

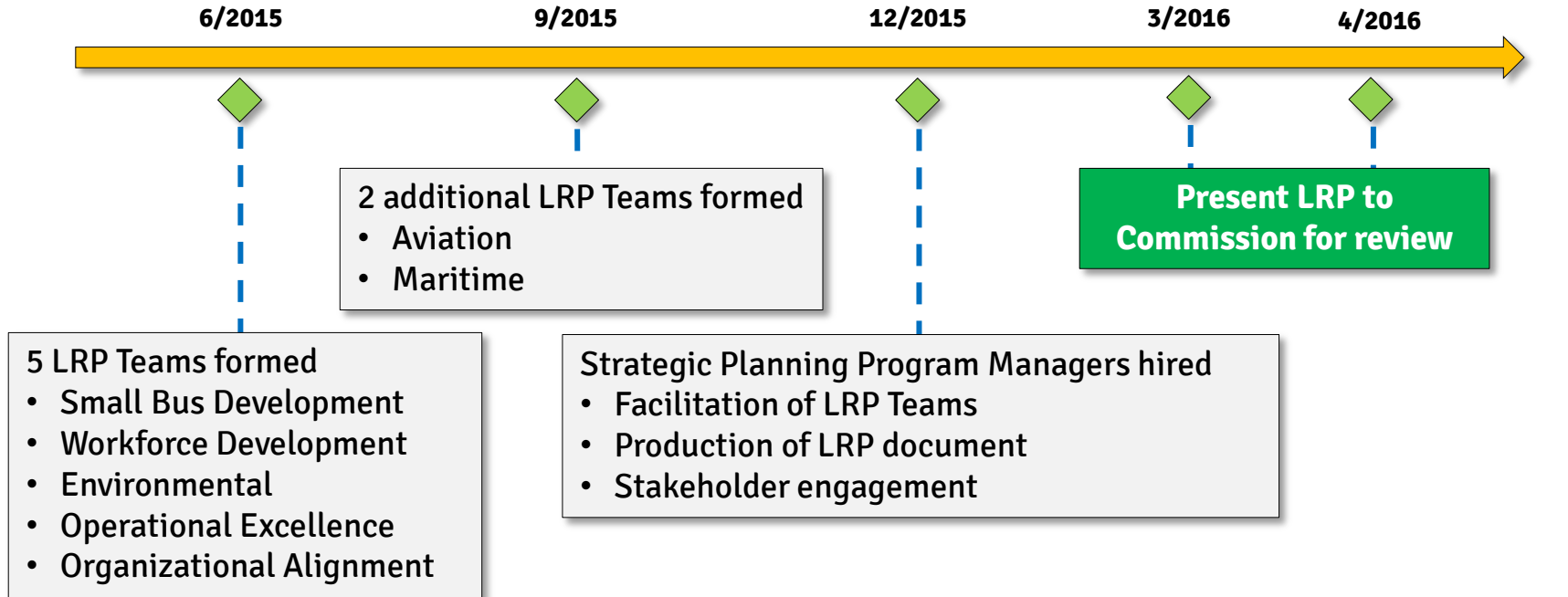
Century Agenda Long Range Plan

Commission Briefing

March 22, 2016

Long Range Plan (LRP) Background

Office of Strategic Initiatives partnering with teams Port-wide



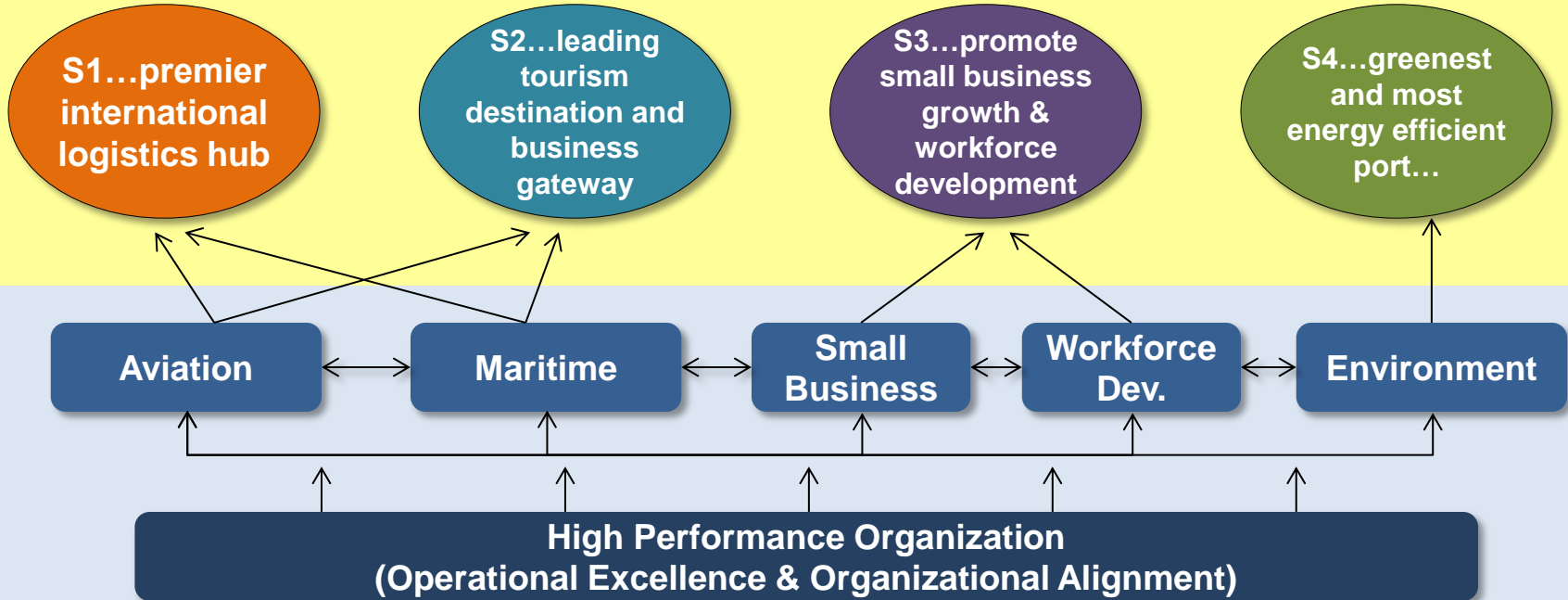
Operationalizing the Century Agenda

Mapping LRP to Century Agenda Strategic Goals

Linking LRP Team Outputs to the CA Strategies and Objectives

CENTURY AGENDA

LONG RANGE PLANS



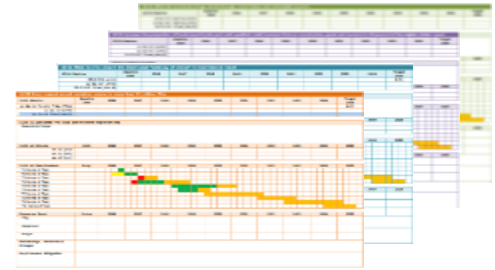
Operationalizing the Century Agenda

LRP Strategic Review & Methodology

A Key Strategic Assessments
per Objective



B Detailed Action Plans
with SMART goals



C Long Range Plan



Assessments and Action Plans form integrated Long Range Plan

Calibration

**Long Range Plan
Actions and Tasks**

Long Range Plan



Validation

**Independent
Econometric Analysis
of Jobs and
Economic Impact**



Credibility

Validation Allows for Correction as Needed

Communications

March 22 & April 12	Commission Briefings	Plans Overview
April 13	Executive Email Web Content: Part 1	Top-Level Content: Video Stories - High-level goals told from employee POV
April 18	Employee Newsletter Web Content: Part 2	Video of Commission Presentations PPT Presentations – Moderate Detail
May-June	CEO Webcast Web Content: Part 3 Staff Meetings	Live Overview of Plans New Video Stories Final, Detailed Plans
Under Development	External Stakeholders	Under Development

Layers of Detail: Portwide to Work Unit

Briefing Agenda 3/22

Aviation

Small Business

Century Agenda Aviation Long Range Plan

Commission Briefing

March 22, 2016

Port
of Seattle®

A decorative graphic consisting of several overlapping, rounded rectangular shapes in shades of blue and green, arranged in a horizontal, slightly wavy pattern across the lower half of the slide.

Century Agenda Strategies

“Position the Puget Sound region as a premier international logistics hub”

→ **Triple air cargo volume to 750,000 metric tons**

“Advance this region as a leading tourism destination and business gateway”

→ **Double the number of international flights and destinations**

→ **Make Sea-Tac Airport the West Coast “Gateway of Choice” for international travel**

→ **Meet the region’s air transportation needs at Sea-Tac Airport for the next 25 years and encourage the cost-effective expansion of domestic and international passenger and cargo service**

Triple Air Cargo

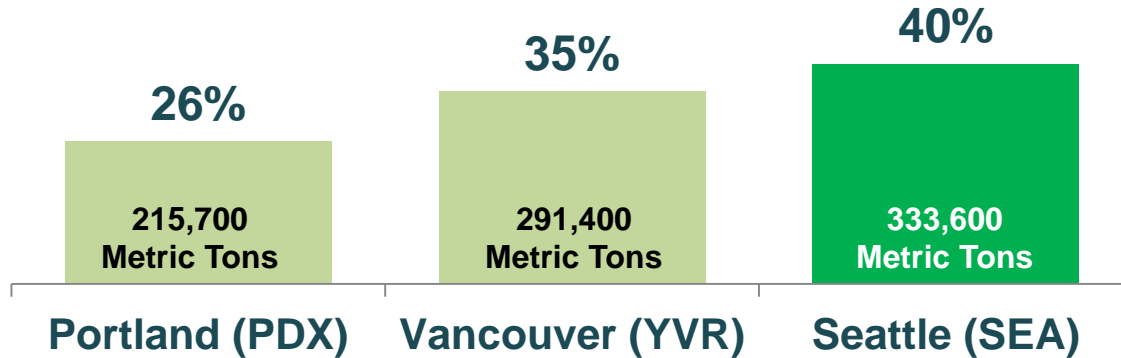
“Position the Puget Sound region as a premier international logistics hub”



**Triple air cargo volume to
750,000 metric tons**

Air Cargo Market Overview

A highly competitive air cargo market

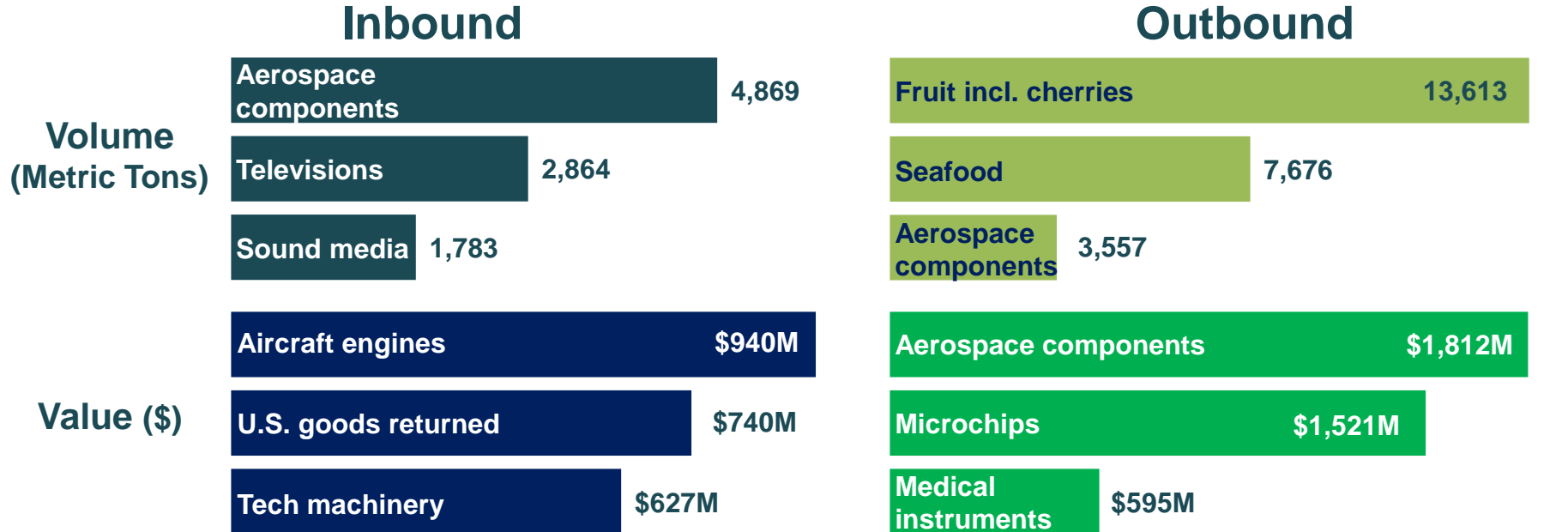


Share of air cargo volume (2015)

Air cargo – a key driver of regional economic growth

Diverse Mix

Reflects a diversified economy (2015)



Air cargo >\$22.7B in economic value, 120,000 related jobs

Air Cargo Key Actions

Attract air cargo carriers

- **New carriers, add routes, and support existing** airlines
- **Focus on carriers** with leading **environmental** profile
- **Support all customer fleet options**

Expand airfield cargo facilities

- **Relocate, redevelop and build**
- Increase **utilization of current** facilities
- Build **facilities to LEED** standards

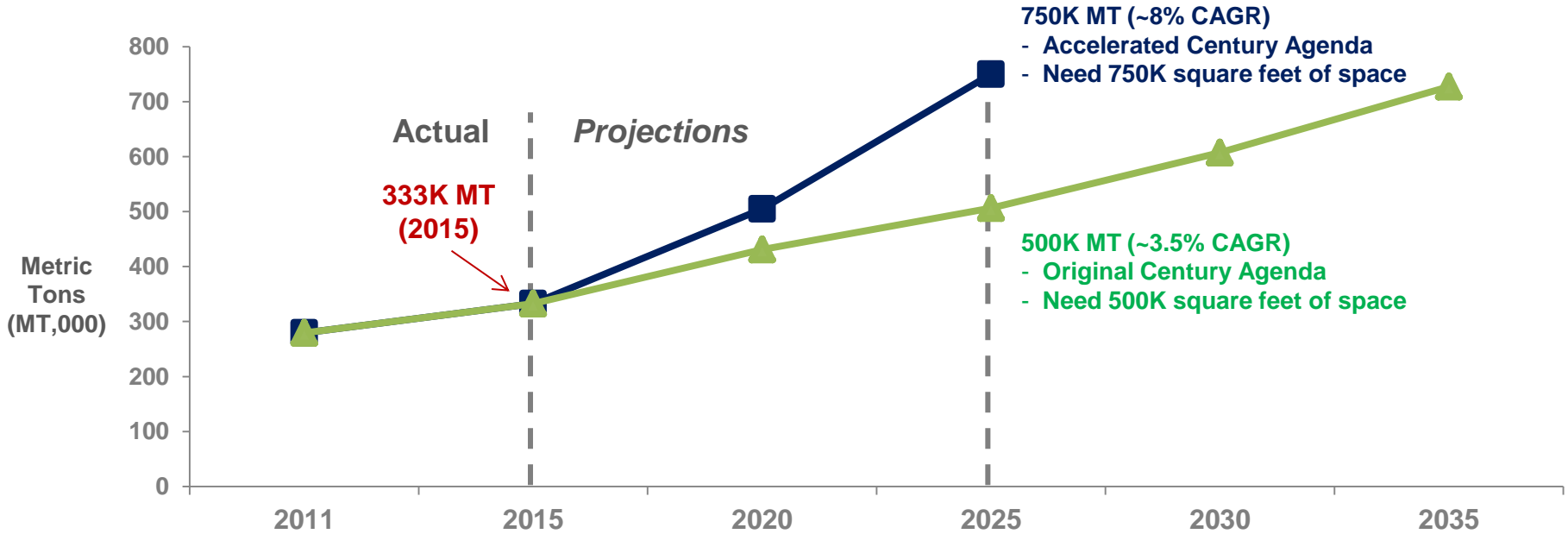
Build strategic logistics partnerships

- **Off-airfield properties**
- **Global logistics presence**
- Strengthen **Free Trade Zones**

Roadmap for Tripling Air Cargo Growth

Will Achieve 3X Air Cargo Growth

Sea-Tac's air cargo has to add capacity to meet regional economic demand



Sea-Tac needs to add cargo space

Global Gateway

“Advance this region as a leading tourism destination and business gateway”

Double the number of **international flights** and **destinations**

Make Sea-Tac Airport the **West Coast “Gateway of Choice”** for **international travel**

Meet the region’s **air transportation needs** at Sea-Tac Airport for the next 25 years and encourage the **cost-effective expansion** of **domestic** and **international passenger and cargo service**

West Coast International Gateway Opportunity

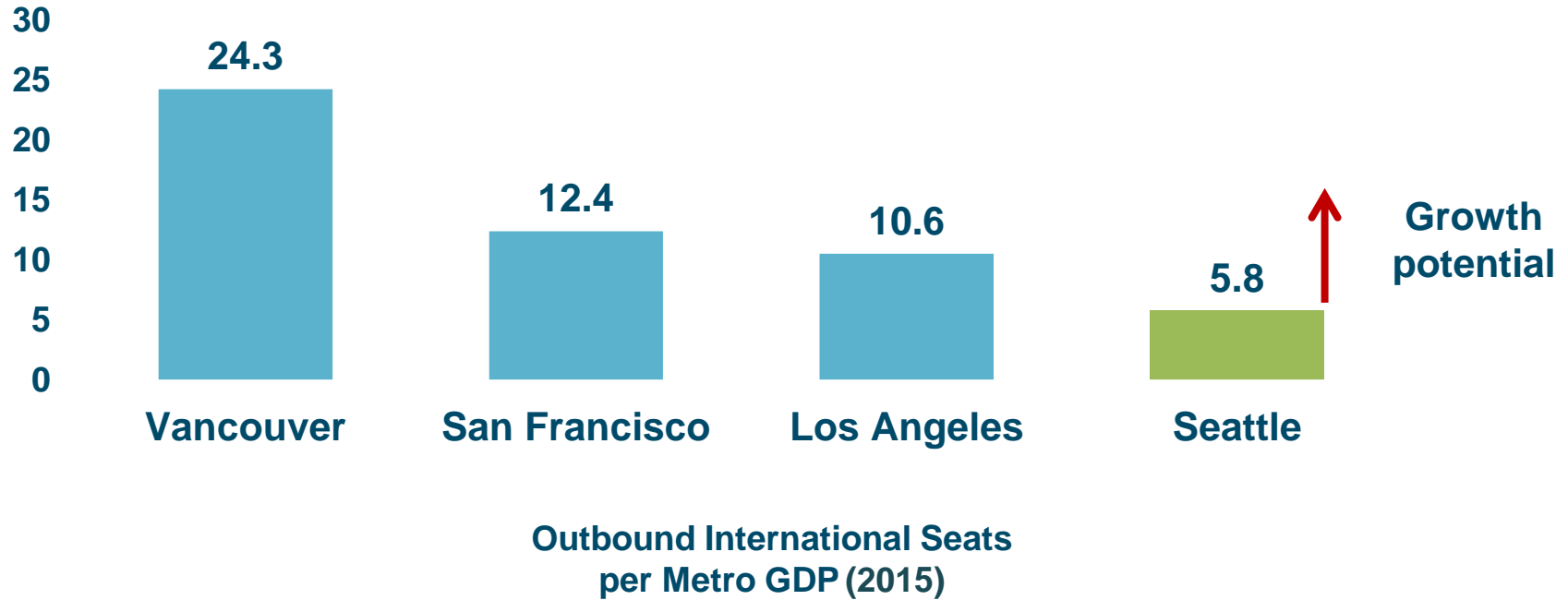
Situational Analysis

- **Vancouver** has significantly more service= *Opportunity*
- Sea-Tac will build **partnerships to build global presence**
- **Seattle** has **geographic advantages** over LA and SF
- More flights needed to support the strong **economic growth**
- Each long-haul **international route generates \$75MM/yr** of economic activity



Sea-Tac will take advantage of growth opportunities

International Market Potential



Sea-Tac has strong growth potential

International Market Key Actions

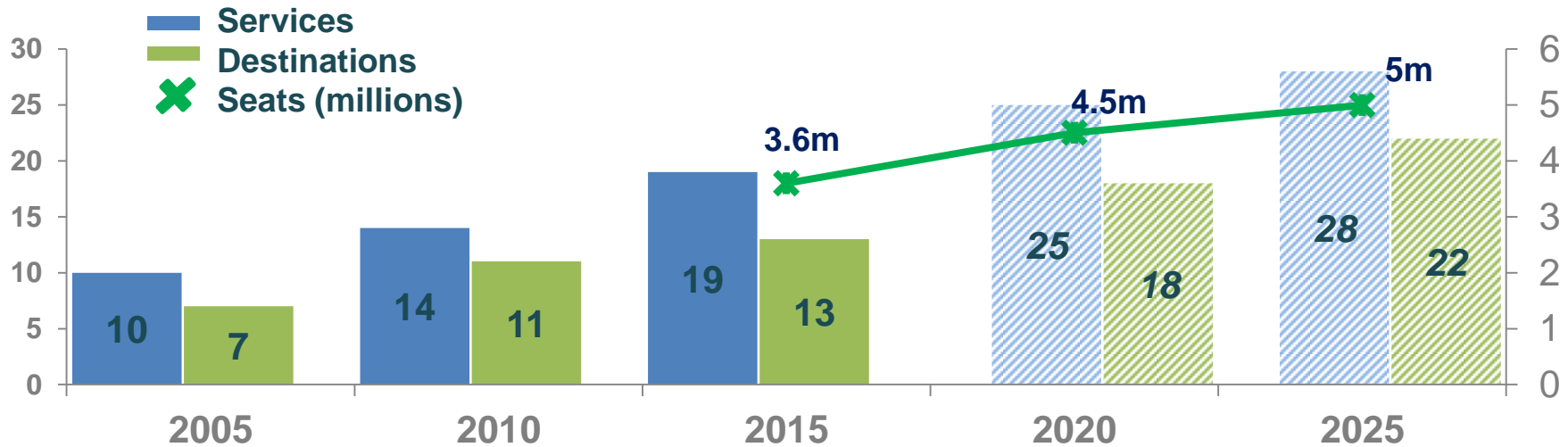
The Port will *“double the number of international flights and destinations”* by 2025

Implement **best practice airport marketing** to **drive air service growth**

Enhance **air service incentives** to **attract new services**

Build **strategic partnerships** that **elevate region’s global presence**

Will Lead to International Growth



Sea-Tac will double international flights and destinations

Current Challenges

Sea-Tac's international facilities need improvement



Passport Control



Customs Baggage Floor



Corridor Overflow

Competitors are addressing international facilities



Los Angeles
\$1.9B



San Francisco
\$1.0B



Vancouver
\$1.8B



International Arrival Facility will restore competitiveness

Gateway of Choice Key Actions

The Port will make “*Sea-Tac Airport the West Coast ‘Gateway of Choice’ for international travel*”

Complete **International Arrivals Facility** project by Dec 2019

Reduce **Minimum Connect Times** by improving airport facilities and processes

Significantly improve **customer service**

Build **strategic partnerships** that elevate region’s global presence

Meeting Region's 25 year Transportation Needs

Situational Analysis

Strengths/Opportunities

- **Strong local economy** drives demand
- Regional **population growth** = 4% (5 year forecast)
- Sea-Tac becoming **multi-hub**
 - Primary hub for Alaska
 - Regional hub/international gateway for Delta
- Only **major airport** in Puget Sound
- **Strong financial capacity**
- **Source of economic impacts** for Port

Weaknesses/Challenges

- **Limited acreage**, space constrained
- **Competing needs** - terminal expansion, cargo, airline support (hangars)
- **Environmental responsibilities**



Jobs: Capacity expansion is critical to Puget Sound Regional Growth

Capacity Development

The Port will “...meet *air transportation needs at Sea-Tac*” and “...*encourage cost-effective expansion*...”

- **Sustainable Airport Master Plan (SAMP)** will identify investment needed to meet **region’s demand through 2034**
 - Time frame corresponds to Century Agenda
 - SAMP in progress
- **Cost-effective expansion** is critical
 - Must reinvest in existing facilities
 - Expansion will be expensive



Implementing Sustainable Airport Master Plan is a priority

Capacity Development Key Actions

The Port will cost effectively meet the regions air transportation needs

Complete **Sustainable Airport Master Plan**, including environmental review

Initiate **planning and programming** for master plan projects

Renovate **existing facilities** to maintain capacity

Improve **operational efficiency** of existing facilities

Keep **airline costs competitive**

Briefing Agenda 3/22

Aviation

Small Business

Small Business Development Long Range Plan

March 22, 2016
Commission Briefing

2015 Small Business Overview

Jobs!

Century Agenda:

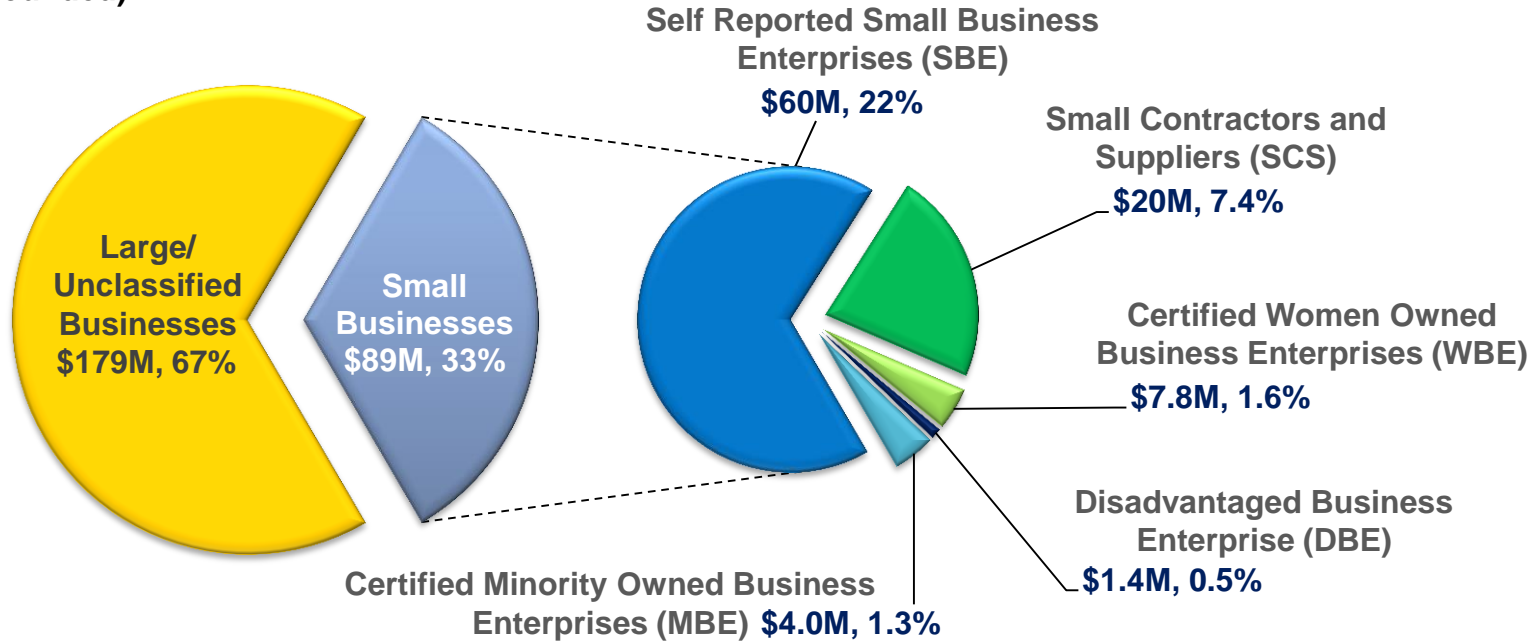
“use our influence as an institution to promote small business growth and workforce development”

- ***“increase the proportion of funds spent by the port with qualified small business firms on construction, consulting, goods and services to 40 percent of the eligible dollars spent”***

The Port will increase the use of small businesses

2015 Small Business Overview

2015 Total Port Spend = \$268M
(all figures rounded)



The Port spent \$89M (33%) on small businesses in 2015

Small Business Development Actions

- **Revise** Resolution 3618
- **Identify** small business opportunities across all categories
- **One – Port: Drive** small business goals across Port Divisions and Departments
- **Simplify** processes
- **Advocate** when drafting/evaluating contracts
- **Outreach** including Minority/Women/Disadvantaged Business Enterprises (MWDBE)
- **Enhance** partnerships with government agencies
- **Support** local legislative efforts to increase small business participation (incl. MWDBE)

Making it easier for Small Business to do business with the Port

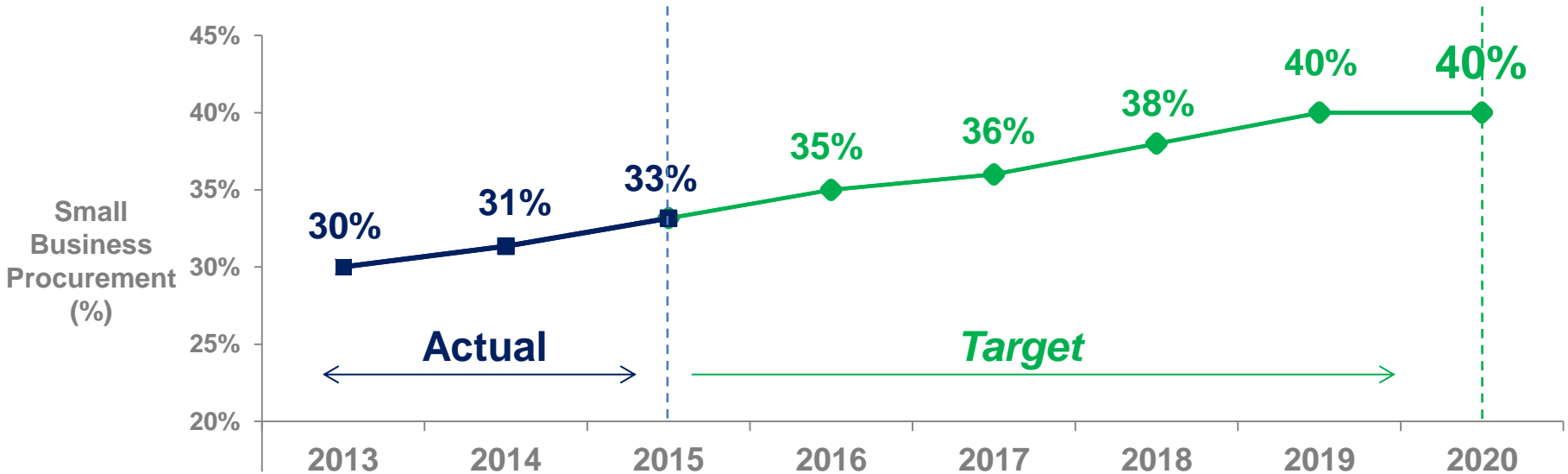
with the Small Business Hub



Hub will help Small Businesses partner with the Port

... will achieve our Small Business Targets

2025 Century Agenda Goal = 40%



Will meet the Century Agenda Small Business goal by 2020