

START OF TRANSCRIPT

[00:00:29] This is Commission President here for the regular meeting of March 27th.  
[00:00:51] [Microphone malfunctioning  
[00:01:14] ]  
[00:01:25] [The Pledge of Allegiance is given]  
[00:01:44] We are now at the approval of the agenda.  
[00:01:48] Any changes?  
[00:02:01] [Microphone malfunctioning]  
[00:02:14] Let's see, I think we have.  
[00:02:19] Ok. There's been a request for Item A to be laid on the table by staff.  
[00:02:26] So as I mentioned, there's a motion to lay that on the table.  
[00:02:29] Agenda 7A.  
[00:02:32] It's been moved, is there a second?  
[00:02:34] Without objection. Let 7A be laid on the table, which means we're tabling it.  
[00:02:41] So. So please show the agenda approved as revised.  
[00:02:47] Is there was there a reason for that?  
[00:02:49] I just wondered. I think they're just not ready to make the presentation.  
[00:02:54] Commissioners. Uh, yeah.  
[00:02:56] The outside presenter as well as staff presenter felt more comfortable not coming to the  
[00:03:00] meeting today and to postpone the item.  
[00:03:02] Good, because I definitely want to hear from a member of the public when we hear that,  
[00:03:06] right? Probably should be said that we are.  
[00:03:14] [Microphone  
[00:03:32] malfunctioning] Yes, of course, we're working on  
[00:03:42] many other areas where we're working to protect health and safety and the Port Director  
[00:03:49] will respond to some of those areas.  
[00:03:56] [Microphone malfunctioning] Loss of several lives recently, I would say we're in a crisis  
[00:04:05] situation. Every day is a new day.  
[00:04:08] We hope for the best. I'd like to announce that the Port Commission  
[00:04:19] convened an emergency special meeting Saturday, March 1st 2020 at 4:30 to discuss  
[00:04:28] emergent developments related to COVID-19 and the urgent action being taken by the Port  
[00:04:34] to address health risk associated with the virus.  
[00:04:39] No notice of this emergency special meeting was issued as allowed under RCW 42.3.080  
[00:04:48] . It is our practice and commitment to be fully transparent to the public.  
[00:04:54] The first death from COVID-19, had just been reported.  
[00:04:59] In this emergency situation, we felt it critical to hear from our staff about Port  
[00:05:05] response. Commissioners were updated on the status of the COVID-19 illness and the  
[00:05:11] actions being taken by local, state and federal agents as well as the actions taken and  
[00:05:18] planned by the Port of Seattle.  
[00:05:20] Commission discussions include the steps that are being taken to reduce, continue with  
[00:05:26] aviation and maritime operations.  
[00:05:29] Coordination with government agencies and other stakeholders, applicable personnel  
[00:05:34] policies, personnel policies and emergency powers and the ports communications plan to  
[00:05:41] the Port employees, external stakeholders and the public.  
[00:05:45] All commissioners participated and no votes were taken during the meeting.  
[00:05:50] Now item four with the Executive Director.  
[00:05:54] Thank you, President Steinbrueck.  
[00:05:57] A lot has happened since we last met.  
[00:05:58] And I'd like to share an update for you.  
[00:06:00] I hope you indulge me for a minute about our response to address the COVID-19 outbreak.  
[00:06:07] Ensuring the safety, health and well-being of our employees, customers, tenants and the  
[00:06:11] traveling public is job number one for the Port of Seattle.  
[00:06:14] We're coordinating closely with the city of Seattle, King County and Washington state, as  
[00:06:19] well as with federal agencies and public health authorities.  
[00:06:23] We share your commitment to doing everything we can to address this serious problem.  
[00:06:28] The reality is that we can probably expect many more cases to emerge as testing reaches  
[00:06:32] more people.  
[00:06:34] As we work to maintain the essential functions of the Port of Seattle, we are following  
[00:06:38] the best advice of local and federal public health officers.  
[00:06:42] Let me reiterate some of the steps we have taken since the beginning of the outbreak.  
[00:06:47] Here at the Port, we have no confirmed cases of illness or any cases under observation at  
[00:06:53] this time.

[00:06:54] At SeaTac Airport, the CDC is screening passengers arriving from China and now Iran for  
[00:07:00] the disease. No incoming passengers from those areas have shown symptoms so far, none  
[00:07:05] have required state quarantine.  
[00:07:08] I am proud of our Port staff and our cleaning teams, including our contract workers.  
[00:07:12] They are regularly and thoroughly disinfecting high touch areas and cleaning airport  
[00:07:16] public spaces, including passenger and employee buses.  
[00:07:20] We are setting up hands on hand sanitizer stations throughout the airport and expanding  
[00:07:25] public information messaging for travelers regarding the virus.  
[00:07:28] As a matter of fact, just today, under my authority, I've signed a restocking of three  
[00:07:34] hundred thousand dollars worth of sanitizer for stations throughout the Port.  
[00:07:39] At pier 69 and other port facilities, we have stepped up cleaning and are distributing  
[00:07:43] hand sanitizers and wipes.  
[00:07:45] Katie Jerod, our head of Human Resources, and Tim Mitchell, our State Health and Safety  
[00:07:51] Program Manager, conducted nine information sessions for employees at our facilities to  
[00:07:56] pass information about our actions and actions that are being taken.  
[00:08:00] As you would expect, our employees are reacting calmly and professionally.  
[00:08:04] Turning to our employee actions, following the guidance of Seattle King County Health, we  
[00:08:09] are advising all employees to telework where possible.  
[00:08:12] We're leaning into this. Supervisors will meet with their teams to make remote working  
[00:08:16] the first priority. I'm reviewing changes in our leave policies with Katie Jerod.  
[00:08:22] We want our employees to make the right choices about protecting their own health and  
[00:08:25] reducing risk for the workplace and the community by doing that as well.  
[00:08:31] We're discouraging large internal meetings where possible, and postponing large public  
[00:08:38] events until April or later.  
[00:08:40] Travel plans are being reviewed and are being curtailed to essential trips.  
[00:08:46] I want to emphasize that the current guidance is, is that the risk of travel remains low,  
[00:08:51] but individuals with health risk should consult the Center for Disease Control Prevention  
[00:08:57] for guidance before they go.  
[00:08:59] Port of Seattle leaders are continuing their planning to ensure the continuity of  
[00:09:03] critical operations as the impact of the COVID-19 infections widens in our community.  
[00:09:09] Regarding the upcoming cruise season scheduled to start April 1st, this is, as I stated,  
[00:09:15] the safety of our passengers, employees, community, public and health professionals and  
[00:09:19] first responders always comes first.  
[00:09:22] And we are actively considering all options about the launch of the 2020 cruise season.  
[00:09:27] We are in regular contact with cruise operators, U.S.  
[00:09:31] Coast Guard, public health officials and local leaders.  
[00:09:34] We're using the time before the cruise season starts to get lessons learned from other  
[00:09:37] cruise situation locations and incidents, including COVID-19 infections.  
[00:09:44] This is a dynamic situation and we'll stay in coordination with our partners.  
[00:09:48] As you know, the most recent guidance from CDC recommends travelers, particularly those  
[00:09:53] with underlying health issues, defer cruise travel.  
[00:09:57] We know cruise travel has high interest at the national level and further guidance may be  
[00:10:01] forthcoming. We will report back to the Commission and the public soon with further  
[00:10:06] information about our plans for the season.  
[00:10:09] As I said earlier, this is a challenge that will be with us for the foreseeable future.  
[00:10:15] Beyond short term measures to deal with the outbreak.  
[00:10:17] I've directed our staff to consider potential long term impacts on our workforce and Port  
[00:10:21] operations. We're developing emergency response plans to ensure that we can continue to  
[00:10:26] deliver our critical core services to our customers and the public.  
[00:10:31] Under your delegation of authority to me, I can take actions to shorten and streamline our  
[00:10:34] procurement and contracting processes in this emergency, which I just told you about, the  
[00:10:39] the hand sanitizers.  
[00:10:41] I'll report to you, of course, all my emergency actions that I take.  
[00:10:45] Regarding our capital development, our plan is high on my list of priorities.  
[00:10:50] We are one of the largest public sector builders in the region with a planned capital  
[00:10:54] investment of three billion dollars over the next five years.  
[00:10:57] We're assessing the status of our capital projects to determine where we should  
[00:11:02] prioritize activity during the COVID-19 response.  
[00:11:06] We're reviewing our own activity forecast to assess our financial strategy for the next  
[00:11:11] few weeks, months, and in fact, the rest of the year.  
[00:11:15] The most important thing that we can do for the economic recovery our community is to  
[00:11:19] keep our airport and seaport running while we keep our employees, our other partners and  
[00:11:24] the public as safe as possible.

[00:11:27] As you know, travel to China and other countries in Asia has been severely curtailed.  
[00:11:32] Those restrictions are necessary to limit the spread of the disease.  
[00:11:36] We're also seeing a decline in travel generally.  
[00:11:39] Clearly, our revenues will be affected depending on how long the situation continues.  
[00:11:43] But I'm extremely concerned about the effects on the economy of the region and all the  
[00:11:47] families and small businesses that depend upon Port activity for their livelihoods.  
[00:11:53] We are thinking about some ways to address those economic impacts on employees of the  
[00:11:57] Port and our business partners and I look forward to your ideas on this as well.  
[00:12:02] This is a rapidly evolving situation and we are faced with many unknowns.  
[00:12:06] My message to you is that we have an outstanding team of professionals who are dedicated  
[00:12:10] to carrying out the mission of the Port in these difficult times.  
[00:12:13] We'll continue to keep you and the public updated as we move forward.  
[00:12:17] I have some additional remarks, but I thought I would pause there to see if there's  
[00:12:20] anything that be on topic.  
[00:12:23] Yeah. Just let me just make some additional comments and then I'd open it up to any  
[00:12:28] Commissioner comments on this topic that we're dealing with.  
[00:12:32] So Director Metrick, on behalf of the Commission, we want to commend you and your  
[00:12:36] leadership team and your management response and continuing response and management to  
[00:12:44] the rapidly changing situation we have at hand.  
[00:12:46] Our number one priority is keeping travelers and King County residents safe.  
[00:12:52] We are assured that you are doing everything in your power to keep our employees safe and  
[00:12:57] the traveling public and keeping our airport and seaports safe and operational, and I  
[00:13:01] think it's remarkable that under the circumstances we've managed to do just that and to  
[00:13:06] maintain operational functionality at both the seaport and at the airport.  
[00:13:13] We want to especially thank our essential staff who do not have the option to tele-work  
[00:13:18] and are showing up every day to ensure continuity of operations.  
[00:13:22] In addition, we want to thank all of the Port staff who are taking precautions at home,  
[00:13:27] at work and by telecommuting.  
[00:13:28] Telaworking, I should say.  
[00:13:31] I affirm that the commission is prepared to take the necessary steps to keep the Port  
[00:13:36] functioning successfully and keep the economic engine running.  
[00:13:40] It's critical to our region and the state.  
[00:13:43] Over the next few weeks we will look to the Port staff to prepare appropriate options  
[00:13:49] which may include crews for the time for the Commission to consider as we continue to  
[00:13:53] monitor the situation and prepare for whatever responses are called for and actions  
[00:14:00] necessary. With that, I'd like to invite any commissioners to comment further.  
[00:14:08] I'd like to concur that the efforts have been quite transparent as well as thorough.  
[00:14:15] Although we do still have tremendous amount of unknowns to respond to.  
[00:14:20] So it's a moving target that none of us are fully cognizant of how-- other than it's  
[00:14:27] growing.  
[00:14:28] I guess I would like to see amongst the issues that the Port staff are exploring a variety  
[00:14:33] of things-- for the folks that don't have a choice of not coming to work, we have to be  
[00:14:39] sure that there's extra janitorial activities that of people that are going to be  
[00:14:44] exposing themselves, including the janitors, that we provide as clean a workplace for  
[00:14:50] people to come with confidence to the facility.  
[00:14:55] And this might include additional janitorial staffing.  
[00:15:00] We went through some great efforts to pass the Senate bill, 6217 that the Governor is  
[00:15:06] expected to sign shortly to improve the flight safety workers minimum wage.  
[00:15:12] It gives us the discretion to do so.  
[00:15:14] I would like us to assert that we're going to do so as soon as possible which would be 90  
[00:15:21] days from the close of the session, while at the same time being cognizant of the  
[00:15:25] potential unanticipated consequences associated with potential additional layoffs.  
[00:15:32] However, I would expect that we would assert the importance of taking care of these people  
[00:15:38] and sending a clear message to the airlines of the same.  
[00:15:42] While there are great impacts on the airlines at the same time, with the price of gas  
[00:15:46] dropping rapidly, they are being similarly compensated without any of us doing anything  
[00:15:54] otherwise. So and then obviously those places that we have direct control, and this is  
[00:15:59] one of our challenges, many of the workers are not our direct employees, but to the  
[00:16:04] degree that we have ability to address some of the cab fees or uber fees.  
[00:16:11] Obviously, their rates, their frequency of pickups are down.  
[00:16:16] And I'm glad to have just learned and would like to know more that there is built into  
[00:16:21] the ADR contracts, opportunities to provide some relief from the mags.  
[00:16:28] We just want to make sure that those-- relief is transferred to the people who are

[00:16:32] actually working and not just the owners of those facilities, but anyway, these are just  
[00:16:37] a pallet of ideas that have come to my mind.  
[00:16:39] Obviously it's for staff to vet and bring back to us to show me all the things I wasn't  
[00:16:45] thinking about. You know, obviously, first, I want to echo the tremendous work that  
[00:16:55] the Port staff have been doing in response to the coronavirus.  
[00:16:59] But I also want to call attention to, you know, what this means for many of our  
[00:17:04] concessionaires, but also all the businesses in the supply chain and within our  
[00:17:08] ecosystem. And there's been some serious efforts between different private sector  
[00:17:15] companies and also between government entities to see how we can respond as a community  
[00:17:21] to some of the damage that the economy will face as a result.  
[00:17:25] And so, you know, I commend your works thus far.  
[00:17:28] But I also encourage you to continue to look into some relief efforts and stimulation  
[00:17:34] that we can provide to the community as a fall out of this.  
[00:17:38] And, you know, I'm happy to be engaged as much as I can on this as well.  
[00:17:47] Just, um. Just two quick comments.  
[00:17:49] You know, I think we're unlike any other Port in the United States where we run both the  
[00:17:54] airport and a marine cargo facility and a cruise business.  
[00:17:58] And so we have a heightened responsibility for protecting our community and the gateways  
[00:18:03] that we manage on behalf of the residents of King County and the state of Washington.  
[00:18:08] So I also want to, Steve, commend the work of the staff.  
[00:18:11] I think that most people don't understand the enormous amount of time that the staff is  
[00:18:15] put in, particularly starting at the airport as the virus first appeared there.  
[00:18:21] We don't talk much about the seaport, but we're having the similar issues of the seaport  
[00:18:24] with our marine cargo.  
[00:18:25] And now all of the work that our cruise staff is putting in trying to work with the  
[00:18:30] cruise partners. As Commissioner Steinbrueck said, the number one concern is the safety  
[00:18:35] of the community. Absolutely.  
[00:18:36] The single number one concern.  
[00:18:39] There is going to be a large economic fallout.  
[00:18:43] But the safety of our public is the single most important thing that we should be  
[00:18:47] concerned about. Again, our staff has just done a tremendous job and I just want to thank  
[00:18:51] them for the long, long hours that they're putting in.  
[00:18:55] You have all of our support.  
[00:18:56] You have our full support with whatever you need.  
[00:18:59] Commissioner Felleman, great ideas to put on the table as Commissioner Cho.  
[00:19:03] But I think we need to take this one step at a time.  
[00:19:06] We're gonna be hit really hard with this and the community is going to need our support,  
[00:19:10] whether it's protecting the Gateway's thinking about what we can do for the homeless  
[00:19:13] residents that are suffering.  
[00:19:15] I know that you're working with the county in the city to look at different options, but  
[00:19:19] appreciate that you're at the table.  
[00:19:21] The Port Seattle's at the table with the state of Washington.  
[00:19:24] King County and the city of Seattle and trying to address this.  
[00:19:26] Thank you. Thank you.  
[00:19:30] Well, we'll move on to item sorry you have some more--.  
[00:19:33] Yes Commissioner. I was in a trance there for a second.  
[00:19:36] No, no, I appreciate the feedback and I appreciate all your leadership on this as well as  
[00:19:40] we're going going forward.  
[00:19:42] I think that we're all venturing into unknown territory at least in our lifetime.  
[00:19:46] So I think we're all working together to address the issues of ensuring number one is the  
[00:19:52] safety, health and well-being of everyone of King County.  
[00:19:55] So thank you again for your leadership.  
[00:19:58] Commissioners just a few other things that I would mentioned in the order and I'll try to  
[00:20:01] keep this short as well.  
[00:20:02] I'd like to begin by noting that March is also Women's History Month, that we honor the  
[00:20:06] contributions of women in and to the Port of Seattle.  
[00:20:11] As part of observing Women's History Month, our Equity Diversity Inclusion Office is  
[00:20:15] highlighting some untold stories of remarkable women.  
[00:20:19] We're taking on roles that historically have been held by men, showcasing how Port funded  
[00:20:23] programs are supporting efforts to advance women's careers and continuing to make  
[00:20:28] pathways to equal economic opportunity more equitable.  
[00:20:32] Another way the Port is accomplishing this work is through our employee resource group,  
[00:20:36] the Women's Initiative Network.

[00:20:38] In 2009 when created, the Pat Davis Women's Legacy of Leadership Award, named after the  
[00:20:44] Port of Seattle's first woman commissioner Pat Davis.  
[00:20:48] This award is presented annually to-- well not actually.  
[00:20:51] It's not presented annually only on occasion to pioneers in advancing possibilities for  
[00:20:56] women who embody Port values through their daily contributions and actions.  
[00:21:00] And in fact, this year two retirees Manette Moses and Tracy Goodwin, which you're both  
[00:21:05] well aware of, were honored and received the Pat Davis Women's Legacy of Leadership Award  
[00:21:10] on February twenty seventh by Pat Davis herself.  
[00:21:14] We've made some progress along the way.  
[00:21:16] We still have more work to do.  
[00:21:17] Thus, as a leading economic engine for the region and the state of Washington, the Port  
[00:21:21] of Seattle is continually committed to be a source of opportunity for all.  
[00:21:26] Regarding today's meeting, I want to highlight a couple of items on our agenda.  
[00:21:30] Action Item 8 A is a request to authorize an RFP for up to 30 biometric air exit gates  
[00:21:35] for departing international flights, leaving Seattle-Tacoma International Airport.  
[00:21:40] If you provide the direction to move forward, I will then execute the proposed biometric  
[00:21:44] air exit policies as administrative policies under my executive authority.  
[00:21:49] More discussion to follow on that.  
[00:21:53] As you know, on December 10th you passed a motion directing staff to develop policies to  
[00:21:57] make your seven biometric principles tangible and enforceable.  
[00:22:00] I believe that the staff completed that work for biometric exit, the first of five use  
[00:22:05] cases for potential biometric implementation at port facilities.  
[00:22:10] Therefore, we are comfortable requesting that you approve this RFP as the best path to  
[00:22:14] ensuring biometric air exit implementation at SeaTac meets our standards for protecting  
[00:22:20] travelers rights and upholding our customer service values.  
[00:22:23] I look forward to sharing additional thoughts on this topic during that discussion.  
[00:22:27] And finally, item 8 B is a motion about using the Port's influence and experience to  
[00:22:31] promote workforce development in our region.  
[00:22:33] You were briefed on this in the last meeting.  
[00:22:35] We're excited to be moving forward with this work.  
[00:22:38] And with that, I complete my report Commissioners.  
[00:22:41] Thank you, Director Metruck.  
[00:22:43] With that, we'll move on to Item 5, which is public comment.  
[00:22:47] The commission will now accept public comment.  
[00:22:48] Any written materials can be given to the Clerk for inclusion in the meeting record if  
[00:22:54] you wish to speak, please sign in and identify the specific item which you are  
[00:22:58] addressing. Comment time will be limited to one minute because we have over 40 people  
[00:23:03] who've signed up. We will limit the overall comment, time to approximately 45 minutes.  
[00:23:10] So with that, we're going to start first with those who are using that teleconference  
[00:23:15] system to provide their public comment.  
[00:23:18] The first person is Michael Foster Second person is Nathan Shared.  
[00:23:25] Do we have them on the line?  
[00:23:29] Yes. Commissioner. So all of our teleconference participants are on the line and we'll  
[00:23:33] call on them one at a time. They will unmute themselves and begin their comment.  
[00:23:37] So our first teleconference speaker is Michael Foster.  
[00:23:42] Excuse me, but could you talk about--  
[00:23:46] I'm sorry, you're out of order.  
[00:23:48] We have callers who have signed up to speak.  
[00:23:51] Again, I'll ask for Michael Foster.  
[00:23:55] Okay we'll hold Michael unless we hear from him again.  
[00:24:00] The second speaker signed up is Nathan shared.  
[00:24:03] Is Nathan on the line?  
[00:24:07] Ok. I am.  
[00:24:08] Hello, Merritt. Thank you for allowing me to speak on behalf of the Electronic Frontier  
[00:24:11] Foundation and our 30,000 members.  
[00:24:14] There's perhaps no technology more invasive to our privacy and more threatening to our  
[00:24:17] individual safety than face recognition.  
[00:24:19] CBP would have you believe that your assistance in their collection of biometric data  
[00:24:23] from passengers leaving the country is one of civic duty.  
[00:24:26] To the contrary, this seems more like a problem looking to be a solution to a largely  
[00:24:30] non-existent problem. There is no evidence of a large scale epidemic of people leaving  
[00:24:34] the country under false identities.  
[00:24:35] More importantly, there is also no explicit legal authorization giving CBP the power to

[00:24:40] track U.S. citizens in this way.

[00:24:42] As members of the Port of Seattle Commission, you have been empowered with broad

[00:24:45] authority to establish policies that govern the activities of Port staff and you support

[00:24:49] resources. As is noted in the Port of Seattle biometric air exit recommendations,

[00:24:54] airports and airlines are not mandated to participate in CBP biometric air exit program.

[00:24:59] But ultimately this may not stop CBP from utilizing their own resources to conduct these

[00:25:04] invasive searches. Your mandate is to responsibly, injudiciously protect the Seattle Port

[00:25:09] Authority resources and the rights and safety of thousands of residents and visitors that

[00:25:13] pass through its facilities.

[00:25:15] With these considerations in mind, we respectfully ask that you reject any plans calling

[00:25:19] for Port participation in CBP biometric entry, exit and boarding program.

[00:25:23] Thank you. Thank you.

[00:25:25] Elaine Perez, followed by Cynthia Speice.

[00:25:35] I mentioned and once again, Alaina Perez online.

[00:25:41] Cynthia Speice.

[00:25:46] Phil Mosaddeq.

[00:25:49] Hi, I'm Cynthia Speice, an independent security researcher and Seattle resident.

[00:25:53] My comments are regarding agenda item 8.

[00:25:56] There are a number of ongoing problems with the process used by the Port to review the

[00:25:59] use of biometric technology, such as a lack of public transparency.

[00:26:03] The Port website doesn't have information about the biometric special committee, such as

[00:26:07] who is on the committee, how often they have met, or what the meeting agendas minutes.

[00:26:11] The same is true for the Biometrics Internal Advisory Group.

[00:26:14] While the Biometrics External Advisory Group does at least have some details published

[00:26:18] online, there's no published dates for their future meetings.

[00:26:21] The Biometric air exit recommendations document from the Port names supporting CBP

[00:26:26] documents, but Port staff is still unresponsive to our requests sent on February 25th for

[00:26:30] those. Port staff are also being dishonest in their engagement with this process,

[00:26:33] considering the agenda item requesting procurement of biometric technology, was posted on

[00:26:38] Thursday but as of Friday, the Biometrics External Advisory Group was still discussing

[00:26:42] the air exit recommendations.

[00:26:44] And their meeting minutes were only just posted this morning.

[00:26:47] Moreover, the commission itself has not signed off on the draft recommendations document,

[00:26:50] so approving any procurement is running afoul of the spirit of the process and it's

[00:26:54] unnecessarily rushed.

[00:26:56] At the Commission meeting on February 25th, Port staff repeatedly inaccurately referred

[00:27:00] to CBP TVS as 1 to 1 when it is not and is instead one to many, the technical

[00:27:05] implementation and security privacy risks are vastly different for one to one versus one

[00:27:10] the many systems. The deep of an error implies either ineptitude or malintent by the Port

[00:27:14] staff. The Commission and the public are being steamrolled by CBP.

[00:27:18] Port of Seattle funds should not be used to procure biometric technology, especially

[00:27:22] since nothing has been documented by the Port regarding what specifically will be

[00:27:25] improved to support operates the systems.

[00:27:28] Additionally, if the Port procures the system, the Port will be contractually bound to

[00:27:31] CBP, including only being allowed to install CBP approved signage even if the signage is

[00:27:36] inadequate or incorrect because the Port would actually have more power to follow the

[00:27:41] principles by forcing CBP to procure the systems.

[00:27:44] I encourage commissioners to vote no on agenda Item 8A.

[00:27:47] Thank you. Thank you.

[00:27:50] I just. When we get into discussion, I would like to have our legal counsel addressed that

[00:27:54] last question about our autonomy with signage.

[00:28:00] Noted. Thank you. Can I just ask as well that the information about the biometrics

[00:28:06] committee should absolutely be on the website.

[00:28:08] So can we please get that on there?

[00:28:11] It is now. Okay.

[00:28:13] Okay. Thank you. The next speaker signed up as Phil Mosaic, followed by Adam Showstack.

[00:28:22] These are online speakers.

[00:28:26] This is Phil Mosaic. I live in Tacoma and I normally work in Seattle.

[00:28:31] During your December meeting on this topic, I took a vacation day to come and participate

[00:28:37] and it's been very difficult to participate since.

[00:28:39] I think even engaged members of the public will have a hard time keeping up with what's

[00:28:43] going on. I left that meeting feeling like we were about to do something historic in

[00:28:50] Seattle and that Port Commissioners were going to consider regulating facial recognition

[00:28:54] at the airport. I feared that Port commissioners would face great pressure from CBP and  
[00:29:00] from airlines, and it already appeared that Port staff were undermining their efforts.  
[00:29:05] But since I've seen nothing to the contrary, it appears that plans to move full steam  
[00:29:09] ahead on purchasing equipment, despite any process for regulating such have been  
[00:29:15] implemented. And in short, I urge you to put the brakes on all of this.  
[00:29:20] You should not be approving this contract and you should put things on hold until there's  
[00:29:25] been some real meaningful public process.  
[00:29:27] And until you have regulations in place.  
[00:29:29] Thank you. Thank you, Adam Schostak, followed by Alper Sarkaiya.  
[00:29:40] I'll mention again, Adam Schostak, followed by Alper Sarkaiya.  
[00:29:50] Savannah Sligh.  
[00:29:53] If any of you are still on the line, speak up and we'll take them as they come.  
[00:30:00] Can you hear me now? Yes.  
[00:30:02] What's your name? This is Adam Shostak.  
[00:30:06] OK. You're on Adam.  
[00:30:08] Great. Thank you. And thank you for allowing me to speak today after I figured out how to  
[00:30:13] unmute myself.  
[00:30:14] OK.[Laughter] My comments refer to agenda item 8A.  
[00:30:19] This vote involves the Port spending millions of dollars to deploy biometric systems with  
[00:30:24] an assumption that the Port will be able to add controls that improve privacy or security  
[00:30:29] to the system. But the analysis I've seen does not crisply [inaudible] model the idea  
[00:30:34] that CBP runs biometrics versus that of the Port running biometrics.  
[00:30:39] Rather, they're analyzed together.  
[00:30:42] My experience in building and deploying large complex systems teaches me that it's  
[00:30:47] important in a situation like this to create a threat model of each possible architecture  
[00:30:53] and to compare those analysis.  
[00:30:55] Let me explain what a threat model is.  
[00:30:58] It's a structured and systematic analysis of a system that seeks to answer some basic  
[00:31:02] questions. What are we working on?  
[00:31:05] What can go wrong and what could we do about those?  
[00:31:08] Some of the analytic documents I've seen assess how a proposed end state will address the  
[00:31:13] principals. And those come close to what I'd like to see and what I encourage the Port to  
[00:31:18] produce. But I have not seen any comparative analysis.  
[00:31:22] Nothing says if the Port makes this purchase, we gain control X or if CBP makes this  
[00:31:29] purchase, we lose our ability to comply with principal Z.  
[00:31:33] So it's very difficult to say what the privacy gain from this investment of \$5 million  
[00:31:38] will be until---  
[00:31:40] Please finish your---. Lawyers perform and document analysis of each of these  
[00:31:44] possibilities of who will operate the biometrics and then to document the advantages and  
[00:31:50] disadvantages of each.  
[00:31:52] As such, I respectfully ask the Port to produce these analysis before making a \$5 million  
[00:31:57] commitment by voting on item 8A.  
[00:31:59] Thank you. Thank you.  
[00:32:00] followed by Savannah Sluy.  
[00:32:07] Hi, my name is Alper Sarkaiya.  
[00:32:10] I am a resident of the city of Seattle.  
[00:32:12] My comments today regarding item 8B on the agenda.  
[00:32:14] Authorization to allow the Executive Director to award execute the contract for a  
[00:32:17] biometric. It is commendable that the court has convened both a working group and  
[00:32:22] external advisory group to address the challenges for biometric exit program consistent  
[00:32:26] with federal mandate. However, advertising a contract that does not have explicit  
[00:32:30] language codifying the findings of its groups is premature.  
[00:32:35] This should be a cycle to allow the public to comment on the language of outgoing  
[00:32:38] contract to ensure the working group's derived principles are taken into account.  
[00:32:42] I make the following points to urge the Commissioners to delay authorization of this  
[00:32:46] contract. There is no standard operating procedure that describes how mismatches within  
[00:32:50] the CBP system will be addressed.  
[00:32:52] No facial detection algorithm will achieve better than 90 percent accuracy in real work  
[00:32:56] conditions, meaning that at least one in 10 travelers will be subject to alternative  
[00:33:00] measure. Ethical issues have been raised in Olympia while discussing Senate bill 6281  
[00:33:05] concerning the management of personal data.  
[00:33:07] The communication of rights of individuals, whether U.S.  
[00:33:09] citizens or not, should be [inaudible].

[00:33:14] Point two, the privacy policy linked by the CBP's response to the Port draft  
[00:33:18] recommendations in Appendix D is eight years old and has clear privacy violations that  
[00:33:23] conflict with the Port committee's recommendations.  
[00:33:26] As an example, the IDENT system is noted as being a permanent data store for biometric  
[00:33:30] data with many data users such as local law enforcement.  
[00:33:33] No clear provision is given that restricts the use of traveler's data to federal agencies  
[00:33:38] only for the purposes of traffic.  
[00:33:40] Last point, there is very little public information given on the timeline of the CBP'  
[00:33:44] implementation of the biometric air exit system other than rapid.  
[00:33:48] To clarify the timeline to the public, the ramifications of alternative one in the agenda  
[00:33:51] item, postponed projects must be clarified for the public.  
[00:33:55] Please finish up. --- which CBP will execute a contract of their own superceding the  
[00:34:00] Port's authority. Given a whole host of issues that are not being explicitly resolved, I  
[00:34:04] urge the Port Commissioner to delay advertizing the contract until firm requirements are  
[00:34:08] explicitly defined Thank you.  
[00:34:11] Thank you. Savannah Sluy.  
[00:34:15] I'll go back to Michael Foster.  
[00:34:19] OK. Not hearing any voices there, we'll move on to those who are here in the meeting  
[00:34:27] room. So Edward Hasbrouck, followed by Jennifer Lee.  
[00:34:37] My name's Edward Hasbrouck.  
[00:34:38] I'm with the Identity Project.  
[00:34:40] Papersplease.org  
[00:34:41] . I came here from San Francisco in person because of the importance, critical importance  
[00:34:47] of this debate as a national precedent.  
[00:34:50] We've explained in detailed written submissions to your February meeting and to this  
[00:34:54] meeting exactly how the proposal that is before you violates multiple federal laws, the  
[00:35:03] principles of fair information practices, and the principles professed by both the Port  
[00:35:09] Commission and CBP.  
[00:35:13] There's plenty of reasons to delay a decision until the policies, most of which we don't  
[00:35:19] even know if they exist, are made public.  
[00:35:22] But there's already ample evidence to support a decision that this proposal is directly  
[00:35:29] contrary to the principles you purported to adopt in December.  
[00:35:32] It would reflect a repudiation of those purported principles.  
[00:35:38] I won't go into details, but I want to note a couple of points.  
[00:35:42] One, with respect to the arguing about whether you should make CBP do its own dirty work  
[00:35:47] or whether you should collaborate in front for them.  
[00:35:50] First, one of the violations of federal law is the violation of the requirement of the  
[00:35:54] Privacy Act of federal law.  
[00:35:57] That if a federal agency is going to use personal information for decisions about  
[00:36:02] people's rights, as CBP will in this case, it is required by federal law to collect the  
[00:36:07] information directly.  
[00:36:08] It's not just that you'd be collaborating in a violation, it's that the very fact of  
[00:36:12] outsourcing it to you.  
[00:36:13] The point of this proposal would violate the Federal Privacy Act.  
[00:36:18] Second, the CBP business requirements, which were only disclosed to the public over the  
[00:36:23] weekend and which are incorporated by reference in both the RFP and this proposal,  
[00:36:29] explicitly require that the Port post all CBP directed notices and not post any non CBP  
[00:36:39] approved notices.  
[00:36:40] Contrary to the claim that this would enable the Port to exercise more control, this  
[00:36:47] proposal contains an explicit gag order that would prohibit the Port from exercising  
[00:36:53] control over signage.  
[00:36:55] Reject the proposal and the RFP, withdraw the RFP and then allow the policy development  
[00:37:01] process to continue.  
[00:37:03] Thank you. Jennifer Lee.  
[00:37:09] This is Savannah Fly. Pardon me, I've been able to unmute myself.  
[00:37:12] All right. We'll take Savannah and then Jennifer Lee.  
[00:37:15] Thank you. My name is Savannah and I'm a resident of Burien.  
[00:37:19] I'm testifying today to express my concern over the prospect of Seattle Port Commission  
[00:37:23] collaborating with CBP to conduct facial recognition operations at SeaTac air exit  
[00:37:27] terminals or anywhere else at the airport.  
[00:37:29] I would also like to express my concern over the prospect of airlines being granted  
[00:37:33] permission to collaborate with CBP on facial recognition, data gathering and sharing.  
[00:37:38] I believe it is the duty of CBP to undertake and execute the activities associated with a



[00:37:42] federal mandate for the air exit requirement, not the Seattle Port Commission.  
[00:37:46] Numerous techniques have been utilized over the years to verify passenger identity.  
[00:37:50] Facial recognition is just one such tool as an emerging technologies such as facial  
[00:37:54] recognition has been found to be racially biased and at times inaccurate.  
[00:37:59] To collaborate with CBP on this issue would legitimize the use of facial recognition  
[00:38:03] technology, which is a source of tremendous public concern.  
[00:38:07] On February 14, 2020, a coalition of organizations sent a joint letter to the Washington  
[00:38:12] House of Representatives supporting a bill that would place a moratorium on the  
[00:38:16] government's use of facial recognition tools.  
[00:38:18] This bill is HB 2856.  
[00:38:21] This letter was signed by numerous groups, including 18 local community organizations  
[00:38:25] representing the interests of communities of color and immigrants.  
[00:38:28] These groups include but are not limited to the Asian Counseling and Referral Service.  
[00:38:33] Asian Pacific Islander Coalition of Washington.  
[00:38:35] The Council on American-Islamic Relations.  
[00:38:38] Andre Karmanos, the Japanese American Citizens League of Seattle, Puget Sound Sage, Urban  
[00:38:43] League of Metropolitan Seattle and more.  
[00:38:45] I urge this commission to listen to the concerns of communities here in King County and  
[00:38:48] to not advance the use of facial recognition at SeaTac.  
[00:38:51] Beyond this request, I urge the commission to strongly require clear opt-in procedures to  
[00:38:57] ensure that the rights and privacy of all passengers not required to undergo verification  
[00:39:02] are preserved. Thank you.  
[00:39:03] Thank you.  
[00:39:05] Jennifer Lee. Good afternoon Commissioners.  
[00:39:08] My name is Jennifer Lee and I'm with the ACLU of Washington.  
[00:39:11] As a member of the Biometrics External Advisory Group that was formed to provide feedback  
[00:39:15] on how the Port should allow use of biometrics at SeaTac International Airport, we  
[00:39:20] strongly oppose the Port staff's recommendations for the Port to collaborate with CBP in  
[00:39:25] implementing its biometric air exit program.  
[00:39:28] At the last public hearing on February 25th, Port Commissioner stated a false belief that  
[00:39:32] they have no choice but to collaborate with CBP in rolling out their face surveillance  
[00:39:36] program. We object to this inaccurate message.  
[00:39:39] The Port absolutely has a choice and it must make the choice that protects people's  
[00:39:43] constitutionally protected rights and civil liberties.  
[00:39:46] To be very clear, Congress has never authorized a biometric collection of U.S.  
[00:39:50] citizen's data. While Congress has ordered the collection of biometrics from foreign  
[00:39:54] nationals at the border, it has never authorized the use of facial recognition collect  
[00:39:58] biometrics from Americans.  
[00:40:00] Without explicit authorization, DHS should not be scanning the faces of Americans as they  
[00:40:06] depart on international flights, and the Port should not be facilitating this  
[00:40:10] unauthorized scanning.  
[00:40:11] At the last biometric external advisory group meeting, we asked CBP and Delta if a strong  
[00:40:16] opt-out facial recognition system where many people opt out would eliminate any  
[00:40:21] efficiencies gain from using facial recognition.  
[00:40:23] We heard a strong yes that with many people opting out, it would eliminate any  
[00:40:28] efficiencies gained from using facial recognition.  
[00:40:31] So if the Port staff and Port commissioners are good, all agree that it is very important  
[00:40:35] for there to be a meaningful opt-out or opt-in system for travelers to exercise their  
[00:40:40] rights, and having such a strong opt out or opt in system would eliminate facial  
[00:40:44] recognition efficiencies, then why is the Port contemplating paying companies over five  
[00:40:50] million dollars to implement a facial recognition system at Seatac?  
[00:40:55] We must not accept the message pushed by industry that widespread deployment of face  
[00:40:59] surveillance technology is inevitable.  
[00:41:01] Again, the Port has the choice to reject collaborating with CBP and we urge you to do so.  
[00:41:06] Thank you. OK.  
[00:41:09] Bernard Kunz.  
[00:41:15] Followed by Joshua Welter.  
[00:41:18] Good afternoon, Port Commissioners.  
[00:41:20] I'm with Highline Public Schools and Bernard Kunz.  
[00:41:22] I'm an executive director there working with their secondary programs.  
[00:41:25] And I'm just here to express our continued enthusiasm and excitement about moving forward  
[00:41:30] with the Maritime High School project that you're voting on today.  
[00:41:35] We continue to look forward to the opportunities and really appreciate you taking this up

[00:41:40] today during a very busy time.  
[00:41:41] So we look forward to the continued collaboration.  
[00:41:44] Thank you. I appreciate your good news in the middle of some tough public comment.  
[00:41:48] Joshua Welter. President Steinbrueck, members of the Commission.  
[00:41:54] I'm here with some of the driver union shop stewards in the OnDemand fleet to draw your  
[00:41:59] attention to two things really quickly.  
[00:42:01] First, you all received a letter yesterday from the union outlining recommendations for  
[00:42:05] emergency measures to support the taxi and for-hire drivers, including the suspension of  
[00:42:11] per-trip fees during the state of emergency.  
[00:42:14] I know each one of you cares deeply about the hardworking immigrant drivers serving the  
[00:42:20] airport who are at the front lines both of the public health, but also the economic  
[00:42:25] impacts of the current crisis.  
[00:42:27] They don't have paid sick days.  
[00:42:28] They don't have the luxury of telecommuting.  
[00:42:30] Income has been cut in half and drivers report waiting four to five hours for a single  
[00:42:35] trip. And so speaking of waiting first of all, thanks for doing everything in your power  
[00:42:41] to help. But speaking of waiting, I just want to draw your attention to a second issue.  
[00:42:46] We're 20 percent of the way through the two year taxi pilot program and drivers are still  
[00:42:52] waiting to realize the vision that the Commission wisely adopted to ensure driver voice.  
[00:42:57] I regret to inform you that this process has been marked by delays and cancelations.  
[00:43:03] We notified the Port of a supermajority support for advancing this process back in June  
[00:43:09] of last year. And yet, following a certification process, that itself was filled with  
[00:43:13] delays, I'll wrap up, the Port staff that's only met with elected driver leaders once for  
[00:43:18] one hour since that process began.  
[00:43:21] We do have a meeting next Monday.  
[00:43:23] We sincerely hope that the Port engages with the proposals drivers have brought forward  
[00:43:28] in good faith. Thank you for your attention.  
[00:43:30] Thank you. Pardon me if I misstate this, but the person signed up his Warku Bellone.  
[00:43:42] Hello all your Commissioner.  
[00:43:44] Today I'm here to deliver a driver voice.  
[00:43:50] Would you please give your name for the record?  
[00:43:52] Ok, my name is Warku. There we go.  
[00:43:54] I drive Twenty nine Forty.  
[00:43:58] So today I'm here for to raise up the drivers affected by this crisis.  
[00:44:06] We stand all day.  
[00:44:08] We are not making any money.  
[00:44:11] So we need your attention.  
[00:44:14] And at the same time, 160 lots, we are not getting any sanitiser or  
[00:44:24] enough soap to wash our hands.  
[00:44:30] So we need that.  
[00:44:31] That's a serious problem.  
[00:44:35] So the last I like to thank you Commissioners to give me a chance to speak today.  
[00:44:45] Thank you. I think I heard the comment to the effect that there was no where for washing  
[00:44:53] hands at the pickup zone.  
[00:44:55] I think we should follow up with that and check into that right away.  
[00:44:59] Yeah. Thank you. Jeffrey--.  
[00:45:00] We'll be adding some stations immediately at the taxi and TNZ areas for passengers coming  
[00:45:07] up We'll follow up.  
[00:45:10] Thank you. Jeff Payne.  
[00:45:14] Jeff Payne, no?  
[00:45:17] J.C. Harris.  
[00:45:38] Good afternoon, commissioners.  
[00:45:40] So I am following up on a letter that I originally sent to Commissioner Bowman and then  
[00:45:47] to Director Metric yesterday requesting a meeting to discuss the implementation of your  
[00:45:54] new Port package program.  
[00:45:58] Now that HB 2315 is passed, it is time to figure out how to actually do it.  
[00:46:07] And my organization SeaTac Noise Dot Info has identified the people that you will want to  
[00:46:14] talk to and how to do it.  
[00:46:17] I will just tell you that it is in the Port's interest to do so strictly in terms of  
[00:46:25] community outrage, outreach.  
[00:46:28] Outrage, Freudian slip.[Laughter]  
[00:46:30] The last four years, the Port's attempts to work with the community have been uniformly,  
[00:46:37] let's face it, not been great from SAMP meetings to the start and the ACE grants and so

[00:46:47] forth. This is a chance for you to put some serious wins on the board in terms of  
[00:46:55] community relationships and building a better path forward with the SAMP.  
[00:47:02] So I encourage you to schedule that meeting as soon as possible and let's do it.  
[00:47:08] Thank you. I hadn't heard about that.  
[00:47:11] Alex Zimmerman.  
[00:47:14] Not here. Moving on.  
[00:47:17] Katie Wilson.  
[00:47:22] Hi commissioners.  
[00:47:23] So the next chunk of public comment that we have was submitted to be read into the record.  
[00:47:28] So I will be doing that today.  
[00:47:31] You are. And my name is Lauren Smith, acting deputy Commission clerk.  
[00:47:37] So, Katie Wilson, I am writing to urge you that you not take action on plans to authorize  
[00:47:42] biometrics at SeaTac Airport at your upcoming March 10th meeting.  
[00:47:45] The public has not had adequate notice and time to engage.  
[00:47:48] Delaying consideration is especially important in light of the escalating concerns around  
[00:47:53] COVID-19, which will prevent many interested people from attending Tuesday's meeting.  
[00:48:00] Next is Elena Perez.  
[00:48:04] I am writing on behalf of Puget Sound Sage to express our continued opposition to the  
[00:48:08] implementation of facial recognition at SeaTac Airport.  
[00:48:11] Facial recognition technology has been found to be racially biased, inaccurate and  
[00:48:16] unnecessary. We have gone on record repeatedly to urge that Commission conduct a thorough  
[00:48:21] investigation of the impacts of this technology.  
[00:48:24] Despite repeated requests for ample opportunity by civil liberties and immigrant rights  
[00:48:28] activists, data privacy experts, Port unions, social justice organizations and concerned  
[00:48:33] travelers and residents to weigh in.  
[00:48:35] This has yet to occur. Therefore, we urge you on March 10th to vote no on any action  
[00:48:39] authorizing the Port executive to award and execute contracts for biometrics at the Port  
[00:48:44] to procure hardware, software or services related to biometrics, or to use Port staff and  
[00:48:49] construction toward this purpose.  
[00:48:51] We also asked that Commission take the following actions to ensure we are not  
[00:48:55] participating in a program that could undermine civil liberties or privacy.  
[00:48:58] One, do not collaborate with CBP to roll out the use of facial recognition at SeaTac  
[00:49:02] Airport exit terminals.  
[00:49:04] Two, disallow airlines from collaborating with CBP on the use of facial recognition at  
[00:49:09] SeaTac exit terminals, and three, communicate to CBP that we expect they operate with a  
[00:49:14] strong and clear opt-in on facial recognition for anyone not mandated to undergo facial  
[00:49:19] recognition as opposed to opt-out.  
[00:49:21] The public needs more time and opportunity to learn about and weigh in on the issue of  
[00:49:25] biometrics use at SeaTac.  
[00:49:27] We ask you to center first and foremost the rights of travelers and impacted communities  
[00:49:33] in your deliberations and decision making.  
[00:49:37] The next speaker, Derek Lumb.  
[00:49:39] Yes. On behalf of Interim CDA, I am messaging you to ask that tomorrow's hearing be  
[00:49:47] postponed, today's hearing, until a later date when there is not a public health  
[00:49:51] emergency happening. This Commission pledged to a transparent process in earlier meetings  
[00:49:55] and holding a meeting on an issue such as authorization of biometrics during a public  
[00:50:01] health crisis would be a violation, especially since this crisis stipulates that large  
[00:50:05] numbers of people should not gather in one place.  
[00:50:07] We ask that you cancel and reschedule for a later date.  
[00:50:10] Thank you. Rhetta Rubinstein.  
[00:50:15] Rhetta Rubinstein.  
[00:50:17] I am writing to express concern about the implementation of face surveillance at SeaTac.  
[00:50:21] I urge the Port Commission to postpone the public hearing on this issue until there is  
[00:50:25] time for the required public consideration.  
[00:50:27] There are serious issues with this technology that make it biased and unreliable.  
[00:50:31] Given the COVID-19 public health crisis and the lack of adequate public outreach about  
[00:50:35] biometrics used at the Port, I encourage this meeting be rescheduled so the public can  
[00:50:39] engage and weigh in. As elected officials, the Port commissioners must listen to the  
[00:50:43] public's concern before making a decision.  
[00:50:45] Thank you. Next speaker's Tina.  
[00:50:48] Excuse me. Commentor. Tina.  
[00:50:51] The proposed extensive use of facial biometric technology at SeaTac is too controversial  
[00:50:56] in Seattle to have the public meeting while we're in the throes of a public health crisis

[00:51:00] and being told to stay home.  
[00:51:02] Allowing e-mail comments is an inadequate substitute for being part of an important  
[00:51:05] discussion concerning personal privacy, racial bias, and to what extent we want to be  
[00:51:11] complicit with CBP and ICE.  
[00:51:13] I strongly oppose the proposed use of this technology that I do not think is worth the  
[00:51:18] compromise of our values.  
[00:51:19] I ask that you permit public debate when people can attend a meeting without violating  
[00:51:24] public health advice and when they are not understandably distracted by an emergency that  
[00:51:28] threatens their livelihood and health.  
[00:51:31] Mary Anne Baulch Spiegel.  
[00:51:36] There is sufficient scientific data to stress the importance of placing limits on air  
[00:51:40] traffic. One public health study indicated the increase in heart disease in seniors over  
[00:51:45] 65 related to airline noise.  
[00:51:47] I'm a Mount Baker resident for 12 years and the level of noise has increased  
[00:51:50] dramatically. One morning last week, a plane was flying so low that I wondered about an  
[00:51:54] explosion. My husband had to build a soundproof booth to be able to make audio recordings  
[00:51:59] due to an airline noise caught on tape.  
[00:52:02] I've previously lived for 16 years on Mercer Island and the difference is huge.  
[00:52:06] I believe another major airport is the only answer.  
[00:52:08] I understand that you must consider the business needs of Boeing and the airlines, but  
[00:52:12] please consider your constituents health needs as well.  
[00:52:14] In lieu of another airport, please do not add additional runways too, and insist that the  
[00:52:20] air traffic is shared equally.  
[00:52:21] South Seattle carries way too much burden, insist on reduced plane speeds and heights.  
[00:52:26] And I recently read that our air pollution is equal to Los Angeles.  
[00:52:29] We voters are observing.  
[00:52:30] Thank you for your concern and efforts.  
[00:52:32] Laura Gibbons followed by John Burnell.  
[00:52:38] This is Laura Gibbons, a member of Climate Justice Group 350, Seattle and Seattle  
[00:52:41] resident. I am pleased to hear all of the Port is doing to make SeaTac ground operations  
[00:52:46] more environmentally sustainable.  
[00:52:48] But ground operations are only a small part of the environment impact of flying.  
[00:52:52] SeaTac related carbon emissions rose 40 percent from 2008 to 2016 and the Port forecasts  
[00:52:58] double the travel in 2034.  
[00:53:00] There is no way we can meet climate change goals with this sort of growth in aircraft  
[00:53:05] emissions. Only a trivial amount of flying can be powered by biofuels.  
[00:53:10] The only viable option is less air travel, not more.  
[00:53:14] That should be the focus of your planning.  
[00:53:15] Thank you. And Bernadine Lund, John Burnell is who I have next.  
[00:53:23] Excuse me, John Burnell Bernadi.  
[00:53:26] Yes, I live in Seattle and I'm a member of the climate justice group 350 Seattle.  
[00:53:30] I am impressed with all the Port is doing.  
[00:53:32] So this is actually the exact same comment as the previous commenter.  
[00:53:35] Okay. Noted.  
[00:53:37] Emphasized by John Burnell. Thank you.  
[00:53:39] Bernadine Lund.  
[00:53:41] Bernadine Lund is a resident of Federal Way.  
[00:53:43] A member of Quiet Skies Puget Sound and 350 Seattle.  
[00:53:46] Thank you for reading the submitted public comments.  
[00:53:48] My comments continue from those I made about SAMP at the last public meeting on the 25th  
[00:53:53] . At that meeting I know that saying you could consider holding the number of flights  
[00:53:58] steady or even reducing them surprised some of you.  
[00:54:01] I was thinking of recent articles that ask something like what if seeing the world is  
[00:54:04] causing its destruction?  
[00:54:06] Challenge ourselves and staff to look at transportation in different ways.  
[00:54:10] Alternative transportation is being developed and built in other countries and even in  
[00:54:14] the US in the Midwest, including high speed trains and hyper loops.  
[00:54:18] The facilities at the airport could be used to move large numbers of people with trains  
[00:54:23] during one downturn in aviation, even Boeing engineers started looking at Hyperloop  
[00:54:28] trains. Another possibility is to use more electronic communication, even for business  
[00:54:33] meetings. Again, the airport facilities could be used for connecting people from around  
[00:54:37] the world without having to fly.  
[00:54:39] To get a broader view of possibilities, watch or read The Ascent of Man by Jacob

[00:54:44] Bronowski. It describes how industries come and go.  
[00:54:48] [Timer beeps]. James Hudson.  
[00:54:57] [Timer beeps again] It's just trying to wake us up.  
[00:54:59] [Laughter] James Hudson, how to get drug free zone on Port property.  
[00:55:07] Somebody is going to get hurt real bad.  
[00:55:08] That was the threat in my face from the biggest drug dealer in the homeless camp who  
[00:55:12] walked up to me while I was sitting in the security shed at camp.  
[00:55:16] Then he just walked away glaring at me.  
[00:55:18] It did happen. Five weeks later to the day the camp organizer died very unexpectedly  
[00:55:22] under unexplained circumstances.  
[00:55:24] And over 10 weeks since the death, derelict contractor is nowhere to be found.  
[00:55:30] A derelict contractor has materially abandoned its own contract.  
[00:55:36] This is Inner Bay, homeless camp cast adrift, threatened and ruined by drug people.  
[00:55:40] City of Seattle hired the wrong contractor, which during 2018, 2019, knowingly and  
[00:55:45] willfully set this camp up as a drug trafficking hideout with reckless disregard for  
[00:55:49] well-being, life, property and the law.  
[00:55:51] And all of this is on Port of Seattle Property.  
[00:55:54] Drug rumors always fly around camp, but they all summarized as follows: Inter Bay is a  
[00:55:59] scheduled one scheduled two illegal drug production facility that has been monetized  
[00:56:05] using stolen property.  
[00:56:06] [Timer Beeps] Can I ask that we look into that, please?  
[00:56:11] I've been down to Inter Bay several times and I think there are some issues down there.  
[00:56:14] Thank you. Yes Commissioner.  
[00:56:15] I'll look into that. We have 16 additional, clerk.  
[00:56:19] Do we need to extend the public comment period?  
[00:56:25] They did not. So, yes, he will extend for another fifteen minutes, approximately 15  
[00:56:32] minutes, 15, sixteen speakers.  
[00:56:35] Okay. Laura Sullivan I am writing to ask that the Port Authority work with Vashon Islands  
[00:56:41] Fair Skies Group to install two noise monitors on the island as agreed last year.  
[00:56:45] A great deal of time has passed with no action and no information.  
[00:56:48] Vashon Island Park District has approved the use of public land for placement in one of  
[00:56:53] the monitors. Perhaps the PA does not understand the impact that steady stream of low  
[00:56:57] overhead traffic has on Vashon residents.  
[00:57:00] One of the planes flew solo over my home last week that I could read the number on the  
[00:57:04] plane. The noise is devastating.  
[00:57:06] Additionally, I request that the summarization of data is not adequate.  
[00:57:11] It gives the appearance of a few skating information from the public.  
[00:57:18] I am also, again, applying for a property tax reduction due to the noise from overhead  
[00:57:23] planes, so it has a huge economic impact on Washington economy.  
[00:57:28] Sheila Doina.  
[00:57:29] Excuse me executive.  
[00:57:31] We've heard this.  
[00:57:32] We've spent a lot of time to get these monitors approved.  
[00:57:36] We understand that they were purchased.  
[00:57:38] Last meeting when this was asked, we were told that they are available and being  
[00:57:43] calibrated. I ask that we have some sort of at least ad hoc community group so the folks  
[00:57:51] know what's going on between these gaps in time.  
[00:57:55] It's just, you know, we've done the hard part.  
[00:57:57] Whatever the reason for what it's going to take to get them installed, these folks have  
[00:58:03] been waiting patiently and they should just be kept informed.  
[00:58:06] We have 15 more on the same subject.  
[00:58:08] So, Sheila.  
[00:58:12] Based on recent updates from Vashon Island Fair Skies, I understand the raw data collected  
[00:58:16] from the two temporary noise monitors destined for Vashon and Murray Island will be  
[00:58:21] destroyed and only the summary results retained.  
[00:58:23] I asked the Port commissioners to reconsider and record its record retention policy as  
[00:58:29] having the raw data is critical in documenting and analyzing the acute noise disruption  
[00:58:33] in our community is now experiencing.  
[00:58:35] Averages don't necessarily paint an accurate picture and the cost associated with storage  
[00:58:40] of the raw data is minimal.  
[00:58:42] In addition, I asked Port commissioners to take David Gopal, president of Vashon Island  
[00:58:45] Fair skies up on his offer to assist the Port's Noise Office and identifying ideal  
[00:58:50] locations on Vashon and Murray Island to locate the temporary noise monitors, as well as

[00:58:55] help facilitate discussions with stewards of public lands of the islands.  
[00:58:59] Ok. I think we're on to Dorna Baxter.  
[00:59:04] In regard to noise monitors on Vashon, I asked that SeaTac work directly with Vashon  
[00:59:08] Island Fair Skies on the noise monitors.  
[00:59:10] They have potential solution for locating the monitor also destroying the raw data is not  
[00:59:16] OK. The very modest time history files must be retained.  
[00:59:20] There is no technical problem retaining the data.  
[00:59:22] It's purely a procedural and policy issue.  
[00:59:24] Finally, I request the noise office regularly post the complaint box chart on the port's  
[00:59:29] web site. The public shouldn't have to make records requests to get this information.  
[00:59:34] Thank you for your time and attention to this matter.  
[00:59:38] Susan Nebhacker.  
[00:59:40] My husband and I live on Murray Island, which is part of Vashon Island.  
[00:59:43] We have lived here for over thirty eight years.  
[00:59:45] For most of our time here, we lived a very quiet, peaceful life.  
[00:59:48] That is no longer the case.  
[00:59:50] We can no longer entertain on our deck.  
[00:59:52] We no longer sleep through the night.  
[00:59:53] And often the noise of planes are so loud we think we are going to they are going to  
[00:59:57] crash into our house.  
[00:59:59] There are several low flying planes through the night that are so loud it wakes us up.  
[01:00:05] That is with a noise canceling machine and older people's hearing problems.  
[01:00:09] Of course, the planes fly low all day long as well.  
[01:00:12] We have never minded sharing all the neighborhoods.  
[01:00:15] But I am very clear, judging by friends comments, that this is quite extraordinary and  
[01:00:19] off-putting. I know we are getting more than our fair share.  
[01:00:22] I would like to ask that the Port be cognizant of arbitrary discussions that are being  
[01:00:28] made that have very serious long term impacts to the citizens.  
[01:00:32] To the end, I would like to ask for more transparency.  
[01:00:34] I think it is reasonable for me to ask the following: Please have SeaTac noise officers  
[01:00:38] work directly with Vashon Island Fair Skies as it relates to the noise monitor.  
[01:00:43] Take another 10 seconds or--.  
[01:00:46] Very similar.  
[01:00:48] All right. Joanne Herbert followed by Alex Shavira.  
[01:00:54] Joanne Herbert. We asked that SeaTac Noise Office work directly with us at Vashon Fair  
[01:00:59] Skies to proceed with putting in place noise monitors.  
[01:01:02] The expense and time involved to obtain the data is worth it.  
[01:01:05] Achieving the data to M.B.  
[01:01:08] slashed is minuscule.  
[01:01:09] We would like to be a part of the policy decision.  
[01:01:12] Also the for the noise office, please regularly post the complaint box chart on the web  
[01:01:17] site for easy public access.  
[01:01:19] I think you would agree that a person shouldn't have to make a records request for this  
[01:01:22] data. Alex Shavira.  
[01:01:26] My wife and I retired on Vashon due to its rural feeling, small town feeling and quiet  
[01:01:32] environment. Two of those things are gone now due to constant noise we have from the  
[01:01:35] flyovers. The next gen flyovers are abusive and discriminatory and have destroyed the  
[01:01:40] natural environment of our community.  
[01:01:42] Vashon does not have a city council to give us a voice against these flyovers.  
[01:01:46] The only collective voice we have is a local group, Vashon Island Fair Skies.  
[01:01:49] To help us fight this abusive program, I am asking you to work closely with them on all  
[01:01:53] matters relating to the noise we constantly must endure due to these flyovers.  
[01:01:58] Vashon has a very low ambient noise level, and when a plane flies over, it is incredibly  
[01:02:02] noticeable. It drowns out everything since there isn't any other noise for it to blend in  
[01:02:07] with. This is why the noise monitors are essential for us to help you understand what we  
[01:02:12] are dealing with. You must keep all raw sound level data for an accurate assessment.  
[01:02:18] Time history files must be saved.  
[01:02:20] Preserving the type of data is Vashon's evidence and public record.  
[01:02:25] I have made many complaints about the noise, but it's starting to feel like a useless  
[01:02:28] action. There are far more planes now than last year.  
[01:02:31] Chris Balwant. Nexgen is an operational practice that unfairly singles out places to  
[01:02:39] suffer more than their fair share of negative consequences of air air traffic, excessive  
[01:02:43] noise from overflights on Vashon is more than simply a nuisance.

[01:02:46] It is a serious cause of social harm.  
[01:02:48] In the 30 years I have lived on Vashon, I find it its people engaged and civic minded.  
[01:02:55] Since NexGen with its anxiety making overflights, things are frantic.  
[01:02:59] Dogs barking. People grumbling, erratic traffic.  
[01:03:02] Wildlife scattering, people staying more indoors, turning up their TVs and radios and  
[01:03:06] yelling at each other just to be heard over the lineup.  
[01:03:09] Relationships are stressed by the constant interruption.  
[01:03:12] I no longer open windows for fresh air because of the noise.  
[01:03:15] I am awoken too early in the morning with the dread of incoming aircraft.  
[01:03:18] Evenings in my yard are dominated by the roar of jet engines, noise deprivation of sleep,  
[01:03:23] powerlessness in the face of interruption are techniques of torture.  
[01:03:27] Once treasured houses under the flight path are systematically put on the market as  
[01:03:31] longtime residents give up on the place.  
[01:03:33] Property tax assessments will have to consider the loss of value for the entire swath of  
[01:03:38] the island. Karen Lamplugh.  
[01:03:41] I am an eight year resident of Vashon Island that lives on the north end of the island.  
[01:03:46] The planes fly directly over my house and I can see them easily through my skylights.  
[01:03:50] The noise is nonstop and especially active from 9 p.m.  
[01:03:52] to twelve a.m., starting back up at 4:30 a.m.  
[01:03:55] With my windows closed, still loud.  
[01:03:57] Like many residents that moved here, I have high sensitivity to noise.  
[01:04:01] My neighbor has late stage Parkinson's disease.  
[01:04:04] We moved here for the quality of life that is now being destroyed.  
[01:04:07] It is within your capacity to help your constituents.  
[01:04:10] Please do not hide behind the FAA, but stand up for us.  
[01:04:13] You are elected by us.  
[01:04:14] You are our voice. Thank you.  
[01:04:17] Richard Rodrigue.  
[01:04:20] Yes. I spoke to you on October 22nd 2019 regarding the significant negative noise impacts  
[01:04:27] to our island of concentrated flight paths created by the FAA's NexGen arrival procedures  
[01:04:33] . At that meeting I requested your help along with many other islanders we asked for two  
[01:04:37] permanent noise monitors, one located on the north end of Vashon Island to monitor the  
[01:04:42] impacts of the south flow at SeaTac and one located on the south end of Murray Island to  
[01:04:47] monitor the impacts of the north flow of SeaTac.  
[01:04:50] Noise monitors are critical to gathering data to take to the FAA to ask them to change the  
[01:04:55] flight patterns associated with NexGen.  
[01:04:57] At your meeting on November 19th, 2019, you approved a portion of this request.  
[01:05:02] Your noise office will install one portable noise monitor for one year on Vashon Island.  
[01:05:07] Although we were disappointed in this very limited monitoring, we need this one temporary  
[01:05:12] monitor to be installed as soon as possible.  
[01:05:14] Your noise office is not being transparent on their plans to install this monitor.  
[01:05:18] I feel that our issues are not a priority.  
[01:05:20] Please direct your noise office to be transparent and responsive to our request.  
[01:05:25] The next speaker is Katherine Payne.  
[01:05:31] I have developed heart palpitations and anxiety due to the relentlessness of noise of  
[01:05:35] commercial aircraft over my home.  
[01:05:37] Yes, I live under the red line on the north end of Vashon Island.  
[01:05:41] At first I thought I would get used to it, but there is no way to get used to it.  
[01:05:45] No matter the tricks I play, the roars, whistles, and wind harmonics penetrate my brain  
[01:05:50] and every single room of my house, even the basement.  
[01:05:53] Summer will soon be here.  
[01:05:54] And if it is anything like last summer, open windows that once let in the night sounds  
[01:05:59] will give way to sleepless nights.  
[01:06:00] Gardening, once a healthy and joyous activity, has turned into something I just want to  
[01:06:04] get done. Damaging my psyche, making me want to move far away, which is just not  
[01:06:08] possible. Nearly every day I check the wind direction.  
[01:06:11] Please be a north wind, I say to myself, because that means a day of relief from life  
[01:06:15] under the red line. Here is a concrete example of how I no longer enjoy parts of my life.  
[01:06:19] Every season for the last 10 years, I have hosted music concerts at my house, in part  
[01:06:23] because I have a gorgeous grand piano and the sound of commercial aircraft over my home  
[01:06:29] often every two minutes.  
[01:06:30] One after the other has taken away my ability to host my musician friends.  
[01:06:37] Daniel Roberts.

[01:06:39] Daniel Roberts. I live on Vashon and I'm concerned about the huge increase in the number  
[01:06:43] of planes flying over my house, mostly from the south to the north, but also from the  
[01:06:47] east to the west. Today, I'm making three requests of the Port of Seattle.  
[01:06:51] Ask the Noise office to work with Vashon fair skies.  
[01:06:53] Tell the Commission that destroying the raw data is not OK.  
[01:06:56] The very modest time history files must be retained and ask that the noise office  
[01:07:00] regularly posts the complaint box chart on the port's web site.  
[01:07:04] David Oldham.  
[01:07:07] Oldham's asking the same three things: have Vashon Island Fair Skies work with the noise  
[01:07:14] office, Post time history files and retain it, and post the complaint box chart.  
[01:07:19] Susan Powell. Same three requests.  
[01:07:24] Noted. Kerry Huffman.  
[01:07:28] I would like to address the noise monitor siting process on Vashon Island.  
[01:07:33] I'm requesting to put the monitor under the location with the most overflights at the  
[01:07:37] lowest altitude. I understand the Port Commission has required that they be placed on  
[01:07:42] public land, which precludes the optimal site.  
[01:07:44] However, I understand that the Vashon Park district has agreed to allow the noise monitor  
[01:07:48] to be placed on its public property and has even suggested an upper section of Wing Haven  
[01:07:54] Park. As my home is located at the western edge of the park, I can tell you that the  
[01:08:00] plain noise above my house is incredibly disruptive and that I feel this is the best  
[01:08:03] location to give Port commissions requirement that it be on public lands.  
[01:08:07] One of the primary reasons I bought my house on Vashon was the peace and quiet of my  
[01:08:12] property. Stepping outside yielded no noise other than the wind through the trees or a  
[01:08:15] birdsong. Now, with the altered flight paths and lower altitude of planes crossing  
[01:08:20] directly above my property on an almost consistent, continuous basis, I hear the loud  
[01:08:26] shriek of jet plane engines instead.  
[01:08:28] Please make the process of locating the noise monitors more open and transparent so that  
[01:08:33] we can begin to collect data.  
[01:08:36] David Gobel.  
[01:08:38] David Gobel, president of Vashon Island Fair Skies.  
[01:08:41] I have several requests to directly participate with the noise office on the very delayed  
[01:08:46] Vashon Island Noise Monitor site selection and design, that the time history file on the  
[01:08:51] Larssen Davis 8 3 1 C noise monitor that the Port will be using regularly be downloaded  
[01:08:57] and retained by the Port before Harris purges the data from the monitor.  
[01:09:01] The Port licensed and not insignificant expense the Complaint Box Software from the Plane  
[01:09:06] Noise Inc. Last summer.  
[01:09:08] It generates the very useful charts such as the one submitted for the record.  
[01:09:13] It'll be attached.  
[01:09:14] If the noise office won't publish these on their web site.  
[01:09:16] I would ask that the Commission do so on their web site.  
[01:09:21] Stephen Soulsbacher.  
[01:09:23] Yes. Last one. Last one.  
[01:09:26] Please. Record. Record.  
[01:09:27] My strong support of this motion to continue the Port's work with Highline School  
[01:09:30] District to develop a Marine and Ocean Sciences High School.  
[01:09:33] I have been encouraging members of the Seattle School Board to join this conservatorium.  
[01:09:40] Sorry, I am an Emeritus UW professor and hope to generate support from the university for  
[01:09:46] this endeavor. Thank you for your patience.  
[01:09:50] This is the first time I'm reading these.  
[01:09:51] Lauren, you did an excellent job.  
[01:09:53] Thank you very much. Yeah.  
[01:09:54] Just a minute. Is there are there any more speakers wishing to-- anyone else signed up?  
[01:09:59] No. I'm sorry.  
[01:10:00] We run out of time for a second rounds.  
[01:10:06] Hearing no more speakers, we'll close public comment.  
[01:10:09] And I want to thank all of the commenters and speakers today.  
[01:10:13] And submitters with written comments.  
[01:10:16] And we'll end the conference call.  
[01:10:18] And we hope you'll continue to follow today's meeting via the livestream on the port's  
[01:10:23] Web site, which would be [www.port](http://www.port.org)  
[01:10:28] .org and we will now take comment from commissioners.  
[01:10:33] I just wanna thank staff for accommodating the ability for the community to participate  
[01:10:38] without having to be here.



[01:10:40] And I appreciate the public taking the opportunity to do that.  
[01:10:43] Excellent work. Thank you.  
[01:10:45] OK, with that, we'll move on to item number 6, which is the unanimous consent calendar.  
[01:10:52] Items on the consent calendar are considered routine and will be adopted by one motion.  
[01:10:58] Items already removed from the consent calendar will be considered separately as special  
[01:11:03] orders of business. I don't believe we have any items removed from the consent calendar.  
[01:11:09] Hearing that, is there a motion to approve the consent calendar.  
[01:11:14] I motion to approve Item 6A/ Ok.  
[01:11:16] And is there a second?  
[01:11:19] All those in favor, please say Aye, opposed say Nay.  
[01:11:23] Aye. The motion carries the consent calendar is approved.  
[01:11:28] Mr. President, if I may, just briefly.  
[01:11:31] We appreciate that adoption of the bylaws was laid on the table, postponed today to a  
[01:11:36] future meeting. We want you to know that meetings of standing committees will continue to  
[01:11:43] be noticed publicly and will be electronically recorded.  
[01:11:47] In keeping with current bylaws, unless you would like to entertain a motion during this  
[01:11:52] session to waive those particular rules.  
[01:11:56] Is there a motion? To wave?  
[01:11:59] No. There has been no motion to wave, so.  
[01:12:04] [Commissioners mumbling]  
[01:12:11] Let me just see where we are.  
[01:12:13] OK. So we are on to item number 7B, which is under special order, real estate strategic  
[01:12:20] plan presenting by--.  
[01:12:23] Commissioners, staff is updating the port's real estate strategic plan, which was created  
[01:12:29] in 2016.  
[01:12:30] This briefing will review the results from our previous plan as well as the 2020 plan  
[01:12:35] goals and timelines.  
[01:12:37] The team discusses the Port plan properties to be evaluated and the non-Port properties  
[01:12:44] throughout King County to be analyzed that could be acquired or controlled by the Port to  
[01:12:48] support the century agenda, our key lines of business and other top Port priorities.  
[01:12:53] Presenters are Dave McFadden, Carol Leese, and Irwin Park.  
[01:12:59] OK. Good afternoon Commissioners, Executive Director Metruck, yes.  
[01:13:03] With today's update and breaking on real estate strategic plan, we want to cover several  
[01:13:08] things with you today. Want to just briefly recap what happened in the 2016 plan and the  
[01:13:14] resulting work that flowed out from that planning effort, highlight the goals and  
[01:13:19] outcomes for the new real estate strategic plan we're going into development with.  
[01:13:23] And I'll hand it off to Carol Leese to do that.  
[01:13:26] And she'll also orient the Commission around key dates and project milestones.  
[01:13:31] We'll also hear from Erwin Park with Madison Bay Commercial Real Estate.  
[01:13:36] He's also helping us with this real estate strategic plan by doing an industrial real  
[01:13:41] estate market assessment.  
[01:13:43] And here to share some insights from that effort as well.  
[01:13:47] So with that, we get right into it.  
[01:13:49] Ok. I thought I'd just start by level setting.  
[01:13:52] You know, real estate is important to Port of Seattle for a number of different reasons.  
[01:13:58] Really to circle down at the bottom.  
[01:13:59] It's the means to several important ends.  
[01:14:02] When we leverage our real estate and real estate development initiatives to support the  
[01:14:07] century agenda, more specifically, to help us sustain fishing crews, maritime industries,  
[01:14:13] to drive regional economic development opportunities.  
[01:14:16] But also I think we can advance diversity, equity, inclusion.  
[01:14:21] And if we do this, while we can certainly generate good jobs and revenue a long way.  
[01:14:25] So real estate is really a good means to cement our triple bottom line here across the  
[01:14:30] Port, especially when we are doing it strategically in a focused manner.  
[01:14:38] So really, to recap on what we did four years ago, we completed research on Port  
[01:14:43] properties to get a better context, what's the zoning, the value, the environmental  
[01:14:47] history, what are these properties made of?  
[01:14:50] And then based on that, identified their highest and best use for future development,  
[01:14:55] really developing property specific plans, whether it's down at the airport or on our  
[01:15:00] waterfront. And finally, importantly, also in evaluated, non-Port property acquisition  
[01:15:07] opportunities and tried to prioritize them as well.  
[01:15:10] So with that, we've gotten a lot done since then.  
[01:15:13] I'll start with the airport.

[01:15:15] Three notable developments.  
[01:15:17] The plan was getting done right as we were in the midst of construction at Des Moines  
[01:15:24] Creek Business Park.  
[01:15:25] Subsequently developed NERA, the properties in Burien.  
[01:15:29] And finally, we just finished partnering with Trammell, Crow and IAC to develop new  
[01:15:35] facilities at the Des Moines Creek North Property in SeaTac.  
[01:15:39] All told, about 2.3  
[01:15:42] million square feet of new facilities developed around the airport over the last five  
[01:15:47] years. If I might.  
[01:15:49] Dave I just wanted to encourage other commissioners.  
[01:15:53] Commissioner Calkins and I went down and did a tour.  
[01:15:56] When was it, Ryan?  
[01:15:57] It was a couple months ago.  
[01:15:58] We were down in Burien and did a tour of the properties.  
[01:16:00] And it's much different when you look at a map like that.  
[01:16:03] And when you're actually driving by and seeing all of the businesses that are in this  
[01:16:08] development. So I just hope that we can kind of highlight that.  
[01:16:11] It's much different on the ground.  
[01:16:13] It's done an enormous amount for economic development.  
[01:16:15] It's been a great project.  
[01:16:17] Thank you. And I don't think this map even really does justice.  
[01:16:21] It just provides you some physical relief with, you know, the green showing what we've  
[01:16:26] accomplished. The stuff that's noted for our future development, the one that's next,  
[01:16:32] Des Moines Creek West, but also properties that are currently under the SAMP review.  
[01:16:37] So I do appreciate the comment, because when you really get close to these facilities,  
[01:16:43] you really realize how big development these projects represent.  
[01:16:49] You move on to them. Maritime side making progress there.  
[01:16:53] We've got pending developments that we're working on right now.  
[01:16:56] Terminal 1 0 6 and Pier 2, we're negotiating with partners around the development of  
[01:17:01] those facilities.  
[01:17:03] Really completed, I think a pivotal infrastructure assessment for Terminal 91 uplands that  
[01:17:07] showed us the path forward for developing light industrial facilities on the up in there.  
[01:17:12] And finally, we purchased Salmon Bay Marina.  
[01:17:18] I'll turn it over to Kiera now to talk about what we'd planned to do this time around.  
[01:17:23] Thank you, Dave and Director Metric, President Steinbrueck, and Commissioners.  
[01:17:28] Thank you for giving us the opportunity to discuss the 2020 Real Estate Strategic Plan  
[01:17:33] update that will hopefully build on the success of the previous effort that Dave just  
[01:17:39] described and allow us to move forward on a strategy that prepares us to develop our land  
[01:17:43] in a way that supports the Port's overall mission and prepares us to make budget requests  
[01:17:49] for this activity that will be part of our economic development CIP requests down the  
[01:17:55] road. This update allows us to consider our real estate development and job creation that  
[01:18:02] comes along with it, as Commissioner Bowman pointed out, in the context of our current  
[01:18:07] market environment.  
[01:18:09] A lot of development pressures in the market affect our existing assets and deserved to be  
[01:18:13] considered as we contemplate our future development goals and proposals.  
[01:18:17] This plan is in process.  
[01:18:19] To bring it about is intended to take about six months and enable staff and leadership to  
[01:18:25] fully consider our priorities in order to make good decisions about real estate  
[01:18:28] development efforts in the current market context.  
[01:18:32] Market analysis that we're embarking on and Irwin will explore a bit with us reflects on  
[01:18:36] the delivery of competitive space for light industrial and maritime logistics and  
[01:18:40] aviation business line support.  
[01:18:42] There are five parts of the real estate strategic plan, roughly mirroring some components  
[01:18:48] of our 2016 plan, but then building from that some additional efforts that we didn't see  
[01:18:54] in that plan. Looking at the three, the five parts, the current market trends will be  
[01:19:02] assessed. Lessons learned from the 2016 effort, to look at the highest and best use  
[01:19:12] in accordance with the existing zoning characteristics of the land that we have, identify  
[01:19:18] development objectives, recommendations on the sale of properties of our existing assets  
[01:19:23] is just a prudent forecasting technique that we will do so you'll see that in here.  
[01:19:29] As Dave suggested, look at strategic land acquisitions to support our mission and  
[01:19:34] evaluate, finally, funding options and opportunities.  
[01:19:37] Typically, we have self-funded all of our real estate development efforts.  
[01:19:41] We're going to be, in this plan, working with some folks in the market that look at other

[01:19:48] ways that we might be able to fund our capital projects and allow us finally to provide  
[01:19:54] leadership implementations and recommendations as we move forward over the next three to  
[01:19:59] five years. With that, just to give a bit of market context, I'd like to turn this  
[01:20:08] presentation for a moment over to Irwin Park.  
[01:20:12] Irwin is the managing partner of Madison Bay Commercial, a Seattle based real estate  
[01:20:18] advisory and brokerage firm with 13 years of commercial real estate experience.  
[01:20:22] He's worked with us in previous market studies and throughout the industry as a broker  
[01:20:26] and consultant. Everything from working with local boutique real estate firms to  
[01:20:31] international corporations.  
[01:20:34] Irwin's a Seattle Local went to UW and a longtime volunteer for Seattle's Community Youth  
[01:20:39] Program, and I was going to turn it over to him for his comments.  
[01:20:45] Thank You. Good afternoon.  
[01:20:48] So we'll start with the regional Puget Sound industrial market.  
[01:20:52] So anything around roughly 5 percent or less than vacancy within the market is considered  
[01:20:57] a very strong commercial real estate market.  
[01:20:59] So currently it's about at the end of 2019, it's about 4.7  
[01:21:03] percent, which kind of says a lot about our local economy here.  
[01:21:08] Rents have increased. We have one of the largest increase of rent over the last five  
[01:21:12] years globally in terms of industrial rates and then industrial leasing demand is still  
[01:21:19] roughly estimated at about 8 million square feet locally in this area.  
[01:21:24] Still, the driving force is just distribution type of logistical uses that are in the  
[01:21:30] market today. Out of all the groups that we went out to and we discussed, if they did  
[01:21:35] identify what their uses and their demand and their leasing requirements for 64 percent  
[01:21:43] of those industrial demand uses were actually from e-commerce or  
[01:21:53] distribution related logistical companies.  
[01:21:58] May I ask a question? How do you define the Puget Sound industrial market?  
[01:22:03] So is that King, Pierce, Snohomish?  
[01:22:05] What's the--. Yup it goes King, Pierce, Snohomish.  
[01:22:08] Primarily it's concentrated within King and Pierce, which is sort of the industrial  
[01:22:13] centers of this region, but it also includes Skagit as well.  
[01:22:17] Okay. Thank you. So we looked at all the rental  
[01:22:27] rates within each county just to break it down.  
[01:22:30] As you can see, King County, of course, currently is much higher in rental rate than than  
[01:22:35] the other counties out there.  
[01:22:37] The x-axis is each county.  
[01:22:39] The y axis is square foot per month rental rate that's in the market today.  
[01:22:47] Within that King County market, if we look at the Ballard, Inner Bay, North End,  
[01:22:52] Manufacturing Industrial Center, it's actually a little higher around a dollar fifty a  
[01:22:57] square foot per month. And then if we combine with Pierce and King, it actually averages  
[01:23:03] out to roughly ninety five cents per square foot per month.  
[01:23:08] So the majority of the industrial apartments are still concentrated within King and  
[01:23:12] Pierce County. Actually, yeah.  
[01:23:18] So then we look at the Ballard Inter Bay market.  
[01:23:20] The BINMIC area, the BINMIC area is still very well located within Seattle, but within  
[01:23:28] that area there are some logistical challenges in terms of a large 18 wheeler truck  
[01:23:35] access that comes into the area.  
[01:23:38] So with that in mind, the rental rates are still much higher because traditionally the  
[01:23:45] vacancy rates within that area has been very, very low.  
[01:23:49] Sub two, actually sub 1 percent, which says within that market that there is still a need  
[01:23:56] for some kind of vacancy.  
[01:23:58] But the requirements that are looking in that market are looking elsewhere because there  
[01:24:02] isn't a large amount of development happening.  
[01:24:05] So within the next twelve months, there is no industrial flex product that's being  
[01:24:10] delivered within that market.  
[01:24:13] With the marine uses that are currently there, they're renewing in place rather than  
[01:24:19] looking for other facilities within that market.  
[01:24:22] And they enjoy being close to fisherman's terminal.  
[01:24:26] And the approximate requirement or demand of square footage is two hundred twenty five  
[01:24:32] thousand square feet in that market.  
[01:24:34] Well, two hundred twenty five thousand square feet of vacant space in that market.  
[01:24:37] But there's still conceivably more square footage demand in that market itself.  
[01:24:42] So we predict rates to continue to go up.  
[01:24:49] The next side is the BINMIC vacancy and rental rate.

[01:24:52] We just want to show just the rough trends over multiple years in terms of when, as  
[01:25:00] vacancy rates, have gone down, rental rates have climbed.  
[01:25:05] And there's just a visual analysis that we want to just present with the x-axis being the  
[01:25:09] years and the Y- axis just being percentage growth per year.  
[01:25:16] Hasn't the increase in rates made the-- folks looking elsewhere?  
[01:25:24] Right. And in terms of the-- So for future growth.  
[01:25:32] Right. As long as-- if we're not making real estate in a cost effective way.  
[01:25:37] Right. Then folks are going to still look elsewhere, even though there's a demand.  
[01:25:41] Yes. So there's few different avenues that will be looked at.  
[01:25:46] Is the square footage available of the size that is needed.  
[01:25:49] And then on top of that comes rate.  
[01:25:50] And then on top of that comes access.  
[01:25:54] So all these things.  
[01:25:55] There isn't really one right answer.  
[01:25:57] But all those things are looked at at the same time.  
[01:25:59] Specifically to the BINMIC market itself.  
[01:26:02] There hasn't been a development.  
[01:26:03] So if you're looking for anything that's 20, 30, 50 thousand or a hundred thousand or  
[01:26:08] half a million square feet, you can't.  
[01:26:11] They're just-- it's not available in the market itself.  
[01:26:14] So. Yeah, I think this helps build a case for why we need to perform on Port property to  
[01:26:19] provide that space, because really it's an absence of real estate opportunity.  
[01:26:24] We don't sell our land.  
[01:26:25] So we're not going to come up in these requirements.  
[01:26:27] We're going to self perform much of the development we're going to discuss with the  
[01:26:31] Commission this year. Well, clearly that's what T-91 up wind is all about.  
[01:26:35] Right. And so it's exciting that we have the asset to develop.  
[01:26:39] And so I'm just saying that in order for us to do this, we have to build to develop it at  
[01:26:44] a rate that still would make it competitive.  
[01:26:47] Even though the demand is there.  
[01:26:49] Absolutely. And you are giving us some feedback in terms of types of companies that are  
[01:26:54] actually showing interest for this.  
[01:26:56] Right? Quick question.  
[01:26:59] Is your assessment that the reason more supply hasn't come on while demand is so high and  
[01:27:04] rates are increasing is because people are putting what is available into alternate uses  
[01:27:09] that are even more lucrative, such as like commercial or residential?  
[01:27:14] So a quick answer is no, because in terms of the BINMIC area, specifically, it's zoned  
[01:27:23] industrial, so it's staying as industrial.  
[01:27:26] So even if there was other uses, it's very specific to that.  
[01:27:31] It's a lack of land opportunity.  
[01:27:33] Yes. It's just everything that is--.  
[01:27:37] Everything can be built is built. Yeah. There's limited industrial land in the city.  
[01:27:40] Exactly. Well, the one thing that most of the Ballard land is going to think is to  
[01:27:44] breweries. [Laughter]  
[01:27:46] I mean, I think Ballard's industrial on it would be, you know, condos.  
[01:27:53] It would be land conversions if it wasn't for breweries.  
[01:27:56] Right. So when we looked at all the demand that's out there currently, there was a lot of  
[01:28:03] demand actually in breweries and distilleries within that market that are looking.  
[01:28:07] So the size range of those uses were roughly three to ten thousand square feet.  
[01:28:12] And they're still out there looking and they usually will pay higher rates than  
[01:28:17] traditional manufacturing or warehouse uses.  
[01:28:21] The distributors will pay a lower rate than then mostly breweries.  
[01:28:25] Then the hybrid retail uses.  
[01:28:27] So we have seen that distinction.  
[01:28:29] When we look back at just a quick chart that we kind of created in terms of the BINMIC  
[01:28:35] and the rest of the market itself.  
[01:28:36] Is the number of development that's happening as a region compared to BINMIC.  
[01:28:42] So you want to compare those two.  
[01:28:44] So the chart that we have up right now is actually-- just shows the difference of supply  
[01:28:50] and how much supply has changed compared the entire market, compared to BINMIC itself.  
[01:28:54] So not only is there the demand for ten thousand square feet, the majority of the groups  
[01:29:00] that are looking in that market are looking ten thousand square feet or less because  
[01:29:04] there hasn't been anything built or there hasn't been any other requirements or size

[01:29:08] ranges that those groups really need.  
[01:29:10] But if you look at the rest of the market, they're providing that.  
[01:29:19] So thanks a lot, Erwin, and we're going to be hearing more from Erwin on a number of our  
[01:29:23] projects as he's providing some of the market intelligence that support our overall real  
[01:29:28] estate development efforts.  
[01:29:29] And that was just a taste of that.  
[01:29:33] Inside of the real estate strategic plan, there's really, in our property evaluation, you  
[01:29:38] can conceive of it in sort of three buckets.  
[01:29:40] We've got the airport properties, a handful of them that are not being addressed in the  
[01:29:45] SAMP at the top of this list here.  
[01:29:49] Those two particularly have a lot of environmental and cite restrictions that may prevent  
[01:29:56] meaningful development from going on.  
[01:29:58] But we want to take a look at them as they were evaluated in the last real estate  
[01:30:02] strategic plan as well.  
[01:30:04] Picking up from our recent acquisition of Salmon Bay Marina.  
[01:30:07] There was a master development plan associated with that purchase for the uplands.  
[01:30:15] We're going to be taking that out and looking at how meaningful that is for us.  
[01:30:20] In addition, the maritime properties of Fisherman's Terminal, T-91 that was mentioned  
[01:30:25] already in the uplands there, that will be part of our evaluation during this strategic  
[01:30:31] plan effort. And again, looking at the purpose of this property, what investments we  
[01:30:35] should be making for what mission purposes.  
[01:30:39] Those projects are currently in design and you'll be seeing those periodically as we move  
[01:30:44] forward on the design and initiatives associated with them.  
[01:30:48] And then, of course, looking at our existing built, fully loaded assets where we live  
[01:30:53] here at Pier 69 and the Harbor Marine Corporate Center, World Trade Center.  
[01:30:59] Prudent Asset Manager will evaluate these fully loaded projects on a routine basis and  
[01:31:04] just figure out if they're still strategic.  
[01:31:06] And so that will be part of our planning effort as well.  
[01:31:11] And then there are the properties that will not be evaluated inside the plan and the  
[01:31:15] reasons why. So to look at this slide here on your upper left, the SAMP impacted  
[01:31:21] properties will not be evaluated.  
[01:31:23] So though we took a look at them from a development perspective in the last plan, we will  
[01:31:27] not be further looking at these respecting the SAMP process.  
[01:31:32] And when they come out of the SAMP so to say, that's when it will be again part of our  
[01:31:37] strategic conversation.  
[01:31:40] In the middle, the fully developed properties that Dave ran over in his reflection on the  
[01:31:46] 2016 plan and properties that we have assigned to be managed through the  
[01:31:55] Northwest Sea Port Alliance in our partnership with them.  
[01:31:58] Those properties will also not be evaluated in this plan.  
[01:32:04] The current and pending RFPs.  
[01:32:06] These are properties that were considered as part of our implementation strategy for  
[01:32:11] 2016. They are currently underway either part of an RFP process that's already underway  
[01:32:18] or with the Des Moines Creek West.  
[01:32:21] We're in the sea and properties.  
[01:32:23] We're going to be releasing RFPs to the market later this spring.  
[01:32:28] So those properties will not be part of the strategic plan.  
[01:32:33] To look at our overall calendar.  
[01:32:36] Just to give you an orientation to this slide, this looks at the duration of our strategic  
[01:32:42] plan period this year.  
[01:32:43] As I said, running roughly six months starting with today.  
[01:32:47] You'll see that this project will be before the Commission three opportunities today.  
[01:32:54] Later in July, in the interim portion, we'll come with our initial evaluations to give  
[01:33:00] you kind of an interim look at what's been going on inside of our strategy.  
[01:33:06] And then in October will deliver a final product just in time for your beginning to  
[01:33:11] consider the budget implications of what we intend to implement.  
[01:33:17] The plan will be supported not only by our contractor Heartland, a real estate advisor  
[01:33:23] that worked with us on the 2016 plan, and of course, Erwin's input into that as well.  
[01:33:30] But we will have an internal real estate team that is made up of staff and potentially,  
[01:33:36] hopefully, a Commissioner or two that will advise us and get periodic updates on a  
[01:33:44] routine basis, on a monthly basis.  
[01:33:47] We will have a team of external advisors, people that are involved in the real estate  
[01:33:53] business, financing real estate, and folks that are in the development communities that  
[01:34:00] can give us a good lead on how the market will be present inside of our plans.

[01:34:05] And of course, you. So we intend to kick this off.  
[01:34:10] We're already under contract.  
[01:34:12] This was a briefing for your input in the early stage of this process.  
[01:34:16] And we're eager to hear your questions and concerns.  
[01:34:19] Kiera. You might.  
[01:34:21] And thank you. Consider in July early progress reporting on potential budget related  
[01:34:28] topics that-- October may be too late at that point since we start the budget process  
[01:34:34] quite a bit before October, we're mostly wrapping up then.  
[01:34:37] So any budget implications for 2021 would be best shared in July.  
[01:34:44] Thank you Commissioner Steinbrueck.  
[01:34:46] We will be paying attention to this capital process, planning process and budgeting  
[01:34:52] process and start putting some of the plans and initiatives in that so you'll see them  
[01:34:58] warm up as the budget season unfolds.  
[01:35:01] I just have two things, Kiera since you're new, I've been talking about this for a number  
[01:35:05] of years. I represent the Port on the sound transit three elected leaders group.  
[01:35:09] And so I hope that as you were evaluating these properties that we're reaching out to  
[01:35:13] sound transit and talking to them about lay down yards for.  
[01:35:17] As you know, we are on the alignment in many different segments.  
[01:35:21] And so I don't want to lose that opportunity.  
[01:35:23] They're going to need space.  
[01:35:26] And then my second question that hopefully you can get back to and maybe I'd welcome any  
[01:35:30] other commissioners, I'd really like to understand more of the financing on the terminal  
[01:35:34] ninety-one development.  
[01:35:36] I've been asking about this for a while.  
[01:35:37] Commissioner Felleman just alluded to the fact of I'm still trying to wrap my mind around  
[01:35:42] how much we're spending and the ROI based on the rates that we're looking at.  
[01:35:48] So you don't have to go into too much detail now, but at least at some point.  
[01:35:52] Just to orient you and thank you for the questions to where we are in that process.  
[01:35:57] We're just right now hiring a designer to work with us on those buildings so that  
[01:36:03] financial projections, looking at the performance, that will all be material to our  
[01:36:07] evaluation inside the design process.  
[01:36:11] But I'm happy to keep the Commission informed as we're moving forward on that.  
[01:36:15] That would be great. I mean, just back of the envelope, that looks like a really long time  
[01:36:19] to get a payback at even a dollar 83 per square foot.  
[01:36:22] So. All right. Thank you.  
[01:36:26] Commissioner Felleman. Then I have one also.  
[01:36:31] Right. Just a couple of thoughts.  
[01:36:34] First is that I'd be happy to sit in on meetings where you'd mentioned having a  
[01:36:38] Commissioner there would be helpful.  
[01:36:39] Yes. For a long time I was on the other side of this as an industrial land tenant.  
[01:36:45] And so--. You may have some insights for us.  
[01:36:48] Yeah. It'd be nice to be the hard negotiator on the other side.  
[01:36:53] I suspect that we are going to see a pretty significant impact of coronavirus on the  
[01:36:59] economy and therefore, of course, real estate.  
[01:37:01] And so I think that at a strategic level may have a real impact on whether it's an  
[01:37:08] appropriate time to develop or possibly an appropriate time to acquire.  
[01:37:12] So I think possibly before July.  
[01:37:16] And obviously, that kind of sensitive issue is probably needed to be addressed in  
[01:37:21] executive session. But it would be nice to get a briefing on whether we've conducted a  
[01:37:26] survey of properties in and around significant Port properties to be considered for  
[01:37:34] acquisition. And, you know, whether it's the appropriate time in a market to make some  
[01:37:41] acquisitions or not. Yeah.  
[01:37:44] And then finally, as we are recognizing that we look at the  
[01:37:54] return on investment in more than just financial terms, that we are you know, we very  
[01:37:59] explicitly say, as a part of our century agenda that these lands are used to advance not  
[01:38:04] just financial goals for the Port, but also larger community goals related to maintaining  
[01:38:10] maritime and industrial lands for the creation of jobs in and around the airport and the  
[01:38:16] equivalent sense. So I appreciate the presentation.  
[01:38:18] I look forward to continuing here more.  
[01:38:20] We look forward to working with you.  
[01:38:21] Thanks for volunteering.  
[01:38:26] So the fact that there seems to be this latent demand, it would strike me that in the  
[01:38:34] course of going out and starting your evaluation of costs to just, you know, to bring

[01:38:41] some potential tenants to get their input upfront.  
[01:38:45] Like how much of a facility would you want in terms of it?  
[01:38:49] Also sort of like, you know, testing their interest in terms of design.  
[01:38:54] You know, if they start, you know, getting some investment in the concept, maybe that  
[01:39:01] will be helpful in actually doing the development on spec or, you know, in collaboration.  
[01:39:07] And obviously, you know, these are huge chunks of property that kind of would be  
[01:39:12] expensive to just do it completely on spec.  
[01:39:13] And I know they've been out there and been getting a sense of interest.  
[01:39:19] And so let's go into it a little bit hand-in-hand if possible.  
[01:39:25] Fred, thanks for raising that.  
[01:39:27] We've had many prospective tenants contact us.  
[01:39:30] And the beautiful thing is Erwin's also been profiling some of those needs very  
[01:39:35] specifically for us.  
[01:39:36] And one of the things that's on his deliverables is really to zero in on Ballard Inter  
[01:39:41] Bay and more expressly give us what what are we looking at for ceiling heights, you know,  
[01:39:47] truck doors, roll up doors.  
[01:39:49] What's what should these buildings be made of?  
[01:39:52] And so we've been hearing from our tenants.  
[01:39:55] But I think we're gonna get complementary evidence from a real drill down from Erwin.  
[01:40:00] Yeah, that'll help us guide to the market.  
[01:40:04] And I just one other thing is the connectivity between Uplands and fisherman's terminal.  
[01:40:11] And I know when we were all excited about the Maritime Blue Innovation Center and  
[01:40:17] Executive Metruck's as well, we should have, you know, an innovation district.  
[01:40:22] And, you know, the idea that that, you know, the adjacency is very valuable.  
[01:40:28] And whether even if it was a brewery, you can have like the Redhook model where they had  
[01:40:32] like the brewery and the distribution centers co-located.  
[01:40:36] You know, you could certainly see a space allocation having that proximity and road  
[01:40:41] access. I would just think of them as somewhat in tandem.  
[01:40:46] So we looked at, when we looked at the different tenant mix and some of our  
[01:40:49] recommendations were very specific to flexibility to be able to allow flex office uses as  
[01:40:55] well as warehouse users.  
[01:40:58] And that includes some of the stuff that was mentioned in terms of ceiling height.  
[01:41:04] And how some of these demands are needed to maximize uses that accommodate those.  
[01:41:12] So when we looked at all the users we looked at, we looked at warehouse ceiling height and  
[01:41:18] based upon what percentage of the building, retail or office user will look at.  
[01:41:24] And some of the findings were to leave that flexible so that when new tenants come in,  
[01:41:29] you can look at the building envelope in terms you can look at the warehouse portion, but  
[01:41:33] also create the flexibility to build office retail.  
[01:41:36] So we took that into consideration when we looked at when we spoke with many other  
[01:41:40] tenants in the market. And just to build that out a little bit.  
[01:41:44] So part of the reason that we did this market evaluation early is so that it could  
[01:41:48] influence the design.  
[01:41:50] So for building on spec, you know, what we were telling our designers is build to these  
[01:41:55] specs, to the maximum flexibility, to what the program requirements are for the people  
[01:42:00] that are in our market.  
[01:42:02] So that's, you know, I think that's just being intelligent about how we produce our  
[01:42:08] designs for these projects with that leasing strategy and leasing component in mind.  
[01:42:14] With regard to Ballard Inter Bay Manufacturing Industrial Center, our second largest  
[01:42:19] twenty five hundred acres, I believe, next to the Duwammish MIC.  
[01:42:25] There are perceptions out there publicly.  
[01:42:27] I read an article recently by a social media outlet that claimed that Ballard Inter Bay  
[01:42:34] was dead. The Ballard Inter Bay Manufacturer Industrial Center was dead and they they  
[01:42:42] called out, the number of moving and storage facilities there, car washes, et cetera.  
[01:42:49] I think we have a challenge here.  
[01:42:52] And given particularly the numbers that you just presented us with with regard to rather  
[01:42:58] low vacancies, rising rents, attractiveness of this area and the dearth of large  
[01:43:08] manufacturing centers elsewhere in our region, I think we need to combat that misguided,  
[01:43:14] ill informed viewpoint, particularly with regard to the Ballard Inter Bay Center, because  
[01:43:20] it's serving a very critical infrastructure function with regard to fisherman's terminal,  
[01:43:28] maritime sector, both north and south.  
[01:43:32] And so I hope that through your strategic planning work that you will be able to do the  
[01:43:40] necessary analysis to demonstrate the enormous value to industry, to businesses, small  
[01:43:48] businesses, jobs in these sectors.

[01:43:52] Now, that being said, there is a reasonable purpose to be served in looking at changing  
[01:44:02] uses within the context of MNI of manufacturing industrial.  
[01:44:07] That there are new types of businesses, hybrids that need different configurations, that  
[01:44:13] the different size properties that need verticality as opposed to horizontal structures.  
[01:44:19] The zoning there is pretty old and has been in place for a long time without, with fewer  
[01:44:24] changes with regard to development standards such as floor area ratios, building heights,  
[01:44:29] floor to ceiling, etc.  
[01:44:31] As you mentioned, and I think as the city is undertaking a process of evaluating for  
[01:44:37] potential land use changes and zoning changes, both Ballard, Inter Bay and the Duwammish  
[01:44:44] and other areas that are zoned manufacturer industrial in the city.  
[01:44:48] Mostly they're contained in those two areas.  
[01:44:50] Commissioner Bowman is working hard on these topics with the task force that the mayor  
[01:44:55] set up. I think we have an opportunity to inform the city about the intrinsic value of  
[01:45:02] these lands and also maybe with some recommendations about some updates so that the  
[01:45:07] zoning has the kind of flexibility but while still retaining the important key functions  
[01:45:13] that we need here, but allowing for some perhaps changes to the development standards,  
[01:45:22] floor area ratio, heights, et cetera, a lot coverage, etc.,  
[01:45:27] those kinds of things that I think could make the land even more purposeful for the  
[01:45:33] future and for retention as industrial centers.  
[01:45:38] So I really am interested in that.  
[01:45:40] Encourage that work, look forward to it.  
[01:45:42] But we really have a job to do to better inform the city and the region as to how  
[01:45:49] important these lands are to our local economy and regional economy.  
[01:45:53] The other thing I want to ask about, I think you are looking at properties, not  
[01:45:58] necessarily for the public purview that may be of strategic interest that are not within  
[01:46:04] the Port's assets are.  
[01:46:07] We are looking at acquisitions--.. And I want to encourage that.  
[01:46:10] Land as is going fast around here.  
[01:46:12] And we've got it.  
[01:46:13] We absolutely have to protect and preserve lands that have a strategic value for the  
[01:46:18] mission of the Port and our industrial centers.  
[01:46:21] So in particular, I don't know if you're doing any evaluation of the armory site at  
[01:46:27] twenty five acres in the harp part of BINMIC.  
[01:46:32] Regardless of what else is occurring external to our purview, it seems to me that we  
[01:46:39] should be looking at that from a very strategic standpoint for and in the long term as  
[01:46:45] well, not just the short term.  
[01:46:46] This is going to be pressure for changes of use to non-industrial.  
[01:46:50] We know that.  
[01:46:52] You're hearing that. So I just want to put that out there as well.  
[01:46:55] Hopefully some follow up.  
[01:46:56] Yeah, just said just a brief response, President Steinbrueck.  
[01:47:00] So we did evaluate the armory site in our last strategic plan update.  
[01:47:07] As to the purported rumors of BIN mixed purpose being dead.  
[01:47:11] Just to quote Mark Twain from his evaluation of his own obituary, "The rumors of my death  
[01:47:18] are much exaggerated."  
[01:47:20] [Laughter] I think what Erwin doing is talking about, we've got a lot of activity and a  
[01:47:25] lot of the kinds of design requirements and characteristics in the current zoning in the  
[01:47:31] BINMIC are allowed.  
[01:47:32] So we don't need to get into floor area ratios that would accommodate large scale office  
[01:47:37] buildings, which I think is what a lot of the real estate development enterprises would  
[01:47:42] like to see. We want to hold the line there.  
[01:47:44] And that's part of the discussion that Commissioner Bowman is leading on our behalf at  
[01:47:50] the industrial lands table.  
[01:47:53] Being ably supported by you.  
[01:47:57] Thank You. Commissioner Felleman.  
[01:48:00] So it seems to me, especially in light of economic downturn situations where our capital  
[01:48:09] might be seen somewhat constrained as well as potential other buyer's.  
[01:48:15] I'm familiar with the property, you know, just going north on the Ballard bridge off to  
[01:48:20] the east, there's a lot of, like with the grey tsunami, a lot of, you know, first  
[01:48:27] generation fishing interest and others who are just getting out of the business, they see  
[01:48:32] there's a better job, a better opportunity to sell off.  
[01:48:36] They see this narrative of, you know, it's this isn't going to be around for long so I  
[01:48:41] might as well get the maximum return on my investment.



[01:48:43] My kid doesn't want to do this anymore.  
[01:48:46] And those sort of situations where properties are available or opening up.  
[01:48:51] And but obviously when we have property we already want to spend money to develop to then  
[01:48:56] take on another monkey, is, I'm sure it's kind of a challenging thought.  
[01:49:00] But I've been saying this for a while just to be in the real estate flipping business,  
[01:49:05] that we could lock something down and just sell it to somebody that will use it for  
[01:49:10] purposes that we prefer.  
[01:49:13] Right. And so preserving the property, but not intending to keep it.  
[01:49:17] So conditioning use and that sort of stuff.  
[01:49:19] So I'm just, you know, in the course of looking at it, I'm thinking about acquisition as  
[01:49:23] being sort of more like the trust for public lands approach to industrial land with just  
[01:49:29] being a transitory owner.  
[01:49:33] I said one less. I just noticed the Seboda about a property wasn't on the list of  
[01:49:37] evaluation for-- Is that just a  
[01:49:40] Probably just a little technical glitch.  
[01:49:43] It's tied up, I believe for a few more months until next October, November.  
[01:49:48] I'm not advocating for a change, but I do think it's appropriate, as you just said, to  
[01:49:52] evaluate all of our property.  
[01:49:54] Right. Thank you, sir.  
[01:49:56] Thank you. One fine point here in referencing Duwammish Manufacturing Center, I would  
[01:50:03] much prefer that we called it that rather than Sodo.  
[01:50:07] That is something of a misnomer and was a real estate term to attract non-industrial  
[01:50:12] businesses to south downtown.  
[01:50:15] And that's happened to some extent, but it does no way describes the four thousand acre  
[01:50:20] characteristics of the designated manufacturing industrial center.  
[01:50:24] I would prefer we use those terms.  
[01:50:26] Duwammish MIC, if you will.  
[01:50:28] Duly noted. Thank you.  
[01:50:32] Thank you all. Commissioner.  
[01:50:40] I'm sorry. Just before we go on, I do want to note.  
[01:50:43] Appreciate Kiera's addition to the team and the real estate team, though, I really  
[01:50:47] appreciate you coming on board and the work that you're doing.  
[01:50:52] [Laughter] Dave, most of all.  
[01:50:55] Let me see where we are.  
[01:50:56] We're about to the next item, which is item 8A authorization for the executive director to  
[01:51:01] one, award and execute a contract for a biometric air access system for up to 30  
[01:51:06] international boarding gates at Seattle-Tacoma International Airport and two, implement  
[01:51:11] executive policies for regulating the use of biometric air exit systems at Port  
[01:51:15] facilities.  
[01:51:17] Contract authorization includes one, procuring hardware, software, vendor implementation  
[01:51:21] services and recurring maintenance fees for up to 10 years and two, using Port staff for  
[01:51:26] construction and implementation.  
[01:51:30] Total project cost per authorization five million seven hundred fifteen thousand is  
[01:51:35] comprised of project costs of two million seven hundred fifteen thousand and recurring  
[01:51:39] maintenance costs for up to 10 years estimated at 3 million budgeted in annual operating  
[01:51:45] budgets.  
[01:51:46] Commissioners. We now turn to action item 8 A which is a request for a Commission  
[01:51:50] authorization to reward and execute a contract for a biometric exit system for up to 30  
[01:51:55] international boarding gates at Seattle-Tacoma International Airport and to implement  
[01:51:59] executive policies for regulating the biometric exit implementations.  
[01:52:04] As I mentioned earlier, we are exactly three months to the day since you passed the  
[01:52:08] motion directing staff to develop biometrics policies that implement your biometric  
[01:52:12] principles. I want to thank the Port staff for the countless hours of work in developing  
[01:52:17] a comprehensive set of recommendations for biometric air exit, which is the first of the  
[01:52:22] ultimately five biometric policy recommendations.  
[01:52:25] I also want to thank the external advisory group for their input, which will result in  
[01:52:29] substantive improvements to the biometric exit policy recommendations and for the  
[01:52:34] biometric committee, which has reviewed and worked on this effort as well.  
[01:52:39] The topic of biometrics is difficult and complex.  
[01:52:42] However, I want to make sure that we acknowledge that while there are absolutely concerns  
[01:52:45] to be addressed, this is also a technology that has both the potential to significantly  
[01:52:50] improve traveler experience and both streamline and improve national security.  
[01:52:55] More than two dozen airports have already implemented biometric air exit and travelers

[01:52:59] there have generally embraced this technology as a convenience and a benefit.  
[01:53:03] Biometric air exit is going to happen at SeaTac, whether by CBP or airport and its  
[01:53:08] airlines.  
[01:53:09] By approving the Port taking a proactive role in this implementation, I believe strongly  
[01:53:15] that we will have the best chance to ensure that biometric air exit meets our standards  
[01:53:19] and values. We will also be the leading airport in the entire country in terms of the  
[01:53:25] extent of the comprehensive, detailed approach we have taken to develop and implement  
[01:53:29] policy on this issue for all of our uses of biometrics.  
[01:53:33] Your approval of biometric air exit implantation does in no way obligate you to support  
[01:53:39] the implementation of biometric systems at the port facilities from here forward.  
[01:53:44] We'll return to brief you on the other uses, policy recommendations as they are finalized  
[01:53:50] and vetted by our external stakeholders, we now turn things over to the presenters for  
[01:53:54] this item Erik Schoenfeld, David Wilson, and Crystal Sadler.  
[01:53:58] Just a minute. So, Felleman.  
[01:54:01] You know, one of the things that, in reading the materials that people have said, the  
[01:54:05] principles and all this stuff.  
[01:54:09] I understand the rationale for the Port's investment in this.  
[01:54:12] What I'm hearing that I'm not familiar with is what the RFP says and how, if anything,  
[01:54:18] what we put in the RFP constrains what our goals are.  
[01:54:22] And I was specifically concerned, because I know the one place where we are most, my  
[01:54:27] belief was we had most authority was in the signage.  
[01:54:30] And in fact, last time we met, I was told that we have signage in development.  
[01:54:35] And I was kind of hoping to see a draft sign to show the public that, in fact, we are  
[01:54:40] taking that responsibility seriously.  
[01:54:42] So I want to make sure that nothing in that RFP in any way gets in our way to at least  
[01:54:48] inform the public. And if there are any other places where it could be interpreted by the  
[01:54:53] public, that something about that RFP in any way gets in the way of what we think we have  
[01:54:58] control over. I'd like to make that as clear as possible.  
[01:55:03] We will address all of that in the presentation, Commissioner.  
[01:55:06] Okay. All right.  
[01:55:07] Commissioners. My name is Erik Schoenfeld, senior manager of Federal and International  
[01:55:11] Government Relations here at the Port of Seattle, joined by Dave Wilson and Crystal  
[01:55:15] Sadler. We are here to present on both the proposed biometric air exit policy  
[01:55:20] recommendations as well as the RFP for up to 30 biometric exit gates.  
[01:55:25] And I want to start by talking about the transparency and public process we've gone  
[01:55:29] through. As I presented last time at your meeting on February 25th, that is the thing  
[01:55:33] that we have taken most seriously as part of this process.  
[01:55:36] Today is the fifth public meeting that the Port Commission has held on this topic.  
[01:55:41] In addition to three external advisory group meetings and all of the materials of the  
[01:55:46] external advisory group being posted on the Port Web site.  
[01:55:51] We have taken this very seriously.  
[01:55:52] We have engaged individuals throughout the region on this topic because we fully  
[01:55:57] understand that it is difficult, it is complex, it is controversial.  
[01:56:01] And we believe that we have incorporated, to the best of our abilities, all of the  
[01:56:05] feedback that we've received from both the external advisory group as well as many others  
[01:56:09] throughout the region. So that transparency, that accountability, that opportunity for  
[01:56:14] public process is something we've taken very seriously.  
[01:56:16] I struggle to remember many other topics where I've spent that much time in Commission  
[01:56:22] session and otherwise trying to engage the public on this topic.  
[01:56:26] Like Executive Director, Metruck said, this is the first of five use cases that we are  
[01:56:30] developing through our work with both the internal advisory group and the external  
[01:56:34] advisory group. And the reason that I want to highlight that is because, again, as  
[01:56:38] Executive Director Metruck said, if you approve the biometric air exit policies, that  
[01:56:43] does not obligate you in any other way to approve any other policies, to approve any  
[01:56:47] other implementation.  
[01:56:48] We're talking about a very specific implementation that I want to be really clear about  
[01:56:51] that. We will come back to you and brief you on the work that we're doing on everything  
[01:56:55] from how police may or may not use biometrics to how cruise partners may or may not use  
[01:57:00] biometrics and on down the line.  
[01:57:03] So what is biometric exit?  
[01:57:04] We've talked about this multiple times.  
[01:57:06] Biometric air exit is the use of biometrics for departing international passengers at the  
[01:57:13] gate. And I think one of the things as we've talked about-- is this something new?

[01:57:19] Is this something unprecedented?  
[01:57:21] Over two dozen airports have already done this.  
[01:57:24] And what we're really proud of here at the Port of Seattle is while those other airports  
[01:57:28] just did it because they saw it as an operational benefit, it was something they worked  
[01:57:33] to implement in partnership with CBP.  
[01:57:36] And they said, oh, customers like this, they this is a fine thing.  
[01:57:39] We did not take that approach.  
[01:57:41] We took the approach to say this is something that CBP is congressionally mandated to do.  
[01:57:46] We do not have to make the choice to work with them on that.  
[01:57:49] Should we? What are the pros and cons of doing that?  
[01:57:52] And so that is why on December 10th, you passed a motion outlining the seven principles  
[01:57:57] that you wanted to see and then directed us to translate those seven principles into  
[01:58:02] tangible, enforceable policies that we believe that we have delivered to you here today.  
[01:58:09] This is a program where clearly as you've heard from the public, people have concerns  
[01:58:14] about. And one of the most important messages that we believe about this program is if  
[01:58:19] you do not feel comfortable taking advantage of this program or participating in this  
[01:58:23] program, don't.  
[01:58:25] This is a fully voluntary program for both U.S.  
[01:58:29] residents and foreign nationals.  
[01:58:32] And one of the things that we will be really emphasizing as part of our communications  
[01:58:36] plan, both signage and otherwise, is this idea that you do not need to participate in  
[01:58:41] this program if you are uncomfortable.  
[01:58:43] We will make it clear what this program is, what happens with the information, why it's  
[01:58:48] happening, what your rights are.  
[01:58:49] And just as important if you feel your rights have been violated, what your recourse is.  
[01:58:55] And then finally, just to make one more note about what is biometric air exit and how  
[01:59:01] does it work? U.S.  
[01:59:03] Customs and Border Protection, CBP, already has your photo.  
[01:59:07] You've given it to them by getting a passport or through your visa application.  
[01:59:12] They already have your photo.  
[01:59:14] The airlines, by law, already are providing information about you from the flight  
[01:59:20] manifest, from your ticket purchasing to CBP through the APUS system.  
[01:59:24] So CBP has that information from your passport photo, from your visa application photo  
[01:59:29] from the airlines.  
[01:59:30] This program, if you choose to participate in this program, is a verification using your  
[01:59:36] face of whether or not you are the person that your travel documents say you are.  
[01:59:43] And then for U.S.  
[01:59:44] residents, that information is deleted within twelve hours.  
[01:59:48] That information is not your photo.  
[01:59:51] That information is a string of numbers that is sent to CBP.  
[01:59:55] And what they send back is a match or no match.  
[01:59:58] And so I, obviously, we fully appreciate the privacy concerns and the civil liberty  
[02:00:02] concerns. This program does not really add a significant amount of new information to  
[02:00:08] what CBP already has, both from their collection and from the airlines.  
[02:00:12] And then finally, before we talk about the RFP, let me talk about the policies.  
[02:00:17] These are the principles that you passed on December 10th.  
[02:00:19] And we have outlined in great detail in the 30 pages of the biometric air exit policy  
[02:00:25] recommendations, how we think we can implement in a tangible, enforceable way the  
[02:00:30] policies that you put forward to us.  
[02:00:32] But more important than what the policies are, is do the policies comply with your  
[02:00:37] guidance, with your motion that we must meet these principles?  
[02:00:41] And we believe that it does.  
[02:00:42] We do believe that it does.  
[02:00:43] In particular, if we are able to have control over the process to make sure that all of  
[02:00:49] these guidelines are followed, to make sure that your rights are followed.  
[02:00:53] There's a lot of conversation about just let CBP do it.  
[02:00:57] And certainly we could wash our hands of that.  
[02:01:00] But we have some concerns, as staff, about the customer service ethic of federal law  
[02:01:06] enforcement officers in our terminal scanning passengers boarding the gate.  
[02:01:11] And certainly we believe that it will be easier for people to choose not to participate  
[02:01:17] in this program if it is Port and airline staff rather than armed federal law enforcement  
[02:01:22] officers. Besides the fact that those armed federal law enforcement officers need to be  
[02:01:26] in international arrivals processing international arriving passengers.

[02:01:29] And so.  
[02:01:30] I just want to point out, one of the issues that were raised that I thought was compelling  
[02:01:34] was that while that, I'm going to make your case that it shouldn't be intimidating, but  
[02:01:39] having somebody uniformed and that it's distinguishable between this is where you can do  
[02:01:44] it, and this way you don't have to do it, in some way that Port employee to have that  
[02:01:50] distinguishing feature.  
[02:01:52] That was one compelling reason why you might want to have an officer type.  
[02:01:56] The other thing just for clarification was brought up that the Congress says that you  
[02:02:01] have to have this facility for international travelers.  
[02:02:05] It doesn't require it for domestic.  
[02:02:07] Is that the case? So to clarify a couple of points there.  
[02:02:10] So any airport that has arriving international passengers, passengers coming from  
[02:02:16] somewhere else and coming into United States has something called a federal inspection  
[02:02:20] service, an FIS.  
[02:02:21] And that is because those individuals need to clear customs before they're allowed into  
[02:02:25] the country. We have an FIS.  
[02:02:26] It is currently in the basement of the South Satellite at SeaTac.  
[02:02:29] We are building a new FIS called the International Arrivals Facility.  
[02:02:34] That has nothing to do with departing international passengers.  
[02:02:37] Departing international passengers can depart from any gate.  
[02:02:41] They do not have to go.  
[02:02:43] They go through TSA.  
[02:02:44] They go to any gate. They board that plane.  
[02:02:47] Currently, CBP confirms their identity using that APUS data, using the data they already  
[02:02:55] have. This is an automation of that process using facial recognition technology.  
[02:03:02] Does the Congress, the direction right now does it require facial recognition for exits  
[02:03:09] for-- Congress has mandated CBP to implement biometrics for arriving and departing  
[02:03:15] international passengers both.  
[02:03:17] They cannot mandate us to implement biometrics.  
[02:03:20] And so that is why the choice before you is whether or not it makes sense for the Port to  
[02:03:25] own this or to continue to allow CBP to own that process.  
[02:03:30] I think there is an ethical question.  
[02:03:31] When you say international passenger, it is somebody that is traveling internationally,  
[02:03:37] regardless of their--  
[02:03:38] That's just somebody who is getting on a departing international flight.  
[02:03:41] I think that is distinguished from what was thought.  
[02:03:45] So let me just let me close and turn things over to Dave and Crystal unless you want  
[02:03:51] me answering more questions about the policies themselves.  
[02:03:54] Two last things here. First of all, on the question of signage.  
[02:03:57] Any airport or airline that participates in the biometric air exit program, chooses to  
[02:04:03] participate, has to comply with the CBP biometric business requirements.  
[02:04:08] And those are business requirements that ensure some of the things that we care very much  
[02:04:12] about, around privacy protection, around making sure that the data is not shared, around  
[02:04:17] really strict encryption and data transmission requirements.  
[02:04:22] It does say that we need to show our signage to CBP and the reason for that, of course,  
[02:04:29] is accuracy. They want to make sure that we are accurately representing the facts about  
[02:04:33] the program. The reason that we want to do our own signage and beyond signage, our own  
[02:04:37] communications campaign, which will include, of course, web content, social media  
[02:04:42] content, overhead announcements, other abilities that we have to communicate is not  
[02:04:48] because we think that CBP is not communicating the right information.  
[02:04:51] It's that we believe that we can communicate in a more concise, in a more clear, in a  
[02:04:56] better understandable way, and in multiple languages, which is our commitment to our  
[02:05:01] diverse traveling public, particularly on international flight.  
[02:05:04] So we will show them our signs as long as they are factual, we have no reason to expect  
[02:05:09] they will not be approved and we will go above and beyond their minimum standards.  
[02:05:13] I will let Dave talk to the issues around the RFP and Crystal as we transition here.  
[02:05:19] But my final point, you did hear a few comments about opt-in and community members do  
[02:05:25] believe that opt-in is an easier way, a better way to make sure this program is  
[02:05:31] voluntary. And so I did hand out to you just now, or Paul handed out to you, we have  
[02:05:36] copies on the entry desk there of a slightly updated version of the biometric air exit  
[02:05:43] policy recommendations.  
[02:05:45] The really only substantive change besides sort of clarifying a number of things is that  
[02:05:49] we said it is our belief that opt-out is the requirement from CBP.

[02:05:55] However, it is our full commitment to our external advisory group and to the public to  
[02:05:59] continue to pursue that point.  
[02:06:02] And if opt-in is truly an option, both in a regulatory manner and logistically feasible,  
[02:06:07] we will pursue that.  
[02:06:08] We will do opt-in if it is allowed, if it works.  
[02:06:12] If not, we will do opt-out and we will continue to really focus a lot of our  
[02:06:17] communications around making sure people know that.  
[02:06:20] I don't mean this in any humorous way whatsoever.  
[02:06:22] But the the hashtag we are looking at is "when in doubt, opt out".  
[02:06:26] It is something we really want to make sure people understand.  
[02:06:29] Their rights to this program. If you are not comfortable, do not participate.  
[02:06:32] You do not have to. So does this is an area of some current confusion I think and the  
[02:06:39] definition and application of those two terms.  
[02:06:43] And in practice, operationally, just to be-- if I'm correct here, an opt-in approach would  
[02:06:51] be to ask a traveler do they want to have their I.D.  
[02:06:56] verified by a biometric technology or the alternative, the analog system of photographs,  
[02:07:04] comparisons? Is that correct?  
[02:07:07] That is correct.  
[02:07:08] Given the choice, rather than have the default be biometrics.  
[02:07:13] So the opt-out is-- you wouldn't put them both up before the traveling public.  
[02:07:20] You would put one or the other up as the choice opt-in/ opt-out.  
[02:07:26] Just to be clear here and the prevailing position has been opt-out and everything up  
[02:07:34] until recently that I've seen.  
[02:07:35] And now we have a newly introduced concept of opting-in, which changes the game plan in  
[02:07:43] the sense that it potentially causes a backup if every passenger is asked in advance  
[02:07:51] whether or not they agree to biometric technology versus the opposite opting-out.  
[02:07:57] And we know that a large majority have accepted, as much as 90 percent or more, the the  
[02:08:06] choice of not opting out, basically.  
[02:08:09] Is that correct? So that I just want to be sure that we're absolutely clear about these  
[02:08:12] terms and how they would influence or impact the processing of exiting international  
[02:08:22] passengers. The processing aspects operationally and time so that we know that there is a  
[02:08:28] difference. There is a material difference between the two.  
[02:08:31] And I think that's why the issue has been raised recently.  
[02:08:34] Yes, we will look at opt-out and opt-in.  
[02:08:38] We are committed a hundred percent to voluntary.  
[02:08:40] When we look at opt-in, we will look at regulatorily, whether it is allowed.  
[02:08:44] And then, of course, the impact on operational efficiency and effectiveness, whether it  
[02:08:48] works. We will look at all of that in a fair and balanced way and we will determine what  
[02:08:54] we have the power to do and what works best.  
[02:08:57] All right. Just a point of clarification and partially a question is that I think this is  
[02:09:05] largely semantics. But whether you have opt-in or opt-out implies that there is a  
[02:09:10] default. Right.  
[02:09:12] That's why you're opting-out or opting-in.  
[02:09:13] Right. So that's the difference.  
[02:09:15] Yes. Now, have we discussed just options?  
[02:09:19] Right. So not an opt-in, not an opt-out.  
[02:09:22] You just have options. So you can either go through the biometric lines or you can go  
[02:09:26] through the non biometrics line.  
[02:09:27] It's not an opt-in or opt-out.  
[02:09:29] You just have two options. I think the word optional is the word that is worthwhile  
[02:09:36] using today. We are going to continue to do to work the work as we figure out how to  
[02:09:41] implement this program, if you approve implementing this program, to figure out what  
[02:09:46] works best for optional.  
[02:09:47] And by works best, I mean both operational efficiency, what is right for the traveler,  
[02:09:52] what we're allowed to do regulatorily, and we will answer that question.  
[02:09:56] But that's an implementation question that we can answer as we learn more about this  
[02:09:59] process and start to look at what implementation might look like.  
[02:10:02] Commissioner Calkins. Before we turn to the RFP.  
[02:10:07] I want to go to the first principle, which is justified.  
[02:10:13] Why are we doing this?  
[02:10:15] And let me contextualize that by saying my understanding is we need to do this identity  
[02:10:23] verification in some way.  
[02:10:25] We've done it for decades.

[02:10:27] There has been a database of travelers created.  
[02:10:31] You know, when somebody purchases a ticket and submits their information, that database  
[02:10:35] is created.  
[02:10:37] At the point of getting onto the airplane, every passenger needs to be verified against  
[02:10:45] that passenger manifest.  
[02:10:47] There is not data collection at that moment per se, it is simply verifying against the  
[02:10:54] database if this is the person presenting themselves at the gate to get on the plane.  
[02:11:01] So currently you approach, you give them your passport, an employee looks at the  
[02:11:06] passport, and what happens?  
[02:11:09] What are they looking at on that screen?  
[02:11:12] Are they looking at a picture of you to see that is the person that I see on the  
[02:11:16] passport. They are not.  
[02:11:18] They are looking at a list of passengers and passenger information.  
[02:11:23] And so I don't want to shill for the biometrics program.  
[02:11:27] I'm not here to do that.  
[02:11:28] I will tell you that CBP, fundamentally, in terms of justification, believes that this is  
[02:11:35] an automation of an existing system.  
[02:11:38] And sort of like you describe Commissioner.  
[02:11:39] It is something that already happens on a manual basis.  
[02:11:42] They want to automate it.  
[02:11:45] What CBP might argue and again, not to speak for them, is that it is probably more  
[02:11:52] accurate to confirm your identity by matching your picture to the database that they have  
[02:12:00] on file than an airline employee looking at your passport and just generally assuming you  
[02:12:06] sort of look like that person.  
[02:12:08] So there might be more accuracy there.  
[02:12:10] But it is again, it's happening one way or the other.  
[02:12:14] And CBP is automating that process.  
[02:12:17] Which speaks to the question of bias, which has been a principal concern for us from the  
[02:12:23] onset of this.  
[02:12:25] If the no match comes back on the biometrics, what happens?  
[02:12:32] So let me--  
[02:12:34] Kicked off the plane? Absolutely you do not get kicked off the plane.  
[02:12:37] You default to a manual verification process.  
[02:12:40] What happens if you're no match in the manual verification?  
[02:12:45] That can happen any time.  
[02:12:46] That can happen at any time.  
[02:12:47] It can happen today. If an airline employee does not believe you're the person who has  
[02:12:51] your travel documents, they will not let you on the plane.  
[02:12:55] [Cross talk] You mentioned in the last meeting data about the system  
[02:13:05] that CBP uses as being the best or ranked as one of the best in terms of performance on  
[02:13:13] the algorithm Is that better or worse than studies done on human matching of passport to  
[02:13:22] a person? I have not seen any studies on the accuracy rate of human matching of looking  
[02:13:28] at a person's face and verifying that that is the person whose travel identity there is.  
[02:13:33] The issue of accuracy--  
[02:13:35] I have seen that results in that, I have seen results that do indicate this is much more  
[02:13:39] accurate than the average human to identify.  
[02:13:42] It was something that Commissioner Cho brought up last meeting that, you know, this is a  
[02:13:45] human design system and therefore will incorporate human bias, presumably.  
[02:13:50] And so my concern is, is it better or worse?  
[02:13:57] And I can say why they want to go-- And let me just add to this.  
[02:14:00] The discussion of why this is law, why Congress passed this is they want to be more  
[02:14:05] accurate on this for national security purposes.  
[02:14:09] Which goes to another question on the justified principle.  
[02:14:16] We mentioned this in the last meeting, but at the root of all of this is an interest by  
[02:14:21] Congress to secure air travel, correct?  
[02:14:25] Yes. Is there any other stated purpose besides security of.  
[02:14:28] It is a recommendation that first originated with the 9/11 Commission as a way to improve  
[02:14:33] national security. And finally, in the communications we've had with constituents and  
[02:14:43] and staff and others, there is this question over authority.  
[02:14:49] And so I just want to ask very plainly, do we, the commission, have the authority to stop  
[02:14:56] biometric air exit at SeaTac?  
[02:14:59] We do not. CBP has the authority under their federal jurisdiction to implement biometric  
[02:15:04] air exit. They have already done so on many departing international flights at

[02:15:09] Seattle-Tacoma International Airport.  
[02:15:13] Was there disagreement around the answer to that question within the external advisory  
[02:15:19] group? Were there members of the external advisory group who disagree with that  
[02:15:22] assessment? No. And how about within our legal team?  
[02:15:25] Is that a fairly black and white.  
[02:15:30] If I can get a lawyer to answer that question?  
[02:15:40] Because I'm operating under the assumption that I do not have the ability to make a  
[02:15:44] decision to that effect, but I have--.  
[02:15:47] I have no person tell us that we can deny CBP the right to do their federal Customs and  
[02:15:54] Border Protection function in our airport.  
[02:16:05] I think at the end of the day, we could go through the messy nations of trying to stop CBP  
[02:16:11] from conducting their business at the airport.  
[02:16:14] We're looking at concepts of trespassing someone who we don't think has authority to do  
[02:16:18] what we want them to do.  
[02:16:21] And I think ultimately under concepts of preemption and their statutory federal law  
[02:16:27] mission to do this, we'd have a hard time ultimately stopping it.  
[02:16:34] Ok. Thanks.  
[02:16:39] All right. I will move on to Dave and Crystal to talk about the RFP specifically.  
[02:16:43] Good afternoon Executive Director Metruck and Commissioners.  
[02:16:46] I'm David Wilson. I'm the Director of Airport Innovation for SeaTac Airport.  
[02:16:51] Today we're requesting Commission authorization to purchase a biometric air exit system  
[02:16:55] to be used at 80 international departure gates at SeaTac Airport.  
[02:16:58] Jumping right to the RFP question.  
[02:17:00] The RFP does not address signage or communication.  
[02:17:02] I'm sorry, did I just hear 80?  
[02:17:05] Thirty, right?  
[02:17:06] Thirty, apologies. I'm sorry, 30 international departure gates.  
[02:17:13] And the RFP does not address signage or communication specifically addressing the device  
[02:17:17] to capture the image and communicate with TVS.  
[02:17:19] That's all it addresses.  
[02:17:21] Within the RFP, though, we did make sure that the system must be fully compliant with the  
[02:17:25] section of the biometric air exit policies that regard to cameras and capture of data,  
[02:17:29] retention of data, security and things like that.  
[02:17:32] So your authorization will include the procurement of hardware, software and vendor  
[02:17:36] services for the system, Port staff for construction design, implementation of the  
[02:17:41] system, a contract for up to 10 years for the maintenance, and for software licenses,  
[02:17:46] software services and maintenance for the system.  
[02:17:48] The total projected cost is five million seven fifteen thousand.  
[02:17:52] The project costs is two million seven hundred fifteen thousand.  
[02:17:55] The 10 year maintenance fees are roughly three million dollars.  
[02:18:01] Next slide. So the solution we select must be fully compliant again with the biometric  
[02:18:08] principles as well as the biometric air exit policies.  
[02:18:11] Within the RFP, we're looking at specific things that, for example, the U.S.  
[02:18:15] Customs Border Protection's biometric air exit requirements document and two other  
[02:18:19] documents that are critical of the verification services.  
[02:18:21] These documents dictate how the appliance communicates securely with TVS to come back  
[02:18:27] with a match or not against the gallery that's already been established by CBP.  
[02:18:31] We also make sure that the system we procure conforms to the Port of Seattle's technology  
[02:18:37] and cybersecurity policies, as well as our solution for doing software as a service,  
[02:18:41] which is a cloud based service security requirement.  
[02:18:44] TVS is cloud based.  
[02:18:45] So how we communicate with the cloud is governed by our own requirements.  
[02:18:53] This is a very high level diagram that really depicts our schedule, which is, if given  
[02:18:58] authorization, we'll go through an evaluation process of the RFPs which I believe they're  
[02:19:02] due on the 13th.  
[02:19:05] The team will evaluate those RFPs, we'll select a small group of vendors, we'll do site  
[02:19:11] surveys, vendor visits.  
[02:19:14] We'll then select the product.  
[02:19:15] We'll then begin the design because depending on what kind of product we purchase will  
[02:19:21] dictate the design. What kind of network requires, the power requirements, things like  
[02:19:25] that. So our design will take place sometime in Q3.  
[02:19:28] We'll also be training airline personnel on how to use the system correctly and we'll  
[02:19:33] then begin installation in Q4 of this year and completing in Q2 to 2021.

[02:19:40] And that really concludes questions, I think, at this point.  
[02:19:46] I have a question regarding the RFP and the dollar figure, which you listed as project  
[02:19:52] cost. Is that an estimate done?  
[02:19:56] This is Crystal Sauder, Director Technology Delivery for Information and Communication  
[02:20:01] Technology. Yes, it's an estimate.  
[02:20:04] So we're putting that estimate out in advance of the RFP.  
[02:20:09] And that's usually how we do it.  
[02:20:10] So. I know.  
[02:20:13] You're absolutely right.  
[02:20:14] There's always a toss up to tell people how much it's going to cost before you--  
[02:20:19] Ok. And why is it up?  
[02:20:21] Why is this listed as up to 10 years as opposed to a 10 year contract?  
[02:20:26] Well, usually we build into the contracts an exit option in case products change or our  
[02:20:33] business operation changes.  
[02:20:34] So is there a pool of contractor expertise out there in this area that we can  
[02:20:44] expect some competitive bidding on this?  
[02:20:47] Yes. With experience?  
[02:20:50] I think just working with the vendors that are out there.  
[02:20:54] I think we identified 16 potential vendors that are doing this type--  
[02:21:01] Are airline carriers allowed to propose as well?  
[02:21:07] I doubt that will happen.  
[02:21:10] All right. Thanks. Do we have to be delegated authority to do this?  
[02:21:15] I mean, it was asserted that this is CBP's responsibility and that we wouldn't have the  
[02:21:21] authority unless can we be delegated.  
[02:21:24] So CBP has setup a partnership program.  
[02:21:28] That is what the twenty five airports and the airlines as well who have done this program  
[02:21:33] have voluntarily agreed to do.  
[02:21:35] It is all laid out the program in these CBP business requirements.  
[02:21:39] And that business requirements document says if you want to do this work and own this  
[02:21:45] process, which is really again, owning the process is the part where people walk up and  
[02:21:52] get their image captured.  
[02:21:54] The rest of it still takes place within CBP servers and CBP database.  
[02:21:59] So airports and airlines that want to own this process agree to a set of operating  
[02:22:03] principles and business requirements.  
[02:22:05] A lot of that, again, has to do with data security, encryption, not using data for third  
[02:22:11] party uses, commercial purposes, et cetera.  
[02:22:14] So we would, if you authorize us to do that, we would sign up along with those business  
[02:22:19] requirements, comply with those business requirements.  
[02:22:21] And again, what we are really proud of here and the staff is all of those airports have  
[02:22:26] signed up to the business requirements and said good enough.  
[02:22:29] What our policy recommendations do is take those business requirements and then build on  
[02:22:33] top of them, build a robust public engagement, transparency, education, communication,  
[02:22:40] and particularly make sure that we are protecting traveler privacy, traveler rights,  
[02:22:46] educating travelers to the best of our ability.  
[02:22:48] And you'd have no reason to believe that they could preempt our additional signage that  
[02:22:55] what they would call minimum requirements?  
[02:22:58] We could post one of their signs and then do whatever.  
[02:23:01] They can't-- So we have had discussions with CBP.  
[02:23:04] They've been part of our biometric external advisory group.  
[02:23:08] And again, their focus on our signage is to ensure accuracy about the system, not to stop  
[02:23:14] us from saying things that are true.  
[02:23:17] They they are fine with us enhancing their efforts to be transparent.  
[02:23:22] And it's something that's very important.  
[02:23:23] In fact, in one of the conversations they mentioned that they actually are willing to  
[02:23:28] change their business requirements to accommodate some of the things we're asking  
[02:23:31] that-- We're able to do more?  
[02:23:34] There is a there is no doubt.  
[02:23:35] We will go well above and beyond the minimum business requirements that CBP has laid out i  
[02:23:40] f this is approved. One of the last things with regard to semantics, Commissioner Cho  
[02:23:44] brought up this point about options.  
[02:23:46] Right? Like you can opt out of going through a scanner.  
[02:23:52] Right. You can ask for a manual wand.  
[02:23:57] It's not the common thing to do.



[02:23:59] Some people that are metallic have that metallic inclination.  
[02:24:05] And so but that .  
[02:24:08] The terminology I think is kind of important.  
[02:24:10] And but would CBP have the say in terms of what we call it?  
[02:24:18] That that is something we will continue to investigate.  
[02:24:20] It is our belief currently that they do and that they mandate opt out.  
[02:24:24] But we have committed to our external advisory group and to our external stakeholders  
[02:24:28] that we will continue to make sure we are really clear on that point.  
[02:24:31] And if opt-in is an option, we will absolutely pursue and evaluate that.  
[02:24:35] I would assume if there are two lines, one is short, one is long, and it's clear that the  
[02:24:40] two lines are, that would be one of the ways to make that.  
[02:24:44] That would be a a vision of opt in or optional, that if that's allowed we would look at.  
[02:24:49] Commissioner Bowman. Thank you.  
[02:24:50] Just a couple of questions.  
[02:24:51] So again, back to Commissioner Cho's point about choice.  
[02:24:55] I understand. So if I understand you correctly, we're gonna ask CBP, if we have the  
[02:25:02] opt-in or are we assuming that we don't?  
[02:25:06] We are going to not only ask CBP, but also consult other federal law experts to see what  
[02:25:13] the fact is about that.  
[02:25:14] They, obviously, CBP regulates the program, but we will not just take their word at face  
[02:25:20] value. We will continue to investigate a broad range of experts.  
[02:25:23] Have we considered actually just leaning into that option as well and then letting  
[02:25:28] this--. That is part of--.  
[02:25:29] I would say, is I am not committed to leaning towards the opt in option.  
[02:25:34] I'm just gonna be honest right here is on that.  
[02:25:36] Is that this discussion of looking at it, I'm on board with that, but I can't commit to  
[02:25:42] committing to lean into the opt-in option.  
[02:25:45] I have to look at this information and look to see where we are with the CBP and the  
[02:25:50] other outcomes of this.  
[02:25:52] You know, we were focusing a lot here on this.  
[02:25:54] You know, just to be balanced in the presentation here, is that-- So I'm just gonna say  
[02:25:59] that is that ninety three percent of the people that participate in some of these  
[02:26:02] systems, that the other 25 airports have no problem.  
[02:26:05] Ninety three percent, only two percent opt out and 72 percent actually prefer this method  
[02:26:11] of boarding because this is sold.  
[02:26:13] I've seen announcements across the nation.  
[02:26:16] This is sold as a benefit for an airport to have this capacity, not to say that we don't  
[02:26:20] have these concerns and we're taking all the proper things on this.  
[02:26:23] But to say that the preferred option is not to have this among the traveling public in  
[02:26:29] general is not a correct statement.  
[02:26:33] And I'm not saying--. No, no, I'm not saying that.  
[02:26:34] I'm just saying it. And I'm sorry Commissioner on that.  
[02:26:36] But I just want to say on that, because this is something that we have not discussed that  
[02:26:40] at length about the the opt in, opt out.  
[02:26:42] I am open to looking at that.  
[02:26:44] But to say that I would lean into the opt in, as the Executive Director.  
[02:26:50] I can't say that I would lean into it.  
[02:26:52] I'd just like to at least explore it.  
[02:26:54] Absolutely. Yes. Yes. to Commissioner Cho's point of choice for the traveling public.  
[02:26:57] And then the second thing, I really-- this RFP doesn't address it, but I'm wondering that  
[02:27:01] if we were to adopt the RFP and move forward, if CBP then down the road does not allow us  
[02:27:07] to put up our own signs or doesn't agree with the signs that we put up, at what point can  
[02:27:12] we back out? Because I have to say, from what I saw at the other airports traveling, the  
[02:27:16] signs were really important to me in terms of letting people know they do have the option  
[02:27:20] to opt out. The signs at CBP currently has at other airports are just government  
[02:27:26] bureaucracy. You can barely read them.  
[02:27:28] They're hidden in the corner.  
[02:27:29] It's not clear that people have options.  
[02:27:31] So for me, this is a big part of making this successful and making it, when I say  
[02:27:36] successful, meaning making passengers comfortable and aware of their choice.  
[02:27:41] So what I don't want us to see as we go down this road, we purchase this technology.  
[02:27:48] We put it up and CBP says, sorry, you can't use our signs, tough luck.  
[02:27:52] And we go, oh, we tried.

[02:27:53] So I want us to at least have it.  
[02:27:56] Bring it back to us, if that's the answer.  
[02:27:58] Absolutely. So in our conversations, initial conversations, that has never been something  
[02:28:04] that we've heard from them.  
[02:28:05] But if these policies are implemented, they mandate that we meet these policies.  
[02:28:11] And so if we are not allowed to have our own signage, we would be in violation of our own  
[02:28:15] policies and we would have to cease operations of this program.  
[02:28:19] And Commissioner, just to talk about the signage I've seen, you know, when I saw some of  
[02:28:22] those, I was not impressed with those signs, but I have taken pictures and brought those  
[02:28:26] back and shared with staff signs of better signage.  
[02:28:29] And I've seen both signages both labeled with an airline and Customs and Border  
[02:28:34] Protection and larger.  
[02:28:35] And we forward those, you know, to look at those signage as of examples of much better  
[02:28:41] signage than the ones you and I saw initially over a year ago now.  
[02:28:44] We will bring to you as Commissioners all of our proposed visual signage even before it's  
[02:28:50] approved by CBP, so that you make sure it meets your standards for transparency and  
[02:28:55] clear, concise communication about these issues.  
[02:28:58] Before we.  
[02:28:59] I'm sorry do you want to speak?  
[02:29:03] On the RFP in particular.  
[02:29:05] It seems to me that because this technology is evolving so rapidly, we want to be careful  
[02:29:12] not to put a timeline on it that requires us to use a system that becomes obsolete within  
[02:29:18] a year or two, particularly when some of that obsolescence has to do with an algorithm  
[02:29:23] that's maybe now superseded by one that's better in terms of the bias question or, you  
[02:29:27] know, an issue that we'd seen in earlier systems where there is the incidental capture of  
[02:29:32] people standing behind the person who is intended to be captured.  
[02:29:35] So I would want to make sure that we're agile in our ability to update these systems,  
[02:29:38] either through the existing system or saying know we need to invest to change over to  
[02:29:43] ensure that we are still hitting these goals, particularly around voluntary with the  
[02:29:48] incidental capture private in terms of greater and greater forms of encryption and  
[02:29:53] prevention of breaches.  
[02:29:55] And and then, of course, the equitable question, too.  
[02:29:58] Right. And one of the things that we also evaluate during the RFP process, we've  
[02:30:04] specifically asked questions about their product roadmap.  
[02:30:06] And historically, how long they've been in the business and things like that.  
[02:30:10] But they do give us some idea.  
[02:30:12] Are they in it for the long haul?  
[02:30:13] Will they continue to invest in perfecting their product?  
[02:30:18] And granted, lots of things happen that we can't control, but it is something that we do  
[02:30:22] evaluate when we're selecting a product.  
[02:30:24] And this was a question I asked Eric in a in a meeting earlier.  
[02:30:28] But I believe it's important that we also vet the organizations that put in bids.  
[02:30:33] There have been-- there is a whole range of corporate histories that may or may not  
[02:30:41] contribute to a belief that we can trust them as a good faith actor in this space or not.  
[02:30:47] When we're paying 3 million dollars a year for maintenance, I assume that's like software  
[02:30:50] updates Are they obligated to be using the most current algorithms?  
[02:30:57] Yeah. And we don't know exactly what the costs will be.  
[02:31:01] It'll differ between whether it's a cloud based system vs.  
[02:31:05] not. Traditionally, cloud based systems are more expensive.  
[02:31:09] But yes, that's actually--.  
[02:31:11] That should be part of the requirement that this has to be the state of the art.  
[02:31:15] I mean, it doesn't make any sense.  
[02:31:17] As Commissioner Calkins said, we're not buying an old car.  
[02:31:21] So if I could add.  
[02:31:23] The TVS system basically is the algorithm for doing the face matching.  
[02:31:27] It's held by CBP.  
[02:31:30] So as they make improvements that we automatically take advantage of those improvements  
[02:31:33] they make. So it's not obsolete because TVS will continue to be improved and we take  
[02:31:37] advantage of that basically by default by using their system.  
[02:31:41] Are we able to either mandate or preclude airlines.  
[02:31:47] Like one of the options could have been we just tell the airlines you do it.  
[02:31:51] Right? Now, but do we really have the authority to do that?  
[02:31:54] Because that's not option 3.

[02:31:56] So we have, as one of the policies in the policy recommendations, that if we implement our  
[02:32:00] own system, what's called a common use system, airlines will not be allowed to use their  
[02:32:05] system. And there are policy benefits to that in terms of making sure that airlines are  
[02:32:10] not taking this data and using it for other purposes.  
[02:32:12] And of course, there are also logistical benefits to make sure there aren't 10 different  
[02:32:15] cameras at any single international departure gate.  
[02:32:18] So we will mandate that under the policies.  
[02:32:22] So.  
[02:32:23] I'm just asking. So we can preempt.  
[02:32:26] Yes. And we have the authority to--.  
[02:32:28] The uniformity makes good sense.  
[02:32:30] one would hope that the airlines see that value.  
[02:32:32] Under our lease agreement, we have the ability.  
[02:32:34] Would it have been possible for us to direct the airlines to do this rather than, as an  
[02:32:39] alternative? Because it's not one of the alternatives.  
[02:32:42] I mean, obviously, the airlines have been doing this for a while.  
[02:32:44] Could we just say that you shall provide this at each gate?  
[02:32:49] I'm not-- Well, I think that.  
[02:32:51] Well, that's a good question, but I think they-- we see airports where they do both.  
[02:32:55] We've seen airports where Dallas is a common new system.  
[02:32:59] We've seen that airport there.  
[02:33:01] And I think that other places it would be it would be a deployment.  
[02:33:04] You have the you know, the airlines would sign up to do it there.  
[02:33:07] And that's what they've done it.  
[02:33:08] Right. I'm not familiar with us ever forcing an airline to buy and use a technology for  
[02:33:14] their own purposes. Well, anyway, I just I would assume some airlines would prefer to do  
[02:33:19] that. I didn't know whether or not I would.  
[02:33:21] It wasn't the The policies consider both options.  
[02:33:27] The policies would give airlines the options to implement if we approve or us do it.  
[02:33:32] But we believe that us doing it is the best option.  
[02:33:34] Again, because this is not just about the technology.  
[02:33:36] It's about our control to make sure it's done right and protect passengers.  
[02:33:40] Mean, I guess I just would have liked to have seen that as one of the alternatives before  
[02:33:45] us and for you to dismiss it for the very reasons.  
[02:33:50] Commissioner. Felleman. If you remember when we started this whole conversation over a  
[02:33:52] year ago, it was Delta did come to us and want to implement their own system, which is  
[02:33:56] why we took a step back and said, wait a minute, it's better to have one system rather  
[02:34:01] than-- I am fully cognizant of that.  
[02:34:04] My point is when presented an alternative one, two, alternative three was presented to us  
[02:34:10] and we should have vetted that for its relative merits.  
[02:34:14] And we're, you know, suggesting that it's not preferable, but to ignore that it was an  
[02:34:19] option I think was an omission.  
[02:34:23] Ok. Well, it's hindsight, I guess.  
[02:34:27] I wanted to ask back to the issue of opt in, opt out not to beat a dead horse.  
[02:34:32] I don't think it is a dead horse and I don't think it's semantic.  
[02:34:35] It is material and it is operational and it will have implications.  
[02:34:39] And I don't know to what extent that has been analyzed with any reliable experiential  
[02:34:46] data. So I'd like to ask if the RFP references those options, opting in or out in any way  
[02:34:56] or indicates any preference?  
[02:34:58] The RFP is just for the technology.  
[02:35:00] Opt- in Opt-out is an operational decision.  
[02:35:01] Ok. So the issue is not dead then.  
[02:35:04] It remains since there is public interest and airline interests on both sides of the  
[02:35:10] question here, it seems to me that before proceeding I think first of all, even  
[02:35:15] discussing it, it ought to be evaluated in terms of the seven principles.  
[02:35:20] If there's any material difference and if the answer is no, then we go on to the next  
[02:35:26] question. How does it influence the operational intentions of this so-called automation  
[02:35:33] technology before moving in any particular direction.  
[02:35:38] But I just wanted to understand, the RFP did not provide any bias toward one or the  
[02:35:45] other. It's just that--  
[02:35:46] We're not answering that issue today.  
[02:35:47] No. If if you approve the policy recommendations today or rather directly Executive  
[02:35:51] Director to implement the policy recommendations, one of the policy recommendations is

[02:35:54] look at this fairly, look at all the options and figure out what is best to ensure  
[02:35:59] optional. It certainly should be considered in the context of the seven principals.  
[02:36:03] Yes. Since they're two different approaches to managing the throughput.  
[02:36:09] Any other questions from commissioners at this point or comments?  
[02:36:14] I have one last question.  
[02:36:18] OK. So I wanted to offer Mr.  
[02:36:22] Ingram. I'm sorry.  
[02:36:27] Hasbrouck a couple of minutes if you'd like to respond.  
[02:36:31] You flew up here from San Francisco specifically for this meeting.  
[02:36:37] Perhaps you have some insights to share on what you've heard.  
[02:36:40] Well, thank you very much for the additional opportunity.  
[02:36:44] A couple of points.  
[02:36:46] First, Mr.  
[02:36:47] Schonfeld referred to compliance with the CBP business  
[02:36:57] requirements as though that was a proxy for compliance with the law.  
[02:37:03] But the Port staff assessment completely ignores any review of the specific laws,  
[02:37:10] particularly the Privacy Act and the Paperwork Reduction Act.  
[02:37:15] Did laws that from the start we and others have called out were just the ones that CBP is  
[02:37:19] already violating.  
[02:37:23] So there has not yet been any assessment of whether this is really lawful by the Port.  
[02:37:27] It clearly is not. There is no plausible good-faith reading of the Privacy Act or the  
[02:37:32] Paperwork Reduction Act, according to which the current deployments or those proposed in  
[02:37:36] this RFP would comply with either of those federal laws.  
[02:37:40] As far as the trust that CBP would of course, approve any factually accurate Port  
[02:37:50] signage, given that the DHS has lying statements falsely claiming that I.D.  
[02:37:57] is required at SeaTac and every other airport today when they're consistent position in  
[02:38:02] court has been that no law requires this.  
[02:38:05] Why should we trust or expect them to approve accurate statements?  
[02:38:10] If you want to put up the statements they've not put up in any other airport saying you  
[02:38:15] have the right not to respond to a federal collection of information if it doesn't  
[02:38:18] display a valid OMB control number.  
[02:38:21] Why would you expect that they're going to approve that?  
[02:38:24] This is a trust us proposal with respect to an organization that has a rogue lawless  
[02:38:30] organization flagrantly violating federal laws that has demonstrated that it should not  
[02:38:36] be trusted.  
[02:38:38] So I think there are clear reasons here why you've got enough information already.  
[02:38:44] If you actually look at the laws that the Port staff has declined to actually analyze,  
[02:38:50] and if you look at the policies which may or may not even exist, we don't think they've  
[02:38:53] looked them up. Does the Port itself has a policy that will apply to these biometric  
[02:38:58] images that the Port will be collecting?  
[02:39:00] We don't know. Finally, one other point in response to Commissioner Caulkins.  
[02:39:06] If you go, what what difference does this make?  
[02:39:09] If a customs inspector compares your image yourself in front of them with the picture in  
[02:39:16] your passport and says, yeah, you're that person and you go on, no additional data is  
[02:39:21] collected. If you go through this process and you're not a U.S.  
[02:39:25] citizen, CBP collects an additional photo, which it adds to the gallery of photos that it  
[02:39:32] has about you, which improves their ability not to recognize you one to one, but having  
[02:39:39] that additional and continuously growing gallery of pictures of you in more candid  
[02:39:45] situations improves their ability to use this database for one to many recognition in  
[02:39:53] other kinds of surveillance situations, the cameras that they have in border regions and  
[02:39:58] other kinds of things. So it is in fact, getting them information that they wouldn't get  
[02:40:03] in the passport inspection context that can and will be used later on because they're  
[02:40:09] going to retain it for non-U.S.  
[02:40:10] citizens in other kinds of mass surveillance usage of facial recognition.  
[02:40:15] That's what's wrong with this. They tell us that that image will be or that string of  
[02:40:20] numbers will be deleted--.  
[02:40:22] For U.S. citizens.  
[02:40:25] For foreigners it will be collected so that they will have a growing gallery the better to  
[02:40:28] recognize you in mass surveillance situations in the future.  
[02:40:32] This is an immigrant surveillance program.  
[02:40:35] Thank you. Thank you, Mr.  
[02:40:37] Hasbrouck. Commissioner Cho.  
[02:40:40] Well, first of all, thank you for being here, and I appreciate your comments.

[02:40:42] I would just want to remind everyone that we're not a judicial branch of government.  
[02:40:45] So as far as the legality of what CBP is doing, that's for the courts decide not for us  
[02:40:50] to decide. And so if there is a court judgment says that this is unlawful, then obviously  
[02:40:54] we would follow that court order.  
[02:40:56] But, you know, I do want to make, I guess, a final point on this, because I did mention a  
[02:41:01] lot of concerns that I had at the last Commission meeting.  
[02:41:04] And I appreciate my colleagues taking into consideration some of the points that I made  
[02:41:08] last week as well as today on the opt in/ opt out options.  
[02:41:12] You know, in a prior life, I was a staffer on Capitol Hill and I worked for a member of  
[02:41:15] Congress who sat on the Science and Tech Committee.  
[02:41:18] And so one of the benefits of that is that I was able to tap into that network and ask  
[02:41:22] for some data on some of the questions that my colleagues have had on what how accurate  
[02:41:26] this system really is.  
[02:41:28] And so I wanted to share some of that information with you.  
[02:41:32] In 2018 an M.I.T.  
[02:41:33] Media Lab study found that computer systems using facial images to recognize skin color  
[02:41:39] and gender could correctly classify light skinned men ninety nine percent of the time,  
[02:41:44] but could only correctly classify dark skinned women sixty five percent of the time.  
[02:41:49] ACLU also conducted a study in which the software incorrectly matched twenty eight members  
[02:41:56] of Congress with mug shots, disproportionately misclassified members who are people of  
[02:42:01] color. The National Institute of Standards and Technology also published a similar report  
[02:42:07] showing racial bias in these systems.  
[02:42:10] Now, why am I pointing this out?  
[02:42:12] I point this out because it's clear that this technology has a long ways to go before  
[02:42:16] becoming a reliable and equitable source of verifying identity.  
[02:42:21] And I've talked to many people, you know, within my circles about what I should do on  
[02:42:26] this. And they've all said that any proposal to implement these systems should be highly  
[02:42:32] scrutinized. And I think my colleagues here would agree with me and our commentator here  
[02:42:37] would agree with me. So why are we doing this as a Port?  
[02:42:42] Because any proposal to implement biometrics should be highly scrutinized.  
[02:42:46] And in this case, if we as a Port do not take this on, it will be done without us and we  
[02:42:52] will have zero control over it.  
[02:42:55] And my job, our job as a Commission, is to protect our citizens and their rights.  
[02:43:00] And I can't do that if I have no control over this system.  
[02:43:04] And given the racial biases that I just cited, I just can't let it happen under our nose.  
[02:43:10] If someone in my community gets wrongly profiled or experienced a false positive, I want  
[02:43:17] to be able to do something as a Commissioner.  
[02:43:18] I want to be able to call our state and say, shut that system down right now.  
[02:43:22] But if we do not take this on as a Commission, I have no power to do that.  
[02:43:26] And to me, as a policymaker, that is worse than the alternative.  
[02:43:30] I think as a Commission and as a Port, we need to step up on this issue.  
[02:43:33] The current RFP and please correct me if I'm wrong, requires that each proposer addresses  
[02:43:39] each of the seven principles.  
[02:43:41] In other words, when they submit the proposal or respond to the RFP, they have to tell us  
[02:43:45] how they are going to specifically adhere to those seven principles.  
[02:43:48] But let me just say that it's just a first step and that as long as I'm sitting at this  
[02:43:53] seat in this position, that I'll be working to ensure that the principles are adhered to  
[02:43:57] then that we're protecting our people's rights.  
[02:44:00] And I know that this seems extremely counterintuitive.  
[02:44:03] This is very counter-intuitive to me as well.  
[02:44:05] In fact, I think that if I wasn't sitting in this seat today, I'd probably sitting in  
[02:44:08] that seat, you know, over there.  
[02:44:12] But let me just point out one more time that we are a Port.  
[02:44:16] That is we're the first port the nation to have this substantial conversation on these  
[02:44:21] use of not just biometrics, but artificial intelligence, what have you.  
[02:44:25] And my promise is that this is just the beginning of that conversation.  
[02:44:28] So that's all I want to say.  
[02:44:29] Well said. Well, if there are no more questions or comments, I'll call for a vote for a  
[02:44:36] motion. One quick addendum.  
[02:44:40] That perspective is exactly what we're gonna take to the vast majority of the work around  
[02:44:46] biometrics at the Port of Seattle.  
[02:44:48] We're today discussing biometric air exit, which is one sliver of a larger question.  
[02:44:54] What we have already determined, the reason this is being singled out, is because it's an

[02:44:58] area where as Commissioner Cho so eloquently stated it is outside of our control unless  
[02:45:05] we wrest control away and take ownership of it.  
[02:45:08] In the other areas, as we've discussed at the last meeting, we have significantly greater  
[02:45:12] authorities. And so being able to take the learnings from this experience and expand or  
[02:45:17] we really are just beginning this question of looking at biometrics policy across the  
[02:45:22] Port writ large. So I'm deeply appreciative for all of the public support for this work  
[02:45:30] that we've had input and really look forward to continuing to expand the analysis into  
[02:45:39] the other areas where I think there is much greater concern for a breach or misuse or  
[02:45:47] public harm. Good.  
[02:45:51] I would like to call for a vote.  
[02:45:53] But first I'd like to extend a big thank you to Veronica Valdez, our Commission  
[02:45:58] specialist for her hard work on this and due diligence and attention.  
[02:46:05] And to all the other Port staff and airport staff who've been engaged and to the members  
[02:46:11] of we're not finished yet.  
[02:46:12] But I just want to take this opportunity to thank all the people who have brought this to  
[02:46:18] this point, at least to before the Commission for an actionable item.  
[02:46:23] There will be more to say, there will be more to evaluate and other considerations will  
[02:46:28] be forthcoming. But I I just wanted to extend a big thanks on behalf of the Commission to  
[02:46:33] all of you participated in the work here.  
[02:46:37] So that definitely includes the community engagement.  
[02:46:41] Of Course  
[02:46:43] I just want to point out because I've served on my share of community engagement groups  
[02:46:46] and I've left them saying, well, look, if you're gonna do what you're going to do anyway,  
[02:46:50] Why did you waste our time?  
[02:46:52] And I fear that that was sort of like the sentiment that we're getting from a lot of  
[02:46:56] these comments. And I believe, as you've heard, that in those places where we have more  
[02:47:01] control, we're going to exert more control.  
[02:47:03] And that it sounds to me also in talking to our staff that we have actually moved CBP to  
[02:47:08] places where they wouldn't have gone otherwise.  
[02:47:10] And there is a matter of faith here.  
[02:47:12] And I am of, you know, trust but verify.  
[02:47:15] I think we've stuck our pick on the water.  
[02:47:18] I mean, you can I encourage you to continue to write hard on us to make sure that we that  
[02:47:23] we do assert this authority, this influence on CBP.  
[02:47:28] And I don't want you to think that your efforts have been in vain.  
[02:47:33] So thank you. Absolutely.  
[02:47:35] And we certainly have elevated these issues around the use of this technology both here  
[02:47:42] and nationally. We've identified key operating principles to go forward on.  
[02:47:48] I think it has been enormous value and hopefully we will, that this effort will set a  
[02:47:56] better example for the future throughout the country.  
[02:47:58] So, yes, Commissioner.  
[02:47:59] Excuse me. Executive Director Metruck.  
[02:48:02] Commissioner. I know, I don't want to prolong this discussion, but I do want to say is  
[02:48:06] that obviously I did take away here that on the opt in, opt out issue, I need, as I  
[02:48:11] develop and finalize these executive policies to let you know what that policy will be  
[02:48:17] regarding that before that's implemented.  
[02:48:19] I just want to make that clear for transparency purposes, you know, for this, as far as  
[02:48:23] going forward.  
[02:48:25] Is there a motion now to approve the authorization?  
[02:48:27] So moved. And second, is there a second?  
[02:48:32] Second. It's been moved and seconded, all those in favor, please say Aye oppose Nay.  
[02:48:37] Aye. Motion carries. The action is approved.  
[02:48:39] Thank you. And we are on to the next item, 8B, and I think Commissioner Hawkins has  
[02:48:48] something to say about this one.  
[02:48:50] [Crosstalk].  
[02:48:58] Item eight B. Motion 2020-05: A Motion of the Port of Seattle Commission supporting the  
[02:49:03] recommendations in a changing tide that align with the Port century agenda goal to use  
[02:49:08] our influence as an institution to promote workforce development.  
[02:49:14] Commissioners, adoption of this motion will provide formal approval to support the work  
[02:49:17] moving forward with regard to the maritime secondary education.  
[02:49:21] The presenter is Aaron Pritchard.  
[02:49:23] Good Afternoon Commissioners and Executive Director Metruck.  
[02:49:26] On February 10th, the commission was presented with "A changing tide the case statement

[02:49:29] for Maritime and Ocean Sciences High School."  
[02:49:32] As was mentioned in that presentation, the case statement was informed by a policy summit  
[02:49:36] which was attended by nearly 80 stakeholders representing educators, the maritime  
[02:49:40] industry, community and government, also supported by to study tours one in New York and  
[02:49:44] one in Port Townsend, and the dedicated work of the Maritime Secondary Advisory Group.  
[02:49:50] I'm here today to ask for your consideration to pass a motion supporting the  
[02:49:53] recommendations because of a changing tide, because their recommendations align with the  
[02:49:57] Port century agenda goal to use our influence as an institution to promote workforce  
[02:50:01] development. I'd like clarify a few points and address some of the questions that were  
[02:50:07] raised in the February 11th Commission meeting.  
[02:50:10] The primary questions surrounded decisions related to the administration, the programing  
[02:50:15] and specific educational pathways around this project.  
[02:50:19] I wanted to reiterate that these decisions are yet to be made and do fall clearly within  
[02:50:24] the school district jurisdiction.  
[02:50:26] We heard from Highline School District today and they intend to carry this initiative  
[02:50:31] forward to look at administration programing educational pathways with support of other  
[02:50:35] South King County school districts including Tukwila, Seattle and Federal Way.  
[02:50:40] And the Highline School District has already taken the lead to coordinate the MOU  
[02:50:44] discussions amongst the interested school districts to help inform these decisions.  
[02:50:50] Questions were also raised about Port partnership.  
[02:50:53] At this point, the Port partnership heading forward means supporting particular statewide  
[02:50:58] initiatives and the Highline Public Schools leadership and caring for these  
[02:51:01] recommendations. For example, as a key partner supporting the Maritime Blue Initiative,  
[02:51:06] which aims to bolster innovations in the maritime sector and protect the environment to  
[02:51:11] ensure sustainability for the Maritime Industry, supporting Washington STEM another  
[02:51:14] statewide initiative. The Port will also in particular continue to work with the  
[02:51:19] community to make sure that their voice is heard as part of this process.  
[02:51:23] And we'll continue to connect school districts with community and community with the  
[02:51:27] industry so that collectively the Port can identify how to equip students ,well, how the  
[02:51:32] partners can equip students who are furthest from the economic opportunity and social  
[02:51:37] justice for the climate adaptive new economy, jobs in the region.  
[02:51:40] That's what we intend to use that-- That's what Commission Calkins and the one hundred  
[02:51:44] thousand dollars of Port funding allocated is to continue this community outreach and use  
[02:51:49] our influence as an institution to promote workforce development.  
[02:51:53] Any partnership beyond what we've described here regarding community outreach in  
[02:51:58] particular connecting school districts with community industry would need additional  
[02:52:04] Commission consideration or consideration of the executive director as authorized within  
[02:52:09] the delegation of authority.  
[02:52:13] Commissioners did receive a memo back on February 25th that outlined some of the more  
[02:52:17] specific partnerships for other schools, the New York School and Razorback, and also  
[02:52:22] talked about some of the funding that helped those get started.  
[02:52:24] If there's any questions I can answer them for you.  
[02:52:27] Turn it over to Commissioner, Mr.  
[02:52:29] Calkins. So after our last meeting, I took good notes and followed up with each of you to  
[02:52:36] try to address some of the concerns that were expressed.  
[02:52:38] And I want to run through a few of those concerns.  
[02:52:41] And by and large, the intent in the last meeting was to present a synopsis of the work  
[02:52:50] that had been done the previous six months.  
[02:52:52] And I think I was sort of trying to figure out the right balance between, you know, do I  
[02:52:59] present a Ken Burns documentary over 10 episodes or a Tick-Tock video and 15 seconds?  
[02:53:05] And I think I aired too far on the side of the short Tick-Tock video.  
[02:53:08] And so what I've tried to do both in beefing up the motion and also providing-- I've got  
[02:53:13] a packet of documents here.  
[02:53:15] These are three of the documents that were pretty foundational in helping us not only as  
[02:53:19] the advisory group that came together in the fall to essentially draft the changing tide  
[02:53:27] document that you all received.  
[02:53:28] These documents were pretty key in understanding how that advisory group came to the  
[02:53:34] recommendation that they did.  
[02:53:35] And so I'll just quickly I'm going to put these into the record.  
[02:53:39] The first is the Maritime Employment Resource Guide.  
[02:53:42] Now it's a little bit dated, but it's from spring of 2015.  
[02:53:47] But not a whole lot is has changed in the last five years in terms of the overall  
[02:53:51] maritime ecosystem and the employment opportunities.

[02:53:54] So this was the sort of determination that, yes, indeed, there is a really robust  
[02:53:59] maritime employment sector we anticipate it sticking around.  
[02:54:03] It's not as susceptible to outsourcing or automation as other areas are.  
[02:54:10] And so that's the sort of basis of why we need to be training the next generation.  
[02:54:14] The second document is this year's report for this last year's report from Career Connect  
[02:54:20] Washington, which is referenced in the motion.  
[02:54:22] It is a state initiative to improve the ways in which secondary students are channeled  
[02:54:28] into careers for the next generation.  
[02:54:32] And they basically break up the pathway into three periods: career awareness and  
[02:54:39] exploration, career preparation and career launch.  
[02:54:43] And they are looking at various sectors, various industries.  
[02:54:48] They have begun a process in maritime that we are working with them as the Port of  
[02:54:52] Seattle on through the Youth Maritime Collaborative, through our partnership with  
[02:54:56] Maritime Blue through staff level contacts.  
[02:54:59] But essentially the conversation identified is that that career launch piece is missing a  
[02:55:06] gap between the programs that employers are doing for post-secondary and what's available  
[02:55:12] in terms of the career awareness and exploration and the career preparation which  
[02:55:16] typically happens in elementary and middle school.  
[02:55:19] There's that that donut hole of the the secondary education piece that we wanted to fill.  
[02:55:25] And then the final piece is the Urban Assembly is a nonprofit in New York City that it  
[02:55:33] describes itself as a school support organization.  
[02:55:37] And this document is their blueprint when they come alongside a school and they want to  
[02:55:41] stand up a braided pathway for high school students into careers, including the New York  
[02:55:48] Harbor School, which they support.  
[02:55:51] They use this as their blueprint for how they come alongside an existing school, district  
[02:55:55] or school and say, how do we connect you to a robust industry that's looking for the next  
[02:56:01] generation of workers? And how do we do it in a way that engages the community, the  
[02:56:05] parents, the students.  
[02:56:06] So I'm going to provide each of you with that.  
[02:56:08] These were instrumental in helping us understand or come to the conclusion that we should  
[02:56:14] be building a small maritime high school here in the Duwammish Valley in particular.  
[02:56:19] And I also want to just give you an update on a few things that have happened in the  
[02:56:23] interim just in the last two meetings.  
[02:56:25] The first is the leadership committee met, which is the superintendent of Highline Public  
[02:56:31] Schools, Susan Enfield.  
[02:56:33] It is Jake Beatty, who's the executive director of the Northwest Maritime Center.  
[02:56:37] It's Paulina Lopez, the executive director of the Duwammish River Cleanup Coalition in  
[02:56:41] the Duwammish Valley Youth Corps.  
[02:56:44] And we got together to really advance the work of taking this initiative that that  
[02:56:49] started at the Port and move it into the next phase, which is as a separate entity  
[02:56:54] supported principally by the Highline public schools.  
[02:56:57] And out of that meeting at a follow up meeting with Jake in particular to discuss the  
[02:57:03] standing up of a school support organization, akin to Urban Assembly, to support the  
[02:57:10] aspects of a small regional magnet school like this that are-- you don't see in a  
[02:57:16] traditional school the industry partnerships that make this unique.  
[02:57:22] And so we're advancing that work as well, which will enable us to, as the Port, support  
[02:57:26] that separate standalone entity that will advance the work of the high school.  
[02:57:33] There are plans in place, although probably it's going to be postponed for an April 4th  
[02:57:39] open house in Southpark.  
[02:57:41] It's probably gonna move back to the early summer at this point to be the first of many  
[02:57:46] open houses throughout communities to engage them on school design, and that's going to  
[02:57:51] be led by Paulina Lopez.  
[02:57:53] And finally, I think we have been getting news that we managed to find an extraordinary  
[02:58:01] partner in the school system, not just because Highline Public Schools has historically,  
[02:58:07] they have had some of the most experience running these small schools, but also because  
[02:58:12] of the particular leadership.  
[02:58:15] Dr. Enfield just, on February 19th was named as, by the-- I'm gonna get that.  
[02:58:21] I want to make sure I get it exactly right here, by the women in school leadership named  
[02:58:27] her the school leader of the year, and that's an American Association of School  
[02:58:31] Administrators styles that honor on one person a year and she received it.  
[02:58:36] Back in the fall she was named the Systems Change Maker of the Year by Teach for America.  
[02:58:40] So she's sort of like, if you're familiar with the EGOT the Emmy, Grammy, Oscar, Tony.  
[02:58:47] She's like the EGOT winner of school administrators.



[02:58:50] So she's an extraordinary person to lead this effort moving forward.  
[02:58:54] And I think we have found a great leadership team overall to lead this.  
[02:58:58] So I appreciate your support and all of the work that you all have done to take a very  
[02:59:04] raw idea and input your wisdom and experience and have the result be, I think, a much  
[02:59:10] better proposal moving forward.  
[02:59:14] Are there comments, questions?  
[02:59:18] OK. Well, if I--  
[02:59:20] I'll just make a quick comment, I just wanted to I wanted to thank Commissioner Calkins  
[02:59:24] for being willing to listen to some of our feedback.  
[02:59:28] You've been really gracious about it.  
[02:59:30] Really appreciate it. I think it's an exciting opportunity.  
[02:59:32] I mean, I have expressed concerns about what the Port of Seattle's role is, but I'm glad  
[02:59:37] to see the concept in general has been vetted and look forward to more vetting moving  
[02:59:42] forward. Thank you for your leadership on this.  
[02:59:45] Please. I would like to also thank Commissioner Calkin's work on this.  
[02:59:50] And I would ask that maybe we get a presentation from Jake Beatty on the example of  
[02:59:56] what's going on in Port Townsend.  
[02:59:58] So it's sort of makes it more real.  
[03:00:00] You know, it gets us. You know, that and the discussion that we had about funneling.  
[03:00:06] And the idea that that for the success of this, that we are bringing kids that awareness  
[03:00:11] before they get into high school or while they're in high school.  
[03:00:14] So they would know that these opportunities exist.  
[03:00:17] And one of the.  
[03:00:18] And you mentioned the Youth Maritime Co-operative.  
[03:00:20] One of the reasons that I've just continued to harp on this is because they, too, need to  
[03:00:27] be identified as in need of resources that that we put in \$100,000 towards creating a  
[03:00:36] coordinator for youth maritime co-operative.  
[03:00:39] But unless they have something to coordinate, there is no youth maritime co-operative.  
[03:00:43] And I keep my saying this, but as a boat owner and as previously as a big boat owner, it  
[03:00:49] takes a lot of resources to keep a big boat going.  
[03:00:51] And we have several big boat people doing our work for us.  
[03:00:56] And so I just don't want to neglect the fact that-- we want to elevate the value to make  
[03:01:03] what you're envisioning successful.  
[03:01:06] So I just don't want it to make it sound like that we can just come in from the top and  
[03:01:10] pop it down. So it's a great destination.  
[03:01:13] I look forward to creating the pathway to make it successful.  
[03:01:18] Ok, well, I'd like to add a couple of comments.  
[03:01:20] And I having followed this process and participated to some extent with Commissioner  
[03:01:26] Calkin's leadership and an incredible passion and interest here to develop something from  
[03:01:33] nothing basically, which is a potential maritime academy for use for high school age  
[03:01:39] young people. And I'm thinking of my own sons who had the benefit in their early teens to  
[03:01:47] experience gill netting in Alaska in Bristol Bay, because they had an uncle who happened  
[03:01:53] to be a fisherman. And that opportunity is an extremely rare thing for most young people.  
[03:02:01] They had that opportunity.  
[03:02:03] And one of my sons, now they're both in their adulthood now, young adults, has said to me  
[03:02:11] recently that he intends to continue to work and fishing and the fishing industry in  
[03:02:18] Alaska, whether it be crabbing, seafood, other types of fish.  
[03:02:22] But I don't want him doing that.  
[03:02:24] Believe me, I know.  
[03:02:25] And I know he has no idea I don't think.  
[03:02:28] But any rate. So the experience led to something that he's considering more of a long term  
[03:02:32] career after eight years of gill netting up there.  
[03:02:36] And this will be the ninth year, I think, for him.  
[03:02:39] So that said, I think this is a terrific idea.  
[03:02:42] I think it's very exciting.  
[03:02:44] I have not seen very often the kind of interest and enthusiasm that was generated  
[03:02:50] relatively quickly, almost overnight, it seemed like, for when the summit was organized  
[03:02:57] here back in about six months, September, where I think over 300 people participated.  
[03:03:04] And they were from all walks of, you know, maritime industry and educators and advocates  
[03:03:12] and other organizations.  
[03:03:14] And I thought, wow, there's something really valuable here that we need to tap into.  
[03:03:19] Well, that's exactly what Commissioner Calkins did.  
[03:03:21] He tapped into it with, I would say, minimal resources for what has been accomplished

[03:03:26] over these many months.  
[03:03:28] I don't ever I never felt like he was pre committing the Port to funding the operation of  
[03:03:34] a maritime high school or even offering or suggesting that.  
[03:03:38] So that was never my concern.  
[03:03:39] But nevertheless, Commissioner Calkins has answered two questions and had really stood up  
[03:03:48] to a lot of scrutiny and a lot of questions that have flown his way as to where we're  
[03:03:53] going with this. What's the future role of the Port?  
[03:03:56] I think we can decide that later what our future role might be, if any, or whether it's  
[03:04:02] handed off to a nonprofit.  
[03:04:04] This urban assembly is something I would die for to see here in the northwest.  
[03:04:09] It's such an incredible support to public education that they have in New York.  
[03:04:14] Harbor School would never have been possible without that nonprofit organization, as well  
[03:04:19] as the One Million Oysters organization, which was pretty darn cool, too.  
[03:04:24] So I'm really excited about this.  
[03:04:27] I want to thank you for your efforts.  
[03:04:29] I think we didn't have to have this motion.  
[03:04:31] It wasn't necessary. But you were determined to see it through and be responsive to your  
[03:04:36] colleagues and to questions that have been raised.  
[03:04:38] There are lots of uncertainties going forward.  
[03:04:40] There always are with something like this.  
[03:04:42] I know that. But again, you've done a great job thus far, and I hope it continues to sail  
[03:04:48] onward. May I just make one last comment?  
[03:04:52] And I just wanted to also emphasize, I think Commissioner Felleman started to say it  
[03:04:56] that. And you referenced it as well.  
[03:04:58] Commissioner Calkins that this is one of many efforts to draw kids into the maritime  
[03:05:03] industry. And so I want to make sure that we as a Commission and the staff are still  
[03:05:07] supporting those other efforts, like the Youth Maritime Collaborative, because a high  
[03:05:11] school is not going to be successful if there's not that pipeline earlier.  
[03:05:15] And then I also wanted to mention that I look forward to all of your support and  
[03:05:19] continuing our internship program, because while this school has been we've been working  
[03:05:23] on this, we've had already had over 600 students come through our internship program and  
[03:05:27] already learning about the Port.  
[03:05:28] So it's a continuum and it's a great end on that continuum.  
[03:05:32] So I thank you.  
[03:05:33] Education in the Maritimes is part of our mission to at least support pathways.  
[03:05:41] And that's very central to our workforce development goals as well.  
[03:05:45] So this is entirely and as is the internship program, which has demonstrated incredible  
[03:05:50] results and continues.  
[03:05:53] This is an important part of the mission of the Port I see to continue to provide to  
[03:05:59] support programs such as this and the intern program and the Maritime Academy and other  
[03:06:06] areas that we support pipelines to careers in maritime industry.  
[03:06:10] So with that, I'll entertain a motion.  
[03:06:14] So moved.  
[03:06:15] Is there? Second. And it's been moved and seconded all those in favor.  
[03:06:18] Please say Aye.  
[03:06:19] Aye. Opposed say nay.  
[03:06:21] The motion carries. It's unanimous.  
[03:06:22] Can I just ask one question, please?  
[03:06:24] When you mentioned the Maritime Academy, who supports that?  
[03:06:27] Is that just a community college program?  
[03:06:30] And that's completely funded by the community college?  
[03:06:32] It actually also houses this the Maritime Skills Center for Seattle Public Schools.  
[03:06:37] So the public schools and a dozen or so kids per semester, I think to Seattle Maritime  
[03:06:43] Academy, you get training in vessel operations for high school students.  
[03:06:49] It's open all SPS kids.  
[03:06:51] All right. That brings us to Item 8C: Authorization for the executive director to increase  
[03:06:56] the North Satellite Modernization Project budget by 40 million, 32 million capital, an 8  
[03:07:01] million expense for a total project authorization of 712 million one hundred twenty five  
[03:07:06] thousand two hundred thirty two dollars.  
[03:07:09] Commissioners, you received a briefing on the item at our last meeting.  
[03:07:13] The briefing went into detail on how and why the current North Satellite Modernization  
[03:07:17] Project cost estimate's completion is forecast to be greater than the budget authorized  
[03:07:22] by the Commission.

[03:07:23] Scope changes, additional soft costs, unforeseen conditions and remediation or just a few  
[03:07:28] of the cost drivers. This action authorizes the additional costs for this project.  
[03:07:32] And the presenter is Ken Warren.  
[03:07:34] Can I just ask, is there anything new from the last time that you presented?  
[03:07:40] No. Okay.  
[03:07:42] Just checking. Because what I'm saying is a lot of questions last time you were here.  
[03:07:46] And so I just--. It was a great presentation here.  
[03:07:49] So I think that I guess Ken is here.  
[03:07:50] I don't if he had a presentation, Ken, or if you were just here to answer questions.  
[03:07:54] Is the mic working? Yeah. Well, I'm here to request an additional 40 million.  
[03:08:03] You say that so lightly.  
[03:08:04] How much? 40 million.  
[03:08:06] Additional funds to complete the construction of the North Satellite Modernization  
[03:08:11] Project. We forecasted the completion in 2017 and  
[03:08:22] our estimate to complete our projections have grown.  
[03:08:26] Our request is a five point nine percent increase.  
[03:08:31] Our project does continue to track his schedule.  
[03:08:35] We set that schedule in 2017.  
[03:08:38] Other new information I do have to provide is that we have been in conversation with our  
[03:08:43] partner, Alaska Airlines, and they do continue to express their support for our project.  
[03:08:50] As of this moment.  
[03:08:52] Throughout all the conditions that are going on today, they do continue to support our  
[03:08:57] project. We do expect to deliver on time.  
[03:09:04] With this, I invite any further questions.  
[03:09:10] I don't-- I again, I asked all my questions in the last presentation.  
[03:09:13] You made a convincing case, and we-- I don't think-- you've answered all of our  
[03:09:17] questions. So.  
[03:09:19] And you've done a really good job and just managing the job all along.  
[03:09:23] Absolutely. And it is so important that we be transparent and that we be honest with  
[03:09:27] ourselves as a project team in order to develop the team, to complete the project.  
[03:09:33] What we're doing at SeaTac Airport doesn't just go into physical construction, but it  
[03:09:39] really cultivates where we're going to in the future as an airport.  
[03:09:43] This project will be a great anchor into the future as SeaTac Airport does continue to  
[03:09:51] fly people in and out every day.  
[03:09:53] All right. Hearing no further questions or comments.  
[03:09:56] I'd be happy to move item 8c.  
[03:09:59] There's a motion to approve.  
[03:10:01] Is there a second?  
[03:10:02] I'll second. Are there any-- all those in favor say aye.  
[03:10:06] Aye. All those opposed, nay, the motion carries.  
[03:10:10] Thank you very much. Thank you.  
[03:10:13] All right. And that brings us to Item 9A: briefing on the C1 building expansion at  
[03:10:18] Seattle-Tacoma International Airport.  
[03:10:22] Commissioners this briefing will review plans for the new C1 building at the airport,  
[03:10:26] which will provide additional dining and retail options, office space for tenants, lounge  
[03:10:31] space, and additional seating for travelers and a post- security meditations and sensory  
[03:10:35] room, a nursing mothers room, and all gender restrooms.  
[03:10:40] This is also a Tier 3 project under our new Sustainable Project Framework, which we'll  
[03:10:46] discuss during the presentation.  
[03:10:47] Our presenters are James Jenning, Chris Casselman and Lance will kick us off and then  
[03:10:52] Leslie Stanton is available to answer questions as well.  
[03:10:57] Thank you, Steve. Good afternoon, commissioners.  
[03:10:59] A few, if you might recall, a few months ago, we had a luncheon for our new brand here at  
[03:11:05] Seattle-Tacoma International Airport.  
[03:11:08] And amongst other things, apart from changing the logo and the colors in, we made this a  
[03:11:13] brand promise and we promised that in the future, anyone coming to the airport should  
[03:11:18] expect a certain level of service, level of service optimal.  
[03:11:22] We have made a promise that we treat them a certain way.  
[03:11:26] The brand promise that we've made, there's a huge gap between where we are now and what  
[03:11:30] we need to do to actually fulfill that gap.  
[03:11:33] There is going to be multiple projects that's going to come before you, multiple  
[03:11:36] initiatives that the airport is going to undertake in order for us to fulfill that  
[03:11:40] promise. One such very significant project is the C1 project and the C3 expansion

[03:11:50] And as Steve alluded, this project is extremely important because it addresses multiple  
[03:11:56] gaps that we have, multiple deficits that we have.  
[03:11:58] It doesn't fill the entire thing, but it puts a dent into it.  
[03:12:01] Airport dining and retail space, hold room space or the lack thereof.  
[03:12:06] Office space, meditation room, sensory room, mothers nursing station or mother's nursing  
[03:12:11] station suite is what we're going to be building, all gender restrooms and lounge spaces.  
[03:12:16] So this one facility addresses all of those issues to a certain extent.  
[03:12:22] No, it will also be one of the very first major projects that will go through the  
[03:12:27] sustainability framework that we have.  
[03:12:30] So as we build, we are going to build in a responsible manner.  
[03:12:33] Again, this is a very important strategic project for us.  
[03:12:38] It moves us closer to us meeting that level of service optimal that we have promised for  
[03:12:44] our customers. It gets us closer to fulfilling our brand promise.  
[03:12:48] And again, as I said, it allows us to meet the need of our tenants and also for us to  
[03:12:53] build in a very sustainable manner.  
[03:12:55] Without any further ado, I'm going to hand over to Jim Standards and Chris Casselman, who  
[03:13:02] will provide a little more detail on the C1 building project.  
[03:13:06] Lance, I'll just say, if you had a dog hotel, I'm in.  
[03:13:08] [Laughter] All right.  
[03:13:12] Thank you, Lance. So I'm sorry.  
[03:13:15] The project drivers I mean, I know that Lance said this was the first project that will go  
[03:13:21] through the sustainability review.  
[03:13:27] I just want to you know, there's like one, two, three, four, five, six project drivers.  
[03:13:36] That's not one of them. So, yeah, let's get in the presentation.  
[03:13:40] I guess what I would respond to that Commissioner Felleman is that the sustainability  
[03:13:45] framework was something that has come recently and is an opportunity for this project.  
[03:13:53] No doubt part of our DNA is environmental sustainability.  
[03:13:58] What the project driver slide was really to respond to is I would say we're not doing  
[03:14:04] this project to have a project to do sustainability.  
[03:14:08] We are doing the project and in so doing we'll embody sustainability.  
[03:14:12] So I wouldn't call it a driver.  
[03:14:13] I'd say it's an-- It's the how we're going to do that.  
[03:14:16] It's the how. It's not the why.  
[03:14:18] It's the how. Yeah.  
[03:14:20] Well thank you. So thank you Lance.  
[03:14:22] Appreciate that. So. James Jennings, I'm the director of aviation business and properties  
[03:14:27] at SeaTac International Airport.  
[03:14:28] And as Lynn said, with me today is Chris Casselman in our capital development group.  
[03:14:33] So here today to really brief Commission on the C1 building project, we actually came  
[03:14:37] back in June of 2018 and asked for some advance planning money.  
[03:14:42] And so we're here to give you a little bit of a report.  
[03:14:44] The overall message is we've essentially successfully validated both the need and the  
[03:14:50] scope in the feasibility of this project, and we would intend to move forward with this  
[03:14:57] as a real project going forward.  
[03:14:59] So our hope is that we will come back in March of this year March 24th to request design  
[03:15:05] authorization and then soon thereafter in April for a general contractor construction  
[03:15:11] manager request and to do early preliminary design work.  
[03:15:19] I think we all need to recognize today with the Corona virus lens that we're looking at  
[03:15:25] things a little bit differently.  
[03:15:27] But I'd like to make sure that we think long term here.  
[03:15:30] The focus is really meeting existing passenger demand.  
[03:15:35] No, no doubt, our region continues to grow in that this is a level of service project,  
[03:15:41] not for the future, but to meet the demand that exists today.  
[03:15:45] going to push back a second. So we need to meet growing demand while reducing our  
[03:15:51] greenhouse gas footprint. This is a ridiculous challenge, right?  
[03:15:55] It's a challenge. So so all development has to be done in a sustainable way.  
[03:15:58] So there is a project driver that we have to grow responsibly.  
[03:16:03] Sure. So I'm still not convinced that it's not one of the project drivers.  
[03:16:10] Fair enough. I think that's part of our need is to do this.  
[03:16:15] I agree. It's a how, but it is a overall organizational requirement to be reducing our  
[03:16:23] greenhouse gas footprint. When you do new projects, that is a tall order.  
[03:16:30] So I think this has to be embedded in our demands.  
[03:16:34] So Commissioner, we were looking at at the sustainability component as an obligation.

[03:16:38] But if it's very important that you make it that driver, we can do that.  
[03:16:42] I'm happy to change our terminology, so to speak, to align with that.  
[03:16:46] I think that for new big projects, this should be-- I don't question you're not going to  
[03:16:51] do. Yeah. I'm just saying, putting it up there, if indeed it's one of our big  
[03:16:56] projects-- Make it visible.  
[03:16:58] To that point. You know, this really is potentially one of the next big projects that the  
[03:17:04] airport is embarking on.  
[03:17:06] This has been in the incubator process for probably four years.  
[03:17:10] And we're finally at the point where we're ready to pull the trigger on this.  
[03:17:14] And it really is important that our growth over the last, you know, several years has  
[03:17:19] outpaced the space that we have in the airport.  
[03:17:22] And as Lance indicated, this is really to meet the demand that we have seen customer  
[03:17:27] service as well as for our tenants.  
[03:17:30] It is important to note, though, this is not a SAMP project.  
[03:17:33] This is not creating new growth and new capacity.  
[03:17:36] This is really meeting the customer service demand that exists today.  
[03:17:41] You know, an example of that before maybe pre corona virus walking down the C concourse,  
[03:17:47] you would see long lines at the coffee shop and people walking away because they have to  
[03:17:51] get to their airplane or not being able to access their preferred lounge.  
[03:17:56] We're not finding a seat in the Horizon regional area.  
[03:18:00] It's a very congested area.  
[03:18:01] So with that, go ahead and go to the next slide.  
[03:18:04] Where is the C1 project and what is it?  
[03:18:06] So the existing C1 building is between the C concourse and D concourse it's reflected on  
[03:18:13] the slide in red.  
[03:18:15] You can see the existing footprint in the bottom left hand corner.  
[03:18:19] It's a three story building.  
[03:18:21] The lower two floors are essentially baggage systems that support Alaska Airlines and  
[03:18:28] American Airlines called the C1 system.  
[03:18:30] And then the upper floor, the concourse level floor is currently a small amount of  
[03:18:36] airport dining and retail, but it's mostly office space.  
[03:18:38] Behind the scenes, largely with the TSA.  
[03:18:42] And so the genesis of this project was, hey, we're out of space.  
[03:18:45] Let's make better use of the space that exists today and make that concourse level space  
[03:18:50] public facing and have some more space for the traveling public.  
[03:18:54] And as we went through our demand and determined what our needs were, we realized just  
[03:18:59] converting that floor plate because it's so large, we would have to create a more volume  
[03:19:03] of space in order to make better use of it.  
[03:19:05] And ultimately over the past four years, we've come up with the C1 building project.  
[03:19:10] So you see on the right hand side the Marsing concept is there.  
[03:19:14] And Chris is going to talk a little bit more about the specifics of what we're talking  
[03:19:19] about in terms of the floors. Go on to the next slide.  
[03:19:22] So project drivers, again, highest and best use.  
[03:19:27] Currently that top floor, as I said, is not public facing.  
[03:19:30] At least the majority of it.  
[03:19:32] And then really it's a rare opportunity for us in our limited footprint to build up  
[03:19:38] instead of taking out additional aircraft gates because we really don't have the real  
[03:19:41] estate to do things.  
[03:19:43] Keep meeting current customer demand.  
[03:19:45] Again, airport dining and retail efficiencies, pent up demand for lounges and then office  
[03:19:50] space for our tenants. We have tenants that have for years asked to lease more office  
[03:19:55] space at the airport and we've had to tell them we have nothing to offer.  
[03:19:59] Increased non aeronautical revenue again.  
[03:20:01] As we build more public facing space, it's very critical for us to continue to maximize  
[03:20:05] our ability to generate cash, especially in light of the paradigm shifts on the land side  
[03:20:10] with TNC's and parking and rental cars as those paradigms shift in our ability to collect  
[03:20:15] money decrease.  
[03:20:17] It's important for us to invest in our ability to collect non-canonical aeronautical  
[03:20:20] revenue, and this is a great opportunity for us to not only meet that customer demand,  
[03:20:24] but really increase that opportunity to collect revenue.  
[03:20:28] And so we've done some financial analysis and we don't have a lot of detail in this  
[03:20:31] presentation. We'll talk a little bit more when we come back for the design.  
[03:20:35] But the project has a positive net present value from a non aeronautical standpoint.

[03:20:41] We'll have a relatively modest impact on CPE.  
[03:20:44] And it's important to note that this is a fairly significant long project, any cost pressures that we feel in the short term.  
[03:20:49] The reality is the costs for this project will not hit until it's in place.  
[03:20:55] And at this point we're anticipating occupancy out in 2027.  
[03:21:00] So it's just important to note.  
[03:21:04] This is also going to be an opportunity for us to have more small business, airport dining retail kiosks and then during the design and construction process.  
[03:21:08] Go ahead. And then we talked about customer service improvements in the reference to really creating a new facility that can reflect our brand promise, as Lance indicated.  
[03:21:13] There's some operational components.  
[03:21:18] We talked about the seating congestion.  
[03:21:24] There's some low dock involved in some baggage connections.  
[03:21:27] And then kind of the icing on the cake is an opportunity to embrace our new standard for the flexibility to have an all gender restroom or post security meditation room and then mother nursing suites.  
[03:21:42] And with that, we can talk a little bit more about the project scope.  
[03:21:43] Good afternoon. I'm Chris Casselman.  
[03:21:49] The project plans to redevelop the existing C1 building.  
[03:21:51] We're going to add four more floors going up, which is going to include ADR office lounge space as well. As you heard JJ mentioned, the key here is that there are going to be no new gates and no new additional airplane operations.  
[03:22:01] This is this is very important as we go forward.  
[03:22:04] The work also includes, as JJ said, the see through hold room and loading dock.  
[03:22:07] There are currently going to be added about 70000 square feet of office and lounge space . That's going to be broken out to about 30 in office and two decks of lounge at 15 each with additional ADR space of twenty five thousand square feet, as JJ mentioned.  
[03:22:11] You can see there specifically 670 square feet of nursing mother and 722 currently of meditation. I'm just wondering why does the mechanical get the penthouse?  
[03:22:17] [Laughter] Yeah.  
[03:22:22] Lucky. Getting that fresh air  
[03:22:27] If it makes you feel better, we didn't give them any windows.  
[03:22:42] [Laughter] The airport dining and retail deficiency.  
[03:22:46] This is based on the 2016 study that shows Concourse C and D.  
[03:22:52] There's about 30000 square feet that this study came back with as supportable that we are currently short on. So this project is going to try to get as close as we can to that number. And with that, I'm going to hand this to Leslie.  
[03:23:06] Good afternoon Commissioners, Leslie Stanton, environmental sustainability manager at the airport. As you know, and have been discussing, this as our first pilot project to run through that project framework.  
[03:23:22] We conducted a Spark event with a number of internal folks and identified the key areas we wanted to look at. Those are listed for you in the memo and also have couple of slides here. Essentially, we took the categories that we had and asked to the different groups to consider what they would like to see.  
[03:23:38] The purpose of this was to develop a set of questions, not to answer those questions, but to ask the designers to evaluate it in concert with the airport staff sustainability staff. Then we would take those results and bring them to the Energy and Sustainability Committee at 30 percent design or prior to that.  
[03:23:42] The next. So these are the different categories that are included in the framework policy.  
[03:23:48] As you can see, energy and carbon are one of our top priorities because of our century agenda goal, which as you know, is very aggressive.  
[03:24:06] And as Commissioner Felleman pointed out, it's gonna be tough to think about growth in this scenario when we're trying to reduce emissions.  
[03:24:13] So we'll be thinking about what is the actual increase in potential natural gas use, thinking about what would be our RNG benefits of that, and then looking at opportunities to reduce that, not only in natural gas, which is heating the space, but also in our electricity, which we use to cool and also operate the different facilities.  
[03:24:17] So we'd want to look at the total cost of ownership of each of those different alternatives. I mean, opportunities to reduce and conserve energy.  
[03:24:19] Question?  
[03:24:23] Well, there is an important point to be expressed here that I think Commissioner Felleman touched on, which is and since I've been at the Port, I've sort of been interested in how the Port treats issues of green building design, sustainability.

[03:25:13] There hasn't, up until more recently, been a very consistent policy.  
[03:25:18] I think this one offers just that.  
[03:25:20] The sustainable design approach is a sustainable framework, of course, expands beyond  
[03:25:26] green building. All of the technologies that are available to improve efficiency.  
[03:25:30] But Commissioner Felleman point also.  
[03:25:32] While, we are working aggressively to accommodate the rapid expansion of the airport and  
[03:25:39] the demands that come with it, we're also working to reduce the growth in our  
[03:25:44] environmental footprint where we have opportunity and every new building like this, and  
[03:25:49] every new big project is an opportunity to do that.  
[03:25:53] So I do think it's integral.  
[03:25:55] I don't think we're trying to make a showpiece of the world's greatest, you know, most  
[03:25:59] efficient office power on Earth.  
[03:26:02] But we have a duty and an obligation.  
[03:26:05] And I think it is embedded in our policies to advance the most efficient and green  
[03:26:13] building technologies that we can through this.  
[03:26:16] So I think this is responsive in that regard.  
[03:26:19] It's just that it's complicated when you're dealing with airports and an existing  
[03:26:25] infrastructure that we have.  
[03:26:27] So that's correct.  
[03:26:29] Yes. And I think when we finish the analysis, we'll get a sense of what is the increase  
[03:26:33] in emissions and what is the cost of reducing it?  
[03:26:36] What does that look like? And we can make those decisions in a more transparent way.  
[03:26:40] And that's what I really appreciated, that, you know, that the design analysis is looking  
[03:26:44] at a 5, 10 and 20 percent reduction below state energy code.  
[03:26:48] So that will come back to us.  
[03:26:50] And depending on how much of it is.  
[03:26:52] Yeah, how much we can show on that.  
[03:26:54] And but that the.  
[03:26:56] But you're talking like total cost of ownership.  
[03:26:58] So the efficiencies gained from that.  
[03:27:01] That's right. That's exactly right.  
[03:27:03] And we'll also have the results from the AC 3 tool that we've been talking about so we  
[03:27:06] can look at the embodied carbon associated with the materials that we'll be using to  
[03:27:10] build the facility. Take a look at that.  
[03:27:12] Will reduce it as much as possible.  
[03:27:14] But obviously, since there will be carbon created, when we when those materials are  
[03:27:17] produced, we can compare that.  
[03:27:20] How does that look with the other emissions?  
[03:27:21] What do we want to do about that?  
[03:27:24] Let's go.  
[03:27:26] Next slide. So just finishing it up again.  
[03:27:30] These are just the remaining categories that we looked at.  
[03:27:33] We've asked the designers to look at water conservation, looking at existing guidelines.  
[03:27:38] At the same time, this pilot project as all of the pilot projects this year, we can look  
[03:27:42] at how that compares with our current standards and think about is this a good  
[03:27:44] opportunity to change those standards if there's something better out there for us?  
[03:27:48] The transportation piece was an area where the Spark Committee struggled a bit to think  
[03:27:53] about how could we build in something in this project that would help folks use different  
[03:27:57] forms of transportation.  
[03:27:59] So we've asked them to explore ideas like locker rooms or lunch rooms for employees,  
[03:28:04] those kinds of things that might make it easier for them.  
[03:28:07] And then, of course, we'd look at the total cost of ownership for that.  
[03:28:09] And then lastly, the innovation.  
[03:28:12] We've asked the designers to come up with some innovative ideas.  
[03:28:16] We don't have staff right now.  
[03:28:17] We do have the position on the street.  
[03:28:20] My vision to have that FTE, that person be actively looking for innovative ways and  
[03:28:25] sharing that with designers and vetting it with experts to bring more forward to you.  
[03:28:30] But again, we don't have that person on board yet.  
[03:28:31] We will have them on at least-- the position's on the streets.  
[03:28:34] We'll have someone on board in a couple of months and then they'd be able to address that  
[03:28:38] innovation in a more thorough approach.  
[03:28:41] One way to really flip this around as opposed to just looking at the cost of ownership.

[03:28:45] Of course, we need to look at the lifecycle costs and the cost of ownership.  
[03:28:49] But we should also be looking at the benefits and measuring those as well.  
[03:28:52] And I think what you're listing here are sort of potential benefits that actually  
[03:28:56] represent change practice for sustainable building design that can make it healthier and  
[03:29:03] reduce carbon emissions, et cetera, and clean water, healthy materials, all of those  
[03:29:08] things. Great. Thank you.  
[03:29:09] Happier employees.  
[03:29:11] So.  
[03:29:13] Hoping for the best. The other side of that also is the market demand for these type of  
[03:29:17] materials? That's right.  
[03:29:18] That you know, other people to do it as well.  
[03:29:21] That's the example to be set.  
[03:29:25] I think setting-- the Port has said it wants to lead in this area and this is a way we can  
[03:29:29] do that. And I think you're both the Commission is correct.  
[03:29:32] That we look to send market signals.  
[03:29:33] That there are demands for lower carbon materials.  
[03:29:36] When we send those market signals to the market, the market responds.  
[03:29:38] We would like to see those become more of an easier option for us to purchase.  
[03:29:43] I think we have a lot of agreement there right now.  
[03:29:51] Diversity in contracting.  
[03:29:53] We have diversity in contract as an aspirational goal for C-1 of design 9 to 15 percent  
[03:29:59] and construction 8 to 15 percent.  
[03:30:01] A final goal will be established as we get closer to advertising, of course.  
[03:30:05] We had a Port-Gen C1 product informational meeting on the twenty sixth of February.  
[03:30:09] It was very successful, had 120 guests.  
[03:30:11] So we're looking forward to these getting out on the street.  
[03:30:15] Can I just, um, you know.  
[03:30:16] I like the fact that you present these ranges and I still don't understand when we do cost  
[03:30:22] estimates of cost of construction, we say five billion, seven hundred thirty three  
[03:30:27] dollars. I mean, why isn't there a range from, you know, 3 million to 7 million or, you  
[03:30:32] know, something like that? And so.  
[03:30:33] So the fact that we these goals or ranges here.  
[03:30:38] I just really have a problem when we put estimated costs like to the penny.  
[03:30:42] You know, it's got to be a range because we always know there are things that are  
[03:30:46] happening, right? Absolutely.  
[03:30:50] And to that point, we'll get to this.  
[03:30:52] We'll get back to that in just a moment here.  
[03:30:55] The design approach on this, we use the project definition document.  
[03:30:58] Traditionally, the project management team uses notebooks, sometimes project definitions.  
[03:31:02] But in this case, we did use a project efficient document.  
[03:31:05] It was a very robust document, 250 pages.  
[03:31:08] It went out to, we had invited about 50 stakeholders to it.  
[03:31:10] We've got we got comments over 250.  
[03:31:13] We incorporated all of them.  
[03:31:14] And it was very robust, very thoughtful.  
[03:31:17] We had a lot of engineering teams working on this, putting this together.  
[03:31:22] And that document was signed off by the directors of the airport at the end of the year.  
[03:31:27] Mr. Little signed off on it in January.  
[03:31:30] And that kind of that kind of commitment from our our senior team members here at the  
[03:31:33] Port is going to be really, really important going forward.  
[03:31:36] This project definition document.  
[03:31:38] I'm always kind of careful encourage people to kind of understand that it refers to  
[03:31:42] project definition. It's not design.  
[03:31:45] So we want to be very careful about that.  
[03:31:47] When people say, oh, well, what's the level of design?  
[03:31:49] You know that, to say that is to say that all the components are complete.  
[03:31:53] But this is like we say, definition of a project.  
[03:31:56] Can I add something right there?. So. So we're actually gonna show you a little bit of a  
[03:31:58] walk through video and to that point.  
[03:32:02] It's basically we have spent a lot of time to develop it so we can get good cost  
[03:32:06] estimates and create a real feel.  
[03:32:09] But the reality is we're gonna hire a designer and hopefully tap into some of the  
[03:32:12] creative juices. And it might look much different than what we're going to show.



[03:32:16] Absolutely. Design success, design success is going to really be contingent upon designing [03:32:21] to budget on this.

[03:32:23] And as we see, one of the kind of key things that we learned, at least from our satellite [03:32:27] is getting light down into-- because we're going up so high, getting light down to the [03:32:31] concession area is going to be really key and capture what Seattle sunlight we have, get [03:32:36] it down there, have our passengers enjoy it.

[03:32:38] So even though we're going to see an atrium configuration, that doesn't necessarily mean [03:32:41] it's the final one. So but the point is an open and well-lit environment.

[03:32:45] And so just to add one more thought on that, if you've been into the concourses we all [03:32:50] know that they have fairly low ceilings and so we're creating a space with some volume.

[03:32:54] And so it's going to be really, really a design challenge to draw people in.

[03:32:58] And so that daylighting is really a critical component for us to attract people into this [03:33:02] space. You'll see as we show the 3D rendering kind of an idea of of how that might look.

[03:33:08] I have to say, just having flown into the Newark, I mean, the really the overwhelming [03:33:14] expensive from most airports I go to is that ceiling height.

[03:33:18] That ability to just not feel constrained like that.

[03:33:21] And it's one of the real limitations that SeaTac and I think north satellite does a [03:33:26] beautiful job of bringing that up.

[03:33:28] But that is something.

[03:33:30] So I'm really glad you're -- That was just immediately apparent to-- it's a 1960s-70s [03:33:35] building. But it's got all this headroom.

[03:33:37] It just makes it feel much more modern and comfortable.

[03:33:41] Certainly. The project delivery will be general contractor, construction manager, the [03:33:47] GCCM. And this is, as you probably know, a kind of a two step delivery method and set in [03:33:52] that the contractors brought on first as a consultant to advise us on phasing, advise us [03:33:57] on schedule, really help us work a lot of stuff out.

[03:33:59] And then we turn around, say, OK, the second part of that is hiring that person to [03:34:02] deliver on the good advice they've been giving them all this time.

[03:34:06] It's going to be key to having them on because the phasing on this is going to be pretty [03:34:09] complex. So having someone in there to kind of really help us is going to be important to [03:34:14] the success of this.

[03:34:16] Project status. This, you'll notice my red arrow up there.

[03:34:20] I would have probably preferred to push this a little further to the left.

[03:34:23] It's getting a little busy up there, but you can see the degree of uncertainty in the [03:34:26] passage of time. Where we are.

[03:34:29] We just had the PDD signed off with the managing director still pending.

[03:34:33] We have an MII approval, which if you have questions about that, J.J. [03:34:37] can field those, certainly.

[03:34:38] But we're still, you know, we are still proceeding with having to track down and run down [03:34:43] a lot of information, a lot of details, still a lot of work ahead of us.

[03:34:46] So we're heading on with this.

[03:34:48] But to that point, project estimate, what you see there is a table from the association [03:34:53] of the advancement of cost engineering.

[03:34:55] And this is just kind of a general way to help kind of get people get their arms around [03:34:59] where they are with the numbers and the value.

[03:35:01] So our level of project definition is between 1 and 15 percent.

[03:35:05] That's very easy to kind of validate.

[03:35:09] The accuracy range of the cost is from the low side 15 to 30 to the high side 20 to 50.

[03:35:14] So as you say, there's still a range that we're talking about in terms of percentages.

[03:35:20] Yeah. If I can talk about that for a second, Chris.

[03:35:22] Just I mean, this is one of the things we talk about.

[03:35:24] But a lot of times when we put out a number, then we start from that point in these [03:35:29] discussions and we talk about those all kinds of uncertainty here.

[03:35:32] I think there's been a lot of good efforts going into here before we get to the numbers.

[03:35:36] But I think I've asked, as we look at our whole capital delivery.

[03:35:39] I'm asking Dave Swanky and the team and some of the representatives from the executive [03:35:44] review panel to look at the great process that they've done to do this, to kind of give [03:35:49] us another look at this point to see if we-- just so we can get lessons learned from the [03:35:54] way that you've done this on this project, because this is the first.

[03:35:57] I think we're incorporating lots of lessons learned to be accurate in those things, [03:36:01] because a lot of times that we talk about that the public perception could be anchored on [03:36:06] those numbers. So when we come back with more, as we get more uncertainties out of there, [03:36:10] just so we can do as good as we can on those ranges as we talk about them as well.

[03:36:14] Absolutely. So the program estimate stands at 340 million dollars.  
[03:36:23] The project definition document had a hard estimate with it that came in at one hundred  
[03:36:29] eighty nine. And the actual kind of nice good news about this is that PMG went out, got a  
[03:36:34] second independent estimate that came in at 2 0 7.  
[03:36:36] And that's actually that's very good news because two very different sets of estimates  
[03:36:40] looked at our PBT document and saw 91 percent of the same thing.  
[03:36:45] So, you know, that's that's a tribute to the team and all the hard work that the  
[03:36:48] stakeholders did, making sure that we figured everything out.  
[03:36:50] We got all those details identified in.  
[03:36:52] Yeah. And just just to clarify, the two numbers on the right are not additive.  
[03:36:57] So there they are, Blinken's hard construction component of the program estimates.  
[03:37:02] . That's right. But the nuts and bolts of the work, whereas the program estimate includes  
[03:37:07] know taxes, design costs.  
[03:37:09] Yes, exactly. So if we were to combine these two slides from a low estimate of 30 percent  
[03:37:18] below that so roughly two hundred and fifty all the way up to 50 percent above.  
[03:37:23] So 510, that's what the range is 250-500.  
[03:37:28] Yes, that's right.  
[03:37:30] But that's the point.  
[03:37:31] That's the point. That's exactly the point.  
[03:37:34] Folks should know they have to sharpen their pencils.  
[03:37:37] Right. Because it's we expect it to be somewhere in there.  
[03:37:40] Right. Not three forty or one eighty nine two.  
[03:37:43] Right. It's like. To me that's why.  
[03:37:47] Right. So you build in the range but you got to present it in its form.  
[03:37:51] So. This is and with all of our projects, we have the same challenge.  
[03:37:55] And I mean now that we have to estimate, that's great.  
[03:38:01] Did they really say one eighty nine two or do they know a range.  
[03:38:05] They didn't give us a range. They have-- they were actual estimates that came in but I.  
[03:38:10] Yeah. Those are those are obviously a little longer than that.  
[03:38:12] But I just stopped them at the nearest decimal point.  
[03:38:15] I mean I'm just wondering whether we should ask.  
[03:38:18] We can ask the. This is all public disposable.  
[03:38:21] We should ask them to give us a range.  
[03:38:24] Yeah. And I just again, back to the cone that you saw.  
[03:38:28] We're still in the in the planning stages.  
[03:38:30] Right. So whatever estimate has been done, it's a planning level order of magnitude  
[03:38:35] estimate. Again, we spent a lot of time in the planning stage, multiple years to try and  
[03:38:40] figure out what it is we actually want to build it.  
[03:38:43] So right now we've just determined, okay.  
[03:38:45] We think it's this box and we think it's about this much money.  
[03:38:48] Nothing's been designed. Well, at least, you know, we've got some preliminary designs, as  
[03:38:51] you'll see. But until we put this out on the market, that's really going to be the truth.  
[03:38:57] And so we really need to get through the design process.  
[03:38:59] But your point is absolutely valid, which is why we are showing the ranges.  
[03:39:03] And I think we can we can present it a little bit better.  
[03:39:06] I think to your point in future presentations to really Instead of showing a number,  
[03:39:11] showing a range of numbers.  
[03:39:13] We'll take that note and share that with our project management team.  
[03:39:15] And I think what we're trying to avoid is in a few years when this project is moved along  
[03:39:20] in then we're looking at a, you know, a final number of 4 10.  
[03:39:26] Yeah. Somebody says, why are you over budget?  
[03:39:29] Well, this was never a budget.  
[03:39:31] Right. Yeah, anchoring sort of a range.  
[03:39:33] All right. It's important for folks to recognize that.  
[03:39:36] You bet. Thank you. Look how much under budget.  
[03:39:38] [Laughter] Right.  
[03:39:43] Exactly. They'll look ahead.  
[03:39:46] OK. So here we are briefing and introducing the project.  
[03:39:50] The authorization to advertise for design is March 24th.  
[03:39:53] PMG Group will be back in front of you then and then the Commission Authorization for  
[03:39:58] GCSE and program management is slated currently for Q2 2020.  
[03:40:02] April, is our call. So your questions.  
[03:40:07] [Crosstalk.]

[03:40:14] Okay. Just funding source?  
[03:40:18] So good question.  
[03:40:19] So Borgen's here, we anticipate.  
[03:40:21] Go ahead. Borgen. You wanna come up and-- you'll get a more precise answer from him.  
[03:40:26] [Laughter] So we anticipate issuing revenue bonds to fund this.  
[03:40:33] Obviously, we're gonna be building this over the course of a few years, so there's  
[03:40:36] nothing imminent. The initial funding source will be the airport development fund.  
[03:40:40] Okay. And then the timeline.  
[03:40:42] I think I heard you say 2027 for completion.  
[03:40:45] Yes. Is estimated at this?  
[03:40:47] Yes. And I'll just say in that.  
[03:40:51] The reason we want the GCCM, the contractor involved in this early process is because we  
[03:40:56] believe that we can shave some time off that.  
[03:40:58] And we really need to do a good job in phasing this and so if we can do a good job in  
[03:41:03] phasing this, then we can, you know, move the date to the left and we could actually save  
[03:41:10] the project money in that regard as well.  
[03:41:11] So that's the the currently posted schedule.  
[03:41:18] Okay. Commissioner Felleman.  
[03:41:21] Is this building going to be operational during this time?  
[03:41:26] Well, we are planning on keeping certain elements.  
[03:41:30] We're gonna have to move the TSA down.  
[03:41:32] So they are going to be, as far as I know, they are currently going to be down there to  
[03:41:37] be working. So we'll have to make, sure that we obviously offer a safe and everything's  
[03:41:42] around. We're going gonna we're looking at also trying to move them off, move them out.  
[03:41:45] So we've got kind of a couple of things going.  
[03:41:47] The ADR stuff, we're still thinking through it.  
[03:41:52] There's a possibility that we're gonna actually maybe close it off and then move stuff  
[03:41:56] out into the into the concourse area to still serve people.  
[03:42:01] We don't want to give up revenue if we don't have to.  
[03:42:05] So, you know, we're still how this is actually going to be kind of phase and-- it's still  
[03:42:10] is kind of forming. So since well, I mean, we're talking about kind of building a frame  
[03:42:15] on the outside with its own foundation, are we actually trying to build right on top of  
[03:42:19] the-- We're gonna be beefing up the footings.  
[03:42:22] We're gonna be going pretty much right on top of it.  
[03:42:23] The building was originally constructed to be expanded.  
[03:42:26] So when it was originally put, I think, was it you know, I thought 2006 had some  
[03:42:31] foresight back in 2008.  
[03:42:34] Thank you. That's that's not to say, though, that, you know, there aren't gonna be some  
[03:42:36] obviously some sizable modifications of code changes and all.  
[03:42:39] But certainly there's gonna be some--.  
[03:42:40] Seems to make it that much harder to coexist, though.  
[03:42:43] Yeah. Commissioner Cho.  
[03:42:45] You know, I have a question because with regards to including the GCCM, do we not need to  
[03:42:51] go through an RFP process to designate the GCCM?  
[03:42:54] So how are they involved with the design?  
[03:42:58] There's a two step process.  
[03:43:00] The GCCM processes is a two, I call it contract, it may be handled by amendment, but  
[03:43:07] they're brought on and they consult first.  
[03:43:10] So the whole, as I understand it, the contract element and then the amendment is what  
[03:43:14] hires them for the second part of the work.  
[03:43:16] So we will go through a whole process.  
[03:43:18] It will be a procurement process.  
[03:43:21] So part of the advertise for design would include the GCCM?  
[03:43:26] Two separate processes First we're coming for design on March 24th and then we're  
[03:43:31] actually gonna come back in April or at least in Q2 for a separate request to authorize  
[03:43:37] hiring the GCCM. The design starts, it precedes, the GCCM comes on, they catch up on the  
[03:43:44] design, they get smart on it, and then as the design evolves, as we start hitting  
[03:43:48] milestones, design deliverables, they're checking it with estimate checks, kind of  
[03:43:54] helping us with constructability, phasing, etc..  
[03:43:57] I think I need a briefing on this because I'm not sure I don't understand how we can help  
[03:44:02] without the Commission authorizing an RFP.  
[03:44:05] How can you guys go out and designate the GCCM?  
[03:44:09] We're coming back to Commission twice to request authorization for both.

[03:44:14] Yes, that's correct.  
[03:44:16] The authorization is to designate the GCM, right?  
[03:44:18] That's the design first on the 24th April.  
[03:44:22] Twenty eighth comes back for the GCCM ask and program management.  
[03:44:29] But what are we voting on? I think the question is how you select the designer and how  
[03:44:33] you select the general contractor.  
[03:44:34] Use an RFP process or what?  
[03:44:36] Oh, yes, yes.  
[03:44:37] We'll do qualifications and then proposals.  
[03:44:40] And then they will come in. We'll have interviews and then we'll make selections.  
[03:44:45] All right. All right. We'll follow up.  
[03:44:47] Of course.  
[03:44:49] Maybe when you're doing that, as opposed to design, build in other options, I think is  
[03:44:53] where-- I know where you're going.  
[03:44:55] OK. All right.  
[03:44:57] So before we move on, other commissioners questions?  
[03:45:02] I would like to make a bold statement about the importance of design excellence.  
[03:45:10] I get this question brought to me within the architectural community as an architect  
[03:45:14] often about SeaTac.  
[03:45:15] What are we building out there?  
[03:45:17] What in the world is going on?  
[03:45:19] It's a lot of construction activity, a lot of different parts, much more to come.  
[03:45:26] Three billion plus over the next five years or so.  
[03:45:31] I hope we're not building a collection of warehouses and transfer stations there.  
[03:45:36] Right now, there's no reference to good design here and design excellence.  
[03:45:43] The experience that we're creating.  
[03:45:45] And I'm going beyond the goals for sustainability and green building.  
[03:45:51] We're building for another generation.  
[03:45:54] And the airport is pretty tired in many of its older parts and drab.  
[03:46:01] And it's not supporting the branding experience that we want right now.  
[03:46:06] And it's got to be more than colors and signage and labels and things like that.  
[03:46:11] It's got to be an architectural excellence.  
[03:46:13] I have never heard any mention of any design guidelines to help guide the design process.  
[03:46:20] I know we have an airport architect who is incredibly busy and has to monitor all the  
[03:46:26] things that are going on. I'm talking materials, lighting, architectural space.  
[03:46:31] Beyond the functionality and the exterior as well, because this component at this point,  
[03:46:40] it could be a Lego monster added to what we already have, or it could be something that  
[03:46:44] is additive to the qualitative experience and we don't have the opportunity to rebuild  
[03:46:50] from scratch. And some of the greatest airports in the world have had that benefit that  
[03:46:55] are beautiful, memorable.  
[03:46:57] We want the memory to be a good one, not one of I never want to go back there again.  
[03:47:05] And it's everything.  
[03:47:06] Everything we do. So I would like to ask at this point and I don't expect an answer now,  
[03:47:13] but how do we ensure project by project, not just the sustainability aspects, but the  
[03:47:20] design excellence?  
[03:47:22] And I maintain that design does not have to cost more either.  
[03:47:27] But we should be building good, durable, handsome public buildings with some identity and  
[03:47:33] some eye to how each new piece supports the whole of the creation that will eventually be  
[03:47:41] the future air source. So I'm looking for a vision for the future of SeaTac Airport.  
[03:47:46] And I'll end my speech there because that's probably more than you want to hear right  
[03:47:50] now. But I really want to put that out there.  
[03:47:53] And I would like to have some follow up about how we can institutionally ensure that we  
[03:48:00] are going down the right path with each of these new projects, different architects,  
[03:48:04] different contractors, etc.  
[03:48:07] additions, new buildings.  
[03:48:10] They're all adding up to something.  
[03:48:11] And I know our our airport director cares greatly about the quality of the customer  
[03:48:16] experience. And it has to be the architectural qualities as well that we're creating.  
[03:48:21] So if you don't mind.  
[03:48:24] So just a couple of things.  
[03:48:26] No doubt. Jeffrey Brown and his team.  
[03:48:29] Heather Clark is doing a design visioning for the terminal, which is intended to create  
[03:48:35] some integration of these projects as we go forward.

[03:48:38] And I'll agree with you. We've got a bit of a patchwork from the 40s.  
[03:48:42] You know, each generation of space.  
[03:48:45] But one of the things as we select our designer, we plan to put in the RFP some of the  
[03:48:51] key challenges like daylighting we talked about.  
[03:48:54] And I think adding to that, the integration from the exterior in the interior is is  
[03:48:59] perfectly aligned with that.  
[03:49:02] We're looking for them to come to us with their proposals and bring their creative ideas  
[03:49:06] and have that be part of the selection process.  
[03:49:08] So that's that's fantastic.  
[03:49:09] All right. Absolutely.  
[03:49:11] So Commissioner, I was going to say is that you can always have a tour of architecture  
[03:49:15] through the ages. [Laughter] Well, that's very true, right?  
[03:49:21] I have seen some of the 30s elements.  
[03:49:24] All right. OK. So we have a we have a walk through here.  
[03:49:27] We're going to show you. We do have the three walk through.  
[03:49:29] [Crosstalk]  
[03:49:43] All right. So here we are walking up Concourse D.  
[03:49:51] [Cross talk].  
[03:49:59] That's certainly a condition we're going to have to address or work.  
[03:50:01] Was this done before or after the COVID outbreak?  
[03:50:07] [Laughter] This was done well before it.  
[03:50:09] Over on your right. You see the checkpoint turning left.  
[03:50:13] You see that area opens into what will be the C-1 project.  
[03:50:16] Currently, there is a restaurant there, so we can't do that.  
[03:50:20] But here we go through here.  
[03:50:23] You can see just kind of naturally drawn to the sunlight.  
[03:50:33] So we should add some music.  
[03:50:37] You'll note we've got escalators and elevators.  
[03:50:39] Now, this is not their final location.  
[03:50:42] It's important to note, though, that there needs to be some sort of visual connection  
[03:50:46] between the concourse level and the mezzanine level so that people traveling with, you  
[03:50:49] know, an armful of kids and luggage can quickly look, see how to get up there, how to get  
[03:50:53] back down, how to get to where they need to go.  
[03:50:55] It's a great opportunity for some artwork in that atrium.  
[03:50:58] Absolutely. Absolutely.  
[03:51:00] It could bring the eye up now.  
[03:51:02] So.  
[03:51:03] Absolutely. That's that's a good point.  
[03:51:04] We've been talking to our co-ordinator about that.  
[03:51:08] Here we are turning left and then you're back out onto C and you're turning back down,  
[03:51:13] heading back toward back towards here.  
[03:51:19] So one point, just to note, again, the majority of access is going to be along the C  
[03:51:23] concourse, but having that entry point off Concourse D, especially as we have the  
[03:51:27] increased activity of the annex just having that sightline and that ability right through  
[03:51:33] checkpoint four is something that we feel is important.  
[03:51:39] And looking up, as I mentioned, you know, earlier, we have an atrium configuration, but  
[03:51:45] the point is just to get like down into the lower areas doesn't necessarily mean that  
[03:51:49] that's gonna be the final condition.  
[03:51:50] So most helpful.  
[03:51:51] Yeah. OK.  
[03:51:53] Thank you. Sure. What's the breakdown of a time line?  
[03:51:57] You've got a seven year timeline to-- where is the breakdown of the design versus  
[03:52:01] construction? Well, we've got--  
[03:52:03] I mean, this isn't you know--  
[03:52:05] Well, you know, the seven years we have to.  
[03:52:08] Yeah. There's there's obviously there's time in there for procurement.  
[03:52:10] There's all that. We want to be careful too, because like we say, we're going to really  
[03:52:14] we're trying hard to really kind of bring that back.  
[03:52:17] Currently our design.  
[03:52:18] My last note on design, excuse me, is we were looking at the 30 percent complete  
[03:52:28] approximately Q2 2021, the 90 percent complete Q1 2022 bid documents around Q2 2020.  
[03:52:38] And then work starting shortly thereafter.  
[03:52:42] Like we say, it's-- we really believe, we like to believe that the contractor's really

[03:52:45] going to help us work that and shorten that.  
[03:52:47] So.  
[03:52:49] And Commissioner Steinbrueck, just want you to know that we're actually putting together  
[03:52:54] a, we call it have a vision video and it's a video which shows what the airport is going  
[03:52:58] to look like over the next 10, 20 years, the entire airport, including driving and the  
[03:53:03] landscape. And it includes a C-1 building, what D's gonna eventually look like with  
[03:53:08] higher ceilings, and C, etc.  
[03:53:10] We're actually working on that.  
[03:53:11] We did a kind of a preview just recently, but we need some more time to actually finish  
[03:53:16] that. So we've basically thought through what the entire airport is going to look like  
[03:53:21] and we're going to put that in a visual form in the form of a video.  
[03:53:25] And so you can see over the next 10 years 20 years of the entire Port is going to look  
[03:53:30] like. That's fantastic. That's great.  
[03:53:32] Thank you for sharing that. Yeah.  
[03:53:34] You know, one of the things dealing with the low ceilings that we have given, I was just  
[03:53:41] thinking about the way the Boeing dealt with the 787s.  
[03:53:45] You know, they create that illusion of sky by, you know, just sort of lighting on the side  
[03:53:51] and having a blue arch of sorts, just wondering to the degree we can fabricate ceiling  
[03:53:56] height, it might be a-- to see what kind of tricks they did to do something like that  
[03:54:01] would be-- because it is a great illusion at least.  
[03:54:05] Yeah, I think that's one of the challenges.  
[03:54:07] Again, we're going to challenge the architects to come with their creative ideas.  
[03:54:11] We can't raise the ceiling, but we could do some potential treatment.  
[03:54:14] And I think we showed a little bit of that in the rendering as well.  
[03:54:17] But yeah, no doubt that'll be one of the key challenges.  
[03:54:21] Great. All right. Thank you.  
[03:54:22] Thank you so much for support.  
[03:54:23] Thank you. Okay.  
[03:54:25] I think we have one additional item.  
[03:54:28] Financial update number 9B.  
[03:54:33] Yes. Item nine.  
[03:54:34] B, 2019 Financial performance briefing.  
[03:54:49] Commissioners this briefing will provide details about last year's financial performance  
[03:54:55] of the Port.  
[03:54:56] Key highlights include operating revenues and net operating income above budget and  
[03:55:00] operating expenses below budget.  
[03:55:03] Presenting for the Port is Dan Thomas.  
[03:55:06] We also have, Dan Thomas, Michael Tong, Borgen Anderson, Stephanie, Joan Stebbins, Dave  
[03:55:13] McFadden and Kelly Scoopon.  
[03:55:15] I have to say is of course, as we look at this, we always struggle with what level of  
[03:55:19] information to provide in this and try to get it at the right level.  
[03:55:24] [Laughter]. Whatever level, we'll critique you.  
[03:55:29] It doesn't really matter what you want.  
[03:55:32] [Laughter] Well, thank you, Steve.  
[03:55:36] And good after commissioners. As Steve mentioned, we're looking at the fourth quarter,  
[03:55:40] which is really our full, full year 2019 report operational financial performance.  
[03:55:45] Overall performance was pretty strong.  
[03:55:48] So we'll be going through the various divisions and then we'll do a Port wide roll up at  
[03:55:52] the very end. We have quite a few slides in the whole deck, but in the interest of time,  
[03:55:57] we only have a few that we're gonna cover.  
[03:55:59] And then most of the detailed slides we put it in an appendix in the back.  
[03:56:03] So if you do have more detailed questions, feel free to ask when we can move back and  
[03:56:06] forth. If you have specific questions that are in the appendix.  
[03:56:10] So with that, I'll turn over Borgen Anderson, to go through the airport results.  
[03:56:15] Okay. Thank you, Dan.  
[03:56:16] 2019 was a very good year for the airport.  
[03:56:19] I'm just going to highlight a few of the key things that happened on the revenue and the  
[03:56:22] expense side to help you understand how we got there.  
[03:56:26] I'd like to emphasize that we did achieve both of our financial goals for the year.  
[03:56:29] I'd like to pause on that note, because I'm not sure I'm going to be able to say that  
[03:56:32] very often in 2020.  
[03:56:35] All right. So first of all, the context.  
[03:56:39] Passenger growth, we grew 4 percent last year.

[03:56:41] We had budgeted to grow at 3 percent.  
[03:56:43] Our mid-year forecast adjusted up to 4 percent.  
[03:56:46] We are basically right on with that.  
[03:56:47] But so a little more activity than planned.  
[03:56:50] On the aeronautical revenue side.  
[03:56:52] You can see we're coming in under budget.  
[03:56:54] And I just wanted to emphasize that that's actually good news from a airline perspective,  
[03:56:59] because that means our costs are coming in lower than planned and we're essentially on a  
[03:57:03] cost recovery basis with the airlines.  
[03:57:05] So that is in fact, good news.  
[03:57:07] On the non aeronautical side, we were over budget and that was driven by a number of  
[03:57:13] things. In particular, the Port Lounge businesses continue to be very strong this year.  
[03:57:18] ADR airport dining and retail was strong.  
[03:57:22] And then on the cost side, we were under budget by 9.5  
[03:57:27] million. This is a little more complicated.  
[03:57:30] The Port did have a very significant retirement system pension credit and the airport  
[03:57:35] received thirteen point four million of that.  
[03:57:38] So what that means is that we would have actually been over budget had it not been for  
[03:57:42] that pension credit.  
[03:57:44] And the reasons we would have been over budget was the snow events of early 2019 where we  
[03:57:50] were about 3 million in unbudgeted costs and then we had more environmental remediation  
[03:57:56] liability costs, mostly associated with the North satellite project.  
[03:58:00] So those two items were what would have driven us over budget, but we're quite a bit  
[03:58:05] under budget because of the pension credit.  
[03:58:08] And so when you add those things together, the non aeronautical net operating income is  
[03:58:13] significantly above budget \$150 million and our airline cost per employment was under  
[03:58:20] budget. So those are our two key measures.  
[03:58:22] On the non aeronautical revenue side, I wanted to take this opportunity to pause on some  
[03:58:27] of the trends that we saw that are somewhat troubling.  
[03:58:31] First of all, rental car revenues were actually down in 2019 compared to 2018.  
[03:58:35] That was not a surprise.  
[03:58:36] We were kind of expecting that.  
[03:58:38] But that's notable.  
[03:58:40] Secondly, public parking revenue.  
[03:58:42] Can I just jump in? We built a-- pardon my tongue, a hell of a garage there.  
[03:58:48] Right. That was a pretty big feat of nature that created that garage.  
[03:58:53] And I'm just wondering, the trend has been continuing to decline in that realm.  
[03:58:58] Right, for that purpose.  
[03:59:00] And it is one thing for our clever design people.  
[03:59:02] Are we thinking about potential uses, alternative revenue ideas for that otherwise very  
[03:59:09] expensive structure? I just put that out there because the decline in those revenues has  
[03:59:15] been true for the past several years.  
[03:59:17] Right. It's a modest decline.  
[03:59:20] And I think that, you know, our sense, at least for the foreseeable future, is that there  
[03:59:24] is a demand. What the long term prospects are, I'm not in a position to say, but I think  
[03:59:31] that we're-- I think we're in pretty good shape having a facility that accommodates a lot  
[03:59:36] of cars. How's that?  
[03:59:37] Yeah. I mean, a lot.  
[03:59:39] I'm just wondering whether that's at a certain point that will be some space for other  
[03:59:43] uses and whether we're thinking about that.  
[03:59:46] And it's currently leased to the rental car companies, so they actually have a lease on a  
[03:59:50] facility. For some duration?  
[03:59:52] Right. Ok.  
[03:59:54] So the other thing I was going to highlight was public parking revenue, and while parking  
[03:59:58] revenue grew by 2.4  
[04:00:00] percent for the year, the revenue per O and D passenger, which is origin and destination  
[04:00:07] passenger, which is the relevant metric, actually declined for the year.  
[04:00:11] So that's somewhat troubling and continuing with another trend that we've seen.  
[04:00:16] Taxi transactions or trips were down by 15 percent.  
[04:00:21] So that's continuing a trend, but that's a pretty significant fall.  
[04:00:25] So I just wanted to highlight that we did quite well in the on aeronautical revenue side.  
[04:00:29] There were some pluses and I just highlighted a few of them.  
[04:00:33] It's not computing with me why the decline in arrow revenue?

[04:00:37] And it says reduced cost.  
[04:00:40] So what happens is we compute our aeronautical revenues based on a cost recovery.  
[04:00:45] We calculate a revenue requirement.  
[04:00:48] And because our operating and maintenance costs were below budget, the amount that we  
[04:00:52] would recover from the airlines is lower.  
[04:00:55] OK, so we ended up the year with a surplus.  
[04:00:57] We actually owe them money.  
[04:00:59] Oh.  
[04:01:00] So that's the way it works.  
[04:01:01] So this is actually good news.  
[04:01:03] But from an airline perspective, it's actually a timing issue.  
[04:01:06] It's a principle that is not well-known.  
[04:01:09] Yes. How we actually have to give money back to the airlines.  
[04:01:12] Correct. It's good for them.  
[04:01:14] They're supposed to be paying us, right?  
[04:01:16] Well, they did pay us quite a bit, as you can see there.  
[04:01:18] But there will be a credit going back later this year.  
[04:01:22] Can you go back to the.  
[04:01:25] So the O and D Revenue decreased from 18 and 19 is that we said?  
[04:01:31] For parking revenue increased at a gross level.  
[04:01:34] But the revenue per origin and destination passenger actually declined 19 compared to 28,  
[04:01:42] even though we had to-- How do we explain that?  
[04:01:47] Well, it just means that we're not collecting our revenue is not growing as fast as our  
[04:01:51] passenger level. So we're spending less in ADR?  
[04:01:58] Our parking transactions and not growing as fast as--  
[04:02:01] And it's parking that's the real lever there.  
[04:02:04] It's not other-- So I was just highlighting it was just the public parking.  
[04:02:08] And you can see all the details on slides 47, 48 and 49 relating to parking, rental car  
[04:02:16] and ground transportation.  
[04:02:17] And so the limitations of our time here, I wasn't gonna go into the detail of every one,  
[04:02:23] but I just wanted to highlight some of the what I see is some of the important trends  
[04:02:26] that are playing out in 2019 here.  
[04:02:32] OK, now moving on to some of our overall performance.  
[04:02:37] We listed all of our objectives and the status of our performance on those on slides 29  
[04:02:42] through 33. But what I've highlighted here is just some of the major accomplishments and  
[04:02:47] customer service was an area where we have focused a tremendous amount of effort this  
[04:02:52] year. And we we had a goal of exceeding our five year average for two out of the five  
[04:03:02] ASQ scores.  
[04:03:04] And we actually exceeded it for three.  
[04:03:07] So it was a good year there.  
[04:03:10] Some of the other accomplishments from an airport standpoint is that 100 percent of the  
[04:03:14] frontline staff completed the "We Are SEA" training.  
[04:03:18] We launched the Visitor Pass program.  
[04:03:21] The online parking pre booking program was launched at the end of last year.  
[04:03:25] And that's going to be really important to turning around the revenue side of the parking  
[04:03:30] business that I mentioned before, launched the on demand taxi system and completed the  
[04:03:36] ADR masterplan selection process.  
[04:03:39] And this is positioning us to to grow those revenues in the future.  
[04:03:42] So these were important accomplishments.  
[04:03:46] On the capital budget side, we spent over five hundred and seventy million dollars last  
[04:03:52] year and that was 75 percent of our budget.  
[04:03:55] Obviously, that's not the level we'd like to be at.  
[04:03:58] But you can see on the box in the right a number of projects were contributing to that  
[04:04:03] the the largest of which was the international arrivals facility that was about \$65  
[04:04:08] million dollars under what we anticipated spending in the year.  
[04:04:11] And that's purely a timing issue.  
[04:04:13] That is not a project savings.  
[04:04:14] So that's really how we did on the capital budget.  
[04:04:19] With that, I'll turn it over to the maritime division unless there's some questions  
[04:04:25] Kelly Zupan up to cover maritime and economic development.  
[04:04:41] Good afternoon, commissioners.  
[04:04:42] We'll now go over the maritime division results from twenty nineteen.  
[04:04:48] And net operating income exceeded budget by 1.7



[04:04:51] million, mainly driven by a 1.9  
[04:04:54] million pension adjustment.  
[04:04:58] Year over year, we had a reduction in NOI, mostly driven by a two million dollar increase  
[04:05:05] in onetime expenses, along with unfavorable change on how we allocate maintenance at  
[04:05:11] shared facilities and additionally increased environmental costs.  
[04:05:15] We did have a 3.5  
[04:05:17] million dollar increase in cruise revenue, but this was offset by the departure of  
[04:05:23] WASHDOT at T106 Uplands and the north birth of T-46 having a \$2 million impact as well as  
[04:05:32] lower grain volumes.  
[04:05:37] That is correct. Due to tariff issues.  
[04:05:45] Has there been any. Is that trend continuing to decline?  
[04:05:49] I mean, is there room for our grain exports?  
[04:05:53] I think where we've leveled out at it kind of the current level for now.  
[04:05:57] But we're looking at it.  
[04:06:00] We're looking at it. Our budget for next year is similar to where we are right now.  
[04:06:04] And so far we're trending at or just slightly better than we did in twenty nineteen.  
[04:06:08] But we're going to again where we keep our eyes on that.  
[04:06:15] Going forward, excluding, of course, the Corona virus, we expect our revenues to exceed  
[04:06:23] expenses on a go forward basis after this year of the onetime experience.  
[04:06:30] We spend 44 percent of capital budget in 2019 with many both small and large projects  
[04:06:37] spending getting pushed or deferred to 2020.  
[04:06:41] Details are available in page 66.  
[04:06:45] Our stormwater revenue and expenses are in line with budget and any questions.  
[04:06:52] Stephanie, will walk you through the business events.  
[04:06:57] I think I'll just hit on a couple of the highlights.  
[04:07:02] So as Kelly said, cruise revenues were up 3.5  
[04:07:06] million, which is 19 percent so that was a pretty significant increase last year with  
[04:07:10] both aggressive rate increases as well as the increases in volume.  
[04:07:18] On our fishing and maritime side, we did actually lose the Ocean Phenix.  
[04:07:25] But we have new vessels coming online as well that start to take that place in order to  
[04:07:33] fully support the North Pacific fishing fleet, we're looking for both a couple of capital  
[04:07:37] projects that'll more fully support them.  
[04:07:41] On the recreational boating side, I'd like to highlight the racial equity pilot program  
[04:07:45] that the team out there at Shoshaul implemented.  
[04:07:49] We had over 100 kids from Upward Bound and an Urban League spend a day out at Shoshaul  
[04:07:54] learning about the maritime industry as well as spending some time out on the  
[04:07:59] adventurous. So I think that's a great-- it shows the kind of interest that we have  
[04:08:03] that-- I really listened with interest to the earlier presentation on Maritime High  
[04:08:07] School. So thank you. But really the highlight of the racial equity pilot program was  
[04:08:13] that we had two high school interns there for the summer from Rainier Vista Boys and  
[04:08:18] Girls Club. So that I think really starts to get kids who haven't been exposed to the  
[04:08:23] maritime industry with opportunities.  
[04:08:26] Next slide. Just a couple on environment and sustainability.  
[04:08:35] We did complete our very first ever remediation project at Terminal 30.  
[04:08:41] It's now completed after many years.  
[04:08:44] Something I'm really excited about is that we signed a credits agreement with NOAA with  
[04:08:48] that essentially means is we'll be able to build habitat and then sell it.  
[04:08:54] So I'm very interested in creating a line of business out of creating habitat, although  
[04:08:59] it won't really create fund or stock options.  
[04:09:03] It's really intended to keep feeding more habitat.  
[04:09:06] Can I ask a question about that?  
[04:09:07] You said this doesn't include sub-tidal, right.  
[04:09:10] This is above land.  
[04:09:12] Well, it's mostly intertidal, but I think it depends on what we can get credits for.  
[04:09:17] Right. But it is in the shoreline.  
[04:09:21] Yeah. Our environmental finance team works really hard to bring  
[04:09:31] money back in for the work we do.  
[04:09:33] So we brought in nearly six million dollars.  
[04:09:36] That's work that goes unrecognized.  
[04:09:38] So I think it's worth just giving them a shout out.  
[04:09:41] Stormwater utility was in its fourth year and we have completed assessing the entire  
[04:09:48] system of 78 miles of pipe.  
[04:09:50] So that is really a noteworthy accomplishment.

[04:09:53] We put in five tide gates, a rain garden at Terminal 86, completed repair work at 91.  
[04:10:00] So there's some really significant work that the stormwater utility is doing to  
[04:10:05] protect the waters of Puget Sound.  
[04:10:07] And in fact, this work was recognized by an award from the American Association of Port  
[04:10:13] Authority. We really want to shout out to the team, not only here in our environmental  
[04:10:18] division, but the marine maintenance folks who are out there and all kinds of weather  
[04:10:22] doing doing the work.  
[04:10:24] And this is all funded through the revenues we're generating from--.  
[04:10:27] The stormwater utility.  
[04:10:28] That is correct. We don't have to tap into anything other than that?  
[04:10:32] That is correct. One other quick question?  
[04:10:35] Yes. Where were the Excellence and the Phoenix Where were  
[04:10:45] those vessels before?  
[04:10:47] I'd have to look into that for you.  
[04:10:49] At least one of them was new.  
[04:10:51] But I will look into that for you.  
[04:10:53] So it's not like we just moved them from one dock to the other?  
[04:10:59] We got one from the Phoenix that was renamed from the Glacier Fish and that came across  
[04:11:06] and Glacier Bay had that it a different I believe a different location, but the  
[04:11:11] Excellence is a new breed.  
[04:11:17] Okay. Thank you.  
[04:11:18] If I could just jump in here real quickly.  
[04:11:20] So we've decided to start incorporating more information about the Sea Port Alliance  
[04:11:24] financial performance in our reports.  
[04:11:26] We know you do get it as part of the manage members when you meet with the alliance, but  
[04:11:31] it's a significant part of our business.  
[04:11:32] So we feel that greater transparency is probably warranted during our financial reports.  
[04:11:38] So we've started to put more information just to keep you more updated in real time on  
[04:11:43] what's going on with the alliance.  
[04:11:47] Ok. So here you have a summary slide of the Sea Port alliance.  
[04:11:53] As you can see, operating income is better than budget.  
[04:11:57] But down from twenty eighteen with flat revenue and one time expenses in the north arbor  
[04:12:02] such as the T-18 crane removal and terminal five public expenses.  
[04:12:08] The alliance will actually be briefing you on April 7th and they'll be able to provide  
[04:12:12] any further details you have.  
[04:12:14] It's hard to see how, not to be pessimistic, but how we can rebound from what happened  
[04:12:19] last year with regard to imports and exports to Asia in particular, which is 80 percent  
[04:12:26] of our volume, I think.  
[04:12:28] But yeah, they're trying to diversify at this point, you know.  
[04:12:33] But I think John will have a better.  
[04:12:37] January doesn't look so good either.  
[04:12:39] January volumes are down about 21 percent.  
[04:12:46] All right. Next, we'll go into the economic development division.  
[04:12:56] Net operating income was over four point eight million favorable to budget and up 6  
[04:13:03] percent from 2018 due to a slight revenue increase and flat expense growth.  
[04:13:10] Revenue was helped by the Ioumaz light show at the Smith Cove cruise terminal this year.  
[04:13:18] Expenses benefited from a \$700,000 pension adjustment along with favorable maintenance  
[04:13:24] initiative spanned and central services expenses.  
[04:13:28] The division spent about 55 percent of the approved capital budget with expedited spend  
[04:13:34] at the Belle Harbor Conference Center modernization offset by less tenant improvements  
[04:13:41] and small and contingent projects.  
[04:13:45] Any questions or Dave will walk you through the business events?  
[04:13:50] Ok. Wondering about the Belle Harbor.  
[04:13:52] So did we change our rates at all?  
[04:13:56] We're investing.  
[04:13:57] We're keeping that. It's a great asset.  
[04:13:59] But does our-- do we get a greater return when-- I don't know what the lease term on that  
[04:14:04] is? My understanding on it is that our margins do go up as the business gets bigger  
[04:14:14] because of the management fee is just a little bit more.  
[04:14:20] Well it's also a management agreement if I'm correct, it's not a lease.  
[04:14:24] OK. So we share revenue.  
[04:14:26] And so when they refurbish that and have more success because it's a better venue, we  
[04:14:32] will share in that upside.

[04:14:37] The income accrues to us.  
[04:14:38] But some share of the income.  
[04:14:40] Yeah, they get it. They get a portion of it.  
[04:14:41] Yeah. I'm just wondering.  
[04:14:42] So we don't get more return because we put more into it.  
[04:14:47] It's not like if it was a 50/50 split, we don't get 60/40 until we amortize the cost of  
[04:14:51] that improvement.  
[04:14:53] That's not really part of the management agreement.  
[04:14:55] It's our facility that they manage.  
[04:14:58] And they get a cut of the revenue in return for managing our operations over there.  
[04:15:05] And just, I'm also interested in the trends on convention center use.  
[04:15:11] Obviously, it's a very niche one.  
[04:15:13] But overall, are we seeing that holding strong?  
[04:15:20] Performance we put together showed it has performed well and we expect to continue to  
[04:15:25] perform well as a niche event center and we've done a fair amount of analysis of the  
[04:15:32] competition before we asked you guys to authorize the renovations.  
[04:15:37] Right. But we haven't seen the same demand for ninety one.  
[04:15:42] No it's a very apples to orange comparison.  
[04:15:45] I know. But just in terms of convention asset that one's not performing as we would have  
[04:15:50] hoped. Ninety one.  
[04:15:54] I think it's just a different facility with more limited options for upside.  
[04:16:00] Am I correct? Yes.  
[04:16:02] I don't think we ever expected that to be a huge moneymaker from a convention center  
[04:16:08] basis. There's just niche opportunities like this Loumaz thing.  
[04:16:13] I was going to say the Loumaz thing seemed.  
[04:16:15] This was a first time, right.  
[04:16:21] You know what this was?  
[04:16:23] No but we had a concert there?  
[04:16:28] It's a light show.  
[04:16:30] It was a holiday lights show.  
[04:16:33] Yeah. Whoops.  
[04:16:34] All right. But it's also not year round.  
[04:16:37] It's seasonal. Okay.  
[04:16:41] Thanks for the question. I have to be corrected.  
[04:16:51] [Laughter]  
[04:16:55] In terms of the business events.  
[04:16:57] Diversity in contracting, I saw a good increase in the number of firms that attended our  
[04:17:02] events. More notably, though, the dust is now settled and I can now state that we met our  
[04:17:08] Port wide goal for women minority business enterprise utilization.  
[04:17:13] We set a goal for twenty nineteen.  
[04:17:15] We met it and in a couple of weeks we'll share more of the details around that.  
[04:17:21] So congratulations on that achievement.  
[04:17:24] I think it really deserves to be trumpeted and shared widely in terms of where the Port  
[04:17:30] has come over the last several years in this regard.  
[04:17:36] Yeah. Thanks, Commissioner.  
[04:17:37] And that's on the overall.  
[04:17:38] I mean, we have the long range goal, but we're actually, we had a five year goal in the  
[04:17:43] first year of the program.  
[04:17:46] It's remark. It's remarkable turnaround.  
[04:17:48] Yeah. to your point that this is the news story for worth.  
[04:17:56] You know, we should put that out.  
[04:17:57] Yeah. I mean, that's that's really what-- we're always looking for.  
[04:18:00] Why is the story a--. We'll follow up on that.  
[04:18:03] We're coming to Commission in a couple of weeks, so we'll make sure we talk with Cathie  
[04:18:08] and external relations on that level.  
[04:18:10] In terms of real estate, we did start the renovations at Bell Harbor International  
[04:18:16] Commerce Center. We saw the successful completion of our project at Des Moine Creek  
[04:18:21] North. That's our airport property.  
[04:18:23] That's where the IAC Commerce Center building is.  
[04:18:25] It's four hundred and sixty thousand.  
[04:18:27] It's fully leased now.  
[04:18:29] So that's a good success story.  
[04:18:31] On innovation front, we organized and kicked off our first ever maritime accelerator

[04:18:36] program with Maritime Blue.  
[04:18:38] We helped secure five million in capital from Washington State for the Maritime  
[04:18:42] Innovation Center. Tip the hat to Eric Fitch and Joshua Berghofer for the heavy lift  
[04:18:47] there. And finally, Steve and I were able to visit the Ocean House Maritime Innovation  
[04:18:52] Center in Iceland, just to learn more about how they run that operation.  
[04:18:57] They go the next slide.  
[04:19:00] In terms of headquarters facilities here we've finished modernizing your Commission  
[04:19:05] chambers. We started the lobby renovations that we're in the midst of and we installed  
[04:19:10] quite a few solar panels on the roof.  
[04:19:12] And so a good year for the headquarters.  
[04:19:14] In terms of tourism, we were pleased to sponsor a U.S.  
[04:19:20] China tourism summit.  
[04:19:21] But even more pleasing was the amount of positive coverage we generated about Washington  
[04:19:28] and Seattle, Alaska Cruise generating about 1.2  
[04:19:31] million dollars of favorable publicity through staff efforts there.  
[04:19:36] On the workforce front, very, very happy that we were able to sustain the Youth Maritime  
[04:19:42] Collaborative in a partnership with Maritime Blue and Goodwill Industries that will carry  
[04:19:47] that program forward for two years.  
[04:19:49] We also launched an Aviation Career Pathways Project focused on airport maintenance  
[04:19:56] technicians in a partnership with South Seattle College and Port jobs.  
[04:20:01] Can I ask that we get a status check on the on the youth maritime co-operative?  
[04:20:09] I Mean we put in the hundred thousand bucks to that and I'd just like to see how  
[04:20:12] goodwill-- seems like a perfect partnership.  
[04:20:15] I would like to see how they're doing and give them an "at a boy" or see what they might  
[04:20:19] need for further support.  
[04:20:21] I also was interested in the facility's beautiful entry, all that good stuff.  
[04:20:28] I'm told we're also going to put up some sort of big screen TV, provide some information  
[04:20:35] about Port assets or something.  
[04:20:37] We're going to look at that.  
[04:20:39] We're evaluating that right now.  
[04:20:40] And I think when we presented that idea to you as we were talking about the lobby  
[04:20:45] improvements. We were asked to do a little more homework about where else that might be  
[04:20:51] strategic. Well, that's at our cruise terminal, Bell Harbor Conference Center.  
[04:20:55] So we need to do a little more homework before we bring back that idea to do that.  
[04:21:01] Okay. So the one thing that I've been a little frustrated by is that we're not getting  
[04:21:06] any display of the energy we're generating from our two solar rays and we're about to put  
[04:21:11] in our third solar ray at Shoshaul.  
[04:21:14] And part of the reason besides the energy gain is to show the public that, you know, you  
[04:21:22] can do it, too. And so I was envisioning like at the Seattle Aquarium, you have like a  
[04:21:26] little meter running, you know, how many cars are off the road or whatever, like that.  
[04:21:29] So we have no public facing display.  
[04:21:32] And I was thinking there was going to be one at Fisherman's Terminal and that there was  
[04:21:36] gonna be one here. The two places where we have it, I understand now there's some what  
[04:21:41] seems like a relatively small but there is a technological problem that we have been  
[04:21:45] told. But one of the ways I was told we can get around this problem with somehow some  
[04:21:50] sort of like monthly summary graphic.  
[04:21:54] And I was just looking for it.  
[04:21:55] I want to see some vehicle by which we can see-- something that shows that, you know,  
[04:22:03] this is part of our sustainability achievements.  
[04:22:07] I wrote that down. I will follow up and do homework.  
[04:22:13] Yeah. Where are the display is going to be?  
[04:22:16] And I thought it was going to be on this wall thing.  
[04:22:18] That's news to me right at this moment.  
[04:22:22] I'll get with Stephanie and we'll do our homework.  
[04:22:25] Thank you. Okay.  
[04:22:29] I'd like to invite Michael Tong and he'll work through our central services departments,  
[04:22:33] which are support functions.  
[04:22:34] And then a little bit of highlights on the Port wide roll up that just pulls us all  
[04:22:39] together and then I'll finish it up with a few more slides.  
[04:22:41] Good afternoon. For essential services like we accomplish a lot in 2019.  
[04:22:51] Here's a list of the business highlights I would like to point out just a few items for  
[04:22:55] you. First one is we completed the number of I.C.T.  
[04:23:00] projects to keep project in cool.

[04:23:04] Our project delivery system automated check point wait time, SeaTac visitor pass and tax  
[04:23:11] system. And then on the environmental front, the Port sponsored Queen City Days in the  
[04:23:19] airport community.  
[04:23:21] We also announced collective partnership.  
[04:23:24] If is something pretty litas lead us to develop the import body that carbon in  
[04:23:30] construction calculator tools.  
[04:23:33] And also hosted about 20 excuse me-- 200 guests on the first ever multi-lingual  
[04:23:43] boat tour the Duwammish River Any questions before I move on to the financial?  
[04:23:54] So here's a financial highlights.  
[04:23:58] The twenty nineteen operating expenses will put forty million favorable to the budget,  
[04:24:07] mainly due to their position to offer credit, but that pocket national lead by early  
[04:24:12] fall, all the corporate departments got a nine point nine million credit.  
[04:24:17] And so if we exclude that we were actually 4.2  
[04:24:22] million or 2.9  
[04:24:24] percent favorable to the budget.  
[04:24:27] So still, you know, could be small, but, you know, it's pretty close to what we budgeted.  
[04:24:34] And then the main reason is because somebody can see, you know, from a number departments  
[04:24:39] as far as some delay spending O in D into some key initiative programs as far as some  
[04:24:47] contract spending.  
[04:24:51] So this is the highlight for 2019.  
[04:24:53] Any question?  
[04:24:56] I just want to clarify, too, that, you know, the color coding here.  
[04:24:59] So we do break this into services down because there's different kinds of functions.  
[04:25:02] So this might for the benefit of Commissioner Cho, what we call core central services.  
[04:25:09] These would be our traditional administrative support functions: legal, accounting, H.R..  
[04:25:14] The typical administrative supports functions.  
[04:25:16] Of course, we have a police department which is included in central services.  
[04:25:20] They have different cost drivers than many of the other support departments.  
[04:25:25] Capital Development includes the engineering and PCS functions that are involved a lot in  
[04:25:33] the construction activities and expense projects.  
[04:25:35] Again, they have different expense drivers, largely driven by capital projects and needs  
[04:25:42] for that. And then finally, we have environmental and sustainability, which a number of  
[04:25:47] years ago was moved into the central services after a reorg.  
[04:25:51] So that's a lot of the programs under who is overseeing environmental programs and  
[04:25:59] remediation, but a lot of those programs that I know are near and dear to your heart.  
[04:26:05] So different kinds of functions that comprise central services.  
[04:26:10] Well, when we get recoveries, they're revenue, but it shows up at a different place  
[04:26:14] typically. But yeah, they do a lot actually in bringing in new revenue and recoveries in  
[04:26:19] insurance recoveries. So just want to give that overview.  
[04:26:24] Ok. Move on to the Port way of numbers.  
[04:26:28] I would like to keep to a very high level here.  
[04:26:30] And then again, you know, all the details in the appendix and other slides that we'll  
[04:26:36] cover in a minute.  
[04:26:38] So compared to the budget, we were almost eleven million favorable and the overall total  
[04:26:47] operating expenses and then on the operating revenues side on the expenses side, we are  
[04:26:56] nineteen point eleven point nine billion favorable to the budget.  
[04:27:01] So we saw the net operating income before depreciation twenty two point eight million  
[04:27:06] favorable to budget.  
[04:27:09] On the capital spending side, we spent almost six hundred million or seventy three percent  
[04:27:16] of the budget last year and then compared to the prior year actual 2019 to 2018, actual,  
[04:27:26] operating revenues are 75 million higher than 2018 and then operating expenses also  
[04:27:34] higher of forty five million high as well.  
[04:27:37] But overall in IP 40 position.  
[04:27:40] Twenty nine billion higher than twenty eighteen.  
[04:27:43] So pretty good result.  
[04:27:46] So then just to wrap it up, I want to spend all the time just looking at some trend  
[04:27:50] information because we think that's useful and sort of track where we've been and where  
[04:27:53] we're headed. This first slide shows the total Port operating income performance.  
[04:28:00] The bars actually reflect revenues and expenses over time.  
[04:28:07] And then the blue line actually reflects net operating income.  
[04:28:12] So that's income after operating expenses after revenues less expenses.  
[04:28:18] And I think really the main point here is that you can see there's an upward trend in  
[04:28:22] overall net operating income.

[04:28:24] It's actually grown about five and a half percent per year over this three year period.  
[04:28:29] So modest, but upward growth in overall net income for the Port as a whole.  
[04:28:36] But we don't have non airport expenses.  
[04:28:42] Well, they're embedded with the green bars.  
[04:28:45] That's all expenses.  
[04:28:47] But so we're showing a total revenues and total expenses.  
[04:28:51] We have broken out the non aeronautical revenues and the aeronautical revenues.  
[04:28:56] Right. We have a slide that--.  
[04:28:58] I think what you're looking for is going to be on the next slide.  
[04:29:00] So I think we should just treat the airport separately from the seaport or with the other.  
[04:29:08] Right. Just to be able to show the airport independently.  
[04:29:11] Because I think the story is and we can do that in the future, the airport for  
[04:29:16] performance has been better.  
[04:29:17] So if we move to the next slide, which then takes the airport out of the picture and then  
[04:29:21] rolls together, all of our non airport businesses, which would include the seaport  
[04:29:26] alliance and then maritime and economic development.  
[04:29:31] And as you can see here, that story's a little bit different.  
[04:29:34] You notice that the net income line, that dark blue line, is actually on a little bit  
[04:29:38] more of a downward trend.  
[04:29:41] But I wanted to caution you, because it is influenced by the impact of the Sea Port  
[04:29:46] Alliance, which, as you know, is a little bit of a stranger beast because most of these  
[04:29:54] other numbers are all operating numbers, their operating revenues, operating expenses  
[04:29:59] before depreciation and before non ops.  
[04:30:02] And as you know, the way our accounting rules require us to book the alliance, what we  
[04:30:09] call alliance revenue is actually the bottom line of the alliance.  
[04:30:13] So it's a little bit of a mixing because embedded in those alliance numbers, which have  
[04:30:17] been decreasing over this time period, but that includes things like depreciation and  
[04:30:21] non-cash expense.  
[04:30:23] It includes non-op expenses related, for example, to the Terminal 5 project.  
[04:30:28] There's some expense work that's really part of that project, but it's doesn't qualify  
[04:30:32] for capital, but it's part of expense.  
[04:30:35] So it's a little bit of a distortion.  
[04:30:38] And I think you've got to, managing members got a little bit of a financial trend  
[04:30:41] presentation late last year from David Morrison because you have to really kind of peel  
[04:30:46] this back to understand it better.  
[04:30:49] So while we're showing actually if you look at the numbers, the alliance, what we're  
[04:30:53] calling revenue here has decreased over this time period by about \$13 million, 11 million  
[04:31:00] of that is just new depreciation.  
[04:31:03] Okay. So we're really trying to be more mindful and trying to be more transparent.  
[04:31:09] Put it. Wouldn't you say it's actually because I mean, it's relatively new and it's kind  
[04:31:14] of lumpy right on the.  
[04:31:15] Oh, yeah, there's a lot of one time excluding--.  
[04:31:17] You Couldn't extract those thing.  
[04:31:18] There's trends within the line.  
[04:31:20] Yeah. We'd really like to try to figure out what's the sort of ongoing just core  
[04:31:24] operations of the alliance because we have so many projects like crane removals and  
[04:31:28] things like that, lease cancelations that sometimes bring in additional revenue.  
[04:31:33] So there's some more work to be done.  
[04:31:37] But I think the key part is when you think about what matters from the alliance for us is  
[04:31:41] actually what we call the distributable cash, because that's the cash flow from  
[04:31:46] operations that comes accrues to the home Port.  
[04:31:49] We split it 50/50.  
[04:31:50] Over this three year period, the distributable cash has been relatively constant.  
[04:31:57] So it averages about fifty six point six million dollars per year to the Port of Seattle  
[04:32:02] and it's been relatively stable.  
[04:32:04] So while the accounting numbers may look like they're declining, the measure that matters  
[04:32:10] to us in the short term is the actual cash and that's been somewhat stable.  
[04:32:14] So we still want to try to find more ways to to better tell this story because it can be  
[04:32:20] a little bit misleading.  
[04:32:21] But again, we do want to start showing you information that includes performance of the  
[04:32:26] alliance. But that's not net revenues, is it?  
[04:32:32] We shoulder half the expenses, right?  
[04:32:34] Yeah, we share the revenues and expenses.

[04:32:37] So. We have the total operating expenses, which is everything non airport.  
[04:32:44] Right. Only showing.  
[04:32:46] The alliance revenue?  
[04:32:48] Well, the alliance, what we call revenues is actually the bottom line of the alliance.  
[04:32:53] It's the net income of the alliance.  
[04:32:55] It is the net?  
[04:32:56] It's the net of the alliance.  
[04:32:57] But then we include that as revenue.  
[04:33:00] If you look at that, so there's a mismatch because normally all the rest of our  
[04:33:04] depreciation and non ops are below this line.  
[04:33:06] Right. So that makes sense.  
[04:33:08] But that is we don't need a separate break out for alliance expenses.  
[04:33:17] Right, because we showed you in an earlier earlier slide that showed the alliance  
[04:33:21] performance, we're also trying to provide some transparency around how the alliance  
[04:33:25] itself is performing.  
[04:33:27] So it's an ongoing process to try to figure out how best to tell the story, because  
[04:33:32] there's a lot of nuances in how the alliance does their books and how it flows into the  
[04:33:37] port of Seattle. Right now, we're in the building phase--.  
[04:33:41] When you're going to get a lot of depreciation.  
[04:33:43] Hopefully the revenues will come later on.  
[04:33:45] All right. Well, just like always catch up.  
[04:33:47] Yeah, but I would want to highlight some of the growth and expenses.  
[04:33:51] So we have had about over this three year period, about \$22 million of growth in expense.  
[04:33:58] And this is our expense.  
[04:34:00] This is not the alliance expense.  
[04:34:02] So it is something that we want to continue to monitor and watch to make sure that our  
[04:34:07] expense growth remains in line with our with our revenue growth.  
[04:34:13] This next slide is when we started adding this a few years ago.  
[04:34:17] We call it the comprehensive financial summary.  
[04:34:20] And what we do here is we actually change the way we normally present our financials.  
[04:34:26] Normally, if you would look at our published financial statements, you would see all the  
[04:34:30] operating items first.  
[04:34:32] You'd see operating revenue, operating expense, net income, and then you would have  
[04:34:36] depreciation and non-operating revenues and expenses.  
[04:34:40] And that's the way we normally show our books, but we think it's important to actually  
[04:34:45] rearrange it a little bit differently.  
[04:34:46] So the top section is, is all revenues, including the operating and not operating, just  
[04:34:53] to give you a better sense about the total inflows of resources into the Port.  
[04:34:58] And similarly, at the bottom, we combine all the operating and non operating expenses to  
[04:35:03] give you a better sense of the total disbursements.  
[04:35:07] So I would call to your attention, for example, to the 2019 actual call for for revenue  
[04:35:14] over a billion dollars when you look at it in total inflows and this was when you include  
[04:35:19] things like PFC, tax levy, CFCs, grants as opposed to, you know, our operating revenues  
[04:35:25] are only 764 million.  
[04:35:27] So gives you a sense of the the order of magnitude of the total amount of resources  
[04:35:32] coming in that we have at our disposal.  
[04:35:36] And similarly on expense, much more than our operating expenses, we have seven hundred  
[04:35:40] and seventy four million dollars of total expenses, which include things like  
[04:35:45] depreciation, interest on bonds and so forth.  
[04:35:48] So it's a more comprehensive picture.  
[04:35:50] But then again, this aggregates into this sort of inflow and outflow.  
[04:35:54] And then most importantly, I want to highlight the very bottom number under the 2019  
[04:35:58] column, which we call change in net assets.  
[04:36:03] This would be comparable to corporations bottom line profit.  
[04:36:08] This is the bottom line after everything.  
[04:36:10] So as you can see, it's pretty healthy.  
[04:36:12] \$267 million in 2019.  
[04:36:16] That was \$28 million better than budget or 11 percent.  
[04:36:20] And then more than in prior years.  
[04:36:23] So it is growing.  
[04:36:24] So that's really the full picture that the full economic performance of the Port of  
[04:36:29] Seattle comparable to a corporation's net income.  
[04:36:32] So we think that tells a good story.

[04:36:34] But the difference is our ability to reinvest is separated by the airport revenue and the  
[04:36:43] other. That's correct. We do have to isolate airport revenues from this.  
[04:36:47] It just seems to be comprehensive analysis.  
[04:36:49] It would be great to have this same exact thing broken up for-- because we have to make  
[04:36:55] decisions about whether to do above and beyond projects that the airport vs.  
[04:37:01] the seaport and or where we're going to do strategic real estate investments.  
[04:37:07] So I'll just be really good.  
[04:37:08] I mean, the total number is great for the overall performance of the organization, but it  
[04:37:13] doesn't really help from a policy directed guidance.  
[04:37:17] So that's a fair point. And frankly, you know, for our internal planning, we do that  
[04:37:21] bifurcation. You know, we separate out, you know, because we know we could only spend  
[04:37:25] airport revenues on airport projects and vice versa.  
[04:37:28] So for internal planning and analysis, we do that.  
[04:37:32] We think this might be a little helpful for the public, good for an enterprise level.  
[04:37:36] I think we need both. I mean, I think this is very valuable.  
[04:37:39] But like when we're looking at implementing a strategic real estate plan, that's got  
[04:37:44] inordinate numbers to be confronted with and what kind of power do we have and what  
[04:37:49] resources right there. Good question.  
[04:37:52] Yeah. And we'll we'll try to provide more of that during the fall and the budgeting and  
[04:37:56] planning finance process.  
[04:37:58] Next slide is just again, recap of the Port wide capital spending.  
[04:38:01] You've seen this for the individual division.  
[04:38:03] Just this just rolls it all together.  
[04:38:06] In twenty nineteen we spent just under six hundred million dollars for the year and that  
[04:38:13] was about seventy three percent of the budget and we are working on trying to improve  
[04:38:18] that performance over time.  
[04:38:22] And then the next slide, I also wanted to give you an update on where we're looking at in  
[04:38:27] terms of spending for this year for 2020.  
[04:38:30] So if I can just orient you on this slide, the column to left, which says Draft Plan of  
[04:38:36] finance, that these were the forecasts of 2020 spending that we had presented to you last  
[04:38:43] fall when we completed the budget and did our funding plan as part of the draft plan of  
[04:38:48] finance. We are always revising those numbers because as you can imagine, projects are  
[04:38:53] always dynamic and especially the quarterly and annual cash flows can change, even though  
[04:38:59] the project itself may still be within budget.  
[04:39:03] So what we do typically is we update those forecasts at the beginning of the year.  
[04:39:08] So we just completed that update looking at the same exact projects, but saying, well,  
[04:39:14] now what do we expect to spend in 2020?  
[04:39:17] And as you can see, the number has come down somewhat.  
[04:39:20] We're expecting to spend a little bit less in 2020 compared to what we had forecast last  
[04:39:25] year. I would point out that the forecasts of last year was actually based on numbers  
[04:39:30] that we had calculated in June.  
[04:39:34] That gives you a sense of how old they are as we go through the budget process.  
[04:39:40] The largest difference, the largest decrease here are at the airport and primarily  
[04:39:45] related. The two big projects there would be the baggage optimization, as you know.  
[04:39:49] For good reasons that project has been delayed.  
[04:39:52] And the other one is the safe dock project is forecasted to spend less than 2020 and some  
[04:39:58] of that spending is shifted out.  
[04:40:00] But we wanted to be more transparent because as we go through the year now, in 2020,  
[04:40:04] we're going to be tracking against that right number.  
[04:40:08] The number that's the revised cash flows.  
[04:40:11] That's what we're gonna report against through the year because we think it's a better  
[04:40:14] more accurate number. And then this has a ripple effect through the CIP for those out  
[04:40:19] years. Right.  
[04:40:21] Some of that money will shift out.  
[04:40:22] And this is part of that being transparent, because in the past we haven't really brought  
[04:40:26] this number before and showed you of what this number was going into 2020.  
[04:40:32] So when we come back, we can say when you see, if you were tracking, you could see like  
[04:40:37] the number varies. And then it's then it resets.  
[04:40:40] What we're gonna spend in actually the CIP resets based on this number and the projects  
[04:40:45] that we need to reset. But this does not take into consideration anything that's happened  
[04:40:51] in the last three months. As far as--.  
[04:40:52] That's correct. These numbers were updated basically in January and February.  
[04:40:59] So these were a little bit February.



[04:41:02] So these are not.  
[04:41:03] Obviously things may change now and maybe there may be discretionary changes that we want  
[04:41:07] to implement to revise schedules.  
[04:41:11] So then last but not least, the final slide is really, Steve wanted to have just a little  
[04:41:14] bit of a takeaway here. So as we said, 2019 looked pretty good.  
[04:41:18] We continue to have strong growth in most of our business operations with the exception of  
[04:41:24] the Northwest Seaport Alliance.  
[04:41:26] As you know, cargo was down initially because of the tariffs.  
[04:41:30] We're starting to see a little bit of reduction due to the virus impacts.  
[04:41:35] And then, as you know, grain also was down affected by the.  
[04:41:39] Tariffs at a wide performers was pretty good relative to budget in twenty nineteen,  
[04:41:44] although you heard.  
[04:41:46] As the divisions talked about this so-called pension credit.  
[04:41:50] Just a quick aside on that.  
[04:41:51] So a number of years ago, which as you know, we have pension plans in the state pension  
[04:41:57] that purrs that. I don't know that.  
[04:41:59] Pension. We have the state public employees retirement system.  
[04:42:05] And then there's the left, there's the law enforcement officers and firefighters.  
[04:42:08] These are pension plans.  
[04:42:09] These are not all government.  
[04:42:10] Many governments contribute to those.  
[04:42:13] And number of years ago, we simply booked as our expense the actual contributions that we  
[04:42:18] made during the year to those plans.  
[04:42:21] And that runs order of magnitude.  
[04:42:23] That's about 14 million dollars a year.  
[04:42:25] Currently. The actual contributions.  
[04:42:27] And that's what we budget for because that's what we do.  
[04:42:29] The best thing we know at the beginning of the year.  
[04:42:32] Years ago, the Government Accounting Standards Board changed the accounting rules for  
[04:42:37] pensions for government agencies that was falling on something they did for private  
[04:42:42] companies. And it completely changed the rules for how this is done.  
[04:42:47] So no longer do we expense just what we contribute the cash.  
[04:42:52] They actually go through a fairly complicated calculations.  
[04:42:54] The state at year end has to do an actuarial evaluation.  
[04:42:58] They look at changes, know they look at new credits earned, they look at the performance  
[04:43:03] of the stock market. There's a whole lot of factors that go in and then they derive what  
[04:43:08] they determine the state's actual annual pension expense is for the year and then they  
[04:43:14] apportion that out to the various participants, the governments that participate in  
[04:43:18] Persian life. And at the end of the year they give us our number.  
[04:43:22] And in fact this this past year there they gave us a sixteen million dollar credit.  
[04:43:28] So \$16 million better than what we had forecast based on our known contributions.  
[04:43:36] It's something we have no control over.  
[04:43:38] In some years that could reverse.  
[04:43:41] If the pension plan does worse, we could wind up with a debit year.  
[04:43:48] Yeah. I mean, right now the stock market has been doing well.  
[04:43:50] So there you know, they've been doing well.  
[04:43:53] But you know, but for that that that had a big impact on our performance for the year.  
[04:43:57] And in terms of our expense, our expenses would have been much higher absent that, which  
[04:44:03] is what leads up to the third bullet is, you know, we're watching this because we are  
[04:44:06] seeing some trends of increased expenses.  
[04:44:10] We think we need to be mindful of even before Corona virus came around.  
[04:44:14] We want to make sure we're sustainable going forward, that our expense growth is in line  
[04:44:19] with our revenue growth so we can continue to generate cash for investments.  
[04:44:24] So given that, what can we do midstream to reduce expenses, knowing or expecting that  
[04:44:34] revenues are likely to?  
[04:44:35] Well, and that's what prompted this last bullet and this was actually was done a few weeks  
[04:44:39] ago before, you know, as you know, things change week to week.  
[04:44:42] So we believe we will be experiencing revenue reductions as--.  
[04:44:48] Some business is going to be tied to that.  
[04:44:50] But some are not.  
[04:44:51] I suppose that where we have some ability to control or--.  
[04:44:56] We think it's time to start looking at this, at least initially discretionary expense  
[04:45:00] reductions. And I think Steve and I, we're working together to come up with some ideas

[04:45:04] that will be forthcoming where, you know, that the easiest things first, discretionary,  
[04:45:09] maybe freezing hiring on new positions  
[04:45:16] Yeah, we just we think it's time to be proactive to implement.  
[04:45:21] Let's not wait until the third quarter to figure out that.  
[04:45:24] And we've been through these we've been through downturns before.  
[04:45:26] So we've got a lot of things in our tool book that we can toolkit that we can look at.  
[04:45:31] But we've never had the perfect storm situation like this.  
[04:45:36] Right, to this extent.  
[04:45:38] So I should mention that I know in the past, and Dan, I'm the one Dan has developed.  
[04:45:44] Dan and Michael have developed a budget in brief, which is more public friendly, public  
[04:45:48] facing document. And I've been.  
[04:45:52] I keep wanting to put my final cuts on it.  
[04:45:55] Dan's been waiting patiently now for a month, but I keep I'm just getting time to  
[04:46:01] concentrate and getting the right message on it because I keep getting overcome with  
[04:46:07] things from Corona virus.  
[04:46:08] So so but I'll try to.  
[04:46:11] I mean, I guess I'm just admitting that because Dan's stuff is in there.  
[04:46:14] So I know perfect is the enemy of the good, but I'd like to make this a good document.  
[04:46:18] So. So in light of that, the message we just got from from Dave regarding our achievement  
[04:46:26] and in small manary on business attainment to a five year goal in one year.  
[04:46:34] And I think that's the kind of thing in your budget and  
[04:46:39] [CrossTalk]  
[04:46:46] It's not just what we did, we how we did it.  
[04:46:48] And that's a great accomplishment.  
[04:46:51] Ok. Great report.  
[04:46:53] Thank you. Yeah, good stuff.  
[04:46:56] Go ahead. Anything? Yes.  
[04:46:57] I've got to run out the door.  
[04:46:58] I know but we've by-laws next!  
[04:47:01] We're going to go through it!  
[04:47:06] [Laughter] I just want for Commissioner comment.  
[04:47:07] And I wanted to mention to everyone in the room everyone listening for the record.  
[04:47:15] Yeah. Thursday, March 12th begins Census 2020 and everyone here can go online and fill  
[04:47:23] out their own. And remind all your friends, neighbors and loved ones to do the same.  
[04:47:28] The more of us who do it online, the more the resource we can put to those hard to count  
[04:47:32] areas. We know this year is going to be particularly hard because who wants to go out  
[04:47:38] Door to door in the middle of a pandemic.  
[04:47:40] So it's really important that we all take advantage of every opportunity to get those  
[04:47:44] things in and so that we can put those resources to those folks who may not otherwise  
[04:47:49] know that this is an every decade thing that we need to get done.  
[04:47:53] And as a federal grantee organization, it is absolutely critical that every citizen and  
[04:47:58] resident of King County gets counted so that we get the full slice of the pie that we  
[04:48:03] deserve. The the website is Census 2020 dot org.  
[04:48:07] And the King County Complete Count Committee is doing a great job of doing outreach.  
[04:48:14] I would suggest that I don't have that Web site link, but maybe we can get it included or  
[04:48:19] sent out in our notes.  
[04:48:21] But there are also instructions in I think it's the nine most commonly spoken languages  
[04:48:27] in King County available as well through that.  
[04:48:30] If you just go to King County, they've got on their Web site.  
[04:48:33] Thank you. Are there any other comments?  
[04:48:35] And Thursday is also Thursday is also the close of the legislative session.  
[04:48:39] And the clean fuel standard hasn't passed yet.  
[04:48:42] Not quite finished yet. I just want to pass.  
[04:48:43] Things change so rapidly.  
[04:48:45] But this is kind of important information.  
[04:48:47] The county put a press release out this afternoon.  
[04:48:49] There's 74 new COVID-19 cases reported in King County, bringing the total number to one  
[04:48:55] hundred and ninety. We are on the taxi building.  
[04:48:59] We did soap has been provided to that just one.  
[04:49:01] You know, we're following up, but not for about the other recommendations on that.  
[04:49:05] And you'll see also there's media things all in regarding Cruise.  
[04:49:09] Other cities around the world are looking at this.  
[04:49:11] And so news is coming about that just want to let you know.

[04:49:14] We'll continue to focus on that in relationship to cruise as well.

[04:49:17] Thank you. Thank you, Mr.

[04:49:18] Metruck. Any referrals to the calendar?

[04:49:22] Referrals? No other comment.

[04:49:24] All right. We're adjourned.

[04:49:26] Thank you. Thank you.

[04:49:28] You bet.

END OF TRANSCRIPT