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5 **MOTION 2020-17:**
6 **A MOTION OF THE PORT OF SEATTLE COMMISSION**
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8 supporting the Executive Directors recommendation to
9 adjust the Commission-approved 2020 Port budget and
10 to authorize the execution of \$3,000,000 in new
11 community benefit programs to spur regional economic
12 recovery.
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14 **PROPOSED**
15 **JUNE 23, 2020**
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17 **INTRODUCTION**

18 The COVID-19 global pandemic is an unprecedented public health emergency that impacts the
19 lives of everyone in the region and state. The Port of Seattle's top priorities during this difficult
20 time are keeping employees, tenants, concessionaires, contractors, workers, customers,
21 travelers and residents safe, while simultaneously strengthening our critical aviation and
22 maritime infrastructure to advance trade and commerce and to support jobs, small and diverse
23 businesses, and environmental sustainability.
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25 Therefore, the Commission believes strongly that it is in the best interest of the Port and its
26 financial sustainability to make adjustments to the 2020 Port budget, preserving resources to
27 help the organization remain viable for the long-term. However, it is also essential that the Port
28 continue to invest in key economic recovery programs, and so the Commission supports new
29 dollars for key efforts to support the region's residents. The Commission and the Executive
30 Director will continue to evaluate and adjust this approach as new information becomes
31 available.
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33 The Executive Director has the authority to reduce the budget of the Port of Seattle, the
34 Commission is passing this motion to support the exercise of that authority.
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36 **TEXT OF THE MOTION**
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38 The Port of Seattle Commission hereby supports the Executive Director recommendations to
39 reduce the Port of Seattle 2020 budget by approximately \$70 million dollars, from both
40 operating and capital budgets, to preserve funds for the uncertain future economic times
41 ahead.
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43 The Commission authorizes the Executive Director to execute \$3,000,000 (three-million) in
44 contracts support investment in workforce development and tourism. The authorizations shall
45 include:

- 46 • \$1.5 million to support implementation of the May 26, 2020, Opportunity Motion
47 workforce development programs.
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- 49 • \$1.5 million to support tourism promotion that is vital to the Port's economic
50 sustainability and the region's economic vitality.
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52 **STATEMENT IN SUPPORT OF THE MOTION**

53 The COVID-19 global pandemic has been an unprecedented public health emergency that
54 continues to impact the lives of every local resident, and is causing incalculable economic and
55 human costs. The Port of Seattle has been deeply affected in almost every way, especially since
56 the economic downturn has been particularly severe on travel, trade and tourism. We have
57 heard painful stories from our tenants and partners, but the Port's own budget has seen the
58 loss of hundreds of millions of dollars in expected revenues. We are grateful for the federal
59 support that Sea-Tac Airport has received to keep our operations funded in the near future.

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61 Tourism is an important driver of King County and Washington state's economic vitality. Travel
62 and tourism support 5.1 percent of all jobs in Washington. State and local taxes, generated by
63 direct visitor spending, tallied nearly \$2.4 billion in 2019. The Coronavirus epidemic has acutely
64 damaged employment in Washington State's travel sector. Through the end of April, job losses
65 within the leisure and hospitality sector represented 42 percent of all job losses in the state.
66 Since March 1, visitor spending in Washington has declined by \$3.8 billion compared with last
67 year's figures. Supporting the revitalization of tourism throughout Washington State will
68 support economic renewal and will positively impact the Port of Seattle's gateways and
69 financial future.

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71 Commissioners face a difficult task over the coming months and years, trying to be thoughtful
72 stewards of the Port's assets while also trying to help drive regional recovery efforts. It is a
73 challenge to balance those two priorities, and the Commission is grateful to Executive Director
74 Metruck and his leadership team who have already taken actions to achieve both:
75 implementing short-term cost saving measures while moving forward on our major capital
76 construction projects and offering economic relief to tenants across the Port. The Commission
77 also acknowledges that the reason the Port has been able to weather the storm so well to this
78 point is years of conservative budgeting and strategic financial management that built up
79 significant reserves.

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81 In a time of huge shortfalls, money spent now is money that the Port will not have later. No one
82 knows how long or how deep the current economic downturn will be, and so it is important to
83 be prudent at the same time as entertaining bold ideas for helping our region rebound. Much of
84 the Port's capacity to make a major impact will be through the 2021 budget, which will be
85 discussed in greater detail at future meetings.