



[00:00:00] Sam.

[00:00:27] Foreign.

[00:00:31] This is Commission Vice President Calkins convening the regular meeting of December 9, 2025. The time is 10:30am we're meeting in person today at the Port of Seattle headquarters building, Commission chambers and virtually on Microsoft Teams. Present with me today are Commissioners Cho, Felleman and Muhammad, who are currently gathered in the executive session waiting room awaiting the opening of the public meeting. Commissioner Hasegawa will be joining the executive session later this morning. We will now recess into executive session to discuss three items regarding litigation or potential litigation or legal risk per RCW4231 10 11 for approximately 60 minutes.

[00:01:13] We'll reconvene into public session at 12pm thank you.

[00:01:24] Good afternoon. My name is Toshiko Hasegawa. I'm Commission President, and I'm reconvening the regular meeting of December 9, 2025. The time is 12:14pm we're meeting in person today at the Port of Seattle Commission headquarters at Pier 69, as well as virtually on Microsoft Teams. Clerk Hart Pretty, please call the roll of all the commissioners who are in attendance.

[00:01:47] Thank you, Madam Commission President. Beginning with Commissioner Cho. Present. Thank you. Commissioner Felleman.

[00:01:52] Present. Thank you. And Commissioner Hasegawa Present. Thank you. Commissioner Calkins and Commissioner Mohammad will be joining the meeting a little bit later on, and we do have a quorum established today.

[00:02:03] Okay, first few housekeeping items before we begin. The coffee is scalding hot, so approach with caution. Whoa.

[00:02:19] Whoa. For everyone in the meeting, please turn your cell phones to silent. And anyone participating on Microsoft Teams, please mute your speakers when you're not actively speaking or presenting. Also, please keep your cameras off unless you are a Commissioner or a member of staff participating virtually and are actively addressing the Commission. Members of the public addressing the Commission during public comment can turn your cameras on when your name's called to speak, and then you can turn them back off again after the conclusion of their remarks.

[00:02:54] For anyone at the dais, please turn off computer speakers and silence your devices. Please also remember to address your request to speak through the chair and wait to speak until you've been recognized. You'll turn your microphones on and off as needed. All of the items noted here will ensure a smoother meeting. Thank you.

[00:03:13] All of the votes today will be taken by the roll call method or by general consent, so it's clear to anyone participating virtually how the votes are cast. Commissioners will say aye or nay when their names are called. And I'd also like to open with the acknowledgment that we are meeting on the ancestral lands and waters of the Coast Salish peoples with whom we share a commitment to stewarding these natural resources for ourselves and for future generations.

[00:03:41] This meeting is being digitally recorded. It can be viewed or heard at any time on the ports website. And it may be rebroadcast on King county television. And so at this time, I'd invite you all to please stand or join

us for the pledge of allegiance.

- [00:03:56] I pledge allegiance to the flag of the United States of America and to the republic for which it stands, one nation under God, indivisible, with liberty and justice for all.
- [00:04:14] The first item of business today is the approval of the agenda. As a reminder, if a commissioner wishes to make a general comment for or against an item on the consent agenda, it is not necessary to pull that item for separate discussion. Rather, commissioner may offer general supporting or opposing comments later in this meeting. Once we get to that part of the agenda, however, it is appropriate if a commissioner wants to ask questions of staff or wishes to have a dialogue on a specific item, to request that it be pulled for a separate discussion at this time with that Commissioner Feldman. I understand you'd like to pull items 8F and G. Thank you.
- [00:04:55] Commissioner. Are there any other items to be pulled from the consent agenda or any motions to rearrange the orders of the day hearing? None. Commissioners, the questions now on approval of the agenda as amended.
- [00:05:12] Are there any move, Sam. Sorry, I got a motion. So. Okay. Are there any objects.
- [00:05:21] Objections to the approval of the agenda hearing? None. The agenda is. Is approved as amended. And so next.
- [00:05:28] That brings us to our executive director's report. Executive director Metric, you have the floor. Thank you, President Hasagawa. Good afternoon, commissioners. It's hard to believe, but today is our final Commission meeting of 2025.
- [00:05:41] We have a full agenda for your consideration today and consent. We have two actions that will support our goal of achieving full shore power connectivity by 2027, and Commissioner Felleman has pulled those. So we'll discuss those a little bit. One is through the purchase of legacy equipment, and the other is through advancing design toward a guaranteed maximum price for extension projects for Terminal 91 and Pier 66. The latter project will come back for construction authorization early next year.
- [00:06:09] Under new. Under new business, we have two resolutions. One is a technical fix and the other routine authorization for conveyance of surplus property. We will also present and seek your approval of our 2026 state legislative agenda. Before we take up consideration of those items, I'd like to highlight a few things.
- [00:06:28] First, I want to share my full endorsement of the statement issued by the Port of Seattle Commission on Monday in support of the Somali community. As you say to our Somali American neighbors, colleagues and community members, you belong here and you are valued. We share that message also with the Afghan community and all of our immigrant communities who are experiencing a new chapter of uncertainty and fear. The purpose of the Port's welcoming policy is to reaffirm our commitment to the safety, inclusion and engagement of immigrants, refugees and international visitors who interact with our facilities or services, and we continue to express that this is a deeply held value here at the Port.
- [00:07:11] Commissioner since this is our first meeting since a Thanksgiving holiday, I would like to take this opportunity to thank our staff for working around the clock and managing several operational challenges over the last few weeks. Holiday travel patterns shifted noticeably with overall activity softening during the period in question. Seattle Tacoma International airport saw roughly 870,000 passengers from Wednesday

through Monday of Thanksgiving holiday period, which while large, trailed both the 2024 total by 1% and the forecast of 900,000 by 3%. Despite that dip, checkpoint throughput exceeded last year's volume by 3% and that includes our new checkpoints, checkpoint 1 and checkpoint 6. Local residents traveled at a somewhat higher rate, whereas connecting traffic declined over the holiday.

[00:08:01] This travel picture unfolded as our organization managed two significant operational challenges in rapid succession. Immediately after the record long government shutdown, we confronted a pipeline outage that required an alternative fuel delivery strategy for sea. Staff across multiple teams worked with the airlines and other stakeholders to mitigate the impacts, including executing an innovative tank tanker truck operation that supplied 5 million gallons of fuel during the disruption. Their performance demonstrated our strong culture of safety, coordination and innovation. And I have one last update that ends our aviation report and that will be on a high note.

[00:08:40] After eight year advocacy effort. I'm pleased to share that this year's National Defense Authorization act contains legislative language that will allow SEA to use federal funding to supplement our sound insulation repair and replacement program. Prior to this point, the FAA's policy only allowed federal funding to be used for initial installation or of sound insulation. Installation of sound insulation the Port of Seattle is great deeply grateful to US Representative Adam Smith and US Senator Patty Murray who were instrumental in advocating for the passage of this policy. I also want to thank our staff who worked relentlessly on this issue.

[00:09:19] This provision will allow us to enhance the investment that the Commission has already made in this program, leading to even more homes getting their failed Nos Nos noise insulation repaired. We expect the NDAA to receive final Congressional approval and the President's signature by the end of next week and we are working with Senator Murray and Representative Smith on a press release to highlight this great achievement. Over in Maritime I'd like to provide some highlights, including our participation in the Pacific Maritime Expo at Lumen Field. The Port of Seattle representatives and maritime partners also joined. We were all there at the Maritime Economic Breakfast where Commission President Hasegawa provided the keynote and Commissioner Ryan Calkins contributed as a panelist and Running Maritime News the Seattle Marathon returned for the first time after the pandemic with a redesigned route that highlighted fisherman's terminal, Terminal 91 bike path and a finish at the Bell Harbor Conference Center.

[00:10:20] I don't know if there is that much running maritime news. I thought I would have to share that one, though. Nearly 8,600 participants took part, supported by staff who ensured a smooth and safe experience for athletes and spectators along our waterfront. In tribal relations news, treaty fishing for the 2025 salmon season has formally concluded, closing an important period of tribal partnership in harvest and stewardship. Appreciation goes to all who supported a productive and safe treaty fishing season.

[00:10:51] I'm also pleased to hear of a successful engagement with tribal leaders at the National Congress of American Indians held last month here in Seattle. Thank you to Deputy Executive Director Karen Goon for attending in my place and to Commissioner Felleman for his efforts to further our connections with tribal leaders at the both regional and national level. I was also pleased to be joined by many of you commissioners and port staff at the annual Port of Seattle Holiday Customer Reception last week on December 4th here at Pier 69. At the event, I highlighted major milestones and challenges and looked ahead to several projects opening before the 2026 FIFA World Cup. The SEA Gateway Project In Alaska's

lobby, the C Concourse expansion and the roadway improvements will significantly enhance the airport's efficiency and service for decades to come, and those will be completed in 2026.

[00:11:44] We achieved these outcomes in a year defined by significant uncertainty. Fluctuating tariffs and ongoing trade negotiation negotiations created persistent operational challenges. An aviation fuel pipeline issue added further strain to daily activities. The federal government shutdown introduced additional delays and disruptions as well, and a proposal to rezone maritime industrial lands underscored the continued need to protect our working waterfront. And we experienced moments where we saw challenges to our values.

[00:12:17] But with Commission's leadership, we have success in we have successfully taken a path that ensures the ports raised values, respect, anti racism, equity, integrity and stewardship and excellence that ensure that their enduring foundation to our work our values make us strongest, more competitive and more prepared to serve our community in the region now and into the future. And we would not have achieved, we would not have achieved these outcomes without the partnership of our community, the support and leadership of our commission, and especially the steadfast leadership of President Hasegawa. So I thank all of you for a very impactful year, meaningful year, and look forward to 2026. And commissioners, this concludes my report. Thank you.

[00:13:06] Okay, thank you, Executive Director Metric.

[00:13:13] This is my last meeting as Port President, at least for chairing the full meeting. And I will be passing the gavel, presumably to Commissioner Calkins. And I think I'm supposed to make a flowery speech here, but in only so many words, I will say this year has been a lot. This year has been a lot for all of us. And Executive Director Metric's comments only hits the tip of the iceberg from all angles and at every level, it has been a lot.

[00:13:53] And the end of the year is upon us, and we have come through this year together. There has been fight after fight after fight. And if you're listening to me, then one of those fights is resonating with you.

[00:14:15] But what also came through this year was the opportunity to pull together, to stand in solidarity with each other, our fellow colleagues, our communities, interjurisdictionally shoot from across the nation, in some cases, because we know who we are. We know where we come from and what we've been through. And we know we won't go back. We are trailblazers. We at the Port of Seattle are visionary.

[00:14:53] We are a place of opportunity and those values that inform us. Our mission is where we're going. And it's not easy, and it is wildly imperfect, and it is not without loss or failure. But what we do have is a goal of where we're going to go together. So as I conclude this year, I do so with a heart full of hope because the people around me are the ones who inspire me.

[00:15:31] Despite the burden, we don't bend. We move forward. And if we have to, we lean on each other. Some of the things I'm looking forward to, we need to approach with urgency. So let's talk about what comes next.

[00:15:49] And we're going to continue to collaborate on health care.

[00:15:55] We urgently need to be able to understand and plug in to the urgent need for access to health care for our own workers, for airport workers, and for our community members, child care. And the potential for a brick and mortar child care operation near the airport to support not just our workforce, which is only going to grow, but our adjacent community members executing on \$5.3 billion in a capital improvement project

which are contract opportunities for businesses and jobs for workers.

[00:16:39] FIFA World cup and a true reason to celebrate. Welcoming the international community as a welcoming port, leading on a clean energy transformation. Leaning into the role that this state has in transforming industries globally and knowing that we are the tip of that spear. Leaning into our role as a convener where there's change in leadership all around our city and our county, there's opportunity for us to help be able to bring all of us together towards our shared values and our shared goals. And continuing to make sure that in spaces where it feels uncomfortable and for many folks, unsafe, we lean in because we have to talk to the White House about tariffs.

[00:17:36] We have to go across the mountain range to talk about trade and commerce and our supply chain. We have to look at each other and say, your humanity matters to me and I am invested in your ability to set down roots and to thrive. Your survival is my survival. And in all the places of all the challenges that we face today, I know, I know it's what brought me to this position. That community has the answer.

[00:18:10] So we're going to keep listening, we're going to keep reaching. And I do so with so much joy and deep, deep gratitude in my heart because it will continue to not be easy, but it will be worth it. So thank you very much and it's been real with that, With that. The Port Commission welcomes public comment as an important part of our public process. Comments are received and considered by the Commission in its deliberations.

[00:18:48] Before we take public comment, let's review our rules for in person and virtual public comment. So Clerk Hart, please do play the recorded rules. Madam Commission President, do we want to take the committee report before the public comment? Oh, I'm so sorry. I've stepped out of order.

[00:19:03] We have Erica Chung, our strategic advisor, to provide our committee reports. Good afternoon, Madam President, Commissioners and Executive Director Metric, I have two reports for you today. On November 19, Commissioner Cho chaired the sixth and final Highline Forum meeting. The forum received an update from the host city, SEATAC Mayor Mohamed Eagle and City Manager Jonathan Young, who share their work and priorities, including human services, the development of their new civic campus, working with the port to protect the North SEA Tac Park. The forum then received the WSD SR509 update from construction Manager Andy and Andre Chapel and Program Manager John White on the opening of Stage one and construction progress of Stage two of the Puget Sound Gateway, the entire project expected to be completed in 2028.

[00:19:55] Then the forum received an update on the Sound Transit Federal Way Link Extension by Executive Project Director Lynne Riley and Director of Government Relations for South King County. Katy drew well spoke to the ribbon cutting and start of service of the Federal Way Link extension on Saturday, December 6th. Then the forum received update on local transportation projects from attending members. Then the forum concluded with an update on START from External Relations Capital Delivery Director Claire Gallagher. She noted the discussion regarding the Sustainable Airport Master Plan, NEPA determination, an upcoming SEPA process, the update on the part 150 noise and land Use Compatibility Study regarding the noise exposure map, and public outreach and she noted the discussion, input and work being done to finalize the 2026 state and federal policy priorities for START.

[00:20:55] On December 4, the audit committee met with Commissioner Calkins presiding, with Commissioner

Felloman standing in for Commissioner Muhammad and and Public Member Sarah Holmstrom in attendance. The Committee received reports from Baker Tilly, formerly Moss Adams, regarding the 2025 entrance audit and from the Office of the Washington State Auditor to receive the Accountability audit's results for 2024. The committee further here heard from R.L. townsend and Associates regarding the Construction Audit Services Annual Report. Director Fernandez provided an overview of the status of the 2025 audit plan and discussed the audits recommend recommended for the 2026 audit plan and members of the Committee voted to approve the 2026 audit plan.

[00:21:42] Information regarding performance audits on the Terminal 91, First 6 and 8 project as well as a recovery effort for data integrity and Maritime was provided, as was information related to the limited contract compliance review for Suns Incorporated and the Yarrow Group llc. This concludes my report. Thank you. Thank you very much, Erica. So with that, let's move into public comment and Clerk Hart, go ahead and play the recorded rules.

[00:22:10] Thank you. Thank you.

[00:22:15] The Port of Seattle Commission welcomes you to our meeting today. As noted, public comment is an important part of the public process and the Port of Seattle Commission thanks you for joining us. Before proceeding, we will overview the rules governing public comment. For your general information, each speaker will have two minutes to speak unless otherwise revised by the Presiding Officer for the purposes of meeting efficiency and the speaker shall keep their remarks within the allotted time provided a timer will appear on the screen and a buzzer will sound at the end of the Speaker's comment period. The Commission accepts comments on items appearing on its agenda and and items related to the conduct of Port business.

[00:22:54] Presiding Officer will ask speakers to limit their comments to these topics. This rule applies to both introductory and concluding remarks. Disruptions of Commission public meetings are prohibited. General disruptions include but are not limited to the following Speaking before being recognized by the presiding officer holding or placing banners and signs in the meeting room in a way that endangers others or obstructs the flow of people or view of others at the meeting Intentionally disrupting, disturbing, or otherwise impeding attendance or participation at a meeting Refusing to follow the direction of the presiding officer or security personnel Attempting to use the comment time for purposeful delay without conveying a discernible message Using the comment period to assist in a campaign for election of any person to any office or for the promotion of or opposition to any ballot proposition, except when addressing action being taken by the Commission on a ballot proposition appearing on its agenda Directing public comments to the audience engaging in abusive or harassing behavior, including, but not limited to, derogatory remarks based on age, race, color, national origin, ancestry, religion, disability, pregnancy, sex, gender, sexual orientation, transgender status, marital status, or any other category protected by law the use of obscene or profane language and gestures, assaults or other threatening behavior and conduct or sexual harassment for safety purposes. Individuals are asked not to physically approach commissioners or staff at the meeting table during the meeting.

[00:24:31] Individuals may provide written public comment before or after the meeting, and in addition, speakers may offer written materials to the Commission clerk for distribution to during their testimony to the Commission. A detailed list of the public comment rules is available through the Commission clerk. If a meeting is

disrupted by an individual in attendance in the meeting room or by an individual providing public comment in person or virtually, the port will impose progressive consequences that may result in exclusion from future meetings. Written materials provided to the Clerk will be included in today's meeting record. The Clerk has a list of those prepared to speak.

[00:25:08] When your name is called, please come to the testimony table or unmute yourself. If joining, virtually repeat your name for the record and state your topic related to an item on the agenda or related to the conduct of port business. For those joining virtually, when you have concluded your remarks, please turn off your camera and mute your microphone. Our public comment period will now commence. Thank you again for joining us today.

[00:25:38] All right, awesome. So, Clerk Hart, I know I always, always let you be the one to guide us through, but just for fun, see, since it's my last meeting, I think I'll do it. Sounds good. Okay, so first we're going to go with those who have signed up in advance, who are here in person with us in the room. And so that would be Anthony Oriemma from Carnival Corporation.

[00:26:02] Welcome, Anthony. Thank you, Anthony. Please go ahead and restate your name for the record and your item that you're speaking on today and then I'll start the timer for you. Thank you. Good afternoon, commissioners.

[00:26:16] My name is Anthony Oriemma, here on behalf of Carnival Corporation to express our support for agenda item 8F, authorizing the purchase of shore power equipment at Terminal 91. Carnival is proud to have helped bring shore power to Seattle 20 years ago, making this the second port in the world to offer the technology. Today, we continue to prioritize shore power access across our fleet as part of our sustainability strategy. We value our long standing partnership with the Port of Seattle and your leadership in championing what was once a novel concept. Seattle has set the standard and we are proud to work together on investments that benefit the environment, the community and the regional economy.

[00:26:55] This vote also advances the port's work to expand shore power capability to 100% of home ported cruise vessels by 2027, a significant milestone for the industry and the region. The 2025 cruise season was a tremendous success and we look forward to an even stronger 2026, welcoming more guests, supporting local jobs and meeting shared sustainability goals. Thank you for your partnership and considering this important action today. Thank you. Thank you.

[00:27:23] Thank you. Next we have Sally Andrews from clia. Welcome, Sally.

[00:27:34] All right. Good afternoon. I'm Sally Andrews from Cruise Lines International association, or CLIA for short. I'm here today also in support of agenda item 8F, requesting authorization for the port's purchase of the shore power equipment at Terminal 91. I didn't wait for you to start the clock.

[00:27:52] Okay. The Port of Seattle has been an industry leader in offering shore power for over 20 years in partnership with Carnival Corporation and its brands Holland America Line and Princess, and is one of only 41 ports in the world actively offering the ability for cruise ships to plug in. That is less than 3% of all cruise ports globally. CLIA champions investments in onshore power infrastructure and the use of shore power until such time as there are alternative fuels available at scale and at a competitive price. Shore power is a critical component of the industry's decarbonization ambitions.

[00:28:28]

By 2028, nearly 80% of the global cruise fleet is expected to be equipped for shore power, outpacing the availability of shore power in ports around the world. On behalf of CLIA and our member lines, we thank the commission, executive director Metruck and the port staff for their leadership and continued support of shore power in Seattle at all berths. Approval of agenda item 8F would help facilitate the use of Terminal 91 equipment for all the cruise lines docking there. This is particularly important in advance of the 2027 Plan for All home ported cruise ships to plug in. Thank you.

[00:29:04] Thank you very much. Okay, next we have Matt Ventosa from ILWU Local 19. Welcome up, Matt. Your name and the order of business. Good afternoon, my name is Matt Ventosa, Vice president of the International Longshore warehouse union, local 19 in Seattle.

[00:29:24] My item on the agenda is 8F and G. Good afternoon, commissioners, executive director, staff. Thank you for allowing me this time to speak. I want to thank the port for considering the utilization of Watts Marine at Pier 91. Their proven system at Pier 66 shows they're more than capable to produce a quality product that works. I would encourage the port to consider Watts Marine, if possible, for their shore power at the project at T18.

[00:29:47] Also, as we all know, the failures continue with T5 shore power. Just last week, yet again, we attempted to utilize their shore power to electrify the vessel and it failed. Unable to plug in, the ship had to rely on its own power while dockside. As a crane operator, I've experienced the stack gas from these vessels blowing directly into the cab of the crane I'm driving. We all know the toxic and detrimental exhaust that comes out of these, these from this in the environment.

[00:30:14] Yet here we are years later, still saddled with a lemon of a system at this terminal that nobody wants to take responsibility for. I would hope that you would take this into consideration the failures of Pier 5 when looking at building out the system at T18 and use a competent business that will meet the expectations above and beyond like Watts has done at Pier 66. Finally, I want to commend and thank the port CEO, staff and all the commissioners for their stance this year to protect the working waterfront and the position of the industrial lands that came under attack this year. Thank you, each one of you for your position in that and your strong leadership. It was a great team effort.

[00:30:50] And we got rid of somebody on the city council too, didn't we? Thank you.

[00:31:00] Thank you, Matt.

[00:31:03] So that concludes our signups in advance for today. Is there anyone who did not sign up in advance but is with us physically in the room who'd like to provide public comment? Is there anyone who did not sign up in advance that is with us virtually that would like to provide public comment?

[00:31:24] Okay. Seeing none, public comment is now closed. Clerk Hart, can you please give us a synopsis of the written comments that were received in advance of this meeting? Thank you, Madam Commission President. Members of the commission, we have received five written comments for the meeting today.

[00:31:43] These have been previously distributed to you and will become a part of the meeting record. These were submitted asking the port what the plans are with respect to preserving North SEATAC park and. And were submitted by Lisa McGinty, Carla McLean, Colleen Hinton, Andrea O' Farrell and Rob Bent. In addition, I just want to note for our records that several emails have been received over the past two weeks in

support of healthcare for airport workers. These are being addressed through the commission correspondence system.

[00:32:13] And that concludes the written comments we've received today. Great. Thank you very much. So, hearing no further testimony, we'll move on in our agenda to the consent agenda. Items on the consent agenda are considered routine and will be adopted in one motion.

[00:32:29] Items removed from the consent agenda will be considered separately immediately after adoption of the remaining consent agenda items. So at this time, I'll entertain a motion to approve consent agenda items covering 8A through J, excluding items F and G. So moved. Second motion's been made by Commissioner Felleman and seconded by Commissioner Cho. Commissioners, please say irony when your name's called for approval, beginning with Commissioner Cho. Aye.

[00:33:05] Thank you. Commissioner Felloman. Aye. Thank you, Commissioner Hasakawa. Aye.

[00:33:10] Thank you. Three eyes, zero nays for this item. Okay. That carries unanimously. And so we're going to hear item 8F.

[00:33:18] Clerk Hart, please read it into the record. Executive Director Metruck will introduce the item. There will be no presentation for this item. Staff's available, however, to answer any questions that we may have. Thank you.

[00:33:30] This is agenda item 8F. Authorization for the executive director to execute purchase agreements with Princess Cruises east berth and Holland America Line West Bertha for ownership of the legacy shore power equipment at Smith Cove Cruise terminal at Pier 91 and the requested amount of \$3,600,000 and to incorporate T91 equipment into the Watts maintenance agreement. Commissioners, today's item supports the port's goal of achieving full shore power connectivity by 2027 by enabling the port to assume ownership of this legacy shore power systems currently operated by Princess Cruise Line and Holland America line at Pier 91. Consulting ownership removes barriers that require non Carnival cruise lines to negotiate with competitor for access, creating a more consistent, transparent and efficient framework for vessel plug in across all brands. We have available to us.

[00:34:26] Stephanie Jones Stebbins Managing Director for Maritime. So let me just add briefly. Whoa, that's very loud. Sorry to just to Executive Director Metric's comments. And then.

[00:34:38] And then we have staff here to answer questions as well. So both of these two. There's two projects here, Commissioner, that you wanted to talk more fully about. They both are a key part of implementing The Commission's directive to have 100% shore power by 2027 one is taking that ownership so that we actually not only own the equipment that Princess and Holland America invested in so many years ago, so that we then have a much more clear pathway to have other cruise lines also plug into it. And then additionally, because configurations of cruise ships are different and these were built for two specific cruise lines, as we looked for other cruise lines to also plug in that have their shore power equipment on the vessel side in different places, we need a more flexible configuration.

[00:35:33] You can think of it as like a long extension cord or being able to accommodate, you know, when you pull into a gas station and your gas is on the wrong side. So we're really looking to make these investments so that we can accommodate any kind of configuration on the vessel. So in that project that the kind of

extension cords which build onto the. The existing system, which we are taking ownership of, that second project, this. We're just asking for additional design funds today so that we'll come back to commission for further approval when we get to construction, likely in end of Q1 or early Q2 of 2026.

[00:36:17] So the, I think last thing I would add is that these investments are, they're not insignificant. They're a really key part of our overall commitment to decarbonization. And I want to also stress that this particular business is a profitable one for the poor. And in order to make sure that that continues contributing to our bottom line, not only for our financially, but also sustainability, creating local wage, local family wage jobs, it's important that we keep making the investments that make the business sustainable. And that's what, that's what today's investments, today's request for actions are about.

[00:37:01] And with that, I will stop and ask if you have any further questions that myself or our project management staff, our environmental staff, or our crew staff could answer. Thanks. Thank you. All right, Commissioner's questions. Commissioner Fellerman.

[00:37:16] Well, thank you, Stephanie, for providing the why, which is really what I wanted to make sure folks understood it's not a trivial amount of money. 48 million for the extension cords, right. And then the 15 million for design and then the acquisition. So these are significant abilities to then service all the vessels that we have coming in. And I greatly appreciate your leadership on that from well before I was on the commission and although I was nudging you along the way, but this is just a culmination of a lot of work.

[00:37:53] And to have all three terminals shore power capable is really a great accomplishment. So the the primary. The primary issue was to do to let people know why. I appreciate Matt telling us that he likes the contractor. Obviously, Watts Marine does it all over the world.

[00:38:14] And I always thought that they got their name because of Watt being form electricity, but it's actually a guy's name. And. But. But finally the. The fact is that, you know, you provide this dashboard now that allows the public to see how often these publicly funded assets are utilized and as well as the greenhouse gas emissions that are averted.

[00:38:38] And so I'm just hoping that, you know, you do all this great accounting for it, that we make that a sort of an annual presentation so that we can see not just the investments that we're making, but the fruits of our labor. So thank you again for all your work. Thank you, Commissioner. Any other questions? Hearing none.

[00:39:00] Commissioners, is there a motion a second to approve this item? So moved. Second. That motion has been made by Commissioner Felleman and seconded by Commissioner Cho. Please say irony when the clerk calls the roll, beginning with Commissioner Cho.

[00:39:13] Aye. Thank you, Commissioner Fellerman. Aye. And just to note, it's two items. Right.

[00:39:18] Fng. Are we taking these at the same time? No. So separately, I. I was taking them one at a time. Well, we can motion to do both and just get it over with.

[00:39:29] Yeah, I'll first. That we can. If I could, though, could I just read the next one into the record? She only read the one into the record. This.

[00:39:37] Yeah, so. And that's fine if we take them together.



- [00:39:43] Yeah. Okay. Why don't you just read the record so we can put it. Yeah, read it into the record. And then if there are no further.
- [00:39:48] I'll ask again if there's any questions. Absolutely. I can certainly do that. Okay, so we'll hold off. Delay motion.
- [00:39:53] Okay, this is agenda item 8G. Authorization for the executive director to approve funding to execute the post validation amendment to the alternative public works progressive design build contract for the T91 Pier 66 cruise shore power extension project to further advance, design and complete the development and negotiation of a guaranteed maximum price and the requested amount of \$5,000,000 for a total project authorization of \$15,450,000 and a total estimated project cost of \$48,665,000. Thank you. So is there a motion a second to approve both items, 8F and 8G. So, so moved.
- [00:40:33] Second. Oh, well, the motion's been made by Commissioner Felleman and seconded by Commissioner Cho and Clerk Hart. Please call the roll. Thank you. Beginning with Commissioner Cho.
- [00:40:46] Aye. Thank you, Commissioner Fellman. Aye. Thank you. Commissioner Hosagawa.
- [00:40:51] Aye. Thank you. Three ayes zero nays for this item. The motion carries unanimously. All right.
- [00:40:58] So that's going to bring us into new business in our agenda and Clerk Hart, please read it into the record and Executive Director Metruck will introduce it. Thank you. This IS Agenda Item 10A. Introduction and Adoption of Resolution Number 3842 A Resolution Authorizing the Executive Director to sell and convey port personal property in 2026 in accordance with RCW 53.08090 with a value not greater than \$23,340 and repealing resolution number 3832 dealing with the same subject. Commissioners this is an annual authorization to selling and convey Port of Seattle personal property.
- [00:41:42] Staff continue Staff plan to continue the tradition of conducting outreach and surplus items to local disadvantaged communities. This action enables conveyance of property in 2026 and updates the amount to reflect what's outlined in the rcw. We are requesting consolidation of this reading to facilitate adoption upon the same day. The the presenter this afternoon is Lisa Lamb, Director of Accounting and Financial Reporting.
- [00:42:08] Good afternoon Commissioners and Executive Director Matric. I'm here today to introduce and request the adoption if allowed in single reading of resolution number 3842. This resolution authorized the Executive Director to sell and convey port personal property in 2026 using the established fair market value in accordance with Washington State state law. It also Repeals resolution number 3832 dealing with the same subject, the port routinely identified personal property that is no longer needed and for surplus. This resolution grants the Executive Director authority to surplus item with a fair market value not exceeding \$23,340 items.
- [00:42:53] Values above this threshold will continue to require Commission authorization and approval for surplus. All surplus property sale approved under this delegation will include it in the monthly notification of Executive Director delegation actions presents in the Commission Agenda. This dollar threshold is established by the RCW 530-8090. This amount is adjusted annually by the Washington State Department of Revenue based on the Consumer Price Index for the Seattle, Tacoma Bellevue area published each December 1st. For 2026 the threshold has increased by \$510.

- [00:43:32] Bring it to \$23,340. Surplus item within this limit are typically well used and at the end of their useful life. We did a look back using a three year average the port surplus of about 55,000 annually in equipment and furniture, computer and mobility device with an average fair market value of 11,000 per unit rolling stock and vehicle averaging about 6,000 per unit, totaling approximately about 1.4 million per year. So here I'm requesting the adoption of resolution number 3842, renewing the executive director's authority for 2026 and ensuring the continued management of surplus item for personal property at the port. If you have any questions.
- [00:44:23] Thank you very much for the presentation, Commissioners. We have for the record, been joined by Commissioner Calkins. This is your opportunity to ask questions or make comments. And we'll begin with Commissioner Fellman. I just think this is one of the great programs the port does, and I greatly appreciate the effort it takes to give away things.
- [00:44:43] Actually, I have my car full of e waste right now, and I'm just found a place that actually will put it back to you. So I'm glad to know those things are happening. Appreciate it. Thank you. Is there anybody else, Commissioner Cho?
- [00:44:56] No, I, I, I completely agree. And every time we do this, I'm reminded of Rudy, who used to come and present this to us. So thank you for bringing this to us again. Thank you very much. Okay, so with no further discussion, I believe.
- [00:45:15] Sorry, this is for executive session. Wrong script. Is there a motion and a second to approve? So moved. Second Commissioners, please say I or nay when your name is called.
- [00:45:27] And clerk Hart will call the roll. Thank you. And Madam Commission President, members of the commission, I just want to note that we've received no objection to consolidation of readings for this resolution. So the resolution will be then adopted today upon passage of your motion. Wonderful.
- [00:45:43] Thank you. And we'll begin that vote with Commissioner Calkins. Aye. Thank you, Commissioner Cho. Aye.
- [00:45:49] Thank you. Commissioner Fellerman. Aye. Thank you. Commissioner Hasakawa.
- [00:45:54] Aye. Thank you. Four ayes zero nays for this item. Wonderful. The resolution 3842 is adopted.
- [00:46:03] Clerk Hart, please read the next item into the record and executive Director Metruck will introduce it. Thank you. This is Agenda Item 10B. Introduction and Adoption of Resolution Number 3843A Resolution Repealing and Replacing Resolution Number 3476 and Amending Exhibit B to Resolution Number 3748, the Port of Seattle statement of investment policy.
- [00:46:31] Good afternoon, commissioners Executive. Give me one second here, Diane. Since so Commissioners, this. We are seeking a consolidated reading of this resolution to address a technical fix to our investment policy that would remove proper nouns and instead replace with job titles. And presenter is Diane Campbell, Treasury Manager here at the Port of Seattle.
- [00:46:54] Diane. Thank you. Good afternoon, commissioners. Executive Director Metric. Again, my name is Diane Campbell, the Treasury Manager for the Port of Seattle.
- [00:47:05] And my responsibilities include overseeing the Port's banking operations and investing the port surplus

funds. I'm here today to introduce resolution number 3843. This is essentially an administrative update and is related to Dan Thomas, our retired chief financial officer, who served as the port's treasure since 2001. Resolution number 3476's purpose included two things which we are looking to update and address. It specifically named Dan Thomas as the appointed Port Treasurer, as per RCW 533-6010 and 2.

[00:47:46] It called for a bond to protect the Port against loss. The bond amount was established at \$750,000 in 2001.

[00:47:57] With respect to the Port treasurer, it is the view of port staff that it is considered better practice and more flexible and long lasting to use a title and allow for a delegate, as this provides flexibility when the CFO leaves, the position is unavailable or separates from the port. So staff recommends updating the resolution by deleting a person's name and adding language for the port cfo, their successor in function, or their delegate having experience in treasury functions. In addition, resolution number 3748, which is the Port statement of investment policy, also named Dan Thomas as an authorized individual in exhibit B. Exhibit B is the Washington State Treasurer's office resolution authorizing the Port to invest in the local government investment pool. So this resolution will be updated to remove the specific name and replace it with a title and their successors or delegates as described earlier.

[00:49:04] And finally, with respect to the requirement for a bond to protect the Port against loss, the Port's crime insurance policies covers all port employees, including the Port treasurer. So staff is recommending broadening the language of the resolution to allow for a bond or insurance in lieu of a bond and increasing the amount from \$750,000 to \$1,000,000. These insurance policies meet section three of resolution number 3843, and they provide equivalent or better coverage than a bond. The port insurance coverage is reviewed annually with commission. That concludes my presentation, and I'd be happy to take any questions you may have today or in the future.

[00:49:45] Thank you. Thank you so much for the presentation. All right, Commissioners, do you have any questions at this time?

[00:49:59] Does this show up in a lot of our other policies where we're just like individual specific. I feel like we're being haunted by the Dan Thomas at Christmas pass. Right now. We're haunted by old RCWs in the best way possible. Yeah.

[00:50:16] Awesome. Are there any objections, commissioners, for the same day adoption of this resolution is introduced? Okay, so hearing none and having no further questions, is there a motion and a second to adopt resolution number 38433 and an amendment to exhibit B of resolution 3784? So moved. I'll second.

[00:50:37] Motion's been made by Commissioner Fellowman and seconded by Commissioner Cho. Is there any discussion or debate? Clerk Hart, please call the roll for this vote. Commissioners will say aye or nay when your name is called, beginning with Commissioner Calkins. Aye.

[00:50:53] Thank you. Commissioner Cho. Aye. Thank you. Commissioner Felloman.

[00:50:57] Aye. Thank you. And Commissioner Hasegawa. Aye. Thank you for.

[00:51:01] Aye. Sincere onais for this item, the resolution number 3843 is adopted. Thank you very much. Thank you very much.

[00:51:10] And we may move swiftly forward. Clerk Hart, please read the next item into the record. Executive Director Metruck can introduce it. Thank you. This IS Agenda Item 10C, the 2026 State Legislative Agenda Briefing



and action Commissioners.

[00:51:29] The success of the Port of Seattle is deeply tied to our work with the governor and the state legislature. The state provides key funding, regulation and policy that supports our infrastructure development and enables us to pursue environmental, equity and economic development initiatives that make our region a better place to work in and live. This agenda reflects your feedback and priorities for the 2026 legislative session. Representatives are John Flanagan, senior state Governmental Relations manager, and Nick, Our contract lobbyist there in Olympia. So thanks for the record.

[00:52:08] And as Executive Director Metruck mentioned, John Flanagan, senior stake of relations, let Nick have a chance to introduce himself at least to the commission.

[00:52:20] No. There we go. Nick Strelly, contract, lobbies for the Port of Seattle. Third time's the charm. And Brooke could not be here today, but she sends all of her love and her best.

[00:52:32] I will start here with a quick reminder just on election recaps, because we did have some special elections that will affect our work in Olympia this year. So as a reminder, the November election included nine special elections for state legislative seats, all of which were won by the incumbent Democrats that had previously appointed to those seats. And the 2026 session is a short 60 day session during which the legislature will amend the various budgets and focus on addressing any new or emerging shortfalls. Let's go to the next slide, please.

[00:53:05] So I'll turn to Nick for a second. Nick, do you just want to talk about budget at a high level? Yeah. So, headed into a 60 day legislative session, Governor Ferguson will have the opportunity to prepare his the first budget of his administration. So it is a supplemental budget, as John mentioned, amending the budget adopted earlier this year.

[00:53:24] The governor has been working since early in the summer to prepare that budget. And he's made quite a few recent statements about some of the challenging fiscal situations that the state is facing, particularly a budget deficit with challenges in revenue. He has made several statements recently indicating that he plans to put forward a budget that relies primarily on cuts rather than relying on new revenue. We expect to see that budget released sometime in the next couple of weeks and just to kind of right size the gap that we're talking about here. According to the Economic and Revenue Forecast Council, projected state revenues are down in 2527 by about 797 million and another 1.3 billion in 2729 with maintenance level funding or sorry, spending.

[00:54:12] We're going to walk in on day one in Olympia, down 1.5 billion in the current biennium and 4.3 billion in the 2729 biennium. I will skip over the details as to why, but that's all to say the governor is planning to pass a or planning to introduce an all cuts budget. We're talking about 4.3 billion theoretically over the four year in cuts. So it is going to be very challenging to get anything done in Olympia this year that costs money. That said, the agenda that we're putting in front of you today is mainly focused on building off Successes from the 25 session, carrying things forward that I would call, quote, unquote, unfinished business, and then trying to set the stage for asks in 2027 and hoping that we are successful earlier.

[00:55:00] Let's go to the. Oh, sorry. As a reminder after we finish the briefing today, we are also asking you to formally adopt an agenda so we will cross the road when we come to it. Next slide please.

[00:55:12]

Oh, so sorry. Before I get into these priority issues, as another reminder, the way we do, this document that's in front of you in the presentation here today split into two major categories, one being priority agenda items. Those are things we'll talk about in Olympia this year. The secondary one being legacy items. Those are long standing positions the Port has had for forever that we'll continue to advocate for if and when the opportunity arises.

[00:55:35] At the top of the memo that's in front of you as well, we've done two things that we're repeating, things that we did in last year's agenda as well. So we have a high level statement of values which is updated this year to match the values and priorities reflected in the Port's recently adopted budget. I won't get into the specifics. You have it in front of you, but it focuses on things like preservation of existing port revenues, ensuring availability of clean energy, strengthening near port communities, things like that. The second kind of general set of principles you have in front of you at the top of the memo there is related to how we in Olympia and the state GR team should approach new revenue sources.

[00:56:16] As I already mentioned, the governor has stated that he wants to run an all cuts budget, but there are a couple ideas out there for raising new revenue. Do you want to take it? Nick? Yeah, I mean we're beginning to see legislation introduced on a couple of different topics and there are some legacy holdover items that the legislature introduced in the 2025 legislative session that would raise additional state revenue. These are things like an additional payroll tax.

[00:56:41] These are things like the wealth tax. And we're seeing other new proposals come forward that make modifications to more narrow and targeted revenue sources. Next slide. Finally. Sorry about that.

[00:56:56] So priority agenda items. First area here we're talking about economic development and workforce broadly means a lot of different things. You'll see in kind of our legacy section there at the back of the memo. But for this year we have a couple points of emphasis that we know will be discussed. Number one, we are finally getting a tourism bill.

[00:57:15] After several years pushing for the industry to study a self assessment to then fund broader statewide tourism programming, we got the study. My understanding is that they will move forward with some sort of a bill. We will have language on that shortly to see what it actually says. I do believe it's a broad coalition of folks that are supporting it. However, I think there is maybe one holdout.

[00:57:39] So it's possible that it doesn't advance this year or that it is narrowed from here. But overall it should be something that's broadly supported throughout the industry and will hopefully create more sustainable revenue for tourism. Real quick on child care, as we did in 2025 and the year before even, we'll continue to support existing and ongoing investments in ECAP especially and then the working connections child care program. So trying to preserve existing funding, trying to plus it up where we can, especially as Commissioner Hasegawa noted for those programs that may benefit us and our goal is to establish a child care facility at sea. Let's go to the next slide.

[00:58:17] Couple things here generally and where possible, given the cuts from last budget and given anticipated cuts that will be coming in this budget, we're hoping to reestablish tools that we know benefit competitiveness of the region and should help to ease some of the burdens on businesses in Washington resulting from especially the federal government's trade policies. We'll continue to push the state to publish a statewide economic development strategy and we'll support Commerce requests to utilize existing funds

that support our regional manufacturing innovation hub workforce development and to fund some pilot projects at the local level. Again, existing resources trying to be nimble on those sorts of things. There's also an ask from Commerce this year. We don't know yet if it'll be funded in the Governor's budget for an industry sector development program mainly intended to help prop up some participation in foreign markets, secure direct investment in Washington from companies abroad, things like that on industrial lands.

[00:59:12] Really quick funding was provided in the enacted 2024 operating budget to study and make recommendations related to special purpose districts and the Gmail as the study's finalized, which Eric Fitch complains about on the Daily Currently for you and as possible legislation emergence sorry emerges, we will ensure that any updates to statewide land use policy help to preserve industrial lands and will proactively provide land use opportunities that will expand industrial uses rather than the other way around as we often fear. Last thing here, really quick, I will just say the statewide trade strategy covers, I think at this point, somewhere between 10 and 15 strategies and recommendations. Some of them are listed in your memo there. But overall, I'll skip the specifics and just say these are broadly agreed to. I would say unanimously agreed to priorities that may come off a little milquetoast, but for now this is the the idea is that this is a first year of establishing a statewide trade strategy and that hopefully in future sessions, as we are able to hopefully dedicate more revenue towards new spending, we can come back with some, I guess I'll just say, sexier recommendations that may cost money over time.

[01:00:24] Let's go to the next slide, please. Aviation Real quick on samp. I will just say that overall we're proposing to support policy that will ensure our ongoing environmental analysis continues, that we're able to work in partnership with state agencies and local communities to ensure adequate environmental protections while also avoiding any unnecessary delays to the environmental review that we have already ongoing. Aviation Fuel Tax I won't get into the specifics too much here because it's very much in the weeds, but overall this year we're similar to 2025, pushing for a small change to the enacted budget to allow competitive grant dollars for environmental cleanup and mitigation to be spent at airports or benefiting ports related to aviation. Lastly here, saf picking up where we left off kind of last year, as you'll remember, Senator Leas had a bill that we supported.

[01:01:14] Several parts of that bill were pushed into the budget and enacted into law. We're supporting essentially what's left and hoping to establish some additional incentives for production of SAF to help some of our domestic producers get to full production faster. In addition to that, we'll be focused on protecting SAF revenues. There's a potential threat. Two revenue sources were established last year, one of which is slightly problematic for some folks in the private aviation industry.

[01:01:43] There's a conversation ongoing about how to fix it, I guess. Do you want to speak to that at all? I mean, nothing specific on that one other than there is a broad coalition coming together recognizing the importance of really continuing this work and continue to protect additional fund sources. Also, we need to actually formally dedicate those revenues to a SAF infrastructure program that's been talked about at length, but it doesn't technically exist in the law yet. So we'll do that.

[01:02:10] Next slide, please.

[01:02:13] I'll move through this one really quickly. As last year we have a set of shared priorities with the START Committee. I will say we haven't finalized the START Committee shared priorities for 2026 yet, but this list

and the list in your memo reflect the priorities that are unanimously supported by the members of staff. So far, this list should look very familiar because it's basically an updated version of what we did last year with a couple small tweaks. One thing restoring the noise funding that was swept, which I know we've talked about at length, and then making sure.

- [01:02:47] Well, I should say the expected passage of updates to the FAA regulation, as was highlighted at the beginning of this meeting on secondary noise insulation may actually weaken our ability to restore some of those swept funds, but in a great way. And then just noting Commissioner Mohamed's absence, she wants us to push really hard and redouble our efforts and the intensity of our advocacy related to setting of a second commercial service airport in the region. Next slide, please.
- [01:03:17] Maritime side of things generally supporting all efforts to increase production and use of sustainable maritime fuels throughout the state and exploring opportunities where possible to generate clean fuel standard credits and to create parity with other clean fuel types. We also want to start the ball, ball rolling on a capital budget proviso for an SMF demonstration project or some sort of a demo project showcasing clean maritime technologies. As I mentioned kind of at the beginning, some of these asks are better. As 2027 asks, we can push for capital budget funding for a demonstration project. I'm quite doubtful it'll happen, but we'll, we'll still advocate for it the scrubbers bill.
- [01:03:56] There there was a bill introduced last year, as you'll remember, that was a de facto ban on scrubbers by focusing on high sulfur content fuels. That bill will be reintroduced. We're going to look to find a compromise that decarbonizes maritime vessel operations and protects water quality without necessarily banning the use of any given technology. Shore Power really quick, we are going to push for some additional investments in the WSDOT program that already exists and continue to require that grantees to that program commit to establishing a plug plug in if and when requirement which is part of the current program as well. We will also continue working on what I would call the quote unquote shore power mandate bill.
- [01:04:38] It's the bill that adopts California's clean or sorry at berth emissions standard by reference. We'll continue to work on it emphasizing the need to provide infrastructure funding to create incentives for construction of shore power and to avoid creating new mandates that could inadvertently harm decarbonization efforts or development of clean fuels. On vessel construction and Blue Schools Initiative we're cheerleaders this year is what I've been telling folks. Where possible, we'll ensure that existing state match grants are flexible enough that we can use them to leverage federal vessel construction funds. But overall it feels like some of the asks there aren't quite ripe yet and we're mainly just wanting to elevate the issues that folks are thinking and talking about it as we head into the 27 session.
- [01:05:18] Lastly, on commercial pump outs, this ask came in late. There is not currently a commercial pump out really anywhere in the central Puget Sound close enough to the port. So we're exploring options, hoping to find an appropriate site shortly and laying the groundwork to fund a commercial pump out in the 2027 capital budget. Next slide please. Transportation.
- [01:05:41] Nick, can you talk about transportation revenue? Yeah, I think committee assembly days just wrapped up. We've had several good conversations with chairs of both transportation committees. Obviously they adopted quite a bit of additional revenue in the last legislative session. So we expect the upcoming legislative session to be primarily about tweaks or small changes, but nothing major on the horizon.

- [01:06:03] That said, we also included some language in there on the ruc the road usage charge. We do not anticipate that a ruck bill will actually advance this year, but wanted to leave some flexibility in case those conversations do crop up and in case folks do decide that they want to advance it on major projects. We really only have three things listed there. Gateway, Revive i5 and High Speed rail funding. Just preserving those funds as they exist.
- [01:06:26] No more delays keeping those things in place and moving them forward. Transit options for SEA workers will continue to support the extension of sunset date on the commute trip production program, which we were successful in some advocacy last year. They pushed additional funding into it, but now they need to extend a sunset date. We're also going to explore legislative options that could grant the port direct authority to care for to carry forward the order that the port passed last year on transit options medium and heavy duty ZEVs, same same old story. Continuing to support the funding that exists there and ensuring that there are no cuts because we are so close to getting that money out the door finally.
- [01:07:04] And then lastly on the North Airport Expressway and the illegal parking issue there, we continue to be in ongoing discussions with wsdot, State Patrol, other stakeholders. As we exhaust administrative remedies, we'll start to begin conversations with the agencies about how we move forward with additional regulate regulatory authority. Overall, I think the extreme, the nuclear option, if you want to call it that, would be granting WSP the authority to do automated enforcement on the roadway for illegal parking. Next slide please.
- [01:07:40] Regional Green Economy this is a shared ask we have with the City of Seattle, the county and UW to develop a local green economic development cluster to demonstrate clean energy innovation and great jobs. Our portion of that is very likely to be some sort of a pilot project, as I mentioned earlier on clean maritime, clean fuels, that kind of thing. On siting, I'll turn back to Nick. Yeah, I think, you know, the legislature over the last handful of years has made some progress every legislative session with something related to renewable energy siting. We expect that to continue in the upcoming legislative session.
- [01:08:15] There are draft proposals out there related to how we increase transmission capacity, how we cite more transmission in the State of Washington, how we increase renewable development, particularly with some of the federal changes related to taking away tax credits for renewable energy siting. We know the State of Washington is going to step in and try to do more there and we've seen some proposals committed to doing that on mitigation banking. Two legislative solutions there. We'd like to pursue legislation to help clarify an interpretation of statute that ecology has that currently limits the use of property abutting mitigation bank projects. We'd also like to get creative about the term intangible property.
- [01:08:57] We'd like to create flexibility for the port to be able to sell off mitigation banking credits. Essentially there's not currently anything in the statute on intangible property. It's only real property. Next slide please.
- [01:09:10] Environmental justice reminder that the Curb Pollution act, House Bill 1303 ran last year and was debated at length. We'll continue to work with the sponsor and the proponents of the bill to craft a policy that's complementary to the Port's ongoing EJ work and that focuses on a holistic system wide approach to ej. Rather than taking a project by project analysis which we voiced opposition to last year during the session on clean buildings, we're going to support Commerce requests for clean buildings training and credentialing to help ensure that the folks that are actually moving forward with these elevated standards know what they're doing and that we also have relevantly trained staff with within the port. We'll continue to

work with the Department of Commerce to ensure that essential public facilities are granted additional compliance pathways, expanded exemption criteria and extensions for covered buildings. And we'll also explore opportunities to set the stage for future legislation intended to create distinct compliance standards for publicly owned and operated essential public facilities.

[01:10:07] Next slide please, I think is our last priority item slide, which is why we have about eight things on it. Property Tax Reform Continuing to support other local government partners as they look to reform the state and local property tax levy cap tax increment financing. I have talked this to death with each and every one of you, I think one on one. But we will continue to support consensus legislation over the interim. The association of Washington Cities led a diverse work group of folks that all are affected by the existing TIF statute.

[01:10:37] We think we're close ish on consensus legislation. We'll continue to push for something that's not quite in there yet, which is some sort of a formal off road or some sort of an opt out of TIF projects after a certain point on the pra. We'll continue to support the bill that was introduced last year that would create some flexibility for when local governments are engaging in good faith efforts to avoid violation. I won't necessarily talk about PERS because I've talked about that with y' all before here. Nick, can you touch on AI real quick?

[01:11:08] Yeah, I think specifically we've seen legislation introduced in the last legislative session that would require decision level bargaining for public employers when AI technologies are being adopted. The definition of AI was slightly important. Obviously certain types of AI have been around for a very long time. Other forms of machine learning have been in existence for 20 years. So we've been working with the sponsor and others on that to try to ensure that the definitions are tight enough and that the application makes sense.

[01:11:38] Again, there's a big difference between decision level Bargaining, which is whether or not management is able to make the decision to implement a technology versus impact bargaining, which is a bit more traditional, where you're bargaining the impacts of the decision to implement that technology. Last, but certainly not least, health care. Pursuing legislation to require elevated health care requirements for workers at SEA and vesting the, I would say, compliance and regulatory portion of that within state government, within a state agency. After that, the next couple slides are all focused on legacy positions. I think we can skip through those quickly unless there are any questions.

[01:12:19] And I do believe our last relevant slide would be the questions slide. So with that, I will stop talking at you. Thank you very much for the presentation. Okay, Commissioners, at this time I'll turn to you for questions and comments, beginning with Commissioner Cho. Yeah, thanks, John.

[01:12:39] Really appreciate the briefing and the legislative priorities you put together for us. One question that I had is with regard to the parking, the North Airport Expressway. What's that on the North Airport Expressway? Yeah. So essentially the non station parking that happens on the shoulder road.

[01:12:58] I think if you go on the Internet, that is the single most commented on. You know, sometimes I'll post something and they'll comment on that, even though the post was totally not relevant to that. Right. So it seems to be on the minds of a lot of people. I think initially we had talked about getting some sort of delegation from WSP to be able to enforce ourselves, but it sounds like a more efficient and effective way is to do like automated, some sort of some form of automation, which sounds like.

- [01:13:31] Or if I'm understanding correctly, we'd put up cameras and monitor license plates and see who stays in the road and then we'll send them a ticket, kind of like the speeding cameras that we have around the state. Is there a reason why WSP can't do that now on that road? They are specifically prohibited from doing that under state law. And where they can do automated enforcement, it's an exemption or an exception to the broader state law. Is that just, is that just for wsp?
- [01:14:01] I believe it also applies to some local law enforcement. I don't know the applicability to pospd. When I've talk to members of our police department, it seems that they've indicated that they think they can move forward with some sort of automated enforcement on our section of the roadway. But that doesn't apply to the entirety of the North Airport Expressway because there is that point where it becomes state highway. So if we were to put cameras on our section of the highway and just so happened to capture the other side of the highway.
- [01:14:31] I don't know if I can speak to that part. I will. It feels like we haven't exhausted all of the administration administrative remedies that are available to us either, yet. So I don't know that we're all the way there. I mean, we just moved forward with the striping.
- [01:14:41] Yeah. I think there are probably still some other infrastructure solutions we could pursue first. Okay, so what we're asking for is an exemption for WSP to be able to do that. Enforcement on the shoulder specifically. I think eventually.
- [01:14:56] And I. To be clear, I don't know that was. And WSP are fully supportive of automated enforcement yet myself and Jerry pull from our staff have been in ongoing talks with them. It seems like we're. We're getting there slowly but surely as folks continue to illegally park.
- [01:15:10] Even after we move forward with new solutions, it feels like we kind of have to just keep moving with things that. That folks keep ignoring first. All right, thanks, Commissioner Culkins.
- [01:15:28] A quick comment on that topic. There was a report cited by some transportation folks in Seattle about the effectiveness of intersection cameras in particular, but that it's an interesting dynamic in terms of human behavior. There's a very high rate of infractions at the outset. And then from the standpoint of a transportation agency, the expectation is the revenues drop off really significantly because it's actually effective. You get people.
- [01:15:58] You ding them a few times and people learn their lesson. They don't do it anymore. And so if there is a mechanism for us to create that infraction and sanction, it might, in fact do what we ultimately want, which we're not trying to do this to raise revenue. We're trying to get people to stop doing a dangerous thing. The flip side, and I think the concern that I share with a lot of folks thinking about the potential use of automated technology is are we collecting data that then becomes a sort of cache of information that could be used in ways that we don't feel comfortable with, particularly in the current environment.
- [01:16:34] So I think let's keep taking our time being conscientious about this and know that I think the state is in a thoughtful conversation about how to do it. And we probably want to draft on their expertise rather than trying to compel them to do something that we haven't put as much thought into. So supportive of that. Can you dig a little bit deeper into the statewide vessel construction strategy and share a bit about where we're at in that and what's next? We.

[01:17:05]

It feels like we are nowhere currently. Unfortunately, I don't know you. You almost know this better than me. I appreciate the question, though. There have obviously been some great conversations. Initially, it feels like everyone is very supportive of us doing something.

[01:17:17] As you all know, we are in the process of bringing someone on to do a full feasibility and assessment of exactly how we could fit into that. But as you also know, there's already money coming out the door and the federal government is moving forward with investments and pushing projects. So it feels like we, we don't have time to wait. But it also feels like we are currently in the process of fully understanding what our assets are and how we can best be prepared for the additional investments as they come forward. Does that answer your question?

[01:17:51] Yeah, and I might just. My. My thought on this is we're in this moment right now where there's a lot of folks who have independently identified this as a. An issue we need to address. It felt like for a variety of reasons and you know, there were a lot of.

[01:18:11] I don't think anybody shoulders the blame, you know, any institution or individual entirely. There was a lot of folks who could say, you know, we could do things better next time. But when the Washington State ferries contract went out of state, a lot of folks identified that as an opportunity to improve. Let's say, however, the resolution of this is not a bunch of finger pointing. It is, okay, collectively, what do we do?

[01:18:41] Industry, government, role the taxpayer in this in Washington state, to support a vital transportation link for the state and a source of jobs and economic activity. And as you just said, there is this unique moment where even though on the state level we're in a very constrained revenue environment, there is a moment at the federal level where there are some opportunities, particularly in the near term, to support workforce development, which is a key economic opportunity slash cost driver for the construction of ferries. And we do need to be prepared as a coalition of which the Port of Seattle should be a part, to take advantage of that opportunity from the federal level, seeking to expand shipyard capacity in the United States and in particular around the skilled trades and professions that are necessary to build ships. So a sense of urgency and a sense of. But let's not come out of the gate.

[01:19:45] Let's do this conscientiously so we're not creating unnecessary adversaries, state agencies and local groups and private enterprise, and instead really maintain a kind of altogether approach on this urgent but thoughtful. Thanks, Commissioner Fellerman.

[01:20:13] Thank you. It's nice to see this large list of things that we care about and that you get to represent us for one of. I just had a couple of things in the, in the tourism section. I know you might have seen our, in the brilliance of our great leader at the federal level. There's now like \$100 fee added on to going to national parks for foreigners.

[01:20:40] And really the folks that visit national parks, I mean they see the national parks on the map and international travelers like the Germans and stuff like that will spend come here for that kind of experience. And so those sort of things are. And our relationships with Canadians, which are like our largest visitors are straining a system that is obviously very. Port is very invested in. So.

[01:21:09] And I'm also, you know, concerned that we don't talk about our sustainable tourism efforts. So I would hope that you know, things like impediments to maintaining public lands, things like, you know, parks, stuff like that. This, these are things that are draws to the region. They need to be for encouraging people to

visit. We should be encouraging or supporting state agencies asks and that we've done in the past.

[01:21:36] But I'd like to see us clearly, I mean standing with the agencies that are our land trustees. They're going to need all the help we can get. I do recommend you changing the slide on the cruise ship. It shouldn't be emitting smoke at T91. It's like, you know, we just got done with that whole presentation there.

[01:21:58] I have a couple more. So there is the discussion also of you're saying that really the tourism bill that's moving. You said like there's one hold out. I mean like was this like the hotel motel?

[01:22:15] I believe the hospitality industry association has some trouble with the overall package that is likely to move forward. Yeah, well that's no trivial challenge. So I mean to the degree that we can. This is like it's like a stepchild agency or semi agencies. So to the degree that we can lean in on that beyond your good efforts, let us know.

[01:22:40] I've never heard the term blue schools. I mean it's just there's blue schools initiative. So are there certain schools that are blue? I mean I've been. I don't see anything about Core plus which is trying to get some blue and into each school.

[01:22:55] Right. So Corpus Maritime I will say is called out in our legacy position. So further on in the document and sponsored support for CORE plus Maritime specifically. Another thing we added there at the request of Anna Pavlick on port staff was a mention of protecting and in an ongoing fashion any and all programming at the SBCTCs for port related industries, especially maritime and apprenticeship, Maritime Careers, things like that.

[01:23:24] The term blue schools initiative, as far as I know, and I would almost point you to your left at Commissioner Calkins. Who knows this better than me. But as far as I know, it's term of art from Northwest Maritime. I don't know if they were the ones who initially came up with it. Yeah.

[01:23:40] And really, I mean, it's about the same types of maritime education, career connected learning continuum of experiential learning that we see throughout the Core plus program and elsewhere. I mean, it's. I kind of assumed that was the case, but it, It's a term of art I just never saw painted anywhere. Sure. And I think it's a big tent term.

[01:24:03] Don't include all of it. No. Right, right. No, I think I like the idea. I just.

[01:24:08] Why isn't it a red school? I'm just saying it's. It's. I think maybe we should maybe try to introduce the idea. The idea with the pump out.

[01:24:18] I mean, it's kind of crazy. We've had a no discharge zone forever and. But then no place to go. I know Crowley has their own pump out. State ferries have their own pump out.

[01:24:28] There's one of the private sector that has their own pump out. But it would be great if we can just get some design fees, not ask for the big money. And the port did the design for pumping out right off the apron on 60, 69, right here. And there was grant money to do that. And I just determined the grant money doesn't exist anymore from ecology.

[01:24:50] But you know, if we have the design, then we can go shopping for the. For the funding apps. We did \$100,000 application money for T18 and we've gotten like \$30 million since then because we had an ask. And I'd say we're trying to steal from the success of Peter Schrappen and the water Association. They

were successful in Getting I think 800k last year to help build the pump out that's going in, in Anacortes.

- [01:25:16] I know the one in Tacoma is close to finished. I think it was a little more expensive. The number one thing we need to do right now, and we're already working on this at the staff level. I know maritime director Stephanie Jones Stebbins was working on this a little bit, just selecting the right location locally and figuring out where that is so that we can then inform the state about best use of funds. Right.
- [01:25:37] So you have to have a location before you do a design. And I understand that we're going to have one at six and eight, I know that, but we want to have a long term tenant there when we do a major renovation like that. But anyway, I appreciate that being there and it's, I think, long overdue that we, you know, the fact that Elliott Bay is not guided is kind of embarrassing. So last but not least, you know, I've been the one that's been promoting this idea for existing PERs employees or in the system can continue to do that. When this is.
- [01:26:13] I just want to make it clear it's not for port commissioners who aren't in the system to become in the system. It's just that I don't think people who are currently in the system should be penalized. I see the goal here is to have folks perhaps later in their career who have accrued all this expertise to want to continue to serve, obviously at a financial loss, that we want to encourage these public servants to be commissioners. So we certainly don't want to discourage that. Can I ask a question about that or.
- [01:26:49] Yes, you may. Is this retroactive? I've got six years under my belt. I feel like maybe I have a leap year or something, I don't know. But I really think it also sends a message that if.
- [01:27:04] If I understand this authority was stripped from commissioners back in the 70s. So I mean, like when I tell people that, you know, I have no retirement plan, they are you kidding me? And so it's surprising. I think we're the only public agency that has that. I can't say yes or no.
- [01:27:24] As far as I can tell, maybe school board. I mean, it's like it's so. It is an anomaly. And I think most importantly, you know, none of us would benefit from it, but it sends a message to the folks who would be potential candidates. And we have a pretty continuous churn on this commission.
- [01:27:43] So I would like to see us try to find a way that we could find that. So thank you, Commissioner Muhammad. State legislative agenda. Oh, and please note for the record, we have been joined by Commissioner Muhammad. Thank you.
- [01:28:01] Sorry I wasn't able to participate or listen into the presentation, but I really do appreciate the briefing that you've provided in advance and the communication that you've had with the commission office. John, I did notice that we included in the agenda exploring legislative action granting the port explicit authority around strategies that support the orca card transportation options for SEA workers. I'm glad it's in there. I'm wondering, have we been able to identify a partner or is there a potential bill? Is there anything that you could give us an update on.
- [01:28:43] Yes, working on it. Working on it. Have met with staff, have talked a little bit about what that bill would look like. It's fairly simple. It's similar to other bills we've run to give ourselves the authority to go out and do something.
- [01:28:54] It would be an Amendment to Title 53 in that same way. Have not spoken to partners yet. Okay, well, do you mean partners providing transit services or do you mean legislators? Oh, I have spoken to a couple

legislators about potential prime sponsorship. Yes.

[01:29:10] But have not secured a sponsor yet. I've heard from our labor partners, as well as employees at the airport who are very much in support of us keeping this language and trying to explore options and pushing forward having us have the authority to be able to provide ORCA cards where it doesn't end up being a gift of public fund issue for the Port of Seattle. So I think there's a lot of support for this and I'm looking forward to seeing it move along. And so let me know as the session continues how I could be. I can lend my voice and be supportive, but thanks.

[01:29:45] This looks really great. Thanks, Commissioner.

[01:29:50] Okay, so I've got a list of my own, starting with welcome, Nick. This will be your second legislative session with the Port of Seattle, yet it's your first time appearing before us. So can you just tell us a little bit about yourself, your background in Olympia and your firm? Thank you. That's a very kind question.

[01:30:09] So I have spent the. The majority of my adult career working in policy and politics in Washington State. The majority of that time, I actually worked within public service. So I spent about 12 years working for different state agencies, primarily in a legislative capacity, the bulk of which at the Employment Security Department. During my time at the Employment Security Department, I had the pleasure of helping negotiate the state's Paid Family Medical Leave act and some of the other great legislation that really helped workers in the state of Washington.

[01:30:38] And then in 2020, received a call from the governor's office, and they thought they might need a hand for a couple of weeks to deal with this thing called Covid. And I spent four years there, ultimately serving as Governor Inslee's policy director. I had a lot more hair when I started that job. It was all gone by the time I left. And so I left that job in the summer of 2023 and have been doing private consulting ever since and working with great folks like John, who we worked together while I was also when we were both in public service.

[01:31:05] And so now I get to work with great folks like you. Well, welcome. And from my tenure at the state, also as an Inslee appointee, I remember your role and you did such amazing work. I can personally attest that you are as sharp as a knife. And I'm so glad to have you on the team for this upcoming legislative session.

[01:31:25] With incredible challenges before us. I have a few questions. Is ferries and shipbuilding on our radar? So you're. Are Washington State ferries is like an aspect of the shipbuilding initiative on our radar?

[01:31:41] Is that the question? Yeah. So there's a, there's more attention being given to it by the city of Seattle as well. And I know that as we're thinking about our teal New Deal and utilizing the port properties that we have to be able to support shipbuilding right here in the Pacific Northwest. I'm just wondering if there's anything that we should be looking at at the state level.

[01:32:03] Simple answer. Yes. I think we're kind of waiting to see what the governor's office does in their budget. I know the governor has talked at length about investing in ferries and recapitalizing our fleet and all of that. But as far as I know he was also supportive of the contracts that left the state, went to the Gulf.

[01:32:20] I don't know if he's taken a position on whether or not to bring the contracts back to the state. I think Nick can speak to that. He, I mean, you know, following that decision, he is definitely looking at what are the things we can do to make sure that we retain those types of contracts in the future. So I don't know that it's

a revisiting of that decision, but more of a go forward. How do we make sure that we really build a robust shipbuilding?

- [01:32:40] I think this is another opportunity where the port can lead. Right. And as we continue to lean in with our partners in labor and then the city of Seattle, where I do believe, I do believe in fact, that we'll have a collaborative relationship and thought partnership with them that we're going to be able to have manage up to the state, let them know how they can support our efforts here locally to be able to support those, those industries, this historic industries. Thank you for the quick update on the statewide trade strategy and those 10 to 15 recommendations that you referenced. We'll be watching that.
- [01:33:13] And thank you also for the update on high speed rail, which we're watching. We know that the port has it as a priority to identify alternatives to air travel for short haul trips to nearby places like Vancouver or Portland and that we need the leadership from the state to that point. We're doing everything that we can here at the Port of Seattle and at SEA Airport to accommodate the growing and crushing demand for travel. And so last year, Commissioner Mohammed had it added to our legislative agenda that we proactively advocate for the continued work of WSDOT and our partners at the state to identify some options for a second international airport. How are you anticipating some of that to unfold this year?
- [01:34:05] Yeah, the Commercial Aviation Work Group is actually meeting, I believe, as we speak. The. I think the folks that sit on the STAR Committee have probably said it best. The work there has been disappointing so far. It feels like there's been very little progress made over the, I think now two full years of operation to identify a site until the governor and until leadership within WSDOT take an active approach to that work, I don't think any of it advances.
- [01:34:32] We've had those conversations with the governor's office, at least with staff. I think that we should be making that ask very clearly. Well, there's our legislative championship. So the funding, ongoing funding for the operations of the cog are in the transportation budget. It was Representative FY who passed the bill, I think, three years ago, introduced the bill three or four years ago to actually establish the cog, and he's provided ongoing funding.
- [01:34:59] There have been a couple changes. Governor Inslee vetoed several sections of the bill when it was passed. And there have been some changes to the proviso to, I would say, strengthen and re. Establish some deadlines for that work. But to your point, I mean, absent championship.
- [01:35:19] Yeah. That the work has not advanced and it feels like it's a political hot potato at times. Mm. I would just emphasize John's last point. I think there's.
- [01:35:29] There's going to need to be a statewide champion who's willing to acknowledge the tradeoffs that are going to come with wherever that ultimately goes and be willing to try to bring people together and lead through that compromise. Well, unfortunately, we've already one. From the work of the last work group we've identified that it can't just be statewide. It actually does have to be in the Puget Sound area, the greater Puget Sound area. And so we need a, you know, a Puget Sound champion who recognizes the role that we all have to play in supporting and uplifting our state.
- [01:36:02] Let's ask about the Orwell bill. She has met with Commissioner Muhammad and I. She's requested meetings with my colleagues. She's, you know, very proactive, reaching out to us, educating us about her efforts. She has ideas of how she can help the port generate New revenue.

- [01:36:24] Do you have any thoughts or insights on to her? The the last conversation I have with Senator Orwell about her bill and about ongoing funding for noise mitigation and a number of things was all related to the diverted aviation fuel tax revenue. So the. In your memo and then in if we could pull well, we don't need to pull slides back up. In your memo we talk about creating or, sorry, pulling new language into the enacted budget to create some flexibility in the MATCA fund.
- [01:36:57] Basically make airport cleanups or airport mitigation or some variation of that language an allowable expense of competitive MATCA grants for this coming cycle. I believe that that at the very least restores noise mitigation funding that was swept in the. In the enacted budget, potentially creates some additional revenue at the state level to help with the places where the updated FAA regulations won't reach to necessarily. And that sets us on a pretty good pathway on the remainder of that bill. There are parts of it that are really challenging from an implementation standpoint that are far, far broader than applying to just the airport.
- [01:37:34] I would also say that when we've tried to talk about environmental justice, we've advocated for a statewide approach that's more holistic, that doesn't focus on a project by project analysis. And that specific bill creates new environmental justice assessments, community engagement tools, things like that that would only ever apply to the Port of Seattle and only ever apply to certain projects that meet a certain monetary threshold. So if we're talking about adhering to environmental justice goals and outcomes and all of that, we'd really like to see, I think, a more broad approach taken, which it does feel like is happening in other pieces of legislation that are also listed in your memo there. Okay, thank you. Moving forward, a couple of new items that I just wanted to put on your radar for as you move through legislative session.
- [01:38:28] There are, as you acknowledged in your introductory statement, that there are challenges in revenue that the governor has identified his strategy to comprise primarily cuts, that there are some ideas about what new revenue could look like for. From legislators. But inevitably, these cuts can and will impact us and some of what we're looking for for our infrastructure investments, et cetera. And so I do think that we have a role to play in gauging, assessing, measuring, understanding the impacts of potential new revenue sources. Please keep us apprised of those as they progress.
- [01:39:09] Another one that, in addition to the ones that you mentioned that I want to lift up for you would be a Paulette bill, House Bill 1569, a bill to review tax Exemptions. This state gives more away in tax exemptions than it collects. And so this bill would call for transparency into those exemptions and revisit it gives folks, the public a chance to revisit them. So note that one, the other one, we have FIFA World cup coming up next year and we've been working for a while to be able to prepare for anti trafficking strategies because with increased volume in addition to economic opportunity, there are people problems. And that could look like the trafficking of guns, arms and people through our gateway.
- [01:40:06] And so thank you for the work you did last year to be able to renavigate some of our drug interdiction funds for the purpose of combating trafficking through our gateway. I wanted to lift up House Bill 1265 related to commercial sexual exploitation that would change the penalty of patronizing a pastor toot from a misdemeanor to a felony. I'm interested to see how that progresses as well. We heard from our partners at ILWU that there is a state law, there is RCW that prevents automation at port specifically and that that bill may sunset. I'm not sure if that's this year or when that's scheduled for, but I do know that they have a lobbying effort this upcoming legislative session to remove the sunset clause.

- [01:40:57] Please be aware of that and let us know how that's progressing.
- [01:41:03] I heard from our partners at the Amalgamated Transit Union, ATU about something that they're going to be pushing for. There's no House bill yet. We just passed the anniversary of the death of Sean Yim who was a Metro bus driver who was killed on the job. And his widow unfortunately could not access his pension because he was just a matter of months shy of 10 years or so. What?
- [01:41:31] Some number of years. I can't remember exactly what it was, but it's not like he, you know, resigned or quit. I mean he was murdered. And so it's just an injustice and they're seeking a legislative fix to make sure that that is addressed. And so when I have a bill number or when I know more, but I think operating the largest transportation hub in the Pacific Northwest, understanding our commitment to getting folks to want to use mass transit and just supporting that holistic ecosystem is really important to me.
- [01:42:06] And I do think aligns with our overall values of standing up for workers and their families.
- [01:42:16] Those are my big points. And so thank you for adding those to the watch list. In addition to this very robust presentation that you gave at this time, Commissioners, do you have any additional questions, comments, additions, subtractions, songs, dance hearing None. Is there a motion a second to adopt item 10c? So moved.
- [01:42:41] Second motion has been made by Commissioner Cho and seconded by Commissioner Muhammad. Is there any discussion? The debate sing? None. Clerk Hart, please call the roll for the vote.
- [01:42:52] Commissioners will say I or nay when their name is called. Thank you. Beginning with Commissioner Calkins. Aye. Thank you.
- [01:42:58] Commissioner Cho. Aye. Thank you. Commissioner Fellman. Aye.
- [01:43:03] Thank you. Commissioner Muhammad. Thank you. And Commissioner Hasegawa. Aye.
- [01:43:08] Thank you. Five ayes zero nays for this item and it carries unanimously. Nick and John, thank you very much for the presentation and Godspeed as you head into this 60 day session. One last question for you. What is the potential of going into a special session this year given the challenges?
- [01:43:27] Not insignificant. But there is one major deterrent. The house office building is scheduled for a full remodel on March 30, and all staff have been told they have to vacate the building, which would cripple a special legislative session. So there's a significant challenge there if they were to go into a session without. Without their house office building.
- [01:43:48] Okay. Ambitious goals. Let's, let's. Let's hope for the best. We'll have hearings out on the lawn.
- [01:43:53] It'll be fun. I'm sorry, John. I said we'll just have the hearings out on the lawns or something like that. Okay. Commissioner Fellerman, so you mentioned that perhaps the receding hairline had something to do with your hard work.
- [01:44:04] And I was just wondering whether that had influenced John's haircut. That's. We're just trying to look like we've just been proceeding that way. We're doing our best. I'm trying to end on a high note here.
- [01:44:15] All right, thank you.
- [01:44:21] Thank you. Thank you very much, gentlemen. You're dismissed. And we will move on into our

presentations and staff reports section of the agenda. Clerk Hart, please read the item into the record or Executive Director metruck will introduce it.

- [01:44:33] Thank you. This IS Agenda Item 11A, the 2025 internal audit annual report. Commissioners, today's item provides a high level briefing on the audit work completed over the 2025 calendar year, offering a clear view of how our internal audit function provides an important public service in ensuring efficiency, compliance and transparency of port operations. For 2025 internal audit completed 13 audits, 10 limited contract compliance reviews and 2 capital project reviews. Glenn, I'm probably stealing some of your thunder there, but then.
- [01:45:04] Our presenter is Glenn Fernandez, Director of Internal Audit. Thank you, Steve. Thank you, commissioners and good afternoon. Glenn Fernandez, the Director for Internal Audit. Next slide please, Aubree.
- [01:45:19] So first off, I want to thank Commissioner Calkins and Commissioner Muhammad for chairing the Commissioner Calkins, the chairing the audit committee this year and Commissioner Muhammad for being on it, and Sarah Holmstrom, who's not with us today, for being our public member and provides an invaluable service for her own time. And then Commissioner Felleman got subbed in in December. So thank you for that, Commissioner. It's two years in a row in December, so appreciate stepping in. And Commissioner Feldman's been on the committee set several times, so he fits right in.
- [01:45:56] Thank you. Aubree. Next slide please. So Commissioners yet. This is the Institute of Internal Audits Global three lines model.
- [01:46:07] And I put this up every year just to provide a quick overview of the controls, a good control framework that's globally accepted. And you know, you have management, that's the first line. They essentially run the business operations and create business controls and manage risks. And then you've got the second line of defense, which is essentially any compliance functions at the port, the risk functions, information security, those are the second lines. We have internal audit which is us.
- [01:46:40] We're independent. We report up to the governing body and work with management very closely, you being the governing body as a commission. And you know, we try to work together holistically, not in silos. So we prevent things from going to the external assurance providers such as Baker Tilly or Moss Adams or the sao. We try to control all risk internally, although occasionally some things slip out.
- [01:47:09] Next slide please. Aubree.
- [01:47:12] Some key initiatives for 2025 was especially after the cyber event, focusing on cybersecurity. So we did a lot of cybersecurity audits, four of them which we'll talk about. We also touched on operations technology. Operations technology is pretty heavy at the airport. It runs the baggage systems, the Runway lights, other critical infrastructure, the trains, the STS trains which we looked at.
- [01:47:37] But again running on more and more of the OT runs in more complicated day to day computers today. So they become critical capital delivery. You know, we looked at the 1 billion plus of spend that we have or whatever the high risk projects are and as Commissioner Hasegawa said, the 5.3 billion that we have in the future that we'll be spending on. So capital delivery is a huge element for us. And finally cyber event recovery, that's a big part of 2024 primarily because of the cyber attack and recovering from that from 2024.

- [01:48:15] Next slide please. Aubree. As Steve mentioned, we had 13 audit reports completed in 2025, five performance, four capital and four information technology reports. Additionally, we do Limited contract compliance reviews, which are essentially a lot of the concessionaires at the airport and on the maritime side, you know, have a self reporting function. So we do cycle through to make sure that the revenues that they're paying to the port are accurate.
- [01:48:48] We also perform reviews that a management requests and we did two of those in the capital side, essentially helping management out build controls when we don't do a full audit. Our audits identified eight high risk issues, mostly in information technology that we spoke about in non public sessions, medium risks and a few low risk items. Additionally, we look at GCCM projects, a general contractor, construction management, construction projects, and we do real time auditing on those. And there are seven projects in process with an estimated spend over their lifetime of \$1.5 billion. A lot of those issues are getting fixed real time as they come out.
- [01:49:34] And finally, our audit reports are shared with committee members. And for transparency, they're also available in the port's external facing website. Next slide please. Michelle.
- [01:49:45] Commissioners, this is just a snapshot of our 2025 audit plan. Everything in green was completed. We had a couple audits that we added. One added to the plan and then subsequently deferred because management wasn't ready for the audit. Both of the blue ones were deferred because of management's request.
- [01:50:05] But in a nutshell, the plan was completed. Next slide please. Michelle.
- [01:50:11] On the performance audit side, just a few highlights from our audits. We did an audit of consultants and contractors and really one of our key findings was that onboarding and off boarding of consultants and contractors needs to be improved. That poses a variety of risks. It is in the process being developed community initiatives. We spent some time on those and identified some opportunities for management correction which are also being addressed on port management governance committees.
- [01:50:50] You know, I want to note that Michelle that runs the governance committees had no issues and runs a very tight ship. And on the tbcd we did have some opportunities for improvement that are being addressed as well. Next slide please.
- [01:51:07] On the construction capital side, most of the GCCM audits that are being audited real time as issues come up, as I mentioned, they're being addressed right away. So that's a beautiful beauty of doing these real time audits and reviewing pay applications which are invoices from contractors and you know, reviewing those before we pay them. Also I think on this, you know, the independent auditors came and presented at the audit committee meeting last week and on an annual basis they provide a report to the audit committee. Next slide please.
- [01:51:52] To carry on in the capital Construction front, you know, four capital construction projects or audits were completed in 2025. Our findings were, you know, addressed as we identified them or you know, are in the process of being addressed. One key observation from Terminal 91, births 6 and 8 is just a better review of management real time when invoices do come in and making sure that accurate documentation backup is available real time as opposed to, you know, at closeout phase at the end of the project. So we identified some issues that were promptly addressed. Next slide please.

- [01:52:37] Information technology, we completed four audits. Those were all discussed in non public session and information technology and information security and aviation maintenance are actively addressing those. Next slide please. Aubree.
- [01:52:56] As I wrap up our 2026 strategy is to continue to focus on IT systems on our IT side just because of the importance of the of IT systems to the port and to do our best to prevent and help the port shore up controls to prevent another cyber event on the capital delivery side. You know, financial quality schedule. These are all parts of contract compliance and making sure that we comply and contractors comply with the contracts and we enforce those completing the RCW audit. So as required on GCCNs that will continue on. And finally on the operational side just continuing to enhance business controls.
- [01:53:42] And with that I'll take it to questions and thank the committee for their support. Thank you Director Fernandez. With that I'd like to begin with Commissioner Calkins. Thank you. Yeah, I want to jump in and just say thank you for another year serving the public in this role which is vitally important, particularly as we get bigger and bigger and bigger and a few things.
- [01:54:10] I also want to just publicly thank Sarah Holmstrom who served as the public member of the committee this year. Again, she's excellent and thorough and conscientious and prompt and all the things. So just really hope that she continues to serve in that role. She's been fantastic.
- [01:54:31] I don't want to particularly comment on any of, you know, this is a roll up for the year. One of the things that you, when you serve on this committee that you learn over and over and over again is this notion of trade offs that we are constantly trying to understand what the level of acceptable risk is given a particular initiative at the port or department that we're examining or a project. And the challenge is we all understand the value of zeroing out to the best extent possible. Waste, fraud and abuse. And yet with every incremental step that we take to limit those things, we introduce the belt and suspenders kind of approach to these things.
- [01:55:18] We introduce layers of Compliance and potentially inefficiency. And so it is this trade off. And I think what I have been really impressed with, both from our internal and audit team and in management from various departments around the port, is a good faith effort by everyone involved to seek the best, the sort of optimal trade off in that balance between those two very important values. And that can create tension at times, there's no doubt as we try to find the right solution. But ultimately, that is what I've seen again and again from both staff and also from our external partners who we report to, whether it's the Washington State auditor or our external auditors.
- [01:56:14] The resounding consensus is the port is great to work with, responsive to requests. And so I think that speaks to a culture, a larger culture of public service and integrity. So thank you so much. And I don't think I'm going to be on the committee again next year, but it is always a pleasure to serve on that committee.
- [01:56:39] Commissioner Mohamed, I recommend Commissioner Fellowman to serve on the committee since he serves on it every December.
- [01:56:51] Sounds like a referral. Well, first, I want to thank the entire audit team. You all do your work in a way that really centers good governance, accountability and transparency. I've always enjoyed serving on the Audit Committee. It's a great way to better understand how the port works and also to understand just how important it is to us as an organization, as a public agency, to be good stewards of public dollars.

- [01:57:25] And for the listening public. If you want to see how that works, I recommend listening in on the Audit Committee. It's the one committee that's public, it's recorded, it's online, and so you're able to join and review that. Every public dollar is so important for us to ensure that it's going to the right place and that we are being as responsible and as transparent as we can be. And you all ensure that we're doing that.
- [01:57:54] And as commissioners, we have that oversight body. And so it's a committee I enjoy serving on and really thank your team for the work that you all do every single day. I echo the comments that came from Commissioner Culkin's thank you for chairing the committee. The public member, Sarah, does such an incredible job keeping up with all the work that the Audit Committee is also taking on. So it's been a joy and I look forward to maybe serving on it in the next few years.
- [01:58:23] Thank you. Thank you, Commissioner.
- [01:58:28] Anyone else?
- [01:58:31] Commissioner Fellerman. Well, thank you, Glenn. In my temporary capacity there, you've always maintained this great demeanor through this always come at challenging, sometimes contentious times. So I really appreciate just your ability to dig in and not dig in. So I think it's a delicate balance.
- [01:58:55] And I did, you know, bring up a couple of things, you know, not that I was on the committee, but I thought, hey, while you're thinking about next year's sessions and I mentioned to you a couple of ideas, one of which as you heard from our testimony from Appentosa, we continue to have challenges at T5 Shore Power. It's an enormous amount of expense to still not be working well. And he attributed it to this particular contractor.
- [01:59:27] I don't know. You know, I have no idea of knowing. But you know, it. It was supposed to be a premier facility and, and I just didn't know. It does also speak to a larger question which I don't.
- [01:59:41] I seem to recall that the alliance was looking at this broader question of, you know, a licensed property being managed by, you know, the construction management, but on the port side. And that's just sort of an institutional thing with the alliance, but to the degree that this particular issue can be looked at. And I don't know if maybe it's something to refer to in terms of this home port licensed property question of big projects like this. People are saying, well if it was Watts Marine, it would never have happened, but whatever. And I guess it's also poses a question about, you know, if it's always like a lowest bid question, if there is somebody with unique expertise.
- [02:00:26] I just wondering if that's it. And then. And then finally I was appreciate the fact you did find a couple of tweaks in the TBCD approach. And I don't know if you had a chance to look at Noah Purcell's ultimate recent review and it's, you know, it's. Do you think it has any applicability to this?
- [02:00:45] Well, I think that, you know, I did read Noah Purcell's write up that you referred, but that would be something that, you know, legal would have to get involved in because it's really his argument about the gift of public funds statute. And yeah, the, the attorneys at hand would, you know, have more interaction with that. But. But yeah, he definitely takes. Appeared to take a very, A different view point of.
- [02:01:15] Rather liberal, I would say. Yeah, I mean, I guess it would be interesting to maybe that's another subject, you know, how does this affect the port's review? But one thing that you did mention that was if on the accounting side, if the port doesn't put it in the budget, we don't have it to spend. Right. Well, one of the

things that RCW says is you can't overspend your budget.

- [02:01:38] Yeah. On tbcd. So, yes, you do have to have a budget. So that just goes to the ongoing question about the Ports Commission's question about what we put in the budget. If we're going to do things that, you know, I understand Public affairs has the biggest budget towards this sort of stuff, but to the degree the commission may want to do something that is not on the Public affairs priority list, we need to be able to go at our own.
- [02:02:06] And I just think as a commission, we should look at what's a reasonable expectation for a TBC fund. So thank you for identifying that. Thank you, Commissioner.
- [02:02:19] Okay. Hearing no further questions or comments, I'd like to thank and dismiss our Director Fernandez. Thank you, Commissioner Haskawa. Okay. And we can move forward to.
- [02:02:33] Oh, wow. To questions and referrals to committee. Wait. We do have one more item to address today that's not on our agenda, which is the swearing in of our newly re elected commissioners to their Port Commission positions. Before we ask Clerk Hart to provide the oath of office to our commissioners, are there any closing comments at this time or motions relating to committee referrals?
- [02:03:00] We'll begin with Commissioner Muhammad. Yeah.
- [02:03:05] I didn't know we were doing the oath publicly. Would have fixed my hair a little bit. No, I'm kidding. Well, it's been such a great year and I wanted to spend time on my closing comments really thanking our commission President Hasegawa, for your leadership this year. You have not only managed our meetings really well and led with clarity and discipline, but also have shown just a consistent support for our maritime community this year.
- [02:03:34] I would say advocating for them, building strong coalition and just strengthening our work on the alliance side. And that has been very meaningful for me to be able to watch. And even in this moment where we are dealing with a federal government that has been consistently attacking our immigrant community, most recently the Somali American community, you have not hesitated to lend your voice. You've shown leadership influence and I've really appreciated that. And you have stood firm with our values and reminding us and people across this county what it means to be in public service and what it looks like.
- [02:04:15] And so just really appreciate that and just saying thank you. Thank you for that role that you've played this year. And happy holidays to everyone who's at the port. I hope you all have a wonderful Christmas and a New Year's. Thank you.
- [02:04:30] Thank you very much, Commissioner Calkins.
- [02:04:38] So wrapping up the year I think a lot of us are ready to wish it bon voyage and move into a year moving beyond 2025 and hopefully into a year in 2026 where we have more certainty for our business units, more pushback against anti democratic forces, and a really a politics for the future again, something that I think we think a lot about. And I think at the port, we are continuing to drive that mission forward.
- [02:05:19] I'm really proud of a lot of what we've done this year, in spite of the headwinds that were created unnecessarily by a federal government that seems to want to push us back into the stone ages in a lot of ways. But maybe that's when it's most important that we do what we do. And I also just want to give a lot of gratitude to Executive Director Metric, who has been an extraordinary leader for us in a very tumultuous

time. And just the thing that I. One of the things that I really appreciate is your poise under pressure and in challenging moments, and a reminder to take a deep breath when crisis hits and make sure that we're not doing something rash in moments, in very challenging moments, in some ways to allow us to sort of keep all options open when, whenever possible.

[02:06:21] And. And I think as we. In 2026, you know, every challenge represents a new opportunity for us. And I definitely think that is going to be one of the themes that we. We work with in the coming year, too.

[02:06:38] So. Yeah. Thank you all for another great year on the Commission. I truly enjoy getting to work with all of you. Thank you, Commissioner.

[02:06:48] Commissioner Cho. Yeah. It seems like ever since the pandemic, every year goes by quicker and quicker. I can't believe that we're.

[02:07:01] Touche. Touche.

[02:07:09] Yeah. At least I still have my hair.

[02:07:15] No, but reflecting back on this past year, it's been one of tremendous change as well as adversity. We've had major departures at the Port of Seattle with our managing director as well as our cfo, which were two critical pieces of our executive leadership team. As Commissioner Mohammed mentioned, the erratic policies that come out of this administration, the federal funding that's in jeopardy, not to mention a government shutdown, a pipeline leak, tariffs. I mean, it's just been a storm and a fight after fight after fight. And I can't express how proud I am of our organization being able to just take punch after punch and come out on top each and every time.

[02:08:10] I can't think of a single moment this year where I felt like we had failed to do our jobs. Or that we fell short, truly. And while we may not be perfect as an institution, the credit goes to our staff and the members of our teams that continue to work year round to ensure that this institution operates at peak performance. It's a testament to our leadership, Steve Metric, who continues to operate and run this organization. Well, we had a challenging budgeting season this year.

[02:08:46] Given some of the economic headwinds that we're facing, I think we are navigating through that and we will continue to navigate through that. But we got through it without much drama, which was also a testament to the leadership of this organization. But it's also a testament to the great leadership we had at the commission. And I just want to thank Commissioner Hazegawa for her leadership this year, her steady hand. You took on a huge battle this year with industrial lands.

[02:09:14] I think we should acknowledge that, albeit we have won for now on that battle. I'm not so sure we would have prevailed without your boldness and without your voice to share. And I know that as you heard from our public speakers today, our community, our stakeholders, especially those dock workers, sincerely appreciate it. And I know our colleagues sincerely appreciate your leadership. And that will, I think, be one of your longest lasting legacies here at the port.

[02:09:44] So thank you so much for a historic, in many ways, presidency. And I want to wish everyone happy holidays, get some rest and a happy new Year. Thank you. Thanks, Commissioner Fellman.

[02:10:03] Well, I think now I'll be as succinct as I can be for all making up for all the time I've rambled on here, but obviously not only have we had challenging times, we've been somewhat unflappable. I think the fact that

people aren't just, you know, hanging their head in the sand and being really, you know, discouraged by this. I think, I think a lot of us feel kind of overwhelmed by this year in a not just professional way. It's a. It really wears on you and especially the guys that have to deal with the federal lobbying and stuff like this.

[02:10:39] This is, you know, banging your head against the wall and still making progress. And so I continue to send out my great appreciation for Erik Shinfeld and others that have been just in the trenches and, and of course, you know, we have, you know, leadership from the top that, you know, Steve, you're pretty unflappable. You really are able to weather these storms. And we can go into all the nautical references of keeping the rudder straight and all that good stuff, but I'll spare you. But it really has been daunting and I think the fact that we've come out as well as we have is really great reflection of the staff.

[02:11:19] But I talk about the public's appreciation of the commission. You know, three commissioners unchallenged, I mean, just talk about, make me jealous. But the idea that, I mean, it's just a validation that the ports in the right direction and I think that's phenomenal. So the leadership has been great. Happy to be part of it.

[02:11:43] And thank you all and happy Hanukkah as well. First up, thank you, Commissioner. I just wanted to add my voice of gratitude to the staff. As I said earlier, it's been a hell of a year and you all have risen to every call of duty and you have helped us be equipped to do what we need to do as commissioners. And where there were times where we could have done the easy thing, we did the bold thing.

[02:12:23] Executive Director Metric, you are a wonderful leader for us and you have not faltered. And you've been a wonderful example of us of grace, poise and commitment. And so I am so grateful to have been able to move through this past year with you in lockstep. I want to say to my colleagues, you are incredible. I know we're not supposed to toot our own horns as elected officials, but I need to tell you all, you are so sharp and thoughtful and you have been so bold.

[02:13:03] And I am proud that we have turned the sleepy Port of Seattle commission offense, something that most folks don't know about, what it does, why it's important, how it's relevant to their lives, into a powerhouse for progressive policy. I am so, so, so in awe of how seriously you take this rare opportunity. And it is a true privilege to be able to serve as president in 2020.

[02:13:36] And I want to acknowledge the very many workers, WMBE business owners and industry leaders and community members who have continued to afford us the benefit of their insight and their honesty to help us to be able to deliver. So I'm going to close this out with a referral to committee.

[02:13:59] We know what's coming up for next year is going to be samp. We are all aware of the of how NEPA has changed given the Trump administration and that the SEPA process is upon us. And so as a referral to committee, I am asking for an analysis of the incremental impacts that were identified in the NEPA process that were called non significant to better understand what those increments are and planning for an engagement strategy with our communities to better understand how growth will benefit or burden our communities. We seek to understand the data. The one area we know was a significant enough impact to rise a level of mitigation was transportation impacts.

[02:14:50] But how are those impacts intended to be mitigated? How will we make investments to best support our communities without a robust equity based analysis? With the Federal Way stop opening this weekend, we can see opportunities to truly prioritize our workers and how they travel. How do they want to see investments happen? What investments will help alleviate the burden of growth?

[02:15:10] So as we continue to grow, how will we ensure that those benefits and the burden of growth are understood at a community level and activated at a government level? So these are the questions that I'd like to refine within a committee setting and I'd like to refer it to the Sorry, Bukta, but the Equity and Workforce Development Committee. Okay, so thank you very much for a fantastic year. And Clerk Hart, do you want us to do the swearing in before we adjourn or do you want me to adjourn and then we do swearing in? It is.

[02:15:50] It is your preference. We can adjourn the meeting and do the swearing in. Very good. And the time is 2:29. And we are adjourned.