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## **APPROVED MINUTES COMMISSION SPECIAL MEETING JULY 24, 2018**

The Port of Seattle Commission held a special meeting, Tuesday, July 24, 2018, in the Beijing Conference Room at Seattle-Tacoma International Airport, Seattle, Washington. Commissioners Bowman, Calkins, Felleman, Gregoire, and Steinbrueck were present. Commissioner Calkins participated by telephone. Commissioner Bowman was present after 9:19 a.m. Commissioner Steinbrueck was present after 9:24 a.m.

The meeting was called to order at 9:11 a.m. by Commission President Courtney Gregoire.

The commission engaged with executives and staff presenters on the topic of non-airport capital investment in the 2019 port budget and five-year capital improvement plan of finance.

Presentation materials included a [memorandum](#) dated July 18, 2018, [presentation slides](#), and a capital improvement project prioritization list.

Staff presented revenue trends based on provisional forecasts for 2019, including lower container revenue. Cash-flow challenges after debt service and preliminary estimates for capital development capacity were summarized. Anticipated tax levy uses and levy purchasing capacity adjusted for inflation were described. There was a discussion of the size of the port's tax levy compared to other King County jurisdictions.

Commissioners asked about the historic relationship of the port budget to actual annual spending. They requested that budget elements of the Economic Development Division contributing to community benefits be separated from revenue-producing assets. Commissioners commented on the method for determining and designating the port's tax levy amount, which is required by statute to be levied in a specific amount (RCW 84.52.010).

Commissioners received a prioritized list of capital projects for the Maritime and Economic Development Divisions. The criteria for inclusion and ranking on the list were explained. Commissioners asked for more information on revenue potential and relative risk associated with the listed projects. They indicated concern over deferred maintenance and asked which maintenance projects are most critical and most costly if deferred. Commissioners expressed concern over prioritizing projects that are not implemented in the following year. Selection of these projects represent trade-offs with other resource allocations. Commissioners asked for more information on project scheduling over the five-year period of the plan of finance. They asked for year-over-year cash flow numbers, including Northwest Seaport Alliance cash flow, and they asked about the scheduling of major debt-service pay-offs.

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Commissioners requested consideration of other non-levy revenue sources, including potential sale or lease of real estate and the trade-offs of further investment in the cruise industry.

There was no further business, and the commission adjourned at 10:26 a.m.

Prepared:

Attest:

Paul J. White, Commission Clerk

Ryan Calkins, Commission Secretary

Minutes approved: September 11, 2018.