



COMMISSION REGULAR MEETING AGENDA

March 28, 2023

To be held virtually via MS Teams and in person at the Seattle-Tacoma International Airport – Conference Center, International Room, located at 17801 International Blvd, Seattle WA, Mezzanine Level. You may view the full meeting live at meetings.portseattle.org. To listen live, call in at +1 (425) 660-9954 or (833) 209-2690 and Conference ID 685 620 329#

ORDER OF BUSINESS

10:30 a.m.

1. CALL TO ORDER

2. **EXECUTIVE SESSION** – *if necessary, pursuant to RCW 42.30.110 (executive sessions are not open to the public)*

▶ 12:00 noon – PUBLIC SESSION

Reconvene or Call to Order and Pledge of Allegiance

3. **APPROVAL OF THE AGENDA** (*at this time, commissioners may reorder, add, or remove items from the agenda*)

4. SPECIAL ORDERS OF THE DAY

5. EXECUTIVE DIRECTOR'S REPORT

6. COMMITTEE REPORTS

7. **PUBLIC COMMENT** – *procedures available online at <https://www.portseattle.org/page/public-comment-port-commission-meetings>*

During the regular order of business, those wishing to provide public comment on items related to the conduct of the Port will have the opportunity to:

1) Deliver public comment via email: All written comments received by email to commission-public-records@portseattle.org will be distributed to commissioners and attached to the approved minutes.

2) Deliver public comment via phone or Microsoft Teams conference: To take advantage of this option, please email commission-public-records@portseattle.org with your name and the topic related to the conduct of the Port you wish to speak to by 9:00 a.m. PT on Tuesday, March 28, 2023. (**Please be advised that public comment is limited to topics related to the conduct of the Port only.**) You will then be provided with instructions and a link to join the Teams meeting.

3) Deliver public comment in person by signing up to speak on your arrival to the physical meeting location: To take advantage of this option, please arrive at least 15 minutes prior to the start of any regular meeting to sign-up on the public comment sheet available at the entrance to the meeting room to speak on items related to the conduct of the Port.

For additional information, please contact commission-public-records@portseattle.org.

8. **CONSENT AGENDA** (*consent agenda items are adopted by one motion without discussion*)

- 8a. Approval of Minutes of the Regular Meeting of March 14, 2023. **(no enclosure) (p.4)**
- 8b. Authorization for the Executive Director to Execute a Consultant Service Agreement in an Amount Not-to-Exceed \$500,000 to Provide Services for the Development of Waterfront Design and Environmental Standards. **(memo enclosed) (p.13)**
- 8c. Authorization for the Executive Director to Advertise and Execute a Major Works Construction Contract in the Amount of \$440,000 to Demolish the Fishermen’s Terminal Bank Building (C-12), for a Total Project Cost of \$496,000. **(memo and presentation enclosed) (p.20)**
- 8d. Authorization for the Executive Director to Execute Contract(s) for Long-Lead Major Electrical Equipment for the Maritime Industrial Center Electrical Infrastructure Replacement Project in the Amount of \$1,800,000, and a Total Estimated Project Cost of \$6,780,000. (CIP# C801241) **(memo and presentation enclosed) (p.31)**
- 8e. Authorization for the Executive Director to Authorize \$815,000 to Complete Design and Permitting for the Corrosion Protection Projects at Bell Harbor Marina and Pier 66, Including Overall Cathodic Protection Replacement and South Apron Pile Wrap for a Total Estimated Project Cost of \$4,500,000. (CIP#s C800539 and C800517) **(memo and presentation enclosed) (p.47)**
- 8f. Authorization for the Executive Director to Execute a Change Order to Contract MC-0320697 P69 Underdock Utilities Extending the Duration by 280 Calendar Days for Impacts Due to Supply Chain Delivery Delays of Critical Electrical Equipment; to Approve a Change of Scope to Provide a Larger Electrical Panel to Allow for Future Expansion of Vessel Shore-Power; and to Increase Authorization in the Amount of \$675,000, for a Total Authorization Amount of \$4,475,000 (CIP# C801102) **(memo enclosed) (p.59)**

10. NEW BUSINESS

- 10a. ¹Industrial Development Corporation Annual Meeting – Approval of Minutes, Designation of Officers, and Annual Report for 2022. **(IDC packet and minutes enclosed) (p.64)**
- 10b. Authorization for the Executive Director to Execute a Memorandum of Understanding with King County that Formalizes the County’s Funding Support and Participation in the International Public Market Feasibility Study, with an Estimated Project Cost of \$199,000. **(memo, memorandum of understanding, and presentation enclosed) (p.81)**

¹ This is a special meeting of the Industrial Development Corporation. The Regular Commission Meeting will recess, and the Commission will enter into the separate IDC meeting as Directors of the IDC. The regular meeting of the Commission will reconvene once the IDC meeting has adjourned.

- 10c. Authorization for the Executive Director to Authorize \$156,400,000 for Phase B Construction, to Authorize the Transfer of \$1,559,000 from the Main Terminal Low Voltage Program, to Authorize \$3,100,000 for Final Design Addressing Existing Building Code Compliance, and to Execute a Tenant Reimbursement Agreement with Alaska Airlines, Inc. for this Portion of the Work of the North Main Terminal Redevelopment Program at Seattle-Tacoma International Airport, for a Requested Amount of \$159,500,000 and a Total Estimated Project Cost of \$550,000,000. ([memo](#) and [presentation](#) enclosed) (p.98)
- 10d. Introduction of Resolution No. 3812: A Resolution Establishing an Equity Directive to Guide the Integration of Equity, Diversity, Inclusion, and Belonging into the Port's Practices and Policies and to Move Our Work Beyond Compliance and Mandates Towards Long-Term Commitment and Sustainable Systems Change. ([memo](#), [draft resolution w Exhibit A](#), and [presentation](#) enclosed) (p.121)

11. PRESENTATIONS AND STAFF REPORTS

- 11a. SEA Stakeholder Advisory Round Table (StART) 2022 Annual Report. ([memo](#), [action agenda](#), [letter](#), [roster](#), [report](#), and [presentation](#) enclosed) (p.142)

12. QUESTIONS on REFERRAL to COMMITTEE and CLOSING COMMENTS

13. ADJOURNMENT



P.O. Box 1209
Seattle, Washington 98111
www.portseattle.org
206.787.3000

**APPROVED MINUTES
COMMISSION SPECIAL MEETING**

MARCH 14, 2023

The Port of Seattle Commission met in a special meeting Tuesday, March 14, 2023. The meeting was held at the Port of Seattle Headquarters Building – Commission Chambers, Pier 69, 2711 Alaskan Way, Seattle Washington, and virtually on Microsoft Teams. Commissioners Calkins, Cho, Felleman, Hasegawa, and Mohamed were present.

1. CALL to ORDER

The meeting was convened at 10:00 a.m. by Commission President Sam Cho.

2. EXECUTIVE SESSION pursuant to RCW 42.30.110

The public meeting recessed into executive session to discuss one matter regarding litigation/or potential litigation/or legal risk, per RCW 42.30.110(1)(i) for approximately 55 minutes, and two items related to the performance of a public employee per 42.30.110(1)(g), with the intention of reconvening the public session at 12:00 p.m. Following the executive session, the public meeting reconvened at 12:11 p.m. Commission President Cho led the flag salute.

3. APPROVAL of the AGENDA

The agenda was approved as amended without objection. *(Item 4a was removed from the agenda, to be brought back at a later date, and Item 8l was pulled from the Consent Agenda, to be discussed separately.)*

In favor: Calkins, Cho, Felleman, Hasegawa, and Mohamed (5)

Opposed: (0)

4. SPECIAL ORDERS OF THE DAY – None.

5. EXECUTIVE DIRECTOR'S REPORT

Executive Director Metruck previewed items on the day's agenda and made general and meeting-related announcements.

6. COMMITTEE REPORTS

Commission Strategic Advisor Erica Chung provided a report regarding discussions held at the Sustainability, Environment, and Climate Committee meeting and the Portwide Arts and Culture Board meeting held respectively on February 21, 2023. She also reported regarding the external Joint Advisory Committee and the Commission's Equity and Workforce Development Committee meetings held respectively on March 2, 2023, and the Waterfront and Industrial Lands Committee meeting held on March 8, 2023.

Sustainability, Environment, and Climate Committee

The Sustainability, Environment, and Climate Committee convened by Commissioners Hasegawa and Felleman met on February 21, 2023, and were briefed on proposed tree and forest management principles, including existing programs and gaps. Commissioners discussed measurements for benchmarking and consistency purposes. Commissioners also discussed maintenance strategies for the overall forest and habitat health. The Committee also received a briefing on the SEA Gateway – North Main Terminal Redevelopment Program and an overview of the project, sustainable evaluation framework analysis, and recommendations on next steps.

Portwide Arts Board

The Portwide Arts and Culture Board met on February 21, 2023, with Commissioners Felleman and Cho participating. Several new members joined the board and members were briefed on the purview and role of the board. The board further received an update from the Senior Art Program Manager on projected Capital Improvement Program spending on art projects and they discussed the 2023 committee workplan.

Joint Advisory Committee

On Thursday, March 2, 2023, Deputy Mayor Negusse led the first Joint Advisory Committee (JAC) meeting of the year. Commissioners Felleman and Mohamed were in attendance. The agenda included updates regarding how the Interlocal Agreement (ILA) is working; an update on the Municipal Court ILA between the Port and SeaTac; a 2023 legislative session update; and continued discussions regarding North SeaTac Park.

Equity and Workforce Development Committee

On March 2, 2023, Commissioners Hasegawa and Calkins convened the Equity and Workforce Development Committee. Commissioners were joined by Economic Development Division staff and consultants from Intelligent Partnerships, who delivered a presentation on the Port's WMBE analysis. This presentation consisted of a preliminary review of the barriers faced by WMBE businesses in working with the Port, and some suggested options for lowering these barriers. Commissioners noted the scale of the challenges presented in the analysis and the need to think creatively and strategically to address these barriers. Staff are still working to finalize the analysis and will distribute it to Commissioners when it is available.

Waterfront and Industrial Lands Committee

Commissioners Felleman and Calkins convened the Waterfront and Industrial Lands Committee on March 8, 2023. The Committee received a presentation on real estate near the north harbor and provide direction to staff.

7. PUBLIC COMMENT

Public comment was received from the following individual(s):

- The following person spoke regarding port ethical standards: Alex Tsimerman.
- The following people spoke in support of Agenda Item 8I and in support of the tourism funding: Liz Johnson, Director of International Tourism, Visit Seattle; and David Blandford, Washington State Tourism CEO.
- The following person spoke regarding free speech and addressing government: Marguerite Richard.
- The following person spoke regarding water treatment and maintenance of boilers: Steven Lindstrom.
- The following people spoke regarding Port Covid-19 vaccination policies: James Jennings (*written comment also submitted*); Kathleen Moriarty; Gail Abe; and Wiley Duerson.
- The following person spoke in opposition to Agenda Item 8I, and regarding her climate concerns: Dr. Elizabeth Burton.
- In lieu of spoken comment, written comment urging the Port not to approve additional tourism funding through the approval of Agenda Item 8I and environmental considerations related to air and cruise travel were submitted by Robin Briggs, resident.

[Clerk's Note: All written comments are combined and attached here as Exhibit A.]

4. SPECIAL ORDERS OF THE DAY

4a. Annual Executive Director Performance Review

(This item was removed from the agenda and will be brought forward at a later time.)

8. CONSENT AGENDA

[Clerk's Note: Items on the Consent Agenda are not individually discussed. Commissioners may remove items for separate discussion and vote when approving the agenda.]

8a. Approval of Minutes of the Special Meeting of February 14, 2023, and the Special Meeting of March 2, 2023.

8b. Approval of the Claims and Obligations for the Period February 1, 2023, through February 28, 2023, Including Accounts Payable Check Nos. 947084 through 947451 in the Amount of \$3,569,951.18; Accounts Payable ACH Nos. 052425 through 053144 in the Amount of \$46,527,068.37; Accounts Payable Wire Transfer Nos. 015995 through 016006 in the Amount of \$10,790,274.25; Payroll Check Nos. 205618 through 206046 in the Amount of \$238,397.08; and Payroll ACH Nos. 1120043 through 1124398 in the Amount of \$13,484,546.07, for a Fund Total of \$74,610,236.95..

Request document(s) included an agenda memorandum.

8c. Authorization for the Executive Director to Advertise, Award, and Execute a Major Works Construction Contract for the Communication Enhancement Project at Seattle-Tacoma International Airport, and to Use Port of Seattle Crews for Construction Activities, in the Amount of \$7,840,000, Fully Authorizing the Estimated Project Budget of \$11,000,000. (CIP# C801161).

Request document(s) included an agenda memorandum and presentation.

- 8d. Authorization for the Executive Director to Proceed with a Revised Project to Replace the Port Badge System and to Execute Contract(s) for Software, Equipment, Vendor Services, and Ten Years of Software License and Maintenance Fees, for a Revised System Replacement Scope in the Amount of \$4,200,000, and a Total Estimated Project Cost of \$5,000,000. (CIP# C801201).**

Request document(s) included an agenda memorandum.

- 8e. Authorization for the Executive Director to Execute a Contract for Network Firewall Support for a Period Not-to-Exceed Ten Years in an Amount Not-to-Exceed \$3,500,000 Over the Ten-Year Period.**

Request document(s) included an agenda memorandum.

- 8f. Authorization for the Executive Director to Proceed with Construction of the SEA Load Dock Access Control N04456 Project, and to Use Port Crews, as Well as Small Works On-Call Contracts to Perform Construction Work for the Project, in the Amount of \$325,000, and an Estimated Project Cost of \$405,000. (CIP# C801357)**

Request document(s) included an agenda memorandum.

- 8g. Authorization for the Executive Director to Approve a Budget Increase of \$150,000 to the Existing Small Capital Project at the Marine Maintenance South Office to Expand Electrical Service Capacity, for a Revised Project Cost Not-to-Exceed \$450,000; and to Use Port Crews to Complete Construction. (CIP# C801088)**

Request document(s) included an agenda memorandum and presentation.

- 8h. Authorization for the Executive Director to Complete Design and Construction of the Air Cargo Building 167A/B Access Controls Project at Seattle-Tacoma International Airport, in the Amount of \$1,920,000, and a Total Estimated Project Cost of \$2,000,000. (CIP# C801288).**

Request document(s) included an agenda memorandum and presentation.

- 8i. Authorization for the Executive Director to Increase the Project Budget by \$1,000,000 for a Revised Total Budget of \$3,000,000; and to Prepare Design and Construction Bid Documents for the Sanitary Pipe Replacement Project in the Amount of \$600,000, for an Estimated Total Project Cost Not-to-Exceed \$3,000,000. (CIP# C801239)**

Request document(s) included an agenda memorandum and presentation.

- 8j. **Authorization for the Executive Director to Proceed with the Design and Preparation of Contract Bid Documents in the Amount of \$1,360,000 for the Landside Pavement Program Project Located at Seattle-Tacoma International Airport and to Authorize \$3,860,000 for the Construction of Pavement Rehabilitation Scope as Part of the Widen Arrivals Roadway Major Work Construction Contract, for a Total Amount Requested of \$5,220,000 and a Total Estimated Project Cost of \$10,000,000 for the Landside Pavement Program. (CIP# C801042)**

Request document(s) included an agenda memorandum and presentation.

- 8k. **Authorization for the Executive Director to Advertise and Execute a Project Specific Contract for Design Services, to Develop a Project Definition Document and Progress the Overall Design to 30 Percent, and to Utilize Port Crews for Enabling Work Related to the Concourse HVAC Infrastructure Renewal and Replacement Program Project at the Seattle-Tacoma International Airport, in the Amount Requested of \$7,000,000 and the Anticipated Total Project Cost to be Determined During Project Definition. (CIP# C801265)**

Request document(s) included an agenda memorandum and presentation.

- ~~8l¹. **Authorization for the Executive Director to Approve a Contract with State of Washington Tourism Designated for Collaborative International Tourism Marketing Efforts in the Amount of \$800,000.**~~

~~Request document(s) included an agenda memorandum and presentation.~~

- 8m. **Commission Approval of International Travel Requests – Second Quarter 2023.**

Request document(s) included an agenda memorandum and presentation.

The motion for approval of consent agenda items 8a, 8b, 8c, 8d, 8e, 8f, 8g, 8h, 8i, 8j, 8k, 8l, and 8m carried by the following vote:

Commissioner Calkins commented regarding Agenda Item 8j, referring to the original approval of the project - noting there has not been a material change in the project and speaking to preconceptions of the project and efforts of the mode shift access plan.

Commissioner Felleman commented regarding opportunities to facilitate light rail and moving sidewalks. He also commented regarding Agenda Item 8k, using the Sustainable Evaluation Framework to provide a full evaluation, and the opportunity for Commission to review options.

**In favor: Calkins, Cho, Felleman, Hasegawa, and Mohamed (5)
Opposed: (0)**

¹ Agenda Item 8l was removed from the Consent Agenda and addressed separately.

ITEMS REMOVED FROM THE CONSENT AGENDA

8l. Authorization for the Executive Director to Approve a Contract with State of Washington Tourism Designated for Collaborative International Tourism Marketing Efforts in the Amount of \$800,000.

Request document(s) included an agenda memorandum and presentation.

Presenter(s):

Dave McFadden, Managing Director, Economic Development Division
Nick Leonti, Director, Tourism Development

Clerk Hart read Item 8l into the record.

Executive Director Metruck introduced the item and presenters.

Members of the Commission received a presentation from staff.

Commission and Staff discussion ensued regarding:

- how the Port balances its tourism plan and strategy with its environmental goals;
- transformation of industries to support environmental goals and incorporation of clean fuels;
- how international travelers can participate in the Port's mission to move people and goods, the Port's 'Good Traveler' program, and if international travelers are participating in that program;
- budgeting of tourism dollars;
- partnerships with others statewide for tourism;
- marketing the entire tourism economy;
- hospitality industry benefits from tourism;
- promoting sustainable tourism;
- using Return on Investment as a metric;
- creating the ability for industries to adopt the highest environmental standards, methods, and practices and for the cost of tourism to cover the cost of implementing those standards; and
- marketing tourism to Asia.

The motion, made by Commissioner Mohamed, carried by the following vote:

In favor: Calkins, Cho, Felleman, Hasegawa, and Mohamed (5)

Opposed: (0)

10. NEW BUSINESS

10a. Authorization for the Executive Director to Advertise and Award up to Three Major Public Works Contracts; to Execute Utility Agreements for the Relocation of Utilities; to Transfer \$527,000 of Budget from CIP# C800862 Terminal Security Enhancements to Support the Installation of Security Bollards; to Transfer up to \$3,860,000 of Budget

from CIP# C801042 Landside Pavement Program to Support Additional Pavement Rehabilitation, and to Authorize an Additional \$73,600,000 for a Total Project Authorization of \$89,500,000 for the Widen Arrivals Roadways Project at Seattle-Tacoma International Airport. (CIP# C800866)

Request document(s) included an agenda memorandum and presentation.

Presenter(s):

Arif Ghouse, Chief Operating Officer, Airport Director's Office
Heather Bornhorst, Capital Program Leader, AV Project Management Group
Peter Lindsay, Senior Manager, Airport Operations
Adrian Down, Environmental Program Manager, AV Environmental Programs Group

Clerk Hart read Item 10a into the record.

Executive Director Metruck introduced the item and presenters.

A presentation was provided to the Members of the Commission. The presentation addressed:

- Century Agenda strategic objectives applicable to the project;
- the Ground Transportation Framework;
- project scope and location;
- project rationale and current project status;
- budget and schedule;
- partnering with External Relations and project communications; and
- requested authorization for additional funding to continue the project.

Members of the Commission and staff discussed:

- a study being conducted by the National Renewable Energy Laboratory (NREL) to model traffic flows across multiple modes;
- how this project accommodates anticipated volume;
- separate access for TNCs and other ride shares;
- reducing private occupancy vehicle trips;
- how the project impacts stormwater;
- status of Port efforts to coordinate with employers to provide ORCA passes for their employees and beginning conversations in the Aviation Committee to develop the program;
- additional increases in cost associated with stormwater management;
- measures in place to address additional project cost escalation;
- light rail to terminal access;
- federal funding possibilities; and
- talking with airlines to survey employees regarding their needs for transportation.

The motion, made by Commissioner Calkins, carried by the following vote:

In favor: Calkins, Cho, Felleman, Hasegawa, and Mohamed (5)

Opposed: (0)

11. PRESENTATIONS AND STAFF REPORTS

11a. 2022 Financial Performance Briefing.

Presentation document(s) included an agenda memorandum and presentation.

Presenter(s):

Dan Thomas, Chief Financial Officer, Finance and Budget
Michael Tong, Director Corporate Budget, Finance and Budget
Kelly Zupan, Director, Seaport Finance and Budget
Stephanie Jones Stebbins, Managing Director, Maritime Division Administration
Dave McFadden, Managing Director, Economic Development Division
Hanh Nguyen, Interim Director, Aviation Finance and Budget
Lance Lyttle, Managing Director, Aviation Director's Office

Commission Clerk Michelle Hart read Item 11a into the record.

Executive Director Metruck introduced the item.

The presentation addressed:

- key highlights of the report:
 - strong financial performance in 2022 due to prudent budgeting and careful cost management;
 - 2022 SEA passenger levels were below budget and 11.4 percent lower than 2019;
 - 2022 cruise season had a record 295 sailings and over 1.3 million passengers;
 - operating revenues were \$43.3M over budget mainly due to higher revenues from Public Parking, Rental Cars, and NWSA Distributable Income;
 - operating expenses were \$23.4M below budget mainly due to a \$15.6M non-cash expense credit related accounting for the Port's public pension plans through the Department of Retirement Systems (DRS) - without the credit, operating expenses were just \$7.8M under budget; and
- Aviation; Seaport; Maritime; Stormwater Utility; Northwest Seaport Alliance (NWSA); Economic Development; Central Services; and Portwide division 2022 financial performance reports.

Members of the Commission and staff discussed:

- the financial forecast for 2023;
- separating 'Maritime' and 'NWSA' from the 'non-airport revenue category';
- operational improvements and Shilshole Bay Marina and previous rate increases;
- whether or not there is any cost recovery in the Terminal 5 pile driving joint venture;
- cost recovery from cruise lines for infrastructure improvements made and cruise lease agreements; and
- accounting of capital projects that go over budget in the capital budget summary.

12. QUESTIONS on REFERRAL to COMMITTEE and CLOSING COMMENTS

Commissioner Felleman spoke regarding the need to look strategically at options to grow the Northwest Seaport Alliance.

The motion, made by Commissioner Felleman, to refer the topic of ‘ferry propellers being supplused by the Port and how to repurpose them for art’ to the Portwide Arts and Culture Board, carried by the following vote:

In favor: Calkins, Cho, Felleman, Hasegawa, and Mohamed (5)

Opposed: (0)

13. ADJOURNMENT

There was no further business and the meeting adjourned at 3:05 p.m.

Prepared:

Attest:

Michelle M. Hart, Commission Clerk

Fred Felleman, Commission Secretary

Minutes approved: March 14, 2023

RETURN TO AGENDA



**COMMISSION
AGENDA MEMORANDUM**

Item No. 8b

ACTION ITEM

Date of Meeting March 28, 2023

DATE : March 10, 2023

TO: Stephen P. Metruck, Executive Director

FROM: Joanna Hingle, Assistant Director of Engineering - Design
Laura Wolfe, Senior Environmental Program Manager

SUBJECT: Contract to Develop Waterfront Design and Environmental Standards

Amount of this request: \$500,000
Total estimated project cost: \$500,000

ACTION REQUESTED

Request Commission authorization for the Executive Director to execute a consultant service agreement for an amount not to exceed \$500,000 to provide services for the development of Waterfront Design and Environmental Standards.

EXECUTIVE SUMMARY

This request establishes a new Waterfront Development service agreement for a consultant to assist the Port in development of a system for the creation, implementation, and management of waterfront design and environmental standards, as well as an initial set of standard documents for waterfront projects. The design standards will then be managed by Port staff and will facilitate the revision or creation of future design standards by the Port or others as needed to respond to industry developments.

Currently, there are no published design standards for the Port’s waterfront projects, which results in each project team determining what the criteria should be on a project-by-project basis. The proposed work under this service agreement represents an important process improvement and contributes to the Port’s goal of being a highly effective public agency. Goals for the development of the standards include increasing consistency, increasing quality, and providing greater certainty for cost estimating across projects. Further, the standards will help manage the Port’s limited resources by providing key project criteria up front rather than spending duplicative staff and design consultant time developing criteria for similar project types. Finally, under this service agreement, development of design standards will focus on equity and sustainability and ensure those principles are foundationally incorporated into all Port waterfront projects.

Meeting Date: March 28, 2023

JUSTIFICATION

Development of Waterfront Design and Environmental standards is intended to serve four primary goals:

1. Provide increased consistency between projects
 - a. Standards provide a way to maintain consistency in areas that are important to the Port, such as sustainability, performance, flexibility in use and maintainability. Standards are not generally intended to specify manufacturers, models, or other specifics that would require competition waivers. If this is deemed necessary for any particular highly-unique item, the competition waiver process would be coordinated with the Central Procurement Office.
2. Advance Port environmental and equity goals
 - a. Establish minimum requirements that position Port environmental and equity goals at the foundation of design criteria and decisions.
 - b. The Commission Policy Directive on the Sustainable Evaluation Framework (Resolution 3768) directs action to update and revise construction standards to reflect advancement in sustainable materials, energy efficiency, and sustainable design approaches. In this case, that requires the creation of standards where they do not currently exist.
3. Increase quality and efficiency for individual projects
 - a. Identify preferred system types, reducing the need for repetitive Port staff design review input for each project.
 - b. Streamline project decision-making and result in more efficient maintenance.
4. Provide greater estimating certainty
 - a. Grow the database of costs for systems commonly used at the Port of Seattle.
 - b. Reduce change orders due to Port-initiated design revisions.

The current lack of consistent design standards poses consistent challenges for project design and implementation:

1. High time and cost of project-based decision-making
 - a. Designers, Project Managers (PMs), project stakeholders, and project sponsors must consider each design decision on a project-by-project basis, resulting in duplicative work.
 - i. Example: Current City of Seattle buildings codes do not specify seismic design parameters for all port building types, requiring the Port and the Seattle Department of Construction and Inspections to determine and negotiate appropriate criteria.
 - ii. Example: Pier and piling projects— a reoccurring project type—require engagement from Port environmental staff to confirm chemical ingredient restrictions on a project-by-project basis that pertain to all in-water projects. Standards and specifications for projects of this type would eliminate the need for repeated environmental engagement.

Meeting Date: March 28, 2023

2. Inconsistent implementation of environmental sustainability principles across waterfront projects
 - a. Without minimum standards, each project team implements independent systems without environmental performance requirements, resulting in inconsistent conservation and performance outcomes, or systems that may deviate from strategic guidance.
 - i. Example: Project teams often evaluate Heating Ventilation and Cooling (HVAC) system types, materials, and other common project decisions on a case-by-case basis. Equipment that has lower up-front costs but is less efficient and has a shorter life cycle overall is often selected, wasting both energy and money in long-term costs. Standards would be designed with environmental and lifecycle cost performance, strategic commitments, and code compliance or exceedance in mind and minimize the need for unique project consideration.
3. Inconsistent application of Port initiatives
 - a. Designers, PMs, and project sponsors may not implement choices that support broader strategic initiatives.
 - i. Example: Power monitoring decisions for distribution substations are not always implemented consistently throughout all branches of a system, resulting in more manual work to gather full system data.

It is common for large organizations such as the Port of Seattle to have and implement design standards for infrastructure development. This project will bring the waterfront divisions into alignment with the Aviation division, which has existing standards and guidelines that streamline project design and maintenance by providing consistent direction early in the project lifecycle.

Diversity in Contracting

This contract represents an opportunity to meaningfully partner with small businesses and WMBE firms. We anticipate a goal of at least 20% WMBE utilization, assuming confirmation from the Diversity in Contracting group.

DETAILS

The project will develop Design and Environmental standards applicable to all Waterfront development projects to improve facility consistency and maintainability while foundationally incorporating equity and environmental sustainability into all Port projects. Maritime Environment and Sustainability, Port Engineering, and Marine Maintenance resources will work with consultants to complete the project, with the support and input of many other departments. Total project costs are estimated to be \$500,000 over a two-year period. Funding for this project was included in the 2023-2027 capital budget and plan of finance.

Meeting Date: March 28, 2023

Scope of Work

Work will include development of Waterfront Design and Environmental standards. Components of this work include, but are not limited to, the following:

- (1) Identify industry norms, standards topic options, prioritization method, and implementation strategy
- (2) Facilitate internal and external stakeholder meetings to identify recurring topics and build consensus
- (3) Develop a Needs Assessment Report
- (4) Develop a Standard section template and recommendations for standards document management
- (5) Facilitate discussions on and make recommendations for authority decisions, variances, and implementation processes
- (6) Develop Priority I Standards
- (7) Develop an internal and external facing communication plan to introduce new standards
- (8) Develop Priority II Standards

Schedule

This document and system development work is expected to be completed in phases over two years, 2023 and 2024.

Activity

Commission authorization	2023 Quarter 1
Procurement complete	2023 Quarter 3
Priority I Standards Complete	2024 Quarter 3
Priority II Standards Complete	2024 Quarter 4

Cost Breakdown

	This Request	Total Project
Consultant support, 2023 (year 1)	\$200,000	\$200,000
Consultant support, 2024 (year 2)	\$300,000	\$300,000
Total	\$500,000	\$500,000

ALTERNATIVES AND IMPLICATIONS CONSIDERED

Alternative 1 – Do not develop Waterfront Design and Environmental standards

Cost Implications: \$0

Pros:

- (1) Low-cost option
- (2) No training required

Meeting Date: March 28, 2023

Cons:

- (1) Environmental sustainability and equity are only incorporated on a project-by-project basis as resources allow
- (2) Building equipment, efficiency, and maintainability may be different for each building, increasing maintenance variability
- (3) Port staff will spend significant time evaluating on small, typical projects in addition to complex opportunities that require unique consideration and design engagement
- (4) Certain analyses common to multiple projects (material selection, design criteria, etc.) will be repeated for each project by Port and/or project consultant staff

This is not the recommended alternative.

Alternative 2 – Develop 4 to 8 Waterfront Design and Environmental standards on an expedited timeline. This would only allow for minimal inter-departmental or external collaboration. The number of standards developed may be higher or lower depending on the required depth of content for each selected topic.

Cost Implications: \$250,000

Pros:

- (1) Moderate-cost option
- (2) Faster development timeline (one year)

Cons:

- (1) Poor implementation may result from omitting a robust stakeholder engagement and training process
- (2) Without adequate internal and external stakeholder engagement, tradeoffs may not be fully vetted, and standards may result in unintended consequences
- (3) Without adequate cross-departmental collaboration, departments may produce conflicting standards
- (4) If items are missed due to lack of engagement, Port staff will waste time focusing on small, typical projects instead of complex opportunities
- (5) Will require additional work, contracting, to complete the project and fully develop waterfront design standards and specifications

This is not the recommended alternative.

Alternative 3 – Collaborate across departments to form consensus around standards, develop a communication and roll-out plan, and develop an initial set of 4 to 8 Waterfront Design and

Meeting Date: March 28, 2023

Environmental standards for Waterfront projects. The number of standards developed may be higher or lower depending on the required depth of content for each selected topic.

Cost Implications: \$500,000

Pros:

- (1) Robust stakeholder engagement will work through several technical decisions, providing a clearer and more consistent design basis for projects, thereby saving staff effort in project development
- (2) Environmental sustainability and equity will be incorporated on most projects through standardization
- (3) Robust stakeholder engagement and training process will result in wide-spread, effective implementation of standards
- (4) Creates efficiencies for Port staff by reducing focus on small, typical projects
- (5) Robust stakeholder engagement will allow full vetting of tradeoffs, reducing likelihood of unintended consequences
- (6) Building equipment, efficiency, and maintainability will be the same or similar for most construction, reducing maintenance variability

Cons:

- (1) Highest cost option
- (2) Slower development timeline (2 years)
- (3) Requires challenging engagement and decision-making by the Port for implementation authority and process development

This is the recommended alternative.

FINANCIAL IMPLICATIONS

The financial impact of this work is most directly linked to the one-time cost of consultant support in developing the initial Waterfront design and Environmental standards system and content. The long-term benefit is seen in increasing the quality and maintainability of infrastructure while decreasing project design phase costs.

<i>Cost Estimate/Authorization Summary</i>	Capital	Expense	Total
COST ESTIMATE			
Original estimate	\$0	\$500,000	\$500,000
AUTHORIZATION			
Previous authorizations	0	0	0
Current request for authorization	0	\$500,000	\$500,000
Total authorizations, including this request	0	\$500,000	\$500,000
Remaining amount to be authorized	\$0	\$0	\$0

Meeting Date: March 28, 2023

Annual Budget Status and Source of Funds

A new 2-year budget request for this work was made and approved in the Maritime Environment & Sustainability budget. For 2023, the value request was for \$151,000. To support the \$200,000 expenditure anticipated in 2023, Engineering will be reallocating \$49,000 to the effort. The 2024 budgets will include the additional \$300,000.

Financial Analysis and Summary

Project cost for analysis	\$500,000
Business Unit (BU)	Maritime Environment & Sustainability
Effect on business performance (NOI after depreciation)	N/A
IRR/NPV (if relevant)	N/A
CPE Impact	N/A

Future Revenues and Expenses (Total cost of ownership)

Funding for this consultant service agreement will be through approved departmental operating expense. All Port staff support costs required to complete the scope of services will also be funded through approved operating expense budgets. While maintenance of the standards will be required to stay current with the industry and the Port’s direction, the staff costs for doing so are anticipated to be less than the overall cost of more involved decision-making on each project.

ADDITIONAL BACKGROUND

None

ATTACHMENTS TO THIS REQUEST

None

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

None



**COMMISSION
AGENDA MEMORANDUM**

Item No. 8c

ACTION ITEM

Date of Meeting March 28, 2023

DATE: March 9, 2023

TO: Stephen P. Metruck, Executive Director

FROM: Kelly Purnell, Capital Project Manager
Jessica Carlson, Senior Real Estate Manager
Melinda Miller, Director, Real Estate Asset Management

SUBJECT: Fishermen’s Terminal Bank Building (C-12) Demolition

Amount of this request: \$440,000

Total estimated project cost: \$496,000

ACTION REQUESTED

Request Commission authorization for the Executive Director to advertise and execute a major works construction contract to demolish the Fishermen’s Terminal Bank Building (C-12). This request is for \$440,000 of a total project cost of \$496,000.

EXECUTIVE SUMMARY

The project will demolish the existing Fishermen’s Terminal Bank Building (Building C-12) which is vacant and is unleaseable due to the poor condition of the structure. The work will include abatement of regulated materials, small amounts of material salvage such as the bank vault door, demolition of the structure to existing slab, and removal of existing landscaping including curb and gutter on the site. Capping of the utilities (water, sewer, electric) will be required. A handhole will be installed for the electricity to provide for access for temporary power connection for a construction job shack in future. Crushed rock will be placed in existing landscape area. No paving or addition of any new impervious surface will be included in the work.

JUSTIFICATION

The Fishermen’s Terminal Bank Building has been slated for demolition since 2017 and was vacant for several years before that. The building is currently in disrepair. Much of the interior has been stripped out and has undergone partial regulated materials abatement of the interior. Additionally, the building has suffered from repeated break-ins.

Originally, the property was to be redeveloped as part of the Gateway Building and the overall Fishermen’s Terminal Long-term Strategic Plan. While that is still the anticipated future use of

Meeting Date: March 28, 2023

the site, the immediate need for the site is for uses as a construction laydown site for the upcoming redevelopment of the Seattle Ship Supply Building into the Maritime Innovation Center (MInC) in early 2024. The Bank Building site is within acceptable proximity to the MInC, has viable utility hookups that can be utilized for temporary construction job shacks, and ample space for materials storage during the MInC construction. The site would then be protected until such time as the Gateway Building restarted, or another use of the property is determined.

Diversity in Contracting

This project is ideal for smaller WMBE construction firms to be the prime contractor. Therefore, the project has a high WMBE aspirational goal of 15% to encourage participation of smaller firms that may not often have an opportunity to be the General Contractor on larger projects.

DETAILS

The project will demolish the existing Bank Building (C-12) at Fishermen’s Terminal and prepare the property as a temporary construction laydown site.

Scope of Work

Work will include the demolition of the existing structure to the slab, abatement of regulated materials, minimal salvage of materials such as the bank vault door, removal of landscaping, capping of existing utilities, and preparation of the site for construction laydown.

Schedule

Commission design authorization	N/A – originally authorized under U00412. Project expensed after Gateway Building was Deferred.
Design completion	Q1 2023
Commission construction authorization	Q1 2023
Construction start	Q3 2023
In-use date	Q4 2023

Cost Breakdown

	This Request	Total Project
Design	\$0	\$50,000
Construction	\$446,000	\$0
Total	\$446,000	\$496,000

ALTERNATIVES AND IMPLICATIONS CONSIDERED

Alternative 1 – Defer demolition.

Cost Implications: Depending upon how long the demolition is deferred the cost could increase significantly based on estimated average 6% construction escalation per year.

Pros:

None

Meeting Date: March 28, 2023

Cons:

- (1) Project would ultimately be more expensive due to escalation.
- (2) A new demolition permit will need to be obtained as the current permit will not be able to be extended again.
- (3) Leaves a structure in place that is in poor condition and not useable.
- (4) Would require identifying another construction laydown site for the construction of the MInC and there are few reasonable alternatives.

This is not the recommended alternative.

Alternative 2 – Proceed with Bank Building demolition.

Cost Implications: \$446,000 expense funds

Pros:

- (1) Provides a construction laydown site for the construction of the MInC.
- (2) Removes a structure in disrepair and eliminates potential security issues with break ins and theft
- (3) Utilizes existing demolition permit.

Cons:

- (1) Requires expense funds to be utilized.
- (2) May have minor impacts to the Fishermen’s Terminal operations.

This is the recommended alternative.

FINANCIAL IMPLICATIONS

<i>Cost Estimate/Authorization Summary</i>	Capital	Expense	Total
COST ESTIMATE			
Original estimate	\$0	\$580,000	\$580,000
Current change	0	\$(84,000)	\$(84,000)
Revised estimate	0	\$496,000	\$496,000
AUTHORIZATION			
Previous authorizations	0	\$50,000	\$50,000
Current request for authorization	0	\$446,000	\$446,000
Total authorizations, including this request	0	\$496,000	\$496,000
Remaining amount to be authorized	\$0	\$0	\$0

Annual Budget Status and Source of Funds

This project has been included in the 2023 approved budget in Maritime Non-Operations at an estimated total project cost of \$580,000.

Meeting Date: March 28, 2023

Financial Analysis and Summary

Project cost for analysis	\$496,000
Business Unit (BU)	Maritime Portfolio Management
Effect on business performance (NOI after depreciation)	Non-Ops expense. The building currently generates no revenue, and no revenue is expected from the additional yard space.
IRR/NPV (if relevant)	No incremental revenue. The NPV is the present value of the project cost.
CPE Impact	N/A

Future Revenues and Expenses (Total cost of ownership)

The building currently generates no revenue, and no revenue is expected from the additional yard space.

ADDITIONAL BACKGROUND

This project was originally authorized under the C800525 FT Gateway Building project that was canceled and expensed in 2022. The design for the demolition of the FT Bank Building (C-12) had been developed to 90% under that project number. Construction Authorization for the demolition of FT Bank Building (C-12) along with the demolition of Net Sheds 7 and 8 was obtained on September 26, 2017 (Agenda item no. 6b). However, the project was not completed prior to the Gateway Building project cancelation.

New project number U00703 was created for the specific purpose of the FT Bank Building (C-12) Demolition. \$50,000 in seed money was approved in Q3 2022 by the project sponsor and is being used to have the engineer of record update and finalize the existing demolition design and specifications and prepare the bid set.

ATTACHMENTS TO THIS REQUEST

- (1) Presentation

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

September 26, 2017 – The Commission authorized construction for the demolition of FT Bank Building (C-12) and Net Sheds 7 and 8.

Fishermen's Terminal Bank Building (C-12) Demolition

Construction Authorization

Kelly Purnell – Capital Project Manager

Melinda Miller – Director, Real Estate Asset Management (Sponsor)

Jessica Carlson – Senior Real Estate Manager

Expense

Project # U00703

Action Requested

Request Commission authorization for the Executive Director to:

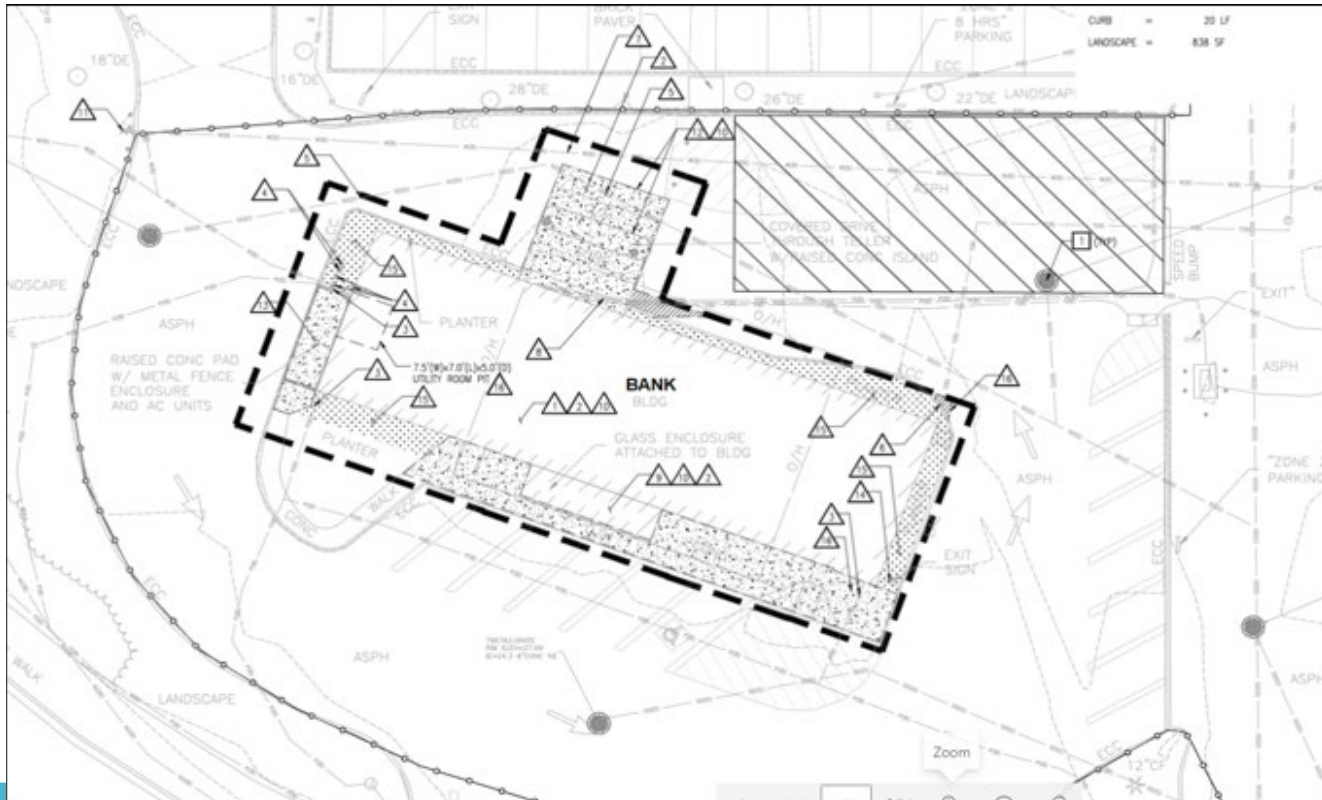
1. Proceed with the demolition construction of the FT Bank Building (C-12)

Project Estimated Cost: \$496,000

Procurement Authorization Request: \$446,000

Current Condition

- Old building has been vacant for several years
- Break-ins have occurred
- Not useable for a new tenant



SITE PHOTO
SCALE: N.T.S



Project Scope

Project Work:

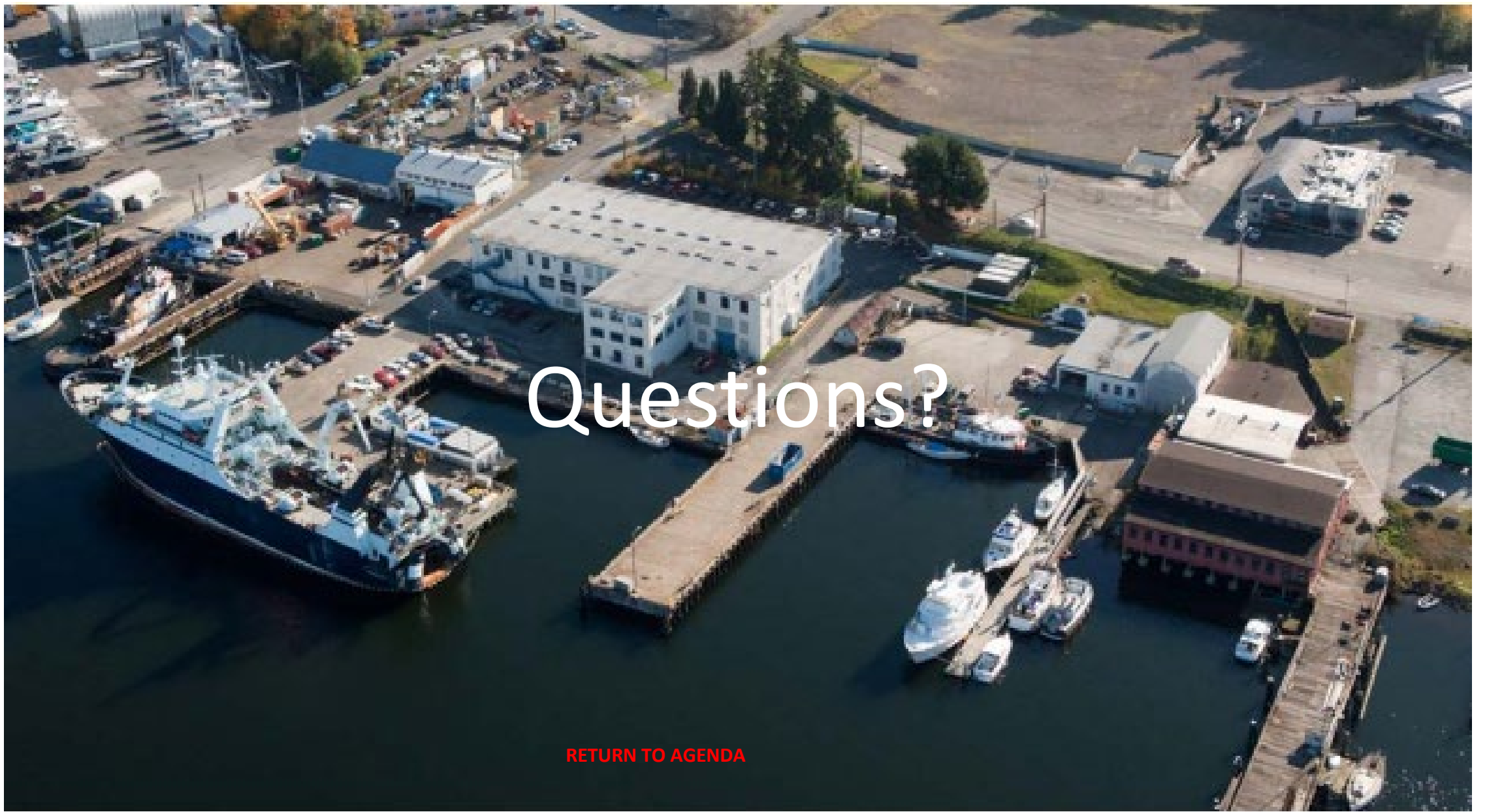
- Demolition of the existing Fishermen's Terminal Bank Building (Building C-12) to existing slab
- Abatement of regulated materials
- Small amounts of material salvage such as the bank vault door
- Removal of existing landscaping including curb and gutter on the site
- Capping of the utilities (water, sewer, electric); A handhole will be installed for the electricity to provide for access for temporary power connection for construction job shack in future
- Crushed rock will be placed in existing landscape area

Preliminary Schedule

Design Completion	2023 Quarter 1
Commission authorization for Construction	2023 Quarter 1
Construction start	2023 Quarter 3
In-use date	2023 Quarter 4

Funding

Cost Estimate/Authorization Summary	Capital	Expense	Total
COST ESTIMATE			
Current estimate	\$0	\$496,000	\$496,000
AUTHORIZATION			
Previous authorizations	\$0	\$50,000	\$50,000
Current request for authorization	\$0	\$446,000	\$446,000
Total authorizations, including this request	\$0	\$496,000	\$496,000
Remaining amount to be authorized	\$0	\$440	\$0



Questions?

[RETURN TO AGENDA](#)



**COMMISSION
AGENDA MEMORANDUM**

Item No. 8d

ACTION ITEM

Date of Meeting March 28, 2023

DATE: March 9, 2023

TO: Stephen P. Metruck, Executive Director

FROM: Kelly Purnell, Capital Project Manager
Trevor Panger, Real Estate Property Manager
Kenneth Lyles, Director of Maritime Operations and Security

SUBJECT: Maritime Industrial Center Electric Equipment Procurement

Amount of this request: \$1,800,000

Total estimated project cost: \$6,780,000

ACTION REQUESTED

Request Commission authorization for the Executive Director to execute contract(s) for long-lead major electrical equipment for the Maritime Industrial Center Electrical Infrastructure Replacement project. This authorization is for \$1,800,000 of a total estimated project cost of \$6,780,000. (CIP# C801241)

EXECUTIVE SUMMARY

This project will replace the electrical infrastructure at the Maritime Industrial Center (MIC). The site, located just west of Fishermen’s Terminal, currently has a tenant mix of storage, warehouse, maintenance and repair shops, boatyard and marine services, and fishing vessel support operations. A large majority of the electrical infrastructure that serves the tenants is approximately 25 years old. Though electrical systems generally last 20 to 30 years, their proximity to seawater has caused it to deteriorate at an expedited rate. An arc flash study and condition assessment were performed on the property in 2020 and determined that several pieces of equipment need replacement for safety reasons as they are not compliant with National Electrical Code (NEC) standards and are too dangerous to service properly.

The replacement of the infrastructure is critical to maintaining reliable and resilient electrical service to the MIC facilities, ensure that the Port meets its tenant obligations, and continues to leverage the economic opportunities that result in well managed and maintained assets. To not further delay this essential work, early purchasing of large electrical equipment is necessary due to extensive long-lead times for procuring the equipment.

Meeting Date: March 28, 2023

JUSTIFICATION

This project supports the following Century Agenda and Maritime Division strategic goals:

Century Agenda:

1. Responsibly Invest in the Economic Growth of the Region and All Its Communities.
2. Be a Highly Effective Public Agency.

Maritime Division:

1. Asset Management.
2. Sustainability.

The project will include necessary upgrades to the electrical system by replacing current equipment that is dangerous to work on and at risk of failure. This investment will increase the asset value of the MIC by ensuring that the site facilities are functioning well and efficiently, removing dangerous water intrusion into electrical areas, and increasing the reliability of power to the Port’s tenants. Additionally, the upgraded electrical equipment will provide electrical capacity for future sustainable EV charging capabilities and potential additional shore power that is not currently available with the existing equipment.

Purchasing the equipment in advance of construction contracting will mitigate risks to the project schedule due to long-lead times in electrical equipment procurement times, currently estimated between 72 and 85 weeks.

Diversity in Contracting

WMBE aspirational goals have not been established for purchasing of the electrical equipment. The procurement of the equipment from available suppliers will be very prescriptive and based on technical credentials and performance. WMBE goals will be established for the larger general construction contract that will be solicited when the project is ready to be constructed.

DETAILS

Maritime Industrial Center – 2700 Commodore Way, Seattle, WA 98199

The Maritime Industrial Center (MIC) is a 6.43-acre facility acquired from the US Coast Guard in 1993 and has since been an important addition to the Port’s infrastructure for supporting the commercial fishing and industrial maritime sectors in our region and beyond. The property currently serves as a base for a range of private- and public-sector uses, from: fishing vessel provisioning, maintenance and repair; boatyard operations; and a new informal hub for a state agency.

Meeting Date: March 28, 2023

Tenant Mix:

Building A-1:

- Mix of office, warehouse, storage, and industrial uses, to include vessel repair and maintenance shops, silk screen printing, retail product distribution, and boatyard operations, and fishing sustainability efforts.

Building A-2, yard and West Dock moorage:

- Boatyard and marine services (metal fabrication, woodwork, heating and cooling, electronics)

Building A-3, A-4, A-5, yard and East Pier moorage:

- Fishing vessel support operations

West Pier and Central Pier:

- Fishing vessel moorage, tribal vessel moorage

The project scope consists of demolishing existing switchboards and structural concrete pads; decommissioning conduits and wire; and replacing all with new structural infrastructure, conduits, wires, switchboards, and associated equipment. The switchboards will be upsized from existing capacity of between 400 and 600 amps to 1200 amps for the smaller switchboards and from 2500 Amps to 4000 Amps for the main switchboard for future capacity needs (e.g., EV chargers, shore power). This project will not increase the electrical load at the site at this time. The estimated electrical equipment procurement is \$1,800,000 with total estimated project costs of \$6,440,000. Funding for this project was included in the 2023 capital budget and plan of finance.

Scope of Work

The following electrical equipment will be replaced:

1. Switchboard 4SP and 2SPN (service entry to site)
2. Switchboard 4W and 2W (wharf)
3. Switchboard 4P and 2P (NE side of Building A-1)
4. Switchboard EY4 (east side of Building A-1)
5. Switchboard SEY4 (lighting connection for east lot)
6. Switchboards EY4 and SEY4 will be consolidated with 4P and 2P in one location that has better access. Additionally, this will eliminate a stormwater intrusion point at EY4.

Site work:

1. Provide new conduits and conductors from Seattle City Light to new MIC main distribution switchgear.
2. Provide new conduits and conductors from new MIC main distribution switchgear to:
 - a. New electrical switchboard at Mooring Pier
 - b. New electrical switchboard at Wharf
3. Provide new electrical vaults.

Meeting Date: March 28, 2023

The following equipment will be purchased in advance per this authorization:

1. New main electrical distribution
 - A. Main switchgear, switchboards including main circuit breakers and feeder circuit breakers, transformer.
2. New electrical distribution at mooring pier
 - A. Switchboards including main circuit breaker and feeder circuit breakers, transformer.
3. New electrical distribution at wharf
 - A. Switchboards including main circuit breakers and feeder circuit breakers, transformer.

Schedule

Activity

Commission design authorization	October 11, 2022
Design start	2022 Quarter 4
Commission authorization for major electrical equipment procurement	2023 Quarter 1
Commission construction authorization	2024 Quarter 3
Construction start	2024 Quarter 4

Cost Breakdown

	This Request	Total Project
Design	\$0	\$850,000
Electric Equipment	\$1,800,000	\$1,800,000
Construction	0	\$4,130,000
Total	\$1,800,000	\$6,780,000

ALTERNATIVES AND IMPLICATIONS CONSIDERED

Alternative 1 – Require electrical equipment to be procured by general contractor.

Cost Implications:

- Additional \$2.3M overall project cost (due to additional escalation and GC markup on equipment).
- Total estimated project cost \$9.1M.

Pros:

- (1) Transfers risk to the contractor.
- (2) Advances Century Agenda goals and Maritime Division strategic goals.

Cons:

- (1) High likelihood of causing project delays due to estimated 72-85 week procurement lead times for electrical equipment.

Meeting Date: March 28, 2023

- (2) Potential for longer equipment design duration due to Port quality control process.
- (3) More expensive due to overheads applied to the equipment purchase.

This is not the recommended alternative.

Alternative 2 – Defer project as a whole: maintain the current state and delay electrical upgrades and repairs.

Cost Implications:

Assuming a 6% escalation is applied to the project over the next four years delaying the project would cost an additional \$250,000 for each year it is delayed. Current maintenance has been minimal, and the equipment cannot be safely worked on by Port Electricians; therefore, costs to maintain are not included.

Pros:

- (1) Deferred initial capital cost.

Cons:

- (1) The equipment cannot currently be serviced safely.
- (2) The equipment is already in a state of advanced disrepair due to the proximity to saltwater and areas of stormwater intrusion.
- (3) If the equipment fails, a long-term diesel generator will be required to provide power to building tenants and moorage customers. This will impact air quality and cost significantly more over time, in large part due to high fuel costs.

This is not the recommended alternative.

Alternative 3 – Early equipment procurement in advance of construction contract.

Cost Implications:

- No additional escalation and GC mark-up on electrical equipment (savings of \$2.3M).
- Overall project cost estimated at \$6.78M.

Pros:

- (1) Minimizes potential construction delays due to long-lead electric equipment procurement.
- (2) Significantly less expensive due to escalation and GC mark-up avoidance.
- (3) Allows for very prescriptive control of equipment procurement.
- (4) Advances Century Agenda goals and Maritime Division strategic goals.

Cons:

- (1) Maintains Port risk if equipment is delayed or damaged during delivery.
- (2) May require temporary storage of equipment if procurement times come down.
- (3) Adds some complexity to timing GC construction contract procurement.

This is the recommended alternative.

Meeting Date: March 28, 2023

FINANCIAL IMPLICATIONS

<i>Cost Estimate/Authorization Summary</i>	Capital	Expense	Total
COST ESTIMATE			
Original estimate	\$1,500,000	\$0	\$1,500,000
Revised estimate	\$6,780,000	\$0	\$6,780,000
AUTHORIZATION			
Previous authorizations	\$850,000	\$0	\$850,000
Current request for authorization	\$1,800,000	\$0	\$1,800,000
Total authorizations, including this request	\$2,650,000	\$0	\$2,650,000
Remaining amount to be authorized	\$4,130,000	\$0	\$4,130,000

Annual Budget Status and Source of Funds

This project was included in the 2023 Capital Plan under CIP #801241 Maritime Industrial Center Electrical Infrastructure Replacement at an estimated total project cost of \$6,413,000.

This project will be funded by the General Fund.

Financial Analysis and Summary

Project cost for analysis	\$6,780,000
Business Unit (BU)	Maritime Portfolio Management
Effect on business performance (NOI after depreciation)	The project will maintain annual gross revenue over \$500K from MIC tenants. Depreciation will increase by \$135,600 per year, thereby reducing the NOI by the same amount.
IRR/NPV (if relevant)	No incremental revenue. The NPV is the present value of the project cost.
CPE Impact	N/A

Future Revenues and Expenses (Total cost of ownership)

This project will provide for reliable and resilient electrical power to the MIC facilities for the next 25-30 years. This upgrade will provide protection of Port assets and extend their useful life, provide for additional future electrical capacity to support Port sustainability goals, and increase economic development potential. Maintaining existing assets will preserve the economic vitality of our operations and serve the Port, tenants, and their customers well by providing a safe and sustainable working environment.

ADDITIONAL BACKGROUND

None.

Meeting Date: March 28, 2023

ATTACHMENTS TO THIS REQUEST

- (1) Presentation slides

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

October 11, 2022 – The Commission authorized design.

Maritime Industrial Center Electrical Infrastructure Replacement

Electric Equipment Procurement Authorization

Kelly Purnell – Capital Project Manager

Melinda Miller – Director, Real Estate Asset Management (Sponsor)

Kenneth Lyles – Director, Fishing and Commercial Operations (Sponsor)

Trevor Panger – Real Estate Development Manager

CIP # C801241

Project # N06470



Overview

- Project Location
- Action Requested
- Current Condition
- Project Scope and Equipment Purchase
- Risks and Opportunities
- Schedule
- Funding



Action Requested

Request Commission authorization for the Executive Director to:

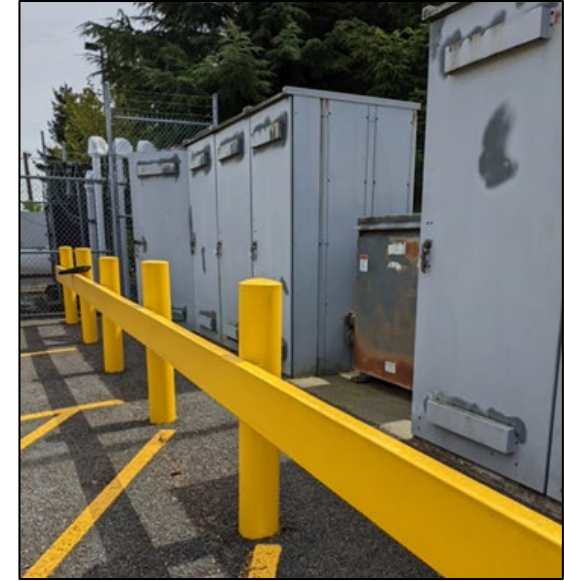
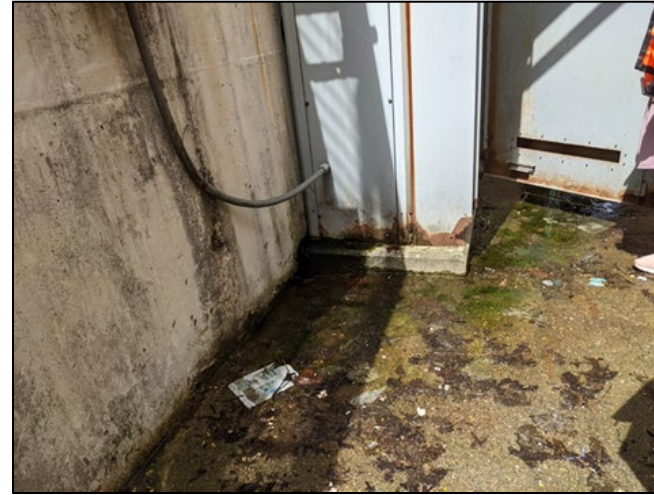
1. Proceed with early procurement of long-lead major electrical equipment for the Maritime Industrial Center Electrical Infrastructure Replacement project

Project Estimated Cost: \$6,780,000

Procurement Authorization Request: \$1,800,000

Current Condition

- Significant corrosion
- Stormwater intrusion
- Degraded protective coatings
- Decaying structural pads



Project Scope

Project Work:

- Demolition of (5) existing switchboards and associated equipment
- Install new switchboards and associated equipment
- New ducts, vaults, and electric cables

Electrical Equipment Purchase:

- Location 1: At Main Electrical – Switchgear, switchboards, transformer
- Location 2: At Mooring Pier – Switchgear, switchboard, transformer
- Location 3: At Wharf – Switchboards, transformer

Risks and Opportunities

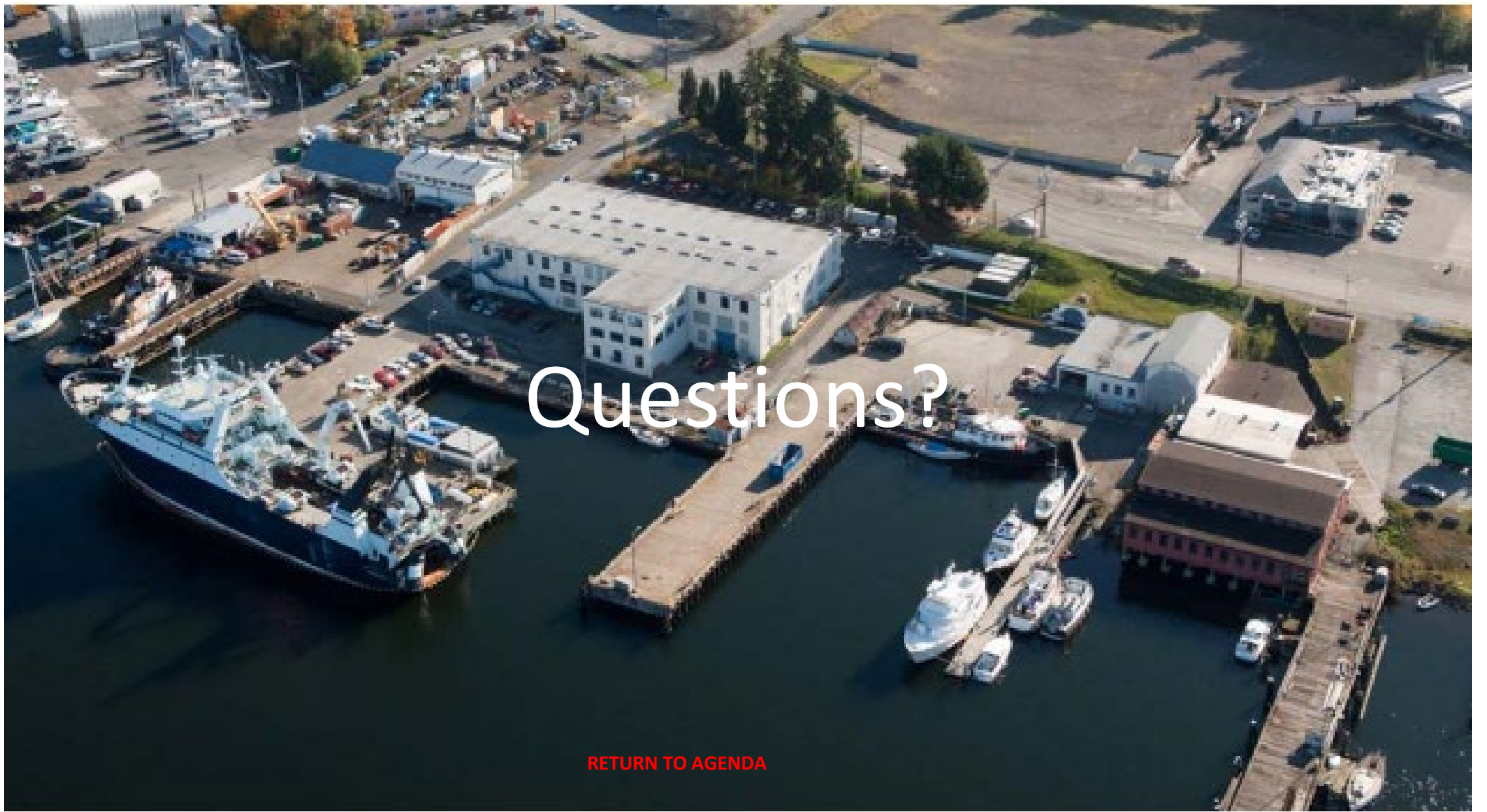
- Risks
 - Failure of the existing electrical equipment
 - Safety risks to maintenance personnel due to degradation of equipment
 - Schedule risks
 - Supply chain constraints causing very long lead times for equipment procurement
 - Seattle City Light delays
 - Materials and equipment price volatility
 - High escalation in current construction market
- Opportunities
 - Upgraded and safe equipment with higher load capacities for future site upgrades (EV chargers, shore power, tenant changes)

Preliminary Schedule

Commission design authorization	2022 Quarter 4
Design start	2022 Quarter 4
Commission authorization for major electrical equipment procurement	2023 Quarter 1
Commission construction authorization	2023 Quarter 3
Construction start	2024 Quarter 1
In-use date	2024 Quarter 3

Funding

Cost Estimate/Authorization Summary	Capital	Expense	Total
COST ESTIMATE			
Current estimate	\$6,780,000	0	\$6,780,000
AUTHORIZATION			
Previous authorizations	\$850,000	0	\$850,000
Current request for authorization	\$1,800,000	0	\$1,800,000
Total authorizations, including this request	\$2,650,000	0	\$2,650,000
Remaining amount to be authorized	\$4,130,000	\$0	\$4,130,000



Questions?

[RETURN TO AGENDA](#)



**COMMISSION
AGENDA MEMORANDUM**

Item No. 8e

ACTION ITEM

Date of Meeting March 28, 2023

DATE: March 21, 2023

TO: Stephen P. Metruck, Executive Director

FROM: Darrell Dare, Sr. Manager Recreational Boating
Marie Ellingson, Sr. Manager Cruise Ops and Business Development
Julie Yun, Capital Project Manager

**SUBJECT: Bell Harbor Marina Pile Wrap and Cathodic Protection (CIP #C800539)
Pier 66 Break Water Cathodic Protection (CIP #C800517)**

Amount of this request: \$ 815,000 (\$395,000 - C800539 / \$420,000 - C800517)
Total estimated project cost: \$ 4,500,000 (\$2,750,000 - C800539 / \$1,750,000 - C800517)

ACTION REQUESTED

Request Commission authorization for the Executive Director to authorize \$815,000 (\$395,000 for C800539 / \$420,000 for C800517) to complete design and permitting for the Corrosion Protection projects at Bell Harbor Marina and Pier 66, including overall cathodic protection replacement and south apron pile wrap.

EXECUTIVE SUMMARY

Built in the mid-1990s, Pier 66 and Bell Harbor Marina (BHM) support several functions including public-use recreational marina and berthing for cruise ships and other vessels. The steel piles supporting the pier structure at Pier 66 and BHM were coated at the time of installation to withstand marine water conditions. The recent condition assessment from 2021 monitoring the condition of the steel piling has revealed that the corrosion protection system has reached the end of its life. Varying degrees of coating oxidation and anode depletion are evident. This memo requests Commission approval for \$815,000 for design, permitting, and project management for a new corrosion protection system at Bell Harbor Marina and Pier 66. This system includes pile-wrap for the inter-tidal zone and cathodic protection for the submerged portions of the steel piling for a target design life of 30-50 years. This project aims to preserve the existing asset and is reflected in the 2023 Plan of Finance. The total project cost is estimated at \$4,500,000 (\$2,750,000 for C800539 / \$1,750,000 for C800517). Following design, staff will return to Commission to seek authorization for construction.

JUSTIFICATION

This project supports the following Century Agenda and Maritime Division priorities:

- (1) Advance this region as a leading tourism destination and business gateway.

Meeting Date: March 28, 2023

- (2) Asset Management – Develop, maintain, and operate Maritime facilities to ensure long-term viability and efficiency, to meet our customer’s needs.

Corrosion Protection systems include coating systems, pile wrap, and cathodic protection and are a critical element of steel pile maintenance of Port waterfront facilities. Past condition assessments monitoring the condition of the steel piling have revealed that various elements of the corrosion protection system at Pier 66 and Bell Harbor Marina have reached the end of their design life. Varying degrees of coating oxidation and anode depletion are evident. This project proposes to install pile wrap and replace the existing cathodic protection system on steel piles supporting Bell Harbor Marina and Pier 66, thereby preventing continued corrosion and extending the assets’ useful life.

Diversity in Contracting

Project design will leverage a Docks and Diving IDIQ Contract (currently in procurement) that will have an overall women and minority-owned business enterprise (WMBE) goal of 15%.

DETAILS

Scope of Work

This project will design and install a new corrosion protection system at Bell Harbor Marina and Pier 66. At Bell Harbor Marina, a pile-wrap system for the inter-tidal splash zone will be installed (similar in scope to the WP#104616 and 104663 Pier 66 and Pier 69 Corrosion Control projects in 2013-2014) at (92) 24” steel piling. At both Pier 66 and Bell Harbor Marina, the cathodic protection system will be replaced to protect the submerged portions of (498) steel piling of varying sizes (18” to 24” diameter) below the inter-tidal splash zone. At Pier 66, the currently depleted cathodic protection system will be replaced to protect the submerged portions of steel piling below the inter-tidal splash zone.

Schedule

This project is expected to occur over (2) in-water work windows based on coordination with the permitted fish window under the Port’s 10-year Pile Programmatic Permit (pending renewal Q2 2023), seasonal Cruise and Rec Boating activity, and simultaneous Port capital projects at BHM and Pier 66 (Pier 66 Shore Power, Pier 66 Fender System Rehabilitation). Pile wrap and replacement anode materials are not anticipated to have long procurement lead times.

Activity

Commission design authorization	2023 Q1
Design start	2023 Q2
Commission construction authorization	2024 Q1
Construction start	2024 Q4
In-use date	2026 Q1

Meeting Date: March 28, 2023

Cost Breakdown	This Request		Total Project	
	C800539	C800517	C800539	C800517
Design	\$395,000	\$420,000	\$625,000	\$550,000
Construction	\$0	\$0	\$2,125,000	\$1,200,000
Total – per project	\$395,000	\$420,000	\$2,750,000	\$1,750,000
Total – both projects		\$815,000		\$4,500,000

ALTERNATIVES AND IMPLICATIONS CONSIDERED

Alternative 1 – Defer the design and permitting scope of work identified for this project.

Cost Implications: Reduces needs in the Capital Plan by \$815,000.

Pros:

- (1) Retains Port capital and staff resources for other priority projects and financial initiatives.
- (2) Defers temporary construction impacts.

Cons:

- (1) Continued corrosion and deterioration of the steel piles supporting Bell Harbor Marina and Pier 66.
- (2) Increased risk of failure and higher cost of repair/replacement as compared to preemptive corrosion control.

This is not the recommended alternative.

Alternative 2 – Proceed with design and permitting of corrosion control project scope as proposed.

Cost Implications: requires allocation of \$815,000 in the Capital Plan.

Pros:

- (1) Preservation of critical assets to support long-term use and revenue generation at Bell Harbor Marina and Pier 66.
- (2) Good durability to initial cost ratio (30-50- year design life).
- (3) Minimize risk of failure and subsequent operational disruption through preemptive corrosion control measures.

Cons:

- (1) Temporary coordination and impact to Bell Harbor Marina and Pier 66 during construction.

This is the recommended alternative.

Meeting Date: March 28, 2023

FINANCIAL IMPLICATIONS

Cost Estimate/Authorization Summary	Capital (\$1000)			Total (\$1000)		
	C800539	C800517	Both projects	C800539	C800517	Both projects
COST ESTIMATE						
Original estimate	\$4,360	\$1,150	\$5,510	\$4,360	\$1,150	\$5,510
Current change	(\$1,610)	\$600	\$1,010	(\$1,610)	\$600	\$1,010
Revised estimate	\$2,750	\$1,750	\$4,500	\$2,750	\$1,750	\$4,500
AUTHORIZATION						
Previous authorizations	\$230	\$130	\$360	\$230	\$130	\$360
Current request for authorization	\$395	\$420	\$815	\$395	\$420	\$815
Total authorizations, including this request	\$625	\$550	\$1,175	\$625	\$550	\$1,175
Remaining amount to be authorized	\$2,125	\$1,200	\$3,325	\$2,125	\$1,200	\$3,325

Annual Budget Status and Source of Funds

Both projects are included in the approved 2023 Capital Plan under C800539 BHM Pile Wrap and Cathodic Protection (\$4.3M) and C800517 P66 Wave Break Cathodic Protection (\$1.M) with a total project cost of \$5.31M.

Both projects are funded by the General Fund.

Financial Analysis and Summary

Project cost for analysis	\$5,309,000
Business Unit (BU)	Recreational Boating/Cruise and other vessel Operations
Effect on business performance (NOI after depreciation)	<ul style="list-style-type: none"> No incremental operating revenue is associated with this project. Estimated useful life of infrastructure is between 30-50 years, resulting in a depreciation expense of \$106k-\$177k annually. NOI after depreciation will reduce by that respective amount.
IRR/NPV (if relevant)	N/A
CPE Impact	N/A

Meeting Date: March 28, 2023

Future Revenues and Expenses (Total cost of ownership)

Annual depreciation expenses will increase after the capital project is completed; however, as a preemptive corrosion control project, this will mitigate increased risk of failure that would have a significant impact on revenue and also decrease expenses for higher cost of repair/replacement.

ADDITIONAL BACKGROUND

This project allows the Port to continue to provide safe and versatile piers. As such, it is funded by the general fund (comprised of revenues generated from the marina, cruise passenger feeds, and dockage fees) allocated for maintaining Port assets, avoiding costly repairs, and safeguarding the ability to offer uninterrupted premium facilities.

ATTACHMENTS TO THIS REQUEST

- (1) Presentation slides

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

None

C800539: Bell Harbor Marina Pile Wrap &
Cathodic Protection

C800517: Pier 66 Breakwater Cathodic Protection

Darrell Dare, Sr. Manager, Recreational Boating

Julie Yun, WPM Capital Project Manager

Project Overview



Site Condition



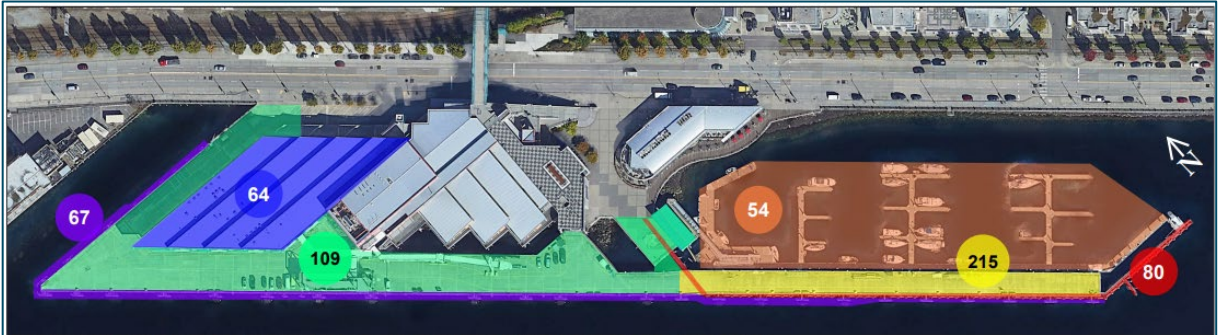
Project Scope & Coordination

Project Scope:

- Pile Wrap at (92) steel piles at the south apron
- Cathodic Protection Anode Replacement at (498) steel piles at BHM and Pier 66.

Coordination:

- Permitted in-water work window
- Facility operations: cruise season, rec boating events schedule, etc.
- Simultaneous projects: Pier 66 Fender Rehabilitation & Shore Power projects



* Pile counts are from the WSP report titled *Cathodic Protection and Steel Pile Inspection at Pier 66*, dated 10/22/2021

LEGEND

- Bell Harbor Marina
- Breakwater
- South Apron
- P66 Apron
- Transit Shed Apron
- Fender System

	Steel Pile Count	Diameter (in)	Orientation
Bell Harbor Marina	29	20	Plumb
Bell Harbor Marina	25	18	Plumb
Breakwater	80	48	Plumb
South Apron	33	20	Plumb
	11	20	Batter
Pier 66 Apron	79	24	Plumb
	92	24	Batter
Pier 66 Apron	8	20	Plumb
Transit Shed Apron	101	20	Batter
Transit Shed Apron	64	20	Batter
Fender System	56	20	Plumb
	11	12.75	Plumb

Project Info

Cost Breakdown	This Request		Total Project	
	C800539	C800517	C800539	C800517
Current Authorization	\$0	\$0	\$230,000	\$130,000
Design	\$395,000	\$420,000	\$625,000	\$550,000
Construction	\$0	\$0	\$2,125,000	\$1,200,000
Total – per project	\$395,000	\$420,000	\$2,750,000	\$1,750,000
Total – both projects	\$815,000		\$4,500,000	

Project Timeline

Activity	Date
Design Authorization – WPM DOA Workflow	Q1 2023
Design Start (Docks Diving IDIQ – pending execution)	Q2 2023
Construction Authorization – WPM DOA Workflow	Q1 2024
Construction Start, (2) work windows (Fish window: 8/1/24 – 1/15/2025)	Q4 2024
In-use date	Q1 2026

Questions?

[RETURN TO AGENDA](#)



**COMMISSION
AGENDA MEMORANDUM**

Item No. 8f

ACTION ITEM

Date of Meeting March 28, 2023

DATE: March 20, 2023

TO: Stephen P. Metruck, Executive Director

FROM: Nick Milos, Manager Corporate Facilities
Rod Jackson, Capital Project Manager

SUBJECT: P69 Underdock Utility: Change Order Time Extension and Additional Funding Request (CIP C801102)

Amount of this request:	\$675,000
Previously Authorized:	\$3,800,000
Total estimated project cost:	\$4,475,000

ACTION REQUESTED

Request Commission authorization for the Executive Director to (1) Execute a change order to Contract MC-0320697 P69 Underdock Utilities extending the duration by 280 calendar days for impacts due to supply chain delivery delays of critical electrical equipment. (2) Approve a change of scope to provide a larger electrical panel to allow for future expansion of vessel shore-power. (3) Increase authorization in the amount of \$675,000 for a total authorization of \$4,475,000 (CIP C801102).

SUMMARY

Commission action is required under the General Delegation of Authority because the additional time being added to the contract is over 60 calendar days.

The current contract scope provides in-kind replacement of an existing 400 Amp electrical panel that serves dock operations. The proposed change would replace the existing 400 Amp panel with a larger 800 Amp panel. The larger panel would facilitate future expansion of electrical service to dock operations which would allow vessels of various sizes to use shore-power on the P69 north apron.

The additional funds requested in this action would be used to cover the cost of the change order, the soft cost amounts associated with the extended contract duration, and ensure funds are available for project contingency.

Meeting Date: March 28, 2023

BACKGROUND

The P69 Underdock Utilities and associated on-dock utilities such as domestic water, fire protection water, electrical power/shore power, communications, and sanitary sewer systems at Pier 69 are vital to building and dock operations for both the Port and our tenants. Most of these utilities are 30 years old, well exceeding the typical 20-year design service life. This project replaces the aging utilities. The replacement systems are designed to provide reliable services for the next 30 years.

This funding request will allow the construction phase to continue. The target date for completion is now Q4/2024 with closeout scheduled for Q3/2025.

There are no attachments to this memo.

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

March 8, 2022 – Irregular Bid authorization

November 16, 2021 – Construction funding authorization

December 8, 2020 – Design funding authorization

There are no attachments to this memo.



P.O. Box 1209
Seattle, Washington 98111
www.portseattle.org
206.787.3000

**MINUTES OF THE
ANNUAL MEETING OF THE BOARD OF DIRECTORS
OF THE INDUSTRIAL DEVELOPMENT CORPORATION
OF THE PORT OF SEATTLE**

April 26, 2022

The annual meeting of the Board of Directors of the Industrial Development Corporation (IDC) of the Port of Seattle, Washington, was held on April 26, 2022, during a recess of the Port Commission regular meeting on the same date, which convened at 12:00 p.m. and was conducted at the Seattle-Tacoma International Airport Conference Center, located at 17801 International Blvd, Seattle WA, Mezzanine Level, and virtually on Microsoft Teams. The annual meeting of the Board of Directors of the IDC convened at 1:03 p.m. Directors present included Ryan Calkins, Sam Cho, Fred Felleman, Toshiko Hasegawa, and Hamdi Mohamed.

1. Approval of Minutes

Minutes of the IDC meeting of May 11, 2021.

Motion for approval of the IDC meeting minutes of May 11, 2021, carried by the following vote:

In Favor: Calkins, Cho, Felleman, Hasegawa, and Mohamed (5)

Opposed: (0)

2. Election of Board of Directors Officers

ACTION REQUESTED: Request Board approval of the Industrial Development Corporation of the Port of Seattle Board of Directors and Officers for 2022.

Request documents: IDC agenda memorandum.

Pursuant to the IDC Bylaws, Article 5, Section A, the following is a list of proposed Board of Directors and Officers for 2022:

Ryan Calkins, President
Sam Cho, Vice-President
Toshiko Hasegawa, Secretary
Fred Felleman, Director
Hamdi Mohamed, Director

Motion for approval of proposed slate of Directors/Officers carried by the following vote:

In Favor: Calkins, Cho, Felleman, Hasegawa, and Mohamed (5)

Opposed: (0)

3. Industrial Development Corporation Annual Report for 2021

Presentation documents: IDC agenda memorandum.

Presenter(s): Scott Bertram, Manager, Corporate Finance Analysis.

Mr. Bertram presented the 2021 Annual Report, noting the following relevant information in the annual meeting packet:

- The IDC was established in 1982 under Chapter 39.84 RCW as an incentive to industrial development in King County via access to tax-exempt financing.
- The Port's IDC is not the lender, but acts as a conduit. Debt issued through the IDC is the sole responsibility of the company issuing the debt and is non-recourse to the Port and the IDC.
- Narrow criteria to qualify for IDC financing means that only two projects have been funded through the IDC since 1982.
- Financial reports attached.
- Status of IDC bonds – as of December 31, 2021, one company with outstanding IDC debt totaling \$66,025,000 exists. On December 31, 2021, company Crowley Marine Services paid down its outstanding IDC debt.
- Minimum fund balance recommendation - \$300,000 to ensure adequate investment earnings to fund annual operating and future audit expenses.

4. **Adjournment**

There being no further business, the annual meeting of the Board of Directors of the Industrial Development Corporation of the Port of Seattle was adjourned at 1:13 p.m.

Prepared:

Attest:

Michelle M. Hart, MMC

Toshiko Hasegawa, Industrial Development
Corporation Secretary

Commission Clerk

Minutes approved March 28, 2023.

RETURN TO AGENDA

ITEM NO. _____	10a
DATE OF MEETING _____	March 28, 2023

**THE INDUSTRIAL DEVELOPMENT CORPORATION
OF THE PORT OF SEATTLE**

NOTICE OF A SPECIAL MEETING

A Special Meeting of the Industrial Development Corporation of the Port of Seattle will be held virtually on Tuesday, March 28, 2023, via MS Teams in accordance with Senate Concurrent Resolution 8402 and the Governor's Proclamation 20-28, during a recess of the Port of Seattle Commission Regular Meeting, which convenes at 12:00 p.m. The Agenda includes:

1. Approval of the proposed minutes of the Industrial Development Corporation of the Port of Seattle Special Meeting of April 26, 2022.
2. Approval of the Industrial Development Corporation of the Port of Seattle Board of Directors and Officers for 2023.
3. Review, as needed, of the Annual Report for the Industrial Development Corporation for year ending December 31, 2022.
4. Attachment for reference: Overview of the Industrial Development Corporation and Frequently Asked Questions (FAQs).

Adjournment of the Annual Meeting of the Industrial Development Corporation of the Port of Seattle.

INDUSTRIAL DEVELOPMENT CORPORATION AGENDA

Item No. 1
Date of Meeting March 28, 2023

DATE: March 10, 2023
TO: Steve Metruck, Executive Director
FROM: Scott Bertram, Manager – Corporate Finance & Budget
SUBJECT: Approval of the Proposed Minutes of the Industrial Development Corporation of the Port of Seattle Meeting of April 26, 2022

ACTION REQUESTED:

Request Board approval of the proposed minutes of the Industrial Development Corporation of the Port of Seattle meeting of April 26, 2022. Draft minutes have been circulated to the Board of Directors and approved minutes will be posted to the Port’s website.

INDUSTRIAL DEVELOPMENT CORPORATION AGENDA

Item No. 2
Date of Meeting March 28, 2023

DATE: March 10, 2023
TO: Steve Metruck, Executive Director
FROM: Scott Bertram, Manager – Corporate Finance & Budget
SUBJECT: Election of Officers

REQUESTED ACTION:

Request Board approval of the Industrial Development Corporation of the Port of Seattle Board of Directors and Officers for 2023.

BACKGROUND:

In accordance with the Bylaws for the Industrial Development Corporation of the Port of Seattle, the following is a list of the Board of Directors and Officers for the Corporation:

Sam Cho, President
Toshiko Grace Hasegawa, Vice President
Fred Felleman, Secretary
Ryan Calkins, Director
Hamdi Mohamed, Director

IDC Bylaws – Article 5, Section A. Number and Qualifications. “The officers of the Corporation shall be the same as the officers of the Port Commission and such other officers as may be determined by the Board of Directors from time to time to perform such duties as may be designated by the Board of Directors.”

INDUSTRIAL DEVELOPMENT CORPORATION AGENDA

Item No. 3
Date of Meeting March 28, 2023

DATE: March 10, 2023
TO: Steve Metruck, Executive Director
FROM: Scott Bertram, Manager – Corporate Finance & Budget
SUBJECT: Industrial Development Corporation Annual Report for 2022

SYNOPSIS:

The Industrial Development Corporation (the “IDC”) of the Port of Seattle was established in 1982 pursuant to Revised Code of Washington (Chap. 39.84). The IDC is a special purpose government with limited powers and was established for the purpose of facilitating industrial expansion through tax-exempt financing by providing companies with access to the tax-exempt credit market through the facilities of the IDC.

Any company with a project that qualifies for tax-exempt financing and qualifies under both RCW 39.84 and IDC policy may apply for IDC financing. The Port is not the lender and cannot lend credit or give money to the IDC. Debt issued by a company through the IDC is the sole responsibility of the company and is always non-recourse to the Port and to the IDC. Bond proceeds go directly to the company borrowing through the IDC. The companies pay their debt service (principal and interest) to a trustee.

Any city, county or port in Washington State may establish an IDC, and a number of other jurisdictions have done so, including King and Pierce Counties; the cities of Seattle, Everett, Bellingham and Kent; and several other ports including the Ports of Bellingham and Anacortes. Appendix C. of Item No. 4, FAQs provides a more comprehensive list.

The majority of projects financed through the Port’s IDC occurred between 1982 and 1986. Activity has since declined, primarily due to the Tax Reform Act of 1986 (the “Act”), which made a number of changes to the tax-exempt financing code that ultimately limited the benefits of an IDC financing for both issuers and investors. For issuers, the Act reduced the number of qualifying projects by narrowing the definition of types of projects and eliminated certain depreciation tax advantages. The tax code change also reduced the pool of investors (e.g., banks, who were the majority investor) in this market segment by making their effective rate for holding tax-exempt private activity bonds closer to a taxable rate. Item No. 4, FAQs provides more details.

The IDC is governed by a board of directors comprised of the members of the Port Commission; accordingly, both the IDC Board and the Port Commission must approve any IDC bond issue. The IDC Board meets at a minimum once a year during a Commission meeting to elect new officers and review the IDC’s annual financial results.

ANNUAL REPORT SUMMARY:

Attached are the financial statements of the IDC. The IDC had assets totaling \$306,259 at year-end 2022, which consists primarily of existing cash & cash equivalents. The IDC had total revenues of \$5,071, generated from interest earnings and net income of \$2,799.

STATUS OF IDC BONDS:

As of December 31, 2022, there was one company with outstanding IDC debt totaling \$66,025,000, as shown in the table below.

Company	Outstanding Debt	Maturity
Delta Air Lines, Inc. ⁽¹⁾	66,025,000	2030
TOTAL	\$ 66,025,000	

⁽¹⁾ Previously Northwest Airlines Corp. (NWA). NWA merged with Delta Air Lines, Inc. (Delta) in 2008. NWA bonds refunded with Delta bonds, October 2012.

MANAGEMENT DISCUSSION:

The IDC has collected customer fees based on a percentage of annual debt service. The fees can be paid annually or via a one-time lump-sum payment at the time the company issues bonds. Delta made a one-time lump-sum payment (calculated using the present value of debt service over the life of the bonds) in 2012 when they refunded the Northwest Airlines bonds. As such, the IDC will no longer collect customer fees going forward unless there is a new issuance.

IDC funds are invested in the Port’s investment pool and the allocated interest income to the IDC in 2022 was \$5,071. The investment income for 2023 is projected to be approximately \$8,000.

The IDC incurred expenses of \$2,272 in 2022 and consisted exclusively of Port’s staff administrative time.

The IDC’s charter permits its funds to be transferred only to the Port. Under an amendment to RCW 39.84.130, IDC funds that are not otherwise encumbered for the payment of revenue bonds and are not anticipated to be necessary for administrative expenses of the IDC may be transferred to the Port to be used for growth management, planning or other economic development purposes. In order to transfer funds, the Board of Directors of the IDC needs to adopt a resolution authorizing the transfer. Any transfer of funds would reduce the assets of the IDC and the interest earnings on these assets. No such transfer was requested nor made in 2022. All IDC funds will be transferred to the Port on dissolution, which can occur upon final redemption of all outstanding IDC bonds, currently scheduled in 2030.

MINIMUM FUND BALANCE RECOMMENDATION:

Staff recommends that the IDC maintain the current balance of just over \$300,000 to ensure adequate investment earnings to fund annual operating and future audit expenses since there are no additional sources of funds. If interest rates remain high Staff will re-evaluate uses of existing IDC cash and potentially lower the recommended fund balance in future years.

**INDUSTRIAL DEVELOPMENT CORPORATION
OF THE PORT OF SEATTLE
BALANCE SHEET
For The Years Ended December 31 2022, 2021, & 2020**

	December 31, 2022	December 31, 2021	December 31, 2020
ASSETS			
Cash and Cash Equivalents	\$ 306,259	\$ 286,043	\$ 283,585
Accounts Receivable	0	17,417	128
TOTAL ASSETS	\$ 306,259	\$ 303,460	\$ 283,713
LIABILITIES AND EQUITY			
Equity	\$ 306,259	\$ 303,460	\$ 283,713
TOTAL LIABILITIES & EQUITY	\$ 306,259	\$ 303,460	\$ 283,713

**INDUSTRIAL DEVELOPMENT CORPORATION
OF THE PORT OF SEATTLE
INCOME STATEMENT
AND CHANGES IN EQUITY
For The Years Ended December 31 2022, 2021, & 2020**

	December 31 2022	December 31, 2021	December 31, 2020
INCOME			
Customer Fee	\$ -	\$ 17,417	\$ 128
Investment Income	5,071	2,995	5,467
EXPENSE			
Administrative Expense	2,272	665	1,250
NET INCOME	<u>\$ 2,799</u>	<u>\$ 19,747</u>	<u>\$ 4,345</u>
BEG. EQUITY	<u>\$303,460</u>	<u>\$ 283,713</u>	<u>\$ 279,368</u>
ENDING EQUITY	<u>\$306,259</u>	<u>\$ 303,460</u>	<u>\$ 283,713</u>

**INDUSTRIAL DEVELOPMENT CORPORATION
OF THE PORT OF SEATTLE
STATEMENT OF CASH FLOWS
For The Years Ended December 31 2022, 2021, & 2020**

	December 31, 2022	December 31, 2021	December 31, 2020
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received from bond issuers	\$ 17,417	\$ 128	\$ 274
Cash paid for expenses	(2,272)	(665)	(2,409)
Net cash provided by operating activities	\$ 15,145	\$ (537)	\$ (2,135)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest on investments	\$ 5,071	\$ 2,995	\$ 5,467
Net cash provided by investing activities	\$ 5,071	\$ 2,995	\$ 5,467
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	\$ 20,216	\$ 2,458	\$ 3,331
CASH AND CASH EQUIVALENTS			
Beginning of year	\$ 286,043	\$ 283,585	\$ 280,253
End of year	\$ 306,259	\$ 286,043	\$ 283,585

INDUSTRIAL DEVELOPMENT CORPORATION AGENDA

Item No.	<u>4</u>
Date of Meeting	<u>March 28, 2023</u>

DATE: March 10, 2023

TO: Steve Metruck, Executive Director

FROM: Scott Bertram, Manager – Corporate Finance & Budget

SUBJECT: Overview of the Industrial Development Corporation Frequently Asked Questions (FAQs).

What is the purpose of an IDC?

- To facilitate industrial expansion through use of tax-exempt financing made available to companies for qualified projects.

What does the term “tax-exempt financing” mean?

- It means bondholders (investors) who purchase the bonds do not pay federal income tax on the interest received on such bonds, as they normally would do on interest-bearing bonds.

How does tax-exempt financing help the institution that is funding capital projects?

- Because investors pay no income taxes on interest income, they are generally willing to accept a lower interest rate than if the bonds were issued on a taxable basis. Thus, tax-exempt bonds provide the ability to finance many public infrastructure capital projects at a reduced cost.

What changed in the tax law to make tax exempt financing through the IDC less attractive now than it was when these projects were financed?

There are several factors that have adversely affected the use of tax exempt financing over the years.

- When our state initially authorized the use of nonrecourse tax-exempt financing, federal tax rules permitted the financing of a very broad spectrum of projects, including wholesale and retail facilities as well as warehouse facilities (of which there were many in Washington State due to the large agricultural base). There was almost no limit on the types of facilities that could be financed. As a result, tax-exempt financing was an option for many capital expansion projects. At that time, interest rates were also very high (substantially higher than the current interest rate environment), which made tax-exempt financing especially attractive.

The Tax Reform Act of 1986 made a number of changes in the tax-exempt financing code sections that adversely affected the use of tax-exempt bonds for business expansion. The tax rules imposed substantial limitations on the types of facilities that may be financed with tax-exempt bonds. These limitations eliminated at least 50-60% of the facilities that had been financed pre-1986.

The 1986 Tax Reform Act also removed the deductibility of interest earned on tax-exempt securities purchased by commercial banks subsequent to August 7, 1986. This effectively created a tax-on-tax-exempt interest for such banks, which prior to 1986 were the largest investors in tax-exempt bonds. The net result was the demand by commercial banks for tax-exempt securities was almost entirely eliminated.

- Users of tax-exempt bond financing were also restricted in their depreciation methodology for tax-exempt bond financed property. Interest on private activity bonds also is subject to alternative minimum taxes. The US Treasury proposed the enactment of these rules in order to minimize the availability of this financing tool.

Who can establish an IDC?

- Any city, county or port in the State of Washington can establish an IDC.

When and how was the Port's IDC formed?

- The Port's IDC was established on February 9, 1982, pursuant to RCW 39.84.

What is the boundary of the Port's IDC?

- King County – as defined, it is the “Corporate boundaries of the Port”. The IDC may finance projects within King County.

What is the Port's IDC's structure?

- It is a special purpose government with limited powers.
- It is governed by a board of directors who are the same as the members of the Port Commission.
- The Port cannot lend credit or give money to IDC.
- Debt is always non-recourse to the Port and to the IDC.

What law(s) and policies govern the IDC and what projects might be eligible for Port IDC funding?

- Washington State law RCW 39.84, which is the statute that covers all IDC-related issues.
- Federal law (IRS tax code), which covers tax-exempt financing eligibility.
- A project must qualify under **both** Washington State and Federal law to be eligible for Port IDC financing.
 - In the current legal environment, the biggest limitation surrounding Port IDC stems from the 1986 Tax Reform Act, which as mentioned above significantly narrowed the type of projects that can be financed with tax-exempt bonds and the type of borrowers who can avail themselves of tax-exempt bonds.
 - Based on the current legal environment, legal counsel & staff have determined that only certain types of projects that **may** qualify for Port IDC financing:
 - Airport facilities and over water shipping/receiving facilities, including related facilities
 - Solid waste and/or sewage treatment and disposal
 - Processing and manufacturing (with a maximum bond size of \$10,000,000)
- Additionally, IDC uses are limited by Resolutions on policy adopted by the IDC board. The policy is subject to change with approval from the IDC board.

What does that resolution stipulate for eligibility of projects?

- The Commission has adopted a policy for judging eligibility of projects:

- The IDC will consider only projects or proposals which will further the purposes and objectives of the Port of Seattle within the confines of state and federal law.
- Tax exempt private activity bonds will be issued only for the financing of projects which broaden and strengthen the economic base of the Port District by enhancing trade and the movement of passengers and cargo by air or sea, including:
 - the development or improvement of marine terminals and airport facilities or components thereof;
 - the development and improvement of commercial and industrial land, manufacturing facilities, warehouses, terminal and transfer facilities, and related improvements which enhance trade via Port-owned or operated airport and marine facilities;
 - the development and improvement of facilities which will enhance or promote the Port's Comprehensive Scheme; and
 - the development and improvement of facilities which directly support and assist the movement of passengers and cargo by air or waterborne transportation, including, but not limited to, aircraft and ship construction and repair facilities, facilities necessary for the inspection, weighing, storage, and packaging of cargo; and connecting surface transportation facilities.

Who assists the Port in deciding which projects to finance?

- When bonds are issued, outside bond counsel is engaged to review and confirm legal compliance and eligibility of the project for tax-exempt financing. The bond counsel certifies that the issuer has the legal authority to issue the bonds and that the securities qualify for federal income exemption. Staff reviews projects based on Port policy. Ultimately, the IDC Board and Port Commission have to approve the use of the IDC for financing.

Who may apply for financing through the IDC?

- Any company with a project that qualifies for tax exempt financing and qualifies under RCW 39.84 (the RCW that covers all IDC issuances) and the IDC policy listed above may apply for IDC financing.

How much can be spent on financing the project?

- The amount of the bond issuance depends on the borrower's ability to repay as determined by investors; as non-recourse bonds, this is determined solely by the borrower's credit. Generally, all proceeds from the bond issuance are used for project spending with some exceptions. Under section 147(g) of the Federal Tax Code, any amount of bond proceeds that may be applied to finance the costs associated with the issuance of qualified private activity bonds (both before and after the issue date) is limited to 2% of the proceeds of the bond issue. As a general rule, qualified private activity bonds must satisfy a use test whereby 95% or more of the net proceeds of the bond issue must be used to finance the qualified purpose for which the bonds were issued.

How does the IDC get compensated?

- The IDC is compensated for administrative expenses related to the bonds by the borrower. The compensation is based on a percentage of the debt service. Payment is generally a lump-sum paid when bonds are issued; older bonds had the option of payments made annually through the life of the bond.

How does the bond counsel get compensated?

- Bond counsel is paid a fee that is negotiated with the borrower. The fee may be fixed or hourly. A flat fee is generally based on the type and size of the bond issue. Fees are paid at the time of issuance, generally out of bond proceeds.

Who are the current outstanding borrowers of IDC funds?

- Delta Air: In 2001, the IDC issued bonds on behalf of Northwest Airlines for the construction of a two-bay maintenance hangar and a cargo handling facility at SeaTac Airport. In September of 2012, the Commission gave approval for the bonds to be refinanced by Delta Airlines, which has acquired Northwest Airlines, so Delta Airlines is now the borrower. The facility is still in operation.

This project is completed, but the bonds are still outstanding.

Appendix A

Chapter 39.84 RCW
INDUSTRIAL DEVELOPMENT REVENUE BONDS

Chapter 39.84 RCW Industrial Development Revenue Bonds can be found in the Washington State Legislature web site, via the following hyperlink: <http://apps.leg.wa.gov/rcw/default.aspx?cite=39.84>.

Appendix B

RESOLUTION NO. 2

A RESOLUTION of the Industrial Development Corporation of the Port of Seattle adopting a master policy for the purpose of determining the eligibility of projects or proposals for financing.

WHEREAS, the Industrial Development Corporation of the Port of Seattle (the "Corporation") is a public corporation created pursuant to Chapter 300, Laws of Washington 1981 (Reg. Sess.) codified as Chapter 39.84 of the Revised Code of Washington and Resolution No. 2845 adopted by the Port of Seattle Commission on February 9, 1982; and

WHEREAS, the Corporation is now desirous of adopting a master policy to determine the eligibility of projects or proposals coming before the Corporation; and

WHEREAS, the Corporation wishes to establish and empower a Chief Staff Officer for the Corporation with the authority to amend, update and revise, when necessary, the initial procedures to carry out the adopted policies herein; and

WHEREAS, the initial procedures have been submitted to the Board of Directors of the Corporation and by adoption of this Resolution represents Board concurrence in the general context and form.

NOW, THEREFORE, BE IT RESOLVED BY THE INDUSTRIAL DEVELOPMENT CORPORATION OF THE PORT OF SEATTLE, WASHINGTON, as follows:

Section 1. It is the basic policy of the Corporation to comply with the applicable Federal and State of Washington laws and amendments thereto in determining the eligibility of any project or proposal coming before the Corporation for consideration and/or approval for financing.

Section 2. The Corporation hereby adopts the following additional policy to determine the eligibility of projects or proposals for financing by the Corporation:

- A. The Corporation will consider only projects or proposals which will further the purposes and objectives of the Port of Seattle as adopted by the Port Commission December 9, 1980 or as further amended from time to time.
- B. Tax exempt industrial revenue bonds will be issued only for the financing of projects which broaden and strengthen the economic base of the Port District by enhancing trade and the movement of passengers and cargo by air or sea, including:
 - (1) the development or improvement of marine terminals and airport facilities or components thereof;
 - (2) the development and improvement of commercial and industrial land, manufacturing facilities, warehouses, terminal and transfer facilities, and related improvements which enhance trade via Port-owned or operated airport and marine facilities;
 - (3) the development and improvement of facilities which will enhance or promote the Port's Comprehensive Scheme; and
 - (4) the development and improvement of facilities which directly support and assist the movement of passengers and cargo by air or waterborne transportation, including, but not limited to, aircraft and ship construction and repair facilities, facilities necessary for the inspection, weighing, storage, and packaging of cargo; and connecting surface transportation facilities.
- A. The Corporation will not consider projects or proposals that:
 - (1) unnecessarily or unjustifiably subsidize users, i.e., proponents must demonstrate reasonable need for this form of financing;

- (2) create unfair competition or dislocate the balance of competition within the Port District;
- (3) duplicate existing facilities which already adequately meet current needs;
- (4) are proposed by others than the directly interested party, or by any proponent unable to demonstrate a sound operating and financial history; and
- (5) are not otherwise authorized by the 1981 Local Economic Development Act or other applicable laws.

Section 3. The Chief Staff Officer of the Corporation shall be the Executive Director of the Port of Seattle. The chief staff officer is hereby authorized to carry out the purposes of the policies hereby and henceforth adopted by the Corporation and may amend, update and revise the procedures of this Resolution as it is from time to time necessary due to changes in law and/or operations of the Port without prior Commission approval, except as to fees and assessments to be charged.

The initial procedures have been submitted to the Board of Directors of the Corporation and by this Resolution they concur in the general context and form.

ADOPTED by the Board of Directors of the Industrial Development Corporation of the Port of Seattle, Washington this 27th day of April 1982.

JACK BLOCK
PRESIDENT

ATTEST:
HENRY L KOTKINS

SECRETARY
(SEAL)

Appendix C

Examples of IDC/EDC's located in Washington State*

Counties

Adams County
Chelan County
King County
Kitsap County
Okanogan County
Pierce County
Spokane County
Snohomish County
Kittitas County
Klickitat County
Clark County
Yakima County

Cities

Algona
Anacortes
Bellingham
Enumclaw
Everett
Kent
Seattle
Snoqualmie
Sunnyside
Union Gap
Vancouver

Port Districts

Port of Anacortes
Port of Bellingham
Port of Benton
Port of Camas-Washougal
Port of Centralia
Port of Chehalis
Port of Douglas County
Port of Edmonds
Port of Ephrata
Port of Everett
Port of Kalama
Port of Longview
Port of Moses Lake
Port of Olympia
Port of Pasco
Port of Port Angeles

Port of Port Townsend
Port of Quincy
Port of Seattle
Port of Skagit
Port of Skamania
Port of Sunnyside
Port of Walla Walla
Port of Warden

* This list may **not** represent all issuers; some have been inactive for many years.

RETURN TO AGENDA



COMMISSION
AGENDA MEMORANDUM

Item No. 10b

ACTION ITEM

Date of Meeting March 28, 2023

DATE: March 14, 2023

TO: Stephen P. Metruck, Executive Director

FROM: David McFadden, Managing Director, Economic Development Division
Annie Tran, Economic Development Program Manager

SUBJECT: Approve Memorandum of Understanding with King County to Support International Market feasibility Study

Total estimated project cost: \$199,999

ACTION REQUESTED

Request Commission authorization for the Executive Director to execute a Memorandum of Understanding with King County that formalizes the county’s funding support and participation in the International Public Market feasibility study.

EXECUTIVE SUMMARY

The Port of Seattle and King County are interested in conducting a feasibility study surrounding the concept of developing of an International Public Market facility in South King County that will attract tourists and visitors, provide a gathering space, showcase local cultural attributes, and support economic development and entrepreneurship for small businesses, (with an emphasis on supporting small ethnic businesses).

The proposed study will not exceed \$199,999 and the MOU formalizes the County’s financial commitment of \$50,000 to support this effort. The MOU also establishes a partnership with King County to manage the feasibility study including participation in the RFP selection process and project advisory committee.

The scope of this feasibility study includes the following elements:

1. **Determine Feasibility and Benefits of an International Public Market** – If we build it will they come? Who will come? Will there be enough vendors/customers/etc.?
2. **Identify Preferred Market Attributes** – Planning for size of market, number of vendors, parking considerations, accessibility considerations, etc.

Meeting Date: March 28, 2023

3. **Identify Market Site Requirements** – Identifies preferred size, zoning, proximity to infrastructure/utilities, proximity to transportation, proximity to other amenities, visibility and aesthetics etc.
4. **Identify Site Possibilities** – Will look at candidate sites and evaluate how certain properties fit with overall Market attributes and requirements. This may include some preliminary work related to cost of property acquisition, development, etc.
5. **Proforma Capital and Operating Cost Projection** – Showing revenues/expenses and grounding financials into core assumptions about Public Market operations (including operator/concessions assumptions)
6. **Community engagement elements and impact on existing and prospective businesses** (emphasis on ethnic businesses).
7. **Recommendations/Next Steps**

JUSTIFICATION

Development of an International Public Market facility in South King County supports the Port's Century Agenda. An international marketplace can help advance this region as a leading tourism destination and business gateway. The proposed international market would be very proximate to and accessible from SEA. It would be a draw for SEA passengers from domestic or international locations. It would also attract residents and visitors from surrounding communities.

An international marketplace can also promote regional growth and benefit the Cities of Tukwila, SeaTac and other communities in South King County. The marketplace would generate economic activity, support jobs, and support small businesses. It would also help prevent some of the displacement of small businesses that result as the region continues to grow and change.

Developing an international marketplace can also advance equity, diversity and inclusion. South King County is home to large immigrant and refugee communities that are often disadvantaged in terms of benefiting and participating in the region's growth. An international marketplace can support ethnic entrepreneurs and be a source of jobs and wealth generation for the area's diverse communities.

Diversity in Contracting

Staff has contacted the Diversity in Contracting Department regarding this procurement and included several WMBE firms in the solicitation.

Meeting Date: March 28, 2023

Schedule

Draft report on current market conditions and interviews from local stakeholders	June 15, 2023
Identify Market attributes and preferred site requirements and potential sites	August 30, 2023
Identify public market site possibilities	September 30, 2023
Develop Proforma capital and operating cost projections	November 15, 2023
Final feasibility report for the International Public Market concept	December 31, 2023
Present findings to stakeholders	January/February 2024

ALTERNATIVES AND IMPLICATIONS CONSIDERED

Alternative 1 – Do not execute MOU and do not complete feasibility study.

Cost Implications: \$149,999 savings to Port from not doing study.

Pros:

- (1) Saves funding for other Port projects and priorities.
- (2) Avoids raising expectations surrounding Port investment in South King County.

Cons:

- (1) May miss opportunity to advance equitable economic development.
- (2) Undercuts partnership with King County to jointly evaluate public market development opportunity.

This is not the recommended alternative.

Alternative 2 – Delay adoption of MOU and project.

Cost Implications: \$149,999 investment would be deferred to a future date.

Pros:

- (1) Allows time to build awareness and partnership with South King County cities and communities.

Meeting Date: March 28, 2023

- (2) Helps EDD staff manage multiple projects with limited capacity.

Cons:

- (1) Delay not consistent with external messaging around project and could create issues.
- (2) Delay could jeopardize partnership with King County surrounding this project.

This is not the recommended alternative.

Alternative 3 – Execute MOU and complete feasibility study.

Cost Implications: \$149,999 (total cost to Port).

Pros:

- (1) Advances partnership surrounding potential development of International Public Market.
- (2) Support Century Agenda priorities advancing equity, tourism and regional growth.

Cons:

- (1) Staff capacity is limited especially if any public facility development is anticipated.
- (2) Legal authority for Port to build/fund market still unclear.

This is the recommended alternative.

FINANCIAL IMPLICATIONS

Cost Estimate/Authorization Summary

Expense

Total

	Expense	Total
COST ESTIMATE		
Original estimate	\$199,999	\$199,999
AUTHORIZATION		
Previous authorizations	0	0
Remaining amount to be authorized	\$0	\$0

Annual Budget Status and Source of Funds

Port funding to support this feasibility study is in the Economic Development Division’s 2023 budget. This project will be funded by the Port property tax levy.

ATTACHMENTS TO THIS REQUEST

- (1) Draft memorandum of understanding
- (2) Presentation slides

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

None

**MEMORANDUM OF UNDERSTANDING for PARTNERSHIP and COOPERATION
between KING COUNTY and the PORT OF SEATTLE**

This Memorandum of Understanding (“MOU”) is hereby entered into by and between KING COUNTY hereinafter referred to as the “County” and the Port of Seattle, hereinafter referred to as “the Port”. The Port and the County are also referred to in this MOU collectively as “the Parties”, and individually as a “Party.”

RECITALS

WHEREAS, The Port of Seattle is a municipal corporation, with authority under Title 53 RCW of the laws of the State of Washington, and other federal, state, and local laws, to engage in economic development in Port-related industries; and

WHEREAS, King County, Washington, is a political subdivision of the state of Washington, with authority under the Constitution of the State of Washington, to provide County governance and services to all residents of the County; and

WHEREAS, in accordance with the Port of Seattle’s mission, to “create jobs by advancing trade and commerce, promoting industrial growth, and stimulating development” alongside the Port’s Century Agenda goals to 1) advance this region as a leading tourism destination and business gateway and 2) responsibly invest in the economic growth of the region and all its communities is consistent with the intended goals of the proposed International Public Market Feasibility Study; and

WHEREAS, in accordance with King County’s commitment to provide more direct investments to communities to improve economic opportunity and wellbeing; and

WHEREAS, in support of the collaboration and partnership contemplated by this MOU, the Port has identified a maximum not to exceed \$150,000 in funding and King County has appropriated a maximum of \$50,000 to evaluate the technical, logistical, and financial feasibility of establishing the proposed International Public Market Feasibility Study in South King County; and

NOW, THEREFORE, in consideration of the foregoing, the mutual covenants of the Parties contained herein, the Parties hereto agree as follows:

1. STATEMENT OF WORK

The Port and the County mutually agree to the following:

1. The Parties’ investments will be used to fund an International Public Market Feasibility Study and site analysis, as defined in the forthcoming request for proposals (RFP).

2. The Port will issue the RFP and the County shall participate as a reviewer (using a consensus-based approach) on the evaluation committee to select the successful proposer(s), in accordance with the Port’s RFP selection process.
3. The Port and County will both have representation and serve on the Advisory Committee for the International Public Market Feasibility Study.
4. The Port will provide written acknowledgement of the County’s partnership in any resulting work product from this procurement, RFP, and the resulting contract(s).
5. The Port will, in its sole discretion, enter into contracts with the successful proposer(s) selected by the evaluation committee.

Project Management

The Port and the County have designated formal points of coordination for this MOU. Each Party shall identify its respective point of contact for this MOU the “Designated Representative.” The Designative Representative(s) of each Party shall communicate regularly to discuss the status of the tasks to be performed, administer a project advisory committee, identify upcoming decisions related to the RFP, provide information necessary to inform those decisions and to resolve issues or disputes related to the RFP consistent with this MOU.

The Designated Representative(s) are:

<u>County</u> Ashton Allison 206-477-2761 401 5 th Ave, Suite 800 Seattle, WA 98104 aallison@kingcounty.gov	<u>Port of Seattle</u> Annie Tran 206-495-5322 2711 Alaskan Way Seattle, WA 98111 Tran.a@portseattle.org
---	---

A Party may change its Designated Representative(s) by written notice to the other Party during the term of the MOU.

2. PERIOD OF PERFORMANCE

This MOU shall be effective when countersigned by King County and shall expire two (2) years after the date of the County’s signature, unless terminated earlier in accordance with this MOU.

3. PAYMENT BILLING PROCEDURE

The Port shall submit an invoice to the County after execution of the contract resulting from the RFP. Payment will be made by the County within thirty (30) calendar days of receipt of such invoice. The County’s total payment under this MOU shall not exceed \$50,000.

4. RETENTION OF RECORDS AND AUDITS PUBLIC RECORDS REQUESTS

The Parties to this MOU shall each maintain books, records, documents and other evidence which sufficiently and properly reflect all direct and indirect costs expended by either Party in the performance of the services described herein. These records shall be subject to inspection, review or audit by duly authorized representatives of the Parties, the Office of the State Auditor, and federal officials so authorized by law. All books, records, documents, and other material relevant to this MOU will be retained for six (6) years after expiration and the Office of the State Auditor, federal auditors, and any

persons duly authorized by the Parties shall have full access and the right to examine any of these materials during this period.

The Port shall provide copies of the original pre-award and post-award documentation, including any amendments if applicable, for the County's record keeping and/ or responses to audit or other information requested.

5. PUBLIC RECORDS REQUESTS

This MOU and any and all records related to this MOU shall be considered a public document and will be available for inspection and copying by the public in accordance with the Public Records Act, chapter 42.56 RCW (the "Act"). Records and other documents, in any medium, furnished by one Party to this MOU to the other Party, will remain the property of the furnishing Party, unless otherwise agreed. The furnishing Party shall mark documents "Confidential," or "Proprietary," that it reasonably believes are or may be subject to an exemption from disclosure under the Public Records Act prior to transmittal to the receiving Party. If a request is made for disclosure of documents or records designated as "Confidential" or "Proprietary" the receiving Party will not disclose or make available this material to any third parties without first giving notice to the furnishing Party and allow the furnishing Party ten (10) business days to obtain an injunction in accordance with RCW 42.56.2540. Each Party will utilize reasonable security procedures and protections to assure that records and documents provided by the other Party are not erroneously disclosed to third parties.

6. INDEPENDENT CAPACITY

The employees or agents of each Party who are engaged in the performance of this MOU shall continue to be employees or agents of that Party and shall not be considered for any purpose to be employees or agents of the other Party.

7. AMENDMENTS

This MOU may be amended by mutual agreement of the Parties. Such amendments shall not be binding unless they are in writing and signed by personnel authorized to bind each of the Parties.

8. TERMINATION

Either Party may terminate this MOU upon thirty (30) calendar days' prior written notification to the other Party. If expected or actual funding is withdrawn, reduced, or limited in any way prior to the expiration of this MOU, the County may terminate this Agreement in whole or in part for lack of appropriation and the costs associated with such termination, if any, shall not exceed the appropriation for the biennium budget cycle in which the termination occurs. In addition, funding for this MOU beyond the current biennium is conditional upon appropriation by the County Council of sufficient funds to support the Work described in this MOU. Otherwise, this MOU shall terminate on December 31 of the current biennium.

9. DISPUTES

Any disputes or questions of interpretation of this MOU that may arise between the Port and the County shall be governed under these Dispute Resolution provisions. The Port and the County agree that cooperation and communication are essential to resolving issues efficiently. If disputes about the implementation of this MOU arise, the Designated Representative for the Port and the County shall meet to discuss the issues and attempt to resolve the dispute in a timely manner. If the Designated Representatives are unable to resolve the dispute, then the Parties may, upon mutual agreement, endeavor to settle the dispute in an amicable manner by mediation or other agreed form of alternative

dispute resolution (ADR) prior to commencing litigation. At all times prior to resolution of the dispute, the Parties shall continue to perform and make any required payments under this MOU in the same manner and under the same terms as existed prior to the dispute.

10. APPLICABLE LAW AND FORUM

This MOU shall be governed by and construed in accordance with the laws of the State of Washington. The King County Superior Court in Seattle, Washington shall have exclusive jurisdiction and venue over any legal action arising under this MOU.

11. ASSIGNMENT

Neither Party shall assign any interest, obligation, or benefit under or in this MOU or transfer any interest in the same, whether by assignment or novation, without the express prior written consent of the other party, which consent shall not be unreasonably withheld.

12. INDEMNIFICATION AND HOLD HARMLESS

Each Party to this MOU will be responsible for the negligent acts or omissions of its own employees, officers, or agents in the performance of this MOU. Neither Party will be considered the agent of the other and neither party assumes any responsibility to the other party for the consequences of any act or omission of any person, firm, or corporation not a party to this MOU. To the maximum extent allowed by law, each Party shall protect, defend, indemnify, and save harmless the other Party, their officers, officials, employees, and agents, while acting within the scope of their employment, from any and all costs, claims, judgments, penalties, and/or awards of damages, arising out of or in any way resulting from the indemnifying Party's own negligent acts or omissions in connection with performance of activities under the terms of this MOU. Each Party agrees that its obligations under this provision extend to any claim, demand, and/or cause of action brought by, or on behalf of, any of its employees or agents. The foregoing indemnity is specifically and expressly intended to constitute a waiver of each Party's immunity under Washington's Industrial Insurance Act, RCW Title 51, as respects the other Party only, and to the extent necessary to provide the indemnified Party with a full and complete indemnity of claims made by the indemnitor's employees. The Parties acknowledge that these provisions were specifically negotiated and agreed upon by them. This indemnification shall survive the termination of this MOU.

13. INSURANCE

During the term of this MOU, each Party shall maintain insurance or self-insurance covering its liabilities arising out of activities of this MOU. All such liability insurance policies shall include the other Party. Where specified, each insurance policy shall include its officials, agents, and employees as additional insureds. Each Party shall maintain the following insurance coverage.

- A. Commercial General Liability insurance for bodily injury, personal and advertising injury, medical payments and property damage in an amount which is not less than \$1,000,000 per occurrence and \$2,000,000 annual aggregate. The insurance shall cover liability arising from premises, operations, products completed operations, and liability assumed under an insured contract. Each Party's insurance shall be primary and non-contributory with respect to any insurance the other Party carries; and each Party's policy shall have a waiver of subrogation in favor of the other Party. This coverage shall be evidenced on a certificate of insurance with copies of the endorsement(s) that confirm the additional insured endorsement; waiver of subrogation; and primary and non-contributory coverage.

- B. Auto Liability - Each Party shall maintain auto liability coverage on a combined limit basis of no less than \$1 million per occurrence.
- C. Workers Compensation- Each Party is responsible for complying with the Washington State laws that pertain to industrial insurance (Reference Revised Code of Washington, Title 51 Industrial Insurance) for its employees. Each Party shall have a current worker's compensation account with the Department of Labor and Industries.
- D. Each Party has the option of using a program of self-funded insurance to meet the above insurance obligations or a combination of self-funded insurance and commercial or excess insurance.

14. WAIVER

A failure by either Party to exercise its rights under this MOU shall not preclude that Party from subsequent exercise of such rights and shall not constitute a waiver of any other rights under this MOU unless stated to be such in a writing signed by an authorized representative of the Party.

15. SEVERABILITY

If any provision of this MOU or any provision of any document incorporated by reference shall be held invalid, such invalidity shall not affect the other provisions of this MOU which can be given effect without the invalid provision, if such remainder conforms to the requirements of applicable law and the fundamental purpose of this MOU, and to this end the provisions of this MOU are declared to be severable.

16. ALL WRITINGS CONTAINED HEREIN

This MOU contains all the terms and conditions agreed upon by the Parties. No other understandings, oral or otherwise, regarding the subject matter of this MOU shall be deemed to exist or to bind any of the parties hereto.

17. CONTRACT MANAGEMENT

Port of Seattle shall administer the funds under this MOU. For purposes of notice, the Designated Representatives for each of the Parties shall be responsible for and shall be the contact person for all communications and billings regarding the performance of this MOU. Any notice required or permitted to be given pursuant to this MOU shall be by electronic mail to the Designated Representatives. The Port shall provide to the County any progress reports on the Contract resulting from the RFP, including copies of invoices, small and MWBE business participation goals and process documentation, and discuss any changes to the schedule prior to approval with the County.

18. FORCE MAJEURE

The term "force majeure" shall include, without limitation by the following enumeration: acts of nature, acts of civil or military authorities, terrorism, fire, accidents, shutdowns for purpose of emergency repairs, industrial, civil, or public disturbances, epidemics or pandemics, causing the inability to perform the requirements of this MOU. If either Party is rendered unable, wholly or in part, by a force majeure event to perform or comply with any obligation or condition of this MOU, upon giving notice and reasonably full particulars to the other Party, such obligation or condition shall be suspended only for the time and to the extent practicable.

19. JOINT DRAFTING EFFORT

This MOU shall be considered for all purposes as prepared by the joint efforts of the Parties and shall not be construed against one Party or the other as a result of the preparation, substitution, submission, or other event of negotiation, drafting or execution thereof.

20. AUTHORITY

Each of the signatories below represents that they have the authority to execute this MOU on behalf of the Party for which they sign.

21. COUNTERPARTS

This MOU may be executed in one or more counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument.

EXECUTED BY THE UNDERSIGNED PARTIES effective as of the date last below written:

King County

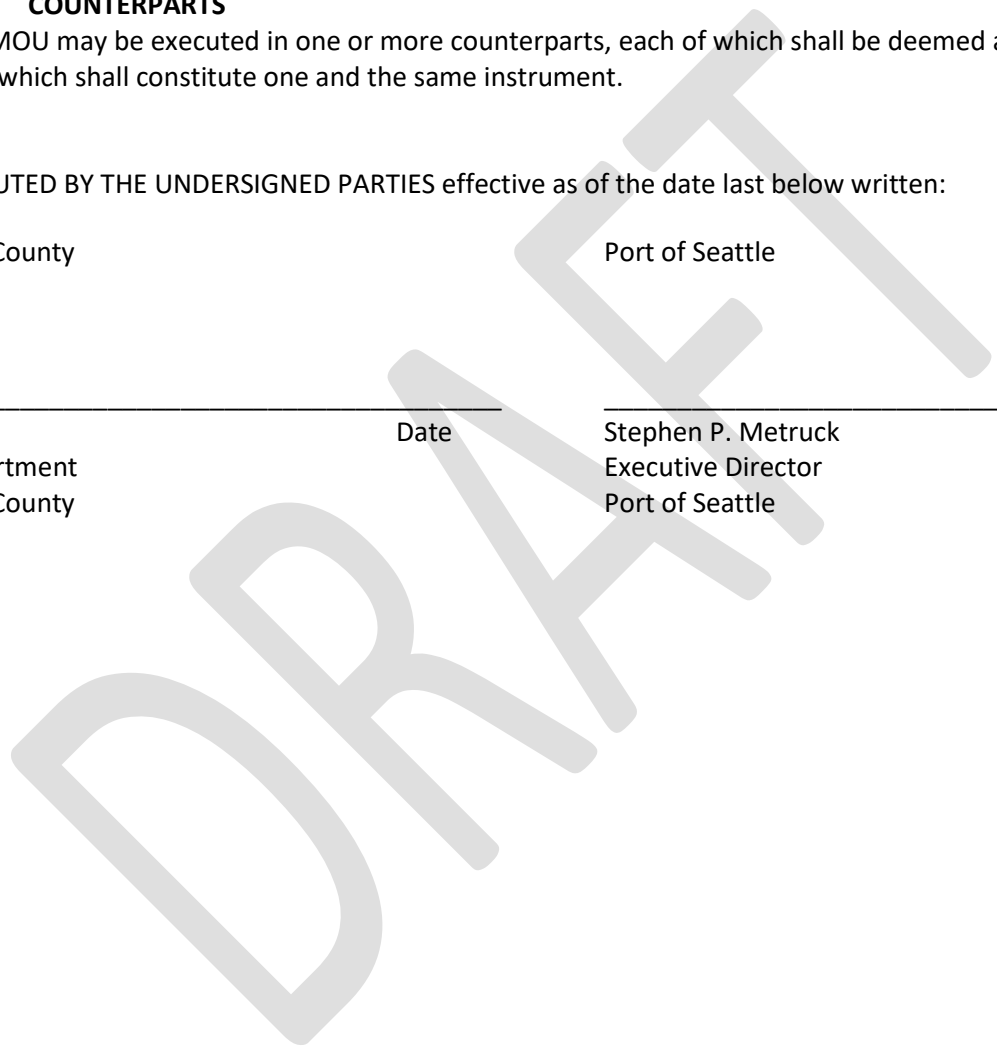
Port of Seattle

X
Department
King County

Date

Stephen P. Metruck
Executive Director
Port of Seattle

Date



Item No.	10b_supp
Date of Meeting	March 28, 2023

International Public Market Feasibility Study



REQUEST

Seeking Commission authorization for the Executive Director to execute Memorandum of Understanding (MOU) with King County that formalizes the county's funding of \$50,000 to support and participate in the International Public Market feasibility study.

ABOUT THE PROJECT

The Port of Seattle and King County are interested in conducting a feasibility study surrounding the concept of developing of an International Public Market facility in South King County that will:

- 1) Attract tourists and visitors,
- 2) Provide a gathering space,
- 3) Showcase local cultural attributes, and
- 4) Support economic development and entrepreneurship for small businesses (with an emphasis on supporting small ethnic businesses).

The proposed study will not exceed \$199,999 and the MOU formalizes King County's financial commitment of \$50,000 to support this effort.

The MOU also establishes a partnership with King County to manage the feasibility study including participation in the RFP selection process and project advisory committee.

SCOPE

PHASE 1

Determine Feasibility and Benefits of an International Public Market

If we build it will they come? Who will come? Will there be enough vendors/customers/etc.?

Community engagement elements and understanding impact on existing and prospective businesses

PHASE 2

Identify Preferred Market Attributes

Planning for size of market, number of vendors, parking considerations, accessibility considerations, etc.

Identify Market Site Requirements

Identifies preferred size, zoning, proximity to infrastructure/utilities, proximity to transportation, proximity to other amenities, visibility and aesthetics etc.

Identify Site Possibilities

Will look at candidate sites, evaluate properties, and overall market attributes and requirements. This may include some preliminary work related to cost of property acquisition, development, etc.

Proforma Capital and Operating Cost Projection

Showing revenues/expenses and grounding financials into core assumptions about Public Market operations (including operator/concessions assumptions).

Recommendations/Next Steps

JUSTIFICATION

- **Supports Century Agenda**

Development of an International Public Market facility in South King County supports the Port's Century Agenda by 1) advancing this region as a leading tourism destination and 2) responsibility investing in economic growth of the region and its communities.

- **Domestic and International Draw for Tourism**

The proposed international market would be very accessible from SEA. It would also attract residents, visitors from surrounding communities, and help advance this region as a leading tourism destination and business gateway domestically and internationally.

- **Economic Asset to South King County**

Promote regional growth and benefit the Cities of Tukwila, SeaTac, and other communities in South King County. The marketplace would generate economic activity, support jobs, and support small businesses. It would also help prevent some of the displacement of small businesses that result as the region continues to grow and change.

- **Advance Equity, Diversity, and Inclusion**

South King County is home to large immigrant and refugee communities. An international marketplace can support ethnic entrepreneurs and be a source of jobs and wealth generation for the area's diverse communities.

TIMELINE

Draft report on current market conditions and interviews from local stakeholders	June 15, 2023
Identify Market attributes and preferred site requirements and potential sites	August 30, 2023
Identify public market site possibilities	September 30, 2023
Develop Proforma capital and operating cost projections	November 15, 2023
Final feasibility report for the International Public Market concept	December 31, 2023
Present findings to stakeholders	January/February 2024

Questions?

[RETURN TO AGENDA](#)



**COMMISSION
AGENDA MEMORANDUM**

Item No. 10c

ACTION ITEM

Date of Meeting March 28, 2023

DATE: March 17, 2023

TO: Stephen P. Metruck, Executive Director

FROM: Jeff Moken, Senior Manager, Airline Affairs & Aviation Properties
Eileen Francisco, Director, Aviation Project Management Group

**SUBJECT: SEA Gateway/North Main Terminal Redevelopment Program (C801204) – Phase B
Construction Authorization**

Amount of this request: \$159.5 million

Total estimated project cost: \$550 million

ACTION REQUESTED

Request Commission authorization for the Executive Director to 1) authorize \$156,400,000 for Phase B construction, 2) authorize the transfer of \$1,559,000 from the Main Terminal Low Voltage Program, 3) authorize \$3,100,000 for final design addressing existing building code compliance, and 4) execute a Tenant Reimbursement Agreement with Alaska Airlines, Inc. (Alaska) for this portion of the work of the North Main Terminal Redevelopment Program at Seattle-Tacoma International Airport.

EXECUTIVE SUMMARY

Alaska is redeveloping the north end of the Main Terminal at the Airport to increase passenger throughput and security screening capacity and to improve the overall passenger experience. This request is to authorize an additional \$156.4 million for Phase B construction, including associated Port and Alaska soft costs. The Phase B scope redevelops Alaska’s ticket lobby in the northern-most section of the Main Terminal Ticketing level, reconfigures Security Screening Checkpoint #5 (Checkpoint #5) and updates associated building systems and architectural finishes.

This request also seeks authorization for the transfer of \$1,559,000 from the Main Terminal Low Voltage Program (C800061) for electrical work being moved to the North Main Terminal Redevelopment Program (Program) as well as authorization of \$3,100,000 for the final design to address existing building and fire code compliance issues that were not known during the Project Definition phase.

Meeting Date: March 28, 2023

As the design has progressed several items have been added to the Program work to resolve pre-existing building and fire code compliance issues. The impacts of these corrective actions on follow on projects/programs in the Main Terminal are also directly influencing the design approaches being used to address these items.

As a result, establishing the final Phase B construction cost and the Final Guaranteed Maximum Price (FGMP) for the overall Program have been delayed. Staff intends to return to the Commission for authorization of these remaining items on 06/27. Currently, the estimated cost for these, including associated Port and Alaska soft costs, is approximately \$50 million. The current estimated cost for the overall Program is \$550 million.

JUSTIFICATION

The ticketing area used by Alaska at the north end of the Main Terminal regularly experiences serious overcrowding during peak departure periods throughout the day and is in critical need of code upgrades as well as an update to the architectural finishes.

Although previous work was done by Alaska to alleviate passenger queuing and processing gridlock, more than 10 years later the ticketing area is again in need of modernization to address existing and projected passenger volume increases, keep pace with technology advances and improve the overall passenger experience.

The Port anticipates completing similar building system and architectural improvements for the remainder of the terminal to the south under the upcoming Main Terminal Improvements Program (MTIP), which is currently in the Program Definition Document phase.

With its current staggered screening lane layout, Checkpoint #5 has long been unable to accommodate increased passenger volumes, regularly resulting in a processing bottleneck during peak travel periods that creates further delays for departing passengers. Phase B work will reconstruct Checkpoint #5 to have 6 side-by-side lanes and provide a greatly enlarged recompose area for passengers, which is a significant improvement over the current configuration. Further, the Checkpoint #5 reconfiguration is being phased and coordinated with work planned at other screening checkpoints to minimize the number of search lanes out of service at any given time.

Determining the method and extent of correcting the previously described fire and building code-related compliance issues has become a precondition for the Airport Building Department to issue building permits and later, certificates of occupancy for the Program. These items include:

1. Providing 1-hr fire rating compliance at the wall separating the Baggage Claim from the Bagwell within the Program scope of work.
2. Providing 2-hr fire rating compliance at vertical utility shafts within the Program scope of work.
3. The addition of fire sprinklers in Skybridges 2 through 6 to allow occupancy of the newly constructed tenant and operational spaces on the Bridge/Promenade level.

Meeting Date: March 28, 2023

4. The addition of a two-way communication system at several elevator lobbies within the Program footprint that have been identified as areas of refuge for mobility limited individuals.
5. The addition of supplementary electrical infrastructure required to support connection to an emergency backup power system to be provided in a future project.

In addition, the Program is continuing to progress key design elements related to the baggage handling system, signage and wayfinding, HVAC, smoke control, and scope transferred between adjacent projects/programs that also affect the overall Program scope, the construction schedule and the FGMP. Again, the impacts of these changes to adjacent and follow-on projects/programs in the Main Terminal are also directly influencing the design approaches being used by the Design Build team to address them.

The Program team is pursuing final design funding for these added scope items under this authorization. The final design will refine the code-related and additional scope items over the next several months to determine the final Program budget and FGMP.

Finally, this Program also supports the Port’s Century Agenda’s strategic goal of “Advancing this region as a leading tourism destination and business gateway” by:

- Continuously improving operational efficiency and customer experience at the Airport.
- Strengthening the competitiveness of the Airport in the regional and global marketplace.
- Meeting the region’s air transportation needs by delivering vital facilities and infrastructure in sustainable and cost-effective manner.

Diversity in Contracting

Diversity in Contracting has established a Women/Minority Business Enterprise (WMBE) goal of 15% for the Port’s consultant support procurement. Alaska has separately established a 20% WMBE/Small Business Enterprise (SBE) combined goal for their consultant support and for construction.

Currently the Port’s consultant support services contract is achieving 22% WMBE utilization, and Alaska’s consultant support and construction teams are attaining 15% SBE/WMBE utilization.

DETAILS

Alaska is completing this work under a multi-phased Tenant Reimbursement Agreement (TRA) using the Progressive Design Build (PDB) project delivery method.

The construction work is currently broken down into two distinct phases.

Phase A (Q4 2022 – Q2 2026)

Meeting Date: March 28, 2023

- Construct approximately 24,000 square feet of new tenant and operational space on the Bridge/Promenade level.
- Install structural upgrades and provide building systems infrastructure throughout the Baggage Claim level to support the construction of the Bridge/Promenade level.
- Install ADA compliant ramps at nine Baggage Claim exit doors.
- Relocate three entry doors on the Departures Drive to improve passenger flow.
- Create ‘bump-outs’ at the window walls on the Ticketing level to provide additional space for passenger check-in and bag drop.
- Remove asbestos containing material and install fire sprinklers throughout the work areas.
- Upgrade/refresh architectural finishes, signage, and lighting throughout the work areas.

Phase B (Q3 2023 – Q3 2026)

- Remove the Mezzanine level above Alaska’s existing ticketing Pods.
- Reconfigure the most northern section of the Mezzanine.
- Reconfigure Alaska’s Ticketing areas and Checkpoint #5.
- Remove asbestos containing material and install fire sprinklers throughout the work areas.
- Upgrade/refresh architectural finishes, signage, and lighting throughout the work areas.

Since the last Commission authorization in October 2022, the program received acceptance of the Sustainable Design Approach (SDA) by the Sustainability Environment and Climate (SEAC) Committee on February 21, 2023. The Program is implementing strategies to achieve the United States Green Buildings Council’s (USGBC) Leadership in Energy and Environmental Design (LEED) Silver Certification for Commercial Interiors on Phase B construction.

Schedule

The PDB project delivery method includes several overlaps between many of these design and construction milestones, with the result that some activities in both Phase A and Phase B will take place concurrently.

Activity

Phase A construction start	2022 Quarter 4
Execution of TRA #3	2023 Quarter 1
In-use date – Phase A	2024 Quarter 2
Commission authorization revised Phase A construction and TRA #4	2022 Quarter 4
Execution of TRA #4	2023 Quarter 1
Commission authorization initial Phase B construction and TRA #5	2023 Quarter 1
Execution of TRA #5	2023 Quarter 2
Commission authorization of Final Guaranteed Maximum Price (FGMP), Phase B construction and TRA #6	2023 Quarter 2
Execution of TRA #6	2023 Quarter 3

Meeting Date: March 28, 2023

Phase B construction start	2023 Quarter 3
Phase B In-Use-Date	2026 Quarter 3

This multi-phased approach allows Alaska to continue to develop work packages quickly, while affording both Alaska and the Port clear project decision points to ensure alignment of scope, schedule, and budget.

The reimbursement of project funds to Alaska is also occurring in phases (as outlined above). Each of these decision points includes a TRA or TRA amendment to memorialize the agreement between the Port and Alaska.

- On April 27, 2021, Commission authorized up to \$10 million for both Alaska and Port costs to complete up to 30% design and an associated TRA with Alaska.
- On November 9, 2021, Commission authorized an additional \$21.5 million to complete the remaining design of the overall program and an associated TRA with Alaska.
- On December 14, 2021, Commission authorized an additional \$149.5 million for Phase A construction and an associated TRA with Alaska.
- On October 25, 2022, Commission authorized \$159.5 million to construct the revised scope of Phase A and enabling work to facilitate Phase B construction and an associated TRA with Alaska.
- This request seeks authorization for a further \$159.5 million for Phase B construction and final design for new scope addressing code compliance and an associated TRA with Alaska.
- We anticipate returning to the Commission to request authorization for the FGMP, the balance of Phase B construction funding and an associated TRA with Alaska in Q2 2023.

Cost Breakdown

	Previous Requests	This Request	Future Request	Program Total
Complete PDD and 30% Design	\$9,000,000	\$0	\$0	\$9,000,000
Design – Phases A and B	\$16,900,000	\$0	\$0	\$16,900,000
Phase A Construction	\$140,500,000	\$0	\$0	\$140,500,000
Phase A Supplemental Construction	\$75,000,000	\$0	\$0	\$75,000,000
Phase B Construction	\$36,000,000	\$140,900,000	\$0	\$176,900,000
Alaska Soft Cost	\$21,200,000	\$1,500,000	\$0	\$22,700,000
Port Soft Cost	\$20,900,000	\$14,000,000	\$0	\$34,900,000
Port-held Contingency	\$21,000,000	\$0	\$0	\$21,000,000
Design – Code-Related Scope	\$0	\$3,100,000	\$0	\$3,100,000
Estimated Supplemental Cost Increase	\$0	\$0	\$50,000,000	\$50,000,000
Total	\$340,500,000	\$159,500,000	\$50,000,000	\$550,000,000

Meeting Date: March 28, 2023

ALTERNATIVES AND IMPLICATIONS CONSIDERED

Alternative 1 – Don’t continue with Phase A construction and do not begin Phase B construction.

Cost Implications: Potential \$450-\$500 million savings.

Pros:

- (1) Reduces the Port’s capital expenditure.
- (2) Eliminates scope, schedule, and budget uncertainties due to inflation and supply chain disruptions.

Cons:

- (1) Does not achieve the desired capacity improvements on the Bridge/Promenade and Ticketing levels or at Checkpoint #5.
- (2) Does not implement desired technology improvements.
- (3) Does not address existing code and ADA inadequacies.
- (4) Does not provide base building infrastructure upgrades.
- (5) Enabling construction, design and other soft cost expenses spent to date [approximately \$50 million] would need to be expensed.

This is not the recommended alternative.

Alternative 2 – Complete only Phase A construction.

Cost Implications: \$304.5 million

Pros:

- (1) Reduces the Port’s capital expenditure.
- (2) Eliminates scope, schedule, and budget uncertainties due to inflation and supply chain disruptions.

Cons:

- (1) Does not achieve the desired capacity improvement on the Ticketing level or at Checkpoint #5.
- (2) Does not implement desired technology improvements.
- (3) Does not address existing code and ADA inadequacies.
- (4) Does not provide base building infrastructure upgrades.
- (5) Design and soft costs associated with Phase B construction would need to be expensed.

This is not the recommended alternative.

Alternative 3 – Proceed with the full scope of work as described.

Cost Implications: \$500 - \$550 million

Pros:

- (1) Achieves the desired capacity improvements on the Bridge/Promenade and Ticketing levels and at Checkpoint #5.
- (2) Implements the desired technology improvements.
- (3) Addresses existing code and ADA inadequacies.

Meeting Date: March 28, 2023

- (4) Provides base building infrastructure upgrades.

Cons:

- (1) Risk of continuing scope, schedule, and budget uncertainties due to inflation and supply chain disruptions.

This is the recommended alternative.

FINANCIAL IMPLICATIONS

Cost Estimate/Authorization Summary

	Capital	Expense	Total
COST ESTIMATE			
Early estimated program cost	\$350 - \$450 million	\$0	\$350 - \$450 million
Current estimated program cost	\$495 million	\$5,000,000	\$500 million
Estimated supplemental cost increase	\$50 million	\$0	\$50 million
AUTHORIZATION			
Previous authorizations	\$338,400,000	\$2,100,000	\$340,500,000
Current request for authorization	\$156,600,000	\$2,900,000	\$159,500,000
Total authorizations, including this request	\$495,000,000	\$5,000,000	\$500,000,000
Remaining amount to be authorized	\$50,000,000	\$0	\$50,000,000

Annual Budget Status and Source of Funds

This project, CIP C801204, was included in the 2023-2027 capital budget and plan of finance with a budget of \$400,000,000. A budget increase of \$95 million was transferred from the Aeronautical Reserve CIP (C800753) resulting in zero net change to the Aviation capital budget. The remaining supplemental cost increase will be transferred when the FGMP is known. The funding sources will be revenue bonds and Airport Development Fund (ADF). This project received Majority in Interest airlines approval on December 13, 2021.

This request would allow the Commission Authorization transfer of \$1,559,000 from the Main Terminal Low Voltage Program (C800061) for electrical scope being moved to the North Main Terminal Redevelopment Program (Program C801204).

Financial Analysis and Summary

Project cost for analysis	\$500M
Business Unit (BU)	Terminal Building
Effect on business performance (NOI after depreciation)	NOI after depreciation will increase due to inclusion of capital (and operating) costs in airline rate base.
IRR/NPV (if relevant)	N/A
CPE Impact	\$1.29 in 2026

Meeting Date: March 28, 2023

Future Revenues and Expenses (Total cost of ownership)

It is anticipated that there will be increased costs to ongoing operating and maintenance work performed by Aviation Maintenance (AVM) in the new North Main Terminal space. AVM will continue to work through design challenges while also anticipating increased O&M costs.

ATTACHMENTS TO THIS REQUEST

- (1) Presentation slides

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

October 25, 2022 – North Main Terminal Redevelopment Program – Phase A Supplemental Construction Funding Authorization (C801204) which authorized an additional \$159,500,000 to continue Phase A construction, and to execute a fourth Tenant Reimbursement Agreement with Alaska Airlines, Inc. (Alaska).

December 14, 2021 – North Main Terminal Redevelopment Program – Phase 1 Construction Funding Authorization (C801204) which authorized \$149.5 million for construction of the Phase 1 Enabling Work of the North Main Terminal Redevelopment Program at Seattle-Tacoma International Airport, and to execute a third Tenant Reimbursement Agreement with Alaska Airlines, Inc. (Alaska) to complete the Phase 1 construction work. (Note: Phase 1 is now known as Phase B.)

November 9, 2021 – North Main Terminal Redevelopment Program – Full Program Design (C801204) which authorized \$21.5 million for the remaining design for all phases of the North Main Terminal Redevelopment Program, and execution of a second Tenant Reimbursement Agreement with Alaska Airlines.

April 27, 2021 – North Main Terminal Redevelopment Program – Preliminary Design (C801204) which authorized up to \$10 million in support of the North Main Terminal Redevelopment Program to complete a Project Definition Document, 30% design and to execute a Tenant Reimbursement Agreement with Alaska Airlines.



- SEA Gateway is a part of Upgrade SEA
- Collaboration between project team, External Relations and Customer Experience teams for SEA and Communications and Operations teams for Alaska Airlines
- Updates will be communicated pre-construction with advertising and media tours, social media, and information on website project
- Partnership with Alaska communications and marketing



SEA Gateway/North Main Terminal Redevelopment Program Phase B Construction Authorization

Commission Day
March 28, 2023

Jeffrey Moken
Senior Manager, Airline Affairs & Aviation Properties
Seattle-Tacoma International Airport

Alan Olson
Capital Project Manager V
Aviation Project Management Group



Requested Action

Request Commission authorization for the Executive Director to authorize:

- 1) \$156,400,000 for Phase B construction
- 2) The transfer of \$1,559,000 from the Main Terminal Low Voltage Program
- 3) \$3,100,000 for final design addressing existing building code compliance
- 4) The execution of a Tenant Reimbursement Agreement with Alaska Airlines, Inc. as part of the North Main Terminal Redevelopment Program (also known as SEA Gateway).

Animation

[SEA Gateway North Main Terminal Redevelopment Program
Animation 03202023.mp4](#)

Program Background

- Alaska and the Port have been working together on the North Main Terminal Redevelopment Program (NMTRP) since early 2019
- Alaska is designing and constructing various updates using the Progressive Design Build delivery method under a multi-phased Tenant Reimbursement Agreement (TRA) with the Port
- The Port is planning to design and construct similar improvements in the remaining areas of the Main Terminal in the future Main Terminal Improvements Program



Program Drivers



- The 1968 design of the Main Terminal was based on an anticipated capacity of 25 Million Annual Passengers (MAP).
- SEA regularly experiences in excess of 50 MAP now, resulting in significant ticket lobby and checkpoint congestion during peak departure periods throughout the day.
- The SEA Gateway project addresses this congestion in addition to **a)** compliance with existing building and fire code, **b)** present and near-term projected passenger growth, **c)** keeps pace with advances in technology and **d)** improves the overall passenger experience at SEA.

Summary of Work

This Work Touches Multiple Locations in the Main Terminal

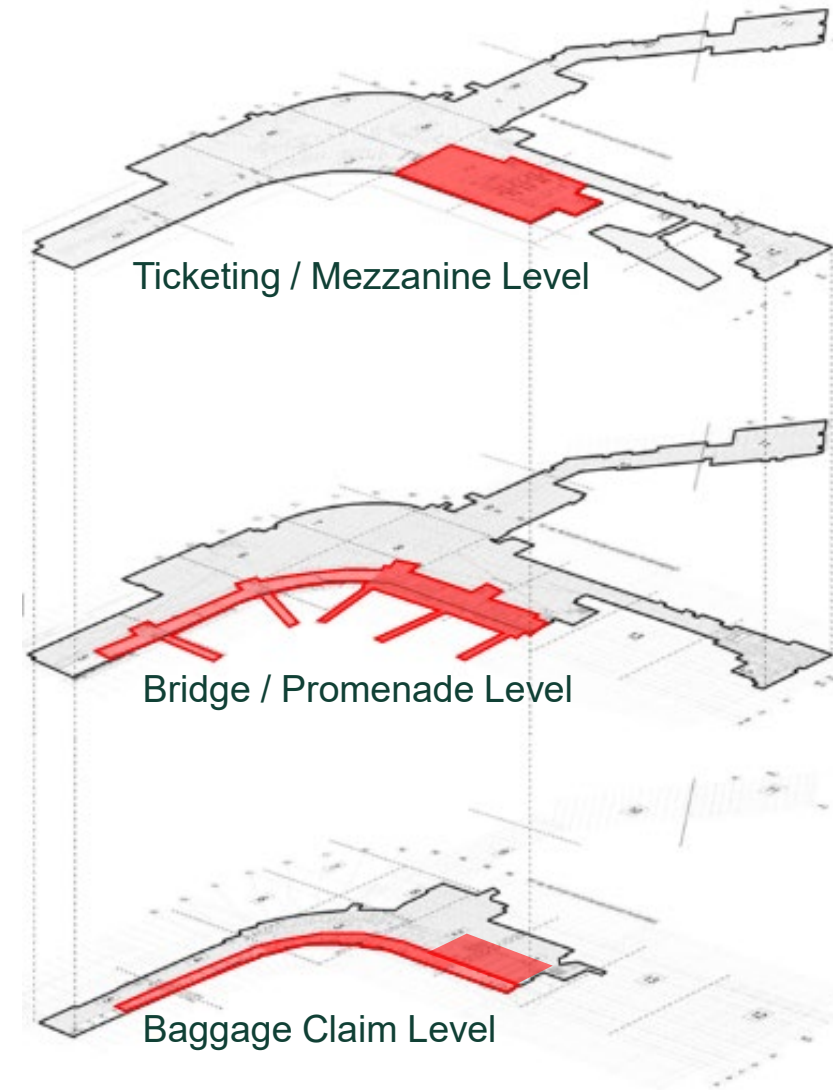
- Increases processing capacity at Ticketing and Security Screening
- Updates the fire suppression system, adds ADA compliant ramps etc.
- Improves HVAC, lighting and baggage handling systems
- Renews architectural finishes
- Incorporates new passenger processing technology
- Removes asbestos from work areas

Phase A Work (currently underway):

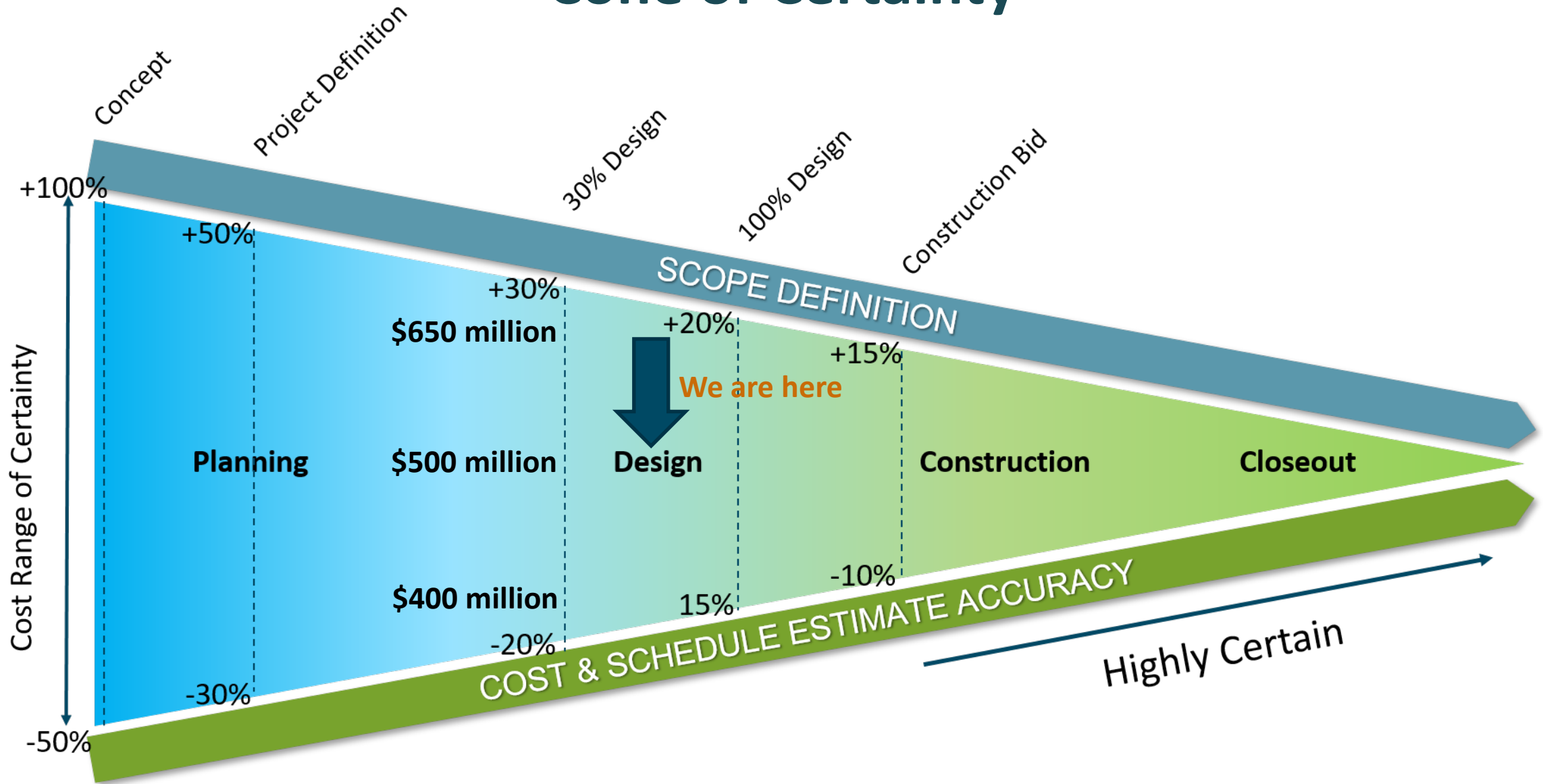
- Creates 24,000 SF of new tenant/operational spaces at Bridge/Promenade
- Provides new ADA compliant ramps at all Baggage Claim exits
- Relocates entry doors on Departures Drive to improve passenger flow
- Constructs 'bumps-out' at the existing Ticketing window wall to create additional passenger processing capacity

Phase B Work (scheduled to begin Q3 2023):

- Removes the Mezzanine above Alaska's existing ticketing Pods
- Reconfigures the northernmost portion of the Mezzanine
- Reconfigures Alaska's Ticketing
- Realigns the screening lanes and expands the recompose area at Security Screening Checkpoint #5 to improve passenger processing



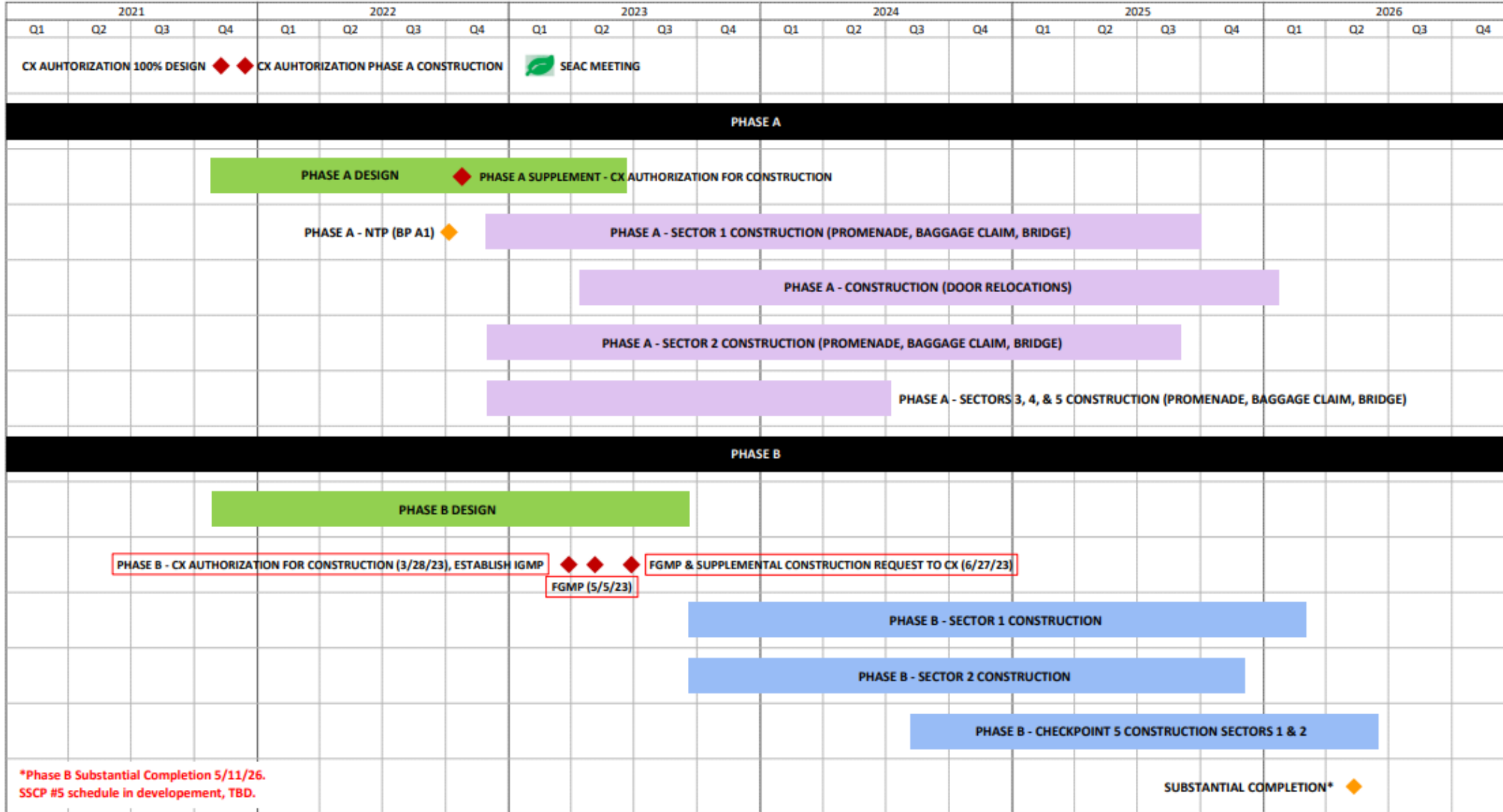
Cone of Certainty



Cost Breakdown

	Previous Requests	This Request	Future Request	Program Total
Complete PDD and 30% Design	\$9,000,000	\$0	\$0	\$9,000,000
Design – Phases A and B	\$16,900,000	\$0	\$0	\$16,900,000
Phase A Construction	\$140,500,000	\$0	\$0	\$140,500,000
Phase A Supplemental Construction	\$75,000,000	\$0	\$0	\$75,000,000
Phase B Construction	\$36,000,000	\$140,900,000	\$0	\$176,900,000
Alaska Soft Cost	\$21,200,000	\$1,500,000	\$0	\$22,700,000
Port Soft Cost	\$20,900,000	\$14,000,000	\$0	\$34,900,000
Port-held Contingency	\$21,000,000	\$0	\$0	\$21,000,000
Design – Code-Related Scope	\$0	\$3,100,000	\$0	\$3,100,000
Estimated Supplemental Cost Increase	\$0	\$0	\$50,000,000	\$50,000,000
Total	\$340,500,000	\$159,500,000	\$50,000,000	\$550,000,000

Current Schedule Summary



Program Risks and Mitigation

RISK	DESCRIPTION	MITIGATION PLAN
Operational Impacts	Planning for operational impacts during construction	<ul style="list-style-type: none"> • Prepare, review and communicate phased Construction and Operational Readiness (COR) plans that provide detailed mitigation strategies in close coordination with: <ul style="list-style-type: none"> - Operations (Terminal & Landside) - ORAT - External Relations - Customer Experience - ADR - Alaska Operations / Management of Change Group
Conflicts with Other Projects/Programs	This Program's scope of work and the operational impacts will overlap with the scope and construction schedules of several other projects and programs.	<ul style="list-style-type: none"> • This Program has been coordinating with several other projects to identify overlaps in project scope and mitigate operational impacts. These include Main Terminal Low Voltage, Terminal Security Enhancements, Widen Arrivals Drive, Baggage Claim 15 & 16 Replacement and the Main Terminal Improvements Program. Scope has been added/transferred and construction schedules adjusted to mitigate impacts.

Construction Barricades – Baggage Claim



Construction Barricades – Baggage Claim



Construction Barricades – Baggage Claim



Thank You



**COMMISSION
AGENDA MEMORANDUM**

Item No. 10d

ACTION ITEM

Date of Meeting March 28, 2023

DATE : March 10, 2023

TO: Stephen P. Metruck, Executive Director

FROM: Bookda Gheisar; Senior Director, Office of Equity, Diversity, and Inclusion
Tyler Emsky, Vy Nguyen; Strategic Advisor, Commission Office

SUBJECT: **Resolution No.3812-Introduction of the Equity Policy Directive**

ACTION REQUESTED

Request Introduction of Resolution No. 3812: a resolution of the Port of Seattle Commission establishing an Equity Policy Directive to guide the integration of equity, diversity, inclusion, and belonging into the Port’s practices and policies.

EXECUTIVE SUMMARY

The Equity Policy Directive was drafted in close coordination between the Commission Office and the Office of Equity, Diversity, and Inclusion (OEDI) with consultation of members of the Executive Leadership Team, Port staff, and community-based external stakeholders.

The Directive seeks to codify work launched by OEDI as a result of prior Port Commission action: Motion 2020-19 and Order 2018-06. Through proposed changes in policy and protocol and program evaluation for this body of work, the Directive takes Port values of equity, inclusion, and belonging into concrete action steps and a clear mandate for all Port employees to advance our Century Agenda equity goals and vision while shifting the Port to becoming an inclusive employer where every employee is valued.

JUSTIFICATION

As the first port to establish an Office of Equity, Diversity, and Inclusion, the Port of Seattle has accomplished much in the four short years since the creation of OEDI. This Directive was called for in Order 2018-06, and its development was further bolstered by Motion 2020-19. This Directive would ensure that the equity infrastructure and practices developed specifically for the Port of Seattle continue to be a Portwide priority, with the appropriate staffing and resources, regardless of who holds positions of leadership at the Port in the future.

Meeting Date: March 28, 2023

DETAILS

The Directive makes the Office of Equity, Diversity, and Inclusion (with the Director of OEDI serving on the Executive Leadership Team) and the inter-departmental Change Team permanent parts of the organization.

Operational elements proposed in the Directive include annual equity goal setting and reporting requirements, utilization of Port-developed equity tools such as the Equitable Budgeting Tool to the greatest extent possible in planning and operationalization of Port work, and clarification of OEDI’s role in supporting employee growth, advancement, and knowledge of equity practices and/or issues across the Port.

External-facing parts of the Directive include: a commitment to expand our portfolio of community-based programs such as the Duwamish Valley Community Equity Program, engage community advisors as needed, and to work to reduce barriers to participation by community leaders in Port outreach.

Finally, this Directive launches two initiatives for the Port: 1) development of an environmental justice framework and/or principles to guide future Port operations and projects; and 2) an internal workgroup to examine and define “equity-related resources” for future budget planning and proposals.

FINANCIAL IMPLICATIONS

To the extent the Equity Policy Directive has financial implications, these will be identified and evaluated annually as part of the regular budget planning process.

ATTACHMENTS TO THIS REQUEST

- (1) Draft Resolution No. 3812
- (2) Presentation slides

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

- October 13, 2020 – The Commission approved Motion 2020-19
- May 8, 2018 – The Commission approved Order 2018-06

1
2
3
4
5
6
7
8
9
10

**PORT OF SEATTLE
RESOLUTION NO. 3812**

11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41

A **RESOLUTION** of the Port of Seattle Commission establishing an Equity Directive to guide the integration of equity, diversity, inclusion, and belonging into the Port’s practices and policies, and to move our work beyond compliance and mandates towards long-term commitment and sustainable systems change.

WHEREAS, the voters of King County authorized and approved the formation of a port district coterminous with King County to be known as the Port of Seattle in a special election on September 5, 1911; and

WHEREAS, the mission of the Port of Seattle is to promote economic opportunities and quality of life in the region which includes building an inclusive economy and public agency that values and advances equity, diversity, inclusion, and belonging; and

WHEREAS, the Port of Seattle Commission adopted Order No. 2018-06 on May 8, 2018, which created an equity pilot program which recognized equity as critical to the Port’s core values as an organization and called for the creation of an Equity Policy Directive; and

WHEREAS, the Port of Seattle Commission adopted Motion 2020-19 on October 13, 2020, which directed the Executive Director to examine Port operations and policies for sources of racial bias and discrimination and to develop programs and policies to eliminate inequity in all aspects of the organization; and

WHEREAS, the Port’s Office of Equity, Diversity, and Inclusion was created in 2019, the first of its kind for a port nationally, with a mission to build capacity across the organization to address institutional oppression and to transform Port policies, practices, and processes; and

WHEREAS, Order 2018-06 and Motion 2020-19 have both informed development of an Equity Policy Directive that would apply Portwide and incorporate equity into the Port’s structural, operational, and external practices, and would help to achieve the Century Agenda goal of becoming a more equitable, diverse, and inclusive organization; and

WHEREAS, environmental justice is a distinct and critical component of equity, the Port’s long history of and ongoing engagement with communities along the Duwamish, Elliott Bay, and surrounding the airport will be vital to deepening the Port’s expertise on environmental justice as directed by the Equity Policy Directive; and

42 **WHEREAS**, the Port of Seattle has continuously worked to put our equity values into
43 action by re-building the Port into a national leader and as an inclusive employer where
44 employees feel they belong and are valued; and by pro-actively working to ensure our programs,
45 policies, and initiatives incorporate equity best practices to the greatest extent possible in order
46 to reach our anti-racist goals.

47
48 **NOW, THEREFORE, BE IT RESOLVED** by the Port of Seattle Commission as
49 follows:

50
51 SECTION 1. The Equity Policy Directive as shown in the attached Exhibit A is hereby
52 established with the following goals:

53
54 Goal 1: Identifying and eliminating disparities in access to working with and for the Port of Seattle.

55
56 Goal 2: Ensuring that all internal and external initiatives, programs, structures, and practices have
57 Equity, Diversity, Inclusion, and Belonging at their core.

58
59 Goal 3: Developing leadership accountability for reaching Equity, Diversity, Inclusion, and
60 Belonging goals in our work across the Port and in port-related industries.

61
62 Goal 4: Deepening our collective analysis of anti-Black racism in order to improve our policies,
63 programming, and practices to positively impact Black employees and community members.

64
65 Goal 5: Strengthening our community partnerships in Port-related work through authentic
66 relationship building and engagement with Port-impacted communities.

67
68 Goal 6: Proactively seeking community input to inform and influence decision-making related to
69 Port of Seattle projects, programs, and initiatives.

70
71 Goal 7: Working to infuse recommendations from the Port’s Equity Assessment and Women of
72 Color Assessment and any future assessments into practice and policy as well as working towards
73 culture and system shifts to strengthen equity at the Port of Seattle.

74
75 SECTION 2. The Policy Directive contained in Exhibit A and attached to this Resolution
76 shall be labeled and catalogued as appropriate, together with other Commission Policy Directives,
77 and shall be made readily available for use by Port staff and members of the public as a governance
78 document of the Port of Seattle.

89 **ADOPTED** by the Port of Seattle Commission at a duly noticed public meeting thereof,
90 held this ___ day of _____, 2023, and duly authenticated in open session by the
91 signatures of the commissioners voting in favor thereof and the seal of the Commission.
92
93
94
95
96
97
98
99
100
101
102
103

Port of Seattle Commission

104
105

EXHIBIT A to Resolution 3812 –



106
107
108

Port of Seattle Commission
Equity Policy Directive

109
110

111

112

113

As Adopted
XXXX XX, 2023

114

115

116 **SECTION 1. Purpose.**

117
118 The Port of Seattle is committed to being a regional and national leader in equity and social
119 justice.

120
121 At the Port of Seattle, we center racial equity because of the role that government, as an
122 institution, has and continues to have in perpetuating racial inequities. Racial oppression is
123 foundational to our country's origins; it forms the language and structure for all types of
124 discrimination. Centering racial equity at the Port of Seattle sets a specific, strategic focus that
125 will allow us to develop structural approaches to address all forms of oppression and to advance
126 our inclusion and belonging values as a public agency.

127
128 Our vision is to develop a Port that mirrors — throughout its breadth of operations and services
129 and within its leadership structure — the diversity of our community, instills principles of equity
130 in its culture, and ensures a fair and intentional distribution of opportunities with the goal of
131 expanding economic development and quality of life for all.

132
133 The purpose of this policy directive is to guide the integration of equity, diversity, inclusion, and
134 belonging into the Port’s practices and policies, and to move our work beyond compliance and
135 mandates towards long-term commitment and sustainable systems change. The Port has already
136 taken the critical step of recognizing the need to center equity in the work of the organization.
137 The Port of Seattle Commission has centered equity in several ways, such as: adding a goal to
138 become a model for equity, diversity, inclusion, and belonging to the Century Agenda; creating
139 the first in the nation Port Office of Equity, Diversity, and Inclusion (OEDI); conducting a Port
140 Policing Equity Assessment; adopting the Duwamish Valley Community Benefits Commitment
141 Policy Directive; recognizing Juneteenth as a Port-paid holiday; and passing the 2020 Racial Bias
142 and Equity Motion.

143
144 To further this work, this directive will advance equity, diversity, inclusion, and belonging by:

- 145 A. Identifying and eliminating disparities in access to working with and for the Port of
146 Seattle.
- 147 B. Ensuring that all internal and external initiatives, programs, structures, and practices
148 have Equity, Diversity, Inclusion, and Belonging at their core.
- 149 C. Developing leadership accountability for reaching Equity, Diversity, Inclusion, and
150 Belonging goals in our work across the Port and in port-related industries.
- 151 D. Deepening our collective analysis of anti-Black racism in order to improve our policies,
152 programming, and practices to positively impact Black employees and community
153 members.
- 154 E. Strengthening our community partnerships in Port-related work through authentic
155 relationship building and engagement with Port-impacted communities.
- 156 F. Proactively seeking community input to inform and influence decision-making related to
157 Port of Seattle projects, programs, and initiatives.

160 G. Working to infuse recommendations from the Port’s Equity Assessment and Women of
161 Color Assessment and any future assessments into practice and policy as well as working
162 towards culture and system shifts to strengthen equity at the Port of Seattle.

163
164 **SECTION 2. Definitions.**

165
166 When used in this policy directive, the following words and phrases shall have the meanings given
167 below, unless the context in which they are included clearly indicates otherwise:

168
169 “Anti-Black Racism” means policies and practices rooted in institutions and systems that
170 reinforce beliefs, attitudes, prejudice, stereotyping, and/or discrimination towards Black people.
171 While many racial and ethnic groups experience racism or prejudice, the term anti-Black racism
172 underscores the unique experiences of racism for Black people.

173
174 “Belonging” means having a meaningful voice and the opportunity to participate in the design of
175 initiatives, programs, and team/cultural norms. At its core, belonging is not just about inclusion,
176 but also about sharing power, access, and opportunities among all groups and individuals within
177 an organization.

178
179 "Business Planning Efforts" mean Port-wide strategic planning efforts, executed on a quarterly
180 cadence by all divisions and Centers of Expertise across the organization. Quarterly efforts are as
181 follows: Q1 - Analysis of prior year's performance; Q2 - Strategic Business; Q3 - Budget
182 development; and Q4 - Finalizing Budget, Business Plans and goals for the following year.

183
184 “Century Agenda” means the Port’s directional compass that guides the vision of the entire
185 organization.

186
187 “Change Team” means a Port-wide cohort of employees from all departments and lines of
188 business, working to engage all levels of the Port in using a racial equity framework in their daily
189 work, decisions, programming, and policies.

190
191 “Department” means any Port of Seattle organizational structure that has a director that reports
192 to a Managing Director who serves on the Executive Leadership Team.

193
194 “Economic Development Programs” means occupational job training and placement, job
195 advancement and job retention, pre-apprenticeship training, or occupational education
196 programs associated with port tenants, customers; local economic development programs
197 related to port tenants or port-related economic activities that are sponsored by a port and
198 operated by a nonprofit, private, or public entity; small business development; and other
199 programs as authorized by RCW 53.08.245.

204
205 “Equity” means fair treatment, access, opportunity, and advancement for all people while
206 striving to identify and eliminate barriers that have prevented the full participation of historically
207 oppressed communities. Improving equity involves increasing justice and fairness within the
208 procedures and processes of institutions or systems and a fair, intentional distribution of
209 resources.

210
211 “EDI” means equity, diversity, and inclusion. “Equity, diversity, and inclusion” and “equity,
212 diversity, inclusion, and belonging” will be used interchangeably to reflect the growing language
213 of equity-focused work to create a culture and environment of belonging.

214
215 “Equity Directive Implementation Guide” means the reference guide developed to capture the
216 Port’s emerging equity protocols and processes to operationalize equity motions and directives
217 passed by the Commission. As a guide, it is intended to provide a road map on internal systems
218 changes led by OEDI. The Equity Directive Implementation Guide will be updated at the direction
219 of the Senior Director of OEDI. Updates will be developed in consultation with Change Team
220 members, the Executive Director, Executive Leadership Team (ELT), and the Commission
221 committee responsible for oversight of OEDI.

222
223 “Environmental Justice” is the principle that all people and communities have a right to a healthy
224 environment and a right to equal protection and equal enforcement of environmental laws and
225 regulations, and recognizes that vulnerable communities are subjected to disproportionate
226 burdens of pollution.

227
228 “Equity in Budgeting” is the integration of an equity lens into the budgeting process and decision-
229 making, including policies, practices, programs, and ultimately, departmental budgets, to
230 develop strategies and actions that reduce inequities, with a particular focus on racial inequities.

231
232 “*Executive Director’s Protocol on Port-wide Goal Establishment and Reporting*” refers to
233 protocols issued by the Executive Director’s Office which provide guidance and direction on how
234 all new goals, objectives and reporting requirements that impact a majority of divisions, DOEs or
235 staff will be reviewed and adopted by the Executive Director and the ELT.

236
237 “Port Assessments” is in reference to two prior Port assessments: the Equity Assessment and the
238 Women of Color Assessment. In 2021, these two organizational assessments surveyed employee
239 perceptions of the state of equity and conditions for women of color at the Port of Seattle. The
240 findings of each report identify issues and contain recommendations that will move the Port
241 towards its Century Agenda goals and address systemic and/or cultural issues.

242
243 “Port-impacted communities” includes both internal and external stakeholders impacted by Port
244 activities. Internal stakeholders include employees, and external stakeholders include small
245 businesses, vendors, contractors, airport workers, and vulnerable communities impacted by
246 port-related activities.

247

248 “Port-related industries” means aviation, maritime, construction trades, and green career
249 industries.

250
251 “Social Justice” means equal rights and equitable opportunities for all.

252
253 “Women or Minority-Owned Business” (WMBE) means a business that is at least 51 percent
254 owned and controlled by women and/or minority (including, but not limited to African
255 Americans, Native Americans, Asians, and Latino) group members.

256
257 “Workforce Development” means the composite of strategies and services, including career
258 connected learning, K-12 education, worker and employer training and job matching that help
259 connect and retain workers to careers within the Port and port-related economic activities, and
260 that help ensure area businesses have access to the skilled workforce they need to thrive and
261 grow. RCW 53.08.245(1) provides that “[i]t shall be in the public purpose for all port districts to
262 engage in economic development programs.” RCW 53.08.245(2)(a) provides that such economic
263 development programs may include “[o]ccupational job training and placement, job
264 advancement and job retention, pre-apprenticeship training, or occupational education
265 programs associated with port tenants, customers, and local economic development related to
266 port tenants or port-related economic activities that are sponsored by a port and operated by a
267 nonprofit, private, or public entity.”

268
269 **SECTION 3. Scope and Applicability.**

270
271 This directive pertains to all Port of Seattle employees and related business units. Activities to
272 implement this directive must be feasible, under the Port’s legal authority, and within the Port’s
273 policies. Port contractors are outside the scope of this policy directive.

274
275 **SECTION 4. Responsibilities.**

276
277 The Executive Director, or delegate, shall engage in the following activities in pursuit of this policy
278 directive:

- 279
280 1. Develop and implement initiatives, programs, practices, and policies to foster and grow
281 a culture of belonging and inclusion within the Port consistent with this policy directive,
282 including but not limited to: contracting, business opportunities for women or minority-
283 owned businesses, workforce development, creating and supporting internal pathways
284 for employees of color and women to advance within the organization to be successful
285 in their work, and other relevant Port directives and activities.
286 a. For additional guidance on implementation of this directive, the Port shall refer
287 to the Equity Policy Directive Implementation Guide and/or consult with OEDI.
288
289 2. Use the Port's influence to advance equity as part of the Port’s mission to promote
290 economic development and enhance quality of life via programs and strategies across
291 King County and the region.

292
293
294
295
296
297
298
299
300
301
302
303
304
305
306
307
308
309
310
311
312
313
314
315
316
317
318
319
320
321
322
323
324
325
326
327
328
329
330
331
332
333
334
335

SECTION 5. Policy.

As part of the Port’s comprehensive Century Agenda Strategic Plan, the Port will strive to “Become a Model for Equity, Diversity, Inclusion.” In doing so, the Port will ensure that internal and external initiatives, programs, structures, and practices will be implemented using an equity lens. To achieve this Century Agenda goal, the Executive Director, or designee, shall implement the following structural, operational, and external-facing policies, and develop the Port’s environmental justice policies:

A. Structural

1. OEDI shall be a permanent department at the Port of Seattle and reside within Corporate/Central Services.
 - a. The leader of OEDI shall serve on the Port’s Executive Leadership Team.
 - b. The mission of OEDI shall be to work with departments to lead and/or support the Port’s efforts to advance equity and inclusion across the Port.
2. The Executive Director, or delegate, shall establish and empower a permanent internal Change Team at the Port. The Change Team shall be empowered to collaborate with managers, directors, senior leadership, and other stakeholders to integrate equity and anti-racism practices and advance Port and department EDI goals
3. Change Team activities and methods will be reviewed and approved by the Executive Director or their delegate.
4. In cases where these activities or methods would impact the majority of divisions, departments, or staff, the Change Team or OEDI shall submit plans for these efforts to the Executive Director, delegate, and ELT for review and approval prior to adoption.

B. Operational

1. As part of annual business planning efforts, each Port department shall set its own annual equity, diversity, and inclusion goals, and work towards achieving these goals. The Executive Director, or delegate, shall designate Port staff to assist departments in the creation and revision of their EDI goals. Departmental EDI goals shall be informed by broad engagement of employees across the department, including Port assessments.
 - a. Any equity goal set for a department shall be developed collaboratively with the respective manager or director of that department and reviewed during the business planning period prior to adoption and implementation.
 - b. Any proposed new goals or reporting requirements shall be brought to regularly scheduled business planning meetings, events, or efforts (annually in Q2), to be included into the standard business planning process conducted by all departments.
 - c. Any goal creation by the ED, delegate or Change Team member shall follow the Executive Director’s Protocol on Port-wide Goal Establishment and Reporting.

- 336 2. Progress towards setting and achieving departmental equity goals shall be considered in
337 the annual performance reviews of the Executive Director and members of the ELT.
- 338 3. The Port shall use an equity in budgeting toolkit, or equivalent mechanism, in the
339 business planning and budgeting process for every department.
- 340 4. The Executive Director, or a delegate, shall:
- 341 a. Develop a definition for “equity-related resources” The proposed definition shall
342 be reviewed by Commissioner Mohamed, Commissioner Cho, and the Equity and
343 Workforce Development Committee.
- 344 b. Calculate and summarize all such equity-related resources in the 2019-2022 Port
345 budgets. These resources shall be calculated as a percent of the total operating
346 budget.
- 347 c. Propose a structure for communicating and executing a pilot for “equity-related
348 resources” in the 2024 budget to Commissioner Mohamed, Commissioner Cho,
349 and the Equity and Workforce Development Committee before the adoption of
350 the 2024 budget. The results of this pilot shall be considered for further action.
- 351 5. All Port departments shall utilize trainings and tools created by the Port’s Change Team
352 committees and OEDI to the greatest extent feasible to incorporate equity into their
353 respective programming and strategic planning.
- 354 a. Change Team members shall work with their manager and respective ELT
355 members to create alignment between training opportunities, tools, and new
356 programs with existing business and strategic planning processes and protocols
357 to the greatest extent possible.
- 358 6. OEDI shall support the growth of equity culture and practice among Port employees
359 through training and programming to deepen Port staff understanding, analysis and
360 awareness of systemic and institutionalized racism and anti-Black racism.
- 361 a. These trainings shall consist, at a minimum, of a mandatory annual racial equity
362 training for all Port employees.
- 363 b. Individuals in leadership or supervisory roles shall undertake at least one
364 training, orientation, or other learning opportunity to advance a culture of
365 belonging and inclusion per year in addition to the mandatory annual equity
366 training requirement.

367
368 **C. External**

- 369
- 370 1. The Port, with the approval of the Executive Director and Commission President, will
371 convene cohorts of community advisors as needed to provide opportunities for dialogue
372 to increase equity in Port policies, programs, and initiatives that directly affect advisors’
373 communities.
- 374 a. External Relations and OEDI shall increase opportunities for community
375 participation by including language access plans and/or stipends for community
376 advisory activities as appropriate.

- 377 b. These advisors shall reflect the interests of communities most directly affected
378 by Port operations and programs and shall include representatives from these
379 Port-impacted communities.
- 380 2. The Executive Director and the ELT, with support from OEDI, shall identify programs that
381 will undergo a closer review and analysis in order to advance Century Agenda equity
382 goals.
- 383 3. The Port shall pursue opportunities and partnerships to expand its portfolio of
384 community-based equity programs and investments that support quality of life,
385 workforce development, and/or economic development enhancements.
- 386 4. The Port shall pursue opportunities to partner with other governments to advance
387 equity initiatives. In particular, the Port shall seek opportunities to establish a leadership
388 role in the equity space in our relationships with other ports. This may include sharing
389 lessons learned, equity best practices, and other efforts.

390

391 **D. Environmental Justice**

- 392 1. To develop and implement expertise in environmental justice, the Executive Director and OEDI
393 shall:
- 394 Coordinate environmental justice efforts between the Port of Seattle Commission, External
395 Relations, Environment and Sustainability staff, and various Port environmental programs.
396 Convene a stakeholder group including representatives of near-Port communities to discuss
397 environmental justice principles.
398 Develop a draft set of environmental justice principles informed by this engagement.
399 Deliver an update to the Commission no later than Q1 of 2024 on the Port’s environmental justice
400 work.

401

402 **SECTION 6. Program Evaluation.**

403

404 The Executive Director, or a delegate, shall monitor and evaluate progress towards departmental
405 equity goals, equity objectives, and areas of emphasis outlined in the Port’s Century Agenda
406 Strategic Plan and resultant from prior Port assessments. This monitoring and evaluation shall
407 include but not be limited to the following:

- 408 1. In alignment with the Port’s business planning, a report to the Commission on an annual
409 basis, at a minimum including:
- 410 a. A summary of each department’s equity goals and progress made towards
411 achieving these equity goals.
- 412 b. Identification of the most significant emergent and/or ongoing barriers Port
413 employees face in fairly accessing resources and opportunities at the Port as
414 determined via OEDI and/or HR engagement.
- 415 c. Identification of continuous process improvement opportunities in contracting
416 with Community Based Organizations. This identification shall be informed by
417 engagement with community-based organizations, including at least one
418 listening session conducted by OEDI and/or External Relations.

419

420

- 421 2. Regular Port-wide data-gathering regarding progress towards equity outcomes and
422 implementing the equity practices identified in Port assessments.
423 a. Any data-gathering or reporting shall follow the *Executive Director’s Protocol on*
424 *Port-wide Goal Establishment and Reporting*.
425 b. Progress towards equity outcomes shall be measured by in-depth, qualitative
426 assessments (similar to the 2021 Equity Assessment) every four years, as well as
427 annual quantitative surveys of Port employee sentiment regarding equity
428 progress.
429 c. The results of these annual equity surveys and assessments shall be made public.
430 d. Progress towards implementing equity practices shall be monitored by OEDI
431 staff, who will gather information on the implementation of these practices
432 across the Port.
433 3. Internal Audit shall conduct an audit of the policy requirements outlined in this directive
434 on a periodic basis.
435 a. Internal Audit shall present the results of this audit to the Audit Committee as
436 well as the Commission Committee responsible for oversight of OEDI.
437 4. The Commission directs the Executive Director, or delegate, to review current and
438 proposed policies for equity impacts and to consult with the Commission to ensure
439 inclusive, open, and fair access by stakeholders in decision processes that impact
440 community.
441
442

Equity Policy Directive

Presenters:

Bookda Gheisar, Office of Equity, Diversity, and Inclusion

Tyler Emsky, Commission Office

Background

- Motion 2018-06
 - Directed Port staff to create and implement an equity pilot program.
 - This pilot program shall inform the development of an equity policy directive.
- Motion 2020-19 (sponsored by Commissioner Cho)
 - Required racial equity and unconscious bias trainings
 - Established an internal Change Team
 - Called for annual assessments on state of equity in the Port starting in 2021
- 8/10 EWFD Committee Feedback
- Additional rounds of staff dialogue and edits
- 10/28 EWFD Committee Preliminary Approval
- January and February Listening Sessions (2 internal, 2 external)
- Final revisions responsive to community feedback

Elements of Proposed Equity Policy Directive



Structural

- Makes permanent:
 - Office of Equity, Diversity, and Inclusion, Senior Director position
 - Change Team



Operational

- Annual equity goal setting & reporting requirements
- All departments to use equitable budgeting tool
- OEDI to support employee growth, advancement, and knowledge of equity culture and practices across the Port



External

- As-needed cohorts of external community equity advisors
- Port to pursue opportunities to expand community equity programs

Highlights of the Equity Policy Directive Draft

- Makes equity a permanent, ongoing commitment by the Port of Seattle for every level, every division, and every employee
 - Annual equity goals set by depts to reflect where they want to grow
 - Progress towards EDI goals shall be part of performance reviews of the Executive & members of the ELT
 - Utilization of Port developed 'equity tools' such as the equitable budgeting tool
 - Audit team to perform periodic assessments of OEDI work and report to appropriate Commission committees
 - Tools & supports to be developed to enhance and strengthen equity in programs and policies

Highlights (continued)

- Commits the Port to grow its portfolio of community-based equity work and investments
- Language to address barriers to community participation in Port outreach, as appropriate (stipends, language access)
- To inform future action, Port staff are tasked with :
 - Examining past Port equity-related funding, in order to propose an ongoing commitment of resources for equity
 - Convening as-needed groups of community equity advisors on an issue-by-issue basis.
 - Developing the Port's environmental justice principles and framework through engagement with near Port communities.

Post-listening Session Edits to Equity Policy Directive

- Annual reporting on continuous process improvement opportunities regarding Port contracting with community-based organizations, informed by least one listening session with these CBOs.
- Alignment of timelines to reflect proposed date of passage.

Thank You

Questions?

[RETURN TO AGENDA](#)



COMMISSION
AGENDA MEMORANDUM

Item No. 11a

BRIEFING ITEM

Date of Meeting March 28, 2023

DATE: March 8, 2023

TO: Stephen P. Metruck, Executive Director

FROM: Lance Lyttle, Managing Director, Aviation Division
Marco Milanese, Senior Community Engagement Manager, External Relations
Eric Schinfeld, Senior Federal and International Government Relations Manager,
External Relations

SUBJECT: SEA Stakeholder Advisory Round Table (StART) 2022 Annual Report

EXECUTIVE SUMMARY

In 2018, the Port of Seattle launched the SEA Stakeholder Advisory Round Table (StART) in partnership with the Highline Forum-member cities and other representational entities to enhance cooperation between the Port and Seattle-Tacoma International Airport's (SEA's) neighboring communities.

StART provides the Port of Seattle with a dedicated forum intended specifically for discussing and tackling airport and aviation industry impacts on the neighboring Highline Forum-member cities. With the Port, the FAA, the primary air carriers, and the airport's neighboring cities all represented around the table, StART brings together all the relevant parties with a common purpose to share information, collaborate and achieve results.

StART's major accomplishments are primarily the result of efforts initiated by its two working groups: the Aviation Noise Working Group and the Federal Policy Working Group.

StART OVERVIEW

Cognizant of SEA's growth and the ramifications of that growth on neighboring residents, the Port of Seattle is committed to building open relationships with the community and local jurisdictions that foster trust, accountability and collaboration. An important component of that commitment was the creation of StART in early 2018.

The Port of Seattle developed StART to enhance cooperation between the Port and the Highline Forum-member cities of SeaTac, Burien, Des Moines, Normandy Park, Tukwila and Federal Way. This voluntary, non-governing, regional roundtable is convened by the Aviation Managing Director and was developed in partnership with the leadership from the Highline Forum-member cities and other representational entities.

StART provides all parties with the opportunity to:

Meeting Date: March 28, 2023

- Support meaningful and collaborative public dialogue and engagement on airport-related operations, planning and development;
- Provide an opportunity for the Highline Forum-member cities to inform the airport-related decision-making of the Port of Seattle and other jurisdictions/organizations;
- Raise public knowledge about the airport, its impacts; and
- Most significantly, focus on practical solutions to reduce the impact of the airport and aviation operations on Highline Forum-member cities.

Each of the neighboring cities designates three members to serve on StART who are joined by representatives from Alaska Airlines and Delta Air Lines, an air cargo representative (currently vacant) and Port staff. The Federal Aviation Administration (FAA) provides agency expertise.

Meetings, in 2022, were facilitated by Brian Scott, BDS Planning & Urban Design with assistance from Dori Krupanics, BDS Planning & Urban Design.

StART created two working groups to empower StART’s members to work on identified priorities between StART meetings: the Aviation Noise (AN) Working Group in late 2018 and the Federal Policy (FP) Working Group in early 2019.

In 2022, the AN Working Group – with a mission to prioritize and explore potential near-term actions to reduce and prevent aviation noise – continued to focus its efforts on its Aviation Near-term Noise Action Agenda. This included reviewing and refining work associated with several of the agenda’s initiatives and exploring new potential initiatives to include within the agenda.

In 2022, the FP Working Group – with a mission to change federal policies and regulations that can give the FAA, the Port and the communities more tools, resources and flexibilities to address aircraft noise and emissions concerns – has developed and continues to implement a shared Port-Cities Federal Policy Priorities agenda. Last year, the FP Working Group prioritized advocacy surrounding the Inflation Reduction Act, the 2023 FAA Reauthorization Act and several agency rulemakings related to aircraft emissions standards.

AVIATION NOISE WORKING GROUP

The AN Working Group is comprised of a subset of StART members, Port staff and additional staff from the Highline Forum-member cities and other representational entities along with a noise consultant to provide expert advice. Its assignment is to prioritize and explore potential near-term actions to reduce and prevent aviation noise.

Aviation Near-term Noise Action Agenda – 2022 Highlights

In 2022, the AN Working Group focused on reviewing and refining work associated with several of the agenda’s initiatives and exploring new potential initiatives to include within the agenda.

Meeting Date: March 28, 2023

The highlights in 2022 include:

(1) **Ground Noise Study** – The study, which analyzed airfield ground noise sources and identified potential mitigation measures, was completed in the spring. Airfield ground noise sources identified in the study by the consultants included stop and go aircraft queuing, traditional takeoffs, reverse thrust, auxiliary power unit (APU) use, engine maintenance run-ups and dual engine taxiing. The AN Working Group, since the study's completion, has been reviewing each of the potential mitigation measures to determine feasibility and if there's agreement, the steps to implementation.

(2) **Discouraging Reverse Thrust** – Identified as a noise source in the Ground Noise Study, reverse thrust is used by pilots to deaccelerate aircraft upon landing. In coordination with the FAA, Alaska Airlines, Delta Airlines and the members of the AN Working Group, updated language was developed that discourages the use of reverse thrust at SEA at all times of the day and beyond what is necessary. The updated, voluntary SEA language was implemented in January 2023 and will be followed by an air carrier awareness campaign in mid-2023.

(3) **Encouraging Rolling Takeoffs** – Identified as a noise source in the Ground Noise Study, rolling takeoffs have less of a noise footprint than traditional takeoffs that require aircraft to power up after coming to a complete stop. Noise monitoring conducted by Port staff over the summer to evaluate rolling takeoffs didn't produce usable data. However, based upon past results at a comparable airport, implementation of voluntary SEA language identifying rolling takeoffs as having a noise benefit was pursued. In coordination with the FAA, Alaska Airlines, Delta Airlines and the members of the AN Working Group, new, voluntary SEA language promoting rolling takeoffs is in development. If enacted, the language will be followed by an air carrier awareness campaign in 2023.

Aviation Near-term Noise Action Agenda – Earlier Achievements

(1) **Late Night Noise Limitation Program** – Voluntary measure to reduce late night noise by incentivizing air carriers to fly at less noise sensitive hours or transition to quieter aircraft. Program commenced in July 2019 with regular reporting each quarter to StART, air carriers and other external audiences.

(2) **Runway Use Plan** – Informal Runway Use Plan, implemented in late 2019, to minimize use of the Third Runway during the late-night hours (12:00 AM to 5:00 AM). Late night operations on the Third Runway have dropped dramatically since implementation of the Runway Use Plan.

(3) **Glide Slope Adjustment** – Raise Runway 34R's glideslope to lessen aircraft approach noise. Implementation is contingent on the Sustainable Airport Master Plan's (SAMP) finalization and FAA approval.

(4) **Monthly Noise Comment Reporting** – Provide up-to-date, accessible information on noise complaints and comments submitted by the public. Online monthly reporting began with June 2020.

Meeting Date: March 28, 2023

FEDERAL POLICY WORKING GROUP

Because the Port of Seattle is extremely limited in its authority to address some of the core issues that local residents have expressed about aviation, StART formed a FP Working Group as a way to identify areas of consensus and collaboration between the Port and the Highline Forum-member cities on new tools, new authorities, new resources, new approaches and new engagement from the federal government, and to engage Members of Congress in pushing for these shared priorities.

Over a year-long period, the Port and the airport cities successfully identified a significant number of shared federal policy priorities for proposed inclusion in the 2023 FAA Reauthorization Act. They are as follows:

- 1) Reducing the impact of overflight noise on near-airport communities by:
 - a. Advocating for US Representative Smith’s legislation to allow for homes located within the airport’s current FAA-recognized noise contours that meet broader criteria for “failed” insulation to be eligible for secondary investments – particularly those homes where the warranty has expired, or the product manufacturer is out-of-business and therefore unavailable to honor warranties.
 - b. Advocating for US Representative Smith’s Aviation Noise and Emissions Mitigation Act, which would empower the U.S. Environmental Protection Agency (EPA) to play a productive role in addressing community concerns about aircraft noise and emissions. This legislation would support the collection of data and then fund initiatives to mitigate aircraft noise and emissions. These new tools could make a significant difference, particularly in terms of environmental justice.
 - c. Instituting a deadline for action on the FAA Neighborhood Environmental Survey (NES). Without a clear timeline and deadline for whether and how FAA may act on the results of the NES, airports and communities are stuck in a frustrating limbo of uncertainty. The FP Working Group also believes that FAA could use a wider range of input on this challenging and complicated topic.
- 2) Reducing aircraft emissions through:
 - a. Sustainable Aviation Fuel (SAF) incentives and investments including those contained in the Inflation Reduction Act. The FP Working Group urges the 2023 FAA Reauthorization to direct the FAA to do everything possible to successfully implement these policies in ways that move the United States toward the Biden-Harris’ Administration’s SAF Grand Challenge goal of producing at least three billion gallons per year of SAF by 2030. Similarly, the FP Working Group supports additional, complementary programs, policies, and investments that the FAA can undertake to facilitate progress – including but not limited to collaboration with other federal agencies such as the US Departments of Energy, Agriculture and Defense.
 - b. Continuing the Environmental Mitigation Pilot Program contained in Section 190 of the 2018 FAA Reauthorization. The FP Working Group supports the permanent

Meeting Date: March 28, 2023

authorization of this program at six million dollars per year, because of its potential to support innovative technology solutions to reduce aircraft noise and emissions issues.

- c. Advocating for US Representative Smith’s Protecting Airport Communities from Particle Emissions Act which would bring more federal attention and engagement on the sources, characteristics, dispersion, and potential health effects of ultrafine particulates from aircraft engines.
- 3) Addressing regional airport capacity needs by ensuring FAA support for new regional airport capacity. In particular, the FP Working Group would like to see policy language in the FAA Reauthorization legislation that accomplishes three goals: 1) clarifies the process for FAA regulatory review and agency collaboration with cities and states in high air travel demand regions looking to invest in new airport capacity; 2) dedicates funding for new airport capacity in high demand regions; and 3) provides additional FAA guidance on necessary steps to implement any final decisions from the Commercial Aviation Coordinating Commission.

In 2023, expect the AN Working Group to continue to prioritize efforts that fit within its Aviation Near-term Noise Action Agenda. For the FP Working Group, expect a continued focus on advocating for the inclusion of shared federal priorities in the 2023 FAA Reauthorization Act – including via a Port-Cities DC Fly-in at the end of April.

ATTACHMENTS TO THIS BRIEFING

- (1) Aviation Near-term Noise Action Agenda Summary
- (2) Port-Cities 2023 FAA Reauthorization Letter
- (3) StART Membership Roster 2022
- (4) 2022 StART Annual Report
- (5) Presentation slides

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

- March 22, 2022 – The Commission was briefed on StART’s 2021 Annual Report
March 9, 2020 – The Commission was briefed on StART’s 2019 Annual Report
January 22, 2019 – The Commission was briefed on StART’s 2018 Annual Report

**SEA Stakeholder Advisory Round Table (StART)
Aviation Noise Working Group
Aviation Near-term Noise Action Agenda Summary (as of 2/23)**

**Item No. 11a. attach 1
Meeting Date: March 28, 2023**

Action Items	Late Night Noise Limitation Program	Runway Use Program	Glide Slope Adjustment	Ground Noise Study	Discouraging Reverse Thrust	Encouraging Rolling Takeoffs	Noise Comment Reporting
Description	Voluntary measure to reduce late night (12:00 AM to 5:00 AM) noise by incentivizing air carriers to fly at less noise sensitive hours or transition to quieter aircraft	Revise the current informal Runway Use Program to minimize use of the Third Runway during the late night (12:00 AM to 5:00 AM)	Raise Runway 34R's glideslope to lessen aircraft approach noise	Analyze airfield ground noise sources and identify potential mitigation measures	When conditions are right, discourage overuse of reverse thrust to deaccelerate aircraft	When conditions are right, promote rolling takeoffs	Provide up-to-date, accessible information on noise complaints and comments submitted by the public
Components	<ul style="list-style-type: none"> Ongoing outreach with air carriers about possible late night schedule and aircraft fleet changes including meetings with carriers with the most noise exceedances Established noise thresholds that identify aircraft exceeding noise thresholds during the late night hours Late night noise threshold observance tracked and reported out on a quarterly basis and publicized as part of the Fly Quiet Program 	Updated language for: <ul style="list-style-type: none"> Third Runway daytime/evening runway usage Third Runway late night runway usage 	Considered various strategies and timelines for raising Runway 34R's 2.75 degrees glideslope and settled on plan to permanently relocate 34R's navigational aids and pursue a 3.0 degrees glideslope with the FAA	Major ground noise sources identified in the study: <ul style="list-style-type: none"> Stop and go aircraft sequencing/queuing Traditional takeoffs Reverse thrust Auxiliary Power Unit (APU) use Engine maintenance run-ups Dual engine taxiing 	Reverse thrust was identified as a source of noise in the Ground Noise Study	Confirm there is a measurable noise difference of instituting a rolling takeoff versus a traditional takeoff. Traditional takeoffs were identified as a source of noise in the Ground Noise Study.	Monthly statistic and heat map reports posted on Port website detailing totals and trends by city, zip code and subject matter. Regular updates regarding noise complaint data provided at StART meetings.
Change	Reduction of aircraft noise during the late night hours	Reduction of aircraft noise for Third Runway adjacent communities and communities underneath the Third Runway's flightpath	Potential reduction of aircraft noise for communities south of SEA	Reduction of aviation noise for close-in communities surrounding SEA	Reduction of aircraft noise for close-in airport communities	Potential reduction of aircraft noise for communities close to the runway ends	Transparent and convenient information on noise complaints and comments submitted by public
Key Responsible Parties	Port of Seattle, airlines and air cargo carriers	Port of Seattle and FAA	Port of Seattle and FAA	Port of Seattle, FAA, airlines and air cargo carriers	Port of Seattle, FAA, airlines and air cargo carriers	Port of Seattle, FAA, airlines and air cargo carriers	Port of Seattle
Status Update	COMPLETE - Program commenced in July 2019 with regular reporting each quarter to external audiences. In 2021, the program achieved its first significant success when EVA Air made the switch to a quieter aircraft during the late night hours. Since the program's inception, Port staff have met with the following air carriers to discuss their late night noise exceedances: EVA Air, ATI/Amazon, China Airlines Cargo, FedEx Express and Korean Air Cargo.	COMPLETE - Implemented in September 2019. Late night operations on the Third Runway dropped dramatically from an average of 12 nightly landings pre-implementation to an average of four nightly landings in 2022. Usage continues to be monitored and details communicated at StART meetings.	IN PROCESS - The 34R glide slope adjustment is incorporated into a SEA taxiway reconfiguration project. Preliminary design is complete. Implementation is contingent on the Sustainable Airport Master Plan's (SAMP) finalization and FAA approval.	COMPLETE - After regular check-ins with StART's Aviation Noise Working Group, the consultants completed the study in May 2022. The study identified several potential mitigation measures that the working group is investigating.	COMPLETE - Updated SEA voluntary language discouraging use of reverse thrust at all times and beyond what is necessary, implemented in January 2023. Air carrier awareness campaign to commence by mid-2023.	IN PROCESS - Noise monitoring conducted by Port staff to evaluate rolling takeoffs didn't produce usable data. However, based upon past results at a comparable airport, implementation was recommended. Voluntary SEA language encouraging rolling takeoffs in development.	COMPLETE - Monthly reports began with June 2020.



December 5, 2022

The Honorable Patty Murray
United States Senate

The Honorable Maria Cantwell
United States Senate

The Honorable Adam Smith
United States House of Representatives

The Honorable Pramila Jayapal
United States House of Representatives

The Honorable Rick Larsen
United States House of Representatives

The Honorable Marilyn Strickland
United States House of Representatives

Dear Senator Murray, Senator Cantwell, Representative Smith, Representative Jayapal, Representative Larsen, and Representative Strickland,

On behalf of the Port of Seattle and the six cities surrounding Seattle-Tacoma International Airport (SEA), we are pleased to write to share our aircraft noise and emissions policy priorities for inclusion in next year’s Federal Aviation Administration (FAA) Reauthorization legislation.

Prior to the COVID-19 pandemic, SEA was not only the 8th busiest airport in the country in terms of passenger volumes, but also one of the fastest growing – increasing from 31 million passengers in 2010 to almost 52 million passengers in 2019. This growth – and the associated number of operations and overflights in near-airport communities – has elevated aircraft noise and air emissions as one of the highest community priorities for the Port and the cities of SeaTac, Burien, Des Moines, Normandy Park, Tukwila, and Federal Way.

The Port and these six cities work closely together to identify new mitigations and abatements for aircraft noise and emissions in our community; in fact, we have jointly created the SEA Stakeholder Advisory Round Table (StART) to provide a forum for collaborative efforts on this front. We are proud that this partnership has resulted in specific changes which have resulted in measurable changes to-date, such as reduced late night noise and less use of the 3rd runway (closest to the local neighborhoods) for late night landings).

There is only so much we can do on our own, however; the Port is extremely limited in its ability to directly impact these issues, and so we need federal partnership to provide new tools, new authorities, new resources, new approaches and new FAA engagement that can make a tangible difference. To that end, StART has been able to develop a significant list of jointly supported federal policies that we believe will move us toward this vision. The 2023 FAA Reauthorization is the best vehicle for us to make progress in implementing these priorities.

As you begin conversations regarding the development of the 2023 legislation, we ask that you work to include the following seven (7) aircraft noise and emissions policies in the final bill:

I. Reducing the impact of overflight noise on near-airport communities: The Port has received an increasing number of complaints from local residents over the last decade regarding overflight noise. In addition to the work of StART to identify voluntary FAA and airline measures to reduce noise, the Port has also doubled down on implementation of its noise program – insulating not only homes and schools but also now apartments, condominiums, and places of worship. Yet, there are additional ways that the federal government can be helpful on this front:

- 1) *Secondary insulation for "failed" packages:* Over the past 40 years, the Port has installed noise packages in approximately 9,500 homes. However, current FAA policy restricts airports from using federal funds to upgrade or repair noise insulation other than in those homes that received packages pre-1993. We believe strongly that homes located within the airport's current FAA-recognized noise contours that meet broader criteria for "failed" insulation should be eligible for secondary investments – particularly those homes where the warranty has expired, or the product manufacturer is out-of-business and therefore unavailable to honor warranties.
- 2) *Aviation Noise and Emissions Mitigation Act:* The Port and the airport cities share a belief that the U.S. Environmental Protection Agency (EPA) can play a productive role in addressing community concerns about aircraft noise and emissions. While the FAA is excellent at maintaining the safety and efficiency of the national airspace system, the EPA's core mission around protecting human health and the environment makes them a natural partner in such efforts. US Representative Adam Smith's legislation would support the collection of data and then fund initiatives to mitigate aircraft noise and emissions. These new tools could make a significant difference, particularly in terms of environmental justice.
- 3) *Deadline for action on FAA Neighborhood Environmental Survey:* In April 2020, the FAA released its report¹ – as required by Sections 173 and 188 of the 2018 FAA Reauthorization – evaluating alternative metrics to the current 65db day-night level (DNL) standard. The conclusion of that report was that "DNL is the recommended metric and should continue to be used as the primary metric for aircraft noise exposure."

However, in March 2021, the FAA released the results of their Neighborhood Environmental Survey (NES)², which found that noise annoyance extends far beyond the current FAA noise contour. In response to the public comment period following the release of the NES, the Port and the airport cities submitted a joint letter stating that "years of additional research to make policy decisions seems both unnecessary and detrimental" and that "[a]t the very least, the FAA should be very clear as to what it considers to be the current gaps in knowledge that prevent immediate policy decisions, and the timeline for completing additional information gathering and analysis before policymaking can be conducted."

¹ https://www.faa.gov/about/plans_reports/congress/media/Day-Night-Average-Sound-Levels-COMPLETED-report-w-letters.pdf

² https://www.faa.gov/regulations_policies/policy_guidance/noise/survey

The Port and the airport cities are very aware that any potential changes to the current 65 DNL metric – whether a lower decibel level and/or additional or alternative metrics – require careful consideration of the costs and benefits of various options, including the possibility of billions of dollars of newly eligible investments in noise insulation for homes and buildings outside the current noise contour. Yet, without a clear timeline and deadline for whether and how FAA may act on the results of the NES, airports and communities are stuck in a frustrating limbo of uncertainty. We also believe that FAA could use a wider range of input on this challenging and complicated topic.

To that end, we propose two policies for inclusion in the 2023 FAA Reauthorization:

- *Creation of an Aircraft Noise Advisory Committee (ANAC)*: Congress should direct the FAA to convene – within 60 days of passage – an aircraft noise advisory committee to evaluate existing research on aircraft noise impacts and annoyance; the costs and benefits of a wide variety of noise metrics; and other factors related to this topic. The ANAC should consist of representatives from key federal agencies such as EPA and the National Aeronautics and Space Administration (NASA), airports, airlines, aerospace manufacturers, and community groups from airport cities. Within one year of creation, the ANAC should submit its recommendations on the question of whether and how current aircraft noise policy should change.
- *Deadline for action on ANAC recommendations*: Congress should set a statutory deadline six months after the submission of the ANAC recommendations. During that period, FAA should consult with Congress on the recommendations, conduct a public comment period to solicit stakeholder input, and then make a final determination on next steps.

II. Reducing aircraft emissions: Ensuring continued progress on reducing aircraft emissions of carbon and other air particulates is key to not only preventing the worst impacts of climate change but also protecting human health. A transition to sustainable aviation fuels (SAF) represents the most tangible, near-term opportunity to achieve these goals; SAF not only reduces carbon emissions from aircraft, but also a wide range of additional air emissions including ultra-fine particulates (UFPs). Spurring the development and implementation of SAF must be a top priority for the 2023 FAA Reauthorization.

- 4) *SAF incentives and investments*: The Inflation Reduction Act contained two key policies that will make a substantive difference in SAF implementation – a SAF Blender's Tax Credit and a SAF infrastructure grant program. The former will help create price parity between SAF and traditional Jet A fuels, while the latter will help ensure the necessary construction investments to refine, blend and transport the fuels; for example, the Puget Sound region could benefit from such funding to invest in any required infrastructure to spur increased adoption of SAF at SEA. We urge the 2023 FAA Reauthorization to direct the FAA to do everything possible to successfully implement these policies in ways that move the United States toward the Biden-Harris' Administration's SAF Grand Challenge goal of producing at least 3 billion gallons per year of sustainable aviation fuels by 2030. Similarly, we support additional, complementary programs, policies, and investments that the FAA can undertake to facilitate progress – including but not limited to collaboration with other federal agencies such as the US Department of Energy, the US Department of Agriculture, and the US Department of Defense.

- 5) *Environmental Mitigation Pilot Program*: Section 190 of the 2018 FAA Reauthorization directed the creation of this fund, which was implemented as a one-time competitive grant opportunity in 2021. While SEA’s application for funding through this program was not successful, we support the permanent authorization of this program at \$6 million per year, because of its potential to support innovative technology solutions to reduce aircraft noise and emissions issues.
- 6) *Protecting Airport Communities from Particle Emissions Act*: While most of the above-listed Port-Cities priorities are actions rather than studies, we understand that additional research at the federal level is necessary to lay the groundwork for future decisions around UFPs from aircraft engines. We strongly support US Representative Adam Smith’s legislation, which would bring more federal attention and engagement on the sources, characteristics, dispersion, and potential health effects of UFPs.

III. Addressing regional airport capacity needs: The Port and the airport cities have all publicly recognized that the Puget Sound region needs additional airport capacity beyond SEA, which is why we have endorsed the Washington State Department of Transportation’s Commercial Aviation Coordinating Commission (CACC) siting process. The CACC’s mission to identify a new regional airport outside of King County and/or expansion of other, smaller airports in the region will not only ensure that our economy can serve future air travel demand, but also that overflights will not be fully concentrated around SEA. However, while the CACC is tasked by the Washington State Legislature with identifying a site outside of King County where future regional air travel capacity should be located, there is no current funding or implementation plan once their work is complete. The federal government can support this process by:

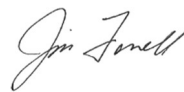
- 7) *Ensuring FAA support for new regional airport capacity*: We would like to see policy language in the FAA Reauthorization legislation that accomplishes three goals: 1) clarifies the process for FAA regulatory review and agency collaboration with cities and states in high air travel demand regions looking to invest in new airport capacity; 2) dedicates funding for new airport capacity in high demand regions; and 3) provides additional FAA guidance on necessary steps to implement any final decisions from the CACC. While we do not know a specific timeline or strategy for regional airport capacity growth, it is essential to take the steps now that will smooth the path to meeting regional air travel demand over the coming decades.

Thank you again for the opportunity to share our FAA Reauthorization aircraft noise and emissions priorities, and we look forward to working with you over the next year to ensure that these policies are signed into law. We deeply appreciate all that you do for the Port and our communities, and please do not hesitate to contact us if we can provide any additional details.


Yours truly,



Commissioner Ryan Calkins
President
Port of Seattle Commission



Mayor Jim Ferrell
City of Federal Way



Mayor Allan Ekberg
City of Tukwila



Carl Cole
City Manager
City of SeaTac



Adolfo Bailon
City Manager
City of Burien



Michael Matthias
City Manager
City of Des Moines



Amy Arrington
City Manager
City of Normandy Park



Lance Lyttle
Aviation Managing Director
Seattle-Tacoma International Airport

StART MEMBERSHIP LIST	2022 Membership List	Item No. 11a. attach 3 Meeting Date: March 28, 2023
Member/ Association	Name	Title
Facilitation Team	Brian Scott	Facilitator
	Dori Krupanics	Notetaker
Burien	Diana Smith	Burien Community Member
	Jeff Harbaugh	Burien Community Member
	Adolfo Bailon	Burien City Manager
	Garmon Newsom II (Alt)	Burien City Attorney
Federal Way	Dave Berger	Federal Way Community Member
	Michael Brugato	Federal Way Community Member
	Bill Vadino	Federal Way Mayor's Office, Senior Policy Advisor
	Steve McNey (Alt)	Federal Way Communications & Government Affairs Manager
Des Moines	Bob Leonard	Des Moines Community Member
	Peter Philips	Des Moines Community Member
	Michael Matthias	Des Moines City Manager
	Denise Lathrop (Alt)	Community Development Director
Normandy Park	Bryan Tomich	Normandy Park Community Member
	Moirra Bradshaw	Normandy Park Community Member
	Amy Arrington	Normandy Park City Manager
	Chief Dan Yourkoski (Alt)	Normandy Park Chief of Police
SeaTac	Community Rep. Vacancy	
	Robert Akhtar	SeaTac Community Member
	Carl Cole	SeaTac City Manager
	Kyle Moore (Alt)	SeaTac Government Relations and Communications Manager
Tukwila	Community Rep. Vacancy	
	Peter Schilling	Tukwila Community Member
	Brandon Miles	Tukwila Business Relations Manager
	Laurel Humphrey (Alt)	Tukwila Council Analyst
Port of Seattle	Lance Lyttle	Aviation Managing Director
	Laurel Dunphy (Alt)	Aviation Operations Director
	Eric Schinfeld	Federal Government Relations Senior Manager
	Marco Milanese	Community Engagement Manager
Delta	Primary Delta Rep. Vacancy	
	Scott Ingham (Alt)	Public Affairs Advisor, Delta Air Lines
Alaska	Scott Kennedy	State and Local Government Affairs Manager, Alaska Airlines
	Randy Fiertz (Alt)	Airport Affairs Director, Alaska Airlines
Air Cargo	Air Cargo Rep. Vacancy	
FAA (non-members)	Justin Biassou	Community Engagement Officer, Federal Aviation Administration
	Leslie Lardie	Senior Advisor, Federal Aviation Administration
	Grady Stone	Northwest Mountain Regional Administrator, Federal Aviation Administration

StART

2022 Annual Report SEA Stakeholder Advisory Round Table



SEA
Seattle-Tacoma
International
Airport

2022 StART Members

Burien

Diana Smith
Jeff Harbaugh
Garmon Newsom II (Alt)



Tukwila

Peter Schilling
Brandon Miles
Laurel Humphrey (Alt)



Des Moines

Bob Leonard
Peter Philips
Michael Matthias
Susan Cezar (Alt)
Denise Lathrop (Alt)



Alaska

Scott Kennedy
Randy Fiertz (Alt)



Delta

Scott Ingham (Alt)



Federal Way

Dave Berger
Chris Hall
Michael Brugato
Bill Vadino
Steve McNey (Alt)



Air Cargo

FAA (non-members)

Justin Biassou
Leslie Lardie
Grady Stone
Vikas Uberoi
Alana Jaress



Normandy Park

Moira Bradshaw
Bryan Tomich
Amy Arrington



Port of Seattle

Lance Lyttle
Arlyn Purcell (Alt)
Laurel Dunphy (Alt)
Eric Schinfeld
Marco Milanese



SeaTac

Tejvir Basra
Robert Akhtar
Carl Cole
Kyle Moore (Alt)



Facilitation Team

Brian Scott
Dori Krupanics



Welcome & Summary

Committed to Collaboration



On behalf of the city government officials, community representatives, Port staff, and airline representatives who make this collaboration successful, I am pleased to present this report on the SEA Stakeholder Advisory Round Table's (StART's) 2022 activities.

This report features a summary of last year's work, including a list of key presenters, agenda items covered at StART meetings, and topics discussed at StART's Federal Policy and Aviation Noise Working Groups.

StART was created specifically for discussing and tackling airport and aviation industry impacts on the neighboring cities. By bringing together the Port, the FAA, the primary air carriers, and the airport's neighboring cities around the table, StART provides a venue for all the relevant parties to share information, collaborate and achieve results.

I do want to be frank that there are no easy solutions to the many concerns expressed by neighboring cities. The aviation industry and airports are both heavily regulated and so we have limited tools and flexibility on many of these topics.

Nevertheless, I applaud StART for its innovative spirit and for seeking out those areas where we can collectively play a role to influence and encourage change that leads to improvements within the neighboring cities. Much has been achieved to date, and I expect much more progress in the years to come.

I want to recognize the community and city representatives from the cities of Burien, Des Moines, Federal Way, Normandy Park, SeaTac and Tukwila who volunteer dozens of hours to learning, sharing knowledge, and advocating for the needs and desires of their neighbors and cities. I also want to recognize Alaska Airlines, Delta Air Lines, and the FAA for their active participation and for sharing their expertise and perspective with StART's membership. StART works because everyone who needs to be at the table has a seat.

I want to end by thanking the Port's Arlyn Purcell and Stan Shepherd for being such regular contributors on StART since the group's inception. Both retired in 2021 and their steady guidance and support will certainly be missed.

I am proud of StART's accomplishments in 2022 and look forward to an even more productive 2023.

In Community,
Lance Lyttle

SEA Airport Managing Director

Table of Contents

2 | 2021 StART Members

3 | Welcome Letter

4 | 2022 Summary

7 | 2022 Guest Presenters

8 | 2022 Meetings & Agendas

StART 2022 Annual Report | 3



2022 StART Activity Summary

For the SEA Stakeholder Advisory Round Table, 2022 was focused on information sharing and collaboration.

StART provides Highline Forum-member cities, airline representatives, the Federal Aviation Administration (FAA) and the Port of Seattle with a forum for meaningful and collaborative public dialogue; informing airport-related decision-making; raising public knowledge about airport operations and impacts; and a focus on practical ways to reduce the impact of the airport on Highline Forum member cities. The intent is to foster a spirit of good will, respect and openness while encouraging candid discussion between the Port and other StART members.

After a year of renewal and trust building in 2021, StART members were fully focused on executing on the group's mission in 2022. Key themes included aviation ground noise, aviation fuel, the new airport's potential location, air quality, federal policy, general aviation noise, StART's membership, and the Sustainable Airport Master Plan (SAMP). The following are highlights from the year. More detail is available in the StART meeting minutes, which are accessible via the Port's website.

Aviation Ground Noise

During 2022, both the Aviation Noise Working Group and full StART meetings devoted considerable time to a Ground Noise Study commissioned by the Port of Seattle, overseen by the Aviation Noise Working Group and conducted by the international environmental and transportation planning firm, HMMH. The consultants gave regular updates on their work, which included both direct measurements of ground noise at several points surrounding and within SEA Airport, as well as modeling the potential impacts for various interventions and mitigation strategies.

Interventions explored include single engine taxiing, rolling takeoffs, reduced use of reverse thrust, less use of auxiliary power units, more efficient aircraft queuing and others. The final study report was completed in mid-2022.

Aviation Fuel

StART meetings also included several presentations related to aviation fuel. One focused on the (almost non-existent) practice of fuel jettisoning. Several others focused on the latest developments in sustainable aviation fuels (SAF), including a primer on SAF, as well as updates on efforts by airlines and the FAA to implement SAF usage.

Potential New Airport Location

StART members received a briefing on the Washington Commercial Aviation Coordinating Commission's progress, which is tasked with recommending a potential location for a new commercial airport in the greater Puget Sound region. The group is evaluating the benefits and challenges of several sites in the Puget Sound region.

Air Quality

StART also received a briefing on Puget Sound air quality and the South King County area's air quality.

Federal Policy

A special feature for StART was a briefing by U.S. Representative Pramila Jayapal on federal policies related to aviation at the April 27, 2022 full StART meeting. The Federal Policy Working Group focused considerable attention on identifying shared priorities for potential inclusion in the 2023 FAA Reauthorization Act, as well as proposed rules for control of air pollution from aircraft engines by the US Environmental Protection Agency and the FAA. The group also began making plans for a joint "fly-in" visit to Washington, DC to be held during spring 2023. Finally, as always, the Working Group also spent considerable time staying abreast of evolving federal policies relating to airports, the relationship with the Biden Administration, and specific federal programs.

General Aviation Noise

The Aviation Noise Working Group continued to explore and discuss issues related to aviation noise, including the airport's residential insulation program and late night runway usage. The group regularly received quarterly reports on the Port of Seattle's Late Night Noise Limitation Program, including a quarterly tally of late night noise exceedances by each airline and type of aircraft. The group also received regular updates on the number of noise comments and complaints received each month by the Port. As in earlier years, a strong majority of noise complaints received are from Vashon Island residents.

StART Membership

All StART meetings also include public comment, during which a strong majority of comments were from Vashon Island. Vashon residents expressed concern about the flight paths over Vashon Island and about the fact that StART’s membership does not include representatives from Vashon Island. The StART Steering Committee reviewed membership policies and decided not to make s change.

Sustainable Airport Master Plan (SAMP) Process

Finally, StART meetings included an update from the Port of Seattle on the Sustainable Airport Master Plan (SAMP) process. In short, environmental analysis is ongoing and the SAMP environmental review process will be delayed by two years.



Guest Presenters at StART and Working Groups

- Chris Ryalls, Air Line Pilots Association Regional Airport Safety Coordinator, NW Mountain Region
- U.S. Representative Pramila Jayapal
- Eric Saganić, Technical Analysis Manager, Puget Sound Clean Air Agency
- David Fleckenstein, Director, Aviation Division, WA State Department of Transportation
- Carol Sim, Aviation Sustainability Center (ASCENT) Assistant Director, Washington State University
- Scott Coughlan, Director of Sustainability, Alaska Airlines
- Stephanie Zhu, General Manager of Sustainability, Delta Air Lines
- Dr. Jim Hileman, Chief Scientific and Technical Advisor, FAA Office of Environment and Energy
- Brad van Dam, Senior Vice President, Government Affairs, American Association of Airport Executives
- Thomas Mayo, Office of US Representative Adam Smith
- Vince Mestre, Noise Consultant
- Gene Reindel, Vice President, HMMH
- Scott Kennedy, Government Affairs Manager, Alaska Airlines
- Chris Schaffer, Manager of Planning, Environmental and Financial Programs, NW Mountain Region, Airports Division, FAA
- Steve Osterdahl, Air Traffic/Airspace Operations Director, Alaska Airlines

Port of Seattle Personnel

- Clare Gallagher, Capital Project Delivery Director
- Andy Gregory, Environmental Engagement Program Manager
- Arlyn Purcell, Aviation Environmental Services Director
- Stan Shepherd, Noise Programs Manager
- Tom Fagerstrom, Noise Programs Coordinator
- Eric Schinfeld, Federal Government Relations Manager
- Stephanie Meyn, Climate Program Manager
- Eric Ffitch, State Government Relations Manager
- Ken Galka, Air Cargo Operations Manager
- Steve Vittner, Airline Scheduling Systems Manager
- Samer Tirhi, Airline Scheduling Systems Specialist
- Marco Milanese, Community Engagement Manager



2022 StART Meetings



February 23

- Update on Community Outreach Planning for SAMP Near-Term Projects Environmental Review
- Federal Policy Working Group Activities
- Aviation Noise Working Group Activities
- Public Comment

April 27

- Federal Update
- Aviation Fuel Jettisoning & Airline Procedures
- Ground Noise Study: Mitigation Recommendations
- Federal Policy Working Group Activities
- Aviation Noise Working Group Activities
- Public Comment

June 22

- Noise Insulation Program Update
- Bipartisan Infrastructure Legislation Update
- Puget Sound Air Quality
- Aviation Noise Working Group Activities
- SAMP Update
- Public Comment

August 24

- Commercial Aviation Coordinating Commission Update
- Sustainable Aviation Fuel 101
- Regulations & Policies Supporting Sustainable Aviation Fuel
- Federal Policy Working Group Activities
- SAMP Update
- Public Comment

October 26

- Part 150 Noise Study Announcement
- Airline Efforts: Sustainable Aviation Fuel & Air Emission Reduction Programs
- SEA Efforts: Air Emission Reduction Programs
- FAA Efforts: Sustainable Aviation Fuel
- Federal Policy Working Group Activities
- Aviation Noise Working Group Activities
- SAMP Update
- Public Comment

December 14

- Impact of the Aircraft Noise Abatement Act (Pellicciotti bill)
- Part 150 Noise Study Primer
- Federal Policy Working Group Activities
- Aviation Noise Working Group Activities
- SAMP Update
- Public Comment

2022 Working Group Meetings

Federal Policy

February 7

- 2023 FAA Reauthorization Act
- Potential Joint Comment Letter for Proposed Rule for Control of Air Pollution from Aircraft Engines

April 18

- Prepare for US Representative Jayapal's Presentation at the Next StART Meeting
- 2023 FAA Reauthorization Act

May 23

- Feedback on US Representative Jayapal's Presentation
- 2023 FAA Reauthorization Act

July 11

- Aviation Impacted Communities Act
- Review of Draft 2023 FAA Reauthorization Priorities Letter
- Potential Joint Comment Letter on FAA Fuel Efficiency Rulemaking

September 19

- FAA Noise Contour Policy Briefing
- Draft 2023 FAA Reauthorization Priorities Letter Revision
- Planning for Joint DC Fly-in

December 5

- 2023 FAA Reauthorization Priorities Letter Update
- Planning for Joint DC Fly-in

Aviation Noise

January 19

- Ground Noise Study Update - Measurements and Modeling Results

February 14

- China Airlines Cargo Meeting Recap
- Rolling Takeoffs Noise Monitoring
- Ground Noise Study Potential Recommendations: Progress Update

April 11

- Alaska Airlines Fleet Changes
- China Cargo Airlines Update
- Ground Noise Study: Mitigation Recommendations
- Noise Comment Reporting & Utilization

June 13

- Noise Insulation Status Report
- FAA Grant Assurances Primer
- Rolling Takeoffs – Noise Monitoring Results
- Ground Noise Study Recommendations: Review & Next Steps

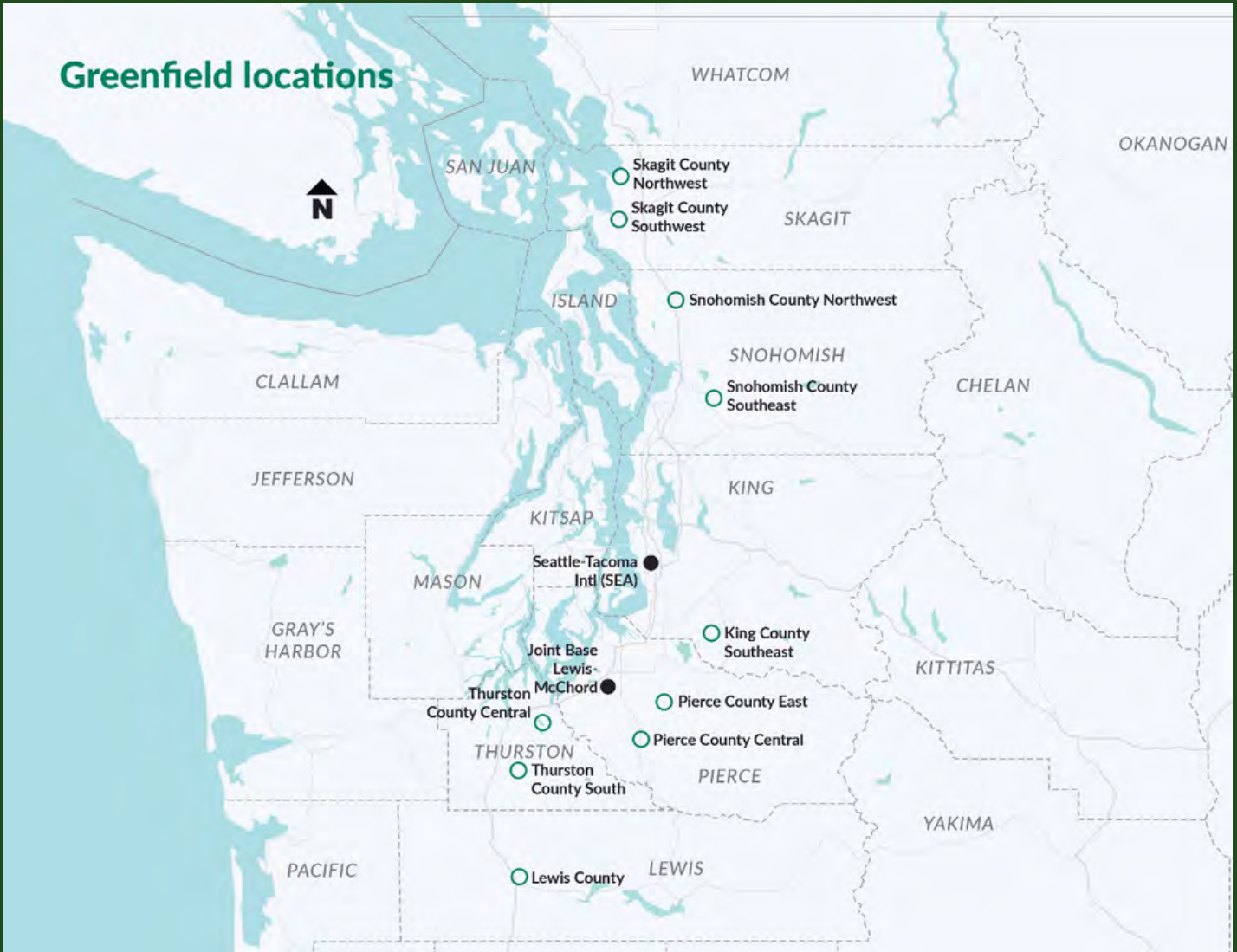
October 10

- Reverse Thrust 101
- Proposed SEA Reverse Thrust Language Change
- Rolling Takeoffs: An Update
- Part 150 Noise Study Announcement

December 12

- Terminal Flight Data Manager (TFDM) Overview
- Draft Rolling Takeoff Language
- Ground Noise Study Recap

Greenfield locations



Commercial Aviation Coordinating Commission Update - August 24th, 2022

We set a path to Net zero by 2040



Days over the Agency Health Goal



Puget Sound Air Quality - June 22nd, 2022

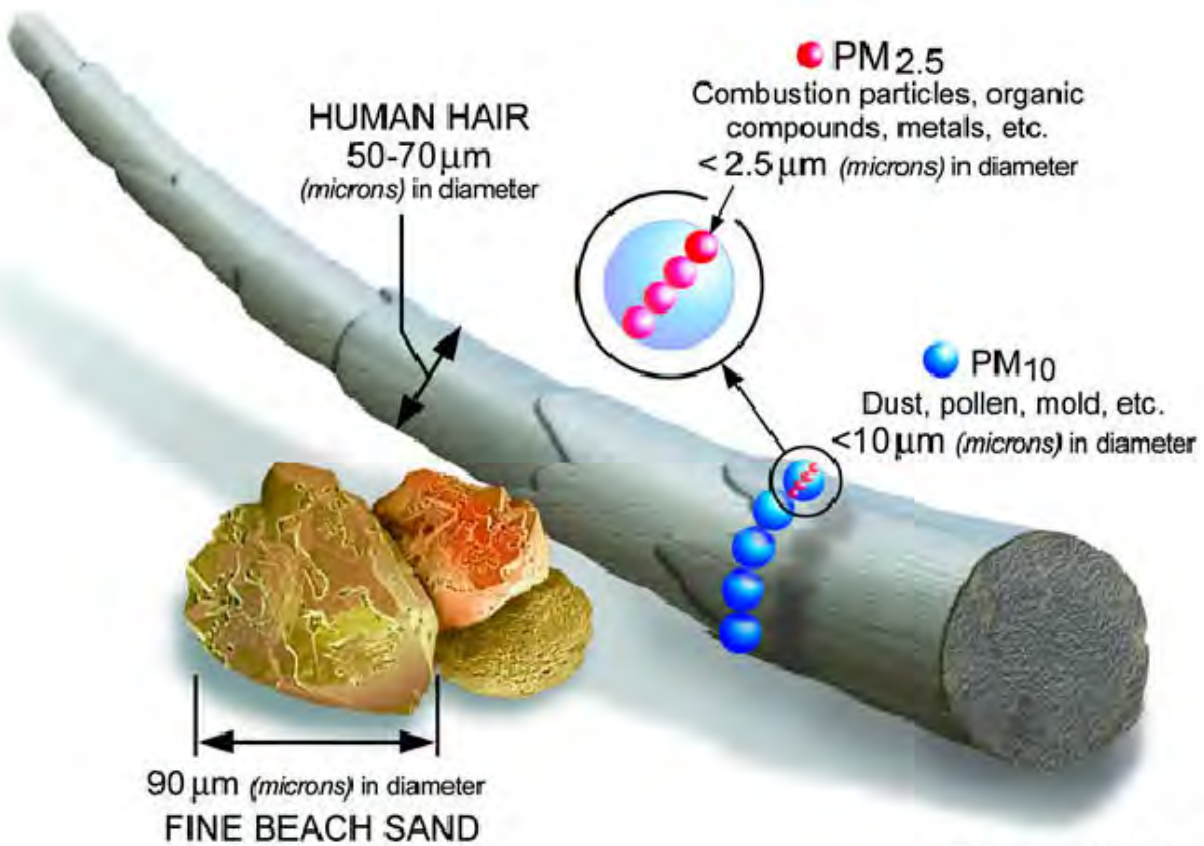


Image courtesy of the U.S. EPA

Puget Sound Air Quality - June 22nd, 2022



SEA Seattle-Tacoma
International
Airport

Document Design by Natalie Scott GreyScott.com

SEA Stakeholder Advisory Round Table 2022 Annual Report

- Lance Lyttle, Port of Seattle
- Jeff Harbaugh, Community Rep.

Item No. 11a. supp
Meeting Date: March 28, 2023

StART 2022 Annual Report Presentation

- Overview
- 2022 Accomplishments & Efforts
 - Aviation Noise Working Group
 - Federal Policy Working Group
- Perspective from Community Representatives



StART

SEA Stakeholder Advisory Round Table

StART Overview

- Supports meaningful and collaborative public dialogue and engagement;
- Provides an opportunity for the cities to inform the airport about their priorities;
- Raises public knowledge about the airport and its impacts,
- And focuses on practical solutions to reduce the impact of the airport on the Highline Forum-member cities.

StART Overview

- Developed in consultation with the Highline Forum-member cities
 - Burien, Des Moines, Federal Way, Normandy Park, SeaTac & Tukwila
- Alaska Airlines, Delta Air Lines and FAA all play key roles
- Consultant serves as facilitator



2022 Accomplishments

Aviation Noise Working Group

StART 

SEA Stakeholder Advisory Round Table

Aviation Near-term Noise Action Agenda

Initiatives:

- Ground Noise Study
- Discouraging Reverse Thrust
- Encouraging Rolling Takeoffs



Aviation Near-term Noise Action Agenda

Focus for 2023:

- Continued emphasis on Noise Action Agenda
- Development of new efforts to prevent & reduce aviation noise



2022 Accomplishments Federal Policy Working Group

StART 

SEA Stakeholder Advisory Round Table

Shared Federal Policy Priorities

- Shared federal policy priorities for inclusion in the 2023 FAA Reauthorization Act:
 - Reducing the impact of overflight noise on near-airport communities
 - Secondary investments for homes with “failed” insulation
 - EPA empowered to address community concerns on emissions and noise
 - FAA action on the Neighborhood Environmental Survey
 - Reducing aircraft emissions
 - Sustainable Aviation Fuel incentives and investments
 - Continuation of the Environmental Mitigation Pilot Program
 - Focus on ultrafine particulates
 - Addressing regional airport capacity needs by ensuring FAA support

Shared Federal Policy Priorities

- Focus for 2023:
 - Advocate for federal policy priorities inclusion in FAA Reauthorization Act
 - Look at other levers for implementation as well, including Appropriations, National Defense Authorization Act, and agency rulemakings
 - Port-Cities DC Fly-in at the end of April
 - Monitor and act on other, related agency rulemakings and grant opportunities as they arise



Community Perspective

- Jeff Harbaugh, Burien



QUESTIONS ?



[RETURN TO AGENDA](#)