[00:00:30] Good morning. This is Commission Vice President Fred Felleman convening the special meeting of October 13, 2026. The time is 9:34am we're meeting in person today at the Port of Seattle headquarters Building Commission Chambers and virtually on Microsoft Teams. All commissioners are present. We're expecting Commissioner Calkins to be any moment and they are currently gathered in the executive session room awaiting the opening of the public meeting.

[00:00:59] We'll now recess into executive session to discuss one item regarding litigation, potential litigation, legal risk per RCW 4230, 110 1sub I for approximately 30 minutes. And one item regarding RCW 4230, 110, 1sub F complaints against a public officer for approximately 90 minutes will reconvene into public session at 12:00pm thank you.

[00:01:33] This is Commission President Ryan Calkins reconvening the special meeting of October 13, 2026. The time is 12:18pm we're meeting in person today at the Port of Seattle headquarters Building Commission Chambers and virtually on Microsoft Teams. Clerk Hart, can you please call the role of all commissioners in attendance? Thank you. Commissioner Calkins here.

[00:01:55] Thank you. Commissioner Cho.

[00:02:00] I'm not sure if he's joining us virtually or not. Mentioned that he's about to jump on a plane. Okay. All right, then. We will mark that that way.

[00:02:08] Excused. Thank you. Commissioner Fellerman.

[00:02:13] Yes. Clearly present. Clearly present. Commissioner Hasegawa? Present.

[00:02:20] Thank you. And Commissioner Mohamed? Present. Thank you. We do have a quorum established.

[00:02:24] Thank you. Clerk Hart, A few housekeeping items before we begin. For everyone in the meeting room, please turn your cell phones to silent. For anyone participating on Microsoft Teams, please mute your speakers when not actively speaking or presenting. Please keep your cameras off unless you are a commissioner or a member of staff participating virtually and are actively addressing the Commission.

[00:02:43] Members of the public addressing the Commission during public comment may turn on their cameras when their name is called to speak and we'll turn them back off again at the conclusion of their remarks. 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 have been recognized. You'll turn your microphones on and off as needed. All votes today will be taken by the roll call method or by general consent so you.

[00:03:08] If so, it is clear for anyone participating virtually how votes are cast. Commissioners will say aye or nay when their name is called. We are meeting on the ancestral lands and waters of the Coast Salish people with whom we share a commitment to steward these natural resources for future Generations. This meeting is being digitally recorded and may be viewed or heard at any time on the port's website and may be rebroadcast by King County Television. Please stand and join us for the Pledge of Allegiance.

[00:03:39] 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.

[00:04:00] The first item of business today is approval of the agenda. I understand we may have a few changes to the

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agenda. First, there may be a desire to once again postpone unfinished business item 9A to a future meeting pending receipt of additional information on the item. Since the presentation for the item has been given at the previous commission meeting, is there any objection to postponing item 9A to the October 27 business meeting? Hearing?

[00:04:24] None. That item will be removed from this agenda and forwarded to the Oct. 27 meeting. In addition, there is a need to move Item 11A, the 2027 Aviation Division operating and CIP budgets briefing, up on the agenda. If there is no objection, that item will be moved to be taken up immediately before new business. Is there any objection?

[00:04:45] Okay. Hearing none. That item is reordered. And then finally, 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, a commissioner may offer general supporting or opposing comments later in the meeting.

[00:05:01] 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 consent agenda item to request the item be pulled for separate discussion at the time. Are there any items to be pulled from the consent agenda or any additional motions to rearrange the orders of the day? Commissioner Feldman, I would like to see item 8C discussed from the agenda, pulled from the consent agenda. Okay. Any others?

[00:05:30] All right, Commissioners, the question is now on approval of the agenda. Is there a motion to approve the agenda as amended, so moved? Second, the motion is made and seconded. Is there any objection to approval of the agenda as amended hearing? None.

[00:05:47] The agenda is approved. Mr. Commission President, pardon the interruption. For a point of clarity, with item 8C being pulled, will this be taken up immediately after the consent agenda is adopted or after the 11A presentation? Let's. In the interest of time, let's do it after the 11A presentation.

[00:06:08] Okay, thank you. Next on our agenda is the executive director's report. Executive director's director metric, you have the floor.

[00:06:21] Good afternoon, commissioners. I'd like to recognize several recent accomplishments in my report that happened across the board. Several events have occurred, including important investments in our facilities, recognition of our employees and continuing engagement with our communities. However, before I begin, I want to begin with a sad note about the loss of a member of our Port family here Last week. We were deeply saddened to learn of the passing of former Port of Seattle Commissioner pat Davis.

[00:06:52] From 1985 to 2009, Commissioner Davis served the people of King county with distinction, becoming the first female Commissioner in Port of Seattle history. She paved the way for a generation of women who followed in her footsteps and positions of local leadership. Commissioner Davis was known for her unwavering commitment to the Port's mission and future and her leadership during times of both opportunity and adversity. During her tenure, the Port took on major transformations along the central waterfront, including construction of the new Bell Harbor Conference center and the cruise terminal at Pier 66 and the new headquarters at Pier 69 where we are today. She also guided the Port towards making major terminal and airfield improvements at Seattle Tacoma International Airport.

[00:07:35]

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Her vision and effective advocacy played a major role in shaping the Port's modern identity as a leader and innovator in our core industries. Commissioner Davis was quick to recognize and highlight the good work of others and that spirit lives on through the Pat Davis Legacy of Leadership Award here at the Port. The award recognizes women leaders who embody the Port's values and who, like Commissioner Davis, change the conversation through courage, service and example. The annual awards means even more as the Port stewards Commissioner Davis memory Personally, I will always remember Pat's whip smart wit, her poetic poems that she did, and her positive nature and passion for the Port and its people. We offer our condolences to the Commissioner Davis daughters and her extended family.

[00:08:22] Family Commissioners On Monday, organizations, agencies and communities across Washington recognized Indigenous Peoples Day for us at the Port of Seattle is also a moment to reflect on our work to foster respectful partnerships and continued learning from the knowledge and traditions that have helped shape the Pacific Northwest for generations. I'm grateful for the meaningful dialogue our staff has with tribal members and leaders every day and I'm really inspired by the leaders, including our Commissioners, who make this work successful. Moving on with employee recognition I'm pleased to share that Faye Sipanala Tanad Kuhn, Continuous Process of Improvement Program Manager and Co Founder of the Happy Employee Resource Group, has been named The Port of Seattle's 2026 Charles Blood champion of Diversity and Inclusion. Faye is being recognized for her thoughtful, people centered leadership in her commitment for incorporating equity into process improve improvement, employee development and organizational learning. She's been a strong advocate for interns and early career employees, helping making training and professional development more accessible.

[00:09:31] We look forward to celebrating Faye and other nominees at the recognition event here at the port on October 26. Moving on to updates at the airport SEA recently opened a new pre security interfaith prayer and meditation area near Skybridge 2, this adjacent to Airport jobs the facilities there. This new space responds to a long standing need among airport employees who have limited opportunities to access the existing prayer and meditation rooms located beyond security checkpoints. It is a modest but meaningful improvement that reflects our commitment to creating a welcoming and inclusive environment for the nearly 30,000 people who work at sea. I want to thank the aviation customer service and security teams and everyone who helped bring this project forward into completion.

[00:10:18] Moving on to Community engagement, we continue to advance the airport's Part 150 noise and land Use Compatibility Study. This multi year effort evaluates aircraft noise impacts on surrounding communities and identifies potential measures to improve compatibility and reduce those impacts. The port is hosting three public workshops on October 17th in Burien, October 19th in SeaTac, and October 20th in Des Moines. These workshops provide an important opportunity for community members to learn about the study, ask questions and help inform our ongoing work. I encourage residents who are interested in these issues to participate and additional information is available on the Port's website.

[00:11:01] Commissioners, I want you to be aware that our own SEAC Concourse project will receive an award next week at the King County Solid Waste Division's 25th annual green building Awards Ceremony. In celebration, the C Concourse project was selected as the winner of the Green Building Leadership Award for Community Partner Projects, which recognizes a project that demonstrates a notable innovation in overall green building design from the greater King county community, including King county partner

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jurisdictions and agencies. Staff from Environment and Sustainability will be on hand to receive the award. Moving to Maritime, we also celebrated the completion of our $100 million modernization of Terminal 91, Berth 6 and 8. This major investment restores critical berths capacity and strengthens the infrastructure that supports our region's commercial fishing and maritime industries.

[00:11:54] The recent ribbon cutting was an opportunity to recognize the many port employees, project partners and industry customers who contributed to bring this important facility back into service. I want to recognize in addition, that was a great event. I also want to recognize congratulate Stephanie Jones Stebbins, our Managing Director of Maritime, who's been named one of Marine Log's 2026 Top Women in Maritime this national recognition. Thank you. This recognition.

[00:12:34] Stephanie's recognition reflects her leadership across capital development, environmental stewardship operations and workforce priorities. Congratulations to Stephanie on that well deserved award. Here at Pier 69, our maritime teams also successfully installed a new tribal float barge, including an ice provisioning float and crane that are now being used by treaty fishers. This project fulfills an important port commitment and demonstrates our continued partnership with tribal fishing communities. And finally, a note of congratulations again to the Marine Division who just completed a record breaking 2026 crew season at Pier 66 and Terminal 91.

[00:13:12] Hard to believe the crew season is over, but here we are. So the terminals finished the season strong within the inaugural call of the Seven Seas Explorer at Pier 60 in September. So congratulations to all the team that completed a highly successful cruise ship season. We'll have the final numbers here in a couple in a couple weeks after the completion of the season. Moving on to Community events In addition to our operations, our community staff has been our maritime staff has been active on waterfront communities.

[00:13:42] On October 3rd, we marked another successful Fisherman's Fall Festival at Fisherman's Terminal celebrating our region's commercial commercial fishing industry and the people and families who sustain it. Early indications suggest that attendance succeeded previous years with nearly 500 boat tour tickets distributed at the Ports berth booth alone. The festival raises funds for a Seattle Fisherman's Memorial which supports fishing families and honors those who've lost their lives at sea. I want to thank our employees, volunteers and community partners who helped make this year's event such a success. We're also pleased to sponsor the 2026 Seattle Salmon Homecoming where port engaged, port staff, engaged with community members and shared information about port careers as well.

[00:14:25] I want to recognize the Tribal Relations Senior Program Manager Roxanne Murphy for helping strengthen our participation in this important community celebration and looking ahead. This Saturday on October 17th, the port will join Dirt Corps and Community Partners for Duwamish Alive and event. This event marks 20 years of collaborative efforts to restore the green Duwamish River's watershed and help improve habitat for salmon and other wildlife. Volunteers will take place take part in shoreline restoration while learning about those sites cultural, archaeological and ecological significance. It's a great example of how our environmental stewardship work connects with community partnerships and long term health at Duwamish River.

[00:15:12] Thank you Commissioner for that. But now I'm going to move on to today's commission meeting items Turning to today's agenda, I'd like to highlight a couple items on our consent agenda. We have requests to procure long lead times to support electrical infrastructure at Terminal 91. We also have substantial

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requests for authorization on airfield improvement projects which include airfield utility work that supports the S Concourse modernization effort. Commissioners, you were briefed on that project in August and the airfield work is routine but essential for safe operations.

[00:15:46] And finally, on consent, we request approval and rate amendment to our agreement with the South Correctional Entities to support police operations at sea. In staff briefings we will continue our series of presentations on our proposed 2027 budget with the briefings from Aviation, Maritime and Economic Development Divisions and I'll have more to say about this items during their introduction and Commissioners, before I conclude, I'd like to take a moment to address a discussion that occurred at our last meeting. During the presentation on the potential lease opportunity for a credit card lounge, references were made to a social media commentary concerning the proposal and Commissioners, I want you to know that I have complete faith in the professional conduct of our staff. Our staff does not presume outcomes from the Commission. They do not share confidential materials and they also work hard to maintain consistency, transparency and transparency for the benefit of the public.

[00:16:44] In the Commission. They are also in a difficult position of balancing multiple considerations when looking at new projects to bring before you. They are charged with multiple priorities increasing revenue, reducing expenses, maintaining variety of options for customer satisfaction, expanding economic opportunities for small business owners and workers, and driving environmental sustainability. And they do an incredible job of balancing all these equities and bringing them before you. In particular, our dining and retail program is in a constant flux with construction, limited footprints to work in innovation and emerging opportunities.

[00:17:24] And we recognize the stakes are high for airport and businesses that operate here. So it was important for me that we work together effectively and that we answer that we provide you with detailed analysis to the best of our ability, that we answer all of your questions so that we can have a shared vision of success that is in alignment with our goals, with our organizational goals and our raised values. So thank you Commissioners. That concludes my remarks. Thank you.

[00:17:48] Thank you, Executive Director Metric. You covered a broad span of things and I just want to say thank you so much for recognizing recognizing Commissioner Pat Davis. She was a force and I think any one of us would wish to have the kind of legacy that she had as a Commissioner. We are now at committee reports. Erica Chung, Commission's Strategic Advisor, will provide the report.

[00:18:07] Go ahead, Erica. Good afternoon, President Calkins, Commissioners and Executive Director metric. I have two committee reports for you. On September 23rd, Commissioners Muhammad chaired the Highline Forum. Members received an IP update on the SAMP Near Term Project CEPA Draft EIS.

[00:18:24] The public comment period closed on August 20th with four hundred and ninety unique comments submitted and the responses will be included in the final EIS anticipated towards the end of 2026. Members also received an update on Part 150 Noise and Land Use Compatibility Study. FAA approved the noise exposure maps and the draft noise compatibility plan Plan will be presented at public workshops on October 17th in Berean, October 19th in SEATAC and October 20th in Des Moines. Then Executive Director Heather Worthley with Port Jobs highlighted expanded services with recent growth in Port jobs customer base such as language access, child care, navigation and SEA moves. Port staff provided the Start update that potential changes identified during the summer will be discussed further at the next Start meeting in October.

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[00:19:16] During the round, the Table sharing Jurisdiction shared updates on their 202728 biennial budget processes, tax and bond measures, capital projects and environmental code work. On September 29, Commissioners Cho and Mohamed convened the Aviation Committee meeting where they were briefed on the Aviation 2027 proposed operating and capital budgets and strategic priorities. The committee then discussed the aviation, dining and retail program and questions raised during the September 22 commission meeting. This concludes my report. Thank you, Erica.

[00:19:52] All right, we're going to now move on to public comment. The Port Commission welcomes public comment as an important part of the public process. Comments are received and considered by the Commission in its deliberations. Before we take public comment, clarify, Clerk Hart, can you please display the QR code to our public comment? Rules of procedure for members of the public providing testimony, it is essential that these rules are followed.

[00:20:14] Written copies of the rules are available at the door.

[00:20:21] Thank you. Clerk Hart. Go ahead and get our timer up here. While you're doing that, I'm going to recommend that we go through all of the in person and then do the one virtual comment we have since the final in person and the virtual are on the same topic. Okay.

[00:20:37] Make sense? Yes. Just for the record, my screen is not on. Oh, oh. Just gotta kick it.

[00:20:45] Try turning it off and turning it back on again. You can look at mine. We'll have that looked at. I'll make another. We pulled back the curtain.

[00:20:55] Now everybody knows that when we're looking down, we're actually looking at our and I'll go ahead and call the first mayor. Thank you. So we'll begin with Alex Zimmerman. Yes, thank you.

[00:21:10] So I have three minutes. Two minutes. Alex, please go ahead and state your name and your topic and I will re. I'll start the timer at that time. Two minutes is not enough, but it's okay.

[00:21:22] Two is good.

[00:21:28] Sorry, name and topic. Yeah, my name Alex Zimmerman and once spoken about agenda number 10. Yeah. Because for me this very important agenda about sex and sport. Yeah.

[00:21:41] And I spoke about this before few times in different consul chamber in everything what is I ask what is consul Answer me question what is I have in my life. I give you example my experience. I'm 80 year old man who want go to sport woman sport. Why? Because my penis right now only half inch so this look like big litter.

[00:22:12] So when I speak before in council chamber right now speak to you my question very simple. By your definition I can right now present in women's public presenter because for a moment right now. Mr. Zimmerman, can you pause for one second what I'm going to address a point of order. The public commenters comments do not align and are offensive.

[00:22:43] So it's very simple question what is I have I'm going to ask talking to the chair. I'm going to ask our legal counsel what is I talk. Mr. Zimmerman, please hold your remarks. Yes, okay, no problem.

[00:23:00] I have your time paused, Alex. So just one moment. It's okay, no problem. I do every legal. Just hold your comments.

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[00:23:08] Mr. Z. Yes, thank you. I just want to read the provision of the limitations on public comment that are applicable to this situation. Individuals including those providing spoken public comment must not engage 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 the law. In addition, the use of obscene or profane language and gestures, assaults or other threatening behavior and sexual misconduct or sexual harassment are prohibited.

[00:23:51] Okay, so Mr. Zimmerman, I'm gonna thank you. I'm gonna suggest at this point that you're on your first warning. Please use the remainder of your time to stay on topic and within the decorum of the proceeding. Okay, absolutely. This is exactly what happened.

[00:24:08] 1 minute and 10 seconds left. Go ahead and start the time. Thank you very much. I'll start the timer. This exactly what I ask.

[00:24:14] You know what this means? Because agenda number 10 you go against rules. What is somebody bring. So because you go against this rule. So you possibly support my condition Because I'm absolutely legal man, and I have condition what is where I can qualify like a woman.

[00:24:34] I need only basketball. You know I played basketball before 60 years ago. Yeah, absolutely. So this a point because I want understanding how I can broke your rules when I talking about legal. Everything each word what is I use is officially legal.

[00:24:52] It's exactly what is you against. Yeah, so my question to you why you against when for example men like me want go to woman business. You know what is meaning play a basketball. Because my condition right now hundred percentage what is your proof? So there is a problem.

[00:25:12] I'm totally confused. Viva Trump with a new American revolution. Stand up slave and happy cow. And my personal condition is absolute legal. Thank you very much.

[00:25:26] Clark Hart. Next speaker. Yes, our next speaker. Our next speaker in the room is Darrell Brown.

[00:25:43] Hi, Darrell. If you'd go ahead and please repeat your name for the record and your agenda item or topic related to the conduct of port business and then I'll start the time. All right. Good afternoon. My name is Daryl Brown and I'd like to speak On Agenda Item 11B, the Maritime Division budget.

[00:25:59] Thank you for having me. Welcome. I've been a recreational boater here in Seattle for more than 10 years. My wife and I have spent more than four years on the waiting list before securing our dream slip at Social bay Marina in 2021. At that time, our combined monthly mortgage and livable board fees were $1308.

[00:26:19] Today we paid 2043. That's an increase of more than 56% in just five years and equates to an additional $9000 a year. As a member of the social community, longtime recreational boater and president of the Social Liveaboard Association, I personally witnessed recreational boaters leaving for other marinas, selling their vessels or are currently in the process of selling because of increased costs. You can walk down almost any dock right now and see empty slips or vessels with yacht broker signs on them. Marina management has also shared that Social has fallen short of their 2026 occupancy goals and that waitlist times have declined.

[00:27:02] Yet the proposed 2027 budget anticipates approximately 6% growth in recreational boating revenue,

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supported in part by further rate increases at Social Bay Marina. This will be an additional 5% base increase, liveaboard fees increasing an additional 5% and laundry services increasing by 14%. The Port Century Agenda goal 5 calls for becoming a model of equity, diversity and inclusion. Objective 14 specifically comments that the port commits to the port to ensure that its programs, structures and practices provide equitable opportunities for all. As recreational boating becomes more expensive and local mortgage options continue to disappear, I believe that commitment deserves consideration in how this publicly owned marina's rates are evaluated.

[00:27:52] My question for this group today, how is the ports accounted? How has the port accounted for declining occupancy, shorter wait lists and the Cummings commute come. Sorry. Cumulative impact of rate increases on customer retention in its 2027 budget and how will the commission balance its revenue goals with its century agenda commitment to equitable opportunities rather than relying on primarily on additional increases for existing customers. Thank you Mr. Brown.

[00:28:20] Thank you Clerk Hart. Next speaker. Yes, our next speaker is William Bonner.

[00:28:28] And William, if I could please just get you to repeat your name for the record and your topic and then I'll start the timer.

[00:28:35] William Bonner, Recreational boating portion of the Port of Seattle. I am a. Is the timer starting? I am a. Have been a long term racer in the community, specifically at Shell Shoal.

[00:28:48] I have bought a boat five years ago and so the first time I'm actually paying for tenancy at shell shoal starting five years ago. I started it at just over $600 for my slip space there. And I'm now just under $1,000 for my slip space in five years. And I know that the price of that will be going up again next year. I believe that the Port of Seattle should be operating recreational boating closer to a park system system as a greater good for the city of Seattle as opposed to a profit center maintaining working along those lines.

[00:29:32] That's primarily what I know that the port annually does comparison with other marinas which are private equity, private entities running private port operations and they serve different needs as far as I'm concerned. Basically I think that the commission should encourage recreational boating as a greater need for Seattle as opposed to purely all of the commercial operations and profit centers. That's all I have to say. Thank you. Thank you Mr. Bonner.

[00:30:14] Clerk Hart, Next speaker. Our next speaker is Joshua Welter, Commission president Calkins and members of the commission. For the record, my name is Joshua WELTER Teamsters Local 117 and speaking on also behalf of drivers union today I'm here to say thank you with a group of ride hail drivers who service the customers at SEA Tac airport every day. Hundreds of drivers who service this airport. When we were last here at the last commission meeting we were discussing the need for covered space during the rainy season.

[00:31:00] And I'm very very pleased to report that we've received word from staff that the port is planning on moving forward with a temporary solution on that issue. And we're very thankful for that. On a personal note, I've got a five year old turning six this month who with an October birthday. We always look at the weather conditions. We say you know oh my goodness, can we do it out in a park this year and not have to be inside.

[00:31:27]

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So I did just look at the weather report six out of the next 10 days rainy. We're not sure whether we'll be outside in a park for the birthday. But I am very appreciative that as we're moving into this rainy season, that we're recognizing that for the drivers who work at the airport, it's not just a question about where do you have a celebration. It's a question of where can you get out of the elements when you're praying five times a day, when you're stretching, when you're taking that needed rest to serve the passenger. So we're very, very thankful and look forward to continue to work with the port on a permanent solution to this issue.

[00:32:06] Because right now what we're moving forward with is a temporary solution which we're appreciative of. Thanks so much. Thank you, Mr. Walter. Clerk Hart. Next speaker.

[00:32:15] Yes, Our next speaker is Adulrab Kakar.

[00:32:26] And if you could please repeat your name for the record and your agenda item or topic. And I will start the timer.

[00:32:45] I speak a little bit English and. And sir, we. We can double your time to make sure that it's equal.

[00:33:12] My name is Abdul Rabkoker. I served the SEA Tac airport. Usually we stay at the 160 lot to get customers. I was here today to deliver the message on behalf of other drivers. But we are really thankful to hear that we got a temporary solution for our prayer area.

[00:33:45] Whoever participated in this solution, thank you so much and we are looking forward for a permanent solution for our prayer area. Thank you.

[00:33:59] Thank you. Thank you. Mr. All right, Clerk Hart Final in person. Speaker. Yes.

[00:34:20] Our last signup in the room today is Jaylen Scott.

[00:34:27] Jaylen, please go ahead and repeat your name for the record and your topic, and then I'll start the timer. Jaylen Scott. Good afternoon, commissioners. President Calkin, I am speaking in support of the two resolutions opposing initiatives 638 and 001. Thank you, Commissioner Hasegawa, for introducing it.

[00:34:45] Resolution 638 concerning sex verification, specifically targets are welcoming city and state by targeting trans youth and their participation in sports. And it specifically asks for a genital inspection of girls. Girls only creates a barrier for families without economic means, especially girls of color who want to participate in sports. And that's all girls. And it's very specifically biased as it only deals with young girls and women.

[00:35:17] Resolution 001 is harmful. It requires disclosure of private medical and mental health records without student consent. It is a forced outing bill for LGBTQ youth, specifically its target. However, it has other effects. All youth who need a Safe adult to report abuse will risk the possibility of that information being disclosed to an adult who has created and done harm.

[00:35:45] It puts all youth safety at risk. I ask for you to unanimously adopt this resolution. Thank you so much. Thank you, Ms. Scott. Clerk Hart for our final speaker.

[00:35:58] Virtually. Yes, we will have Libby Watson joining us virtually. Libby, please go ahead and repeat your name for the record and your topic and then I'll start the timer.

[00:36:13] Calling again for Libby Watson.

[00:36:22] Libby was at check in, so we'll. Okay. Oh, I am so sorry. I talked and realized I hadn't myself. I am Libby

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Watson.

[00:36:32] I am speaking on behalf of a resolution to oppose both 001 and 638. Please go ahead. Okay, thank you. Thank you so much for allowing me to speak today. I am in strong support of passing a resolution to oppose statewide initiatives 63 and 001, as well as the incredible Jaylen Scott.

[00:36:57] I am a queer woman living in Seattle and I am a lifelong athlete who feels strongly that these will be damaging to our entire public school system and the queer community not only in Washington, but will signal really dangerous anti LGBTQ sentiments across the nation. If even a state like Washington cannot keep our people safe, particularly the very vulnerable community that is young trans individuals in particular, especially trans girls. 638 does nothing to actually protect girls in sports. And it does not promote fairness. It would harm the hundreds of thousands of girls who want to participate to gain the important skills like teamwork and getting exercise that we have.

[00:37:47] Our kids play sports because of those things. Many of them do not go on into these high levels of competition. And they shouldn't have an added barrier of needing a genital exam or costly genetic or hormone testing just to play.001 will harm the most vulnerable, which is our young people experiencing abuse at home. It will take away common sense record protections from victims of child abuse. And most families are safe and loving.

[00:38:15] But unfortunately, in recent years, we know that there are over 100,000, 100,000 cases of abuse reported every year, and we need to keep those kids safe as well. 001 would also force school faculty to out LGBTQ+ students to families, regardless of how supportive they are. And we know that young queer people are already facing disproportionate levels of mental health issues and homelessness. So I am in strong support of the port passing this resolution to oppose both statewide initiatives. Thank you so much.

[00:38:46] Thank you, Ms. Watson.

[00:38:50] That concludes our signups today. Is there anyone else present on the team's call or present in the room today who didn't sign up, but who wishes to address the Commission?

[00:39:02] All right. Seeing none at this time, I'll ask the clerk to please give a synopsis of any written comments that we've received. Thank you, Mr. Commission President members of the Commission Executive Director Metruck we have received a few written public comments today. Correspondence was received in support of resolution numbers 3855 and 3866, opposing IL26638 and IL26 001 appearing on the November general election ballot and encouraging the Port Commission to adopt the resolution. Correspondence from Jan Young and Julie Howell.

[00:39:42] Correspondence was also received from the Board of Directors of the Schilshoe Live Aboard association regarding recreational mortgage rate increases for 2027 at Schosholt Bay Marina stating that customers are seeking greater transparency into market research and financial analysis used to establish local market rates. And that concludes the written correspondence we've received today. Thank you Clerk Hart. Hearing no further testimony, we'll move on in the agenda to our next order of business which is the Consent Agenda. Items on the Consent Agenda are considered routine and will be adopted by one motion.

[00:40:17] Items removed from the Consent Agenda will be considered separately immediately after adoption of the remaining Consent Agenda Items and item 11A. At this time, the Chair will entertain a notion to approve

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the Consent agenda covering items 8A, B, D, E, F and G. So moved. Second motion was made and seconded. Commissioners, please say aye or nay when your name is called for approval of the Consent Agenda beginning with Commissioner Fellamon. Aye.

[00:40:48] Thank you. Commissioner Hasegawa. Aye. Thank you. Commissioner Mohammad.

[00:40:53] Aye. Thank you. And Commissioner Calkins. Aye. Thank you.

[00:40:56] Four ayes, zero nays for this item. With that the Consent Agenda passes and at this time we are going to move to our item 11 a presentation. After the report concludes, we will go back to our normal order of business including item 8C from the consent Agenda. First.

[00:41:19] I'll go ahead and read that into the record. This is agenda item 11A. The 2027 Aviation Division operating and CIP budget. SP briefing. Commissioners, thank you for dedicating your time to finalizing the port's 2027 budget.

[00:41:34] At our last session we reviewed the 2027 Central Services preliminary budget and Port wide roll up briefing. Today we turn to The Aviation Division's 2027 proposed operating and capital budgets. Later during later we will review the draft Maritime in an Environmental Environment Economic Development Division budgets. We begin with Aviation because of its scale, complexity and its impact on our regional economy which includes supporting 94,000 over 94,000 direct jobs and 17 billion in direct business output. Commissioners, there are four things we're working to accomplish in this budget before you this year.

[00:42:14] First is to maintain our existing facilities and programs. We have equipment and facilities that require constant service and and maintenance. There are safety, security and service drivers behind all of our expenditures to maintain our existing facilities and programs. The second is to build for the future. The Puget Sound Regional Council forecasts that the region will add 1.5 million people and 1 million new jobs over the next 30 years between 2020 and 2050.

[00:42:41] We are preparing for that future. A major aspect of our budget and financial planning right now is to build the capital capacity so we can support future demand for the region. The third is to reset our financial planning to resolve a structural imbalance in the years before the pandemic and in the recovery right after the airport experienced major growth in demand that matched growth across our region. We also saw substantial increases in expenses. What we found when we conducted an analysis last year was that for two quarters in a row expenses rose faster than revenue and that is not sustainable.

[00:43:17] The presentation you saw at the last meeting from Central Services and the briefings today from the Aviation Division and the Maritime Division reflect a serious and thorough effort by staff to realign expense growth to forecasted revenue growth. Once this project is approved, any new expenses need commensurate new sources of revenue or a reduction in program expenses. Otherwise, we begin cutting into the future capital capacity both in aviation and maritime, which means reducing future job opportunities and platforms for business activity. And finally, we are committed to achieving our values. We have a triple bottom line mission.

[00:43:57] We need to achieve strong financial outcomes so we can invest in the facilities that become a platform for future jobs. We also need to achieve strong financial outcomes so we can invest and environmental sustainability. We also need to be responsive to the need in our communities so that our work is an overall

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benefit to the region and our closest neighbors. Especially those report related opportunities have not been historically available where we are today. I want to comment a bit on the current environmental outlook Commissioners you saw in the second quarter Financial Performance Briefing that passion or growth at SEA was slower last year and is forecast to be flat this year.

[00:44:34] We're seeing a slowdown in passenger growth across all of North America. In fact, according to the Airport Council, International passenger volume in North America actually slightly declined in 2025. We are slightly outperforming the national trend here in Seattle, but only very slightly. This is a challenging time for the aviation sector given weak consumer confidence and the massive increases in the cost of fuel and the widespread inflation throughout our region, especially that in construction costs. As a result, the 2027 budget assumes a modest growth of 1.3% over the 2026 forecast.

[00:45:11] These numbers anticipate what we hope is a short term slower economic growth and geopolitical uncertainty. We built this budget on a conservative forecast, hoping to outperform, but most importantly ensuring that we do not increase our structural imbalance that we've been experiencing. Another important factor in this year's budget is a modification to our levy Strategy. At the October 27th tax levy and Plan of Financing briefing, the finance team will recommend a change to our approach to the tax levy for 2027 and a modest increase from the 75% of the maximum to 80% of the maximum levy. I bring this up today because for planning purposes, this new levy proposal is factored into the briefings you are seeing here today.

[00:45:54] We will spend much more time on the reasons for that at the next meeting, but they're presented today, so we wanted to foreshadow that. I also want to comment on the planning analysis we conducted this year that had an impact on our employees. An updated assessment of our future capital capacity at the airport showed a substantial decline in anticipated number of aviation capital projects over the next few years with a decline in the number of active projects and an effort by Aviation Leadership team team to ensure careful prioritization of work to achieve key outcomes. We made a very difficult decision to eliminate roughly 45 unfilled and filled positions in the Aviation Division. That analysis is done and we do not anticipate further eliminations related to that analysis.

[00:46:40] And we do not anticipate that further position reductions will be required to meet that 4.5% expense growth target for Aviation Division or for Central Services. So that's just a point I wanted to make on that. And finally, Commissioners, throughout the presentation we will highlight commission budget priorities within the aviation budget. This includes $200,000 for childcare, bridging strategy and continued progress on preconditioned air equipment. We have 43 slides of content to review.

[00:47:10] We'll move through quickly. And before that I will. Before I hand it over to Managing Director for Aviation Wendy Ryder. I want to acknowledge Heidi Popichok and the Aviation Finance team for their work in preparing today's materials and guiding us through this process to get to where we are today. So I want to thank the entire Aviation Division for all their hard work and coming in below the target, actually, in their efforts to do that.

[00:47:35] Now, the hard part will be managing to this Proposal Proposed budget It's easy to develop a budget, it's hard to execute a budget. So we look forward to that. We're going to take the first step here on the budget and then we'll look forward to seeing our quarterly financial reports next year. So with that I will hand it over to Wendy Ryder, Managing Director of Aviation and then followed on by Heidi Popochock, Director of

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Aviation Finance and Budget. So Wendy, thank you Executive Director Metruck and Commissioners.

[00:48:03] I'm pleased pleased to present to you the aviation Division's proposed 2027 budget. I'd like to start first by thanking Heidi and the Aviation Finance and Budget team and also my leadership team who were very diligent in working since this summer to bring this budget together. We will get into more specific details but to build this budget we took a focus on zero based budgeting very seriously. The resulting budget is one that meets the needs of the airport but also right sizes our expenses as we see a declining capital program and the need to build up funding capacity for future projects, including our master plan.

[00:48:50] Next, for today's discussion we will start by looking at our strategic priorities and then get into the specifics of on the 2027 budget and the proposed 10 year financial and capital program forecast.

[00:49:08] Next please.

[00:49:10] This slide will look familiar to you, but I think it's important just to set the table for this discussion with a reminder that all of our priorities are driven by the Port Sentry agenda goals and objectives. We worked very closely with Steve and other ELT members to take the overall Executive Director priorities and and map those directly to our division goals. Next please. In the past, you may remember previous budgets that looked at sea's goals across multiple different objectives and levels of importance. I really think that it's really time for us just to get back to the basics and the key priorities that are easy to understand and are focused on big issues face our operations.

[00:49:58] For me, it really boils down to three key priorities. First and foremost, it's safety and efficient operations of our airport. That means meeting all of our regulatory requirements and ensuring we have zero major incidents from a safety and security perspective. Second, we have to look deeply at how we support our near airport communities. This is a key area of focus for me and I'm taking the calls that we heard during SAMPH's CEPA process and meeting directly with city leadership across the near airport communities to see what we can do to ensure that we have access to the benefits of our airport.

[00:50:41] Additionally, this covers our priority sustainability, environmental and noise mitigation work. Finally, we continue to elevate evaluate the elements of the SEA Master Plan. This remains focused on SEPA review period, but looking ahead at prioritizing capital capacity building, identifying possibility of FAA grant support and prioritizing possible master plan projects depending on the results of the environmental review. As always, I want to say that none of this moves forward without commission briefing and approval and unless we have any further questions, I want to hand it over to Heidi so we can walk through the budget. Thank you, Managing Director Reiter.

[00:51:29] Good afternoon Commission President, Commissioners and Executive Director of Metric. Heidi Popichok, Aviation Finance and Budget Director. So I'll start with the 2027 proposed budget overview. Next slide please. So to provide some budget context to the 2027 Aviation budget, our target was originally 4.5% increase compared to the 2026 revised budget and the proposal before you today shows a 2% increase compared to the 2026 Revised Budget.

[00:52:01] Some of the key components of our budget includes a 2% payroll vacancy factor. When compared to 2026 we had a 4% so we lowered that to 2% for the reasons that Executive Metra mentioned earlier. We had some vacant positions that were eliminated so we reduced our payroll vacancy factor there. Another component is our medical benefit rate increases, environmental remediation, liability costs, and then lastly

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emergency mitigation on critical infrastructure. Next slide please.

[00:52:39] So this slide just highlights some of our budget considerations. As we look into 2027, we anticipate slowing economic growth and geopolitical uncertainties. As Executive Director mentioned about our employment forecast, which I'll go into just a few moments, modest growth compared to 2026 forecast, we're still seeing growing baseline costs related to payroll and then also building capital capacity. How much can we can afford? Making sure we're managing our O and M growth costs and also delivering consistent growth and non aeronautical revenues.

[00:53:16] Next slide please. So this illustrates our preliminary passenger forecast. As you can see for 2026 we are forecasting 53.1 million passengers and for the 2027 budget there's just a modest increase of to 53.8 million passengers. And as we look at our passenger forecast model, we do include population and income inputs to help inform our forecasts, utilizing sources such as the Puget Sound Regional Council. So again, just 1.3% increase for 2027 budget compared to 2026 forecast.

[00:53:58] Next slide please. So this provides an overview of our operating revenue summary. As you can see, our total revenue for 2027 budget proposed budget is 1 billion and 1.1.04 billion in revenue and we do have it split between our aeronautical revenue and our non aeronautical revenue. Which is the green represents aeronautical revenue, the blue represents the non aeronautical revenue. So you can see the the comparison there.

[00:54:35] As you can see for 2026 revised budget we have a 6% growth from 2025 actuals. And then for 2026 to 2027 we're showing that 8% increase in revenue. Next slide please. So with the same illustration just for our operating expenses, as you can see for 2027 proposed budget we have 602 million in expenses also broken out based on aeronautical expenses and then our non aeronautical expenses and blood. So total a 2% increase in overall expenses for the airport.

[00:55:17] Next slide please.

[00:55:21] So what this slide just provides a high level overview. The first green row shows the total operating revenues, as I mentioned just moments ago, 8%. The second green row shows our total operating expenses which is at 2%. And then that last row is our total capital expenditures that we anticipate and that's 27%. And I'll go into more detail on our capital expenditures in subsequent slides.

[00:55:53] Next slide please. So moving on to our 2027 proposed operating budget. Next slide please. So this slide provides a breakout of our operating expense categories. As you see, can can see payroll increasing by 2% compared to our 2026 revised budget.

[00:56:12] Outside services going down 11%, utilities increasing 3% and other expenses 65%. And then we add an additional 5 million for the environmental remediation liability. So in total for the airport direct charges we're looking at 2%. And then we have our central service costs that also came in at 2% incremental change compared to 2026 revised budget. And in total the bottom green row, a total of 2% for the airport, all inclusive direct charges and central services costs.

[00:56:56] Next slide please.

[00:56:59] So excuse me, as Managing Director Ryder mentioned, we conducted an exercise of zero based budgeting and we did a modified zero based budgeting where we didn't start from scratch with the payroll,

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but we did start from scratch with non payroll costs. And this is showing the results of that exercise. We saved $2.9 million looking at our non payroll costs related to the modified zero based budget process. And then also we did a 20% reduction in our travel and training budget for 2027 and the cost categories, the ins and outs, just to see if those where those savings were realized. But overall 2.9 million is really a huge accomplishment for the division and really proud of to share that with you all today.

[00:57:49] Next slide please.

[00:57:52] So this slide is our crosswalk to the 2027 budget. I won't go in too much detail with this one, but it essentially starts with our 2026 Aviation O& M budget and walks you through how we remove our one time adds from 2026 and then the building blocks to our 2027 budget. And so you can see from the cost decreases the various line items or notes that illustrate or that discusses the reductions and then the various increases in the note the text box to the right. And then we looked at our budget requests down at the bottom and then you get to our total 2027 proposed aviation budget. Next slide please.

[00:58:43] This slide is more detail around our central services costs. We added this slide for this budget presentation this year just to share more information about what some of those cost drivers for central services to aviation. The primary drivers for increases are associated with the police, court and jail contract costs as well as the the vacancy factor was reduced from 4% to 2% which is similar to what we did for Aviation division and then a primary driver for the decreases was eliminating unfilled and filled FTEs in the Central service departments. Next slide please.

[00:59:28] So we approved internally $16 million of budget requests and we have five business plan categories and while there's only four showing here, we have customer experience also as a business plan category there weren't any budget requests associated with that this this budget cycle. But this is just to illustrate how our budget requests align with our business plan. Next slide please. Our largest approved budget requests for we have our Seattle Tacoma Airline Consortium and Transportation Security Administration staffing contract. The exit lane contract.

[01:00:08] This is to assist TSA with the exit lane staffing so they can focus more on the checkpoints and so the airlines would provide the support for those exit lanes and it's $4.8 million as a one time time add and then expense items with capital projects. This is associated with our tenant ADR shell and core renovation support work. This is Tasker About 1.4 million of the 2.1 is associated with that and then tenant project manager support. This is to help our ADR tenants with projects and also our project controls team to have that technical support for consultants and then I won't go through the rest of them. They're pretty self explanatory but just to give you overview of some of our larger approved budget requests.

[01:01:05] Next slide please. And as Managing Director Rider mentioned we went through a very robust budget process and there's some very difficult decisions made and and we looked at the FTE reductions and it came out to be a total of 7 million. We had 32.32 of unfilled positions and then we had 13 filled positions that were reduced. Next slide please. And this chart shows just our overall FTE growth and also the trajectory of our unfilled position over time.

[01:01:47] So as you can see for 2027 we are going to have approximately 60 FTEs unfilled at this point in time. And this is a snapshot in time. Just wanted to qualify that. Next slide please.

[01:02:05] Now moving on to our aeronautical noi. As I mentioned for, for the aeronautical side our total revenues for

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aeronautical is 683.9 million. And also looking at our aeronautical NOI approximately 275 million. And as you may recall aeronautical side of the house at the airport is total cost recovery. And we also collect for the their proportionate share of debt service which is because of capital projects are completed.

[01:02:44] That's when we're able to start charging through the debt service as well as the the net cash flow that's associated with our amortization rate for the airline. So if we you utilize port cash to fund a capital project they pay a the amortization rate. And so that balance there at the last row that goes to to that's from the amortization rate that we charge them. Next slide please.

[01:03:10] So moving on to our non aeronautical side of the house. As you can see non aeronautical revenues will be going up approximately 4%. Our NOI for non aero is approximately 13%. We're seeing increases in the revenue associated with public parking and also our rental cars and then seeing some drive some reductions in revenues associated with capital projects. For instance south concourse evolution and the impacts from the adr, the airport dining retail tenants and the closures there and also the S Concourse lounge closing.

[01:03:51] And so there's also with our concourse A duty free expansion projects. So but overall the NOI is still increasing to 13% for 2027 budget. Next slide please.

[01:04:08] So as executive director metruck mentioned earlier about the Commission 2027 budget priorities, the $200,000 for child care bridge strategy and as well looking at continuing our efforts around our preconditioned air projects at the airport and and just want to recognize that these are, this is not a comprehensive list. There are commission priorities that are still going on at the airport. But just wanted to highlight these two priorities today. Next slide please. Next slide please.

[01:04:37] So we'll be shifting into our equity spending highlights. We had one budget request that qualified the equity spending qualify for the equity spending criteria and that's the South 160th street holding lot EV chargers and so that is a new business line that we've implemented this year and qualifies for the equity spending. We also performed our equity reduction exercise as we looked at the various reductions in our modified zero base budget work and as well as any additional reductions that came subsequent to that exercise and wanted to identify the impacts associated with those reductions. And as you can see key patterns most non payroll budget reductions did not have an EDI impact. The second one reduction in contractors consultants.

[01:05:36] The reduced project workload lowers the need for consultants and lastly could impact port staff when shore staff and then the third bullet the one department reduced their language access budget but they'll still be continuing that work. Next slide please. And this just illustrates our equity spending by year. So I won't spend too much time on that. But you can see the ongoing investments to the right.

[01:06:03] Next slide please. And this just shows a comparison from 2026 budget to to 2027 for equity spending. Next slide please. Then this is just a recap of the presentation today on the operating side, some just key takeaways that you can have at your fingertips. Next slide please.

[01:06:27] So we'll Transition into the 20272036 proposed financial forecast. Next slide please. Providing strategic and financial objectives of our financial forecast ensuring that we are safe and secure of operations and meeting the top being the top 25 ASQ world ranking. Some of our financial metrics that we follow and want to meet is to ensure that we are achieving our debt service coverage of greater than 1.40 times building

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our cash back balance for in the airport development fund to 18 months of O and M expenses and continue to deliver consistent growth in our non aeronautical revenues. Next slide please.

[01:07:13] So this bar chart just illustrates our total operating revenue forecast. And then the lighter blue is our O and M debt and other category just showing how we're exceeding revenues compared to expenses. And then the lines are related to our net cash and incremental bill to 18 month O&M target and then the green cash used for capital. Next slide please. This slide just illustrates our non arrow remaining revenues.

[01:07:49] And so the green illustrates the the non arrow remaining revenues. So after we collect all of our non arrow revenue then minus our non arrow related expenses. The green is essentially our NOI that's waiting there for us to reinvest at the airport. Next slide please. This slide is our 10 year capital funding plan.

[01:08:15] Essentially showing just the color of money that we will be utilizing to fund the capital program. Program. Next slide please. Now we'll shift into Move on to our capital program forecast. Next slide.

[01:08:32] So as you can see with the bar charts here, in between the two bars, the two lines, you'll see our first five year of spending which is $4.1 billion and 202027 to 2031 spend time frame. And then to the right of the second bar you see the second five years of CIP spending which is 2.3 billion. And recognizing that we are seeing a decline in our total capital projects and I'll show you a slide that explains that a little bit more in a moment here. When compared to our 2026 plan plan of finance we show 300 million addition of capital spending in 2027 plan of finance next slide please.

[01:09:27] This is our 10 year capital project forecast summary. As you can see at the top are our mega projects and the cash flows associated with those projects. And then we have some consolidated categories down below other projects and just to illustrate the cash flows for those particular groups. Next slide please.

[01:09:52] This slide shows our mega projects that are in the blue and then our projects that are between 100 to 300 million are in green and then so on. And then you see under the gray are capital project reserves. And so this is just to illustrate kind of the the amount of each project that's in the respective legend there. Next slide please.

[01:10:24] So this slide shows kind of the the categories of the projects regulatory and contractual Renewal replacement business needs. As you can see, 55% of the 6.4 billion is associated with renewal and replacement and we'll get into some additional example projects on that in a moment. Next slide please. As I mentioned, capital projects are declining for 2026. We have 93 active capital projects and forecasting 63 for 2027 and so on.

[01:11:04] And so today we have 16 in the gray 16 new actual capital projects that you will see in the 2027 Plan of Finance if you approve. Next slide please.

[01:11:20] This slide is a summary of our mid year additions to our capital program. The these were approved internally to the airport subsequent to the 2026 Plan of Finance. And so we want to make sure we do a crosswalk to update you all of what how much the capital projects that have been added since then. And then I'll in the next slide I'll share with you the this capital projects that have been added for or will be are proposed for 2027. So an example project for that's a business need in this mid year slide is like the preconditioned air trolleys.

[01:12:03] That's one we added in order to Assist with the preconditioned air needs at the airport. Next slide please.

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So then this is a summary of our 2027 proposed new projects. And as you can see and also saw in the previous slide, there's a lot of renewal replacement. That's the blue in each bar.

[01:12:27] So it's driving that capital program for 2026, 2027 and in the foreseeable future. But just wanted to highlight that we're doing a lot of renewal replacement projects.

[01:12:42] Next slide please. And then lastly, just our key take takeaways for the financial forecast and also the capital forecast for you to take and review at your leisure. Next slide. And I think that concludes the presentation and open to answering any questions. Thank you so much, Heidi.

[01:13:05] And thank you, Wendy. And thanks for making time too. I know you're running off to. Thank you for really important stuff. Appreciate it.

[01:13:12] You are representing us well this afternoon too. So I'm going to ask now for comments and questions from commissioners. Commissioners want to start out. Commissioner Fellerman, I'm going to call on you.

[01:13:29] Is the major project we have is a $2 billion project to feed the IAF, is that considered renewal and replacement or is it because that's the $2.5 billion project that's currently underway. Yes. Yeah. Is about infrastructure issues. Exactly right.

[01:13:51] No capacity driven infrastructure. So you would call that renewal replacement even though it's the largest project we've got going. Yes, exactly right. And a lot of that's going to be planning for a while. Right.

[01:14:05] So when we talk, you know, I always thought, well, we said, well, we're not going to do a lot of building, but we have this massive project in front of us. So is this. But the initial years or so are going to be just planning money, not actual construction money, right? Yeah, well, we'll be doing a lot of planning. I mean even if we ask you to do some work, there's still planning ahead of it.

[01:14:26] So. Yeah, yeah, there's a lot of planning coming ahead. So I'm just saying that helps explain why our near term CIP is small but the ultimate project is massive. Right? You mean the 2.5.

[01:14:41] Yeah. Oh, we will have shovels in the ground in November. So we are starting the project. It's just a seven year project. So.

[01:14:52] So it's stretched out for a long period of time. So it's just a really big project that takes a long time to do. But collectively it's smaller than or the 10 year CIP now is equal to just a little over what our 5 year CIP was right. I don't think I'm understanding. Well, right now we have a 6.5, well, $6.4 billion CIP for 10 years, and we were like close to a 5 billion CIP for five years.

[01:15:25] If I can comment. Yeah, sure. It's concentrated in those first five years. Obviously, that's where the majority of the spending is in the first five years. And there's less definition in the out years, but it is substantially smaller in the out years.

[01:15:40] And that's what Heidi was describing there. So that project is primarily those projects. You can see as they're completed in there, there's more completion in that five years and then it's narrowed down. So the south concourse is the major project that's continuing on through those seven years that Wendy has identified. Correct.

[01:15:56] And I think, Commissioner Feldman, to your point, if we look back five years, where we had the Bagwell project, north concourse, the SEA concourse, north main terminal checkpoint, we had many big projects

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going at once. Now we're sort of focused on. On a single project. Yes, Concourse evolution. Commissioner Mohamed.

[01:16:16] I Guess similarly, the CIP reserves that are marked for 1.3, there's obviously a number of projects that are not scoped or designed. And so that will change over time. How will those projects come before us and are there projects we should be keeping in mind?

[01:16:39] Yeah, thank you, Commissioner, for that question. So with the reserves, it is sitting there as a forecasting method. We do have an inventory of a number of projects that have been prioritized that are. That we're evaluating and seeing how to sequence to draw down on that reserve. And so there is an internal process.

[01:17:05] We have a capital program governance process that we look at. And Executive Managing Director Ryder is on that board and makes those decisions in partnership with other leaders, but just trying to make sure we prioritize those capital projects. What's the level of criticality and also how can we utilize those reserves for those. For those the greater needs. But we do have an inventory of unfunded capital projects that are all competing for those dollars.

[01:17:38] And so just wanted to say that's at least from the financial perspective. We're putting that in there in the forecast. But programming those dollars is going through our internal process on which projects we want to utilize those reserves for. Is that helpful? That is really helpful.

[01:17:56] Yeah. And they all are renewal and replacement projects. Most of them are renewal and replacement projects. You know, I can just add in the process. Commissioner, you asked when will be.

[01:18:09] I think in the out in additional years. So when we come back It'll be updated, you know, so that will be accounted as it gets closer in the out years, that will be updated in a revised CIP and revised budgets in the future. So. So it won't be. It'll be the details of where that spending will be spent will be detailed in future budgets.

[01:18:27] Correct? That's my understanding of the process. That's correct. Commissioner Hasegal, to follow up on that line of questioning, but through this budget cycle, correct. Well, it's actually throughout the process because we usually have a five year.

[01:18:43] Yeah, it'll be in a future budget process because it'll be in the reserves for this budget to be determined because it's in the out years. You'll be getting more detail when it's programmed in an out year when you under priorities. So there won't be more specification in this budget for that spending in the2030s, but it will be in subsequent budgets. I really appreciate this line of questioning because it answers part of what I've been trying to grapple with myself, which is how do we have greater visibility into what some of those potential and planned projects are and lean in on the front end for that strategic direction envisioning. Can we request like a peek at what some of those projects are?

[01:19:31] I would. I'm greatly interested to know. Absolutely. Thank you. I like how it's represented in the budget as reserves.

[01:19:38] It's incredibly hopeful for us to see it represented in that way. Great. I got one more question and then I'll toss it over to you, Commissioner Asegawa, or I can yield to you. No. Okay, great.

[01:19:52] Thank you. My last question. I agree with Commissioner Hasegawa. If I could see some of those. How projects are maybe not see is the right word, but how projects are added or falling off is is helpful.

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[01:20:06] And I'm sure that is part of you all's strategy and thinking anyways. But just wanted to add that I want to spotlight or just say thank you to Peter Lindsay, who's probably. He's here. He's here. Thank you.

[01:20:24] The last commission meeting we heard significantly from the driver community and they came and testified in front of us about kind of the working conditions at the 160th parking lot. And they wrote in to commissioners and it was handled before we even talked to them. And so I really appreciate him and his team being responsive to that community in particular. I bring that up also because I saw in the there's a line item when we talked about equity and budgeting. The ADR celebration looks like it has the Largest line item of 600k.

[01:21:06] 600,000 is what. It's what the celebrations are earmarked for. I am aware of some of the celebrations that do happen inside of the airport. I don't have a clear calendar how that happens. I didn't realize how big of a budget it is.

[01:21:19] And so I guess the question that I would ask, and it can come to us even at a later time, is who advises on that? Is it, you know, our community members advising on this? Is it airport community that's advising on it? And in a time where we're hearing significantly from the public and those who work and operate inside of our airport and we have such little dollars to work with, I think every dollar will count towards whatever it is that we're using it for. And so.

[01:21:49] So that stood out to me as we are hearing from a number of folks who are in ground transportation looking for us to support them. And so if there are creative ways where we could collaborate with them or we could better understand how these dollars are being used, that would be helpful. Thank you for that, Commissioner. I'll have to phone a friend, actually. I'll get back to you on that because I think that they, the tenants also put into that.

[01:22:19] Heidi, you probably know more. Yeah, that's exactly right. The tenant marketing fund supports those cultural celebrations at the airport. And so my understanding is that they, all the tenants come together and determine what cultural activations they want to have at the airport. For example, my understanding is that they did some.

[01:22:39] They pay for it. Tenant marketing fund. I think they put it to it. They do. They do pay forward.

[01:22:44] And for example, some of the FIFA activities this year, that was paid by some of the. This particular fund, which is by the tenants. So they make that determination. And so we can get some additional information for you, but just kind of a summary of how that works. Yeah.

[01:23:01] However, that does not negate the fact that we can't support that you don't get notified and are not part of it. So let's make sure we understand all of that. Yeah. And I mean, there might be a calendar out there that we do receive, and maybe I missed it, but at times I do see the celebrations happen after the fact. Oh, that was really cool that it happened.

[01:23:21] And it's great and it's beautiful. Let me be clear on that. I would be interested to know how much the tenants are paying and how much the port is paying. And I'm more interested in the. The port's contribution.

[01:23:35] Absolutely. Again, in a time where we're being very specific and detailed about where every dollar is going. I do want to make sure that we are being thoughtful in, in what we're investing in. Absolutely.

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Commissioner Felleman may or may not have said how much do the tents cost?

[01:23:53] So I, there's multiple issues that we're, we're grappling with and I, I think every dollar matters. Thank you. Thank you. Yes, thanks for the time. Thank you, Commissioner Hasega.

[01:24:02] And just a brief follow up to slide 20. Seeing that the majority of those FTEs that were eliminated were unfilled positions. Yes. But of the 13 that was a filled position being reduced, it's my understanding that the majority of those were associated with completed work. Is that accurate?

[01:24:26] The work, the third associated with the cips and the conclusion that's correct had to do with capital programs. Is it typical of the port that once we conclude a major project that we would reduce FTEs associated with that lift, it is not typical that we have eliminated positions at all. Right. This happens has to do with the drawdown over a long period of time that we're going to be seeing. Thank you for that context.

[01:24:54] Yes. Just a quick question on 28 regarding the functionality of that equity spend tool. Do you draw on that tool to inform what you're presenting to us or does it go the other direction? Do your numbers in the budget office inform what's represented in the equity tool, that equity and budgeting tool?

[01:25:17] So it's a collaborative effort. So we do the all the finance and budget teams come together and working with OEDI Equity Office of Equity, diversity, inclusion and working on those, the criteria and also identifying the various line items that do meet that criteria. And then it rolls up into like this table here. So we've done the work a few years back to ensure that we were capturing those expenses that met that criteria. And so now it's, we do an annual review as we go through the equity and budgeting process to ensure that it is still accurate.

[01:26:01] But it rolls up in partnership with the budget, with corporate budget as well as maritime and with aviation. I just want to give a shout out to how pleased I am to see 200,000 year mark for a child care bridge strategy and that there are long term solutions like perhaps standing up a new child care facility or a short term solution which is connecting people to the resources that already exist, which is what our navigator program is all about. But a bridge strategy is what can we do in the meantime to be able to address the immediate and growing need in our own workforce and community. So thank you for Your agile budgeting around that, I think it's a really great strategy. Thank you.

[01:26:53] Thank you.

[01:26:56] I wanted to ask, there's a slide relating to passenger volumes. Maybe we could pull that one up. I don't remember the exact number. Forgive me, it was fairly early in the presentation. I recall a couple of years ago, during the presentation we talked a little bit about how business intelligence works with airlines to determine those numbers.

[01:27:17] And for us how critical that is because that is where we get so much of our non aeronautical revenue as well, besides the PFCs.

[01:27:28] I just, I guess I'd love to hear some input about what the airlines are telling us, particularly Alaska and Delta, about their anticipated forecast for passenger volumes next year. And you know, I think it's with big uncertainties around fuel prices and production particular, which has absolutely already put a drag on. We anticipated being higher this year. Correct. Than we were.

[01:27:58] And I think it would be attributed to the necessary increases in ticket prices associated with fuel. Are we in

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that level of detail about when they anticipate seeing fuel prices change, hopefully drop, and is that affecting the way we forecast these passenger volumes? Yeah. Thanks.

[01:28:20] First of all, I think we're very fortunate to have both Alaska and Delta as partners. They are both very strong and they're both very supportive of SEA and their support of being here, which is really good news. What we're hearing from both of them is that they are going to be doing a lot of upgifting as opposed to huge growth right now. One is because of the SCE project, which we will be taking out three gates at a time, which is quite difficult on all of us because of our capacity issues. So we will be seeing a lot of up gauging for the next couple of years, I think from them with probably the exclusion of Alaska, who is continuing to grow internationally.

[01:29:13] So we may see some growth internationally from them, but domestically we're going to see up gauging, which is why we're seeing some marginal growth, but not huge growth. So both very positive about sea, but really just seeing the UP gauge. I presented some material that the aviation department provided me at the Seattle Southside Chamber a couple of weeks ago. And one of the really interesting facts was we anticipate passenger volume going up and operations actually declining because of that gauging. Exactly.

[01:29:48] Interesting. At what point, if the commission were to. If we made it through the environmental reviews and it was brought before commission to authorize the sustainable airport Master plan projects, when would we begin to see that in the cip?

[01:30:09] We do have, I think, Heidi you can talk about the. We have a bit in there currently, which is a small amount that we will go ahead. I'll let you start first. So we have in our forecast 290 million for the sustainable airport master plan. Preliminary design and planning and design and for 2027.

[01:30:37] In that forecast we have about $3.4 million for 2027. And then it's in the presentation. But just wanted to at least share for 2027 estimated at $3.4 million. So it. It's already budgeted.

[01:30:54] Although it still must. Oh, it's. It's not budget. It's in a forecast. In the forecast.

[01:30:59] We want to be really careful. Exactly. Exactly. Forecasting it. Yeah.

[01:31:04] For. Yeah. Okay. Thank you all so much and I appreciate the great presentation and we're going to take all this information in as we continue to work on the through the fall budget season. And as a reminder, we'll return to introduction and final vote on this in November.

[01:31:24] We appreciate the clarity and brevity. Honestly, you guys did this in a really nice, succinct time frame. So thank you so much. Thank you. All right.

[01:31:34] And at this time we are going to go back to item 8C which was pulled from the consent agenda. I can go ahead and read that into the record, Mr. Commission President. Thank you. Clerkhart. This is Item 8C.

[01:31:48] Authorization for the executive director to establish budget authority of $10 million and contracting authority for one or multiple vendor agreements to supply fuel commodities and fueling services for a five year period to ensure uninterrupted fueling across port operations. And I am actually before executive director met introduces it, I just wanted to check in with Commissioner Felman. Would you like a full presentation or did you have a couple of quick questions you wanted to ask or how do you want to approach it? Given it's a long meeting, I don't need to make it exceptionally long. But given its fuel and right now fuel costs are so high, the idea of spending $10 million right now, I kind of wanted to hear that rationale.

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[01:32:32] But also just the breakout in terms of terms of the renewable diesel versus the gasoline versus the off road diesel. It seems like I don't know whether we had any natural gas or renewable natural gas. So it's really the budgetary aspects of doing it now and then the, you know, it seems like gasoline is by far the major thing. And I know for port operations we've been doing a great job in electrifying more and more, but they're big numbers. I just thought you'd help Us all understand.

[01:33:04] All right. And I will have executive Director Metruck introduce it and then we'll turn it over to Daniel. All right. Commissioners, reliable access to fuel is essential to keeping port operations running safely and efficiently across both aviation and maritime. Establishing new contracts now will ensure continuity of service, which is critical, while providing the flexibility to respond to changing operational demands, particularly during the severe winter and emergency events coming up.

[01:33:28] So while potential severe weather. That's coming up. So this effort supports our broader sustainability commitments by maintaining access to renewable fuels and allowing us to incorporate emerging alternative fuel technologies that have become available consistent with the port sustainable fleet plan. And Daniel Alter, Aviation Maintenance Fuel Fleet Manager. Will we have a presentation?

[01:33:51] Daniel Gilbert, A presentation? I do not have a presentation, but I could talk to the points. Very good. Great. Apologize for not giving.

[01:33:58] And that's a great way to proceed as well, I think. I. I do want to apologize for not giving you a heads up. No, that's. That's fine. So.

[01:34:04] But thank you for telling us off the cuff. Yeah, no problem. And I'll say it started out I'm on the aviation fleet manager side, so my view will be probably a little bit skewed towards the vehicle side of it. Right. So hitting off the first portion, this covers liquid fuels for primarily fleet vehicles, but also some of the generators around the port and then emergency support services.

[01:34:28] So there could be scenarios where a transformer goes out and we need to rent a generator. This contract will provide the fuel for that mobile generator until said repair occurs and it's no longer needed. The other side to this is it does not cover CNG or RNG that we use in our buses. So this contract is just for the liquid side. You want to exclude the bus or the CNG bus end of it from it.

[01:34:54] A majority, and kind of bouncing around a little bit on you, but a majority of the fuel that we do buy is gasoline right now through this contract. Right. Right now, there's not a ton of alternative fuel options for gasoline direct vehicles. I will say since about 2018, we have been running R99 on the around the airport side of it, and soon afterwards it was running on the maritime side of it, where all the diesel being procured for the fleet vehicles, including snow equipment, fire equipment, has been running on Renewable 99, which is, you know, a great alternative for diesel. One thing we are looking to transition over to, if you notice on there, there's some red dye diesel that's used for generator fuel.

[01:35:41] So if there's not inclement weather, but let's say Very foggy weather at the airport. The generators that are used as backup sources for airfield lighting are required to run. They use fuel even if the electricity doesn't go out. Right. Because ideas the planes landing, electricity goes out.

[01:35:59] You have to have something ready to go. So there's no huge event. Right. So those use a lot of the fuel. This coming year we're hoping to transition all those to a renewable R99 blend that goes with that.

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[01:36:11] There's been more red dye R99 available in the region, which is awesome. So we save on the fuel tax side of it. We're allowed to put it into generators. The fuel cost parity is actually getting very close for traditional diesel and I will say that's a current thing right now. It's fluctuated a lot.

[01:36:27] There used to be a cost premium we used to pay a couple years ago where the cost of renewable diesel was a couple dollars higher per gallon compared to traditional diesel. There's more of a parity now and that's based around a lot of state and federal policies. I will say that's very dynamic. So you know, the vendors that are willing to sell in the state depend on federal and state policies. So that's something that we're currently at right now.

[01:36:51] But it may not be something that holds through like this full 5 year duration of a contract for the costing side of it. This is to continue business as normal essentially with the hope that we do reduce spend by a decent amount over the contract to hit the 10 million over five years. So if you were to cost this contract off out of current fuel price right now with like a 4 to 6 year CPI increase going year to year, it'd be closer to 11 million. So this has a little bit of optimism, I'd say, built into it for reduction of fuel use. We're starting to see that with some of the EV stuff being adopted year over year.

[01:37:31] If you were to do like a monthly basis 25, 2025 to 2026, there's been a 5% reduction in fuel use. Right. And most of that's come out of the fleet end of it. It hasn't been like generators necessarily, but so the fleet end of it's been reducing. As we transition to electric vehicles, there is a log lead time to do that.

[01:37:49] Right. You need. The vehicles are all pretty much available for most applications. There's a couple niche scenarios where they're not, but the infrastructure needed to support them is a longer lead time item. And we do have some bigger projects coming up soon that will be in place.

[01:38:07] One of them on the aviation side, I can't necessarily speak speak too much to the maritime. They're doing a lot of stuff as well. But on the aviation side, around the D Annex, the airport operations specialist vehicles, you want to say, like the yellow ones that get used by Ops or kind of like the airport police security group, those will be transitioning to EV trucks next year, or at least half of them will then the following year. The remaining group as well, that's the current plan. Right.

[01:38:30] Based on budget approvals and everything else going through. Those vehicles alone consume the most gasoline on a per vehicle basis on the airport. Right. The other group you want to say you're going down the list has been security and police are kind of like the three high fuel users, Ops, Security and Police. Police recently have been adopting more EVs.

[01:38:51] They just got some Blazer EVs put into service a couple actually days ago and another Silverado EV about a couple weeks ago. Security transition to primarily EVs about a year and a half ago. So they've been. There's been a large rate of adoption, but it does kind of lag probably what you guys end up seeing for us presenting requests to you. So you know when the deannex group is transitioning over.

[01:39:17] That project's been in place since 2020 for reference on timeframe. Thank you so much, Daniel. Any further questions? Commissioner Thomas, I'm dumbfounded how clear you have it in your mind. You don't need any PowerPoint.

[01:39:33] It's like just forget PowerPoints for the future. So thank you so much. And really the question was, so we're not really locking in the price right now. We're spending up to 10 million bucks, whatever the price may be.

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But I love the fact that RD is getting.

[01:39:46] I was kind of hoping we could lock in the RD price while we've got it, but that's not what we're talking about. No, no, unfortunately not. This is just authorization for up to. Right. So the budget side of it will come to another request.

[01:39:59] All right, thanks so much.

[01:40:07] I am going to entertain a motion and a second to authorize the executive director to establish budget authority of $10 million in contracting authority for one or two or multiple vendor agreements to supply fuel, commodities and fueling services for a five year period to ensure uninterrupted fueling across port operations. So moved. Second. All right, it's been moved and seconded. Are there any further questions or comments?

[01:40:34] I see Sarah Cox back there. I'm going to put you on the spot. Actually, so he mentioned Sarah's like. Please. Daniel mentioned the.

[01:40:42] And Sandy's back there, too. The generators. That seems like a really good option for long duration energy storage. You know, batteries that could power those instead of having to use red dye diesel. Just a thought.

[01:40:56] We could even run a pilot program out there and see if it worked. All right. Hearing no further questions or comments. There she is. For cart.

[01:41:06] Will you please call the roll, beginning with Commissioner Felloman? Aye. Thank you. Commissioner Hasakawa. Aye.

[01:41:14] Thank you. Commissioner Muhammad. Aye. Thank you. And Commissioner Calkins.

[01:41:18] Aye. Thank you. Four ayes, zero nays for this item. And with that, the motion passes. And thank you, Daniel.

[01:41:24] There you are back there. Thank you so much. All right, moving on in the agenda, we have two new business items today. Both items are resolutions and consolidation of resolution readings has been requested to allow adoption on the same day as introduction. Is there any objection to consolidation of readings for these items?

[01:41:43] Hearing none. Clerk Hart, please read the next item into the record and then commission strategic advisor Frances Cho will introduce it. Thank you. This is Agenda Item 10A. Introduction and Adoption of Resolution Number 3855, a resolution of the Port of Seattle Commission expressing opposition to initiative measure number IL260, dash 638 concerning sex verification requirements for participation in girls school sports, appearing on the November 3, 2026 General Election ballot and reaffirming the Commission's commitment first expressed in Order Number 222022 08, to protect the privacy of personal health information and health care decisions.

[01:42:25] All right, thank you very much, Madam Clerk. Good afternoon, Commission President Calkins, Executive Director, metruck and commissioners. For the record, my name is Francis Cho, Commission strategic advisor. Item 10A is Resolution 3855 sponsored by Commissioner Hasegawa, which expresses the commission's opposition to Initiative IL 26638 on the Nov. 3 ballot. IL 26638 is one of two statewide

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measures from let's go Washington that the legislature declined to act on this past session.

[01:42:59] It would prohibit students it defines as biologically male from girls school sports and require require healthcare provider verification of sex for students who wants to play. The company memo identifies three port interests for Resolution 3855. First, the Commission's principal in Order 202208 that private health information belongs to the individual. Second are aviation crews and tourism businesses which depend on the region's reputation as a welcoming destination. And third, the students affected are the same young people the port recruits into our career connected learning, internship and maritime career programs.

[01:43:42] This resolution comes alongside a Companion Resolution, Item 10B, which also expresses the Commission's opposition to Initiative IL 26 001. Staff recommends adoption of Resolution 3855. That concludes my presentation on this item.

[01:44:06] Are there any questions for staff at this time from Commissioners? Thank you, President Calkins, and thank you so much for the the introduction. Strategic Advisor Cho and I'd like to thank my colleagues for consolidation and consideration of these two resolutions.

[01:44:25] I just want to start with historical context. In 2022, after Dobbs, this Commission unanimously adopted Order 202208 on a simple principle that a person's private health information for health care it belongs to that person and the government should not compel disclosure or make participation in public life depend on surrendering that information. Yet IL 26638 asks us to abandon that principle. Specifically for children right now, the status quo is that students may identify their gender without having to provide documents, and schools do not require proof of a student's gender or biological sex. But this initiative would change that for girls sports by requiring students who want to participate to provide confirmation of their sex with a signed statement by the student's health care provider.

[01:45:30] So why should the poor take stance? Well, according to our Port of Seattle Century agenda, the Port is committed to become a model for equity, diversity and inclusion and has long recognized that our region's prosperity, which is our ability to attract a talented workforce, welcome visitors from around the world and grow our economies, depends on communities where every single person is is treated with dignity and respect. That includes our children. In 2016, we publicly opposed I 1515 which sought to restrict trans people's access to facilities and by motion 201808 the Commission directed the development of gender inclusive restroom plans for SEA Airport. In June 2023, the Commission's Pride proclamation expanded expressly recognize that quote, new discriminatory and bigoted laws targeting LGBTQIA and 2S communities are on the rise and we committed the Port to rejecting discrimination and supporting those communities, the individuals and their families, in their right for equal rights.

[01:46:46] Equal rights means equal access and protection under the law and among the Port's core equity principles adopted in its equity framework, Values and Action is quote prioritizing the most vulnerable. And we defined vulnerable stakeholders to include both people within the port and our communities. And when I think about who's vulnerable, I think about children who enjoy very few rights and I think about the trans community specifically where some of the deepest economic disparities are observed in employment, unemployment and who's fired in poverty homelessness as well as their exposure to abuse and violence.

[01:47:37] If that's not a clear enough case for the port to take action, then let's see how anti trans laws lead to direct economic losses.

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[01:47:51] The experience of other states demonstrates that laws perceived as licensing discrimination carry measurable economic consequences. After North Carolina enacted House Bill 2 in 2016, which specifically issues license for discrimination against citizens, specific small groups of people, including trans people specifically the AP Associated Press announced projected that more than $3.76 billion were lost in economic activity over 12 years as employers canceled expansions, conventions relocated, and the NCAA and NBA moved their championship events and their All Star games out of the state. We are so proud to have just held the World Cup. We are hoping that FIFA Women's World cup will come here. We need to send the right signal.

[01:48:43] We have a vested interest in supporting our youth who are our future workforce because today's students are our future and the measures that the schools will take early on to make less safe spaces or push them out of the school activities directly undermines these investments that we make and.

[01:49:12] Initiative 26638 would require every student seeking to participate in girls sports, specifically from kindergarten through 12th grade, to submit documentation verifying her sex on the basis of reproductive anatomy, genetic makeup or endogenously produced testosterone levels.

[01:49:44] And this initiative rests on the same premise the Commission rejected in order 202208 that government may compel the disclosure of private health information and intrude upon deeply personal healthcare matters and would single out trans young people and indeed all girls for surveillance and exclusion contrary to the protections of the Washington Law against discrimination and its enactment would mark Washington in the ayes of the athletes, government bodies, event organizers and visitors to this region as a state that polices children's bodies on the condition of play that very reputation that caused sports leagues and event organizers to abandon other states for the similar reasons IL00 26001 concerning the disclosure of private student medical and mental health records without student consent will appear on the November 2026 ballot would similarly not align with our values and undermine our mission and our goals. It's sponsored by a political committee called let's Go Washington.

[01:51:07] And whereas, as we heard from some of our public testimonies today, that not every young person has a support supportive person at home and stripping students of confidential access to counseling, health care and trusted school staff would place queer students specifically at heightened risk of harm, rejection and instability and could chill young people from seeking the care, the support and subsequent opportunities that they need. I'D also like to note that we are not alone that other institutions have taken similar action. From the Washington State PTA to the ACLU of Washington, to the Tacoma City Council and the King County Council. They all have expressly opposed both of let's go Washington's initiatives.

[01:51:56] I urge you, my colleagues, to demonstrate what leadership looks like. Because this year alone in 2026, over 840 anti trans bills have been introduced across the United States of America. These two initiatives are widely regarded as the most extreme. It is a blueprint of if it pass what can be done in other states and if this is their prototype, then so too should be our response. Response and we can signal exactly how local government can be a first line of defense for our students everywhere.

[01:52:40] Please reaffirm your support to our welcoming port policy by swiftly passing in some these two resolutions. Thank you. Thank you. Commissioner Hasegawa. Any further comments or questions?

[01:52:56] Commissioner MUHAMMAD well, first let me say thank you Commissioner Hasegawa, for your leadership

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on this. You are hard to follow, but I will try. I really appreciate you providing this, bringing this before all of us and also just the detailed information backed by data research and the information that you provided. The port does employ thousands of people people and recruit talent and travelers from all around the world. And we tell everyone one of them that this is a region where you and your families can feel safe and your private health and your private health matters stays private.

[01:53:41] And I think that's what both initiatives are about. And I am looking forward to supporting both items today. And again, again, thank you for your leadership and the work that you've done to bring both of these items before us today.

[01:53:57] Commissioner Feldman, I would like to join in my appreciation of Commissioner Hausagawa's bringing this forward as well as the historical context in which it occurred. And I'm only sorry we have to introduce this at all.

[01:54:13] Could not agree more. Thank you for your eloquent comments on it. I, I just simply don't believe what the proponents of this bill claim is their motivation behind this. They have no evidence for any harm that they're trying to prevent. And if in fact what their interest was was to protect girls and women, there are a thousand other ways that they could act right now to address the real harms that are happening to girls and young women in this country.

[01:54:43] And so I just, I just simply don't believe them. I think this is a wedge issue in which they are trying to play on animus and division. And I certainly hope we all choose love this November. So with That I would entertain a motion and a second for to adopt Resolution 3855. So moved.

[01:55:06] Second, is there any further debate or discussion before we go to a vote? All right. Clerk Hart, please call the roll. Thank you. Beginning with Commissioner Hoskawa.

[01:55:17] Aye. Thank you, Commissioner Felloman. Aye. Thank you, Commissioner Mohammad. Aye.

[01:55:22] Thank you, Commissioner Calkins. Aye. Thank you. Four ayes, zero nays for this item. And with that, the motion passes.

[01:55:28] All right. Clerk Hart, can you please read the next item into the record? And strategic advisor Francis Cho Willingtree.

[01:55:35] Thank you. And continuing with Our Resolutions, Item 10B. Introduction and Adoption of Resolution Number 3856. A resolution of the Port of Seattle Commission expressing opposition to initiative measure number IL26 001 concerning the disclosure of private student medical and mental health records without student consent, appearing on the November 3, 2026 chapter General Election ballot and reaffirming the commission's commitment, first expressed in order, number 2022 08, to protecting the privacy of personal health information and health care decisions.

[01:56:15] All right, thank you very much, Madam Clerk. Again, for the record, my name is Francis Cho, Commission strategic advisor. Item 10B is Resolution 3856, also sponsored by Commissioner Hasego, and it complements the item the Commission just considered and adopted. It also expresses the Commission's opposition to initiative IL26 001 on the November 3rd ballot. IL26 001 is the second of the two.

[01:56:41] Let's go, Washington measures. It would partially repeal the student privacy protections the legislature enacted in 2025 through ESA HB 1296. It would allow parents to receive certain private student medical

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and mental health records without the student's consent and require parental notification before medical services are offered. The resolution rests on two points related to the port. First, similarly to the previous measure, the commission, in adopting order number 22 08, affirmed that private health information belongs to the individual and shouldn't be subject to compelled disclosure.

[01:57:21] Second, the students affected attend the very same schools the Port draws from for our career connected learning internship and youth maritime career launch programs. As such, staff recommends adoption. That concludes my presentation on this item.

[01:57:39] Are there any questions for staff at this time from commissioners hearing? No further questions. Is there a motion and a second. Second. To adopt resolution number 3856?

[01:57:50] So moved. Second, any discussion or debate on the item? Just wanted to highlight that the remarks that I just made apply here. In sum, and I believe that we need to pass this to stand by our values as well as our investments and our support for the future workforce. Thank you.

[01:58:16] Any other questions or comments? Commissioners, debate on the item. All right, Clerk Hart, please call the roll for the vote. Commissioners, please say aye or nay when your name is called. Thank you.

[01:58:25] Beginning with Commissioner Hasegawa. Aye. Thank you, Commissioner Felloman. Aye. Thank you, Commissioner Mohammad.

[01:58:30] Aye. Thank you, Commissioner Calkins. Aye. Thank you. Four ayes, zero nays for this item.

[01:58:35] And with that, the motion passes. Resolution Motion 3856 is adopted. All right, next. Clerk Hart, please read the next item into the record and we'll have Executive Director Metruck introduce it. This is our next briefing.

[01:58:52] Thank you. This IS Agenda Item 11B, the 2027 Maritime Division Operating and CIP Budgets Briefing Commissioners Earlier I introduced the aviation budget. I provided a lengthy introduction this afternoon as we turn to the port's other two core business lines, maritime and economic development. Many of the themes I highlighted in this in that extended introduction still stand, but in the interest of time, I will not repeat them. Instead, I want to highlight some of the unique achievements within the budget that will come before you later this year.

[01:59:32] Maritime revenue continues to grow, led by cruise revenue, which is our largest source of maritime division. Revenue returns from cruise enable Maritime to invest in other maritime businesses, from fishing to marinas, to sustain major industrial ecosystems in our region. To put it in context, maritime industries support over 52,000 jobs and $14 billion in total business revenue. Marine Maritime has also been on a multi year effort to make all of its lines of business as financially sustainable as possible. And we are seeing that effort continue and begin to pay off in strategic planning.

[02:00:07] As with the aviation budget, a key theme you will see today is that the need to maintain the facilities are the foundation of that work. Our capital plan is now weighted heavily towards preserving existing assets, including docks, electrical systems, operating and marine environments, and shore power, rather than building new facilities. The pressures I described last year have not eased. Rising costs, construction, inflation, economic uncertainty and competition in the cargo business remain. Our capital capacity is tight despite our plan to allow for a modest increase to the levy and we cannot fund every need.

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[02:00:44] In response, we are looking at ways to deliver capital work more effectively, including including bundling work, pursuing partnerships and strengthening how we govern and deliver capital. Moving forward, we will look to prioritize projects that protect and grow revenue. On the economic development division side of things, we're doing more with less. Holding its budget below this year's level while taking on new work. Economic Development now brings workforce, real estate development, tourism and small business support to gain in one division with a clearer line from our investments to jobs.

[02:01:19] You'll see the port's triple bottom line values and your commission priorities woven through these budgets, positioning our region for shipbuilding, accelerating cleaner fuels and shore power, and opening maritime careers to more people. I would again like to thank our Seaport finance and budget teams led by Kelly Zoupon for preparing today's materials. I'll now hand it over to Managing Director for Maritime Stephanie Jones Stevens. Stephanie thank you Executive Director Metruck and thank you Commissioners for your time today. When we think about the waterfront Maritime Division is of course a big part of it, but I'm going to turn it to Kelly for a moment to talk about the seaport as a whole, including the nwsa and then back to me for the rest of the maritime budget.

[02:02:05] Thanks Stephanie Good afternoon Commissioners and Executive Director of Metric. We are now presenting the Seaport budget which includes the Maritime Division, the Economic Development Division and our stake in the joint venture with the Northwest Seaport Alliance. We also have a stormwater the Stormwater Utility which will be going over their financials with you during the November 17th rate adoption briefing. Given the number of business of divisions, businesses and initiatives, there are a lot of slides here as you will see. I will go through some quite quickly and we can elaborate on them further during the Q and A breaks, presumably with some of the sections listed below.

[02:02:49] Next slide Here are some of the key components impacting budget that will be detailed out and addressed in the presentation. First, we had a one time uptick in cruise revenue due to a more favorable revenue sharing agree agreement at Terminal 91. Going forward growth will be limited due to capacity constraints. Second, we had extremely high construction costs. We have an extremely high construction cost environment making it nearly impossible to develop projects that pencil out financially.

[02:03:24] Third, there's a competition and regional cost of doing business are really impacting opportunities for growth for cargo growth at the Northwest Seaport alliance you'll see a lot of negative margin businesses that continue to need expensive asset and renewal asset renewal and replace investments. And on the plus side what we are seeing is a stabilizing a stabilization in our legacy environmental remediation costs which which had been driving down our capital capacity in prior years. Finally, we have in the maritime operating budget a demolition of three buildings including the lineage cold storage at Terminal 91 with initial estimates of about $16 million in 2027 including the environmental remediation.

[02:04:20] Given the magnitude of of this one time expense, I have included it in the roll up profit and loss statements but also show financials without it. To get a better idea in terms of apples to apples year over year and trend comparisons.

[02:04:39] Next slide please.

[02:04:45] Here is the overall roll up for the seaport or non aviation divisions. Note to the public Prior versions on this site may have had 2025 mislabeled as budget as it should be Actuals the highlighted line shows our net

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operating income or noi, excluding GASB and pension adjustments. It is also a proxy for cash flow. In 2027 the NOI was about $43.6 million or 59.4 million when excluding the Terminal 91 demolition costs. There have been ups and downs, but NOI has roughly been flat for the last five to six years with maritime contributing a larger proportion over time.

[02:05:31] Now Managing Director Stephanie Jones Stebbins will go over Maritime's vision, focus areas and priorities thanks Kelly. So our mission on the Marine division We know we think of maritime as a legacy here in Seattle and indeed it is. But it is also our future. So as we look to the future, we envision a vibrant working waterfront that creates economic vitality for the region. Next slide.

[02:05:59] And as we pursue that we have we really focus our attention in five areas and these are aligned with our Executive Director's priorities and of course the Century Agenda, financial strength and sustainability. We need to be a going concern. As our Executive Director says, we need to be here and be able to afford the good work we do. Modernization of our infrastructure is a really key focus. You'll see that reflected in our budget sustainability and resource efficiency really intertwined with infrastructure modernization.

[02:06:34] To do all this we need to be innovative and adaptable and of course equitable opportunities is a key to that vision. Next slide please.

[02:06:44] So our maritime initiatives that are aligned with specifically with the Executive Director priorities are continue to focus on increased revenues which includes occupancy rates at our key facilities across our real estate port portfolio, recreational boating crews. Really this affects all of our businesses and strengthening our financial performance through improved cost recovery. Modernizing our infrastructure continues to be a huge focus not only of our operating work, but really critically of our capital program. Continued investment in our aging assets to meet our current demand. That's not only keeping in good shape the assets that we have, but preparing them for future as part of that you'll see a lot of electrification big part of our budget.

[02:07:35] That's also really key for our own decarbonization work. So these things again they weave together. Next slide.

[02:07:48] Of course equity spending is key part of our budget. A couple key items that we just to highlight that the Duwamish hub has been transferred to the Maritime Budget So support in the Duwamish hub as well as we spend a little bit over a million dollars a year supporting tribal fishing. And of course at aviation we have reviewed our entire budget with an equity lens and thought about the places we where through our zero based budgeting efforts we've cut those things. Have there been. We've evaluated whether there are equity impacts of that.

[02:08:27] And our change team is deeply integrated in our budget process as well. Next slide.

[02:08:36] Just a handful of highlighted commission budget priorities. Now this is certainly not all of them but and you know this is a team sport so some of these are actually reflected collected in other departments budgets but they're part of our maritime efforts. So 100,000 for maritime industrial base. Analyzing workforce, industrial capacity, regulatory needs, competitiveness to position Washington as a shipbuilding Ready Center. This 100,000 is represented in the EDD budget.

[02:09:08] A hope you don't mind me sharing that here because it's very important to maritime. We have 50,000 for

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SEA lion mitigation at Schilshoal Bay Marina. This has become a real challenge for the port. We're not alone. It's a challenge around the sound, but there is some much needed money.

[02:09:27] Thank you Commissioner Felleman to address this challenge. And then we also have $50,000 which will show up in the legal budget to analyze alternatives to look at alternative fuels within our cruise tariff. What are some of some innovative options that we could think about helping close that cost gap. And again this is just a handful of the commission budget items. Next slide please.

[02:09:56] So as at the airport, we are really focused on having our expense growth smaller than our revenue growth. You can see our revenue growth, largely driven by Crews is up 9%. We also are up of course at our conference and event centers, recreational boating and grain. And as we go through the presentation you will see the results from each of our business lines. The way I think of our business lines, we have a diverse set of businesses.

[02:10:28] Some of them is it's my expectation that they make money. Crews and grain really fall in that category. Some of our businesses, my expectation is that they break even, that they pay for themselves. Recreational boating falls in that category. I personally am also I'm a recreational boater and I would love for it to be less expensive.

[02:10:50] I also feel as a public agency we shouldn't subsidize it. We shouldn't necessarily try to make a lot of money on it. But we need to at least pay for itself. You will see that those efforts represented in our budget numbers and I will speak more to that at the time. And then finally there are some businesses that we do subsidize and fishing is one of those because of our, you know, the great economic impact is one of the reasons that we do subsidize that business.

[02:11:19] So overall, you can see that Kelly will speak a little bit to how we've the 91 building demolition at 91 is a one time hit to our expenses. If you do not include that our expenses are up about five and a half percent. And that includes not only our direct costs in maritime, but support from central services, which is up a little bit because of the shift from some central services to maritime from aviation. But again, that focus really is on making sure our expense expenses do not increase more than our revenues for to really maintain the structural sustainability of our financial position. With that, I'm going to turn this over to Kelly Zupan and he'll go through the rest of it.

[02:12:06] Thanks.

[02:12:09] All right, this chart I think many of you have seen before. It's showing the historical maritime performance. You will see this again repeated a few times for each of the businesses. The black line represents revenue. The vertical bars are expense.

[02:12:27] The green portion is the direct expense, including mostly staff costs, utilities, security, other items that are unique to each business line. The light blue portion is support services such as maintenance, environmental and project expense. The dark blue portion is allocated central services like accounting, IT procurement and hr. And the gray portion is depreciation or amortized capital costs. You see from the chart that the first half of this decade revenues were barely covering any capital investment.

[02:13:03] In 2027. Our focus on financial sustainability shows operating revenues covering nearly half of the expenses associated with the capital. The more our revenues move up that bar, the more it will free up

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funds for other uses. You will see in the coming slides how this aggregated chart is made up of high and low financially performing businesses and properties such as Stephanie mentioned earlier. Next slide please.

[02:13:32] Here is a stacked chart for revenues of our lines of businesses. Cruise is the only one to outpace inflationary rate adjustments over the past five to six years.

[02:13:45] Next slide please.

[02:13:48] Here is the maritime expense breakdown absent GASB and pension adjustments. I spoke to direct costs earlier for support services. We saw a smaller amount of economic development costs as workforce development entered the group and mix of allocations changed. Central services went up mostly due to the allocation change for engineering and account accounting and an increase in premiums associated with the high cost to replace the maritime assets.

[02:14:19] Next slide please. Now we will quickly go through the individual business lines. We'll start with Kruze, which is Financially the strongest performing business in our portfolio with a net income income including depreciation of $24 million and an operating margin of 51%. Having a terminal operator model allows for a small five person team of port staff to manage the business more cost effectively. You can see through the allocation process.

[02:14:47] CRWS continues to absorb more support and central services costs each year.

[02:14:59] Okay, next slide please.

[02:15:05] Here are the details of cruise revenue. You can see the 14% increase from 2026 budget is primarily driven by the improved Terminal 91 operator agreement our Director of Cruise and Operations leader Linda Springman and her team negotiated.

[02:15:26] Next slide please. Please.

[02:15:30] Here is the primary direct Here are the primary direct cruise costs. The three key items are Port valet that is shared with the airport, our $2.2 million annual payment to the alliance for a third of Terminal 46 and utilities, most of which are passed through to the cruise lines. Next slide please.

[02:15:56] The next business is Elliott Bay Fishing and Commercial which includes most of the ports non cruise and cargo mortgage in Elliott Bay and up the Duwamish. You can see depreciation increase significantly from the rebuild of berths 6 and 8 at Terminal 91. The business line operates at a loss, but along with Fisherman's terminal approximately 9,000 regional jobs are associated with our support. Next slide please.

[02:16:27] Ship Canal fishing and operations includes primarily Fisherman's Terminal but also Salmon Bay Marina and Maritime Industrial center as FT is As Fisherman's Terminal is port operated and the oldest in the maritime portfolio, there is a high amount of cost in comparison to revenue. The 2025 shutdown of salmon Bay Marina Docks A, B and C have had a significant recent impact on the business line financials as you'll see in the chart.

[02:16:58] Next slide please.

[02:17:02] This slide shows the summary of revenue growth and proposed changes to mortgage rates in 2027. More details are available on slide 69 in the pillar appendix. If you'd like to look. Next slide please.

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[02:17:17] Here are the direct costs absent allocation for ship canal fishing and operations business just over $3.1 million on 4.5 million of revenue. This typically represents about 25 to 30% of the overall operating costs.

[02:17:34] Next slide please.

[02:17:39] Here's the financial trend for the recreational marinas. You can see the business line was nearly self funded until Covid when the decision was made to keep rates flat to support our customers in a high inflationary environment has been a challenge to recover from that. The overall net loss and low margin is mostly driven by constraints at Bell Harbor Marina more than Chilchol Bay Marina Marina and Harbor island marinas.

[02:18:08] I'll comment on the next slide actually. Okay, next slide please.

[02:18:14] Here are the details of the 5.7% revenue growth and the rate increase summary. Further details are in slide 70 in the appendix and I'll just take a second here to address some of the comments that we heard in our open public comments. So first, appreciate our customers sharing their concerns with the port and with the commission. So the weighted increase across all of the. We increase the vessel, the mortgage, different rates depending on how we vary from what the market is out there.

[02:18:46] Each year we do a study of what rates are at different marinas around the sound and then adjust our rates to a percentage of of the market. So they've asked to make that study available to them and we will do so. We'll provide it to our customers and then we will post it on our website. And in addition, in a couple weeks we have a town meeting with all of our customers. So the rates will be going up a weighted average of about 4.9%.

[02:19:17] At Shil Shoal Bay Marina, we do actually have very low occupancy there. Right now it's 97.7% occupied with a waiting list of about 110 folks. There could be open slips because in the winter people take their vessels to be have work done or what have you. But I do understand the impact, we do understand certainly the impact of rate increases to our customers at Schilshoe Bay Marina. And with that I'll turn it back to you.

[02:19:52] Okay, next slide please.

[02:19:58] These are the direct costs associated with the recreational marinas. Similar to ship canal fishing. They represent about 25 to 30% of operating costs. Next slide. Okay, now we'll go through the financials for the conference and events centers.

[02:20:15] We are seeing a recovery from the pandemic in waterfront redevelopment construction to now having some key clients returning. Competition with hotel and expanded Seattle conference centers still pose challenges. The conference centers are operated through a management agreement with Columbia Hospitality. High wages and food prices have suppressed margins to the point to where we only have about 100 to $300,000 a year income annually to offset the remaining $6 million of expenses in maintenance, depreciation and back office support. So I'll just take a second to comment here.

[02:20:56] So during the time after the pandemic, much of that our waterfront was under pretty significant construction and we can see the beautiful results of it now. But while that construction was going on, it was quite, quite impactful along with, as Kelly said, high wages and food costs and competition that came online right around and after the pandemic. So it's been a tough couple years. But what we do see just in fact just

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within the last couple days got results for financials for the first two quarters and revenues are up 12% over budget. So that is good news and we are looking to really turn this around in the future.

[02:21:35] Also like to point in mind that we have, you know, a portfolio of conference centers. We also offer space at the hub, Duwamish Hub at Fisherman's Terminal, Nordby Center. So this has a particular place in that portfolio. Part of we also see our. We offer ourselves about 20 events per year which are accommodated in these numbers as well.

[02:22:02] So with that I'll turn it back to Kelly. All right, next slide. This slide shows the details. With the exception of some deferred events in 2022, we've not really been able to get to the pre pandemic levels of gross profit. You can see it like around the $2 million a year range and instead we're closer to about $200,000 a year versus that 2 million in pre pandemic.

[02:22:32] Next slide please. And this is the. This is the breakout of where Columbia hospitality costs are being applied.

[02:22:46] Next slide please.

[02:22:51] Next on this list is the most challenging of our business lines portfolio management or our leasing portfolio. It is the second highest revenue line of business. But that being said, it's still 40 million less than cruise with the same operating costs without even factoring in the Terminal 91 demolition costs. The economic factors regarding the Seattle commercial space have put a ceiling on our top line revenue growth. And high construction and maintenance costs are driving down our bottom line.

[02:23:24] Next slide please.

[02:23:27] Here is a list of properties and businesses making up the 24 million in revenue. Most of our leased rates have a CPI component built in with amount that amounts to about 3 and a half or 3 to 5% annual increases. The two properties with potential to deviate from this kind of standard increase Trend are Terminal 102 and Terminal 91 following the uplands development.

[02:23:56] Next slide please.

[02:24:00] The last business that we're going to go over is the grain terminal at Terminal 86. This is under a long term lease with Louis Dreyfuss company through 2030. This is currently our highest margin business that we have. And next slide please. All right, the next couple slides are support services and other departments in maritime that do not have revenue but allocate their allocate or direct charge to all of the divisions including Aviation and the Northwest Seaport Alliance.

[02:24:35] After seven several years of growth, the modified zero based Budget approach this year brought costs down to a more sustainable level. I will touch on them and can go back. During questions for security, we saw sales tax required for the first time. This was offset by decreases forecasted in Northwest Seaport alliance and Fisherman's Terminal. Next slide, please.

[02:25:02] You'll see minor increases here at Pier 69. As you will see in the next slide, there's about another million dollars of maintenance costs not including capital. Next slide, please.

[02:25:15] Marine maintenance is our largest component and grew only 2%. Our largest cost component and grew only 2%. We lower the breakouts to who gets charged. Our real estate portfolio and stormwater utility are

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the two biggest recipients of the maintenance spend.

[02:25:35] Next slide, please. Okay. Slides 33 and 34 are the costs for waterfront development office including planning, facilities management and project management.

[02:25:50] The increase is due to outside services, Primarily the Terminal 91 demos and payroll from adding facilities management and planning to the group from maintenance in the admin department while not showing their payroll costs in 2026. Next slide, please.

[02:26:10] Here you see the key expense projects driving outside services. Again, Terminal 91 demolition and two alliance projects.

[02:26:20] Next slide, please.

[02:26:23] So this is the maritime environment and sustainability budget. Overall there is a reduction of 6%. We didn't backfill a vacant environmental program manager and had a reduction from 2026 in outside services related to us closing out of the Clean Ports grant next year. We did add two new items. One one was $350,000 for estimated derelict vessel cost.

[02:26:51] This is the first time we've ever actually budgeted for that. And $60,000 from corporate environmental or from central services Environmental for urban cal project. Next slide please.

[02:27:07] Here is the list of projects for maritime environmental excluding the environmental remediation.

[02:27:16] Next slide, please.

[02:27:19] Finally, Maritime eliminated two unfilled positions to bring the total FTEs to 322. Just over 322.

[02:27:32] Do you want to break for questions or continue to the capital improvement plan? I think we should keep keep going. Hold our questions at the end. All right.

[02:27:44] Next slide. Okay. Here is our timeline for the capital improvement plan. You will be briefed on the draft plan of finance in a couple of weeks. All aspects of the capital improvement plan will.

[02:28:00] All aspects of the capital plan that we will present to you today will are conditional to the commission approval of the levy and plan of finance. Next slide, please.

[02:28:14] We can absolutely. If you'd prefer. Yeah, I've been overruled by majority. So let's take a break to do questions. For maritime.

[02:28:23] Okay. For the operating. Go back to that. Yeah, it's actually it's the combination of CIP and. And the expenses that I'm always raising.

[02:28:31] With regards to Cruise, you were saying that Cruise, the expense side was the lease to 46 utilities. And there was like one other one, the direct expense utilities, lease to 46 and the Port Valley. Port Valley, Yeah. So nothing about new new loading bridges or fendering or any of those. Those show up in capital.

[02:29:01] I know, but. And that's why I said before we jump into cip, but the revenues of Cruise, the net revenues of Cruise has always been a challenge for me because like I said, it takes money to make money. But the net revenue is not the number that we see because. So that the cost, the way we account for capital in the operating budgets is through depreciation. So if you look at the NOI after depreciation.

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[02:29:30] So that's the gray bar on the. That that would account for those. Those items that you are raising in what we just saw. Yes, correct. So but you said this was the only one that's.

[02:29:44] cruise is the only one that is actually revenues and growing faster than inflation. Right. Of all the lines of business. Correct. Yes.

[02:29:53] And that addresses the CIP expense. Yes. So the net is faster than inflation. Yeah. This is good.

[02:30:03] Okay. So. And I saw that with the T91 uplands, there's like two lines for demo, which like $16 million total. One was for the Earl. Right.

[02:30:14] And the other is just to take down the building. Yes, Right. But about almost 8 million each one 7.8 the other. But we don't really know ultimately what the Earl's going to be. Right, but that's the estimate.

[02:30:26] Yes. Right.

[02:30:31] A couple more. This question about subsidizing fishing or versus marinas. And obviously we heard from our constituents there.

[02:30:44] We're subsidizing factory trawlers.

[02:30:52] This is the largest fisheries in the world. That business does not make money. Correct. I find that impossible to believe. These are some of the wealthiest operators there are.

[02:31:05] I mean, the Nordic Museum is built on the back of factory trawlers. It's. I can't believe that. It's the largest fisheries in the world. So I don't understand how we could possibly be subsidizing that.

[02:31:17] And we just built six in eight at $100 million. Right. By the way, there was a ribbon cutting. I don't know of any commissioners that were told about that. But that's $100 million.

[02:31:29] Was there a good party? I mean, sorry, but that's surprising to me that we wouldn't have known about that. But it is A question in terms of fishing, that is a big subsidy in a sense. Yeah. So about berth six and eight, you know, the overall terminal 91 supports many different businesses.

[02:31:52] Right. And when we account for the capital costs, we have to go to the main users. But it's also true that building that, that was the last wooden berth that was left from when that was constructed many, many decades ago. So that in my mind was important for the overall viability of that facility. And the way we account for it, it goes to that fishing line of business, which is where we see.

[02:32:23] So that is how we account for it. I think it's an overall contribution to that facility, which supports a lot of things, but. Correct. And that's why I was so kind of surprised that it seems to me that was a massive expense that sort of ended this year. Right.

[02:32:38] And you just said you cut the ribbon. Right. So going forward shouldn't. Relative to that, we're not doing anything nearly that expensive. Right.

[02:32:47] I mean I just thought that our expenses were, would be going down from the previous. Whatever it took three years or so to build that. Well, our capital expenditures will go down, but it will then be reflected in a depreciation for some years to come.

[02:33:02] No, yeah, that's exactly. It is, yeah. That is that gray area that I show you on there. That's, that's why it's spiking up because we don't. Until we book gets AM and then it gets amortized.

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[02:33:15] And those doc ones, I think about 40 year amortization. So you would see depreciation once for $100 million show rise by about $2.5 million a year essentially. So. But okay, yeah, it's a, it's a little, it's not captured in real time like I understand, but it is. I'm just like, I'm all about persistent preserving assets.

[02:33:41] I mean they stopped making them. So don't get me wrong, I know you have to spend money. So I just thinking about, you know, and I think about subsidizing fishing. I think about, you know, the pig nosed gill netters, you know, the little guys and not the big guys. So that's just one of the surprises to me.

[02:33:59] And then in light of that, you know, when we hear from the wreck voters, the rationale for subsidizing fish fishing is the multiplicative effects. Right. And I get it and I'm also a fan of fish. But the outdoor wreck in this state, we just had this report. $25 billion in direct expenditures, 237,000 in direct and indirect jobs.

[02:34:25] It's 5.4% of the state's total in outdoor rec. And the maritime side, the boating side, is like the biggest percentage of it. So if we want to make the argument that we're supporting the economic benefits of this, I mean, I know when we compare rates, we're looking at commercial operations which do not have the same. Right. We look at Elliott Bay.

[02:34:48] Right. We look at a combination of ports. So we would also be looking at Port of Everett, Port of Anacortes. We look across the sound, which includes some private and some publicly run marinas. Right.

[02:35:01] But my understanding is, you know, Elliott Bay's. I mean, Everett is the biggest. Right. In terms of. It's even bigger than we are.

[02:35:10] Right. I don't remember if it's Everett or Anacortes, but I understand we're losing folks to Everett. That that's. I mean, both fishing boats as well as wreck boats. And so I'm just wondering, wondering, is it significantly cheaper?

[02:35:28] Everett is cheaper. I don't know off the top of my head, how much cheaper, I can tell you. So. Yes. Is that a public marina?

[02:35:35] I believe that Port of Everett runs it. That's Port of Everett facility. Anyway, I just. It's a big marina. It's not dissimilar to us.

[02:35:42] It's less expensive. And so there is that question about. I know it's one thing to have a boat, it's another thing a place to dock it. So. So we sort of have very much a captive audience.

[02:35:52] But I am. I just think that the public mission of the port as it applies to fishing, has a similar application when it comes to wrecked boating. And I'm particularly sensitive to live aboards where people think they're rich people. You don't live on a boat because you're rich, unless you're a Russian tycoon or something. All right.

[02:36:13] And so finally, the question of subsidization, the conference center was that that wasn't making money prior to the pandemic. It was. And since the pandemic, between the pandemic and the construction on the waterfront competition and high wages and food prices, it has not. And again, we've been feeling that there's brighter days ahead. But the last couple years, that is correct.

[02:36:48] It has not been. So we get this feedback from our recreation voters annually. Right. And one of the things that I thought we spoke to last time at least was, you know, giving them the forecast that expect a 5% increase annually or just don't come to us surprised. Right.

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[02:37:11] So if you want to you know, shack up at Chil Shoal. Understand that it's going this direction. I mean, have we been providing that kind of guidance upon arrival?

[02:37:25] I know. I've heard our customers tell me that you've told them that I. This is only because of a previous conversation we had that. Yes. I didn't pull this number out of my hat.

[02:37:37] No, no, I understand. We have again, for the last couple years, we started to have like a customer open house where we share that information. We don't know exactly what our rate increases will be year to year. We do the study and we do have a little bit of a catch 22 we need to present to you. And we again, then we have an open house to share our rationale and proposals with our customers.

[02:38:07] They will be going into effect in several months, so there will be time to talk with them before that time. But I think part of this is we're still like paying off that major renovation we did at Chillsville. Right. That was a phenomenal improvement. And then we just did the improvement again with the restrooms and whatever you call the collective thing.

[02:38:25] And I believe the laundry service increase. Is that because we bought new machines again, or is that just laundry? 18% increase in laundry. I mean, that's just one of the things that you go to the machine on a daily basis and you kind of. It's like going to the gas station.

[02:38:40] Yeah, I believe that was what the contract is, but I'm going to phone a friend on that if I could ask. I mean, it's not a huge issue, but it's one of the things that the public. We're in a briefing. We got another month and a half before we need to vote on this. I would recommend that we take.

[02:38:53] We got a lot of questions here. And so I think it's. It sounds like we need another hour. It's just like when you hear the wreck voter come back and it just. I want to look at it in equity with fishing and I want to just at least if the person's going to buy a slip, it's going to go month to month on a slip.

[02:39:12] They should know we haven't gone. We, we, we've increased our rate every year for the past 20 years. Probably we did not during the pandemic, but. And this will be one of the. We have now, you know, when we didn't increase our rates during the pandemic, we did fall behind market.

[02:39:29] And when we've done market studies, we've seen that our rates were considerably below what we would consider Pure marinas. We do continue to be below the rates at Elliot Bay, by the way. But so we have had to do some catch up, which has been very difficult. So our effort is to really stay with that market now. And this is why, because of some pretty big increases over the last few years.

[02:39:52] It's a lot smaller this year because we are now aligned with market. With the market rates around the sound. It is our goal to stay there so that we can have a more predictable and steady rates. But there will be increases. But because the staff that works there, their salaries increase, the people that in accounting that support their salaries will increase the cost to do in water construction, to upgrade the electrical, the folks who maintain that all of those costs increase, it is expensive to run a marina.

[02:40:26] And we will see those costs continue to grow up, go up. But our goal is now to stay with market so that those rate increases can be much more predictable. As we see this year, the rate increase is about 4.9%, which is less than it's been the last couple years. Thanks. And then there are those darn SEA lines.

[02:40:44] I'll stop now. Indeed. All right. All right, let's move on to the CIP portion. Kelly, back to you.

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[02:40:53] Okay. Okay, so. Yeah, I know that.

[02:41:02] Okay, we'll pass time. So.

[02:41:08] Okay, so now I'm just checking where we're at here. Back to the. Just starting on our CIP project. And. Yeah, so we have a capital program, you know, that continues to grow, as you'll see here, primarily in asset preservation projects.

[02:41:27] As mentioned earlier, there is a future need for financial sustainability projects that generate a positive return on investment. The third billet is no longer correct on this. After updating the preliminary plan of finance, there's currently enough to fund the management reserve. Lastly, we did not include prospective and potential emergent needs into our plan. Next slide, please.

[02:41:54] So you have seen this slide before. We are continuing to see a larger portion of our capital improvement plan going towards asset stewardship. Even though a project like Terminal 91 Uplands does generate revenue because it does not have a positive return on investment, it is actually categorized as economic development.

[02:42:17] Next slide, please.

[02:42:21] Here is a detailed list of our capital improvement plan. Oh, no, here's our asset renewal and modernization projects. You'll note a major portion of this is really going to electrification.

[02:42:36] Next slide.

[02:42:40] Yeah, this is. Yeah, this is the detailed list of our capital improvement plan. It includes $503 million in large projects, 100 million in mid cap, 12 million in small cap, 18 million in fleet, and $52 million in reserves, 50 million of that being management reserve, which is critical for cost escalations and unplanned needs. Similar to what the aviation mentioned earlier, the reserve also includes just under a half a million dollars for art and 1.5 million dollars for tenant improvements. Next slide, please.

[02:43:18] This slide shows our preliminary capital capacity and the levers that fund it which were discussed earlier. Next slide.

[02:43:30] So here's a list of our new projects. The two major new projects are rebuilding our aging electrical infrastructure at Terminal 91 and rehabbing the concrete dock here at Pier 69. To note, we do not have the Desimone Oxbow mitigation project in the cip. We are, however, working closely with corporate finance to explore funding options should the terms of the final agreement be viable for the port. Next slide, please.

[02:44:02] And here is a list of our potentially emergent needs which could be added in future years or pending prioritization. You know, pinning our prioritization on it. Again, this is just like aviation. We're looking at it every year, looking at these and they. Some of them move up the prioritization ladder.

[02:44:23] And some of them, some of them, we only have so much to spend. And so we look at it every year and some of these may be in next year.

[02:44:35] And then. Next slide, please.

[02:44:39] Yeah. So going forward, we really focused on our capital program, especially want to address the first and the last bullets here together. Improving the capital governance, how we make decisions about what

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properties, what projects we do and how we do them. Part of that is really strengthening our life cycle, asset stewardship. So better prediction of when we will need to do capital projects, especially things around seismic resiliency, et cetera.

[02:45:07] We have. In order to do those, we're really focusing on, you know, having the resources through prioritizing sustainability, sustainable projects that enhance our financial sustainability and looking at enhancing our project delivery. You heard Steve refer to some of these in his opening comments. But doing all of this, we have built a waterfront development office that's brought together our asset stewardship and our capital delivery and planning under one house and developing the processes that really strengthen this process. So I.

[02:45:42] You'll see the fruits of that as we go forward. And I think that's our last slide. Kelly? Yeah. Yep.

[02:45:53] I'm not sure if there are any more questions. Otherwise we'll move to Economic Development Division. Any additional questions on maritime cipher?

[02:46:12] All right, so we will now finish with the Economic Development Division. The division will be presented showing total costs. These get applied to each. The maritime aviation or some of them will stay in the Economic Development Division. Pending purpose.

[02:46:29] Managing Director A will walk you through the overview and I will go through the department financial slides at the end. Great. Good afternoon everyone. Well, thank you Commissioners, Commissioners, staff, Commission Staff, and Executive Director Steve Metruck for the opportunity to walk through our 2027 Economic Development Division's budget. For the record, Abe Bonjikta, the Managing Director for the Economic Development Division.

[02:46:51] At its core, the Economic Development Division's work is about creating opportunities to support the regional economy. It's about helping small businesses take next steps, connecting people to meaningful careers, attracting investment that creates jobs, and ultimately ensuring our economy and region remains competitive. Through this work, we strategically support the development of our workforce, tourism and real estate to build a thriving region for all. As we look back at 2026 and ahead at 2027, we're proud of the progress we've made and are excited to share more about how our budget aligns with our priorities within our division. Our goal is simple to create opportunities and to build a stronger, equitable and more resilient economy.

[02:47:32] Joining me today are the leaders responsible for the work I will be presenting. I would like to recognize Kira, Meehan, Anna, Nick and Tammy online and thanking for their leadership and their expertise and we are very fortunate to have them here at the Port as part of the Port team. Also, many thanks to Kelly and the Finance and Budget team for making this all available and making it really seamless and easy for our team here at edd. Next slide.

[02:47:59] And I guess I missed that one, so next slide. Thank you. Our Economic Development Division is a small but mighty team with approximately 24 people represented across five different departments. Our team covers a lot of ground. Our work includes the Economic Development Operations Team, Diversity and Contracting, Real Estate Development, Tourism and the Workforce Development Department.

[02:48:21] Earlier this year, the Workforce Development Team joined the Economic Development Division and we're

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happy to with how we're able to seamlessly integrate their robust portfolio of work within our division. Each department has a distinct role, but the real strength of our division is how these people work together. Our Economic Development Operations Team services the connective tissue of the division. We set the strategy, drive action plans, cultivate partnerships and look for new ways to innovate and advance the Port's priorities. The Diversity and Contracting team helps businesses access opportunities at the Port through Industry Days, Inclusive Procurement and the Port Gen Business Accelerator work.

[02:48:59] They help businesses understand how to navigate the opportunities ahead of them. Our Real Estate Development team sees the Port's properties as more than just an asset, but really a place to create jobs, support essential industries and unlock economic value through strategic development and public private partnerships. While our footprint isn't large, our influence certainly is and can be seen domestically and internationally. The Tourism Development Team develops domestic and international relationships with travel partners, travel writers, media, airlines and other industry partners around the world to keep Washington State on the map as a destination to stay and visit. And last but not least, our Workforce Development Team who partners with key industry leaders and educational institutions to develop job training programs and career navigation through partnerships like Port Jobs Next Slide Important to recognize that much of our work is cumulative and can take many years to realize its impacts.

[02:49:51] Economic development rarely happens overnight. It takes sustained investment, trusted partnerships and years of work to move an idea to a program and then form from a program to a measurable economic outcome. In 2026, we continue to invest in that foundation. We also tested new approaches. For example, we leaned into the opportunities right outside our doorstep with the Pier 69 food truck pilot program.

[02:50:14] As a result, we created a temporary opportunity for food truck businesses to activate the Port's headquarters during the summer for the grand opening of the Elliott Bay Connections to Centennial park park and Seattle Welcoming the World through FIFA World Cup Activation. While these programs are extremely externally facing and help small support small businesses, some of this work is also internally focused with how we set our own annual goals for Wimbees Spend at the port and Wimbee DBE diversity and contracting policies. 2026 was a big year for working across the county and the state through more FIFA activation grants with King county establishing the Maritime Administration Industrial based Coalition with the Washington State Public Ports Association. Not to mention, we formalized our participation in the Cascadia Sustainable Aviation Accelerator for supporting the supply chain and industry to encourage more sustainable aviation fuels in our region. As for real estate, the Real Estate Development team operates on much longer time horizons.

[02:51:09] The development of the Maritime Innovation center is now fully completed and awaiting final touches from our partner Maritime Maritime Blue before they move in. Additionally, the Construction authorization for T91 in the uplands is moving forward as you heard, and will unlock even more opportunities for the maritime in the fishing industries.

[02:51:26] The Des Moines Creek West Logistics Project has hit a major milestone. As we all know, we have signed a long term lease with a major tenant who will bring an estimated 4,000 highly skilled direct jobs into the Puget Sound region by early 2030. This victory is a result of many years of service, strategic actions and a successful public private partnership between the port, the City of Des Moines and our partner developer partner Panettone. The Real Estate Development team also works on future proofing strategies to help

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support port's operations. As part of this, the team, along with the Sustainability team are exploring a clean energy sandbox to set up a program in a potentially space for testing out different energy technologies with maritime applications.

[02:52:05] And when the Real Estate team is not busy with working in development real estate, they're busy making plans to develop real estate through its real estate strategy. Soto and the WASCA Development Stock Business and Revenue Plan and Peer to CEM Development Plans. The common thread here is that we're not simply managing today's opportunities, but we're positioning the port for the future. Next Slide as mentioned, our Tourism team is responsible for developing domestic and international relationships to encourage visitors to explore more of what the region has to offer while they are here for business or pleasure. Much of that work is foundational.

[02:52:40] As we mentioned, you'll see programs you recognize like the Tourism Marketing Support Program and the Guided by Good Responsible Tourism, which is formally known as our Spotlight Program. Our Workforce Development team approaches economic development from another angle, ensuring that people can access the jobs created by the industries we support. The Workforce Development Team manages workforce development programs and relationships to support the aviation, maritime green jobs and construction industries. Each of these efforts helps address a practical challenge. Employers need qualified workers and the people need clear pathways into good careers.

[02:53:14] Next slide while in 2027 we intend to continue much of our existing and foundation programs, we will also bring new initiatives. From the business development and small business support side, we'll begin and implementing strategies from our recently completed Economic Development Action Plan. Along with our statewide partnerships, we've been working closely with coalitions in the Governor's Office to support a statewide maritime strategy for the maritime industrial base. Priorities Also New for next year, the Diversity and Contracting team will focus on efforts to support a new small Business Contract Readiness program. On the real estate side, the focus will be on planning and assessing opportunities to uncover more revenue generating opportunities throughout the port, which includes updating our real estate strategy and continuing to work on newer initiatives such as the Clean Energy Sandbox for Tourism.

[02:53:58] We're looking at how we can encourage visitors to stay longer, experience more and contribute more meaningfully to local communities. The Tourism team will explore responsible tourism initiatives, converting business travelers to stay longer and expand the Guided by Good campaigns through JV driven Decisions for workforce Development, we'll expand our maritime industrial based workforce efforts beyond Welding Refresher Construction Leadership Development Program work and strengthen career navigation and training partnerships with tribal partners including the Duwamish and the Suquamish across all five departments. We have our work cut out for us, but primarily the goal is to move from planning to execution of programs and projects. There is a lot to look forward to in 2027. We're excited about the opportunities to build upon the progress we've already made.

[02:54:40] Next Slide I just want to say thank you to the Commissioners for sharing your budget priorities for next year. We appreciate the partnership in working together to determine the priorities for our division moving forward. As we move forward to review the 2027 Commission budget priorities, I wanted to highlight one important point. All of the priorities shown here have already been incorporated into EDD's baseline budget. That means the Division has included all these priorities within our baseline budget.

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[02:55:09] Our maritime industrial based shipbuilding readiness work as Managing Director Stephanie Jones Stebbins mentioned is already included in both the Workforce Development and Economic Development Operations Team's work. Advancing Sustainable Fuels and the Green Economy is also incorporated into our operational budget. Diversity and Contracting has budgeted for Phase two Small Business Contract Readiness Program and Workforce Development has included funding for Core plus Maritime and strengthening ESOL pathways. These priorities align with work already underway across our division. They also demonstrate how EDD connects to the Commission's broader goals through practical programs, partnerships and implementation efforts.

[02:55:46] And with that, I'd like to hand it off to Kelly and the Finance team to present the remaining slides. Thank you. Thanks. Thanks.

[02:55:56] So overall as you look in the slide, overall economic development division is 4% lower than the 2026 budget. This is mostly related to three items. One the team took the modified zero based budget process very seriously. We looked at actual spend and made sure to link what was in the budget with kind of what our historic trends had been. Two There was a movement of the Duwamish Hub to the Maritime Division and three there was some reduction in property study needs.

[02:56:32] A Managing Director a went over most of the details. So you know as we go through the department costs here, I will inform you how they are applied to each Economic Development, Maritime Economic Development and Aviation divisions. Next slide please.

[02:56:51] So tourism you can see here is mostly flat. There's a modest staff increase offset by modest outside service revisions. All these costs here actually sit in the Economic Development Division and don't get allocated to Maritime or edd. Next slide please.

[02:57:11] Real estate development costs are split between Aviation and Maritime and occasionally Northwest Seaport alliance based on engineering anticipated project and property focus. Reductions in property studies were partially offset by a full year of a recently hired Development Associate. Next slide please.

[02:57:33] Diversity and contracting costs are applied to Maritime and EDD or Maritime and Aviation based on proportion of capital and Expense projects.

[02:57:46] Next slide, please.

[02:57:51] And workforce development costs increase 1%. They are primarily charged to the tax levy with the exception of port jobs program, which is funded by Air Force workforce, Airport workforce development. And then next slide, please.

[02:58:08] So economic development operations. The biggest line item here in this budget is the $950,000 for the economic development grants. Anything that does not go to the tax levy in this group will allocate to the departments, which will send proportionally to the divisions.

[02:58:32] Next slide, please.

[02:58:35] There are no new FTEs this year. And the next slide, please.

[02:58:42] This is just a list of the items that are funded by the tax levy for Economic Development Division.

[02:58:57] And that is it for our presentation.

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[02:59:03] You have some questions for a. Or for Managing Director A and Kelly or me? Yeah.

[02:59:15] Looks like we lost our actual slides up there, but ready for questions and comments? Yes. All right, Commissioners, anything on Economic Development Division for A one or Kelly? No specific questions at this time, but this is really helpful information and thank you all for your work. Commissioner Felloman, I just have two.

[02:59:40] One, this tax levy funded projects. I'm looking at the red brackets. They're the ones that get my attention. So we are these. So there's a $60 million reduction in this tourism market.

[03:00:02] It's not 60 million. Right. It's 17. It's a negative 17%. Right.

[03:00:07] So that's what we just saw was a reduction primarily in the grant program. Was that the. It was outside services and grants. Right. And then.

[03:00:19] So the Maritime innovation. There's an 80,000 reduction in that. What's that one from the Maritime Innovation. I believe that one is the work that we've been doing these past, I guess, year and a half with Maritime Blue. That's the accelerator of the maritime innovation companies.

[03:00:35] We have had waivers on that contract with Maritime Blue. We are now moving that in 2027 to an open process for competitive process. So we have analyzed that work and we think that we could do that work probably with a lesser amount. And so we are working right now on creating that competitive language that will be open, I think next month in November. We'll give folks time, two and a half months to respond to that.

[03:01:06] But we are trying to. Right. Size that amount to make it fit better with the programming. Great. But I'm just making sure I can read this correctly.

[03:01:14] So I thought shipbuilding readiness was a new thing that we're adding, but it's showing 127 versus 26. Why would that be a negative? Wouldn't that be a plus? So I think that the $100,000 correct me if I'm wrong, but I think the $100,000 is from this year's spend to do the initial work with the Washington Public Ports association to do a landscape assessment or feasibility of what do we have available within this region for readiness for shipbuilding. Do we have companies that are ready?

[03:01:47] Do we need a workforce kind of campaign to promote more skill sets for next year? We do not anticipate on spending those dollars because that's already been started. We have now started as part of that work a maritime industrial based coalition which includes 13 other additional ports, including us at the WPPA level. So that is, that work will continue in that format. We will have some dollars that we will go towards the phase two and phase three, which includes, I believe if the governor's executive order goes through a statewide maritime strategy, that will put some dollars in there, but not to the extent of the hundred thousand dollars investment.

[03:02:26] So we'll be seeing that report sometime soon. We have a report. We are working with WPPA now to how to roll it out. So more to come from that, but we can certainly give commissioners a preview of that. And then last thing for the.

[03:02:39] Oh, it's always amazed me that cruise is not in tourism. I just kind of think it's like our biggest tourism thing. Right. We work with cruise very closely. I know, but it is probably.

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[03:02:52] It's the motherlode. Right. So the. But there's. There's been mixed messaging about whether it has its own marketing program.

[03:03:04] And I think we just hired a new marketing person for a cruise. And so I just, you know, it just always strikes me that there's probably no better business in the world at marketing. Maybe next to automotives. Right. So is this on?

[03:03:27] This is Stephanie Jones Stevens, managing director of the maritime division. We hired a maritime a senior manager of maritime marketing. And they are focused on marketing to our businesses. So Cruise is one of them. They do a lot.

[03:03:40] They actually do our rec boating rate study, for instance. So that team markets works with our maritime businesses. It's very different than the work that the tourism team does. But again, certainly the teams collaborate closely. Okay, so it's maritime marketing.

[03:03:58] Broadly correct. Thank you. I just really want to know for sure that you know our. I know the valet program. I would love to be assured, like how cruise and tourism are synergistic.

[03:04:18] It just seems to be like stay another day, all that stuff. We have to be dealing with those folks that are afar from Cruise in order to make that broader economic benefit to the region associated with cruise. I always say bring people to Seattle to send them to spend money in Alaska. It just doesn't work for me. I would like them to do both.

[03:04:38] Thanks. Oh, wait. And maybe we can hear from Nick just to rest assure me. I thought I'd jump in here. Am I on here?

[03:04:45] Yes. Great. Nick Leonti, Director of Tourism Development Just to add on to what Stephanie said, the Tourism department, we work with crews in that we work within the travel trade and travel media to do what we call cruise and stay right. We want all the cruisers to be spending more time in Seattle and throughout the region generating those visitors dollar visitor dollars that our communities need so much. So we are very involved with cruise through the.

[03:05:19] Through the tourism industry globally. We do not hold those relationships with the cruise lines like maritime does, but we are the marketing arm of this organization as far as cruise tourism is concerned. All right, thank you so much. Just a question for a Executive director Metruck is serving on the Governor's Economic Development Council. You are supporting our participation in the Seattle Mayor's resilient business.

[03:05:51] But I can't remember the exact, exact name. Sorry, Mayor. But a very similar initiative to identify core areas for potential economic growth. There's also the Challenge Seattle PSRC initiative that we're participating in.

[03:06:10] These are in some ways symptoms of concern around a weakening economic picture for the region and a desire to try to catalyze some additional growth, both in areas where we have historic strength, but also in new potential areas for our region. It's a lot for you and your team to participate in all these things. You have the resources you need in this coming year to be able to cover all of those and make sure that the perspective of the port around maritime aviation, tourism, clean tech, green economy. Do we have the capacity to have a foot in each of those worlds? I think short answer, yes, but with caveats.

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[03:06:59] Right. I think that everybody is kind of at their bandwidth for being able to track everything. A lot of this work is outside of the various departments as well. Right. So I consider it to be more of the economic development development operations team.

[03:07:11] So myself, Annie and Tyler right now. So, Tyler Emski. So I just want to say thank you to the commission team for allowing me to have access to another FTE through Tyler. Having that person has really helped to increase our ability to span across these other topics and be present. And I'll say too that I think that with the workforce development team being added to our division, that certainly helped because a lot of this conversation is around economic development, but with attachment and very close in working relationship with workforce Development.

[03:07:49] So the maritime industrial base is very much a workforce development focus and target. And we work really closely with our workforce development partners outside of the port. And I take leadership from Anna. Thankfully, she is a part of our team that leads that workforce development work, and she has a really great network. And so with them being deployed to do some of this economic development, showing up for this, I think that we are able to handle it for the next year.

[03:08:18] Not to say that I will never say never to ask for additional support in looking at my boss, Executive Director Metric, but in the future, I would imagine that if this works, continues to his opening remarks. We do a lot with very little. And I think that that will have to come back to this forum in the future, maybe in a year or two to talk about additional support for the general economic development support. Okay, thank you so much. I was going to check in with Executive Director Metruck first, see if you had any additional comments on that.

[03:08:50] No, thank you. I do not. President. Go ahead, Commissioner Feldman. I just wanted to lend support to what Commissioner Calkins said that I always thought this department is sort of like the definition of port.

[03:09:02] You know, you have the burden of lifting the economic development of the organization and the region. So it is a large undertaking. It's a bit of an octopus, as I like to say affectionately, even though nobody believes it's affectionately. I read that article. I read that piece.

[03:09:20] I know. But honestly. So to the degree that help is needed in the future, you have our support. Thank you very much.

[03:09:30] You bring up octopi. Fred and I were recently on a trip to Climate Week, and he expressed to me in no uncertain terms he believes that octopi are from. Are alien creatures. There's a funny little anecdote from that trip that I'll never forget. Forget.

[03:09:45] All right, thank you all for taking so much time today to present all this information. With that, our business meeting, the agenda for the day is concluded. Are there any closing comments at this time or motions relating to committee referrals from commissioners?

[03:10:05] Executive Director Metric, any closing comments? Thank you all. Thank you, Commissioners, for attention to the. I mean, that's a lot to go through every year to go through both Aviation, Maritime and edd. So I appreciate your endurance, I guess, to do that and get through that.

[03:10:20] Thank you so much. All right, hearing no further comments and having no further business, if there is no objection, we are adjourned. Thank you again for joining us today.

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