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This is Commission President Hamdi Mohammed convening the special meeting of April 16, 2024. The time is now 10:30 a.m. We're meeting in person today at the Port of Seattle Headquarter building, commission chambers and virtually via Microsoft Teams. Present with me today are Commissioners Felleman and Commissioner Hasegawa, who are currently gathered in the executive session room awaiting the opening of the public meeting. We're now recessed into the executive session to discuss three items regarding litigation, potential litigation or legal risk per RCW 4200 3100 ten section one I with one of those items related to the performance of a public employee per RCW 4200 and 3100, and ten section IG. The session is expected to last for about 60 minutes. We'll reconvene into public session at 12:00 p.m. Thank you all.

This is Commission President Hamdi Mohammed reconvening the special meeting of April 16, 2024.

The time is now 12:03 p.m. We're meeting in person today at the Port of Seattle Headquarters building, commission chambers, and virtually via Microsoft Teams. Clerk Hart, please call the role of commissioners in attendance. Thank you. Madam Commission president, beginning with Commissioner Felleman present. Thank you. Commissioner Hasegawa present. Thank you. And Commissioner Mohammed present. Thank you. Thank you. We do have a quorum established today. You're welcome. Thank you. 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 member of the commission or the executive director participating virtually or you are a member of the staff in a presentation mode and are actively addressing the commission. Members of the public addressing the commission during public comment may turn their cameras on 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 here today, please turn off the speakers on any computers and silence your devices. Please also remember to address your request to be recognized, to speak through the chair, and to wait to speak

until you have been recognized. You'll turn your microphones on and off as needed. All of the items noted here will ensure a smoother meeting. Thank you all. All votes today will be taken by the roll call method so it is clear for anyone participating, virtually how votes are casted. Commissioners will say aye or nay when their names are called. We're meeting on the ancestral land and waters of the Coast, Salish people with whom we share a commitment to stewarding these natural resources for generations to come. This meeting today is being digitally recorded and may be viewed or heard at any time on the port's website and may be rebroadcasted by King county television. Now please stand and join me for the pledge of allegiance. I pledge all my pledges to the flag, liberty and justice for all. Thank you everyone. The first item of business today is the approval of the agenda. As a reminder, if a commissioner wishes to comment for or against an item on the consent agenda, it is not necessary to pull the item from the consent agenda. Rather, a commissioner may offer supporting or opposing comments later in this meeting once we get to the part of the agenda these comments are in order. Once the motion has been made to approve, the consent agenda has been made. However, it is appropriate at this time if a commissioner wants to ask questions of staff or wishes to have a dialogue on a consent agenda item to request that item be pulled for a separate discussion. Are there any items to be pulled from the consent agenda today or any motions to rearrange the order of the day? Great commissioners, the question is now on approval of the agenda. Is there a motion to approve the agenda as presented? So moved. Seconded. Great. The motion has been made and seconded. Is there any objections to the approval of the agenda as presented? Hearing none. The agenda is approved as presented. Thank you. Moving us along. There are no special orders scheduled for today. Next on our agenda is the executive director's report. Executive Director Goon is here, sitting for Executive Director Metruck. Karen, you have the floor. Thank you, commissioners, good afternoon. I'm standing in for executive director Metruck while he's away on business travel. Before I provide some brief updates, I would like to begin my remarks by thanking all the port staff and partners that kept the airport functioning and operating despite yesterday's challenges. Global

conflict, unrest and escalating geopolitical tensions can be challenging operationally and emotionally. So I want to express my sincere gratitude for the effort of all the teams that conducted valuable planning events and navigated the real time circumstances. Thank you. Moving to my report, I have several operational updates since our last meeting in March that I would like to share. Earlier this month, SEA celebrated the announcement of Philippines Airlines new service to Manila and welcomed back Hainan airline service to Beijing, which has been on hiatus since the pandemic. So far, SEA has announced six new international services in 2024 Alaska Airlines to Toronto starting in May Lufthansa to Munich starting in May Delta Airlines to Taipei starting in June China Airlines to Taipei starting in July, Starlux Airlines to Taipei Taipei's popular starting in August, the Philippine airline service scheduled for October opens up a major new market and closes a service gap for our community. This is a significant win all around. SEA currently offers 47 services to 31 international destinations on 25 different airlines. On the maritime side, I would like to congratulate the many teams who worked on the south berth terminal five modernization and the successful plugin of an MSC ship for the first time. The terminal five modernization program has been actively underway for several years and many port teams and employees ushered this work forward as NSA and the tenant relationship took shape. Our partnership with NSA has NW excuse me, NWSA. Am I thinking basketball? I'm not sure. Has been critical along the way and we are pleased to have this premier two berth terminal in operation. Earlier this month, we also celebrated the first day of the 2024 cruise season. We forecasted this season of 275 sailings with 1.7 million revenue passengers to be among the best in our history and a much anticipated economic boost for local businesses that rely on tourism customers. This year we celebrate 25 years of cruising and this summer we'll commission our third shore power connection, this one at pier 16. Moving on to aviation commercial management team. Allport staff play a critical role in our operational success. One team I wanted to give special mention to in this report is our aviation commercial management team. Last week at the Airport Experience conference, the SEA, airport dining and retail team was awarded the airport with the best

commercial team large airports award. These awards recognize excellence in airport concessions throughout North America. It was a great milestone for sea and its dining and retail team to be recognized throughout the aviation industry with this coveted award. Later in today's meeting agenda, we will request authorization to move forward with another exciting concept from this team related to duty free at the airport. And on a personal note, I wanted to thank the ADR team for hosting the Eid el Fetter celebration last week. I'm so sorry to miss to have you there Commissioner Mohammed. It was a great opportunity to highlight the end of Ramadan and to share information with the traveling public as well as our employees. And there were some very special goodies there. So I'm sorry you missed that. Another group I wanted to call out in my report all the incredible administrative professionals at the port. Tomorrow we celebrate administrative professionals day. Administrative professionals are vital to the operation of every facet of the port. They manage the myriad details that keep the aviation, corporate, economic development and marriage time divisions running smoothly. I personally rely on our administrative professionals to be that informal information network. If I need to find something. They're usually the first one that I approach. Importantly, they possess the historical memory to make sure that we adhere to proper policies and procedures to keep the port moving forward. Simply put, our administrative professionals know how to get things done and they're key to the port's success. Thank you to all our administrative professionals for all that you do. Moving to today's commission meeting, I would like to highlight a few items on our consent agenda. We have the adoption of the SEA tree placement standards and the SEA land stewardship plan. The strategies outlined in the plan build upon the port's robust work and environmental leadership and reinforce the airport's commitment to sustainable planning, operations and development. On our action agenda, we will introduce a resolution related to bonds to finance and refinance capital improvements and learn about exciting plans for duty free. You will also receive a staff report on our diversity and contracting efforts. Commissioners, that concludes my remarks. Thank you. Thank you for the report. Executive Director Goon we appreciate the information you've provided. We are now on items six committee reports.

Evan from our commission office will provide that report today. Evan, you have the floor.

Thank you. On March 27, the Highline forum held its second meeting of the year with Des Moines Council member Mahoney chairing the meeting, with port Commissioner Felleman in attendance, the forum members heard a presentation by host City of federal ways on the town center three development and on the Sound Transit Federal Wei Link extension project, excuse me, extension project presentations on tourism by representatives from the Port of Seattle, Washington State Tourism, City of Burien, City of Federal Way, Seattle Southside Regional Tourism Authority, City of Tukwilla, City of Sea-Tac and Highline College, including the upcoming 2026 FIFA World cup and responsible tourism. From form co chair Commissioner Felleman a start update by aviation managing director Lance Little, including a short presentation on what the Sustainable Airport Master Plan program near term project is and the anticipated release of the first environmental review documents late this year. On March 28, Commissioner Calkins and Mohammed met in the first audit committee meeting of the year with the public member Sarah Holstrom in attendance. The committee received the exit audit report of the 2022 performance audit conducted by the Office of the Washington State Auditor and it was a clean audit. The committee then received the annual communication and information from the director of internal audit and received an update on open issues and the progress of the 2024 audit plan. Audit reports present presented later in this meeting included a performance audit on the concourse, a building, expansions for lounges, the Delta TRa, an information technology audit report regarding the port's payment card industry assessment and a limited contract compliance audit regarding Palino SEATAC LLC. Finally, management provided responses where applicable, and members of the committee discussed the audit reports with internal audit staff and management. The meeting ended with the committee recognizing the work of Rumi Okuma and Pam Bailey from the internal audit department, who were both retiring from the port. The last committee report we have is on March 28, commissioners Cho and Felleman convened the sustainability, Environment and Climate Committee, in which staff provided a briefing on the 2024 pre cruise season environmental efforts. The committee learned about the 2024 cruise

ships shore power capabilities and progress toward the port's 100% plug in goal. They also learned about the status of the Pacific Northwest to Alaska green Corridor feasibility study, the cruise MoU, and how it protects Washington waters and the cruise exhaust gas cleaning system, wash water ecological risk assessment. The committee also discussed the voluntary Puget sound EGCS washwater discharge pause for ships underway Puget Sound and confirm that both the underway discharge pause and the ports wash water discharge ban for cruise ships at berth enacted in 2020, remain in place for the 2024 season. And that is the end of the reports. Thank you for that report. Are there any follow up questions regarding committees at this time? Was that Highline forum meeting in person, virtual and in person? Oh, great. Was Commissioner Felleman in person? Do you want me to answer that? I'm kidding. I was supposed to be on that committee and he took that on for me, so I appreciate that he does like that. Thank you. We are now at the public comment section of our agenda. 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, let's review our rules in person and virtual public comments clerk Hart, please play the recording at this time.

Our meeting today as noted, public comment is an important part of Seattle Commission the Port of Seattle Commission welcomes you to our meeting today. As noted, public comment is. The Port of Seattle Commission welcomes you to our meeting today. As noted, public comment is an important part of the public process, and the Port of Seattle Commission thanks you for joining us. Before proceeding, we will overview the rules governing public comment. For your general information, each speaker will have two minutes to speak unless otherwise revised by the presiding officer for the purposes of meeting efficiency, and the speaker shall keep their remarks within the allotted time, provided a timer will appear on the screen and a buzzer will sound at the end of the speaker's comment period. The commission accepts comments on items appearing on its agenda and items related to the conduct of port business. Presiding officer will ask speakers to limit their comments to these topics. This rule applies to both introductory and concluding remarks. Disruptions of

commissioned public meetings are prohibited. General disruptions include, but are not limited to, the speaking before being recognized by the presiding officer holding or placing banners and signs in the meeting room in a way that endangers others or obstructs the flow of people or view of others at the meeting intentionally disrupting, disturbing, or otherwise impeding attendance or participation at a meeting refusing to follow the direction of the presiding officer or security personnel attempting to use the comment time for purposeful delay without conveying a discernible message using the comment period to assist in the campaign for election of any person to any office or for the promotion of or opposition to any ballot proposition, except when addressing action being taken by the commission on a ballot proposition appearing on its agenda directing public comments to the audience engaging in abusive or harassing behavior, including, but not limited to, derogatory remarks based on age, race, color, national origin, ancestry, religion, disability, pregnancy, sex, gender, sexual orientation, transgender status, marital status, or any other category protected by law, the use of obscene or profane language and gestures, assaults or other threatening behavior and sexual misconduct or sexual harassment for safety purposes. Individuals are asked not to physically approach commissioners or staff at the meeting table. During the meeting, individuals may provide written public comment before or after the meeting and in addition, speakers may offer written materials to the commissioned clerk for distribution during their testimony to the commission. A detailed list of the public comment rules is available through the commission clerk. If a meeting is disrupted by an individual in attendance in the meeting room or by an individual providing public comment in person or virtually, the port will impose progressive consequences that may result in exclusion from future meetings. Written materials provided to the clerk will be included in today's meeting record. The clerk has a list of those prepared to speak. When your name is called, please come to the testimony table or unmute yourself. If joining virtually repeat your name for the record and state your topic related to an item on the agenda.

Okay, it looks like we're having some technical difficulty with that recording today. Things are a little touchy from

time to time. I can go ahead and pull up
an r timer. Madam Commission president.
Great. Clerk Hart, I do have two signed
up, two people who have signed up today.
I will now call on the first speaker,
Alex Zimmerman. Please state the
agenda item you'd like to speak to or
business. This one on the left? Yes, or my
left.
Give me just one moment here.
Yeah. Hi, my lovely, lovely, my favorite
clown. Alex. Alex, can you please restate
your name for the record and your topic
related to the conduct of court business
award? I understand. I'm so sorry. Thank
you. Yeah. My name Alex Zimmerman. It's
working. Two minutes. Starting it is. I
will start it, Alex, after you tell us
what your topic is today. Okay. My name
Alex Zimmerman and I once speak about
public testimony procedure.
Yeah. Thank you, Alex. In the forum.
Yeah. Thank you very much. Yeah. This
Pratzadur, what is you? Did you know what
this means? This not only violate all
constitution open public meeting act.
Yeah. In dozen court decision. You know
what this means? By definition, this is a
fraud. In fraud it always crime. So can
I call you like a clown? Yeah, I can you
call, you clown. But I don't think so.
You clown. Because what is you did. Right
now, I see this in many places.
You know what this means? I have a hundred
trespasses. Yeah, absolutely.
Right now it's a little bit different,
but yeah. So this violate nine
circle decision and you don't know about
this because you're very low class
professional. One opinion. Another opinion
I think is because you belong to what they
call dirty Dem nazi fascist junta.
So everything what is you have in this
rules? What is you bring? Couple of months
ago, it's a copy from Seattle. So why from
Seattle? It's okay with me. I have 18
trespasses from Seattle for 1500
days. So right now I go to court in
Seattle for \$10 million. This will be very
interesting case. You know what this
means? Because it's no analogy in american
history. I love this. I bring couple class
actions before this don't have an allergy
in american history. And I win. Yeah. So
situations I ask you stop on this
absolutely violation of dozen core
decisions. You know what this means?
Include 9th circle and another circle
because it looks so. You know, they only
show how low class level you have. I'm not
too much sure. So you however, I don't
know, school degree or something like
this. Yeah, high school degree.

So please make a correction.

Yeah. Thank you very much.

Thank you. Madam Commissioner, president.

I can call a name from our virtual list if

you like. Please proceed. Thank you.

We have Jill Kong joining us, virtually.

Jill, if you could please restate your name for the record and your agenda item or your topic related to the conduct of port business, please.

Hello, my name is Jia Kang. I am here to speak on Port of Seattle's land stewardship plan. Thank you.

For the Seattle commissioners. I represent globally local, a Seatac Tukwilla based community organization. Globally, local advances food, justice, health equity, and economic empowerment for immigrants, refugees, communities of color, low income communities in Sea-Tac, Tukwilla, and the broader south King county. Globally, local is here today to express support for the Port of Seattle's land stewardship plan because we believe it demonstrates the port's commitment to environmental sustainability by protecting the urban forests and green spaces in our airport communities. Forests and green spaces are directly linked to community health outcomes in south King county. We serve a community that is disproportionately impacted by high rates of chronic uncommunicable illnesses, preventable diseases, and mental health challenges. Our community also sits in a heavily industrialized region with limited access to open spaces and green spaces. These factors continue to exacerbate health disparities and climate injustices that our communities face. Protecting urban forests and green spaces near the airport is a great step forward to address these issues, and we're proud that this plan takes these necessary steps. We also appreciate how equity is emphasized in the plan by using the port's equity indicators to prioritize areas with lower scores on the port's equity index. This is very important as immigrants, refugees and communities of color typically reside and work in other areas with the greatest inequities through globally locals work, we've seen firsthand the elevated disparities experienced by marginalized communities, especially those who are further away from resources, face exceptional challenges to navigating systems, accessing services and support, and dissenter from positions of distribution making power. These are communities that we regularly see serve, who are in great needs of food access, health connections, and economic

empowerment. By developing metrics that prioritize equity and disparities of impact, we believe that the solution will deliver the greatest outcome where it's needed. Thank you.

Thank you so much. Clark. I do have two other names in the room. I'll call on the next individual. Matt with ILW Local 19, welcome. Thank you.

Please state your name for the record and the topic related to port business today.

Hi, I'm Matt Ventoza, the vice president of the International Longshore Warehouse Union, Local 19 here in Seattle. The topic is cold ironing at Pier 66. Good afternoon, port commissioners. Thank you for this opportunity to be able to speak before you. First of all, I'd like to thank the port of Seattle's cruise staff that orchestrate the cruise lines and who participated on Saturday, April 6, in the first cruise ship calling of the year. It was great to tour the Norwegian cruise line vessel and see parts of the ship that most people don't get to see from the upper decks to how they manage recycling of the materials, including water. The cruise lines does a great job at this. I would also like to mention what Stephanie had pointed out at the press conference and that we would hopefully be plugging in by the end of the season this year at Pier 66 and help reduce the carbon footprint and go green while these ships are dockside. The ILW will be plugging in those cruise ships like we have done at Pier 91 for years, and we're excited to see this come to fruition.

Thank you. Thank you so much for your comments. Clerk Hart, do you have another individual signed up online? I do. We have five other individuals who have signed up virtually, so we'll take one virtually and then we'll re alternate to the room. Commissioner and our next speaker is he and Q. Hi, Ann. Please go ahead and restate your name for the record and your agenda item or topic related to the conduct of port business, please. My name is Hyun Kyu and I'm speaking on the topic of the Port of Seattle land stewardship plan. Thank you.

Shall I begin? Yes, please. Okay. Thank you. Hello, commissioners. Again, my name is Hyun Kyu and I'm the executive director of partner in employment. Again, I'm here to provide comments on the topic of the Port of Seattle land stewardship plan just a little bit about the partner employment. We support new immigrants, refugees and asylum seekers in South King county with workforce development and job trainings leading to living wages. One of

our job trainings that we provide is in the environmental restoration. I'm here today again in support and because we do believe that the plan demonstrates the poor commitment to environmental sustainability by protecting the urban forest and the green spaces in our airport communities. Particularly our communities in South King county and around the airport have limited open and green spaces, and we're proud that the plan takes the necessary steps to do this. We also appreciate how equity is emphasized in the plan by using the ports equity indicators to prioritize the areas with the low works on the ports equity index. This is especially important as BIPOC communities typically reside and work in areas that have the greatest inequities. We also appreciate that this plan strikes to balance between responsible environmental stewardship and sustaining an international airport that creates jobs to support our regional economy. And with that, I thank you for your time. Thank you. Hiin.

We have one more person signed up in person, Emmanuela Shasha. I apologize if I mispronounced your name in advance. Please state your name for the record and the topic related to port business today. Emmanuela Shasha. I'm here to talk about the Porto Seattle land Stewardship plan. I work for the congolese integration Network. I'm the chief operation officer, and we are non profit based in Sea-Tac, specifically, and we've been there for seven years supporting or creating sustainable pathways for integration for community of colors, but specifically refugees and immigrants from sub saharan Africa. We're proud ourselves to create or provide support for equal opportunity from the start with a family approach. So we want to make sure that from the get go, the children are involved in understanding what it is to be successful, as well as the youth, and involve also the parents in the growth of the family and for them to be sustainable, self sustainable, but also fully integrated. So it's really. It was a pleasure for us amongst so many of the programs that we host. That port of Seattle supported us through an environmental grant that is funding our project called Bilanga. Bilanga means farm or farming land in Lingala. It's a language spoken Drc Congo, where I'm from. And we are fostering a space for community to plant local greens and local vegetables, to feel them attached again to the land, but also to create that

deep love for the place or the country that has welcomed them here. So I would like to support this plan because it only. Not only supports for us to breathe better air around us, supports, like my other community members mentioned here, supporting a good environment around the port of Seattle that provides a lot of jobs for refugees and immigrants like me, but also provides a better life for our youth and our children, as it allows us to have beautiful space to see. But also support grants, like environmental grants, that we have and allows us to have a place to plant, have a physical activity that's good for ourselves, but also good food to eat. Thank you for your time. Thank you so much for your comments. Clark Hart, please call the next virtual speaker. Thank you. We have Barbara McMichael. Barbara, if you could re state your name for the record and your agenda item or topic related to the conduct of port business, please. Yeah, my name is Barbara Michael, and I'm also speaking on the land stewardship plan. I have prepared comments, and I have heard the previous folks talking about and supporting the land stewardship plant tree replacement program. I believe in that, but it isn't sufficient in a time of global change. I'm a member of Defenders of Highline Forest, and we submitted a letter that we all labored on a lot and a couple of meetings back. Commissioner Calkins said, you know something? A blanket statement about all these folks who are complaining that it doesn't go far enough. Did you read about the plan? We did, and we think it is insufficient. And we too, we live in this area. I grew up in what became the city of Sea-Tac. I now live in Des Moines. I have health impacts because of perhaps due to the location, my location under my home, under the flight path. And while I think it's a good first step, I think it is very timid in the vast scheme of things. We are in the midst of global climate change and I have seen tens of thousands of trees taken out of our community in the last couple of years to build warehouses on land that the port has leased, and so it doesn't have control over those trees. And I have seen the 509 extension go through in services, largely in service to the airport. So it's an okay first step. But I'm not sure that you really are up to the task. You haven't proven that to me yet of really being

environmentally responsible. Thank you.
Thank you. Clark Hart, please call the next virtual speaker. Thank you. Our next speaker is Alhamma Wazeira.
Hello, port commissioners. My name is Alhamma Waizada and I am the environmental crew lead with partner and employment. I'm here to talk about land stewardship plan. I lead partner in employment restoration training crew. It's a paid training program for immigrants and referred fugi sinking to county. The program includes educational instruction, hands on training and practical experience facilitated through restoration projects in south King county. Our work is led by people of color and those who are reflective of immigrant and refugee community. This environmental education program equips participants with the necessary skills and knowledge for future employment in the environmental field in hopes of diversifying the sector's workforce and improving the health of the community forests. On behalf of partner and employment and the restoration training crew, we would like to express our strong support for the land stewardship plan and tree replacement standards. We fully support the goals of planting, tree protection, invasive species removal and overall ecological health, as well as employing a holistic ecological approach that considers the entire ecosystems and its health, planting a variety of native plants, protecting existing trees and forests, and managing stormwater runoff. The goals of the plan are aligned with the goals of our restoration training crew program via the boots on the ground. When it comes to restoration, we are the crew that removes invasive species and plants, native trees and shrubs. We believe that a healthy urban forest is more than just trees. It's complex and intertwined. The ecosystem offers our community money, benefits and partner unemployment and the youth restoration tree crew supports the proposed land stewardship plan and tree replacement standards. Because the outdoors is an important space for our new immigrants and refugee community to be connected to. Thank you so much.
Thank you for your comments. Clerk Hart, please call the next virtual speaker.
Yes, and I see he knows who he is. Our next speaker is JC Harris. JC, if you could please repeat your name for the record and your agenda item or topic related to the conduct of court business. My name is JC Harris and I'm here on behalf of SeatacNoise.info to speak

about the land stewardship plan. And apparently we read a completely different plan from most of your previous speakers. It's fair to say that the port of Seattle is not only influential, but a major regional influencer. There are issues over which you have direct control, like the airport. But there are many more where you can model best practices for a wider community. And I thought in previous discussions with the commission that that would be your goal on any number of environmental issues. So, in that regard, we had very high hopes for the land stewardship plan. The tree replacement methodology seems well considered. But by limiting it to the AAA, not including properties that you own and control outside of it. You missed the opportunity to have a much greater impact. For example, previous phases of the Des Moines Creek Business park. Have experienced the needless loss of hundreds, thousands of trees. To somewhat compensate. In the upcoming phase, we'd hoped you would apply your new standards. And greatly improve on past mistakes. This would be particularly useful given that the property connects with the Des Moines Creek trail. And one of the last bits of true forested area outside of North Sea-Tac park. Instead, as with previous phases, you're leaving it to the city. Which, and this is awkward to see, has not exactly done a great job to prevent developers from removing so many trees. We strongly encourage you to amend the land stewardship plan in a very simple way today. Make it apply to all port owned and controlled properties. Especially those in Des Moines, with the business partner. Thank you.

Thank you for your comments. Clark Hart. Are there any other virtual speakers? Yes, Madam Commissioner. Our last speaker signed up today is Adam Powers. Adam, please go ahead and restate your name for the record. And your agenda item or topic related to the conduct of port business, please.

Adam, if you're speaking, we can't hear you or see you at this time. At least, I can't virtually.

Okay. I do believe that Adam was at check in today. I'm not sure if there are some technical difficulties, but. Adam, if you can hear me, you can certainly submit written comments and send that to us. And we'll make sure that we pass that along to the committee commissioners and that it becomes part of the meeting record today. That concludes the assignments that we have here, Madam Commission president.

Thank you, Clark Hart. Is there anyone else present on the team's call or present in the room today who did not sign up or but wishes to address the commission at this time? If so, please state your name and spell your name and the topic related to to the conduct of the port you wish to speak about. For the record hearing. None at this time. I'll ask Clark Hart to please give a synopsis of any written comments received.

Thank you, Madam Commission president. Members of the commission, we've received 22 written comments submitted for the meeting today. These have been previously distributed to you and will become a part of the meeting record. 20 comments submitted are all related to the request for the port to reduce the number of crew sailings until there is no water, air or climate pollution for the port to lobby the Washington state legislature to expand the mission of Washington port to include stewardship to support the proposed US Clean Shipping act to reject false solutions to approach discussions, goals, studies, etcetera related to the cruise sector in an honest and unbiased way, and to work in collaboration to support regional solutions that could reduce harm immediately. I'll note that this was a form submission that came through for these 22 comments, beginning with Iris Antman, Sally Bartow, Jim Berthnall, Cynthia Irvin, Sandra Jones, Breck Labiguo, Cynthia Levine, an unidentified sender of correspondence Shannon Markley, Scott McClay, Patrick McKee, Ann Miller, Grace Norman, Sarah Osteller, Ayanna Robe, Wade Phillips, Vivian Sharples, Mark Sampson Mason.

Pardon me, I want to get that right for the record. Nicole Schneider and Zin Tango. In addition, we received a written comment from Lauren Sebel, who writes to reiterate statements expressed in the community forest consensus signed by nearly 3700 community members to protect all community forest and near airport communities and to implement suggestions made by Commissioner Felleman at the March 12 meeting regarding a land stewardship plan for the inclusion of an inventory of already developed port owned land in the plan to identify existing uses that can be intensified and avoid sprawling to another site and to look at adjacency to community areas in the ports equity analysis and then our last written comment today comes from Sharon Chaffin, who writes regarding cleanliness and state of disrepair of the elevators at FDA and states that it would be nice to have a better cell phone lot

with real restroom facilities and a screen to show incoming flights. And that concludes our written comments received today. Thank you, Clerk Hart. Hearing no further public testimony, we'll now move on to the consent agenda. Items on the consent agenda are considered routine and will be adopted by one motion. Items removed from the consent agenda will be considered separately immediately after adoption of the remaining consent agenda items. At this time, the chair will entertain a motion to approve the consent agenda. Items covering items eight a, eight b, eight c.

So moved.

Second. Great. The motion was made and seconded. Before we continue, I do want to note that there is an order on the consent agenda item today resulting from the performance review of the executive director Metruck, although he is not here with us today because he's out currently representing the port, I would like to thank executive director Metruck for aye. continued excellence in aye. role and for assisting the commission in carrying out the port's mission, vision and values and goals. With that said, commissioners, are there any commissioners who would like to offer supporting or opposing comments relating to consent agenda items today?

Madam President, I don't have anything to remove, but I would like to make comments on item eight j relating to the land stewardship plan and tree replacement standards. Please proceed. Thank you. Well, I just wanted to take a moment to acknowledge that this, the creation of the land stewardship plan, has been an iterative process involving a lot of stakeholders over the course of many, many months and years. Two years, actually, and I would like to thank everybody involved for getting it to the place where it is today for adoption.

These strategies help us take better care of the lands that are under our direct jurisdiction. And we acknowledge and hear folks, they want a sweeping policy that will take care of all lands. But we do what we can in pieces, and there will be a subsequent real estate strategic plan, as well as the sustainable airport master plan, which other aspects of our portfolio will be addressed in their own way. This land stewardship plan, I think, models as an important step what meaningful engagement around port action can and should look like. And so I do look forward to subsequent actions by port staff involving commissioners around these subsequent bodies of work as well. And I

would also like to reiterate my gratitude to chipper Manning, as well as John Everard and Sarah Cox from aviation environmental, as well as Erica Chung from the commission office, for your ongoing labor around this, including making changes. And I'd also like to thank you all my colleagues here on the commission for your constructive feedback, and I hope that everybody takes great pride in this. We make progress, not perfection. But what's important is that we strive towards our goals and being goal oriented. It's not just the outcome it's also the process that matters. And so involving community input and centering equity and using tools like the equity index really is revolutionary. This is the first kind of plan for any port jurisdiction anywhere in America. So congratulations, all, and thank you for your vote of support. Thank you, Commissioner Hasegawa. Commissioner Felleman. Sure. Thank you. I'd like to just make a brief comment about item eight J as well. And as a strategic plan, I think it's, you know, it has great value in laying some groundwork that I think it depends on its use can be broadly applied. And I just want to reiterate the point I made before. When you have this great assessment of our properties, your input onto the development, the real estate plan, is where we can say, what are the places for the best ways to avoid impact? That's the number one goal. Mitigation is secondary. So when we look at we need this much square foot for a certain project, we can direct attention towards areas that would be least impacted first and then within those areas that are developed. The stewardship plan then has a guidepost on how best to restore or mitigate. But I really hope that the forward looking the guidance to the real estate developer is really one of the other great values of having a strategic plan in our hands. Thank you. Thank you, Commissioner Felleman. Thank you both for your comments. Commissioners, please say aye or nay at this time when your name is called to approve the consent agenda items. Clerk Hart. Beginning with. Thank you. Beginning with Commissioner Felleman. Aye. Thank you, Commissioner Hasegawa. Aye. Thank you, Commissioner Mohammed. Hi. Thank you. Three ayes, zero and NAYS for this item. Thank you, clerk Hart. The consent agenda passes should clap for that. I'll move us along to new business of the day, York. Clerk Hart, please read the next item into the record

and then deputy executive director Goon will introduce the item. Thank you, Madam Commission president. This is agenda item ten a, introduction of resolution number 3822. A resolution authorizing the issuance and sale of general obligation and refunding bonds 2024 in the aggregate, principal amount of not to \$325 million for the purpose of financing or refinancing capital improvements to port facilities and refunding certain outstanding obligations of the port and authorizing a designated port representative to approve certain matters relating to the sale of the 2024 LTGO bond.

Commissioners Resolution number 3822 authorizes the sale and issuance of general obligation bonds. These bonds will provide a funding source for several key capital investments, including terminal 91, berth six and eight, and the Maritime Innovation center. These bonds are part of the overall funding plan presented to the commission in October 2023. Depending on market conditions, the bonds may also provide debt service savings by refunding bonds originally issued in 2025. Elizabeth Morrison, director of corporate finance, finance and budget, is here in person today to present. Welcome. Thank you and good afternoon. May I have the next slide please? I'm here to introduce resolution 3822, which authorizes the sale and issuance of general obligation bonds. The concept of general obligation bond new issue was introduced in the fall as part of the budget process where we estimated about 351 million of new geo bonds to fund various seaport projects associated with maritime economic development and the Northwest Seaport alliance for the 2024 to 2028 five year planning period. These bonds would be the first tranche of that set of bonds. Next slide please. There are two components to this bond issue. The first is the opportunity to refund bonds originally issued in 2015. Those bonds paid for one of our payments towards the SR 99 tunnel, which replaced the viaduct, and also refunded bonds originally issued in 2006, so these would refund those for debt service savings. The opportunity for this refunding will depend on market conditions. The second component is about 200 million of new money that would be used to fund various seaport related projects. Next slide, please. The two primary projects that will be funded with these bonds are the terminal 91 berth six and eight replacement and the

Fishermen's Terminal innovation Center. Both of those projects have been authorized for construction and are expected to have high spending during this year and next year. Other projects that may use these bond proceeds would include terminal 91 uplands redevelopment that's currently in design but moving forward for construction authorization and then various seaport alliance projects, most specifically the remainders of terminal five. There are some adjacent projects and container yard expansion that still will be done even though that terminal is now fully leased to SSA and operational. These bonds are flexible and so as projects shift in timing, sometimes designs can take longer than anticipated. The bond proceeds can be used to fund whatever projects are moving forward, but no spending can be done, of course, without the appropriate authorization. Next slide, please.

Resolution 3822 is similar in all material respects to prior geo bond resolutions, and it does provide for a delegation of authority to a designated port representative, and this is either the executive director, the deputy executive director, or the chief financial officer. This delegation allows for the bonds to be issued and for various costs to be paid, so long as the bonds are within certain parameters outlined in the resolution. These include a maximum par amount of 325 million, a maximum interest rate of 6%, a minimum savings rate on the refunding of the 2015 bonds of 3.5% and that the bond sale must occur within roughly the next year, by April 23 of 2025.

If any of those parameters are exceeded, then staff must return to the commission for further authorization. The bonds are likely to be issued in three separate series. The refunding is eligible for tax exemption from all federal income tax. We are expecting to issue private activity bonds. These are exempt from regular income tax but subject to the alternative minimum tax, and those would be used for the terminal 91, berth six and eight. And the rest of the bonds would be taxable, which gives us the full flexibility to use that on a variety of projects. And specifically, the innovation center and terminal 91 uplands are not projects that are eligible for tax exemption and so those would be taxable.

The bonds are expected to be sold competitively and to fund the cost of issuance as well as the projects.

Next slide, please. We're meeting with rating agencies this week to get credit ratings for this bond issue. The adoption of the resolution is scheduled for May 14, and the timing of the sale will depend on market conditions because we are hoping to execute the refunding. And so we will wait for, once we get everything lined up, we will wait for, for an appropriate window when the market is looking favorable. And with that, I'm happy to answer any questions. Great. Thank you so much for your presentation, commissioners. Are there any questions at this time, Commissioner Felleman? Just one. What is our current bonds interest rate right now? These new bonds would expect to have an interest rate of probably like five and a half percent because the market has moved against and because we have a component of these bonds that are taxable, so we don't get that tax exempt favorable rate. But the bonds that we're refunding from. Oh, oh, yes, I'm sorry. The 2015 bonds have different interest rates associated with different maturities. A number of the bonds have a rate of 4%, which is why we have a savings threshold of three and a half percent. So if we can get a lower rate, then we will achieve savings for those bonds because those are exempt from all taxes. We're right at about the point where we will get some. We will achieve that debt service savings, but it's kind of touch and go. It would be amazing that we could do as well as we did back then. But you're hopeful? I'm hopeful, yes. Well, if you are hopeful, then, but I can't make promises. All right. Thank you. I had a clarifying question, too, and I heard you said you're getting ready to meet with the credit agencies. The refunding bond amount you said is 3.5% for the interest rates. And the new amount that's being taken out, it will be at a 6% rate. Are they restricted? Why aren't we utilizing that 3.5 amount instead? So just to clarify, the three and a half percent is the amount of savings. And so we have a little over 100 million of bonds that are being refunded. If we achieve that 3.5% savings, then we would save 3.6 million of debt service over the life of the bonds. So that's the savings rate, the interest rate. We've set the maximum at 6% because of the taxable component. The bonds that we would issue to refund the 2015 bonds, which are exempt from all federal taxes, would have to be below that 4% in

order to achieve the savings. That's really helpful. Thank you for clarifying that.

Commissioner Felleman, could you help me understand why some are tax exempt and some aren't? And you're saying all the 2015 were tax exempt? Yes.

Yes. It all has to do with the nature of the projects. So the 2015 bonds were used primarily to pay for the construction of the, our share of the construction of the SR 99 tunnel. That's the kind of public roadway that is exempt from all federal taxes. The terminal 91

berth six and eight is exempt from the regular federal tax, but subject to the alternative minimum tax because the IR's has deemed that those kinds of projects aren't quite as tax exempt as it's just the IR's regulations. So that has a slightly higher interest rate because it is subject to the alternative minimum tax. Real estate types of projects like the innovation center and terminal 91 uplands, those have no tax exemption, even though the Port of Seattle is a tax exempt issuer and issuing tax exempt debt all the time, if we're issuing it for a project that is not also eligible for tax exemption, then we have to use taxable debt, too.

Well, thank you. It's not like we're in the profit making business, but I appreciate that's the way IR's looks at it. Thank you. And another quick question. Has the port reduced the financing amount because of these higher. Because higher than expected interest rates overall?

Like what's been the impact? No, we haven't. We tend to not try and time the market too much. So we look at what our funding needs are and this amount of debt should be sufficient to give us a couple of years of funding and then we would be back in the market. For another tranche of geo bonds to fund projects. And we watch project spending. So if projects slow down, then we might not need to issue as much or as soon.

But when we need the money, we go to market. We do try and look at the timing with respect to a certain week or month. We know, for example, that there are certain months, June, July, August, where a lot of funds are redeeming, seeing redemptions of bonds. And so there's a lot of liquidity in the market. And so we tend to get more favorable rates during those periods. So we look at those technical details. That's really helpful.

That concludes my questions. Any additional questions? Commissioner Felleman. Didn't we. I'm just saying our bond rating, that's what you're integrating

negotiations for right now. That's with the credit rating. We'll be meeting with the rating agency so they can assess our credit quality. And we were AAA a couple of years ago. Didn't we go down one a this past year, or is that not the case? So two of the rating agencies have changed their methodology for reviewing general obligation bonds. They now view our general obligation bonds as similar in credit quality to revenue bonds. And so they had, they did change our ratings based on that technical change in methodology. That doesn't affect how investors view us. They still look at the full faith and credit pledge and the payment from the tax levy that support the general obligation bonds.

Thank you. And for the record, Commissioner Ryan Calkins has joined us, and the time is now 100 03:00 p.m., commissioner, do you have any questions? I just wanted to share. I was able to tune in as I was in route from my previous port related meeting, but I appreciate the presentation. Thank you, commissioner. Hearing. No further questions for this item. Is there a motion and a second to approve item ten a for introduction of resolution number 3822? So moved and seconded. Great. Commissioners, are there any other discussions or debates on this item hearing? None. Clerk Hart, please call the roll for the vote. And, commissioners, please say I or nay when your name is called. Thank you. Beginning with Commissioner Calkin. Aye. Thank you. Commissioner Felleman. Aye. Thank you, Commissioner Hasegawa. Thank you. Commissioner Mohammed. Aye. Thank you for aye for this item. Great. The motion was passed. Thank you so much for the presentation.

This item will be back before the commission for consideration at the May 14, 2024 meeting. Clerk Hart, please read the next item into the record, and then deputy Executive Director Goon will introduce the item. Commissioners, is this is agenda item ten, authorization for the executive director to execute a tenant reimbursement agreement with a selected duty free operator and to authorize \$10,100,000 for design and pre construction services for the consort's a duty three project for an estimated total project cost between 46 million and \$60 million. Apologies to Clerk Hart commissioners. As mentioned in my earlier remarks, this item is being brought forward by our award winning aviation commercial management team. This project presents an incredible opportunity for us

to generate revenue and increase our competitiveness in an underperforming category. Rajan Khattru, capital project Manager, AV Project Management Group is here with us today as well as Aaron Gore, capital project manager, AV Project Management Group. Thank you. Thank you commissioners.

Is your mic on? Turn this on. Can you hear me now? Yes, thank you. Please introduce yourself again. My name is Rajan Khadru, project manager for Concourse a. Duty free and appreciate you guys having us here today. We have Aaron Gora as well, our program leader for the tenant program group and as also mentioned, our ADR sponsor Scott van Horn is here representing the sponsorship. So two key items that we are. Next slide please. So the two key items that we are requesting authorization for, as mentioned, is the execution of the TRA for the selected duty free operator and the authorization of \$10.1 million for design and pre construction services for the concourse aid. Duty free. The duty free operator is going to be utilizing the GCCM delivery method, which is why we're asking for pre construction service funding as well. As you see, the project cost and the range is fairly significant. I'll talk a little bit more about that as well. We are really early on in the project planning stages. Next slide please. So why is this duty free needed? You know, this duty free category at the SEA has been an underperforming category and the primary reason for that is because of the lack of square footage that is available for attracting luxury brands and offering the passenger experiences for duty free that most of the successful duty free operators have been, as you can see in other airports. So this project will provide an opportunity for us to expand a footprint to almost 12,000 sqft within the concourse a and, you know, allow us to meet the current and future demands from international passengers. The project also aligns with the port sentry link agenda, a goal to strengthen the competitiveness of both the regional and global markets. I do want to point out that as part of this project, we anticipate almost 150 jobs to be created projection wise through the design, construction and operational phases of this project. So kind of looking back a little bit, we did solicit for the duty free operator last year in July and concluded that late last year and awarded the duty free operator last month in March. Next slide, please.

As discussed, this project is located on

Concourse a. So this is a very ideal location for this duty free as it is adjacent to the international arrivals facility, the newly constructed international arrival facility, and will really allow us to have a space that incorporates international passengers, domestic passengers, and also expand the footprint within the conference to almost 12,000 square foot. As I mentioned, the layout, which I'll get to in a few moments with some of these slides, will really incorporate kind of a really unique experience for the passengers. It embraces the passengers to walk within the duty free and really also offer an opportunity to have structural upgrades along with infrastructure related, basically building upgrades as part of the TRA, we can go ahead and move forward to the next slide as discussed with the costs, \$10.1 million is the request for authorization today. Previously we did have funding for \$1.7 million which was utilized for early planning and development and now we're ready to move forward into design. You see, the remaining authorized amount noted there is essentially the remaining authorization based on the project costs and estimates at this time. And we do plan to come back to ask for the remaining authorization at a later time when we do have more of a scope definition and cost estimate. Efficiency next slide, please. So our financial analysis does show that we are a net positive net present present value with the breakeven expected to be around ten years depending on the project costs. And so this has been a really positive financial analysis for us. As I, as I did, as I did mention, the project cost does have a pretty significant range as a result of the early planning that we are at in terms of stage. So we will be coming back as I'll discuss in the next slide slides about the cost efficiency. So go ahead and move to the next slide for schedule. So today we are here for design and precon and TRA authorization. We do anticipate if approval is given to proceed with design in Q 3 20 24 while coming back for full authorization in late 2025 when we've completed our scope delineation and close and past the 100% design stage. Notice to proceed in 2025 as well in Q four with an opening date. Projection right now is for 2027 quarter three. Next slide, please. All right, so as you can see in this graphic here, I'm sure you're very

familiar with it. The arrows represents where we are currently. As I mentioned, the range is significant as a result of our early stage in planning at the moment. So this authorization will allow us to proceed into design. And as you move to the right, it really highlights the cost and schedule accuracy that we plan to gain as we move towards the 100% design and then come back to commission for the final TRA value. It's also lessons learned from some of our previous trajectory experiences here at the port to be a little bit more of a. To be honing in on the costs. And so this will allow us to do that as we move to 100% design. There's also some project risks that I don't want to get into too much detail here, but we did want to show that we are highlighting and tracking some of these key project risks for this project as well. Well as. So go ahead into the next slide. All right, so to a little bit more of the fun part of the project in terms of design. You can see how this map here shows the, on the top side, the concourse a entrance. As passengers will be walking towards these three distinct areas, you know, offering duty free and duty paid offerings specifically, you can see how it just spills into the concourse a, really gives that passenger an immersive experience for the duty free experience. And as they move towards the rest of the rain and gates down in Concourse A as well, I do want to point out that the exit is also at the bottom right here for the international arrivals facility. So the international passengers will also be able to experience this space as well. As mentioned, the exit to Gina Marine hall is to the top right. So it's a really ideal location for where you have a convergence of many passengers walking into our space here, into this project. So go ahead and move forward to the next slide. All right, so a little bit more onto the details. You know, we really want to make sure that the key elements I wanted to point out here is the liquor and tobacco on the right hand side, representing area one, and then also the beauty and the northwest trail as well. So we really try to bring in the Pacific Northwest elements into this project in a really unique way that offers passengers the opportunity to not only engage with the duty free offerings, but also create a lasting impression from them as well. So some of the key areas that you'll see and elements of this, the design is the outdoors being brought into the concourse a, as you will see. Go ahead and go to the

next slide there. Alright, so this is as you approach the concourse a gates, and then you'll see the three distinct areas here represented in this slide. I mean, the key area, the key element, as you can see is the outdoors and the lighting, the natural lighting that really gets activated within the space. On the right hand side, you can see the duty free trail, the beauty trail to the left, and some of the key ceiling elements right there in the center really give an opportunity to project natural skylight into the concourse, which will really give a unique experience to the passengers. And go ahead to the next slide.

All right, so this is the distillery trail here. As you can see, our two duty free offerings of tobacco and liquor. Not only will, you know, you get the tasting opportunities for the passengers, but also really in a unique way, bring that northwest vibe from the Capitol Hill and Seattle into this distillery trail. Go ahead and go to the next slide there.

All right, so this is an example of basically a proposed retail vendor.

Again, you see that skylight open feeling here that naturally gets brought into this design, really giving the passengers an opportunity to not only have retail offerings but

really experience the way, really experience this design in a unique northwest climate. The outdoor lighting and the opportunity here for retail are a great part of the project that we do want to highlight. Go ahead to the next slide.

I think we're here for questions and that's it. Thank you so much for the presentation. Are there any questions for staff from commissioners at this time?

So what is the term with the tenant that we've established? How long is the lease? I can go ahead and take that one. Great question. So

currently right now, the lease hasn't been executed, so. Oh, sorry. Aaron Gora. Currently right now, the overarching lease agreement has not been executed with ADR, so we can happily follow up with you guys at a later date when we come back around the 100% discount design submittal when all of those lease terms are finalized.

Do you have any idea what's the sort of range for a lease of this? Probably around at least ten years, probably more. I was mostly just interested in knowing if it aligned fairly closely with the payback period that we anticipated it does. For that financial analysis that we did, they had a more specific, targeted date in mind and we are just on the project delivery

side. So we can happily follow up with you offline and get that exact lease term and make sure we get that information over to you. Okay. And then on page six where it says over the course of the term for duty free, net operating income will range from 90 to 110 million, depending on project cost. New additional non aeronautical revenue will ramp up from between from approximately 5.6 to 10.1. So am I reading that correctly and understanding that this area that we're talking about will generate roughly 90 to 110 million in revenue for the tenants that are operating there. I'd have to look into some of those specifics. That's a great question, and I don't have the answer for you, but I can happily follow up. And then while you're doing that. So I'm taking that to mean revenue for the tenants in that area. And that that would represent an increase over the current revenues by the tenants in those areas between 5.6 and 10.1 million. So if you could follow up on that, I'd love to know that. Absolutely. Of course. Commissioner Bowman, it says you're expecting a ten year payback period. Right. And so what I understand. So the overall lease is for the duty free project. So it's then that lease leaser that would then get all the subs each. That would be their problem to fill the place. But it's one tenant, correct? It is one duty free operator, as kind of a operator of all of the concepts. And so the TRA is portions of the base building improvements. And so that's what the \$10 million ask is today. But overarching that TRA is an exhibit in the overarching lease agreement. And that lease agreement is for the duty free operator with the port. And then they are then responsible for contracting their designers, their GC, and any of their subcontractors and any of the brands that may or may not go into those three distinct areas. So we don't really have control over those brands. We have these ideas, or, I mean, I see you have this, like, lined up, but if we're not the. What control do we have over that? That's a great question. And so we'll have to put you in contact with ADR to kind of finalize some of those specifics pertaining to that lease agreement. A lot of what you see in the renderings was proposed partnerships, and so those may or may not be the end vendors that are selected in there. We're just highlighting the specifics to either beauty outdoors or retail options, but we can happily get you

those specifics, put you in contact. And as that lease gets closer to being executed with that duty free operator and those brands and what those offerings are going to be available, we can happily follow up with you guys. We can put like a scoring system in place to, you know. But we already, we already did. So we already went through the RFP process. And as part of that, without going into too much detail, the duty free operator did highlight some of the potential brands that they were looking at. And so what we have presented to you guys in the renderings are some of those potential partnerships. Those won't get finalized until our contract with the duty free vendor get finalized, and then so on and so forth. And because this is like a blank slate, it seems like it's a more expensive build out than we would do for a regular ADR tenant. Right. So it's twofold. Again, today we're here just requesting authorization for that TRA component, that 10.1. There is also going to be an investment on the duty free operator side that is not reimbursable from the port. So a lot of the overall aesthetics that have nothing to do with the base building, that is more indicative of what you would see for a true TI build out under ADR. So they are bringing their own level of investment as well, outside of our request to have that tenant reimbursable agreement for that base building scope. Alright, last thing, when I look at this picture, it says duty free off to the right. It's not clear to me that that whole space is duty free. You know, I love the idea that it's walkthrough, you know, it's a flow through, like other airports, so you can't avoid it. But the idea that that's all duty free, just in terms of the messaging, it's not like over the entrance, right? Is it just the liquor and tobacco that's duty free? That's what it looks like to me that, you know, great question. So for international ticket holders, everything for them is tax free and that's the duty free component. And then again, for domestic ticket holders, they're able to kind of purchase everything with tax, with the exception of tobacco and alcohol. We will happily go back and take that feedback from kind of that messaging standpoint to see if there's a way to make it clearer as we start to develop through design. So great feedback. That concludes your questions. Great. Well, I want to say thank you for the presentation. First, I did have a couple of questions. So it just, it sounds like more space equals more luxury brands for

them. That will ultimately add to their revenue, which is one of the reasons why we're pushing for this. They currently rank 13 out of 22 duty free operations within the US's large hub airports. How is duty free doing on the national level? Are there sales rising and falling? Falling? Like, what do the trends look like in general? That is a great question and I can happily follow up with that. I've not been tracking those nationally. I'm very specific to kind of what we're doing for our duty free. But that's a great, fantastic question. I see Kalia chimed in so she might have some additional feedback to answer that from a national perspective. Kalia Sorry commissioners, I didn't want to interrupt in the middle of the previous comments questions as well. So I will just go back and I apologize if you wouldn't mind. Mind just re asking your question, Commissioner Mohammed? Yeah, you want me to just. I can restate the question. So I was saying that, I basically was saying from what I'm hearing from the presentations and the slides and the memo that has been provided, it ultimately means more space equals more luxury brands that will ultimately result in higher revenues. And my understanding is that their ranking is 13 out of 22 for duty free operations within the US largest hub airports. I'm wondering about what are the trends globally? Are there sales rising and falling? It seems like we're making decisions around trends and so I am wondering how these trends will impact our decision on making investments in this additional space. So duty free collectively is it really kind of depends on how the individual airports themselves are doing. And so we have seen a positive turn in our international passenger traffic, which really lends itself to what we need for the overall demand itself here at this airport. So because we have seen a return, we definitely, our overall demand analysis, really warrant ourselves a need for the expansion. We have seen a quicker return to international passenger traffic than some other large hub airports, like for instance, San Francisco Center, San Francisco Airport or Los Angeles International Airport, who are some of our larger competitors in that market. And so as you've seen, and you may have heard throughout our business and properties, we've continued to expand upon our international passenger traffic with additional airlines returning back, including airlines to Asia, and some of the bigger key components to that. When it

comes to duty free, the lack of offering really does further impact our capability to lend ourselves to that passenger and what that passenger itself demands. Our demand analysis has been going back to 2017 2018, and what the passenger has needed and what that international passenger has been demanding as it relates to what the brands themselves want when it comes to what brands themselves need. From a square footage perspective, we've had roughly about 8000 sqft collectively in the entirety of the airport throughout the years that we've been operating duty free. This expansion takes us up to over 19,000 sqft collectively. But this concourse a would take us up to about 12,000 sqft, which is allows us definitely the full breadth of necessity for a large scale offering, aligning with a variety of things, not just from an international employment perspective, but also from a Skytrax rating perspective, getting us onto that level of a five star rated airport. Great, Clay, thank you for that answer. Also, Commissioner Calkins had a really good question. I don't know if he'd like to re ask aye. question, but from one of the alternative suggestions that you guys made was reevaluating the scope could potentially alleviate project conflict and construction phasing for checkpoint one. And I do wonder if there's an answer to commissioner Calkin's question that could help us decide why now? Like, the return on investment, I think, is what you were asking. Yeah. So, Kalia, I was asking about the term on the lease, which I know is being negotiated right now. I'm just wanting to make sure that it aligns pretty closely with what we anticipate to be the payback period. But then the other question was related to the additional revenue, what we're anticipating to be the additional revenue of this new build out with respect to the current tenants, and if that's what the slide six is presenting there, if you're familiar with that. Absolutely. So we are currently in negotiation of a term that is over 15 years, and so it is along the lines of that 20 year term, the details of the actual financial revenue model, we can provide that to the commissioners separately. We do have a pro forma based on that. And so we did have that pro forma drawn out at a ten year model, because, actually, to be able to do a full projection out farther past ten years is a little bit somewhat of a guessing game based on some of the other factors, but we can provide the full model of additional non aeronautical revenue

that we have ideal as a part of that, too, that we can provide for you. We can put that together for you and send that to you in detail. Okay. And, Kalina, do you think duty free would sell lanyards? Because I noticed you're wearing a Dallas Cowboys lanyard. I could get you a Seahawks one that everyone should have. Thank you, Kalina. I think it's the one you definitely need next time. Kalina, thank you. And then, Commissioner Felleman, I know you also had a couple of questions, too, and I'm happy to answer those as well.

It was just partially the. You know, you were estimating it was a ten year payback period. That's the current. Based on how much the build out cost is, I wasn't clear how much you thought that the tenant was going to be having to put into this effort, but also what influence you can really have on the. Whatever the subs that they put inside there. So the brands themselves, this really is their. This is their market. Right. And so, same thing. When we have tenants propose on any space, they propose a concept, and that's what we accept. And so they have already put together. The duty free market is a very niche market. So we don't really, we don't. We don't tell them which brands to go after specifically, but one piece is duty free, is very specific. Duty free is the liquor and tobacco. Everything else is duty paid. And so what really lent itself to how this proposer bid? They really bid. They bid this in a way that any passenger could feel very confident about shopping it. They didn't feel as though. They didn't feel as though you couldn't be a part of it and shop almost all of it. The duty free was designed very specific to understand that this is the section that is duty free and everything else you could very comfortably shop regardless. And that was a key component to how the panels reviewed this and looked at it holistically. And so they've already bid all of these various parts, these various brands. And so there may be some changes that they do throughout. There will be some flexibility based on what is trending in there throughout the timeframe. However, we shouldn't anticipate that there's going to be a large change of the overall concept itself will be the same. But some aspects may have adjustments, they may have some level of adjustment, some tweaks as time goes on, but we won't have any say as to who brands they bring in. They will have some adjustments there based on larger companies that are part of the duty free

brands themselves. The same way we don't specifically dictate to other tenants when they bid. Thank you,

Kali, for those answers to the questions and thank you all for the presentation hearing. No further questions for this item. Is there a motion and a second to approve item ten b?

So moved. Seconded.

Commissioners, are there any additional discussions on this item hearing?

None. Clerk Hart, please call the roll for the vote. Commissioners, please say aye or nay when your name is called. Thank you.

Beginning with Commissioner Calkins. Aye.

Thank you. Commissioner Felleman. Aye.

Thank you. Commissioner Hasegawa. Aye.

Thank you. Commissioner Mohammed. Aye.

Thank you for ayes for this item.

Thank you so much. The item passes or the motion passes. Moving to item number eleven. Presentation and staff report.

Clark, please read the next item into the record, and the deputy executive director Goon will then introduce the item. And for the record, Commissioner Hasegawa. Is now joining us virtually for the rest of the meeting. Clerk Hart, thank you. This is agenda Item eleven, a diversity and contracting 2023 annual report and five year review. Commissioner, earlier this year you passed an order directing us to update our diversity and contracting goals for 2024. Those goals to have a portwide WMBE goal of 15% of total port spend and to have 400 firms utilized. While we won't know until next year's report whether we meet these goals, I'm pleased to report that through some metrics we were trending in the right direction. This report will cover our results over the last five year period and our roadmap to achieving those goals.

Dave McFadden Matting Jing Director, Economic Development Administration and we'll be presenting. Thank you. Good afternoon, commissioners and deputy executive director, Goon. We're very pleased to be here today to give you an overview of the five years of work and results we produced through diversity and contracting. I'm here to very quickly introduce our speakers today. On the far right is Emily Ho. She's our diversity and contracting manager. To her left is Lawrence Coleman. He's our women minority business enterprise manager. To my right here is Meehan. I'm going to reintroduce aye. more properly in a minute and I'm going to turn aye. over to Mian right now because we've got a little video we want to show you. Let's go to the next slide and I'll just show you our agenda today.

There we go. Show us yours.
Testing, one, two, three. All right, you can hear me now. Good afternoon, Commissioner, Commissioner, president, commissioners, Deputy Executive Goon and Commissioner staff and all those folks who are listening here today. I'm really here. Excited to, just really excited to talk about our diversity contracting program. And as well as in 2023 is our last and final year of our five year benchmark. And there's just a lot. I'm just really excited about how we've come so far. And you can hear a lot about that as we progress through today's conversation also as well as some of the slide decks as we are going through today with Mister Coleman and Miss Emily Ho as well. So without further ado, before we get into diving into the presentation, we do have a short video and then I'll hand the baton over to Mister Lawrence Coleman to really get into 2023. And then we'll get into the overall five year achievement of how the ports have been when it comes down to women minority participation on our contracts. So without further ado, next slide please. And we'll get into the quick video. Yeah, just a flag. I'll need to let it buffer first and then I'll play.
Thanks. Copy that.

We are consultants in the area of construction management and project controls. That's a long phrase that says we help the owner of a project that's being built or installed to become aware of their scope of the work.
How much of their spending can they report on it and give recommendations on how the work can be adjusted to meet the owner's goals? The diversity team is wonderful. Thank you, Tina.

Thank you, Mia. You guys have been like our guardian angels and giving us insights and opportunities and learning from the experience from a large corporation and how it fits within a small micro business. Three, four years ago, I started seeing the divestit gold program down here in Seattle. And it has come to a fruition that the companies are definitely using small companies and promoting them to do the projects. Some of the projects that we do over here are primetime projects and they have to have that kind of skills and experience to get the job done. Being a small business and coming from Fiji islands when I was, you know, young and still looking for a way, I'm so proud that I've got almost 175 to 200 people working for this company. And my pride is based on my employees.

They've got food on the table and there are some special people working for the company. And it's the greatest point of the small business to own a company from starting from scratch and then taking it to somewhere that we are at right now. We consist of people of all walks of life, you name it. We have about 70% are women, maybe 80% of people of color.

One time I was in the ladies room washing my hands, getting ready to leave, and I saw another lady come out and she started, we just chit chat and start talking. And then she introduced herself as one of the commissioners. Just an everyday person, just like me. I was able to start the communication with her and talking freely. That's the culture of the port. You can approach and talk and build relationship. The partnership between Port of Seattle and the diversity program is very, very unique. And it is the first time I've seen this kind of real, real, really impressive utilization for diversity program. So for net compliance, I think the future is looking very bright. And thanks for the diversity program for Port of Seattle.

All right, well, I have to first again, thank not just Lawrence and Emily and a lot of our diversity and contracting staff, but also you commissioners. I'm doing this early, going a little bit off script, and I apologize for that you guys have been so supportive over the years and I really appreciate all of you guys efforts. Again, my name is me and rice. I am the director of diversity and contracting department for the Port of Seattle and I am going to hand the baton over to Lawrence to just jump into 2023 and then we'll wade into the whole five years after we talk a little about 2023. Lawrence, thank you man. For the record, Lawrence Coleman, women in minority business program manager our scope and our team is primarily considered concerned with the solicitation and eventual contracting. And so we dive quite a bit with lots of project managers and lots of folks that are putting out contracts. Go ahead to the next slide for me please. So as mentioned, the intent for the first few slides is just to wrap up 2023 and put a bow on it, right? As mentioned, we were established a benchmark for five years with 15%. And so again, for these next few slides, I'll just be showing you where we landed at for 2023 and then turn it back over. And then we'll get into diving into the five year and just tracking some progress and showing just some results.

So as Mian mentioned again, we established this initial benchmark to achieve 15% overall WMBE utilization. What you're looking at here is that final year, year of 2023 and we established and we landed at 12.4, excuse me, 12.4% for our overall WMBE utilization. And then it's broken down accordingly for construction 9.2% and non construction 15.7%. And that's on the over \$600 million that the port spent in 2023. Go ahead to the next slide for me, please.

This is a closer look at divisional goals. As a reminder, each division and department is also to establish utilization goals for their respective units. And so again, I thought the policy directive was creative in trying to drive accountability not just with our unit, but throughout the port of Seattle. As you can see here, all of the departments aye. the goals that they established. And just keeping in mind that some looked at some different budgets. But nevertheless, this is certainly some good news to see that folks establish some marks and achieve them. I will say as we get later into the presentation, we'll talk a little bit about just some of the tools and some of the strategies and even some of the challenges that we've encountered over the last five years. But again, this is just wrapping up 2023, showing what the departments, or, excuse me, what the divisions have established for goals and how they landed for 2023.

Go ahead to the next slide for me, please. This slide is a closer look at specifically at corporate.

And my folks at the port may know how we're structured, but really for the viewing audience, this is just to let you know that corporate is made up of various departments. And so it's still accountability is driven down to those respective departments. I'd say that a good portion of these folks and their teams have met their targets. I'd also mention that these corporate departments are made up of the various executive leaders. A lot to spend, sometimes not a lot of money in their respective budgets, but certainly it doesn't deter folks from making efforts. And I'd say that's what you're seeing here, is a reflection of the efforts that are made, and also accountability that's not just driven at that higher division level, but that gets down to the department level as well.

Go ahead to the next slide for me, please. And then finally, me and team came to this body a few months

ago, earlier in the year, to talk about the gap year. And so what the plan is, as we do a better analysis of taking a look at how we did over the year, we're calling 2024 a gap year, and we've established a 15% goal and that's going to be carried over through the rest of 2024. But we decided to continue to increase the number of businesses and established a goal of utilizing and working with 400 businesses. Prior to that, it was 350 something firms that we intended to work with. But in 2024, we still want to make sure that we're making some efforts to be intentional and work with businesses. And then lastly, I'll note that there are some departments that still are keeping up the momentum and are making strides to exceed that 15%. With that, I'll turn it back over to Dave to kick us off for our five year review discussion. Great. Let's go to the next slide. Let's go to the next slide.

Next slide, please. So in January 2018, it was a momentous day. It was Commissioner Calkins, I believe, first day on the commission, and it was the day we announced that Steve Metruck was, was joining us as the new executive director. But I do, I'm a little biased here. I think our most impactful action that day was passage of this resolution that really increased the amount of WMBE spend from five, where we were on that day, to 15%, and tripled our goal in terms of WMBE firms doing business with the ports.

Yeah. When we started and passed this policy, we took a gap year, too. Let's go to the next slide because we had a lot of work to do. We needed to develop annual division and department goals. We needed to establish inclusion plans. We needed a new supplier vendor database. Our outreach and technical assistance programs were in their infancy. We had to create new structures and define roles and responsibilities. We had to do a tremendous amount of work.

Meehan's department may be the face of diversity in contracting, but the results you're seeing today are the results of the hard work of hundreds of people across the port. We would not stand here successful today if we didn't have the active support from CPO, from our project managers, and from our sponsors on various projects throughout the port. So, as Mian mentioned earlier, you're part of that support team. You've been our rock all the way along. And, you know, I'm gonna finish up by just saying. This office, when we started, had two people. It was me and an assistant. He's about ready to add aye. 9th FTE. So

that's how the program needed to grow.
That's how it's grown into this
responsibility and into this opportunity.
He's done a magnificent job. It's my
pleasure to turn it over to aye. now. Ooh,
I like this.
Next slide, please.
So let me get to the punchline. I love
this \$375 million to
win be firms over the five year sensor
starting in 2019.
And also, I want you to take a pause here
to take a look at how much we grow when we
start putting our, our thoughts and
efforts towards being part of the
community. Even more so from an economic
perspective, starting from 2016 all the
way through 2023, it's been phenomenal to
how the port has really leaned in and
engaged and made affirmative efforts
towards our future. And one of
the really things I'm really excited
about, you know, it's not just the percent
utilization, but also the number of women
minority business firms that are actually,
we contracted with. We had a goal of 354
businesses as of 2023. We've not
only aye. it, but also we exceeded that.
So we got 392. So we did aye. our
five year benchmark goal and come 2023,
when it comes down to women minority firms
that we've actually partnered with. So
this was really exciting, and this is a
testament to a lot of our port employees
and project managers and construction
managers and all the rdrs out there. So
thank you again to all the port folks of
being part of the community and leaning
into it. So this is awesome. Next slide.
So as part of that, that is about
intentionality. Intentionality is the key.
And we were we as a port, especially when
it came down to our diversity and
contracting policy directive and which was
established. 2019 was our first full year.
When we. The blue you'll see is.
The blue line is if you are, we did
nothing right. That is something in which,
you know, we just did our everyday
business without being intentional.
You'll start seeing in the blue shaded
areas we didn't, you know, that's how much
we, over time, would have just done
and made. And the green is by
all the added efforts in which we did,
from inclusion plants to putting goals
and vendor connects and outreach and all
the things that we were able to do to
be intentional about getting out to the
community. And as top of the 152
and the blue, that \$253 million
on top of that from being intentional is
what we've actually accomplished total for

the full five years. It's really exciting and this is fabulous in terms of how we've actually moved the needle. And I'm, again, I'm very excited, but I'm also saying this at the same time. We still have a ways to go. This is something in which this is not the end.

This is just the floor that we can continue going on.

I'm going to hand the ball over to Mister Lawrence Coleman to dig in a little bit more into the numbers as it relates to some of the ethnicities that actually participated throughout these five years. And so, Lawrence, I'm going to hand this ball over to you. Thank you, man. Go ahead to the next slide, Flores, please. Lots of communities are certainly interested in how we do on a bigger sense when we talk about minority. But let's be honest, you know, respective communities are interested in understanding how you're doing for our community. And I'd say that's what this slide is conveying.

It's transparent. It is what we're doing right now. And we just want to be upfront and honest and just be clear about how we're doing with respect to community groups. Just over the last five years, close to 800 WMBE firms has partnered with the port of Seattle. In addition to that,

8.5% of the spend is going to specific ethnicities to the tune of over \$240 million non minority women made up about 3.5% of women spend, which is about over \$98 million.

But let's point out, maybe a real comparison here is that minority females represent under 1%. WMBE spin. But they do come in second when we talk about minority females specifically representing about 85.

85 companies have had the opportunity in the last five years to do business with the port of Seattle. We do have some work underway with regards to a disparity study to uncover some specific trends to try to help us uncover. I think it's always a tough question to answer is why, right. Why and how. And so we're certainly committed to getting to that. But again, what I appreciate about this slide and what we're proud to share is just really where we're at and just intentionality when it comes to trying to do our best to incorporate women in minority businesses on our projects. Go ahead to the next slide for me, please.

This is a slide that represents goal attainment. As we spoke to earlier, accountability is driven throughout the port of Seattle. So it doesn't just live

with the diversity and contracting team. Everyone owns it. And that's what this is displaying. So every year we meet with departments and divisions. What the policy directive asks for is that folks make bold attempts. Right. And what I appreciate about that is that's what this is. Right. You know, some folks make it, some folks don't. But it's nevertheless, it's still an effort that respective departments step up to the plate. In the last five years, 76% of the departments of divisions have aye. their goal, which is something I'd say to be proud of. This process has been a little more art than science. You know, just trying to align budgets. There's been realignments. Right. And that does have an impact on where things are driven. But nevertheless, I do appreciate folks that have stepped up to the plate to put themselves out there to establish a goal and try to work towards it. Go ahead to the next slide for me, please.

Over the last five years, we've made some strides in non construction, and that's what this slide is showing us starting back in 2017, as you can see. 2017, 2018, I'd say those were years where we were. There's discovery. Right. Still kind of operating business as usual in that 8%, 9%. But look at 2019, when we started to be a little bit more intentional, what that did, right. We jumped up immediately. And when I say be more intentional, some of the tools that we have at our disposal are when you all see projects that come to you via commission or even sometimes in presentation, you'll see something that says a win be goal. Right? That's our team at the various acquisition meetings. We have a spot on the agenda where we're talking about the WMBE inclusion. And so, again, being intentional has certainly led to some opportunities for women in minority businesses. And then, as you can see, in 2020, we aye. a peak of about 16.5% I'd say generally, non construction does do quite well. There's a wide variety of projects and opportunities for folks in there. And I'd say right now we've kind of stabilized, and so we'll see where we end up going when we start to talk about the future. But nevertheless, great progress in non construction as I see it. Go ahead to the next slide for me, please.

Construction over the last five years, just simple and plain. We haven't made much progress. We've had some progress and seen some success and some growth in 2021, but we're, we haven't gonna seen much since then for a variety of reasons.

Right? The port is a sophisticated place. For example,

there was a baggage optimization contract with conveyance systems that costs millions and millions and millions of dollars, and lots of folks can participate. But what I can tell you is without the program, there wouldn't have been any goal. So we were able to establish a small goal to get some opportunities. But it's still, I mean, you still got millions of dollars that are sitting on the books with not a lot of WMBE opportunity. Me and I'll talk a little bit about some of the successes and challenges when we get a little further in the presentation. But nevertheless, I guess what I'd like to leave you with is we got some work to do in the construction space. Go ahead to the next slide for me, please. With that, I'll turn it over to Emily Hoda, talk about some of our efforts with regards to training. Thanks, Lawrence. So, for the record, my name is Emily Ho. I am the diversity and contracting community engagement and training program manager. So the Port Gen program, which stands for the Port of Seattle Small Business generator program, was started by Meehan in 2019. The team at the time conducted training and outreach activities while juggling the many responsibilities of the rest of the program. 2023 was the first full year that there was somebody who was dedicated to training, outreach and communications. This slide shows what was accomplished in 2023, demonstrating what training and outreach has grown into by the end of this five year benchmark. So for training and events, we had more port gen events than ever before, at a total of 14 events that consists of project first looks made possible by the partnerships of the project managers from the PMG groups who show up to share about the projects and meet some of those businesses. Our port 101 sessions, as well as networking events where WMBE firms get to meet poor decision makers as well as primes that are looking for subs. We also started tracking participant data in a robust and meaningful manner before, we only had estimates of how many firms had attended. Now we can say we had 193. Unique WMBE firms attend our events last year. I say unique because a lot of firms attend more than just one of our events. Lastly, our accelerator mentorship program happened for the third time last year and to my knowledge, there's really no other program that is like it. A select group of WMBE businesses get one on one mentorship with

an individual industry prime. They are part of a cohort which really fosters a supportive learning community and they have access to the highest levels of leadership at the port. For outreach, we participated in a large number of trade show events and the same number, if not more community events. It's in these settings that we meet diverse firms who we encourage to enter the pipeline of becoming a vendor at the port by providing them support to register themselves on our vendor connect platform and by connecting them to port decision makers and primes where appropriate. Lastly, for communications, we use a wide range of communication methods, particularly since 2022, such as our weekly digest quarters, newsletters, blogs and advertisements. Not only do we have a very wide reach with a lot of people who receive our communications, the audience is one that is really quite engaged. They open our emails and they click on our links. They show up to our events. So, in summary, we have done a lot of lot for outreach and training in 2023 and over the past five years. The focus of 2020 is to be more strategic one about our efforts and to continue improving on outcome. Tracking me and will talk further on that in the next section. And with that, I'll hand it over back to Mian to discuss program evaluation and next steps. All right, next slide, please. All right. Program and evaluation and next steps. Next slide, please. So, commissioners, program evaluation over five years, we've met with over 60 individuals from various community organizations, partners and all different types of folks, both internal and external. They're really talking about construction, consulting, goods and services, outreach. You kind of covered the whole gambit with a lot of the different individuals out there and come up to some areas, specific areas. There's a whole list of other items, but we just started bringing forward some challenges and some drivers in which were kind of identified on both sides of the coin. So these upcoming slides from that you'll see here in the next, from each one of these four areas, construction, consulting, goods and services, you'll find those challenges and those drivers to help obtain those women, minority businesses out there. Next slide, please. Starting with construction, construction, drivers. And I think this is something that you've heard over the years past, alternative to contracting methodologies, the general construction

and construction management type contracts, those design build and other alternative methodologies that support that is a great opportunity for women minority businesses as well as small works. Again, Emily, as you saw heard from our port gen efforts, this is something else. Has been a major driver to help those women minority disadvantage businesses out there know about the port of Seattle. It's been fabulous. Some of the challenges that we've seen, though, however, have been more on the challenge between bundling for efficiency of all of our major projects, our capital projects, versus the unbundling of the projects for increased women participation. So that has been a challenge. And under the construction category, for those for this area, there's some significant project requirements sometimes make it a little difficult for those women minority businesses. From cash flow, you guys heard this before, bonding insurance and then for some project labor agreements. Those are some of the areas in which have been identified over the past number of years since we've been keeping track in terms of working with our women minority businesses. Next slide consulting consulting side of the coin or service agreements drivers. Again, setting wouldn't be goals on contracts inclusion plans. A lot of the challenges that I think you guys have seen and heard rates have been. Sometimes it's been a challenge for some of the small or more specifically WMBE businesses, because we do have our thoughts about how much the rates are for our for or are doing a certain amount of work versus what the industry rates are. So sometimes there's a lot of dialogue between the rates beside insurance utilization of the same firms, low use of professional service roster, something in which we do have a roster for a and e firms. And so we just need to build that up on that side. And then monthly amounts, paid forms, and not always submit on time. Basically, that's kind of reporting system for a lot of businesses, how they're doing on their projects. Next slide, please. Goods and services drivers rp cards. That's been awesome. You know, we go out to the stores and to buy our cakes or brownies, whatever it is that we want to buy here at the port, we have. Our surface contracts are also a major drivers like janitorial contracts. From the surface side to the coin are some

of the challenges that we've seen is, again, from a p car perspective, some of our transactional relationships have been difficult to really capture those women minority businesses and ethnicity, ethnicity status. So when you walk in that store, you know, they're not signed up on our vendor connect. So sometimes hard to really say, hey, I am a african american firm in which or business in which, you know, your working, you just bought some goods from me. We don't capture that on our credit cards. It's hard to do that. So in terms of an ethnicity perspective. And then also there are some other areas where we found that some challenges are we, the port typically say, hey, we're buying some widgets or whatever, we want the materials first, then we pay you. But sometimes as it's working with small businesses, they have a third party supplier and some of these small businesses don't have a huge warehouse. So they want to get the money first and then be able to pay. So it's kind of a little backwards. But regardless of that, that has been a challenge that has been identified from a goods and services perspective. Next slide. Outreach and training. Emily has brought up some of the areas already poor. Jen has been, we've been doing, she's been a rock star in terms of bringing out a lot of the businesses out there, learning how to works large. It's well attended. We have regular communication efforts. When it comes down to our outreach, you know, we have a consistent presence of engagement within our community groups that has been really awesome. Some of the challenges are sometimes are bridging the kind of the knowledge resource gaps between their vendor capabilities versus port requirements and just making sure that there's a tie in from the capabilities for what we're looking for. Even connecting with our vendors, our connecting with our vendors and port purchasing decision makers with each other. You know, port of Seattle, I always consider like a large city, and you don't know everybody, right? So we try to try to outreach and do, if we can, internally wise, to connect that vendor with that, with that said business and then also tracking outreach and training participants outcomes. Basically what's been hard is, from our side of it, is that, okay, we know who won the project, who's getting the work, but sometimes we don't always know who's all pursuing the work. And that's been kind of a challenge in terms of, from a pursuit perspective.

Next slide. So all this to be said, what are our lessons learned? Getting to the nitty gritty of this whole presentation? Lessons learned. One of the things that since I've been working with the Port of Seattle in this capacity since 2012, there has been a significant shift, a shift of thoughts about the port of Seattle, both internal and external. There's moving from a huge shift, moving from the port isn't interested in working with us in the community and or I can't find a work to now there are good opportunities and the port wants to work with and support WMBE businesses. And again, I want to make sure I say this again, the port wants to work and support WMBE businesses. It's been a significant shift over the years and that is a great thing. The other lessons learned is of course as the devil's in the detail, especially when to build influentialization in each industry. Consulting, construction goods and services, each one has their own little nuances that we always have to pay attention to to move the needle forward. Increasing now this is the one that we alluded to earlier, is increasing construction and wind utilization. Construction is the key to achieving higher port wind utilization goals. That is, construction is one of our biggest, highest dollar that we put in with our major capital programs. We have to, you know, if we can continue to push our WMBE goals or WMBE utilization, our construction projects will, we will continue to drive the utilization overall port wide into the next stratosphere. So next slide please.

This is something that you've seen earlier on, early this year. This is just a roadmap for this year as for 2024, as we continue to work with you, commission staff, executive, leadership team, all the parties, internal and external, to figure out what the community, what we're going to do for our new goals for the future. You know, the check marks, we already did the program evaluation. You have to commission order. What we're waiting for right now is disparity study results and you know, just continue to have these community engagements and hopefully by the end of the year, by fourth quarter, we'll have a first reading of our new resolution, our new goals and all of our efforts that we're going to do for the next five years. So a lot of work is going on and needed for this whole gap year,

time period. Next slide please.
But why wait? We have a lot of things for suggestions for immediate improvement. One is to improve WMBE compliance system. We just need, we need to improve our WMBE compliance system, support our WMBE partners and validate WMBE attainment. We are getting in a budsman position. However, we need systems like there's a system called B 2g now or something similar or whatever it is, just to take out a lot more the human error in terms of capturing some of our women businesses that we're working with on and also from a compliance perspective as well. This is something in which we definitely need to continue to build and get better at in terms of making sure that we accurately capture our wind, be businesses out there that work with the port of Seattle we do need to. Something else that we can do right now is our raising of our professional service dollar thresholds. That's something that, it's more of a, it's a port policy as opposed to a, I guess you could say a state RCW. So we have a lot of flexibility within raising our professional service for architect engineering thresholds with the Newport that would go a long way. Definitely need to refine our labor agreements to support both your favorite kids, the workforce, and also our WMBE businesses. And so trying to identify that balance, especially when it comes down to project labor agreements. And one of the areas that we could always start off with is really taking a hard look at our current PLA thresholds. Something that we've raised that up to accommodate more women business participation. So that's something in which I would love to continue to get your support in, especially if we are bundling a lot of our capital projects into larger projects. So somehow there has to be a give and take behind there to allow for more women participation and then again, prioritize alternative delivery methodologies. Basically, that's the GCM and design build projects. So next slide, please. So with that, I want to say thank you. And before I turn it over to you commissioners with your questions, I wanted to say also a big thank you to Mister Dave McFadden. He has been a advocate, a supporter, and just all around just a great guy in terms of really working with the diversity and contracting department. And I just want to say for this five year portion, he's been

outstanding. So thank you, Dave, for all your support.

Thank you, commissioners. Did Director McFadden tell you to say that? Yes, he paid me well, actually. Yeah, he's next to me right now.

Commissioner Calkins told me to also say that as well. I couldn't agree with your comments more, for sure. Thank you both. Thank you all for the presentation. I will now open it up to questions and comments from commissioners. And I will actually start with Commissioner Hasegawa, who's joining us virtually. Thank you so much. Thank you so much, Madam president. Thank you so much to staff for the presentation.

Genuinely. You know, I'm really struck by the video where they talk about how something so small in an everyday interaction represents organizational change. And to have that followed up with an incredibly robust presentation on the data on the work that we're doing that translates into meaningful relationships with Wendy's is incredibly affirming and similar to staff, I think as commissioners, we do the day to day work and to come up for air and really take a 10,000 foot view on the progress is just really inspiring. And I want to.

I just really want to thank you all for your leadership and your thought partnership on this. I say that as a member of the equity workforce Development Committee which has taken up this body of work in particular over the past couple years. And when we saw that we were making our WMBE utilization goals, we asked you to be ambitious. We didn't, you as staff did not use that as, you know, something to, as a placation. You took that as an opportunity to recourse and do even more.

And so I'd like to thank you for your audacity and your ambition. And you know, my hope is that we will see a notable breakthrough as well in WMBE participation in construction as well. It is an incredibly tough nut to crack and it's one that we've been working towards.

I look forward to the disparity study results, but we do know that there is a lot that we can do, including just small, small things that we refer to as low hanging fruit. And I agree with you, you know, we don't have to wait. There's a lot of progress that we're continuing to make. And I love this body of work and I love being able to hear about the progress.

We'll give it a second.

Can you hear me now? Yep. Yeah. Yeah.

Yes. I also really love to hear about the work with Port Gen and the training that it's doing and you know, the successful participation of eleven accelerators and also the general outreach that's been, been going on with minority women owned business enterprises. It really lends itself to sort of a hug, a wraparound approach to getting folks engaged and being able to retain them and empower them to do business with us. And hearing from them, their selves that there's been a shift from the court isn't interested to. Okay, they're interested. So now let's talk about the barriers is so important. You can't bridge a gap if you don't at first acknowledge it. So I'm really glad that we're walking towards that. I'd also like to acknowledge this work has happened long before that. I personally joined the port and there's been, I think, a long trudge and this work has to be ongoing and should outlast all of us. So I look forward to actions that we're going to be able to take in the future that can really make sure that we're making notable progress, including towards in the area of construction. And agree with you that the devil's in the details. I don't have any questions. It's really just a heart full of gratitude and acknowledgement and the tremendous labor that's gone into this over the course of many years. Director McFadden, I'd also like to take this as a point of personal privilege to thank you for your leadership and the growth has happened under your watch. Congratulations on your retirement. We are going to miss you, and I just don't know how we're going to be able to fill your big shoes. But thank you. Thank you for empowering all of us to be able to make progress in this incredibly important priority area.

Thank you, Commissioner Hasegawa. Commissioner Calkins. Yeah. As Dave said, I think this is my very first vote as a commissioner, so I like to see that it's aging well. When we talk about these goals and as we're thinking about the development of new goals, I'm wondering if there might be a mechanism by which we can sort of demonstrate them on the dashboard a little bit more intuitively. So I'm looking at page twelve on the, the slide deck top, and what we're looking at is a percent of attainment, which, you know, as a nerd in school, I was always like, I want to get 100% on everything. And we're not actually shooting for 100% on these, I presume what we're talking about is disparity in most cases. We're trying

to make sure that our, that our contracting projects, our workforce is representative of the pool from which it draws. Right. So, you know, if you were to look at the numbers on page 29, the appendix on page 29, if that were Iceland, that would be truly remarkable for Iceland. They had met their diversity goals in King county. That's not good enough. Right. And so I think if we could show these data, as, you know, if we're in the red, it means that we're not representative. If we're sort of in the yellow, let's say we're close to roughly representative for our community. Let's say if there's 15% of King county is hispanic, we want 15% of contracts to go to hispanic owned businesses or something close to that. Maybe if we get into the blue, it means that we have surpassed that achievement and we're over and above the. There is no disparity. In fact, we're overrepresented in a particular category. And I think that would be more intuitive to folks than just aggregate percentages that make it feel like way undershooting on something. Or in the case where we do achieve, you can't really see that we've met a target very well. So this is a little bit just pedantic in the way we present the information, but I think it would be helpful to kind of understand copies and then to follow on to commissioner Hasegawa's remarks. I think we got the low hanging fruit the first couple of years. And as we move forward in the program, a part of what we're going to need to do is move beyond where we have direct control and into areas where we have influence but don't control. And that's going to be, and, you know, I know that we have been walking and chewing gum on these issues. At the same time, we have continued to look to legislatively, legislative fixes for areas where we aren't permitted to take bolder steps and asking for a fix in the law. But, you know, I don't think we can have this conversation without that conversation. Where are the areas where we wish we could make changes, but we're currently prevented by law, and how can we as commissioners go and advocate in Olympia or in DC to make those fixes? I appreciate all the work. Thank you, commissioner. Commissioner, Commissioner Felleman, thanks so much. I really appreciate seeing these annual reports and then to see it wrapped up. I want to build a little bit over what Commissioner Calkins said. I appreciate Commissioner Hasegawa saying

that this has been a long term effort, and we obviously see that progress. And I really am very appreciative of that. One of the things I keep on asking the question is how you come up with the initial goal. Like, you know, and I appreciate Commissioner Calkins talking about the diversity of the population at large, but really, you're trying to get to the diversity of those businesses that exist. Right. So what are the opportunities? And so I would like to see, like, what's 100%? If you had the perfect score for businesses that you think are available to do the job. And, you know, hopefully that would reflect something about the overall community. But it's really, some of these jobs are not representative of the community at large. But so you have to have some Metruck, right, that you're using to set your goal. So what would be 100%? I don't know what that would look like. I give you two tools. One that we use is department or division leaders to see set goals. And then Lawrence has aye. own way of identifying goals on projects where he's creating those goals. So at the beginning of the year, Lawrence and aye. team will literally sit down with me and my department heads and look at all our plan spend for the year and have a conversation with us. How about that contract? How about this one? What can you do there? And we will literally set our goals based upon looking at every transaction we have in our entire budget and going, if I do this and this and this, that gets us to 16. That is literally how we set our department goals. Now I'm going to turn it over to Lawrence because he also establishes goals for our projects. Yeah, I think you bring up an interesting question. You know, what's 100%? I'd say I'd put point to not necessarily what makes 100%, but disparity studies are aimed at trying to get to help folks understand what numbers meet parity. Right. And so we're remember the intent of the programs is to remedy past discrimination. Right. So there's not necessarily a number, but we do know that there's all kinds of other indices and numbers that speak to what progress is and what parity is, is. So I'm excited to see our results when they come out, because they do speak to what parity is. What Dave is referring to is a lot of the work that we do when we talk about the project goal setting, we look at availability as important, you know, when we talk about who can do what in these respective spaces, and that influences, you know,

how we can land and establish a goal. And so maybe even another shout out to folks to make sure that they, they show up in databases. Right. Whether they're the. But that's my point. That's the question. Like, how do you get that number? What, what number is that? Who's available for that kind of work. Yeah. So that comes from the databases. Right. So a lot of the great work that our outreach team does to engage with folks, encourage them to be seen, show up, identify what you do. So the port of Seattle's vendor connect, as well as the state of Washington's OMWBE office of Women in Minority business Enterprises, which is the state's only official UCP unified certifying provider. And so folks get in those systems, and that's the way that we all see them. So whether it's the respective public agencies or prime contractors that are looking for folks, that's how you get seen. And that's where we draw the number from availability and sound transit and county sound transit washed out all those other folks. So you really get a ballpark of what's, you know, if every WMBE firm of whatever ethnicity came to the table. So then your percentages of that possibility. Correct. So I think you know, it's always been a mystery. It's like what is your universe that you're drawing from? But that's very helpful. In fact that there's a state database that at least gives you a ballpark of what you're working with. And as long as the trajectory is in the right direction, that's what you're really talking about, efforts, right. It's efforts. We're making efforts. And I'd also note that the county US census data is used as baselines in addition to assist when we talk about some of the larger goal setting. When we talk about if we were speaking to our federal program, which Lisa fair runs, that helps us in establishing what those federal targets are. So when we're pursuing those federal dollars. Just a couple more real quick. Sometimes when you look at a long term database, five years or something, it's the anomalies that tell the story. Right. And so I was kind of funny that I didn't see that big a COVID signal, you know, what do you attribute that to? I mean wouldn't you think that there's a chance that that would give you some insight? Well, I'm going to take a swing at this. During the COVID time, we put the, you know, metal to the floor in terms of our projects. We actually continued on and we actually. And so that's probably the reason why you start seeing, you continue

to see a progression there from a positive perspective, especially on our construction projects, because since nobody's at the airports or around, what better time to do it? So I think this is during days with the soiki and crew that said, hey, we as a, as a port, we're going to continue to push on our projects even if in, despite COVID and make sure that we actually have it. That's my guess. So you kept the foot on the metal and that's a great, I mean that's a fantastic indication that you sustain the effort. So I really appreciate that. One of the things that you identify though is a major goal is to break up these projects, right. Make them less of a. Something to choke on. And I think this gets back to one of the challenges that we have a lot often run into. It's more contracts that means more work at CPO. It seems to me that we have to provide more support for CPO for almost everything that we want to do because we have such ambitions. And so I think that's one of the underlying challenges for we have all sorts of ambitions of the organization. This is a huge one. Yes. And so, and this is, I think, a foundational way to achieve the next tier of your goal. So I guess I would love to see about navigating that question because as commissioner clockwise talked about, the low hanging fruit was there, but this is one that's kind of under our control. And I'd like to acknowledge Commissioner Calkins long term interest in that. However, I don't know about announcing the metrics arrival, and in that time, it's like the previous commission had made that decision. But other than that, I do recognize the fact that this has been a high priority. So thank you so much for your work. Thank you, commissioner.

Well, Lawrence, Meehan and Dave, thank you all for the presentation. And I do echo the same sentiments as my colleagues, and they've asked really excellent questions, which I was going to get at as well. And I think for me, I'm looking forward to seeing the outcomes of the barrier study, and I hope that comes to us in a timely way. There are a number of considerations around construction projects and so forth, and so I'm hoping that we get that as quickly as possible to maybe help us make some policy decisions as well. I did have a question around slide 27, this new a budsman person position that you have. Yes. What is that person going to do? Are they act as a. So this person, you know, one of the things that, well, multiple things for

one is this person
is going to be assisting those minority
businesses, small business firms that
are on project labor agreements, PLA
projects, because sometimes they need to
support us as well. On top of that,
continuing to do compliance, setting
goals, limit goals, assisting on RFPs
request for proposals. Sorry. Use these
acronyms and just really being a
supportive system. So it's not always
about getting businesses in, but also
retaining them as they are on board. And
this investment position will be working
with under Lawrence Coleman here to be
able to really support those businesses
once they get into the port and be able to
pick up the phone and say, hey, I need
some assistance, or who do I go to about
this? So it's definitely a support,
leverage, perspective or position to help
our women businesses. And are they going
to be responsible for identifying barriers
and doing any sort of investigation? Oh,
yeah, they'll do. They'll do a lot of that
investigation.
It typically comes to Lawrence and just
from an investigation, identifying the
barriers, and then it just kind of reports
up from us and we try to troubleshoot as
best we possibly can to actually get to
it. It's very project specific and it's
very in the weeds, so to speak, when it
comes down to supporting our businesses
that actually on the project itself.
Great. Thank you for that answer. Well,
that concludes my questions. Again,
thank you all for the presentation and for
the excellent work that you're doing on
behalf of the board. It's not easy. And so
I commend you guys for the work that you
do every day. Thank you, commissioners. I
also wanted to real quick, just
acknowledge a lot of our team, Josie Regan
and Lisa Fair, we mentioned her earlier,
them earlier, and also some folks that are
not here, Evan Namdi and
also Yara belit.
So that's part of the team, and they were
instrumental in helping us move this
needle forward. So thank you to all the DC
team. So thank you. Thank you,
commissioners and everything, for all your
support. Appreciate it. Thank you.
Appreciate you being. Thank you.
All right, well, that concludes our
business meeting agenda for the day. Are
there any closing comments at this time or
a motion related to a committee referral
from commissioners Commissioner Felleman?
Well, I'd like to start by thanking all
the folks that cleared the airport drive
in such an expedient, bad manner and

without people getting hurt and certainly a good time to recognize employees when they put themselves in harm's way like that. So big shout out to that. And it's unfortunate the airport is often found as the target for such activities, but clearly there's a lot of unrest in the world and folks are looking for ways to articulate their rage at the situation. So I just want to note that I'm going to be out of the country for both Earth Day this year and for Passover. And so I will be, fortunately, continuing the environmental work over in Sweden, looking at ecotourism programming and look forward to bringing back some of those things. You know, being in enviro in these days is sometimes daunting and if not a little depressing. And so. But I had a chance to get up to the San Juans again this weekend. I've been doing that since 1980. And you think sometimes you just get old on tired of it. And I'm just reminded about how lucky we are to live where we are and what a spectacular place that we have a privilege to live in. And it's like, you know, J-Pod went by a couple times when I was up there. The whales are in town right now. It's like, you know, incredible. And so no matter how much dismay I might feel that these things are keep me going, but also the work of the port staff and things like trying to do right with the cruise ships when we're, when we're looking at maintaining this ban on wash water disposal and the sound, I mean, that takes some, takes some force up again against some big forces, and the fact that we're going to plug in our third terminal and that sort of thing. I look forward to making the case that all ships will be doing this in the near future. But these are commitments that the organization has made over a long time, and I do want to appreciate that as well. But I want to conclude by just expressing the sadness I have for the fact that these conflicts are still going on in both Gaza, the surrounding communities, Ukraine, and the congress's failure to take much action on any of this. And these communities are going to be forever war torn. But this Passover, getting to my concluding thought, Passover is about the angel of death passing over and not killing people. And I'm hoping this Passover, the angel of death, will pass over all these communities and we can get back to the spirit of living. So thank you. Those are beautiful and powerful words. Commissioner Calkins. Commissioner Hasegawa has her hand up. Yes, virtually. Commissioner Hasegawa, I can go after

Commissioner Calkins if you like. Please proceed. You're good.

I wanted to acknowledge that I've been informed by some of the members of the port of Seattle Police department, I'm sorry, port of Seattle fire department, that there's been another death of the

team that has been locally and nationally attributed to PFAS. I just wanted to express my condolences to the family, both blood family and also members of the fire department family, for their loss, and as well as our commitment to acknowledging combating the impacts of PFAS on our workforce as well as on our communities. And I look forward to working with members of port staff and members of our fire department to hopefully be able to raise awareness and expedite action.

And I did not realize that it was national administrative Professionals Day tomorrow, but I did want to formally thank Preston Tucker, who has been a senior administrative specialist for the commission and has done so well by all five of us. Thank you so much for your service. And I also wanted to acknowledge Miss Patty, who never misses a beat. Patty Ward, shout out to you and thank you for your support. I'd also like to formally welcome Warren, though, who is our newest hire at the Port of Seattle commission office. I really consider, as somebody with administrative experience myself. Right. I really appreciate how complex that worked and b, and that you are command, control, and oftentimes the first point of contact for members of the public at large to interact with us as elected officials and members of the commission, you do so well at representing us and giving that horse and quality customer service that we expect in service to the public. And so, Warren, we are so glad to have you in the room and on the tv. Welcome to the port of Seattle, and we look forward to working with you. Thank you so much for those comments.

Commissioner Hasegawa. I also had a couple of comments, and I echo a lot of the sentiments and the comments that my colleagues made. But just in respect of the shortness of our time, I wanted to flag for the commissioners and also the public. We are going to host a trucker town hall on May 10 between the hours of three and 05:00 p.m. It'll be held at pier 69 here and it will be open to the public. And the goal is to be able to directly hear from the trucker community that a lot of us

commissioners hear from. And that will be done in partnership with our port of Tacoma commissioners, as well as some of you may know, the Northwest Seaport alliance did launch a cargo and service incentive program just recently. We've made an investment of \$11 million, and that also included specifically \$2 million to help streamline our terminal operations, to help keep it open for business five days a week. And we know that our trucker community in particular is super impacted by economic loss when our gates are closed. And it is a concern that we regularly hear from them. Not only that, we also hear about concerns regarding working conditions on our terminals. And so this will be an opportunity for us to directly hear from them and give us as commissioners an opportunity to introduce policies maybe in the future or different programs to help support them. So I'm looking forward to that. And then the other thing that I wanted to just flag for both the public and the commissioners is we also, I will be introducing a commission order next week, and I love the title of this is shredding the paper ceiling at the Port of Seattle. Eliminate unnecessary post secondary degree requirements for port jobs. This is actually an order that will be in alignment with our Washington state House Bill 20 216 regarding degree requirements for state employees. I kind of see this similar to ban the box, right? It is. If someone has a 14 years, 20 years work experience, a degree should not be something that limits them or from being considered for a job. Our secondary degrees are very important. I am a University of Washington graduate. I'm very proud of my two degrees from there. But I also recognize that work experience is just as important. And so that shouldn't limit someone from having the opportunity from being considered for a job. And so I'm looking forward to bringing that forward. And my colleagues will have time to review that and the public will be allowed enough time to review it as well. Those are the two things that I wanted to flag. Executive director. Commissioner, I do have a go ahead. Commissioner Mohammed, I believe you meant next month, not next week for introduction. That's right. Next month. There you go. Thank you. This is why I have my chief of staff here. Commissioner Calkins, did you have a comment? The only thing I was going to share was a bit of finding joy where we are moment for our family, which was we

adopted a dog this weekend, Marlowe, who I will at some point bring by the office. And I'll tell you, I am totally consumed by that little. He's been great. He loves my two youngest children, which is wonderful. And we're not going to have any time to do anything else but work, sleep and care for that little puppy until he figures out how to take care of himself. So it's great joy. So I highly encourage you to get a dog if you don't already have one. That is so wonderful. And then Commissioner Huffman, President Mohammed, I also have one more. Oh, thank you so much. I don't know if you'll see me over there, but I had a glaring omission on administrative officials appreciation. I'd also like to especially shout out Mari cruise for her incredible support when we talk about the first point of contact, as she really is, as she's in person there greeting everyone as they walk through the door. So thank you so much, Marie cruise, for all that you do. Commissioner Calkins, just musing that you mentioned your dog gets along with your two youngest children. What about the eldest? What about you? Teenagers are tough for everybody, I think. All right. Thank you. One last thing that I also wanted to say is I also want to thank our law enforcement and port employees who help clear airport drive. And I also echo the sentiments of Commissioner Felleman and do pray for world peace and hope to see better days both in our local community and in the global community. Deputy Executive Director Goon, do you have any closing comments? I do not, other than to thank the commission for their time and staff for the wonderful presentations. Thank you so much. Well, hearing no further comments and having no further business, if there are no objections at this time, we will conclude our meeting. And the time is now. 02:39 p.m.