, the seaport operating
[02:09:13] income, including the joint venture with
[02:09:15] the Northwest Seaport alliance. And then
[02:09:17] we will follow with the current state of
[02:09:20] finances at our seaport. We will then
[02:09:22] move on to the maritime division
[02:09:25] operating and capital budget and finish
[02:09:27] with the economic development budget.
[02:09:29] Next please.
[02:09:33] Here is the full seaport roll up. Note
[02:09:36] that they exclude this roll up excludes
[02:09:38] gasB87 impact to better reflect our
[02:09:43] performance for the seaport. And we'll
[02:09:44] have this throughout the presentation.
[02:09:47] The area in yellow is a proxy for cash
[02:09:50] flow from operations which is planned
[02:09:52] for about $58 million in 2026.
[02:09:55] We will speak to the maritime and the
[02:09:58] EDD details later. But regarding the
[02:10:00] joint venture, our distributable revenue
[02:10:03] is preliminary. Planned to have flat
[02:10:06] growth from last year. The expenses,

[02:10:08] which are related to the Northwest
[02:10:10] Seaport alliance but allowed under the
[02:10:12] charter are up primarily
[02:10:16] due to dredging disposal costs at
[02:10:18] Terminal 18 and the West Waterway.
[02:10:22] Next slide please.
[02:10:26] I'm actually going to take a little time
[02:10:28] on this slide as it is important to you
[02:10:30] and the public to understand the current
[02:10:31] financial position for our seaport. The
[02:10:35] four items below are amongst the most
[02:10:37] critical. After years of higher than
[02:10:40] expected revenue growth from the cruise
[02:10:42] line of business, we are entering a
[02:10:44] chapter where annual income is likely to
[02:10:46] stabilize at near the $60 million mark
[02:10:48] across the entire seaport. Absent cruise
[02:10:52] we have. Revenues and expenses have both
[02:10:55] been growing about 7.7% since the
[02:10:58] formation of the Northwest Seaport
[02:11:00] Alliance. We have a continually
[02:11:03] increasing share of aging critical
[02:11:05] assets requiring a larger proportion of
[02:11:07] our capital capacity. The capital
[02:11:09] projects are now costing two to three
[02:11:12] times what they did pre pandemic from a
[02:11:14] mix of inflation and challenging
[02:11:16] regulatory environment. And historically
[02:11:19] we were able to leverage our tax levy
[02:11:21] through General obligation or GEO bonds
[02:11:23] to help build infrastructure for
[02:11:25] businesses with lower income generation
[02:11:28] but a high economic and job creation
[02:11:30] value. That GEO bond capacity for
[02:11:34] capital projects is shrinking as we have
[02:11:36] to continue to pay basically $16 million
[02:11:39] a year for the viaduct and are mandated
[02:11:42] to hold funding available for multiple
[02:11:44] nine figure cleanups with some moving
[02:11:46] into construction at the end of the
[02:11:48] deck.
[02:11:53] The bottom line is Managing Director
[02:11:55] Stephanie and A and Executive Director
[02:11:59] Metruck are familiar with these
[02:12:00] challenges and are working on ways to
[02:12:02] reduce the impact of them for future
[02:12:04] budgets and plan of finance. However,
[02:12:07] for the 2026 budget process they have
[02:12:09] been faced with a heavier dose of
[02:12:11] prioritization cuts and deferrals than
[02:12:14] historically normal. Let me know if you
[02:12:17] have any questions here. Otherwise I
[02:12:18] will hand off to Stephanie to discuss
[02:12:20] the maritime prioritize maritime
[02:12:23] priorities. I just. I just want to note
[02:12:25] that if I do start a punk band, it's
[02:12:27] going to be called nine figure cleanups.
[02:12:32] Multiple nine figure cleanups. All
[02:12:35] right, next please.
[02:12:41] Okay, thanks. So with that introduction
[02:12:43] and that visual we'll go to the maritime
[02:12:48] division preliminary budget. Next slide
[02:12:50] please. I'd like to start with reminding

[02:12:54] folks about our maritime priorities. I
[02:12:57] think of them as our strategies is like
[02:12:59] a pyramid on the bottom that supports
[02:13:01] everything. Our safety and resiliency,
[02:13:04] the financial sustainability of our
[02:13:07] division and of course making sure that
[02:13:10] our assets do what our customers need
[02:13:12] them to do. And as we do that we can
[02:13:14] support sustainability, equity,
[02:13:16] innovation, efficiency. If we do all
[02:13:18] that successfully, we create successful
[02:13:22] family wage jobs in the ocean economy.
[02:13:24] That's where we keep focused throughout
[02:13:27] these and how the strategies fit
[02:13:28] together. Next slide. These executive
[02:13:33] director metrics show the five
[02:13:36] different pillars of a port of the
[02:13:38] future. And these are roughly the same
[02:13:40] and they're aligned with the last slide.
[02:13:42] Next slide. As we look forward
[02:13:46] to 2026 as several initiatives
[02:13:51] that we have built in as priorities.
[02:13:52] From a revenue perspective we are
[02:13:56] focused on expanding our long term
[02:13:58] cruise agreements to our other home port
[02:14:00] Home Ported Cruise Lines. Building on
[02:14:03] the success with the 10 year berthing
[02:14:06] agreement with Carnival Corporation that
[02:14:08] not only built in financial systems
[02:14:09] sustainability but really cutting edge
[02:14:12] environmental sustainability. That is a
[02:14:14] model for us moving forward and we look
[02:14:17] forward to to additional long term
[02:14:19] agreements infrastructure. You're going
[02:14:22] to hear about continued investments in
[02:14:24] the aging assets that we need to do
[02:14:27] that's taking up an increasing amount of
[02:14:29] our capital resources. We continue to
[02:14:32] make significant investments in
[02:14:35] decarbonizations or that you're going to
[02:14:37] see a lot of electrical system
[02:14:39] improvements especially in our capital
[02:14:40] plan. And we continue leaning into green
[02:14:44] corridor Continued progress. Finally,
[02:14:47] equity and resiliency incorporating
[02:14:49] seismic resiliency, energy and climate
[02:14:53] change resiliency through our project
[02:14:54] planning as well as on our operations
[02:14:57] will be a priority. And then increasing
[02:14:59] our women and minority business spending
[02:15:02] and utilization as well as we do all of
[02:15:05] this. Next slide Couple equity
[02:15:09] and budgeting highlights. We have added
[02:15:12] funds in the capital plan for our parks
[02:15:13] management strategy. We've increased
[02:15:16] sponsorships that focus on workforce
[02:15:18] development and equity. We have as we've
[02:15:21] done this entire budget. We have
[02:15:23] incorporated our change team into our
[02:15:25] business planning process. We have 15 to
[02:15:28] 20% Wimbee spending gold. And finally
[02:15:31] equitable performance, professional
[02:15:32] training and development across all of

[02:15:35] our budgets. Next slide.
[02:15:39] Commissioners had a number of priorities
[02:15:41] that we have also built into our budget.
[02:15:43] We have $4 million in capital plan for
[02:15:46] our parks management budget to for
[02:15:49] including restrooms at Haupus park and a
[02:15:53] couple other things. Improvements at
[02:15:55] that park and specifically 400,000 for
[02:15:58] sale. Citing a propeller working with
[02:16:02] economic development division on
[02:16:03] shipbuilding readiness. And you may hear
[02:16:05] more about that from managing director
[02:16:08] of economic development. We've also
[02:16:10] included funds as requested by
[02:16:13] Commissioner Felleman and I thank you
[02:16:14] for that. For SEA lion mitigation and
[02:16:16] orca kiosks at Salmon Bay
[02:16:20] Marina. I'm sorry, Salmon Bay Marina on
[02:16:23] the brain at Shilsho Bay Marina.
[02:16:25] Forgive me. Next slide please.
[02:16:30] Okay. Yes. So also mention that I
[02:16:33] seconded that request. Thank you
[02:16:35] commissioners and I thank you both. I
[02:16:37] actually you requested and I was
[02:16:42] so thankful for that and I actually
[02:16:44] thought I'm going to ask for a little
[02:16:46] bit more. So I really appreciate that.
[02:16:48] So SEA lions are very
[02:16:52] cute marine mammals and they are also
[02:16:54] very plentiful and they like a place to
[02:16:57] haul out and take a rest. So we have had
[02:16:59] a real problem with SEA lions. Really.
[02:17:02] We've had days 200 SEA lions pull up on
[02:17:06] our docks at Shosho Bay Marina. And it's
[02:17:09] really challenging for staff to deal
[02:17:13] with. Both our environmental and our
[02:17:14] operations staff have worked hard at
[02:17:16] this and it's, I mean the most
[02:17:18] successful thing so far has actually
[02:17:20] been going out on the dock in orchid
[02:17:22] costume. It's crazy, but we want to look
[02:17:25] for something more sustainable. We've
[02:17:28] tried hoses, we've tried the social
[02:17:30] media team to cover that next time.
[02:17:31] That sounds amazing. So we, so we are
[02:17:35] looking for technology solutions to help
[02:17:38] us manage that problem. And we're not
[02:17:40] alone in dealing with that. The SEA
[02:17:42] lions are, you know, challenge for many
[02:17:46] waterfront properties to deal with. I
[02:17:48] will volunteer to be in the orca
[02:17:50] costume. Okay. You're on It. All right.
[02:17:53] Sam's replacement needs a V and it's not
[02:17:57] great for revenue when you can't get to
[02:17:59] your boat. Yes, and it's a safety issue
[02:18:02] for staff as well, I have to say. Next
[02:18:05] slide. So I'm going to turn it back to
[02:18:09] Kelly Zupan. All right, bottom line up
[02:18:13] front. Our revenues are up 6% and our
[02:18:16] expenses are up 12%. Revenue is
[02:18:19] basically in line with our expectations.
[02:18:21] But there are a lot of factors that play
[02:18:23] into the expense growth. We have added

[02:18:26] initiatives the past few years which
[02:18:27] have resulted in both direct and
[02:18:30] indirect FTE increases. Payroll was the
[02:18:33] biggest expense driver this year. The
[02:18:36] growth from the 2025 budget is driven
[02:18:39] more by some under budgeting in 2025,
[02:18:43] which you'll see in the Q3 and Q4
[02:18:46] reports. So that year on year growth
[02:18:49] is than it is basically from 2026
[02:18:53] where we had really tight budget
[02:18:56] guidelines. The B and O tax doubled
[02:19:00] from basically $520,000 in 2024 to over
[02:19:04] a million dollars in 2026 as part of a
[02:19:07] state's plan to cover their budget
[02:19:09] deficit. Most comes from the tripling
[02:19:12] from tripling the tax on stevedoring and
[02:19:15] marine passenger fees and both the
[02:19:18] police and contracted security are up as
[02:19:20] well. Next slide, please.
[02:19:24] Here is a financial trend since the
[02:19:27] formation of the Alliance. Revenue is
[02:19:30] the black line with the direct costs in
[02:19:32] green. The support costs like
[02:19:34] maintenance, project management and
[02:19:36] environmental in light blue and central
[02:19:38] services in dark blue. Depreciation is
[02:19:42] the gray portion. The cash flow maritime
[02:19:45] spins off is represented by how far
[02:19:47] above the dark blue the revenue line is.
[02:19:50] As you can see, we have been constant
[02:19:53] since 2016. Prior to the pandemic, we
[02:19:56] had a revenue goal to outpace expenses
[02:19:58] including the grade depreciation
[02:20:00] section. That would ultimately be the
[02:20:02] financial North Star for maritime. Next
[02:20:06] slide, please. Here are the revenue
[02:20:10] trends by business. Revenue has more
[02:20:13] than doubled since 2021 from cruise.
[02:20:16] Going forward from 2026, we expect
[02:20:19] cruise to continue higher growth than
[02:20:21] the other lines of businesses, just not
[02:20:23] quite as extreme. Next slide please.
[02:20:28] I'm going to go very quickly through the
[02:20:30] remaining slides, so please jump in if
[02:20:32] you need a pause. For 2026.
[02:20:35] Crew for 2026 and cruise, we are adding
[02:20:39] MSC and Virgin to the lineup. We are
[02:20:42] planning 330 sailings and 2 million
[02:20:44] passengers. Next slide, please.
[02:20:53] Here are the rate increases that we have
[02:20:55] along with new vessels and increased
[02:20:57] utility sales from Shore Power, we are
[02:20:59] looking at a 15% revenue increase.
[02:21:02] Next slide, please.
[02:21:15] Direct expenses jumped 22% primarily
[02:21:20] from shore Power electricity, but also
[02:21:23] from B and O taxes associated with
[02:21:25] Stevedoring and marine passenger fees.
[02:21:27] Do note the expense line here includes
[02:21:30] the $2.2 million payment to the
[02:21:32] Northwest Seaport Alliance. Next slide,
[02:21:35] please. Elliott Bay fishing and
[02:21:39] commercial operations revenue is up 6%

[02:21:42] from rate increases and with the
[02:21:45] expected completion of Terminal 91,
[02:21:48] first 6 and 8 next year. Next slide,
[02:21:54] Expenses grew by 16%, mostly from
[02:21:58] utility and tax increases.
[02:22:02] Next slide, please. Ship canal
[02:22:07] is made up of the waterside for
[02:22:09] Fisherman's Terminal, Salmon Bay Marina
[02:22:11] and maritime industrial side center.
[02:22:13] Revenue fell by 16%, mostly due to the
[02:22:16] partial closing of Salmon Bay Marina in
[02:22:18] March. Planned for March 2026. Next
[02:22:22] slide, please.
[02:22:26] Total expenses increased 6% with the
[02:22:30] only new item being a couple mobile lot
[02:22:34] security monitoring stations at
[02:22:36] Fisherman's Terminal. Next slide,
[02:22:44] After a few years of higher rate
[02:22:47] increases to catch us up to market, the
[02:22:49] proposed increase at Schoeshoe Bay
[02:22:51] Marina averages to about 4.7% with
[02:22:55] higher increases seen for larger
[02:22:57] vessels. This resulted in about a 4%
[02:22:59] increase in recreational boating
[02:23:01] revenues overall. Next slide, please.
[02:23:06] This slide outlines the rate increases
[02:23:09] primarily for larger vessels as stated
[02:23:11] earlier. Next slide.
[02:23:17] Rec Boating direct expenses went up
[02:23:20] about 3%, including the orca kiosks and
[02:23:23] SEA lion mitigation that you guys talked
[02:23:25] about earlier. Next slide, please.
[02:23:30] Just. Just to comment, another
[02:23:32] significant increase on that area is the
[02:23:35] security and the blue light cameras that
[02:23:37] we have incorporated there.
[02:23:43] Just for context, the kiosk in the
[02:23:46] ceiling medication was $35,000. Yes.
[02:23:49] Right. So just like it includes that.
[02:23:51] Yes, but you. It's rounding error.
[02:23:53] Yeah, it's quite, It's. It's modest
[02:23:55] expense, but our. Our facilities and
[02:24:00] frontline folks tend to budget super
[02:24:02] tightly, so. No, it's important. It just
[02:24:06] has no bearing on the budget,
[02:24:07] basically. Yeah, it's pretty small.
[02:24:09] Yes. All right, the next
[02:24:13] couple slides are for portfolio
[02:24:15] management, which encompasses our
[02:24:17] conference centers, the Bell street
[02:24:19] garage and the entire non alliance
[02:24:21] upland leasing portfolio. As you can
[02:24:24] see, the conference centers and leasing
[02:24:26] are expected to grow with inflation.
[02:24:28] But the garage, the Bell Street Garage
[02:24:31] here is facing challenges both in the
[02:24:34] form of less subsidized parking and
[02:24:36] lower cruise passengers as sort of a
[02:24:39] park and ride situation is occurring.
[02:24:41] With options similar to the airport.
[02:24:44] They are offering shuttles to and from
[02:24:46] Pier 69 with basically better
[02:24:50] weekly rates for our cruise passengers.

[02:24:52] So. And next.
[02:24:56] Next slide please. I'm sorry,
[02:25:00] can you clip. What do you mean? So
[02:25:04] people are parking at Pier 69 for cruise
[02:25:06] on 91? No, they're. They're. They're
[02:25:08] shuttles. They're parking by I think
[02:25:11] it's like total wine and some of these
[02:25:13] other areas. And then there's shuttles
[02:25:15] that are bringing them to and from Pier
[02:25:17] 69. Six for the cruise terminals. So
[02:25:20] it's a little bit like park and ride
[02:25:22] stations at the airport there. They.
[02:25:24] They park there. So they're replicating
[02:25:26] the long term airport parking model at
[02:25:29] the cruise terminal. Yes, exactly. And
[02:25:31] do we provide long term parking at our
[02:25:33] World Trade center parking garage for
[02:25:36] the 66? We do. It just is more
[02:25:38] expensive. It's downtown. Any downtown
[02:25:41] lot would be more expensive than parking
[02:25:43] way up by Ballard or something like
[02:25:45] that. So. Interesting. Okay, thank you.
[02:25:48] Yeah, it was, it was just. It stood out
[02:25:52] with the garage obviously having a
[02:25:54] reduction. Such a reduction on there.
[02:25:56] And that was a big driver of it. So
[02:26:03] seems like we're having parking problems
[02:26:05] a couple places. But. So we have that
[02:26:08] huge lot at 91. Right. But they're not
[02:26:11] using 91's lot to get to 66 there are
[02:26:14] using some of that nine, both 91 and.
[02:26:16] And what they're doing is they're
[02:26:19] shuttling to 91. They're shuttling from
[02:26:21] 66 to 91, which was historically
[02:26:24] controlled by our old terminal operator
[02:26:27] or that total line, which has got sort
[02:26:30] of a new business workaround type of
[02:26:34] thing that's come into play as well.
[02:26:35] Okay, do you want to hold? Right, so do
[02:26:39] you have a spot, an appropriate pause
[02:26:41] point here so that we can ask questions
[02:26:45] if you'd like? Yeah, yeah, I would. If
[02:26:48] we can get through sections, ask
[02:26:50] questions, then get into the next
[02:26:52] section. That would. That'd be helpful.
[02:26:53] Okay guys, so let's write down our
[02:26:55] questions, then we'll ask them. Oh yeah,
[02:26:58] yeah, yeah, we'll be there. Be there
[02:27:00] shortly. Here that five. That's all
[02:27:05] right. This slide breaks down the
[02:27:08] expense structure for portfolio
[02:27:09] management. Expenses grew only 2%
[02:27:13] in the 2026 budget. If not for utilities
[02:27:17] and payroll, there would actually been a
[02:27:18] decrease on this. And you can see the
[02:27:21] way it's set up over to the right. You
[02:27:25] will see for conference and event
[02:27:28] centers, the more darker blue areas are
[02:27:30] more variable costs related to volumes,
[02:27:34] Whereas you get around the rest are more
[02:27:37] fixed costs on the conference and event
[02:27:39] center. Next slide, please.
[02:27:43] This slide shows the revenue from our

[02:27:46] conference and event centers and net
[02:27:48] income associated on the orange line.
[02:27:51] As you can see, despite investments made
[02:27:54] several years ago, we continue to see
[02:27:56] lower revenues and operating margins
[02:27:58] than before the pandemic. The Seattle
[02:28:02] market has seen a lower demand from the
[02:28:03] teleconferencing impact at a time when
[02:28:07] additional capacity has been added.
[02:28:09] Next, please.
[02:28:13] Okay. Louis Dreyfus.
[02:28:16] Our terminal, our T86 grain terminal
[02:28:19] operator is forecasting lower volumes in
[02:28:22] 2026 due to tariff uncertainties.
[02:28:26] So far in 2025, we are having a better
[02:28:29] year. We're having one of our better
[02:28:31] years in terminal history. So there
[02:28:33] could be some potential upside of about
[02:28:35] a million, one or two million if the
[02:28:37] trend continues into 2026. We haven't
[02:28:40] really seen the drawbacks from the.
[02:28:42] From the recent tariffs yet. They've.
[02:28:45] We've a lot of. A lot of corn flowing
[02:28:48] through the terminal right now. What
[02:28:50] we've seen is an effort to get things
[02:28:52] through before tariffs come into
[02:28:55] account. So we've actually seen a bump,
[02:28:56] but we can't anticipate that that will
[02:29:04] All right. The next couple slides are
[02:29:07] groups that support maritime businesses.
[02:29:10] They support the maritime businesses,
[02:29:12] but they have limited revenue. They
[02:29:14] actually support the alliance as well,
[02:29:16] many of them. So Maritime security
[02:29:19] increased 72%. This was a big increase
[02:29:23] both for us and the alliance this year.
[02:29:25] Our new security contract has about 50%
[02:29:28] increase in hourly rate on top of the
[02:29:31] hourly rates. We are expecting more
[02:29:33] coverage at both port of Seattle and
[02:29:36] northwest seaport alliance mitigation
[02:29:38] parks as well as for some vacant
[02:29:40] alliance terminals. Next slide, please.
[02:29:45] This slide outlines the marine
[02:29:47] maintenance department. The charts at
[02:29:50] the bottom show where most of the work
[02:29:51] is being done, While the chart at the
[02:29:53] top shows that 6% increase, which is
[02:29:56] mostly due to the increased wage rates
[02:30:00] for represented labor. Next slide,
[02:30:06] The project management budget growth is
[02:30:09] driven primarily by art outside services
[02:30:11] reclassification. This is kind of a one
[02:30:14] off here. These expense projects had
[02:30:17] historically been budgeted in the
[02:30:18] northwest seaport Alliance. But this
[02:30:22] created a big tracking challenge for us.
[02:30:24] So we budget them in the waterfront
[02:30:28] project management group and charging
[02:30:29] out to the seaport alliance. So 2026 is
[02:30:32] the first year we've been centralizing
[02:30:34] this budget. The impact is on the
[02:30:36] division and business line. Profit and

[02:30:39] loss statements remains unchanged. It's
[02:30:41] just a. It's just a different way we're
[02:30:44] doing it because historically our
[02:30:47] accounting system, we couldn't see it.
[02:30:49] Our project managers work on these
[02:30:50] expense projects for them and the budget
[02:30:54] wasn't matching. We contract a budget
[02:30:56] because we had two different systems.
[02:30:57] It's, you know, one of the. One of the
[02:30:59] areas when you're working with to
[02:31:02] different agencies.
[02:31:04] So. Next. Next slide.
[02:31:08] Lastly, we have the maritime environment
[02:31:11] and sustainability expenses. There was a
[02:31:14] 61% or 3.5 million increase this year.
[02:31:17] About 1.5 million of the increase will
[02:31:20] be recoverable through Our clean port
[02:31:22] grant, another million of the expense
[02:31:25] increases due to lower charges to
[02:31:27] capital. As the past few years we have
[02:31:30] added proportionally higher amount of
[02:31:32] carbon reduction and habitat staff
[02:31:35] versus permitting and remediation.
[02:31:39] And then detail for that $3.3 million in
[02:31:42] outside services is on slide 65 in
[02:31:46] the appendix. That's where we made our.
[02:31:48] We have outside service investments for
[02:31:50] the next year. Next slide, please.
[02:31:53] Yeah, and there are no, no new FTEs in
[02:31:57] the budget process. There were some mid
[02:31:59] year hires added late 2024 and early
[02:32:02] 2025 for environment maintenance to the
[02:32:06] right. Stephanie did not approve any new
[02:32:09] hires in the current budget. I think
[02:32:11] this is probably a good place to stop
[02:32:12] for questions before we move on to the
[02:32:15] cip. Okay,
[02:32:19] let's start at that end. Commissioner
[02:32:21] Mohamed, questions at this juncture.
[02:32:23] Commissioner Cho? Yeah. Thanks for your
[02:32:26] thorough briefing. You know, it's
[02:32:29] interesting to me that the conference
[02:32:30] and event center profit has dropped from
[02:32:34] 16 to 5%. Do you see a revenue, a
[02:32:37] correlation between how our conference
[02:32:41] center is performing relative to the
[02:32:44] fact that the Washington Convention
[02:32:46] center has opened? And so do you. Is
[02:32:49] there, is there a correlation where,
[02:32:51] now that that's online, that we are
[02:32:53] seeing less conferences coming our way
[02:32:56] for that space? Yeah,
[02:32:59] I don't know if you want to take this,
[02:33:01] Stephanie. I mean, I can take a few.
[02:33:03] Well, go ahead. Yeah, I mean that growth
[02:33:06] is obviously offered competition. And
[02:33:08] then there is also one of the hotels up
[02:33:11] there I know has a lot of conference
[02:33:13] space as well that we've been competing
[02:33:15] with. So. Oh, the, the Marriott Hotel
[02:33:17] across the street from the. Not the
[02:33:20] Marriott hotel. It's. It's up. And I
[02:33:22] can't remember the name of the hotel,

[02:33:24] but it is up. No, by the Convention
[02:33:27] center. Oh, oh, got it, got it. The
[02:33:29] Hyatt. The Hyatt, yes. Yeah, yeah,
[02:33:31] yeah, yeah, the Hyatt. And that's taken
[02:33:33] some of our business customers on there
[02:33:35] and we're starting to recover and we've
[02:33:37] kind of bottomed out. But I don't think
[02:33:40] it's going to be a V. I don't anticipate
[02:33:43] it being like a V recovery. I think it's
[02:33:45] going to be a slower recovery. And
[02:33:47] remind me again how our operating
[02:33:51] agreement on the conference center
[02:33:54] works, because I know we have an
[02:33:55] operator there. Is it a rev share model?
[02:33:57] Is there a baseline lease? It's a
[02:34:00] management agreement with Columbia
[02:34:03] Hospitality. And you saw the expense
[02:34:05] piece on the side there. There's a
[02:34:08] couple of management fees and things
[02:34:09] that are fixed. And then we basically
[02:34:13] pay for their labor and food Costs and
[02:34:16] all of that, and they get the management
[02:34:19] fee and then there's some variable
[02:34:22] component that they get of profit off of
[02:34:25] that and then we get the remainder. So
[02:34:27] it's been about. Typically we. We get
[02:34:30] about 15% of
[02:34:35] the total bookings of the revenue that
[02:34:38] comes in here, it grosses to about 15%.
[02:34:40] And then referring back to the Bell
[02:34:42] street garage situation, I saw that our
[02:34:46] revenues dropped 32%, it looks like on
[02:34:49] that. And it sounds like it's partially
[02:34:50] because the market has developed this
[02:34:53] secondary option. Have we looked at
[02:34:57] revising our parking rate so that we're
[02:35:00] competitive, we're more competitive or.
[02:35:02] I mean, yeah, I made a note actually to
[02:35:07] consider exactly that while I was.
[02:35:10] While I was sitting here. I think part
[02:35:12] of the challenge is that we have
[02:35:13] Republic parking that manages the garage
[02:35:16] price. Oh, okay. So it's their rates,
[02:35:19] not ours. So how does that work? Do we
[02:35:21] do rev show share on that is or do they
[02:35:24] pay a Lee. I mean, obviously they don't
[02:35:26] pay a flat rate lease because then we
[02:35:27] would see more consistent revenue. So
[02:35:30] yeah, it's a mix of a little bit of a
[02:35:32] flat fee plus rev share on it that most
[02:35:35] of it's rev share. So yeah, they're
[02:35:38] incentivized to obviously get more or
[02:35:42] you would think. But yeah, they're down
[02:35:44] 32%. So. Okay. All right. So it's not a.
[02:35:47] Completely in our control to set the
[02:35:49] rates at that garage. Correct, Correct.
[02:35:52] And we've been looking at it and it's
[02:35:54] just. It's really new to us as well.
[02:35:57] Fairly new to us that this, this drop
[02:36:01] here as well. So what we'll. We'll get
[02:36:04] back to you as with some different
[02:36:05] opportunities that we can explore on
[02:36:07] that. Okay, I think that's all I have

[02:36:09] for now. Thanks. Commissioner Ckins.
[02:36:15] No additional questions for me.
[02:36:17] Commissioner Felloman.
[02:36:21] The. The garage, Bell street garage is
[02:36:25] the one right across from 66, right?
[02:36:27] Correct. So what do we call the one
[02:36:28] that's across from 69? There really
[02:36:32] isn't one across from 69. Across the
[02:36:34] Edgewater kind of. Well, just up from
[02:36:36] the edge, right? Yeah, yeah. Pell street
[02:36:39] garage. Further down is World Trade
[02:36:41] Center Garage. World Trade Center
[02:36:43] Garage. Well, that's always empty. I
[02:36:45] mean, even when we have events at the
[02:36:47] hotel. I mean, I don't understand that
[02:36:49] that's like vacant. And so
[02:36:53] is there, is there any, you know, I get
[02:36:56] to park there. You know, it's like, you
[02:36:58] know, it's kind of. It's kind of
[02:37:00] remarkable to me. It's such a central
[02:37:01] location. But, but in terms of Bell
[02:37:04] Street Garage, you know, there's been a.
[02:37:07] It's a terrible year for Victoria
[02:37:08] Clipper. And so with the Canadian
[02:37:11] tourism down, I would expect that there
[02:37:13] was something because that's really
[02:37:14] ideal for the Clipper. And as far as the
[02:37:17] new convention center competing with
[02:37:20] Bell harbor, it's the correlation is
[02:37:23] there, but I don't think there's
[02:37:24] causation because it's a totally
[02:37:26] different size venue. But the hotel
[02:37:29] might be the more competitive situation.
[02:37:32] But I don't think you would somebody
[02:37:34] who's considering a niche little
[02:37:35] facility on the water versus a
[02:37:37] convention center. I think it was a
[02:37:39] pretty different kind of conferences.
[02:37:43] Yeah. I think you could see and I don't
[02:37:46] know if Jennifer Mayetta is on the line,
[02:37:49] but the other thing you could see is we
[02:37:53] just really haven't recovered since the
[02:37:54] pandemic. If you look at this slide that
[02:37:57] shows our revenues and our expenses, so
[02:37:59] our net income, it really was in 2020
[02:38:03] that, you know, we've come back, but not
[02:38:07] to where we were prior to that. And with
[02:38:11] the waterfront reopening, I mean one of
[02:38:13] the. Everybody wants to get the shuttle
[02:38:15] back in. There's some question is
[02:38:17] whether we're going to be part of that.
[02:38:18] But we have a
[02:38:22] big chunk of that parking. So to the
[02:38:24] degree that we're advertising the
[02:38:26] availability, I mean the Bell harbor
[02:38:29] parking is kind of invisible. I think
[02:38:32] most people think it's like hotel
[02:38:33] parking or something. And you know,
[02:38:38] I just think that demand is only going
[02:38:41] to go up if people knew it was
[02:38:42] available. And also, you know, the Wall
[02:38:45] street entrance is also maybe not as
[02:38:47] obvious to folks. So I put that out

[02:38:50] there. My favorite subject for you every
[02:38:51] year is the net benefit of cruise,
[02:38:55] financial benefit of cruise. So you've
[02:38:57] broken it out very nicely in terms of
[02:38:58] expenses and revenues. My sheet is.
[02:39:03] So what is the punchline?
[02:39:07] The net benefit. So if you go to
[02:39:11] the slide that shows, I think sometimes
[02:39:15] we in past years we broke them out. I
[02:39:17] think slide 11 we.
[02:39:21] That's what we show for the whole
[02:39:25] maritime division. You see the net if
[02:39:28] you build in our
[02:39:33] projected revenue is 57
[02:39:37] million for next year 26.
[02:39:42] And our total expenses are about
[02:39:47] 10 million. So that
[02:39:51] 6 is about 46 million for next year.
[02:39:55] And the one time expense we had this
[02:39:57] current year was for the shore power.
[02:40:00] Right. So this year would not be
[02:40:02] representative of. Well, that was a one
[02:40:05] off cost. That was a capital cost
[02:40:06] though. It was a capital cost. So we
[02:40:08] will be then paying depreciation for
[02:40:10] that. Okay. So.
[02:40:14] And that 10 million does include our
[02:40:16] payment to the NW2 million of our
[02:40:19] payment to the NWSA.
[02:40:23] As a reminder, someday may go away,
[02:40:25] right? Is that what you're suggesting we
[02:40:27] should be working harder on? It's not
[02:40:29] like it doesn't come up every time.
[02:40:31] Okay, thank you. But thank you. Okay,
[02:40:33] let's move forward. Yeah, thanks. All
[02:40:36] right, shall we go
[02:40:40] to the capital budget then? Great.
[02:40:48] All right. All right.
[02:40:52] Now we'll go through the Capital
[02:40:53] Improvement Plan, or cip. Do note that
[02:40:57] although you will see only a portion,
[02:40:59] you will see only Port of Seattle
[02:41:01] capital projects here. The Maritime
[02:41:03] Division is responsible for delivering
[02:41:06] all the capital projects in the north
[02:41:08] harbor of the Seaport alliance as well.
[02:41:10] Next slide, please.
[02:41:18] All right. From a commission standpoint,
[02:41:20] the briefings are in the middle of the
[02:41:22] timeline presented here. Elizabeth
[02:41:25] Morrison and Scott Bertram will meet
[02:41:26] with you in two weeks to discuss the
[02:41:28] details of the preliminary funding
[02:41:31] scenario. After that, any commission
[02:41:33] feedback will be incorporated into the
[02:41:35] formal adoption process. Stephanie will
[02:41:38] now go through the capital priorities
[02:41:41] with you. Next slide, please. So a
[02:41:43] couple key items. One is that the asset
[02:41:47] stewardship portion of our capital plan
[02:41:50] continues to grow. That's taking a
[02:41:52] larger percentage of our CIP each year.
[02:41:55] We have a preliminary funding shortfall

[02:41:57] in the capital plan, and you're going to
[02:41:59] hear more about that in two weeks when
[02:42:01] you hear about the plan of finance. We
[02:42:04] have added a number of new projects to
[02:42:06] the CIP that are focused on modernizing
[02:42:08] our assets. At the same time as we see
[02:42:11] this, I think this Commissioner Mohamed
[02:42:14] asked this morning about kind of, what
[02:42:15] are you doing? In response, we're doing
[02:42:17] a number of things. In addition to pre
[02:42:19] purchasing long lead items, we're also
[02:42:22] looking at different funding and
[02:42:24] development alternatives, like ground
[02:42:26] leasing, for instance, and alternative
[02:42:28] design build methods. Our teams are
[02:42:30] looking at those in great detail. And
[02:42:33] we're also deferring some projects. I
[02:42:35] also want to point out that we have some
[02:42:37] emergent needs that we are not funding.
[02:42:40] So. Next slide. This doughnut
[02:42:45] chart, I think shows well the need to
[02:42:48] put more and more resources into assets
[02:42:51] stewardship. Three years ago, less than
[02:42:54] half of our capital plan was focused on
[02:42:57] asset stewardship. Now more than 65% is.
[02:43:01] So it's a pretty significant improvement
[02:43:03] over over a couple of years that I think
[02:43:05] is just important for us to
[02:43:09] keep in mind. And a pretty small portion
[02:43:11] of our doughnut is focused on projects
[02:43:14] that will bring increased revenue and
[02:43:17] actually increase our capital capacity
[02:43:21] in the future. We do have a number of
[02:43:24] projects around community environment as
[02:43:27] well as economic development that if we
[02:43:29] do them right, could also Contribute to
[02:43:31] financial sustainability as well as
[02:43:35] community and economic development.
[02:43:36] You'll hear more about them. Okay, next
[02:43:39] slide, please. A couple of the key
[02:43:42] buckets that are taking up our asset
[02:43:46] stewardship. One is around.
[02:43:50] So our asset stewardship is focused on
[02:43:53] both preservation as well as modernizing
[02:43:55] our assets. We have a significant amount
[02:43:57] of funds, $122 million for
[02:44:00] electrification. There's things like
[02:44:02] shore power extensions, also smart
[02:44:06] meters, LED lighting. So these I think
[02:44:09] of as like the modernization.
[02:44:10] Additionally, our electrical system,
[02:44:13] as you might expect in a marine
[02:44:16] environment, has some pretty significant
[02:44:20] repair and rehabilitation.
[02:44:22] Rehabilitation needs as well. All told,
[02:44:24] that's a pretty big bucket of our funds.
[02:44:26] Repairing our infrastructure,
[02:44:28] rehabilitating our infrastructure. 426
[02:44:32] million. That's a very significant
[02:44:33] amount of money, obviously. So, so
[02:44:36] there's dock rehab. We have $104 million
[02:44:40] project for dock rehab at Terminal 91,
[02:44:44] Fisherman's Terminal, Northwest Dock,

[02:44:46] Schochel Bay Marina, fixed pier, and
[02:44:50] another 75 million in different building
[02:44:52] updates. We also have about 5 million
[02:44:54] for parks in
[02:44:59] a budget, capital budget. Next slide.
[02:45:03] This point is what I turn it over to
[02:45:06] Kelly. Yeah, yeah, I mean, we can sit
[02:45:10] here for a second. Here's a draft
[02:45:12] capital. Here's a draft of our capital
[02:45:14] plan, which as you can see, you know
[02:45:17] that common theme of asset stewardship
[02:45:19] on it.
[02:45:24] Otherwise. Next slide, please. Font's
[02:45:28] kind of small on that last one. Yeah,
[02:45:32] you will. You will see a slide similar
[02:45:34] to this in the plan of finance next
[02:45:36] week. It basically outlines the funding
[02:45:38] capacity that Stephanie was asked to
[02:45:42] prioritize Projects to the negative. 50
[02:45:45] million and 133 million represent
[02:45:47] funding shortfalls that will need to be
[02:45:50] addressed with further prioritization
[02:45:52] coming years, provided costs of other
[02:45:56] projects or environmental liabilities
[02:45:58] aren't reduced or deferred. Next slide,
[02:46:00] please. I think go back to Stephanie on
[02:46:03] the last couple here. So I'm going to
[02:46:05] just go through these next couple slides
[02:46:07] pretty quickly. We bucketed them to a
[02:46:09] couple different groups. The first is
[02:46:11] large asset modernization projects that
[02:46:15] are in the cip. So these are projects
[02:46:17] that we are prioritizing and we're doing
[02:46:19] that focusing on. Focus on the assets
[02:46:22] that we have, making them fit
[02:46:26] for purpose for modern use. Next slide.
[02:46:29] We have a number of projects that are
[02:46:33] also prioritized, but we've are in the
[02:46:36] cip. But we've adjusted how we have done
[02:46:40] them. Specifically. There's some FT
[02:46:42] projects that are moved out beyond the
[02:46:43] five year cipher. We do have both
[02:46:47] design and construction funding for the
[02:46:49] 91 uplands in the budget as well as we
[02:46:53] Go forward, we'll evaluate the best ways
[02:46:54] to deliver that. Next slide. We have a
[02:46:58] number of projects that we did not fund,
[02:47:00] including pretty significant costs at
[02:47:04] Pier 69. There's some HVAC,
[02:47:09] some seismic, some doc rehab
[02:47:13] that are not currently funded. We do
[02:47:15] need to do something, but we want to
[02:47:17] take the time to step back and
[02:47:19] understand what the best way to approach
[02:47:20] that is. So we're going to really look
[02:47:23] at that holistically before can we do
[02:47:27] more modest maintenance. What are some
[02:47:29] of the different options? But there will
[02:47:31] be projects that need to be done at Pier
[02:47:33] 69. Same with Pier 66. Building H
[02:47:37] vac electrification. We will need to
[02:47:41] make updates to the HVAC system at some
[02:47:44] point in the next probably 10 years.

[02:47:46] What the best way to do that is. Right
[02:47:48] now the price tag for electrification
[02:47:50] looks pretty significant. It's important
[02:47:53] part of our overall climate
[02:47:57] change like greenhouse gas reduction
[02:48:00] program. Right now we're meeting the
[02:48:01] goal there by using renewable natural
[02:48:03] gas. If we were to electrify that
[02:48:07] instead, this is the price tag. And then
[02:48:09] we have some dredging that's not
[02:48:11] included either. Next slide.
[02:48:14] There are other emergent needs that are
[02:48:17] also not included in the cip. We do not
[02:48:19] have anything in for Salmon Bay Marina.
[02:48:21] We do not have anything in for an Omni
[02:48:24] Terminal. Development projects are
[02:48:27] always coming up over the transom that
[02:48:29] we're not expecting. And we do not have
[02:48:30] those funds in the budget at the moment.
[02:48:32] We don't have specific escalation
[02:48:35] drivers in the budget. This was a very
[02:48:36] tight budget year. We had to make a lot
[02:48:39] of difficult decisions. And then one
[02:48:42] additional outlier are complying with
[02:48:45] regulatory requirements. What we're
[02:48:47] seeing is when we make an improvement,
[02:48:50] it's. It can trigger bringing an
[02:48:54] entire facility or entire building up to
[02:48:56] code. And. And that can be very
[02:48:58] expensive. So we're looking at different
[02:48:59] ways to address that. That's a pretty
[02:49:01] significant budget driver for us. Next
[02:49:03] slide. Just back to the last slide where
[02:49:07] we show our different categories of
[02:49:10] spending in our capital plan. And that
[02:49:13] was, I believe, the last slide of our
[02:49:15] presentation. Yeah, that's it for.
[02:49:17] Yeah, that's the last one for cip.
[02:49:21] Last slide of the presentation. Last
[02:49:24] slide of the cip. Cip. And then we will
[02:49:28] have our Economic Development division
[02:49:31] budget next with Managing Director.
[02:49:34] Okay, so let's go ahead and come up for
[02:49:36] air here, starting with Executive
[02:49:38] Director Matric. Yeah, I just wanted to
[02:49:40] make one comment and then I was going to
[02:49:42] say this is a good point to stop for if
[02:49:43] there's any questions on the cip. But
[02:49:45] the other. Just to say what Commissioner
[02:49:47] Calkins had mentioned before about this
[02:49:50] is a similar thing that has to do with
[02:49:52] bringing things up to code and looking
[02:49:54] for us to examine that and saying what
[02:49:56] is the cost benefit of some of these
[02:49:58] things that are extremely expensive.
[02:49:59] You may not undertake a project if you
[02:50:02] touch it because then everything has to
[02:50:04] come up to code. And we may not be able
[02:50:06] to do our investment to keep it going
[02:50:08] because it just makes it too expensive
[02:50:10] for us to do that. Something for us to
[02:50:12] examine and look at as a. As an owner,
[02:50:14] public owner of the properties. All

[02:50:17] right, let's start with Commissioner
[02:50:18] Felleman.
[02:50:23] I guess the corollary to that was sort
[02:50:25] of like with T5, that if you don't do it
[02:50:28] now, the code's going to increase.
[02:50:29] Right. So. So the idea is knowing what's
[02:50:32] coming down the road. And also you're
[02:50:35] talking about building a resilient
[02:50:36] terminal. So, you know, building to the
[02:50:39] higher standard eventually is something
[02:50:40] that we're going to want to do.
[02:50:44] Obviously, the. I guess just two
[02:50:47] thoughts. One is getting back to my
[02:50:50] cruise question. I mean, we continue to
[02:50:52] do a lot of infrastructure investment.
[02:50:54] The CIP has a significant preservation
[02:50:57] of 66 and the slips in 91 and things
[02:51:00] like that. These are, as you say, you
[02:51:02] know, going to be depreciated over long
[02:51:03] periods of time. And I am not suggesting
[02:51:07] cruise isn't the most profitable thing
[02:51:08] we have. I'm just trying to make sure
[02:51:10] that we reflect its true profitability
[02:51:13] and so not trying to beat up on it. I'm
[02:51:16] just trying to be clear that it takes
[02:51:19] money to make money. Right. Thank you,
[02:51:21] Commissioner. And you've been very
[02:51:22] consistent in that point. All right.
[02:51:24] And then finally, with all this
[02:51:26] electrification that's going on, I don't
[02:51:28] understand why I keep on hearing from
[02:51:30] IBEW that there's all these out of work
[02:51:32] electrical workers. And it just strikes
[02:51:35] me that we are generating a lot of
[02:51:37] electrical work. And I guess it'd be
[02:51:39] kind of interesting to know the number
[02:51:41] of jobs that are being created in the
[02:51:43] course of doing all this
[02:51:44] electrification. And I only assume that
[02:51:47] this is going, you know, it's not
[02:51:51] going down, it's only going into the
[02:51:52] future. This is the great time to be an
[02:51:54] electrician, you know. So I just throw
[02:51:58] that out there in the course of talking
[02:52:00] about these big expensive things that we
[02:52:02] do. There's the numbers of people that
[02:52:04] are doing it. Thank you,
[02:52:07] Commissioner Calkins. And I think
[02:52:11] that might be a local versus regional or
[02:52:15] even national phenomenon. We have a
[02:52:18] particular local that because of the
[02:52:20] reduction in commercial building
[02:52:22] projects within the city core. They're
[02:52:26] struggling to find work, but on a
[02:52:28] national scale, electricians are very
[02:52:29] much in demand right now. Yeah.
[02:52:33] So I think this is another instance of
[02:52:37] something I spoke about earlier in the
[02:52:39] meeting, or maybe it was this morning.
[02:52:41] It's all starting to blend together.
[02:52:43] But an instance where, particularly on
[02:52:46] the maritime capital side, many of these
[02:52:49] projects really require a long term

[02:52:52] commitment from a private party in
[02:52:58] terms of just the enormous capital input
[02:53:00] required to build some of these
[02:53:02] facilities, whether it's a new cruise
[02:53:04] terminal or a new cargo facility or some
[02:53:07] other maritime appropriate maritime use.
[02:53:09] And I
[02:53:13] guess I would say, as I am trying to do
[02:53:16] some of the long term strategic thinking
[02:53:18] around our maritime side, I think we
[02:53:21] need to recognize we might be at a bit
[02:53:24] of an inflection point. And that's going
[02:53:26] to require a little bit of a change in
[02:53:28] identity in seeking out partners who
[02:53:30] mean who either. It's been a long time
[02:53:33] since we've accessed partnerships with
[02:53:36] that segment, or recognizing that
[02:53:40] we're kind of in the middle of a
[02:53:43] changing of the complexion of maritime
[02:53:47] generally. I think we've had a
[02:53:50] really strong run in Trans Pacific cargo
[02:53:55] that doesn't. And our forecasting from
[02:53:58] when I started eight years ago
[02:54:00] anticipated that continuing
[02:54:02] indefinitely. That's not happening. It
[02:54:06] hasn't been happening over the last few
[02:54:07] years. And I think for a while we
[02:54:09] thought, oh, it was pandemic related or
[02:54:12] something other sort of blip in the
[02:54:15] trade relationship in the first Trump
[02:54:17] administration. I actually think we've
[02:54:20] got more persistent headwinds
[02:54:24] in Trans Pacific cargo coming to
[02:54:27] Seattle. And so we need to be willing to
[02:54:30] look beyond simply banking
[02:54:34] on continued growth in that,
[02:54:40] in that sector and really looking to
[02:54:42] other areas of maritime. And quite
[02:54:45] honestly, you know, we're looking at
[02:54:47] things like short SEA shipping and an
[02:54:50] expansion of the use of our terminals to
[02:54:52] move goods within the United States,
[02:54:54] and not just trying to deepen flows
[02:54:58] to Alaska or Hawaii, but also thinking
[02:55:00] about can we move stuff up and down the
[02:55:03] west coast or through the marine highway
[02:55:05] system like the Columbia river, and be a
[02:55:07] part of a larger network there that
[02:55:09] seeks to replace some of the road and
[02:55:11] rail traffic or accommodate some of the
[02:55:14] additional traffic that we're
[02:55:15] anticipating on road and rail, but
[02:55:16] instead use it by barge traffic? So
[02:55:19] that's one example. We've been having a
[02:55:21] really robust conversation around the
[02:55:24] need to reinvigorate shipbuilding in the
[02:55:25] United States and what role the Port of
[02:55:27] Seattle might play in that as a place
[02:55:30] for layup of modular pieces or even
[02:55:33] potentially Hosting an expansion of
[02:55:36] shipments yard capacity in our on our
[02:55:39] facilities. That kind of planning
[02:55:43] that maybe wasn't central over the last

[02:55:46] decade, I think really needs to move to
[02:55:48] the sort of front and center as we think
[02:55:51] about our maritime division.
[02:55:54] And Stephanie, I know you have been
[02:55:57] absolutely participating in those
[02:55:59] conversations and doing outreach and
[02:56:01] bringing ideas to the table as well.
[02:56:03] And I just think, think we really need
[02:56:04] to lean into that. And so I appreciate
[02:56:07] you mentioned we don't have it budgeted
[02:56:10] right now. We do have, I think, a little
[02:56:13] bit. I know A is here somewhere.
[02:56:16] We've got some of the kind of strategy
[02:56:19] work budgeted for in 2026.
[02:56:22] And I also think, you know, it's a
[02:56:26] little scary, but it's also really
[02:56:28] exciting to think that we may be on the
[02:56:30] cusp of, of a, of a significant
[02:56:32] reinvigoration of what historically has
[02:56:35] been a huge part of who we are as a port
[02:56:36] over our 100 year history. Thank you,
[02:56:40] Commissioner. Commissioner Cho,
[02:56:42] Commissioner Muhammad, please continue.
[02:56:46] Thank you. And I will. Hey, do you
[02:56:50] want to sit here?
[02:57:05] All right, Commissioners, we will now.
[02:57:08] We'll now go through the Economic
[02:57:09] Development Division budget. Managing
[02:57:12] Director A will
[02:57:18] spend some time walking through her
[02:57:20] team's evolving approach on how the port
[02:57:23] can best invest time and resources to
[02:57:25] drive regional economic development as
[02:57:28] well as meet commissioners priorities.
[02:57:31] Welcome, Director Panchepta. Oh, well,
[02:57:34] thank you very much. It's my inaugural
[02:57:36] budget presentation. Well, thank you
[02:57:37] Kelly, very much for being a great
[02:57:39] partner in getting me and our team to
[02:57:42] this briefing. Well, good afternoon
[02:57:44] commissioners and Executive Director
[02:57:45] Metruck. For the record, Abe Woinrichta,
[02:57:47] Managing Director for Economic
[02:57:49] Development Division here at the Port of
[02:57:51] Seattle. Since you have been here for a
[02:57:54] very long time and you have been
[02:57:55] familiar with some of the slides that
[02:57:57] I'll be going over, I'm going to try to
[02:57:59] attempt to go over them as quickly as
[02:58:00] possible and then hand it over back to
[02:58:03] Kelly. Next slide please.
[02:58:06] Perfect. A few of the major ways that
[02:58:09] our division influences economic
[02:58:10] development statewide is through
[02:58:11] strategic real estate development
[02:58:13] planning, investments in regional
[02:58:15] economic development partnerships to
[02:58:17] advance opportunities for all businesses
[02:58:18] and developing key tourism partnerships.
[02:58:21] This slide highlights some of the major
[02:58:23] current initiatives such as the Maritime
[02:58:25] Innovation center or the MinC
[02:58:26] construction, the T91 uplands and the

[02:58:28] redevelopment, the Economic Development
[02:58:30] City Partnership Program, goal setting,
[02:58:32] outreach and training for WIMBEE
[02:58:35] contract opportunities here at the port
[02:58:36] and amplification of what our great
[02:58:39] state of Washington has to offer through
[02:58:41] the tourism marketing program. As you
[02:58:44] know, economic development is a long
[02:58:45] road as many of these initiatives take a
[02:58:48] vision, consistent and ongoing efforts
[02:58:50] to be realized. Luckily, through the
[02:58:53] small and nimble team of 17 people, you
[02:58:55] can see that the EDD covers a wide range
[02:58:57] of our programs that positively impact
[02:58:59] the regional and state economy. Next
[02:59:02] slide please. So next let's
[02:59:06] look at this slide and look at some of
[02:59:08] the opportunities, upcoming initiatives
[02:59:09] and the challenges that we face. Some of
[02:59:12] these initiatives and partnerships
[02:59:13] include the Cascadia Sustainable
[02:59:15] Alternative Fuels Accelerator Institute
[02:59:17] which is to further explore
[02:59:18] opportunities to invest in
[02:59:19] infrastructure needs and access to
[02:59:23] sustainable aviation fuels or SAF here
[02:59:25] at SEA. Currently we are a member of
[02:59:28] csai but it will take some years to
[02:59:30] implement this vision. Additional
[02:59:32] infrastructure studies are needed and
[02:59:34] collaboration amongst external and
[02:59:36] internal partners will be of part
[02:59:37] pertinent to the success of this work.
[02:59:40] Investing in SAF will directly serve our
[02:59:43] goal of decarbonizing our aviation
[02:59:45] sector. Another green initiative that
[02:59:49] we want to look at and we look forward
[02:59:50] to supporting is the City of Seattle's
[02:59:52] Green Economy Strategy which presents
[02:59:55] promising opportunities to support the
[02:59:56] green economy and create jobs. Through
[02:59:59] establishing a partnership with the City
[03:00:00] of Seattle, the port and the city can
[03:00:03] commit to protecting and developing
[03:00:04] industrial lands as a viable and
[03:00:06] predictable place to create jobs and
[03:00:08] attract investments related to the teal
[03:00:10] economy and other port related jobs.
[03:00:12] Many understand that getting these sites
[03:00:15] shovel ready is very expensive. This
[03:00:17] will take significant investments for
[03:00:18] the city, port, state, private
[03:00:20] landowners and others to be able to
[03:00:22] attract investors. This work is urgent
[03:00:24] as it is important to keep our region
[03:00:26] competitive for attracting businesses
[03:00:29] and investments here, especially in the
[03:00:31] advanced manufacturing and Port Williams
[03:00:32] industries. Additionally, we will be
[03:00:35] working and are working with our
[03:00:36] consultants High Peak Strategies to
[03:00:38] develop an action plan for a division
[03:00:39] that will spell out our priorities for

[03:00:41] the next three to five years. Next slide
[03:00:44] please for 2026
[03:00:48] and beyond as you see here, there are
[03:00:50] significant opportunities in 2026 and
[03:00:51] beyond to make impacts with supporting
[03:00:53] businesses through developing land for
[03:00:55] pad ready sites to welcome new
[03:00:56] investments, new green energy
[03:00:58] infrastructure projects, new funding
[03:01:01] programs to support responsible tourism
[03:01:02] especially during World cup efforts,
[03:01:03] and much much more. With the upcoming
[03:01:07] Economic Development Action Plan, we
[03:01:08] hope to educate people that economic
[03:01:10] development investments take time to
[03:01:12] realize the roi and while there is a lot
[03:01:14] of uncertainty existing in the federal,
[03:01:16] state and even local levels, we cannot
[03:01:18] wait for the right time. In many
[03:01:20] instances, many of these investments
[03:01:22] should have been made decades ago, but
[03:01:24] we are here now and still have the
[03:01:25] opportunity to build the port for for
[03:01:27] the future. Next slide please so
[03:01:32] you can see here that you have shared
[03:01:34] your budget priorities and we are
[03:01:37] looking forward to investing in
[03:01:38] shipbuilding readiness and understanding
[03:01:39] the current landscape as described by
[03:01:41] Commissioner Calkins investigating
[03:01:43] sustainable aviation fields
[03:01:44] opportunities and partnering with
[03:01:45] internal teams here at the port,
[03:01:47] initiating new grant opportunities to
[03:01:49] support responsible tourism efforts,
[03:01:50] doubling down on equitable tourism and
[03:01:53] embedding it into our existing existing
[03:01:54] programming and revisiting our economic
[03:01:56] development strategic planning for our
[03:01:58] real estate strategies. We will also
[03:02:00] continue to partner with internal teams
[03:02:02] here at the port through the Duwamish
[03:02:04] hub. We understand that we have big
[03:02:06] goals and big priorities for 2026, but
[03:02:08] we are hopeful with the continuation of
[03:02:10] internal external partnerships, we can
[03:02:12] make strides with many of these
[03:02:13] property, with many of these priorities.
[03:02:15] And lastly, I very much want to
[03:02:18] recognize my management team who are all
[03:02:19] sitting here in the room and I want to
[03:02:21] recognize that Kira, Elise, me and Rice,
[03:02:24] Nick Leonti, Annie Tran and Tammy
[03:02:27] Ashcroft, they have been amazing teams
[03:02:30] to work with and many thanks to them and
[03:02:31] to you and your teams for being great
[03:02:34] leaderships, for bringing great
[03:02:36] leadership to the, to the region and for
[03:02:38] the economic development community. And
[03:02:40] thank you for the opportunity to share
[03:02:41] in my first inaugural presentation and I
[03:02:43] welcome any questions. Otherwise, back
[03:02:45] to Kelly. Thanks, Hay.

[03:02:52] Does anybody have questions or comments?
[03:02:56] Commissioner Calkins, just to say
[03:02:59] appreciate how you've really aye. the
[03:03:01] ground running here at the port and
[03:03:03] we're just really grateful for your
[03:03:05] expertise on matters that are at, you
[03:03:09] know, quite honestly where the port is
[03:03:11] pushing the envelope in terms of
[03:03:14] technology adoption. And so please
[03:03:19] let us know how we can help and also how
[03:03:22] we can get out of your way when we're
[03:03:23] stepping. That's dangerous. But thank
[03:03:25] you. I appreciate. Can you bring back up
[03:03:26] the slide also if someone would
[03:03:31] indulge me. Number. Go back, back,
[03:03:33] back, back. The, the graphic. The,
[03:03:37] the. Perhaps the 26 and beyond.
[03:03:40] The one that I like that one. Okay, so
[03:03:44] we saw this before and this has grown
[03:03:47] since our commissioned retreat and I
[03:03:51] don't know if I said it then or
[03:03:53] afterwards, but I love this graphic.
[03:03:56] It's just it clearly delineates our
[03:03:59] book of business and similar to what
[03:04:03] Commissioner Calkins just said, this
[03:04:05] team is where the rubber hits the road
[03:04:08] for the benefit that all
[03:04:12] of our different institutions provide
[03:04:15] to our community members, to the
[03:04:18] workforce and throughout the region. So
[03:04:20] this is. If I could just frame this and
[03:04:23] put it up on my wall because if we
[03:04:26] deliver on these things then we can look
[03:04:30] at this and say we've met our mission.
[03:04:32] So kudos to the team who has been
[03:04:36] working diligently over the course
[03:04:37] course of several years and I just want
[03:04:41] to echo my bit of confidence in your
[03:04:43] leadership also where the. What you need
[03:04:47] in order to Succeed, I think, is more
[03:04:49] than anything, resources and support and
[03:04:51] thought partnership. So to that end, I
[03:04:54] hope that you do think of us as your
[03:04:56] commission, as your valued thought
[03:04:59] partner. So thank you so much for
[03:05:01] everything that you're doing. Thank you.
[03:05:03] All right, Commissioner Felleman, I
[03:05:07] think I say this every time, but since
[03:05:08] you're new, I'll say it to you too. I
[03:05:10] always find it funny that we have a
[03:05:11] department called what the mission of
[03:05:14] the port is. You know, economic
[03:05:16] development is Port of Seattle. Right.
[03:05:19] So you have the whole Port of Seattle
[03:05:21] under your jurisdiction. That's the
[03:05:22] small, small burden to carry. But I
[03:05:25] always think that there's perhaps a
[03:05:28] subset of that term, but the other part
[03:05:30] of it is that your economic development,
[03:05:33] but it's hard to show revenue. So you
[03:05:36] have this double whammy. You have the
[03:05:38] name of generating wealth, and at the
[03:05:41] same time, you're the one department

[03:05:43] that doesn't do it very much so. But you
[03:05:46] spawn the ability for all of us to
[03:05:48] prosper. And so with that kind of
[03:05:51] awkward and thankless position, we
[03:05:53] totally welcome you to the job and have
[03:05:57] full confidence. Just takes a little
[03:05:58] longer for us to show the bottom line.
[03:05:59] I'm particularly excited about your
[03:06:01] expertise in the aviation fuel world.
[03:06:03] And we've already seen great progress in
[03:06:06] that round. So thank you. Thank you,
[03:06:08] Commissioner. All right,
[03:06:12] thank you very much for that and we can
[03:06:14] move forward in the presentation. All
[03:06:16] right, I'll now walk you through the
[03:06:20] roll up and we will quickly go through
[03:06:22] the department goals and investments.
[03:06:25] Please let Ari know if you want clarity
[03:06:28] on anything or she's got like, she's got
[03:06:29] her team here as well. So I've broken
[03:06:32] this slide into two parts. First, the
[03:06:34] top portion is the profit and loss
[03:06:36] component included in the roll up that
[03:06:39] we had at the beginning for the seaport.
[03:06:42] And then on this, there's a small
[03:06:46] amount of revenue from event fees at the
[03:06:48] Duwamish Hub. The expenses are almost
[03:06:51] entirely economic development tax levy
[03:06:54] and tourism. All other expenses are port
[03:06:58] wide levy or allocated expenses,
[03:07:00] hitting mostly the Maritime division.
[03:07:02] The bottom section is the total budget
[03:07:06] for the Economic Development Division.
[03:07:08] So two things to note here are. The
[03:07:10] Economic Development Division's budget
[03:07:12] was flat from 2025 and just over a third
[03:07:16] of their costs stay in the division as
[03:07:17] the others are either going to the levy
[03:07:19] or. Or other divisions. Next slide,
[03:07:40] Sorry, one second here.
[03:07:50] Okay. There are no significant changes
[03:07:52] in expenses for tourism. We did shift
[03:07:55] some money out of. We did shift some
[03:07:58] money out of tourism marketing support
[03:07:59] to better match historic actuals. There
[03:08:03] are Some slight changes in focus for the
[03:08:06] year as well toward FIFA and responsible
[03:08:09] tourism. Next slide, please.
[03:08:13] Real estate development budget had a
[03:08:16] very small increase. There is a slight
[03:08:18] movement of focus to the seaport as the
[03:08:21] Des Moines Creek west winds down.
[03:08:25] Next slide, please.
[03:08:28] Diversity in contracting grew 5%
[03:08:31] primarily from payroll. As in the past,
[03:08:34] the big focus is on the WIMBEY goals.
[03:08:36] They added a small investment as well
[03:08:39] for a feasibility study of non airport
[03:08:42] concession training program.
[03:08:46] Next slide, please.
[03:08:54] Nays Economic Development and Innovation
[03:08:56] Group was held flat from 2025 budget.
[03:09:00] When you back out, the slight payroll

[03:09:02] decrease. The $350,000
[03:09:06] listed there should have been 950,000,
[03:09:07] which for the EDD partnership grants,
[03:09:11] which is in line with what we had last
[03:09:13] year. Next slide, please.
[03:09:19] There are no new net FTEs, although we
[03:09:23] did slightly modify the open real estate
[03:09:26] planning position to a real estate
[03:09:27] development role. Next slide, please.
[03:09:33] This slide shows the roll up of all the
[03:09:36] levy items in the EDD budget. Outside of
[03:09:38] shipbuilding readiness study. It's
[03:09:40] mostly a continuation of some existing
[03:09:42] programs. The next slide. This is just a
[03:09:46] list of the new budget items that we
[03:09:48] have. Next slide.
[03:09:52] Any questions? Y' all mind if I get
[03:09:56] first run at this one? All right.
[03:09:58] Presidential privileges. Just because
[03:10:02] I'm wondering is the east trail opening
[03:10:07] or the contributions that we made in the
[03:10:09] past. This was before Nays time, but for
[03:10:12] some reason it seems like in my mind
[03:10:13] that was a huge piece of our
[03:10:17] contribution toward for tourism. And
[03:10:20] then there's. It's been recently been
[03:10:21] open. I feel like it just. It just came
[03:10:23] up again recently. Is that nowhere in
[03:10:26] here? I have stumped the entire room.
[03:10:30] Moving swiftly forward. Okay.
[03:10:35] I thought there was like a grand opening
[03:10:37] and somebody said that,
[03:10:46] oh, the east. It's on the east
[03:10:50] side. And they said it's a big deal.
[03:10:51] Are you thinking of the east side rail?
[03:10:52] Yeah. And the port needs like $23
[03:10:55] million towards it. If you want, I can.
[03:10:57] Yeah, yeah. I remember we used to have
[03:11:00] it, but I haven't wonder if that fits in
[03:11:03] here anywhere. That's something we're
[03:11:04] thinking about. This is on. I think
[03:11:06] this. That's a really good example of
[03:11:08] how the Port of Seattle stepped up at
[03:11:12] a time when the rail corridor was
[03:11:15] available for purchase and none of the
[03:11:18] other public entities was able to
[03:11:20] purchase. And so we purchased that
[03:11:23] entire corridor, I want to say maybe 15,
[03:11:25] 20 years ago, and then systematically
[03:11:29] mapped all of them and sold all of the
[03:11:32] pieces to the individual cities that it
[03:11:36] goes through as well as King County. So
[03:11:38] I agree that sometimes we don't get
[03:11:40] credit for that work that we did, that
[03:11:42] none of the other entities actually
[03:11:44] stepped forward to provide that initial
[03:11:47] funding. And now it is going to be an
[03:11:50] amazing corridor for economic
[03:11:52] development, multimodal transportation.
[03:11:55] So thank you for that, Director Zahn,
[03:11:58] because, you know, I think that is
[03:12:00] something that's come up as like a
[03:12:02] celebratory moment and it makes me want

[03:12:04] to go through and dig. But it just kind
[03:12:08] of resonates with all of our themes of
[03:12:09] responsible ecotourism and supporting
[03:12:11] our cities and through lines of tourism
[03:12:14] to get outside of Seattle to the corners
[03:12:16] of the county. So thank you for that
[03:12:17] refresher. Commissioner Felleman, did you
[03:12:19] have a thought? Build on that. You know,
[03:12:21] a lot of large, like, what is it?
[03:12:25] Google built right around on that
[03:12:28] because it's such a beautiful asset. I
[03:12:31] didn't know that there was a Kirkland
[03:12:33] shipyard that actually built the
[03:12:35] Kalakala and there's a shell of the
[03:12:37] Kalakala there. And they were going to
[03:12:39] build an interpretive center. This is
[03:12:41] getting to your point. This is one of
[03:12:42] the big things we did for the east side
[03:12:43] that we get no credit for. And they were
[03:12:46] going to build some interpretive
[03:12:47] facility. And I was saying, so where's
[03:12:50] the Port of Seattle plaque? And I am not
[03:12:55] sure the interpretive facility got
[03:12:57] built, but I know it was right around
[03:12:58] the Calakola. But I do think it's
[03:13:00] appropriate. Was a brilliant investment.
[03:13:03] John Creighton did lead that effort at
[03:13:06] the time. I know, but it was with
[03:13:09] that long term thinking that the port
[03:13:11] takes and our. Our patient capital that
[03:13:14] allows for those sort of things to
[03:13:15] happen. And it has both the tourism as
[03:13:18] well as the economic development
[03:13:19] benefit. And were you here at that time?
[03:13:21] Yes, right at the. Right at the
[03:13:23] beginning. Okay. And I'll jump in and
[03:13:25] say Nate Camino sits on the board of
[03:13:27] East Rail and I had a chance to attend
[03:13:30] their recent fundraiser with aye.. And
[03:13:33] the port got lots of good. I will say
[03:13:36] they, they called us out, were very
[03:13:38] generous with their gratitude. And I
[03:13:41] felt awkward because I was there
[03:13:42] representing the port when it was in
[03:13:44] fact John Creighton who had really led
[03:13:45] the effort to make it happen. So. But
[03:13:47] Nate assured me that was all right. Is
[03:13:50] there a story there? Okay, so my next
[03:13:52] question, if you could bring up slide 53
[03:13:54] for me, please. It's regarding
[03:13:59] our tourism grants for the cities. And I
[03:14:02] just wonder. I mean, part of me wishes
[03:14:06] that we could front load some of this
[03:14:07] funding so that it could get out the
[03:14:09] door into cities so that they have the
[03:14:11] infrastructure in place in time for The
[03:14:13] FIFA surge. I have this romantic notion
[03:14:16] that FIFA is going to be the new
[03:14:19] foundation upon which cities across King
[03:14:21] county can build and have this
[03:14:23] incredible tourism infrastructure to,
[03:14:27] you know, help them into the future.
[03:14:29] And so, you know, where's. What's the

[03:14:32] timing of this? How are we, how are we
[03:14:34] intentionally deploying this as a
[03:14:36] resource to the recipient cities? Maybe
[03:14:39] I'll have Annie come up welcoming Annie
[03:14:41] as well. But I'll just say that we have
[03:14:43] been encouraging, as part of this year's
[03:14:45] opening of the applications for our City
[03:14:47] Partnership Fund programs that we have
[03:14:49] been encouraging, looking at how they
[03:14:51] want to activate and create a catalyzing
[03:14:53] project to support the upcoming big
[03:14:58] event. You know, and the big, I say big
[03:15:00] event because I think this is one of
[03:15:01] many that I think our region will be
[03:15:03] foreseeing in the future. So if they can
[03:15:05] activate it for World cup, this is a
[03:15:07] great way for them to convince and
[03:15:08] justify the, the activity using some of
[03:15:11] the supportive funding that we have.
[03:15:12] But yes, ma', am, I'll hand it off to.
[03:15:13] And good afternoon, Madam President.
[03:15:16] Thank you so much for that question. As
[03:15:18] you may remember from earlier this year,
[03:15:20] thanks to you all for approving the two
[03:15:23] year Economic Development City
[03:15:25] Partnership Grant. So that allowed us to
[03:15:27] open up our application process so that
[03:15:29] cities had access to funding for 2020
[03:15:32] and through the end of 2026. Just last
[03:15:35] Friday, on October 10th, that was the
[03:15:37] deadline for cities to apply for this
[03:15:39] funding. We did open up the application
[03:15:42] period from April of 2025. Originally
[03:15:46] the deadline was in August, but we
[03:15:47] wanted to provide leeway for additional
[03:15:49] cities to apply, so we extended it to
[03:15:51] October, allowing them, what is that,
[03:15:54] two more months to apply. We've been
[03:15:57] working with cities very closely on some
[03:15:59] of their ideas on how to activate their
[03:16:01] downtowns and some of their business
[03:16:03] districts in preparation for World cup
[03:16:05] planning. So it's really exciting.
[03:16:07] We've received all the applications that
[03:16:10] we can as of Friday, and we're still in
[03:16:12] the process of reviewing and then
[03:16:14] executing contracts with many cities.
[03:16:15] And it's been happening on a rolling
[03:16:17] basis since April of this year. She did
[03:16:21] that impromptu with no notes. Thank you
[03:16:24] for carrying this work, Annie. Okay. To
[03:16:27] my colleagues, questions that you have
[03:16:28] at this juncture, Commissioner Cho.
[03:16:32] No, I just, you know, I just continue to
[03:16:34] have heartburn over the fact that we
[03:16:36] even have a P and L for edd. And I know
[03:16:39] you and I have had many conversations
[03:16:41] about how we can reframe this, but it
[03:16:44] just, you know, I hate that. I hate that
[03:16:46] slide where we talk about P and L for
[03:16:48] edd. Because, you know,
[03:16:51] the return on the investment that we
[03:16:55] make on the EDD side doesn't come in the

[03:16:57] form of revenue. It comes in the form of
[03:16:59] economic development. And if there was a
[03:17:02] way for us to quantify the number of
[03:17:04] jobs and, or the economic stimulation
[03:17:06] that we provide, you know, or the
[03:17:10] people, the amount of businesses we give
[03:17:12] contracts through Means team, like, I
[03:17:14] would love to be able to put that in
[03:17:16] here and be like, we spent X million
[03:17:18] dollars, but we created a multiplier
[03:17:20] effect of X million dollars.
[03:17:25] Even if we have to add that to this
[03:17:29] slide somehow and it's not baked into a
[03:17:33] P and L per se, but just to be able
[03:17:36] to say these are the tangible results of
[03:17:41] these investments. Obviously we here as
[03:17:44] an institution understand this, but for
[03:17:48] anyone outside the port looking at each
[03:17:51] of our divisions, their conclusion might
[03:17:55] be, why is this one division losing
[03:17:56] money? I think it was only exacerbated
[03:17:59] by the fact that we took away a lot of
[03:18:02] the real estate revenue that was
[03:18:04] previously under EDD and put under
[03:18:08] maritime, which, you know, obviously is
[03:18:10] Steve's purview. And I don't, you know,
[03:18:12] like, I obviously don't want to opine on
[03:18:15] that decision, but it didn't help
[03:18:17] either. So I, you know, I just continue
[03:18:19] to push for us to come up with creative
[03:18:22] ways to frame the edd, for lack of a
[03:18:25] better term, P and L statement. And I
[03:18:28] know you share that sentiment with me.
[03:18:29] Yeah, yeah, we've talked about that a
[03:18:31] little bit and we will. One thing we
[03:18:33] will do at the short run, wait. The new
[03:18:36] CFO may have some ideas of how he wants
[03:18:38] to structure it as well. But what we
[03:18:42] can do is we'll look at putting some
[03:18:44] investment results into the year end,
[03:18:47] into the year end review that we have,
[03:18:50] you know, February ish timeframe.
[03:18:54] Okay. Commissioner Calkins. No,
[03:18:58] it's as if we asked a public library
[03:19:02] system to show profit. It's like, no,
[03:19:04] no, no, that's not the point of a public
[03:19:05] library system. It's not. Or the post
[03:19:07] office or the Department of Defense.
[03:19:09] Like, we don't. There are certain things
[03:19:10] that have such intrinsic value in an
[03:19:13] indirect way. And essentially, and I, I
[03:19:16] think it's a good idea that we try to
[03:19:18] distinguish between the elements of the
[03:19:20] port that kind of function in a more
[03:19:22] market driven segment. Like we talked
[03:19:25] earlier about our, you know, our parking
[03:19:27] at the airport in particular, where we
[03:19:31] sort of expect them to stand on their
[03:19:35] own two feet in other areas where the
[03:19:36] public mission of it and the willingness
[03:19:39] to use in a lot of instances levy
[03:19:41] dollars to support it is driven by the
[03:19:43] fact that we believe that general public

[03:19:46] investment in this thing will result in
[03:19:48] a generalized benefit to the public and
[03:19:50] that we can't charge direct
[03:19:55] fees to cover that kind of operation.
[03:19:57] And so that's important. That's why
[03:19:59] we're a public agency, not a private
[03:20:00] port authority. Right. And we hear
[03:20:02] Executive Director Metruck talk all the
[03:20:03] time about our triple bottom line to MC
[03:20:06] Commissioner Cho's point in a budget
[03:20:07] document. How do we demonstrate the ROI
[03:20:09] when it's not necessarily revenues?
[03:20:11] Okay, let's move forward in the
[03:20:12] presentation. Do you have any other
[03:20:13] slides? Nope. I think we're. That's it.
[03:20:17] Yep. Already.
[03:20:21] I told you we'd do it in an hour and a
[03:20:23] half. Commissioner Felleman. Well,
[03:20:26] that whole conversation was what I led
[03:20:28] off with about being in charge of an EDD
[03:20:30] named organization. But the tourism is
[03:20:33] another place where we invest and the
[03:20:37] benefits are regional and things like
[03:20:39] that. But the. I just wanted to
[03:20:43] make sure with Commissioner Hasegawa's
[03:20:45] question about the city grants, there's
[03:20:48] also these two year tourism grants that
[03:20:51] local jurisdictions can apply for. So
[03:20:53] the. The. And they can get both. So you
[03:20:56] can get. I think it's non competitive
[03:20:58] for the cities. Right. You just have to
[03:21:00] ask and you get it. And then there's a
[03:21:02] competitive grant process for tourism
[03:21:06] that local governments can also receive.
[03:21:10] Right. So in terms of FIFA preparatory
[03:21:12] activities and what's the time frame for
[03:21:15] the. Didn't the tourism grant just close
[03:21:18] as well? And we have. Nick,
[03:21:25] welcome. Hello. So the record,
[03:21:29] I don't know if I'm on. Good.
[03:21:31] Fantastic. That's just how I sound in my
[03:21:34] head. My name is Nick Leonti. I'm the
[03:21:36] director of Tourism development. So our
[03:21:38] tourism grants are just wrapping up a
[03:21:40] two year cycle right now. We will be
[03:21:42] coming to commission for authorization
[03:21:44] for the next two year cycle in January.
[03:21:47] I know that's going to be a small window
[03:21:49] for FIFA. I will say that we did have
[03:21:51] some organizations focus on FIFA related
[03:21:53] marketing in the last cycle. You know,
[03:21:56] getting websites created and creating
[03:21:58] visitor portals to direct visitation
[03:22:00] around during that time. So we have
[03:22:02] already funded some of those grants. We
[03:22:06] would be looking at being able to
[03:22:07] execute contracts and in April. So yeah,
[03:22:09] that is going to be a pretty tight
[03:22:10] window. But we are encouraging
[03:22:12] organizations to look beyond FIFA as
[03:22:14] well. And how do we leverage FIFA to
[03:22:17] generate sustainable, responsible
[03:22:20] tourism for years to come as a result of

[03:22:22] hosting FIFA? Rather than just focusing
[03:22:24] on those three weeks, how do you
[03:22:26] leverage those three weeks into the
[03:22:28] future? And that requires a 2 to 1
[03:22:32] match. It is a 2 to 1 match for a total
[03:22:35] of 30k. So 20,000 import funds. So it
[03:22:38] just, you know, if, if a city or a local
[03:22:41] jurisdiction wanted to be hedge their
[03:22:44] bets, they could spend their match up
[03:22:47] front potentially and then they could,
[03:22:49] they could wrap their whole two year
[03:22:51] cycle up in two weeks if they would
[03:22:53] like. So. So like before the decisions
[03:22:55] are made. Right. They could spend, they
[03:22:58] could spend some money. You're saying
[03:23:00] that. Well, they can't start the work
[03:23:02] until, until they have an executed
[03:23:03] contract with us. So they couldn't get
[03:23:06] credit for a running start. Work can't
[03:23:08] start until, till we have a contract. I
[03:23:10] was trying to get it in place in time
[03:23:12] for FIFA, but they could be prepared,
[03:23:14] they could aye. the ground running.
[03:23:15] Okay, thank you. Thanks.
[03:23:19] Okay, well, thank you very much for the
[03:23:21] time and the presentation. I'd like to
[03:23:22] think and dismiss the panel. Thanks.
[03:23:25] And that brings us to the end of our
[03:23:27] business agenda for the day. At this
[03:23:29] time I'll turn to my colleagues to see
[03:23:31] if they have any closing comments or
[03:23:32] referral to committees for the good of
[03:23:34] the order. Commissioner Calkins. Well,
[03:23:38] I'm gonna say go Mariners. This has
[03:23:42] been so much fun for me and my favorite
[03:23:45] part is, although he's remote in
[03:23:50] Arizona, getting to just call my dad
[03:23:52] every time there's a home run or
[03:23:54] something. And just that experience for
[03:23:56] aye. as a fan since their inception
[03:23:59] to get to see them do so well now just
[03:24:02] hoping we can get two more wins and get
[03:24:04] to the series. Well,
[03:24:08] I just wanted to lift
[03:24:14] up executive director Metruck. You
[03:24:16] mentioned in your opening comments that
[03:24:17] the Port of Seattle declined to play the
[03:24:19] trumpet to administration's video at our
[03:24:20] facilities and just wanted to say as
[03:24:23] Port President that we think that, that
[03:24:26] that video and as presented was in
[03:24:30] violation of the Hatch act and seems
[03:24:33] awfully irresponsible to bait local
[03:24:34] jurisdictions into such a position of
[03:24:37] legal exposure. And so the commission
[03:24:39] wholeheartedly supports the decision to
[03:24:43] not play the video at the airport. And I
[03:24:48] also wanted to mention that we just
[03:24:50] recently returned from the international
[03:24:52] the World Ports Conference in Kobe,
[03:24:54] Japan, where we had a continued global
[03:24:56] conversation about sustainability in
[03:24:58] ports. Globally, that economy is alive

[03:25:02] and well. It's affirmation that we are
[03:25:04] doing such good work, particularly in
[03:25:07] the realm of electrification here at the
[03:25:09] Port of Seattle. Lessons learned about
[03:25:11] hydrogen, how anything short of green
[03:25:13] hydrogen, particularly brown hydrogen,
[03:25:16] probably doesn't help us meet our net
[03:25:18] zero goals. But very cool to see how
[03:25:21] that as an alternative fuel is entering
[03:25:25] the market in Japan. But really it's
[03:25:28] about the relationships right was the
[03:25:31] director of the Port of Rotterdam who is
[03:25:32] one of the members in our tri sister
[03:25:34] relationship between Rotterdam, Kobe and
[03:25:37] Seattle who said at a dinner,
[03:25:40] politicians and politics come and go,
[03:25:43] but relationships remain. And over the
[03:25:46] course of several, several decades in
[03:25:48] this relationship, it's something that
[03:25:49] we at the local level are so happy to be
[03:25:51] able to maintain. And so it was truly a
[03:25:56] wonderful conference and I'm deeply
[03:25:58] grateful to Executive Director Medic and
[03:26:00] the other members of staff who were able
[03:26:02] to join us there. And congratulations to
[03:26:04] Sarah Ojay and Stephanie Jones Stebbins
[03:26:07] for their phenomenal panel presentations
[03:26:10] and in particular Director Ojay for her
[03:26:13] leadership role on the IAPH Executive
[03:26:16] Committee. I also wanted to take this as
[03:26:19] a moment to wish everybody a very happy
[03:26:22] Filipino American Heritage Month, the
[03:26:25] end of Latino Heritage Month, as well as
[03:26:28] the National Disabilities and Employees
[03:26:30] Awareness Month, a happy Indigenous
[03:26:34] People's Day yesterday. And to everybody
[03:26:38] who celebrates Spooky season and go
[03:26:41] Mariners with that,
[03:26:44] I do have two more comments from my
[03:26:46] colleagues. We'll start with
[03:26:47] Commissioner Felleman. I'll pass it over
[03:26:48] to Commissioner Cho and
[03:26:53] we were going to do something for
[03:26:55] National Immigrants Day. Well, but we're
[03:26:57] going to do that next week. But I just
[03:27:01] want to note that unless you're Native
[03:27:03] American, we're all immigrants and we
[03:27:05] should all be treating each other with
[03:27:07] respect, recognizing the fact that our
[03:27:10] forefathers had great hardship coming
[03:27:12] here and we should be lifting everybody
[03:27:14] up rather than demonizing them. I do
[03:27:17] want to also note that, you know,
[03:27:19] celebrate the hostage release in the
[03:27:20] Middle east was great. The fact that
[03:27:23] clearly our current president has very
[03:27:27] good relations with the oil nations of
[03:27:30] the Middle east. And I think that's also
[03:27:32] reflected in aye. unfortunate letter
[03:27:35] regarding the imo. We're having a
[03:27:37] meeting Wednesday where we might have a
[03:27:41] national an international mandate for
[03:27:43] alternative fuels that this

[03:27:44] administration is actively representing
[03:27:47] anything but the US no less the
[03:27:50] international interest. And then I
[03:27:54] guess we had a whole conversation about
[03:27:56] the airport and SAMP and I just also
[03:27:59] wanted to acknowledge the progress we're
[03:28:01] making on North SEATAC park and the
[03:28:04] ability for us to potentially getting
[03:28:06] grant money through King County to be
[03:28:09] able to transfer that to City of Sea-Tac
[03:28:11] so those communities can continue to
[03:28:14] benefit from that park. And I feel
[03:28:17] compelled I have to address the quote
[03:28:20] that was directed to me twice back at
[03:28:22] me. Smart but stealthy was from this op
[03:28:26] ed I wrote in the Stranger specifically
[03:28:28] to elevate public awareness about what
[03:28:30] the port is to an audience that normally
[03:28:33] doesn't pay attention until we do
[03:28:35] something Bad Stealthy was not meant to
[03:28:38] be seen as hiding, but the fact is
[03:28:42] that it's not publicly. People aren't
[03:28:45] publicly aware. We're doing a lot of
[03:28:47] smart things out of the public sight.
[03:28:50] Like. Like octopuses. I love octopuses.
[03:28:53] It was not a negative thing, but I just
[03:28:55] wanted to say it sort of came off. They
[03:28:57] were using it in a way that was not
[03:28:59] intended. So just for clarity. Thank
[03:29:06] Yeah. You know, I thought it was
[03:29:08] necessary to address the many
[03:29:10] constituents who felt the need to
[03:29:13] testify on the Salmon Bay Marina
[03:29:16] situation. Obviously, we feel for those
[03:29:19] constituents and tenants who are being
[03:29:21] displaced as a result of the unfortunate
[03:29:25] conditions of the marina. I was very
[03:29:28] disheartened to hear insinuations of
[03:29:31] some scandal or some alternative
[03:29:33] ulterior motive. But, you know, I just
[03:29:37] feel obligated to let you know, those
[03:29:41] folks know, but also the general public
[03:29:42] know that there is no, you know,
[03:29:45] ulterior motive or agenda here. It
[03:29:47] really, truly is just about the safety
[03:29:49] of those residents. And it's not a
[03:29:54] decision we come to lightly. In fact,
[03:29:56] in some ways, it goes against everything
[03:29:58] that we try to do here at the port. Our
[03:30:01] mission is to improve the livelihoods of
[03:30:04] individuals and our constituents. And
[03:30:07] it's never an easy decision to create a
[03:30:12] situation that, you know, does harm and.
[03:30:16] Or causes stress to our constituents.
[03:30:20] But I do think that it is upon us to
[03:30:23] look at and evaluate some of the. The
[03:30:26] requests that we've got today, whether
[03:30:28] it's an extension of their timeline or
[03:30:33] reductions in the mortgage and slips
[03:30:36] fees in the time being. Reimbursements.
[03:30:39] Sure. Yeah. And reimbursements, you
[03:30:42] know, being very sensitive to the fact
[03:30:44] that they are being displaced during the

[03:30:46] holiday season. Unfortunately, that's
[03:30:48] when the biggest risks are when it comes
[03:30:50] to safety as well. And so I recognize
[03:30:54] it's unfortunate timing and it's causing
[03:30:57] a lot of people stress, but I want folks
[03:30:59] to rest assured that this isn't some
[03:31:03] sort of conspiracy on our side to
[03:31:07] try and displace a bunch of people,
[03:31:08] because we have plans to develop it or
[03:31:10] anything like that. This really has come
[03:31:13] down to weighing people's safety versus
[03:31:17] the risks of them continuing to inhabit
[03:31:20] that marina. And so, you know, I know
[03:31:23] there will be continued dialogue between
[03:31:25] the residents of that marina and the
[03:31:28] Port of Seattle. And we, as
[03:31:29] commissioners, will continue to stay
[03:31:31] engaged in that conversation. If I may,
[03:31:34] you and I will be meeting with a
[03:31:36] resident from Salmon Bay Marina as well.
[03:31:38] And then after they were at the last
[03:31:40] meeting, and then we had a meeting
[03:31:42] afterwards to see what additional
[03:31:44] support we could provide. And the
[03:31:48] new request here that we didn't hear at
[03:31:51] the last meeting was around transferred
[03:31:54] ownership so that it would remove some
[03:31:57] of the financial burden off of us if
[03:32:00] they wanted to acquire that land. So
[03:32:03] through a C3 organization, I think is
[03:32:05] what they said. Anyways, it. It's just
[03:32:07] something that I wanted to lift up. And
[03:32:10] we have continued conversations to look
[03:32:12] into some of their requests. Okay,
[03:32:14] thank you so much folks. Appreciate it.
[03:32:17] And seeing no further business before
[03:32:19] us, hearing no further comments from my
[03:32:21] colleagues, the time is 3:38 and we are

END OF TRANSCRIPT