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Good morning. This is Commission President Hamdi Mohammed convening the regular meeting of

March 26, 2024. The time is now 10:33 a.m. We are meeting in person today at SEA Conference center and virtually on Microsoft Teams. Present with me today are commissioners Calkins, Cho, Felleman, and Commissioner Hasegawa, who's joining us virtually and we are now gathered in the executive session room awaiting the opening of the public meeting. We'll now recess into executive session to discuss one item for approximately 90 minutes regarding performance of a public employee per RCW 4200 3100 ten section one g will reconvene into public session at 12:00 p.m. Thank you. We are now in recess.

This is Commission President Hamdi Mohammed reconvening the regular meeting of March 26, 2024. The time is now 12:05 p.m. We're meeting in person today at the SEA Conference center and virtually via Microsoft Team clerk Hart, please call the role of all commissioners in attendance. Thank you. Madam Commission President, beginning with Commissioner Calkins here. Thank you. Commissioner Cho present. Thank you. Commissioner Felleman. Present. Thank you. Commissioner Hasegawa. Present. Thank you. And Commissioner Mohammed present. Thank you. We have a full commission here today. Great. A few housekeeping items before we begin. For everyone in the meeting room, please turn your cell phones too silent for anyone participating on Microsoft Teams. Please mute your speakers when not actively speaking or presenting. Please keep your cameras off unless you are a member of the commission or executive or the executive director participating virtually, or you are a member of the staff in a presentation mode and actively addressing the commission. Members of the public addressing the commission during public comment may turn on their cameras when their name is called to speak and we'll turn them back off again at the conclusion of their remarks. For anyone at the dais here today, please turn off the speakers on your computers and silence your devices. Please also remember to address your request to be recognized, to speak through the chair, and to wait to speak until you have been recognized. You'll turn your microphones on and off as needed. All of the items noted here will ensure a smoother meeting for all of us.

Thank you. All votes today will be taken by the roll call method so it is clear for anyone participating virtually how votes are casted. Commissioners will say aye or nay when their names are called.

We are meeting on the ancestral lands and waters of the Coast Salish people with whom we share a commitment to stewarding these natural resources for generations to come. This meeting is being digitally recorded and may be viewed or heard at any time on the port's website and may be rebroadcasted by King county television. Now please stand and join me for the Pledge of Allegiance. I pledge allegies to the flag of the United States of America and to the republic for which it stands, one nation under God, indivisible, with liberty and justice for all. Thank you.

Thank you all. The first item of business today is the approval of the agenda. As a reminder, if a commissioner wishes to comment for or against an item on the consent agenda, it is not necessary to pull the item from the consent agenda. Rather, commissioners may offer supporting or opposing comments later in the meeting. Once we get to that part of the agenda, please wait until the motion to approve the consent agenda is on the floor for these comments. However, it is appropriate at this time if a commissioner wants to ask a question of staff or wishes to have a dialogue on a consent agenda item to request the item to be pulled for a separate discussion. Are there any items to be pulled from the consent agenda or a motion to rearrange today's meeting hearing? None. Commissioners, the question is now on the approval of the agenda. Is there a motion to approve the agenda as presented?
So moved.

Seconded. Wonderful. The motion has been made and seconded. Is there an objection to the approval of the agenda as presented? Hearing none. The agenda is approved as presented. Thank you.

The next item on our agenda is the special orders of the day, but we do not have any special orders of today, so we'll move on to the next item on the agenda, which is executive director Metruck's report.

Executive Director Metruck, you have the floor. Good afternoon, commissioners. This is our last commission meeting of the first quarter of the year. It's been an incredibly busy three months with many examples of the port's ability to adapt and lead the forest. This is actually, as I look at it, there's a little bit longer report, but there's a

lot going on and I think the commissioners and the public would be interested in this, so I hope you indulge me here. I want to begin with just kind of a summary. In partnership with the commission, we've made progress on major policy priorities, including sound insulation, land stewardship, sustainable tourism and many others. Operationally, we managed the busiest President's Day holiday travel period in our airport's history, advanced key capital projects at the airport, opened new dining and retail locations at the airport, and launched a new reserve parking program at SEA. We are a presenting sponsor we were a presenting sponsor of the first ever Cruise Line Industry Association, CLIA Northwest Cruise Symposium, we hosted our three we hosted our state of the port annual meeting in Bellevue with 300 partners from the community in attendance. This quarter, we continue making progress on the work plan for our cruise led Pacific Northwest to Alaska Green Corridor and are looking forward to providing updates to the public on this progress at a webinar scheduled for May 2. Recently, we were honored this quarter to learn that the Port of Seattle has been recognized by the Seattle and Bellevue 2030 district with a 2024 Vision Award for our sustainable evaluation framework. Established by commission policy in 2019 and championed by Commissioner Felleman, the framework makes transparent and data driven decisions to integrate sustainability and equity into building and operating port facilities. Current projects including terminal 91 berths and upland development, the Maritime Innovation Center, C Concourse, SEA Gateway and S concourse Evolution all have been through this evaluation. Congratulations to the cross port work teams who earned this honor. We look forward to the ceremony next month. Another major highlight of the quarter was the second annual safety awards the port holds for its aviation partners that occurred last week at SEA. Probably it was right in this exact room. I have a slide that I'm hoping that we can share here of the event and the award recipients that were received. Safety is my top priority across the port and this year my strategies for enhancing safety include an expansion of our employee facing programs and greater emphasis on partnering with industry leaders. More than 800 companies we have more than 800 companies at the airport and together they employ approximately 22,000 to 25,000 badge employees. Recognizing risks and working

to mitigate them is a foundational aspect of our health and safety program. Congratulations to this year's industry winners and safety champions. Staying with the airport, we were grateful to host FAA administrator Michael Whittaker for a tour of SEA last month. Last month, as you know, I was in Washington, DC with our aviation managing director Lance Little and federal relations manager Eric Schinfeld for a series of meetings. In addition to advocating for our operational needs, we continue call. We continued calling for noise and emissions policies to ensure that we can simultaneously operate our airport and work to address community concerns. I left DC feeling confident that the federal agencies and our representatives in Washington understand the importance of our airport to the region and to the state, our vision for the future, the need for resources, and the urgency of completing our development plans. Department of Homeland security funding is always of interest because it can impact the ability of TSA and CBP to fully staff our ports of entry. We also heard federal officials express increasing concern over the sheer number of security challenges happening throughout the globe and that they have to address these challenges create new uncertainty for us, our federal partners, and our industry partners and communities. We are grateful to our congressional delegation advocating for the full funding that makes safety, security and efficient operations possible. Special thanks to Executive director Karen Goon for stepping in as my delegate as I traveled last week as well. Thanks Karen. Last week marked the first day of spring and cherry blossoms are in full bloom, which means the beginning of the cruise season is right around the corner. I may be off by a week. I think it's two weeks ago. Last week, the port hosted its annual all agency meeting of all stakeholders involved in conducting and overseeing cruise operations. Safe and efficient cruise operations takes a team of industry partners, local and federal officials, and cross port collaboration. Not only is cruise the third largest source of revenue for the port, which we reinvest into the regional, but cruise generates \$900 million in business activity for our local economy. Our forecasts point to a very strong cruise season this year with over 1.6 million passengers. I can also report that the cruise job fair went very well with many people walking away with

confirmed offers of employment. Thank you to everyone who attended the all agency kickoff and who ran the job fair last Saturday. We are ready for a tremendous crew season. Commissioner Spring is also when the port hosts the traditional blessing of the fleet at Fishermen's terminal. The event, put on by the Ballard First Lutheran Church each year, pays respect and wishes a safe and productive season to the North Pacific fishing fleet before they head to Alaska. Thank you to Commission president Mohammed for joining our maritime division staff and county councilmember Jorge Baron at the ceremony this year as we recognized and appreciated the sacrifice made by the men and women who go to SEA to put food on our tables. Finally, I want to share that for the month of March, the airport and dining retail teams have held weekly first time bidder workshops to educate potential bidders, business owners on the process and key components to include within their proposals for the C concourse request for proposals I had the opportunity to attend the first meeting and was impressed with the turnout and the interest that was there. The staff also held an all day workshop this past Saturday with close to 100 attendees who could not make our weekly sessions. Scott van Horn, one of our senior business managers, has worked hard to compose these topics into informative presentations that will help those that want to bid. Moving to today's commission meeting, I'd like to highlight a number of construction and engineering authorizations on our consent agenda. We have authorization for the construction and procurement of the third phase of our baggage optimization program. We are halfway through construction on phase two of our baggage optimization program. Phase three will cover the rest of Concourse a. This is a limited request to support the procurement of long lead time items and authorized construction of enabling work. The team will come back to commission later this year for full authorization of this program. Authorization for construction to upgrade our distributed antenna system. This is both a renewal and replacement and regulatory project that will enhance public safety through improved signal strength for emergency personnel and mission business critical responders working at our airport. Authorization and it also includes the next authorization, is authorization to approve construction funding to replace electrical infrastructure at the Maritime Industrial

center. This facility, located on the ship canal, supports a variety of tenants ranging from storage warehouse printing to fishing vessel support and operations. We're seeking authorization to replace outdated electrical components, demolition of a wharf shed and installation for new conduits in vaults, among many, several other things. Looking at the rest of the agenda, I would want to offer my support for item ten d, the order creating a responsible tourism committee. I talk about the ability of our port to adapt and lead, and the groundbreaking work on responsible tourism is an excellent example. The importance of these efforts to make tourism more sustainable was championed by Commissioner Felleman. Thank you, commissioner, for your leadership in encouraging the port to adopt this approach. I want to acknowledge the role of our port staff, particularly economic development department managing director Dave McFadden and tourism manager Nick Leontis, who have worked hard to support the vision for responsible tourism and worked hard to put it into our ports work plan. This committee will be helpful in achieving these goals. Items ten a and ten b are briefings on two important matters, our 2023 financial performance and the 2023 Office of Equity, Diversity and Inclusion annual report. And I will have more about this to say about those items upon their introduction. Thank you, commissioner, for your time. Thank you. Thank you, executive director. Metruck for that report. I will move us along to item number six at this time. Committee reports actually, I've been advised that we don't have any committee reports today, so we'll move along. We are now at the public comment section of the agenda. The port commission welcomes public comment as an important part of the public process. Comments are received and considered by the commission in its deliberations. Before we take public comment, let's review our rules in person and virtual public comments. Clerk Hart, please play the recording of the rules. Thank you. Just one moment. Thank you. Hmm. It's not playing for me either. Hang on. Am I getting found out or not? We've been having difficulty with the sound here for this presentation. One more moment. I'm going to try again. We might have to forgo. Let's see if she can get it to work. The Port of Seattle Commission welcomes you to our meeting today. As noted,

public comment is an important part of the public process, and the Port of Seattle Commission thanks you for joining us. The Port of Seattle Commission welcomes you to our meeting today. As noted, public comment is an important part of the public process, and the Port of Seattle Commission thanks you for joining us. For the efficient operation of meetings and in order to maintain decorum in the meeting room, the commission has adopted rules of procedure governing public comment and audience attendance. Before proceeding, we will overview those rules for your general information. Each speaker will have two minutes to speak unless otherwise revised by the presiding officer for the purposes of meeting efficiency, and the speaker shall keep their remarks within the allotted period of time, provided a timer will appear on the screen and a buzzer will sound at the end of the speaker's comment period. The commission limits comments specifically to items on its agenda and items related to the conduct of port business. If comments are not related to these topics, the presiding officer will stop the speaker and ask that comments be kept to those topics. This rule applies to both introductory and concluding remarks. All remarks should be addressed to the commission as body and not to individual commissioners outside of the context of action taken in their official port capacity. Disruptions of commissioned public meetings are prohibited. Disruptions include, but are not limited to, the speaking when not recognized to speak by the presiding officer holding or placing banners and signs in the meeting room in a way that endangers others or obstructs the flow of people or view of others at the meeting intentionally disrupting, disturbing or otherwise impeding attendance or participation at a meeting refusing to follow the direction of the presiding officer or security personnel speaking on matters other than items on the agenda or topics related to the conduct of the port business attempting to use the comment time for purposeful delay, including remaining silent or engaging in other activity without conveying a discernible message using the comment period for the purpose of assisting in a campaign for election of any person to any office or for the promotion of or opposition to any ballot proposition, except when addressing action being considered or taken by the commission on a ballot proposition appearing on its agenda directing public comments to the audience engaging in

abusive or harassing behavior, including, but not limited to, derogatory remarks based on age, race, color, national origin, ancestry, religion, disability, pregnancy, sex, gender, sexual orientation, transgender status, marital status, or any other category protected by law the use of obscene or profane. Language and gestures, assaults or other threatening behavior, and sexual misconduct or sexual harassment. For safety purposes, individuals are asked not to physically approach commissioners or staff at the meeting table during the meeting. Individuals may provide written public comment before or after the meeting and in addition, speakers may offer written material to the commission clerk for distribution during their testimony to the commission. If the meeting is disrupted by an individual in attendance in the meeting room, or by an individual providing public comment in person or virtually, the following procedures are adopted. A first disruption will result in the presiding officer warning the individual that the disruptive conduct is out of order and that a further disruption will result in the speaker's loss of speaking privileges. A second disruption at the same meeting or within 90 days after the first disruption will result in a loss of speakers privileges. The presiding officer will end the individual's comment period and will announce that any further disruption by the individual within the next 180 days will be grounds for exclusion from commission meetings. If additional disruptions occur within 180 days from the loss of speaking privileges, the individual shall lose attendance privileges for commission meetings for 180 days thereafter. This applies to individuals who are in person or attending virtually. If, during the three years following a 180 day period of exclusion from commission meetings, an individual engages in another disruption, the individual shall lose attendance privileges for the commission meeting for a one year period. Thereafter, written materials provided to the clerk will be included in today's meeting record. The clerk has a list of those prepared to speak. We are taking comments from anyone who has signed up to speak virtually, as well as from anyone who has joined us in the chambers when your name is called. If you are joining virtually, please unmute yourself. Then please repeat your name for the record and state your topic related to an item on the agenda or related to the

conduct of port business. If you are on the teams meeting and at the same time streaming the meeting on the website, please mute the website stream to avoid feedback. When you have concluded your remarks, you may again turn off your camera and mute your speaker. If you are speaking from the room, please come to the testimony table, repeat your name for the record and state your topic related to an item on the agenda or related to the conduct of port business. Our public comment period will now commence. Thank you again for joining us today.

Thank you, Clark Hart, for playing that recording. Please call the first speaker. Thank you. Let me go ahead and get our timer up and apologies for the delay on that recording. We did test it before the meeting. It just decided not to work when we needed it to. Technology happens. Yes. I'm happy that it came along. Our first speaker. Let me make sure I shared what sound.

Our first speakers today are rich Shivey and Dave Stockert.

And gentlemen, if you could repeat your names for the record and the agenda item or topic related to the conduct of court business youd like to speak about today. Thank you. Good afternoon. My name is David Stockard, and I'm representing the mission to seafarers, the Seattle Seafarers center. And I want to start off by updating you on what we're doing and what we're looking forward to this year. I worked for Holland America cruise line for 30 years and retired and wanted to give back. And I found out ten years ago that there was a van that would take the crew from the cruise ships downtown for the day so they can get away and get a break. So I've been doing that for ten years, and it's transportation from point a to point b. But the point I want to make is it's sometimes more than that, because our mission is to show them that we care and that we want to welcome them to Seattle. An example, there was a crew on the Royal Caribbean ship from Sierra Leone, Africa, long way from home. She had just started. She got on the van, and I could tell she was very guarded, very afraid, I think. But I got her downtown on the way back, had a chance to talk with her and just ask her about her country, where she was from, and you could just see a change in her. She just lit it up and told me all about her family and everything. That's kind of. And I had opportunities to do that from Peru, from South Africa, Philippines, from. I mean, they come from all over, and our job is to

try to help them. I know that you heard about the influence of the cruise ship industry. Well, we carried 6500 of the crew from pier 91 downtown. We drop them at Target, run the shuttle all day long, whenever a ship is in. And that's kind of what we do on the crew side of the business. Now, I don't know if you've added, Steve, to your numbers. The economic impact, probably didn't think about it, but the crew, six five, 6500, when we drop them off, they shop and they shop like crazy. So there is an economic impact from the crew that work on those ships. So I wanted to represent that part of our business. But the biggest part is what we do for the cargo and the bulk carriers that come to the port of Seattle. And Rich Shively will update you on that. Thanks again. My name is Rich Shively. I'm the executive director of the Seattle Seafarer center. Glad to have this opportunity today. On a day to day basis, we visit nearly every ship that comes to the port of Seattle, and we do simple things in addition to the ship visit, we offer low cost sim cards so they can be in touch with family back home, wherever they come from. And we provide transportation like we do for the cruise ship. Sometimes there are more serious welfare issues that we deal with. One example is a filipino seafarer that was hurt seriously off the coast of Alaska on their way to the grain terminal at 86 here in Seattle. He got in touch with us because the initial plan was to send aye. immediately home to the Philippines, and he wasn't able to see out of either eye at that point and had some, several fractures in aye. face. We were able to work with the ship's insurance company, insurance provider, the border Protection, our ITF, and the doctors at Harborview to extend aye. stay so he could have a couple of procedures done here before he went back to the, to the Philippines. And he was very grateful and in a much better place physically and emotionally to undertake the journey back home. And we've been in touch with aye. ever since. He's returned to the Philippines as he faces three more surgeries, we have three initiatives we're working on, increased support for women seafarers, developing strategies for assisting crew members on the fishing vessels, and the beginning stages of, of developing a ship visiting team for Tacoma where not as much ship visiting happens. We are very grateful to the port and to Sarah Leaptrott in specific for her support of our stay at the corporate

Marina center. We look for the future. We look forward to a conversation with you on space that allows us to grow in our ability to stay and look forward to that conversation. Thank you both.

Madam Commissioner president, our next speaker is Matt Ventoza.

Matt, if you could repeat your name for the record and your agenda item or topic related to the conduct of port business, please. Yes. Matt Ventose, I'm the vice president of the International Longshore Warehouse Union, Local 19 in Seattle, and my topic is the cold ironing and shore power at t five. So last week we had the grand reopening of t five with two vessels alongside the dock, the first time in many years in what should have been a spectacular moment, like fireworks going off on the 4 July with the MSC Julie at the south berth instead turned into a fizzling firecracker, a dud while attempting to plug into shore power for quite some time. We could not. It failed to perform and the system was unable to be utilized. The electrical power and the use of the green energy system that is supposed to be functional was not operational. Instead, the ship had to rely on its own power yet again on this failed attempt by the port engineering department, which is the project manager for this. This is an embarrassment and it has been since day one. We have been involved with the cold ironing of the vessel since before the system was operational and pointed out issues with it. Then we have attempted to plug in and do everything safely, efficiently and correctly from the labor side. And we continue to have failures from the port staff. That is, as I mentioned already, the project manager, your engineering department. Someone has to take responsibility for this. The blame does not fall on the ILWu, SSA, MSC or PCMC. We all have worked collaboratively, very well together to make this a green port and do our part. When will the port do its part in this? A business would not run like this and go bankrupt. The taxpayers and the community deserve better. If any of you would like to know more about this failed attempt, I'd be more than happy to talk to you after the meeting. Thank you.

Thank you, Matt. Clerk Hart, please call the next speaker. Yes, our next speaker is Mulatta Kalkadin and I'm sorry if I've mispronounced your name.

It.

Wonderful. Thank you very much. I

appreciate that. We'll get copies distributed and then if I can clarify, we just have the one speaker. Yes, okay. Thank you very much. Please go ahead and restate your name for the record and your topic related to the conduct of port business, please. Hello everybody, my name is Karina Babayant. I work here as a wheelchair agent and we're going to be speaking about healthcare terminal for Seatac airport employees. So it is nice seeing all of you guys here today. And I really appreciate everyone who found and set the time for this meeting. So as mostly of you know, we urgently need healthcare insurance at the airport. I will share my story along with my mother's story. She's here with me. My family came from far away, all the way from Ukraine, trying to escape from the war. After several months in Washington state, we managed to get jobs and Seatac airport became our first success. Me and my mom have worked hard and conscientious for over a year now for our family of six members. As you can see, my mom wears glasses and her vision is not getting any better day to day. And due to high medical costs, she can't afford regular health checks, prescription for new glasses, or even think about anything more serious like surgery. She also has kidney problems which are affected by work conditions such as low temperature during wintertime. At the baggage claim where she works at this past week she got sick, but she had to continue to work through suffering and pain. It makes my eyes water every time I think about it because I have to realize what she going through and I cannot help her. The past week she tried different medications. Some of them get her even more pain because of the side effects and because she doesn't have the access to good, affordable Medicare, she can go to the hospital and get a treatment that every human being deserves. And I still remember how in my childhood she had kidney stones. And I'm afraid that if this happens in this country, she's not protected. As immigrants, we also go through different document procedures that require medical tests, such as application for a green card. For example, my parents had to pay over 1000 years from my pocket. And if we talk about me, I have the condition called endometriosis, which affects over 75 million women all over the USA. I hope the commissioners will hear our voices, see our patients and realize how important health insurance is for us and as live human beings. Thank

you.

Thank you all for being here.

Clerk Hart, please call the next speaker.

Thank you. I do have Matt Haney signed up.

This is our last sign up for the day.

Matt, if you could please repeat your name for the record and your agenda item or topic related to the conduct of port business, please. Absolutely. And thank you, President Mohammed, commissioners executive director, Metruck. Thank you, Matt Haney with Selu six.

You know, I'd love to hear the airport talking about safety and equality, but when we have over 2000 minimum wage workers at Seatac airport who don't have healthcare, it is we don't have safety and we do not have equality. SeaTaC is the last major airport on the west coast that does not have a policy providing employer paid health insurance for workers. There's been some maybe misinformation or bad guidance about your authority to make changes on working conditions at the airport. Fact is, port commissioners have done it before. Back in 2014, none of you were around port commissioners, in trying to undermine proposition one, passed a resolution setting working standards for airport workers. The port defended that resolution against airlines for America. Similarly, the city of Seattle had set working conditions for hotel workers. The hotels sued the city and the city was successful in that. You do all have the power. Now we just need to get it done. I'd like to pass these off to folks. Let's do it. Thank you, Matt.

Clark Hart, do we have any other signed up speakers?

That is our last sign up for the day, Madam Commission president. Great, thank you. That concludes our sign ups for today. Is there anyone else present on the team's call or present in the room today who did not sign up for public comment but wishes to address the commission at this time? If so, please state your name.

Spell your name. State the topic related to the conduct of the port you wish to speak about for the record.

Hello commissioners Rigo Valdez I'd like to add comments on behalf of MLK laboratory to the healthy terminals Discussion MLK labor is an organization that represents 150 union affiliates, more than 100,000 hardworking union members across King county, including SEIU local six members, and many more representing airport workers. I am here to

speak today about policies that need to prioritize employer paid healthcare plans for workers at Seattle Tacoma International Airport. It is crucial to recognize that while such policies are already in effect at all other major west coast airports, SEA risks being left behind as we witness projects like upgrade SEA underway to enhance the airport experience for passengers and airlines, we also need to acknowledge the vital role played by passenger service workers. These workers, including wheelchair agents, cabin cleaners, baggage handlers, are the backbone of the airport operations, and yet they often find themselves overlooked and marginalized when it comes to essential benefits like healthcare. Lack of access to quality healthcare poses a significant barrier to wellbeing and financial security of this predominantly immigrant and BIPOC workforce. Healthcare is not a luxury, but a fundamental human right. As port commissioners, you have the power to set the standard and demonstrate your commitment to putting workers well being ahead of profits by prioritizing policies that ensure access to quality healthcare for all airport workers, regardless of their job title. Background you can send a powerful message to employers and airlines that the welfare of workers is paramount. We urge you to consider the urgency of this matter and take decisive action to implement policies that guarantee healthcare as a basic human right for all airport workers. Let us work together to create a more just and equitable future where every worker can have access to healthcare that they need and deserve. Thank you.

Is there anyone else who would like to provide public comments at this time? Hearing none. At this time, I will ask clerk Hart to provide a synopsis of any written comments that we've received. Thank you, Madam Commissioner, president, members of the commission and executive director Metruck we've received two written comments for the meeting prior to the deadline today. These have been previously distributed to your emails and will become a part of the meeting record. These come from Kristin Matoni and Lindsey Walker, who both write regarding the port's land stewardship plan resolution asking the port to revise the plan to protect forest in those near airport communities, including Riverton Heights and North Sea-Tac park. And that concludes our written comments received today. Thank you, Clark Hart. I just want to remind my

colleagues, on May 23, 2023, the commission did pass a proclamation on health access for employees. And one of the lines in that proclamation states that the port provides all port employees, temporary and permanent, with robust healthcare access. And I just want to let our colleagues know that we are currently in conversation with our legal team to discuss what further authorities that this current commission has to offer additional healthcare access or influence healthcare services, and access to those who are not directly employed with the Port of Seattle. With that said and hearing no further comments or no further public testimonies, we'll now move on to the consent agenda. Items on the consent agenda are considered routine and will be adopted by one motion. Items removed from the consent agenda will be considered separately immediately after adoption of the remaining consent agenda. Items at this time, the chair will entertain a motion to approve the consent agenda covering items eight a, eight b, eight c. Are there comments on eight f before we move to a vote? Executive Director Metruck, you have the floor. Thank you. President Mohammed. Yes. I have a clarifying comment, commissioners. The memo introducing the alarm technician contract on the consent agenda, item eight f, mistakenly implies that the work performed by the bargaining unit is portwide. This agreement only covers the work historically performed by the IAFF alarm technicians at SEA. This agreement is not intended to infringe on the work jurisdiction of any other bargaining units. Thank you for helping letting me clarify that. Thank you for that additional information. Is there any questions from my colleagues on that? Okay. Hearing? None. I will ask for a motion in a second, to be a second, for it to be seconded to approve the consent agenda at this time. So moved. Second. Great. The motion was made and seconded. Commissioners, please say aye or nay when your name is called for approval of the consent agenda, beginning with Commissioner Calkins. Aye. Thank you. Commissioner Cho. Aye. Thank you. Commissioner Felleman. Aye. Thank you. Commissioner Hasegawa. Aye. Thank you, Commissioner Mohammed. Aye. Thank you. Five ayes, zero and NAYS for this item. The motion passes. Moving on in the agenda. I was like, did I lose quorum? I'm almost without quorum there. We do have. We do still have a quorum. Moving on in the agenda. We have four new

business items for today. The first item on the agenda requires that we recess this regular meeting and enter into a separate meeting of the Industrial Development Corporation. Clerk Hart, please read the item into the record at this time. Thank you. This is agenda Item Ten a. Industrial Development Corporation annual meeting, approval of minutes, designation of officers and annual report for 2023. Thank you. The commission will now recess its regular business meeting to conduct the annual meeting of the Industrial Development Corporation of the Port of Seattle. The time is now 12:46 p.m.. I will not gavel us in and out. We'll pause for a second dramatic effect. Dramatic effect. And I'll now convene the annual meeting of the Industrial Development Corporation. All members of the IDC are present in attendance today. The IDC is a special corporation maintained by the Port of Seattle for economic development purposes defined by state law and the corporation's charter. Although it has been several years since there was a new investment activity in the IDC, we hold this meeting to receive an annual report, confirm officers and approve minutes. During this meeting, commissioners will be acting as directors of the corporation. Executive Director Metruck, you have the floor to introduce the IDC at this time. Directors. The IDC is a special purpose government that was established to facilitate industrial expansion through tax exempt financing. Think of it as a financing subsidiary for the port. There was no financing in 2023. Embark financial analyst, corporate finance and budget. Is our presenter for the IDC meeting today. But first, I believe the directors have some organizing business to attend to, so I turn it back to Director Mohammed. Great. Our first order of business is to adopt the IDC minutes dated May 28, 2023, provided in our meeting packets. Are there any objections to the minutes as presented hearing? None. Those minutes are approved. I'll now accept a motion to confirm the IDC officers for this year. Slate of candidates for 2024 are as followed myself, Hamdi Mohammed, commission president. Commissioner Hasegawa, vice President. Commissioner Calkins. Secretary. Commissioner Cho. Director. Commissioner Felleman. Director. Is there a motion to approve the candidate slate? So moved. Second. I'm gonna put this on my resume, too. I always forget, in addition to being an alliance co chair and a port

of Seattle commissioner,
I'm also an IDC member. It has been. The motion has been made and moved.
Directors, please say aye or nay when your name is called to approve the slate of officers. Clerk Hart. Thank you. Director Calkins. Secretary. Yes.
Secretary Calkins is an aye.
Thank you, Director Cho. Aye. Thank you.
Director Felleman. Aye. Thank you.
Director Hasegawa. Aye. Thank you.
Director Mohammed. Aye. Thank you. In your officer roles, five ayes, zero nays for this item. Thank you. The motion passes.
Executive Director Metruck, you have floor or the presenter I present. I turn it over to Ian Burke to please continue with the IDC report.
Thank you Director Mohammed and Mr. Metuck.
Good afternoon commissioners.
You should have all received the IDC's 2023 annual report in your packets. This report has also been posted online for the general public. The report contains detailed background information on the IDC as well as its limited financial activity for 2023, includes interest, earnings on the income side and a small amount of staff time for managing the IDC, as well as the cost of the state audit on the expense side. As a brief refresher, similar to what director Metruck spoke to the ports, IDC was established in 1982 to facilitate industrial development in King county by allowing private companies a way to access the tax exempt municipal market. The IDC acts as a go between, as he was describing, for private companies to essentially be able to borrow money at tax exempt municipal rates for specific projects that meet the criteria and that occur on port property. The IDC itself does not lend any money and all debt issued by the private business through the IDC is non recourse to the Port of Seattle or to the IDC. The board is also not allowed to lend or contribute funds directly to the IDC. It's a closed loop, basically. As noted in the report, federal tax law changes such as the Tax Reform act of 1986 have greatly limited the types of projects and facilities that qualify for tax exempt financing. Since that time, the IDCs have seen very little limiting, like very little in the way of new financing and the ports IDC is no exception. We've seen very little activity since that 1986 timeframe. We had 15 projects funded through the IDC between 1982 and 1986, for example, and we've only had two since that time. As of December 31, 2023, there remains only one company, Delta Air Lines, with outstanding

debt funded through the IDC, with a final bullet maturity scheduled for 2030. Looking ahead, it is possible there could be renewed interest in the IDC if rates were to remain high for a sustained period of time and or if the delta between taxable and tax exempt debt were to widen dramatically. But private companies do tend to have other ways of securing funds and we haven't seen any interest at this time. Unless you have any specific questions, this concludes my presentation on the IDC. Thank you, Mister Burke. Is there any questions from commissioners at this time?

Again, thank you for the presentation hearing. No further business of the Port of Seattle's industrial Development Corporation. The IDC annual meeting is now adjourned. The time is now 12:53 p.m. The Port of Seattle commission meeting is now reconvened. You guys are not off the hook. Clerk Hark, please introduce the next item for the record. And then executive director Metruck will have the floor. Thank you. This is agenda item ten. Authorization for the executive director to authorize final design and preparation of construction bid documents. To advertise, award, and execute a major public works construction contract to procure long lien material items to include a project labor agreement for the contract to authorize use of port crews for abatement work for the taxiway. A circuit replacement project at Seattle Tacoma International Airport. And the amount requested of \$39,205,000. And a total estimated project cost of \$39,500,000.

Commissioners, at our last meeting, you authorized a project rehabilitating the pavement of our airport runways. Today, we're requesting authorization to reconstruct the centerline lighting of Taxiway A, which was constructed in 1987. At the time the IDC was having things. In fact, Taxiway A is a critical part of the efficient operations at sea for safe transiting of aircraft during periods of low visibility. A project labor agreement will be used for this project. Our presenters this afternoon are Hein Mack, aviation project manager engineer, and then Jacob Hamilton, capital project manager.

Hello, port commissioner. My name is Haimak. I am the electrical manager for the aviation facility and infrastructure group at the airport. I am the sponsor for this project. Here with me are Munchy Wu and Jacob Hamilton from the aviation project Management Group. We are here to

ask for tax design and construction authorization for taxiway a circuit replacement project. This project aims to replace our tax rate, a central line lighting system, associate concrete panels, and also upgrade our lighting system to led lighting. As Steve Metruck mentioned earlier, this tax rate was built in the late eighties utilizing underground steel conduits. The conduits has corroded to a point where our aviation maintenance team cannot maintain it anymore. And this needs to be corrected before the tax rate fall outside of compliance with FAA requirement for a lighting system. And as Steve also mentioned, this is very important for moving aircraft onto an alpha runways. So very important to our airfield operation. So I will turn it over to Munshi and Jacob to discuss the detailed scope, schedule, and budget related to this project. Thank you, mag. Next slide, please. Good afternoon, commissioners. Good afternoon, executive director Metruck. My name is Munchi Wu and I am with the aviation project Management Group executive airfield program. We're here to request authorization for final design and construction for taxiway a circuit replacement project. The total amount of this authorization request is 39,205,000. Next slide, please. As executive director, Metruck and mag mentioned earlier, this taxiway A was constructed back in 1987, close to 40 years old, and the centerline lighting circuits have signs of distress with mega reading close to one megahome which is deemed as destined for rapid failure per FAA advisory circular. Taxiway A is critical for airport operations and having a function centerline lighting circuit is critical to ensure safe taxing of aircrafts to and from the runways. So this project, we will install new Taxiway A, centerline lighting circuit, led lighting fixtures, pvc conduit and also new concrete pavement panels above the conduit. LED lighting fixtures will have less electrical demands and longer service life, which will result in savings in total cost of ownership and also environmental benefits. Next slide, please. The construction of this project is planned for 2025. There are other airfield pavement and supporting infrastructure scope identified at this taxiway and adjacent areas. So for purposes of efficiency, construction safety, and also minimize the operational impacts during construction. This taxiway,

a circuit replacement project will be combined with our 2025 airfield pavement and support infrastructure replacement project as one single construction contract. Jacob Hamilton is a project manager for the Taxiway Alpha circuit replacement project and he will be sharing a map with all the project locations for the combined construction contract in the following slide. With that, I will turn over to Jacob to share more details of the project and our request.

All right, can everyone hear me? I think. All right. Thank you, Munchy. Thank you, mag commissioners. Thanks for hearing us out today. Next slide, please. So, as promised, here's the map of what we have going on here. So the red and yellow is the taxiway centerline. And sorry if you guys can't see it, but red and yellow is the taxiway center line. That's where we're going to be replacing the concrete, the conduit, the wiring, and the lighting. And as Munchie said, we're going to install both new pvc conduit, which is more resilient, and also LED lighting, which is more environmentally friendly and also more economically friendly as well. And the blue and the purple is the other work we're targeting. So we're trying to get as much work done on this tax as possible to be as not operationally disruptive as possible. And so we're going to be targeting that stuff with our pavement program. Next slide, please. And so here's just a run of the schedule. This is kind of our normal airfield schedule for 20 in normal years. We usually work really hard in the spring, get the construction contract executed, and then listen to our stakeholders and shut down and try not to be super disruptive in the summer during our peak cargo and passenger seasons, and then we go in use in the fall, so we really work hard in the fall. And that AIP program that I was talking about, we will come back for construction authorization in the fall, probably October timeframe. Next slide, please. And so here's our budget. This is all through the Mli process. We got Mli approval a couple weeks ago, and we're asking for 39.5 million. We already have \$295,000 of preliminary funding. That got us to 30%. And so we're requesting authorization for design construction for the rest of it. Next slide, please. And thank you for listening to our presentation. We welcome any questions?

Thank you for the presentation. Now I'll open it up to Commissioner questions. Commissioner Cho? Yeah. Thank you for the

presentation, team. Really appreciate it. Just real quickly, does this mean that the centerline will be out of commission during period of construction and how are we making up for that?

Yes. So, Commissioner Cho. I'll try to take that one. So the team has already started to work closely with our impacted airlines, our ATR, our operations team, and of course, also our f and I team. So we will be following a strategy of different construction phases. Phase the construction to not only minimize impacts to cargo areas, but we will see whether there's a way we can maintain, let's say if we only close down a portion of taxiway alpha for construction, and then we'll figure out whether there's a way we can maintain the center line lighting still functioning for the rest of the taxiway. I see. Okay. So you won't be, the entire center line won't be out at any point in the project? Yep. So we'll need to work on alternatives later on in design. And then just for my educational awareness, are there actual. Are there lights for the lane lines on each side of the edge lights? Yeah, I think to my knowledge, this taxiway eight does not have lighted edge lights. But I'll defer to mag.

Okay. It's on now. I'm sorry. Yeah.

For SEA airport or, there are only a couple of taxiway that actually has the edge lighting.

Predominantly. Most of our taxiway goes with centerline lighting. Okay. And that's obviously within FAA compliance. Yes, that is. Okay. Thank you. That's all. Commissioner Felleman.

I always love the price tags on airport projects, but it is what it is, obviously. But the idea that there's cost savings associated with the lighting and there's energy savings, but they're not enumerated. So I mean, it's always good if we have any chance to say what long term greenhouse gas emission reductions this poses or cost savings over the time. It'd be great if you had some way to come up with some calculation to that end. Have you tried to look into that?

So actually, as part of our center Runway reconstruction efforts, we did the comparison between incandescent lights and led lights regarding the total cost of ownership, and we do have pretty detailed statistics regarding that. But again, I will defer to mag. I know, mag, you mentioned there's a trend of actually for the whole airfield transferring from incandescent to led lighting system.

Yes. So the industry as a whole for airfield lighting is moving away from the, moving toward led technology. A lot of the manufacturer has mentioned and put us indicating that they will not renew their certificates with the older technology and they will stop manufacturing them. So we are, so we're taking this opportunity as we are removing the old fixture out and we're going to put in the new led lighting. I'm just saying you have a chance to make the commissioners happy. You're asking for a large chunk of change. If you can tell us, look at those long term savings and greenhouse gas emission reductions, it's just part of a happier story. So. But obviously you've given that consideration. It would be great to know in the course of a presentation what, any idea of a percentage? I'm sure it's enormous because LED is so cold, but for the future. Yeah. So we actually, you know, we were looking at some data, but I think, you know, just high level. I think statistically, LED lighting normally typically use about 25%, even to 80% less energy than in condensant and can last somewhere between three, even to 25 times longer regarding service life. So I know from the center Runway project, from a maintainability perspective, our aviation maintenance team has less repairs on that sideline fixture. I don't know. Unfortunately, I don't know the actual cost or cost saving or anything related to that. Commissioners, any other questions? I just had a quick question as well. I think this. Thank you for the presentation, and I appreciated how this project is actually phased in to minimize disruption. And so thank you for that and for the presentation. I also had questions about just the cost of the design project being \$6 million. It seems like it's a pretty straightforward lighting change, even if it's led. Is that just the market rate? Could you share any additional information on, on that cost? I think that would be beneficial to the public as well. Yeah. So the design cost we're showing as part of our budget summary table here. So this, we call it design, but it actually includes the fee we pay to our consultant, professional services for design support, and all the in house soft cost. So it's not just the design team cost, but, you know, including PM cost, some percentage of CM involvement during design and environmental cost, and central procurement office cost, all

these other soft costs involved, and then the construction also is the same. I think the construction cost includes the construction contract cost, but also associated PM CM design support cost during the construction phase. So it's an overall cost during design phase and the overall cost during construction phase. Yeah. And there was a document here in the memo that talked, when you're providing the alternative options that talk about compliance with the FAA, if this is not done, we would actually not be in compliance with FAA regulations. Is that correct?

Yes. So, Meg, please chime in, but my understanding is that given that the. Based on a recent mega reading result, so the centerline lighting circuits have pretty close to one megahome, I think, you know, for anything lower than one megahome, I think that's, that's not in compliance with FAA requirements. So that's why we're, when we listed the cons here, we're saying, you know, this is, if this one doesn't get approved, then it's going to prolong the risk of not in compliance with FAA standards. That's helpful. It puts us at a higher risk. I appreciate that. Thank you. That concludes my comments, and I'm not hearing any additional questions for this item. Is there a motion in a second to adopt agenda item ten B. So moved.

Second. Great. The motion was made and seconded. Clerk Hart, please call the roll for the vote. Commissioners, please say aye or nay when your names are called, beginning with Commissioner Calkins. Aye. Thank you. Commissioner Cho. Aye. Thank you. Commissioner Felleman. Aye. Thank you. Commissioner Hasegawa. Aye. Thank you. Commissioner Muhammad. Aye. Thank you. Five ayes, zero nays for this item. The motion passes. Thank you. Thank you. Clerk Hart, please read the next item into the record, and executive director Metruck will then introduce the item. Thank you. This is agenda Item Ten C, authorization for the executive director to authorize the preparation of construction bid documents to advertise, award, and execute a major public works construction contract for the food and beverage introductory kiosk project in the amount of \$5,850,000 and a total estimated project cost of \$7,050,000. Commissioners, the airport, dining and retail kiosk program started in 2014 with the intent to provide small and disadvantaged businesses the opportunity to gain access to operating in the airport environment without a significant capital investment

or long term commitment. Since that time, the program has shown great success, evident through many of these small businesses successfully competing for larger spaces and concepts. Today, we're requesting funds to close out the design process, prepare construction documents for two new introductory kiosks, which we hope to open in 2025. The presenters are Aaron Gore, capital project manager, and Kalia Moore, senior manager of ADR. So I guess I'll turn over to Erin or Kalia first. I'll go ahead and take it. Good morning. Good afternoon. I don't want to go back to the morning. Good afternoon. Executive Director Matric and commissioner, as you guys indicated, we're here to talk to you guys about the food and beverage into kiosks. With that, go ahead and go to the next slide. Our request today is to have the authorization and preparation of construction bid documents, as well as advertise, award, and execute a major public works construction contract for both of these inline kiosks. The amount of today's request is approximately 5.8 million, which includes commission's approval to authorize the remaining project budget that we have, as well as increase the overall capital investment by approximately 1.5 million in total. This takes the overall request that we have to 5.8, and that would have the project estimate close out around \$7 million or so. Next slide so I wanted to give an opportunity to just go over some brief history of the program itself. We began the introductory kiosk program in 2012 and 2014, and we started the program in Concourse C, focusing on offering small business with short term leases to test their retail concepts within the program within the airport environment without a major investment. We expanded that offering in 2016 to the Intermediate Kiosk program, which provided limited infrastructure to small businesses and allowed them the opportunity to really make a smaller investment as opposed to a full scale inline buildout with right sized terms to reflect the build out commitment. And in recent years we have grown that program to include new locations for introductory in Concourse A and intermediate in Concourse N. Next slide please. Wanted to take a minute to talk about the notable successes within the program that have really fallen within the women and minority business community. Both Seattle chocolates and Plainware have been amazing successes from our introductory kiosk

program, and we're first time bidders and were both successful in both lease groups two and four. For inline spaces.

Lady Yum has been the highest grossing introductory kiosk program concept that we've ever had on record, with grossing \$1.3 million annually in that introductory kiosk location and our intermediate kiosk today, Sacred Circle was the first ever indigenous kiosk location in an airport. And both Chalo and show Pony have opened intermediate kiosks in 2023 in the north concourse. Our retail kiosk program is actually one that multiple airports have reached out to us about to duplicate, and so we're excited to continue that with our next concept. Next slide, please.

What is the food and beverage introductory kiosk? Well, it's an expansion of the kiosk program into an inline kiosk opportunity into the food and beverage category, and it's been called a lot of things over many years. And so it's actually the catalyst of why we are renaming the entirety of the program. The kiosk program is now going to be called the ADR Incubator program. And so the program really focuses on providing small businesses with shorter term leases that are flexible in nature. And what that means is if a concept is not working, there isn't a penalty to choose to end the contract. This is really in an effort to reduce barriers to entry for the most costly and most sought after category within the program, and that's food and beverage. Additionally, this aligns with our port sentry agenda, goals and initiatives to increase opportunity for local communities and port related industries. And now I'll turn it back over to Erin to talk more about the actual scope. Next slide. Thank you.

All right, so as Kalia mentioned, we will be having some new inline kiosks that will be joining the airport upon successful completion. Both of these spaces will be port owned, furnished and fully maintained. And there's going to be two locations, one in concourse B and one in the central terminal. Essentially, these scope of these projects mirrors vary. Typically what you would see in a tenant improvement project where you have a new build out with lighting, signage, electrical, mechanical, plumbing, all of the necessary infrastructure that is needed to be able to support these full service kitchens that the port is hoping to lease out. Next slide.

So this slide and the next one you guys will be seeing, excuse me, a set of images. The one on my left is the

existing conditions for Concourse B, and the renderings that you guys will see on the right are the proposed future look and feel for both of these spaces. So the first location, the cb zero four, is down on concourse B, past mcdonalds. This used to be the shared kitchen for all of the central terminal tenants when they were under construction. It is currently sitting vacant with minimally used full service kitchen equipment. Behind those two sets of double doors. The image to my right is the rendering of what would look like in its completed state. You will see minimal seating as well as signage and minimal queuing as you head down towards Concourse B. This is one of what ADR would classify as a quick service restaurant space where you have minimal seating but brief opportunities for patrons to come in. Take a look at the concept next slide. The other location is our ct zero two location in the central terminal. It is directly underneath the recently completed brewtop social and adjacent to saltys. It's the old Anthony's grab and go for what used to be on the tail end for the Anthony's concept when it vacated. So you guys can see it's behind a barricade right now. There is currently no equipment in this space. It is just a vacant shelling core that's waiting for the build out. On the right side of the image you get to see the updated storefront that is very similar in look and feel to the existing central terminal renovations that have happened. Both of these concepts. It is to be noted that the signage would be vinyl that is interchanged out as concepts get rotated through according to EDR's leasing arrangements and additionally, the point of services or point of sale systems within both of these would rotate as well. Everything else from the equipment to the overall aesthetics. Doorfront finishes would remain as each space was rotated through. Next slide so one of the things as we previously mentioned, we are seeking an increase in the capital of investment by approximately \$1.5 million to complete and close out, design and prepare the necessary bid documents. With this increase and commission's authorization to release the remaining authorized budget on this project, that would take the overall project estimate to approximately \$7 million. Additionally, what is really noteworthy about this as well is ADR will hold an annual maintenance contract between \$50 to \$150,000 to maintain all of the food service equipment and just the overall servicing of both of these

concepts. So that would be included as well for both of these inline future kiosk locations. Next slide so with that, a brief rundown of our schedule. As I mentioned, we still are closing out the 100% design and we aim to finish and wrap that up and head to permit and prepare bid documents by Q two of this year, after which we are going to be heading out for the solicitation of AGC. Hopefully by the end of the year and proceeding with construction. It would be a simultaneous construction. So both the CT zero two and CB four locations will undergo construction at the same time. So one project but two concepts. When all is said and done. We hope to bring all of this to our passengers in Q two of 2025. Next slide. So again, we are here today to request the preparation of construction bid documents and to move forward with advertising awarding and executing a major public works contract. Any questions? Thank you for the presentation. Polia and Erin, are there any questions from my colleagues? Commissioner Cho, for what it's worth, I think we should go back to the food trucks. I remember old colleagues. We're not changing the. We can't change. Kalia said. No, no, no. That's because Kalia has some PTSD from the food truck. From the food truck days when one of our former colleagues freaked out about this. Sign any further, commissioner, we gotta open these. We need to open them. Speaking of opening, I appreciate the timeline you provided for the overall project, but when do you anticipate opening the actual RFP for the tenants? Absolutely. So we actually would look to do that within Q four of this year. Okay. And it is a expedited RFP process. And so we do that to small businesses only. Our entire incubator program is only open to small business. So that goes out to the small business community only. And then we do a shark tank like process after that. And then we go through kind of a introduction to operating at the airport, the badging process and things like that to get them up to date. This program collectively is a little bit different in the food and beverage process. On the ADR team, we actually have someone who comes in the food and beverage industry, so they will be their direct business operations manager, but also they will be partnered with an established business within the airport who will be their mentor. And so they're going to be spending some time in advance of getting open and operational to

learn a little bit more about the ins and outs. So we want to give them a little bit more time to get up to speed in advance of opening. That's great. So that kind of segues into my next question, because the memo says that the lease term will be three years. Yes. And so when we first ideated this idea of an incubator program, it was the idea that we want to help small businesses grow into a medium or large or more permanent space. And so they get the experience of testing their concept, but also learning the ropes of running a business at the airport. And then ideally, they'll level up to something bigger or more permanent. I think one of my questions and concerns is that we actually don't have anything past SEA concourse for the foreseeable future as far as space is concerned. So how are we anticipating helping these people transition up when we ourselves don't have anything for the next ten years? As far as other bids or RFPs, now we do have other secondary fees becoming available. So concourse sea expansion is the last opportunity for new space, not other opportunities. Got it. So the other lease groups will be, other lease groups will be expiring terms for current spaces and just not brand new space that we're introducing into the airport. Got it. Okay. So as we rotate through the lease groups, that's when we expect these folks to. And that timeline matches up as far. If we were to do this in 2026, it sounds like we would have something around 29. We would have things coming up in 27, 28. We have some things coming up throughout. Yeah. Okay, great. Thanks for that. That was informative. That's it for me.

Commissioner Felleman, I just wanted to express my appreciation of how great a program this is to give these small businesses this opportunity and what a great use of space. And I just had this opportunity. I was like, in five airports in the past several weeks. You know, La, San Diego, Fort Lauderdale, West Palm, DC. And, you know, we are probably the most space constrained of the airports, but have like, more opportunity, more options for food and dining opportunities. And I just was really impressed by coming home to SEA and seeing really what is a great assortment of opportunities compared to these other airports. I was really impressed and being able to squeeze these little guys in there, all the better. So thank you for your work. Thank you. Thank you. I have a couple of comments, too, just echoing the sentiments of my colleagues.

One of the reasons why we. This was initially supposed to be on the consent agenda, but we pulled it off because I think it is beneficial for the public to hear about this really incredible kiosk opportunities that are available for small businesses to go or people who are interested in partnering with the port, going from being a small business to a micro business, and even larger if they choose to in the future. Thank you again for the presentation. I did want to, in addition to Commissioner Cho's question about when the RFP is going to come out, on average, how much does it cost to rent one of these kiosks? So it. As far as the retail ones or the food incubator, once it comes out? Both. So we have a minimum rate. We don't have a standard like mag or anything like that. So it's a minimum percentage rent and it's based on gross sales. So it's a minimum of 10% of gross sales. That's beautiful. Thank you. Well, I'm looking forward to supporting this item and hearing no further questions for this item. Is there a motion in a second to adopt agenda item ten c? So moved. Second. Great. The motion has been made and seconded. Clerk Hart, please call the roll. Commissioner, say aye or nay when your names are called, beginning with Commissioner, Calkins Aye. Thank you. Commissioner Cho Aye. Thank you. Commissioner Felleman. Aye. Thank you. Commissioner Hasegawa. Aye. Thank you. Commissioner Mohammed. Aye. Thank you. Five ayes and zero nays for this item. The motion passes. Thank you both for the presentation. Thank you. Clerk Hart, please read the next item into the record and Evan, commissioned strategic advisor, will then introduce the item. Thank you. This is item ten D, order number 20240. Five an order establishing the responsible tourism committee as the Port of Seattle Commission's special committee. Thank you. Good afternoon, commissioners. I'm here to present the order to establish the responsible tourism Committee as a port of Seattle special committee. Tourism is the fourth largest industry in Washington state, directly employing over 200,000 Washington state residents and generating nearly 22 billion in annual revenue throughout the state. Here at the port of Seattle, tourism is very important to us because Seattle Tacoma International Airport, along with the port's cruise terminals, are two of the primary gateways for travelers to visit Washington state. Tourism in Washington state is heavily focused on the Pacific Northwest's unique natural

landscapes and outdoor recreation opportunities. Visitors come here to see and experience the mountains, forests, lakes and seas of the Pacific Northwest, and they come to participate in outdoor recreation to hike, camp, bike, ski, fish, boat and see the amazing wildlife here in person. And finally, visitors also come here to learn how the stewardship of nature is intertwined with our region's indigenous cultures and peoples.

In 2019, visitors spent 78 million days in state managed public lands that increased to 87 million days in 2020.

What that number means is that for each of these days, one person was experiencing state recreational lands. Even more recently, in 2023, national parks in Washington state had over 4.6 million visitors come to experience those national parks. The number of visitors are expected to continue to increase. In just a couple years, the FIFA World cup will come to King county and there are an estimated 750,000 visitors coming to this global sporting event, many of which we can assume will go out and experience the outdoors and bring impacts to our region.

The Port of Seattle is increasingly committed to advancing responsible tourism practices that expand the awareness and opportunities for travelers to experience destinations in Washington that benefit the economy while helping to minimize the negative impacts on communities and the environment. A great example of the port's commitment to this is the responsible tourism handbook, and I want to give a shout out to the director of Tourism, Nick Leonti, and aye. team for putting that document together, which is a comprehensive guidebook for other organizations to build out responsible tourism and guide our own ongoing efforts.

Establishing the responsible tourism committee will create an opportunity for commissioner Cho provide oversight and engagement with staff that are working to advance the port's commitment on this issue. The committee will continue to exist until the commission finds it no longer has value or is established as a permanent committee. Commission president Hamdi Mohammed and Commissioner Fred Felleman will serve on this committee. The tourism director within the Port of Seattle's economic development department, or designee, shall support the special committee as the primary executive staff contacts. The committee's anticipated work plan will include overseeing the initiation and reviewing the progress of the Snoqualmie responsible tourism

project, make recommendations for future responsible tourism programs, provide updates on the work of external committees including the US Department of Commerce, Travel and Tourism Advisory Council, the Pacific Northwest Economic Region Tourism Committee, and visit Seattle's committee, all of which are working to monitor and provide input towards preparations for FIFA World cup. And finally, we will monitor state level efforts to advance responsible tourism. And that concludes the introduction of this order.

Thank you, Evan, for the presentation. Is there a motion and a second to adopt order number 22,405? So moved.

Seconded. Great. The motion has been made and seconded. Are there any comments or discussion from commissioners for this item? I'll start with Commissioner Felleman. Well,

thank you for that introduction, Evan. I appreciate that and thoughtfully presented. So I'm happy to be able to be the first co chair of this effort. You know, tourism is such a basic part of the port of Seattle's portfolio and, you know, we've been doing this for, since getting out of the gates, and the airport has a major gateway to the region. And that recent study, we just saw that a tremendous amount of people come here, international travelers, actually, to see our natural wealth. But it doesn't stay this way unless we actively steward it. And the COVID pandemic really provided a glimpse into the future as to what would be if we do not increase our capacity to handle this growth. Increasing desirability of this area as the rest of the world sort of is declining, I would say. And the push for people going outdoors was a tremendous influx and our trails and natural areas really suffered the consequence. So with that little glimpse into the future, I thought that this was a great opportunity to try to get proactive in this pilot project in Snoqualmi is just one effort to do that and so I'm very happy to be able to see if we can make this a permanent committee, but it seems so foundational to the port. We take on this little piece of it, trying to be the stewards of the natural world. Thank you, Commissioner Fellamon, for those comments and for introducing this item. Are there any additional comments from my colleagues? Well, I will just say I'm excited to serve on this committee with Commissioner Felleman as well, and looking forward to opportunities for us to continue to improve,

expand our tourism portfolios at the port and ensuring that we do that in alignment with our port priorities and being in values, being sustainable, doing, being good stewards of our environment, and so looking forward to what comes out of this ad hoc committee and seeing where it goes. With that said and hearing no further discussions, clerk Hart, please call the roll for the vote. And commissioners, please say aye or nay when your names are called. Thank you. Beginning with Commissioner Calkins. Aye. Thank you. Commissioner Cho. Aye. Thank you. Commissioner Felleman. Aye. Thank you. Commissioner Hasegawa. Aye. Thank you, Commissioner Mohamed. Aye. Thank you. Five ayes, zero nays for this item. Wonderful. The motion passes. Moving on to item number eleven on the agenda presentation and staff reports. Clark Hart, please read the next item into the record and then executive director Metruck will introduce the item. Thank you. This is agenda item eleven a, the 2023 financial performance briefing. Commissioners, our next item is the 2023 year end financial performance briefing, and I'm pleased to report that the full year results are positive. Operating revenues were up both compared to 2022, and we posted growth in the airport and cruise passenger volumes. To me, these results indicate that the 2023 marks in the near complete recovery business operations is upon us and our focus now turns to managing future growth. I'm also pleased to note that with respect to capital delivery, which you know is high importance and priority for me, we executed nearly 90% of our budgeted capital spending in 2023. So the presenters this afternoon are Dan Thomas, chief financial officer. Michael Tong, director of corporate budget, Kelly Zuban, director, finance and budget for Seaport, and Heidi Papachak, director of aviation, finance and budget. So with that, I'll turn it over to CFO Dan Thomas. Thank you, Steve. Good afternoon, commissioners. You go to the first slide, please. We're pleased to be here to present the year end financial and operational results. We will try to be brief. There's a lot of materials in there, but we have put a lot of the slides in the appendix if you want a deeper dive in some of the information. And also wanted to note, you have access to the full written report as well in your packet, and then of course, we're happy to answer any questions as we go through the presentation. As Steve mentioned, financial performance has been very strong

in 2023. I think it really reflects kind of a milestone, a turning point as coming out of the pandemic and moving on to a future of growth. As Steve mentioned, I think we basically, most of our operational and financial metrics have exceeded pre pandemic levels. For the most part, airport passengers grew nearly 11% over the previous year and were just slightly below 2019 levels at 1.8%. So very, very close, and we expect to exceed 2019 this year. Cruise season posted a record of 1.78 million passengers, which was 25% above budget. So very, very strong performance there. On the airport side, non aeronautical revenues were a little over 10% over budget and 27% higher than 2022. You'll get more details on that, but really strong growth across the board in the non aeronautical business segments. On the non airport side, also, revenues are strong, almost 7% above budget and 8% higher than 2022. And that reflects strong performance both in the maritime division in particular and in northwest Seaport alliance, which feeds into those numbers. On the operating expense side, technically, we were \$16.3 million below budget, but that was mainly due to a nearly \$28 million non cash expense credit that we booked as part of accounting for the ports participation in the Washington Department of Retirement Systems pension programs. We've been experiencing this over the past several years when new accounting rules were put into place, because when the, when DRS does their calculation of pension expense, when they update the valuation, that number is often very different than what we recognized during the year, because what we can budget for is just our cash contribution to those pension programs. And it's not until later in the year when we get an updated number from drs that shows us what our actual pension expense was based on that updated actuarial valuation. And over the past number of years, we've tended to get a credit as a result of that, which lowers our expense. In fact, two years ago it was over \$50 million. So it's a pretty big number. But without that, our expenses were about \$12 million over budget. And we show you numbers with and without throughout the presentation. So we try to adjust out where we can to show you what our expenses would have been without that credit for greater transparency, but just noting on that expense override, a couple of the key factors that really, the primary ones that played into that were, were operating

environmental expenses. As you know, much of our environmental expense is below the line that hits our non operating expense, but if it's related to current operations, we book it as an operating expense. So we were aye. with some unanticipated environmental expenses, both in maritime and aviation. We had a lot less charges to capital during the year. Staff time and contracted expenses were lower than budgeted. And then we also had large, unanticipated outside legal expenses. That's a difficult one for us to budget every year, depending on the level and extent of lawsuits we encounter. So that was over budget and also a number of large settlements. We experienced legal claims settlements that were unanticipated. So those were some of the key drivers on those higher expenses. So with that, I'll turn it over to Heidi Popachak to talk about the aviation performance. Well, good afternoon, Commissioner Mohammed and commissioners and the executive director, Heidi Popichok, director of aviation and finance and budget. Today we'll walk you through the aviation division, 2023 Q, four financial performance. Next slide, please. So within the aviation division, the passenger volume is a key Metruck. And as Dan mentioned, with our 2023 year end passenger volumes, we're at 50.9 million passengers. That's 1.8% below our pre pandemic levels, but definitely on the rebound. We're seeing an increase in that, which is positive news. Next slide. So this is an overview of our revenues and expenditures for the aeronautical revenues, which is our cost recovery side of the house, where we charge the airlines. We show a reduction in revenues due to the aeronautical share of the pension credit that Dan mentioned moments ago, as well as some of the capital projects were delayed, and thus we are unable to charge the airlines for the capital project share when those go into service. So there was a slight delay in that and we saw a \$25 million reduction in revenue. Then moving on to the non aeronautical side of the house, which consumes our airport, dining, retail, ground transportation and parking revenues. We saw an increase of about 30 and a half million dollars. So a number of those revenue streams on that side of the house outperformed our budget expectations. And I'll speak more to that in a subsequent slide. Next slide, please. So then, just looking at overall operating expenses, as you can see, we are, we ended up 2.6% under budget and

also, and that includes that pension credit that Dan mentioned. We also saw the legal cost increases as well as some environmental remediation liability costs that came in as well. So those were some of the cost drivers and then some of the charges to capital when we have vacancies on the capital side. We are unable to meet some of that throughput because we have those vacant positions. So those are just kind of the three key factors in regards to our operating budget for expenses. Next slide.

So this bar chart just is a high level overview of the various cost center that make up our aeronautical revenues. I won't spend too much time on it, but just to illustrate those cost centers where we saw lower than expected budget to actuals, that next slide.

And this slide illustrates our non aeronautical revenue concession grants that we received. And looking at 2023, we have exhausted all of those grants. So 2024 we won't share, won't have any grants to disperse to any of our ADR tenants. So we just consumed all of those grant funds there. Next slide.

And this here's that very positive performance for non aeronautical revenues. As you can see, for public parking, we budgeted about 100 million and we outperformed greatly. We reached \$111 million in the parking side. And so looking at the other revenue streams from non aeronautical, very positive as well. And we're very proud of that increase in parking and want to continue that and continue to grow non aeronautical revenues for the foreseeable future. Next slide, please. So talking about kind of on grants, again, just looking at the federal relief grant summary, we've exhausted all the grants in 2023 and so we have closed those out and just wanted to do the year end close out for the grant so we won't see these type of grants come in in 2024 and in subsequent years. Next slide, please.

Then this slide just illustrates how positive we were able to accomplish our debt service coverage ratio. We ended up being above 1.4 times coverage to some of those outperforming revenues, that definitely increased that. So for the non aeronautical revenues increase, also with our O and M budget expenses coming in lower, that was able to increase our debt service coverage. Next slide.

And then looking at our airport development fund balance, we typically, we're targeting 18 months of for our ADF balance and some of that was

attributed to, again, having higher, excuse me, having the savings from the O and M budget as well as we have for the aeronautical side, we have a settlement to the airlines to kind of reconcile the expenses. So there's about a \$47 million settlement that we give back to the airlines, part of our signatory lease of operating agreement provisions. So overall positive news for the ADF balance. Next slide, please.

And then looking on the capital side, 91% of our budget for capital was spent in 2023. We were very successful in staying on track on some of our mega projects. Our mega projects are projects that are over \$300 million. So that was very positive news for us to make sure that we stay on schedule and keep those projects moving forward. Next slide, please. And this table just illustrates, as I mentioned, some of the mega projects and in the various categories of our CIP. But just looking at the 2023 actual, our plan of finance, the 2024 budget, and just kind of what the outlook looks for the next five years for those capital program categories. And I believe this concludes my presentation. Happy to answer questions at this time. Yeah. It would be great if we could break it up and ask some questions on the non aeronautical side. Sure. Yep.

Commissioner Felleman, you have a question? Yeah, mine's a broader question. I've raised this in the past is, you know, we're one of the few ports that have both an airport and a seaport, and we seem to describe ourselves as an airport. And then what we're not. We have aeronautical revenue, then we have non airport non revenue, and then we have non airport revenue. Why don't we say what we are instead of just what we're not? And in terms of. Actually, it's, I think, really as a communication tool, in terms of being able to describe that it is maritime and edd, it's not non aeronautical. I just think it's really as a budget to communicate to the public. Obviously, it's not your point and it's not your issue, but, and it's good to see the numbers in the positive line. I just think as a communication tool, it's a little obtuse. We appreciate that comment, commissioner. Film. We have struggled with that over the years as to what nomenclature we should use for all the business, because there's a number of them. Right. That are not airports. So sometimes it's easier just to say non airport. But I think you're right. I think something that's more descriptive. We'll

look to see if we can come up with something that's a little more descriptive.

Any additional questions? I have a quick question. Thank you, Heidi, for the presentation. The 30 million increase on the non aeronautical non airport, is that in alignment for the parking that you described? Was it because the rates increased or was it because we had more, just the rates, a combination of, like, passengers in rates? Yes, because in June of each year we increased the parking rate. And I believe we did that in 2023. And as you might be aware, that the budget doesn't fully catch up because when the budget is developed, it's not contemplated that we'll do the increase in the following year. And so it's a combination of both behavior from passengers as well as rate increases that typically would go in effect in June of the following year. That's a combination of the two. Thank you for that. Well, here are no additional questions for you. We can go on in the presentation. Okay, thank you. Pass it on to my colleague Kelly Zepone, support seaport side Kelly thanks,

Heidi. Good afternoon, commissioners executive director, Metruck we will now discuss the seaport divisions, including maritime economic development, stormwater utility and the port's interest in the Northwest Seaport alliance joint venture with Port of Tacoma.

This is a list of our key metrics. There are several in the appendix as well, as you can see, and as Dan mentioned earlier, cruise is fully recovered from the pandemic with a record 1.78 million passengers on 291 calls.

We anticipate the high growth we have had the past several years stabilizing near the 2023 levels going forward, maybe a little, a little less. On the passenger side. We've got budgeted for next year. Grain was challenged by reduced demand from China. On the plus side, year to date through February, we've seen a 35% increase year over year and this actual past February had the highest volume since 2022. We're not certain if this is a blip or hopefully a revision to historic norms. Cargo continued a downward trend in volumes with container TEUs at the lowest level in the Seaport alliance history. Occupancy rates at Shilshall Bay continued at record high levels thanks to the process improvements addressed in 2022. For guest mortgage next slide please. Here is a

roll up of the seaport financials revenues were 7% higher than budget and up 9% from last year. The increases were driven, obviously by the record year in cruise and high demand for waterside businesses and some unplanned one time events at Northwest Seaport alliance. These were partially offset by weakness in grain and conference and event centers. Expenses were 2% above budget from about 4 million in environmental remediation expenses tied to capital projects, with about 2 million related to terminal 91 bursts six and eight, and the other 2 million split between the Maritime Innovation center and terminal five based on the port's net operating income. Absent non cash entries such as depreciation and pension. True up we were \$8.1 million better in budget and 1.7 million less than 2023.

Next slide please.

In this Q four year end financial briefing, we typically introduce changes in major projects from 2024. Plan of finance that we shared last October to the 2024 budget we will be performing against for this year. Overall, we plan to spend about \$27 million less in 2024 than we had thought last fall. The two projects that stand out are the Maritime Innovation center. This is the adjustment is based more on a timing of invoicing and terminal 91 uplands, which had some revised timelines.

Do note this capital forecast does not include work our project management team does for the Northwest Seaport alliance, which is roughly equal in size. Next slide, please.

Next slide.

The maritime division net operating income of 12 million was about \$2.3 million above budget and roughly the same as 2022. Revenue was better than expected by what is likely the last year of double digit growth in crudes offset by the lower grade volumes. As mentioned earlier, expenses were over budget by \$4.3 million, primarily due to the remediation we spoke about earlier, but also due to the maintenance department experiencing higher than expected materials cost. We spent about 68% of the capital budget this year and saw waterfront project management execution rate ramping to 79% in Q four, which is one of the biggest big goals we have this year and moving into next year as well. Next slide, please.

Okay. There were no significant variances for the stormwater utility results for 2023. We do continue to see maintenance expenses move up and down each year

depending on the quantity of our tenants industrial permit needs. So when they're not working on the utility, oftentimes they're working for SSA or some of these other groups the on their industrial permits. Our reserve balance remains above the targeted six months operating expense.

Next slide, please.

This is a high level look at the Northwest Seaport alliance financials. The 111 million net operating income in 2023 actual is a rough proxy of the distributable income that gets split between the Port of Tacoma and the port of Seattle. You'll see something similar in the next slide when we move there. For distributable income, the alliance was able to compensate for reductions in cargo volumes with rent increases, unanticipated revenue from military vessels and expense savings to grow income by 15%.

Next slide, please.

This slide represents the port's interest in the joint venture. We received about \$7.5 million more than budget and distributable income from the Seaport alliance and another 900,000 from higher than expected budget on the ports portion of terminal 46. This is related to the Pacific crane maintenance lease out there. This was offset by unbudgeted environmental expenditure at terminal five and. Next slide, please.

So for the economic development division, our net operating income was about 1.5 million below budget. Absent that DRS pension. True, up and about 330,000 below budget. With it, revenue was 5 million below budget, which is down about 3% from 2022. This was most. This was driven by conference center cancellations tied to, really a strong, highly competitive environment that we're facing right now. Expenses were below budget by about 3.5 million before the pension. True. Up with less variable costs related to the conference centers, comfort centers, about a 15% margin business. So, you know, as our volumes go down, we get about 85% savings on the dollar with that. And lower tenant improvements offset by the EdD grant cycle change from a one year to a two year change, which we had nearly twice as many matching payments this past year than we did the year before, where if you look at the year before, we hardly spent anything on the grants, so they often will wait towards the end to submit their matching reimbursable payments on those. And I

think that's it for. Can we take a break? Any questions? Yeah, let's pause for questions for you. Any questions from commissioners? Commissioner Felleman? Hi. I'd like to start off again with the labeling issue, and again, this is for communication in the stormwater utility and in the joint venture financials. So we have a summary of the Northwest Seaport alliance, and then underneath that we have the joint venture Q four, and within the revenue section, we have the Seaport alliance distributable revenue and the Contra joint venture. Joint revenue. And just in this seaport performance, we have joint venture, but we don't mention Seaport alliance. It's inconsistent. And, again, the Seaport alliance is sort of a known revenue stream and expense, and I just don't know why we don't or put slash so consistently. We know what we're referring to. I just want to say, before I get into this silly stuff, it's not silly, though. I think this is one of the most important documents. It really shows that our aspirations are one thing. What we actually did is what's critical. And I really think, in our budget retreats going forward, really focusing on this as what were our handicaps? Where were we? Strong, really? Well, should very much help guide our future. But as far as commissioners being able to really contribute to that conversation, making sure we understand what the breakouts are, I think is also to communicate with the public. It's not trivial. No. Thank you for that, commissioner. I think it might make sense for us at some point to step back a little bit and help just define these things, because they are a little bit different. The Seaport alliance itself is really one line item in the port income statement. It's the bottom line. It's the net income of the alliance. But then we have what we call the joint venture, which includes that, but it also includes other expenditures, expenses that we incur that aren't paid for by the alliance, but they're related to alliance businesses. So if we're doing, you know, some work related to terminals, but it's not an alliance expense, we need a place because it's not maritime. Right. So we need a place to book those expenses. So we have this broader sort of segment, if you will, called the joint venture. That includes the alliance revenue that we receive and then a lot of other items that we incur, particularly expenses that are related to those businesses, but we can't charge them

to the alliance. So I think it'd be helpful for us maybe as part of the budget process, step back a little bit and provide a little more context as how those fit together. I appreciate that. And executive director Metruck, just. Yeah, just to add. I understand that feedback, and I think basically when we present it in our budget as well and in our budget documents, we can explain what each one of those is, and then when we have the budget and brief and other items, we can explain those better as well. Point. And so project management of a seaport alliance project, some of which might be budgeted, some expenses might be incurred by the port.

I think in any given line, we could have clarity on that. I just also look at, like with marinas, just to, you know, we're summarizing just shallshall, right. We have four marinas, and, you know, how is, how are marinas doing is a question. Right. Should we be investing in marinas? Should we be, or some, obviously, some marinas are performing better than others. So, I mean, I think it's good to see, you know, she'll show, but it's not, doesn't provide commissioners insight into whether or not how marinas are doing, per se. And similarly with the EDD, I just think that the department is enormous and difficult to fully understand all that it does. But in the real estate breakout, I don't see, like Bell harbor, not Bell harbor, but World Trade center called out and so, you know, occupancy rates and things like that. I know, have been challenging there. But again, do we want to be able to lean into those things or sell them? You know, we need to have the visibility in terms of the granularity. Yeah. Within, and I think EdD is a particularly challenging one because there are so many components to it. Cool. Thank you for that. And maybe again, during the budget process, we can provide a little bit more of that granularity that you're looking for to help inform the budgetary discussions and decisions. Thank you, Director Thomas. Any other questions? All right, we'll move along to central services. Okay, I just wanted to add, we do have the detailed p and ls in the back at that granular level in the appendix on there. And we will go through those a lot. We do go through them a little bit deeper in the budget, but I'll take your comments. Thanks a lot. Thanks for that. No, we have parking and leasing under the same category. I mean, they're just different places that we can understand

how we can help.

Good afternoon, commissioner. Next slide, please. So for Central Services,

I sit on. If you

look at the financial summary table on the

left, I just want to point out a couple of

numbers for you, which is under the

variance column, without the pension

credit adjustment, we were 7,000,007.7

million over budget, as dad mentioned a

little bit earlier. And I will provide the

reason in the next slide. And then the

pension adjustment is 14.5 million.

So with the pension adjustment,

the variance is positive, 6.8 million.

So on the right hand side is a few

business highlight. Again, you can see

long list in the Vietnam report and a

slide in the appendix as well. So just

want to point out a couple of those. We

hosted a number of community engagement

events throughout the years.

Also the last bullet point, I do want to

point out that we hosted the graduation

event for the inaugural Youth Maritime

Career launch program, class of 37

youth. So it's very successful program.

Thanks for lots of work from some of you

and the steps. Next slide, please.

So here you can see a little bit trend for

the past three years, actual. And then

also compared to the 2023 budget overall.

Again, you know, 7.7 million over budget.

And the main reason is because of the

higher legal expenses that Dan mentioned

a little bit earlier, as well as

unanticipated legal injuries and damages

and also less charge to capital. So the

three category combines a little bit over

10 million. And we do have a number of

saving in the travel, employee travel

training and some outside services that

offset, at least partially offset that.

And then compared to the 2022

actual revert, 29 million because

higher payroll and outside services also

less charge to capital or more charge to

capital in this case. So next slide

please. So here you

can see a little bit more detail by the

major account category on the payroll

side, which is combination of the wages

category, salary category and the charge

capital, you can see it's a little bit

over by a little bit over half million,

and then some saving from outside services

and other accounts there. And then also

the less charged capital of 2.9 million.

So that contribute to the unfilled budget

variance that we saw in the year. So next

slide, please. So I want

to give you a quick highlight on the part

wide numbers. Next slide, please.

So again here you can see the three year trend, actual, and the compared to the budget overall, you can see both the revenue, operating revenue and expenses, and Noi, which is the bull line there, higher than the PI years. And actually we have the highest operating revenue in history. Well, about the pandemic level in 2019. And then you can see a little bit, you know, the summary of the variance explanation on the right hand side. I probably don't need to go to detail, but basically Dan coffer and, and Heidi and Kelly cover most of it. Very similar story. So one thing I do want to point out is that in the green bar there, the middle part, which is the north long airport Avenue, the revenue, and then the light blue bar is what we call long Airport Avenue, which we talk about. We could certainly look at that and refund the terminology a little bit better. But I do want to point out, clarify that the three biggest categories, maritime revenue, operating revenue, and EDD and the Northwest distributable revenue. And then we still have a few other categories that, you know, some of them are carry on dimension utility, the joint venture on top this seaport lines distribute revenue. We do have some revenue from the joint venture as well, and then also the central services from the police, grant and others. So there's multiple, at least six kind of co and co business there. That's a combination of those six. Next slide, please. So we do want to report the equity spending that you already saw in the budget process from 2019 to 2022 actual, and then the budget when we present the 2024 budget in the fall. But here we have the included 2023 actual. So overall, you can see the absolute spending amount is higher than all the prior years, over 50 million. In terms of percentage wise, it's lower than 3% that we want to achieve. The main reason is because we have more than the payroll side as well as the outside surface, is some other item that contributed and denominator that's bigger than that we would like to see. So here's a quick highlight. And I know that Bookda and her team will provide a little bit more detail in terms of the overall EDI progress that, you know, that we did last year. So in 2023, I think that's all we, one last slide is the capital. So Dan mentioned about earlier about 90%, almost 90%

of the back budget we spend in 2023. So it's probably the highest percentage that we spend compared to the budget as far as I know. So it's kind of making quite a lot of progress in the capital side last year. That's all I have. Happy to answer any question that you may have. That concludes the last section, too, right? Yep. Great. That's our presentation. Thank you so much for the presentation. That was very informative. I will open it up to any additional commissioners comments at this time.

Commissioner Felleman. All right, so seeing the 89% capital spend, like, great news. Right. So I'm just wondering if, let's just say that inflationary costs. Right. So we spent what we thought we were going to spend close to that, but we did less because everything was more expensive. I mean, so does that number reflect, like, the projects or just the spend? This is just the spend. So we anticipate during the year how much we will spend on our capital budget for the year across all divisions, and then we monitor that as we go along and calculate how much we actually spend, which is a proxy for delivery. That's my point. It is a proxy. And so I'm just wondering, is there another way to terms would be able to say on the cip what actually how much of that got done versus how much of that got spent? We have other reports that we look at that looks at percent completion and things like that and project schedule changes. There are more detailed reports that come out of engineering and project management. It'd be kind of an interesting part of that histogram side to the histogram and obviously got to average it out over five years and things get done. But in terms of, that's a really very positive number. But we also know we had a pretty inflationary condition. So does this really reflect the fact that we were actually getting stuff done or just spending more? Yeah. And of course, this is just a slice in time. Right. Many projects are multi year, so it may reflect just how much we spent in this given year. Sure. Executive director Metruck President Mohamed if I can just add to that. Yeah. And I think it's also those are approved because the budget is approved. So that spend within the approved budget. We would come back if there's, if the budget increases based on inflation, we'd come back for additional requesting of that, of course. But, but, of course, this is the approved budget. We're just not

spending money that's not budgeted for that. So just to point that out, the point being is that we're not spending it, that it's not going to completion of the work. Commissioner Calkins, just Dan, a quick question. Since we passed the 24 budget back in November and now we have the full financials for 23, are there any changes that you're anticipating to the budget based on full year end numbers for this year? Well, it's still pretty early in the year, so we'll just be completing our first quarter report here as we finish up March. So that's when we'll first start getting in some insights because we also, as part of that, we do projections for year end. So we'll be asking all departments to look at what they expect to spend relative to their budget for the full year. So, but so far, no major, so far nothing that comes to mind that is of any concern. But we'll do it. We'll be doing a deeper dive as we pull together the first quarter report. Thank you, Madam President. Just one more thing to add to that, too. I think the point to point out brought, I think, which Kelly brought up, which is as we adjust, based on the fourth quarter of our spend for capital, we readjusted that number down a little bit based on the progress. So that is one thing that's changed for performance and the capital side. So we've adjusted that within the capital side because of the support where the projects were completed as they ended up compared to the forecasted budget versus the actuals. And that was 27 million adjustment there.

Okay. Thank you. Great. Thank you all for the presentation. Thank you. Director Thomas, moving us along to item number eleven B. Clerk Hart. Please read the item into the record and then executive director Metruck will introduce. Thank you. This is eleven b, the 2023 annual report for the Office of Equity, Diversity and Inclusion Commissioners. Almost five years ago, the port created the Office of Equity, Diversity and Inclusion and made its senior director a direct report to the executive. This was significant because it made us the first port authority in the country to create such an office. And it was illustrated that we were willing to commit time and resources to embed equity diversity inclusion across our organization. This was one of the first organizational changes I made as executive director, and so I'm going to spend a little more time than usual on my introduction to this item. Shortly before

we created the office, the commission updated our century agenda to add the goal for the port to become a model for diversity, equity and inclusion. Since that time, OED, the Office of Equity, diversity and Inclusion's impact has been critical in efforts to advance equity across all of our operations, both internally and externally. Personally, I can't imagine making decisions at the port today without taking consideration equity, diversity and inclusion, and specifically the input of senior director and her team. I can't imagine the port trying to accomplish its triple bottom line mission without the guidance and program management of our OEDI team. They're valued partners within all the other staff and valued advisors to me and the executive and the rest of the ELT. But of course, you know, change is challenging and it's hard, and real change is hard as well in doing that. So sometimes there is, we aye. friction points in order to carry out that work, but our staff is dedicated to that and as we are to this, to make as a, as a core value of us as an organization. So we ask our staff and our OED OEDI team not to turn away from the challenge and to proactively identify the most critical ways to challenge institutional bias and racism and make that change throughout all of our work. So I'm proud of our work and our commitment to these goals. And so to share more about our progress, I will hand over to Bookda Gheisar, our senior director of Office of Equity Diversity, inclusion, and her team to share about their work in 2023 and what we can expect in 2024. Thank you so much. Good afternoon, President Mohammed, commissioners and executive director Metruck. We're really excited to be here with you today. I'm here with my colleagues Jay Doran and Tanya park to offer you our annual report as directed by the Equity Policy Directive. I also want to acknowledge some of our colleagues, members of our team who are in the room, Guadalupe Torres, Boshra Zaman, Noemi Morones and Alberto Rodriguez, a small but very, very mighty and strong team. We plan to take about 20 minutes of your time to offer you a little bit of background, some of the highlights of successes and challenges of 2023, and review the year ahead with you. Next slide, please. Thank you. It looks like I just covered this slide too, so next slide, please. Moving on to the next slide, our theory of change. There is a lot on this slide and I know that you've seen this before and

you're familiar with it. I just want to point out a couple of things. That our theory of change, though it's new, drives why we do what we do and how we do it. We have an annual strategic plan that comes from our theory of change. And I want to just point out to three important things to this slide. Number one, at the top of the page about our goal for the port of Seattle to fully transform to. Our goal is to fully transform the port of Seattle into an organization that embeds equity and justice in all of its operations. And then second, to point to the center of the key, that our vision is for race to no longer be a predictor of outcomes for our employees success. That is really the vision that we're driving for. And the purple bar is really important because our small team works very, very actively with the change team. We have a change team of about 100, 4175 members now who've been on and working with us for the last four years. I don't know if there are any change team members in the room here today, but I want to acknowledge their incredible work. They are instrumental to our vision and our theory of change and to our ability to carry out what we are here to do next. Slide, please. This slide, the recent milestones, or as me and rice calls it, we've come a long ways. Slide, is a map of our last four and a half years. You can see here that we have accomplished an incredible amount of work in a short amount of time. I think that a lot of our successes, because we started this office in a very tumultuous time. We started just months before COVID the murder of George Floyd, the uprisings around the country, organizing for Black Lives Matter movement, the demands for racial justice, all of this really accelerated the work that we have been able to accomplish. We've adopted one of a kind policies that many other institutions around the country who've been at this work for decades are just now tackling. We've mandated trainings for all of our employees, for all of our supervisors. We're tracking our equity spending. We've adopted policies to codify this office. We've mandated every team to set annual equity goals. We've mandated equity goals in our performance goals for supervisors. We've adopted a language access policy. And we've created incredible tools that I hope you have a chance to look at on our website. They are innovative. We have multiple dashboards that track and report our progress, both internally as well as

externally. We evaluate our work every step of the way, and we are highly results based and report on this results to the community and our internal employees. And all of which is working towards the goal of the Port of Seattle being respected as an authority anti racist leader among employees, communities and other governments. Next slide, please. So this slide is capturing our experience of the last year. You will hear Jay and Tania talk about what we've accomplished, but I want to just take a minute to talk about the environment within which we found ourselves last year. Last year was an incredibly challenging year for practitioners of racial equity. The excitement of the four years before that started to wear off. People were tired. In our own organization, we saw a sense of exhaustion and saturation, with multiple initiatives driving towards change, although they're all great change that our employees are looking, but multiple initiatives out of which so many committees happening, people were really tired. And a sense of burnout. In our own team, we also really experienced challenges and exhaustion and sense of burnout that was probably because of the volume of work, but also because we are at a place where the work of equity feels like one step forward and one step back. Sometimes just. I'm sure you're following this, but you know that there are multiple threats and legislations attacking the rights of our communities. And, Commissioner Calkins, I know you're aware of this, and you speak about this a lot. Today, there are 500 legislations attacking the rights of trans communities and 30 legislations banning EDI, eight of which have passed into law in the US. And out of those eight laws, there are multiple states that have banned EDI. Two in Florida, one in Dakotas, one in Tennessee, one in Texas, one in Utah. And Alabama just passed a very, very intense law banning Edi. So this is the environment within which we are continuing to move forward and conduct ourselves and our work. And I think that should explain the sense of burnout, but the sense of also excitement. I want to speak to the green band around the blue band, that we are excited, that we are thrilled to have the opportunity to lean into the possibilities, though everyone is scared and the sense of risk aversion is one that is very much growing. But I, before I turn it over to Tom, Tania and Jay, I want to thank you for creating the

possibilities, for leaning into being bold and creating an environment that we find ourselves allowed to do the work that we do. So thank you, and I'm going to turn it over to Tania. Good afternoon, commissioners. Good afternoon, Commissioner. President Mohammed. Executive Director, Metruck. My name is Tanya Park. I see her pronouns. I'm the systems change program manager with our office of, of equity, diversity and inclusion. I'm really grateful for this opportunity to be here with you, to share successes about our work and also hear your feedback about how we can advance this work in meaningful and impactful ways. So with the backdrop that Bookda just shared, Jay and I will cover a few of the major areas in which the board has worked to advance and embed equity into its operations while navigating the challenges and barriers which we know is expected in this work. Next slide, please. I want to start off with the change team because the change team, as Bookda mentioned, really is the catalyst. It serves as our primary vehicle for accomplishing so much of our work in our office. The change team exists to build cross functional capacity. They visibly and audibly advocate for racial and social justice across their teams. They help to catalyze their respective team members to help design, implementation and measure our equity actions and commitments. And as Bookda mentioned, back in 2020, when the change team began at the port, we started with roughly 120 members. And I'm proud that today we have close to 175 members who are passionate about making the port a more inclusive, equitable and anti racist organization. Next slide, please. Just want to share some of the highlights that are changed to members directly reflected on from our past year of work. Some of the things that change team members highlighted as successes were seeing increased collaboration and engagement at that team level. And some of this shows up in meaningful equity moments. And when we started, and even now, to this day, we have folks who ask questions of, like, why do we still have to do this? Right? But what is happening in some of these equity moments and these opportunities to connect is that people are actually connecting to each other and seeing each other in their humanity, right? So an example of this is how when equity moments take place, they're allocated a certain amount of time, but often they do run over. And this is

because of that connection. People are sharing personal stories and trying to better understand each other. And in my view, ultimately the work of our office, the work of equity, is about seeing each other in our humanity so that we can dismantle racism. Other things that change team members highlighted were seeing robust discussions in hiring processes with the inclusion of panel members who are diverse in levels of authority, gender, race and relationship to hiring teams. And last but not least, practical application of equity into work processes, right. Trying to institutionalize and embed equity into how we do our work. Some of the highlights that change team members have remarked on and reflected on from this past year. Next slide, please. You all are probably familiar with this next visual we shared in the past, but I think it's important for us to ground ourselves in remembering why we are pursuing the actions that we are. So back in 2021, the Port of Seattle conducted a number of assessments across the organization, including the equity assessment and women of color assessments that were facilitated by our office in the center you see here are common themes that surfaced from all of the assessments. So that's the common denominator across all the different ways in which we hear from employees. These themes are underscored by the need for systematic accountability for supervisors. This provides the blueprint for our collective work towards building a culture of anti racism that's built on the values of trust, respect, communication, recognition, fairness, inclusion and belonging. Next slide, please. And to build on that blueprint, I want to note that we're also measuring our results, right? We want to make sure that we're following through on what we heard from employees, that we've actually done what we said we were going to do. So, as Bookda mentioned also that we've developed multiple public dashboards to track and reflect our actions and our impact. We also want to make sure that we're modeling transparency and accountability, as that is a really critical aspect of being authentic in this work. The outputs that are shown here in the middle are really the quantifiable things that we do, the things that are a little bit easier to measure, perhaps, such as number of trainings, the number of participants and activities, the number of events that we're able to invest in. Right. The outcomes and impacts that are highlighted

in the red circles here require a bit more of a balance between asking and getting feedback from employees, a bit of qualitative as well as quantitative analysis. Ultimately, where we want to go with that is, we want to understand whether the investment we're making is actually helping to move the needle towards the organizational culture change that we are seeking. Next slide, please. As we're tracking our progress on equity and women of color assessment actions, we're also measuring the outcomes. Right? The so what of our investment? 2023 was the second year in which we collected data from a brief survey that measures perceptions on validated measures of inclusion and belonging. Just want to note that in 2022 and 2023, the two years that we've facilitated the survey, we've had just under 50% of employees responding. So this just gives us a snapshot of roughly half of our employee population. That said, in our first year of comparing data overall, what we've seen is that employees feel an increased sense of inclusion in their immediate work groups. However, what we are also seeing is that that work group inclusion is not felt evenly across all groups. For example, employees of color feel a little less included than white colleagues at that immediate team level also represented employees feel a little less included in the organization than non represented employees. Where we saw improvements more broadly among employees is in greater access to communications and information. So what that means is we're doing a better job of making sure that information about opportunities, information about resources and communication is reaching all corners of the port a little more effectively. What we also saw was an increased perception that ELT is embodying EDI and that the office of EDI is helping to nudge our organization towards greater inclusion and belonging. Ultimately, to our intention with this is to track year over year patterns. What we want to see is a minimization. We don't want to see disparities basically between how people across various groups feel included or feel a sense of belonging at the port, whether that's based on race, gender representation and other demographic factors. Next slide, please. While the survey is one way in which we're measuring outcomes and impacts, we also want to be mindful of making sure that we're collecting information in qualitative ways to remain connected with employees and understand whether the

impacts and outcomes are matching our investments. So in June of 2023, senior director Gheisar and chief strategy officer Maren Burnett facilitated three listening sessions to check in on the progress and challenges employees have seen since women of color recommendations were published in 2022. The high level themes that you see here that surfaced from the listening sessions are consistent actually with what we heard in 2021. And really they highlight that more work towards change is needed. And what I want to go back to are the concentric rings that Bookda referred to earlier on the push and pull that we see in this work. So on the one hand, while we see movement and growth in the organization overall, there are some areas in which change is not happening fast enough, where people continue to report challenges, and for people of color who have historically been left furthest behind, we believe that it will take the longest for those communities to catch up. And for me, this is a sobering reminder that we need to remain grounded in our values and commitments to ensure that we are meeting our equity objective, which in our theory of change says that race is no longer a predictor of outcomes. Next slide, please. As I mentioned earlier, the Change team mission is to help design, implement and measure our equity commitments and actions at the team level within the port's cascading structure of accountability. Building equity expectations into our work is happening at every level. 2023 was a milestone for us in that it was the first year in which all departments across across the port implemented and tracked department level EDI goals. This expectation was established through our equity assessment to ensure that we have accountability towards equity investment at team leadership and individual contributor levels. Next slide please. Given that 2023 was our first year of implementing and tracking EDI goals, I think I give kudos to all the departments who helped get us to 89% of completion of meeting those goals. The remaining 11% can be accounted for by some outstanding goals that so I'm not sure if they were not completed or if they simply were not reported on. But we also had a technical issue that limited some of the departments from getting the information necessary to report back on their training requirements. And while we can't cover all the goals in detail here at this commission meeting, I want to provide one

example that highlights the intent of the spirit of having department level EDI goals, and that example comes from our maritime voting operations and security team under director Kennedy Lyles. The goal last year, one of their goals was to establish a policy of equity for external customers and the way they wanted to do this was by reflecting equity language in their external communications contracts agreements. Ultimately, the goal resulted in equity language that they included in new tariff code of conduct. So this code of conduct addresses, starting in 2024, how customers are expected to treat and engage with port staff, along with consequences for noncompliance. The other Metruck that you see on the slide here refers to the equity assessment and women of color assessment actions that are at 67% complete. We started implementing equity and women of color assessment actions in 2022 and intend to wrap up these assessment actions by the end of this year in preparation for our next iteration for equity assessment, in which we will have a new set that will take us, notch us up to the next level. As you know, the assessments produced a combination of both transactional as well as long term transformational actions. I would say that we've addressed many of the transactional items with much of the remaining work left being more of the complex, complicated and transformational recommendations such as the pay equity study, which is well underway, as well as addressing anti black racism, which is not going to change and be resolved overnight or even in a couple of years. So that said, I'm going to turn it over to my colleague Jay Doran, who will talk about a few other areas and which we have worked to embed equity this past year. Thanks, Tanya. Commissioners president Mohamed executive Director, Metruck Good afternoon. Thanks for your time today. My name is Jay Doran. I'm the policy and communications manager with the office of Equity. You see aye. pronouns. I believe you're very familiar with this topic. I'm not going to spend a lot of time talking about equity and budgeting. I know you've been briefed on it multiple times, but I do want to note the significance of the work. And in particular, I want to note that all of the work that the finance and budget members of the change team and the Office of Equity put into developing what was the third iteration of the equity and budgeting playbook that informed our 2024 budget. And within that budget, as you

know, is the tool of equity spending, which is providing us and the public with insight into how we are investing in the community, in staff and in programs to advance equity.

And I know that going into this year, our 2024 operating expenses, roughly 3.4% of those expenses, are categorized as equity spending. This is really exciting on many levels, not only because we couldn't find an example of someone else across the country doing this type of analysis, but also in terms of what we do with this information going forward and what future iterations of this tool will produce or show us about our work and about our organization. Next Slide Please staff training and engagement plays a significant role in our organizational efforts to normalize and operationalize equity and create an inclusive culture.

It is a constant and ongoing effort to create environments where staff can learn, grow and deepen their understanding of how they can personally and professionally advance equity, diversity and inclusion.

Per the equity policy Directive, all port employees have an annual equity training requirement. It's an hourly requirement, 6 hours annually for supervisors, 5 hours annually for frontline employees and individual contributors, and included in that hourly requirement, there are 101 and 102 courses, which we refer to as foundational training, and employees must complete those courses once every three years. To support employees in meeting this requirement, we offered 51 trainings last year. And on the slide you can see those broken down by kind of types of training. These were presentation style trainings, skill building workshops, facilitated discussions and those foundational classes. I want to

acknowledge the incredible role that the change team plays in this work. There is a committee of the Change team made up of about a dozen employees. We're a multiracial group from departments across the organization, and this committee is responsible for facilitating the racial equity 101 and 102 courses to employees. It is. It's hard work and they do an incredible job of creating accessible spaces where people feel included and respected. They can ask questions, people can learn as a community. And you know, one thing that we had a lot of success with last year in that regard was working with departments who have a lot of represented and shift employees, especially in aviation, and offering a number of trainings,

specifically at times and locations that work for those groups and really making sure that that segment of our workforce wasn't left behind in what the opportunities were to meet this requirement and to get this education and training.

Next slide, please. I mentioned the 101 and 102 courses. Those foundational courses must be completed once every three years. This slide is an overview of that progress today to date, excuse me, not to date, through 2023. So a few things to note. We began offering the 101 courses in 2021. So the end of 2023 marked a three year period for those 101 courses. The 102 courses began in 2022.

So the end of this year will mark a three year period for those 102 courses. We've made great progress towards training supervisors. You can see that we are we're at nearly 100% of supervisors completing that 101 course. The outstanding percentage can largely be attributed to turnover and subsequently new supervisors coming into the role. And we're making good progress with supervisors in the 102 course. For frontline employees and individual contributors, we are making considerable progress with the 101 course. I want to keep in mind the number of people that we are training. We're talking about roughly 2000 employees and these trainings are not as simple as watching a recorded video or listening to a presentation. We cap attendance for each of these courses because they're interactive, they're discussion based. And again, we've also worked really hard to make them accessible. We have a considerable way to go for the 102 courses, but we continue to offer both of these trainings on a monthly basis. And I think we doing

this work for the last three years. We're not only learning a lot as a team and a department about how we can be successful in not only making sure that people are completing this requirement, but making sure the trainings are impactful. And I think we're learning as an organization about what we need to do in order to prioritize this work. Next slide please.

With regards to our external engagement, we have a lot to celebrate from last year. This is just a snapshot. I know our workforce development team is going to present to you later this year on their work from last year, but I do want to briefly highlight some of the accomplishments from our workforce development team. First, the youth maritime career launch in its first year

graduated 37 participants and engaged ten maritime employers in the program. Almost 1600 community members were hired into jobs at the airport, through the Sea Employment center, and more than 120 community members enrolled in port funded training programs in construction and aviation industries. The South King County Community Impact Fund continued to have a significant impact last year. Since the start of the program, the port has invested \$7 million into 65 partners partner organizations, including the addition of twelve partners last year. And in 2023, the program placed 103 community members in apprenticeship and pre apprenticeship programs in port industries. Additionally, thanks to the program, last year more than 500 community members gained employment in those industries, with starting salaries ranging from \$19 to \$34 an hour. So we're seeing this program have a real impact in the communities we serve, helping people get into these industries and start careers that can be family wage quality careers. Finally, in partnership with the Northwest Seaport alliance, our office has been supporting a collaborative effort to decarbonize the gateway, the multi stakeholder collaborative formed in June of last year to develop a roadmap for transitioning to zero emission drainage services across the region's maritime cargo terminals no later than 2050. We are committed to supporting a just and equitable transition by working to ensure that independent operators and owners are at the table, helping to guide this approach and this process. Next slide, please. So next slide please. So what's next? This is a tiny snapshot of some of our big rocks. For the remainder of this year, we are committed and working to incorporate environmental justice into our work. This involves collaboration both and partnerships, both with departments internally and with communities externally. And it's going to take a lot of time to not only build relationships and trust, but also to understand what is capable as the organization and what is it that the community the community needs and how do we find kind of a marriage or agreement with those two. So we anticipate a lot of foundation setting this year and scaling up this work in 2025. Additionally, language access is a priority for us this year. I know you heard from our team in external relations last meeting, and throughout the course of the next two

years, we will be really systematizing this work across the organization to ensure that we're better supporting the communities of the region. And finally, throughout 2024, we are going to develop steps to address anti black racism, which has been identified not only in both the equity and women of color assessments we conducted a couple years ago, but also elevated in our values as a priority for this organization. And when we think about advancing racial equity, addressing anti black racism is a key component to creating change and progress for all people. Again, these are just a few of our priorities for this coming year. We're excited about the work ahead and continuing to update you all, and I'm going to turn it back over to Tanya to close out our presentation.

Commissioners, in closing, we want to underscore our office's commitment to the port's value of anti racism and equity. We know there will always be inherent tension between the need for change and the inertia towards status quo. Yet we also know we can only make progress by applying consistent pressure and persevering, by moving at the speed of trust with partners across all levels of the organization and community, and advancing with boldness. We have three requests of you commissioners. We ask that you continue to lead by example. The commission has the ability to influence and impact expectations and standards, both internally as well as externally with our partners, vendors, community and passengers. We know that you consistently infuse equity in all the work that you do, which allows the porch to lead in these efforts across the region. So we ask that you continue to do that. We also ask, our second request is that you support the areas where we're seeing resistance, help to remove obstacles for our organization in order to advance equity, help us to think creatively about how we embed equity into every aspect of our organization, and help continue to highlight the organization's commitment to this work as you address both internal and external audiences. And our last request is that you continue to create opportunities for us to be bold, for us to try new things and not get held up by our fears of risk and failure. Rather, we ask that you help assure us to be confident in what you have empowered us to do, which is to become an organization who is respected as an authentic, anti racist leader among employees, communities and institutions. We're grateful for your leadership and

ensuring our commitment and actions do not wane or waiver. This concludes our presentation and we welcome your comments and input on how we can both improve on and advance this work. Thank you. Great, excellent presentation, Amy.

I will open it up for commission comments at this time.

Thanks much for your presentation and it's always good to get these annual updates.

The one thing that I thought was particularly valuable was the quantification you had with the youth Maritime cooperative and the South King county fund. To be able to the fact that you're tracking those data particularly valuable and to the degree that you can continue to provide enumeration of your success. Nothing speaks louder than success than keeps the ball rolling that you're doing something right, obviously, and we like to be able to see that quantified. So thank you. Thank you, Commissioner Felleman, Commissioner Falcons, as I think I mentioned in the briefing that you all gave to me on this, I think it's

both important to understand that there will be setbacks in this. As Bookda referred in the sort of larger national context. But, you know, this is part of that arc toward justice, right?

You know, two steps forward, one step back sometimes. So I hope we all continue to feel inspired that we are headed in the right direction, even if we occasionally aye. some obstacles in the road.

The other thing that I reflect on is this is kind of a secret sauce for us. This is giving us the ability to be a better port in so many ways. Because we are fishing from a bigger pool of candidates.

We are relying, whether that's job applicants or contractors, communities that we can tap into to move our mission forward. If we're simply focused on sort of historically, who we've relied on as our sources of our resources, then we're missing out on huge talent pools to draw in. And as we talk about quite consistently, as the port diversifies, it understands its community so much better, so that we're more responsive to that community.

And I think, think it is critically important for an entity that has so much impact on communities for us to have the social license to operate. And if we only represent a segment of the community, then we aren't going to have that social license. Aside from all the wonderful reasons why having all of these perspectives makes this a more interesting

and enjoyable and great place to be. Whether that's as a passenger coming through the airport or as a worker on our docks, or as an employee here at the port of Seattle, I think these initiatives are extremely important and hard and ultimately worthwhile to the long term vision for our port. So thanks so much.

I also will just say, I echo those same sentiments, appreciate and value the work that the office of Equity and Social justice and Inclusion does at the port of Seattle. Oedi is leading the way, not only in the region, but in the country. I think you guys have done historical things from being able to assess how we make our investments, where those dollars are going, and for us to be able to make decisions on where else can we lean in as a commission? And I will just say, I mean, this office existed before I became a commissioner. And even for myself, it felt like the port was even that much more welcoming to know that we had an office like this, where there are so many people in that office that also have lived experience. And I know so many of you guys. This work is not only work that you do as a professional, but it is personal for you. And that comes with a lot of weight and a lot of stress as well. And so I think about your team as you do this work, and, you know, you have to be able to pace yourself. Progress is tough. It's difficult, and change doesn't happen overnight. But with that said, I think the data and the numbers. Men lie, women lie, numbers don't. They say just looking at the numbers that you guys are being able to produce and the data, it's impactful work. And I think in the end of the day, that is what you guys will be able to use as a tool to be able to defend this work. And I think that is the reality that we live in today. At some point, it's gonna come down to being able to defend this work and to justify it and quantify it in all of that. I mean, I know so many of us wouldn't want to do that, but that is just the reality that we're in. And I think your office is doing an excellent job. And I heard your, your three requests to continue to lead by example, to help you guys break down barriers, and for us to continue to find opportunities to be bold. And I think this commission is definitely committed to that. And executive director Metruck is as well. So we look forward to continuing to support your work in 2024. Thank you for the update today. Thank you, commissioners. Thank you for the presentation. All right,

I think that is the last item on our agenda for the day. So that concludes our business meeting for the day. Are there any closing comments or motions relating to committee referrals from commissioners at this time?

Closing comment it's just this notion that I passed a note along to Steve and Sandy and Stephanie, Joan Stebbins, I think, earlier this week because I'd come across a framework that I thought was really helpful in some of the work that we all need to do around the long term planning for the port. And it was this notion of ports as energy nodes in this transition from fossil fuels to green energy. It delineated sort of four stages to that. And I'm really proud to say that the port of Seattle has easily moved into the kind of third stage of that. I'm not going to bore you with the different stages, but I will ask that that gets into our Friday memo, because it's really helping me to kind of understand what to anticipate in this next stage that we're moving into where we're not simply addressing scope one, emissions and working with partners on scope three, emissions, but really thinking about transforming the overall economy in that stage four, where we're thinking about generation and distribution of energy as well. No longer fossil fuels, but truly clean and green energy, and that it's not simply that we could do this, but for the economy to make that transition, ports must do that. So it's not a typical closing comment, but I do think that's a theme I'm going to be really pursuing in our leadership here at the commission level. So we're not in the state of denial. Phase one is denial. That's stage zero. You haven't even started yet, Commissioner Calkins. You're always forward thinking, and it's always helpful to hear your thoughts on that. Any other additional closing comments from commissioners? Executive Director Metruck? Thank you. President Mohamed I didn't want to step in other commissioners. I think it's just we had a conversation earlier today, but I just wanted to mention the terrible accident that happened in Baltimore across the franciscat key Bridge. And it looks apparently with the terrible loss of life of that of six individuals. But what I just point out is that, you know, our systems, our transportation gateways are inherently, you know, we have a series of systems that prevent that work to prevent, prevent hazards from happening. But just a reminder to us to always remain vigilant

about these things, about infrastructure and then the different systems we have for mitigation. I'm sure we'll learn a lot about what happened exactly here and then any lessons learned that could be applied, applied to us across the organization. But I think that there were some things that perhaps limited further loss of life in this. But I think just our thoughts go out to those that were lost there. And it's something that within our industry that everybody sits up and takes notice, whether it be in aviation or in maritime with this law. So I think it's just worth noting that.

Thank you,

Commissioner Felleman.

Thank you, Vice Admiral Metruck, for thinking about these things always.

And this is what I also do in my other life. And I just wanted to note that we have a remarkably safe system in our region, and it's not by accident. It is an ongoing vigilance that we've had since the days of Warren Magnuson. And we have a particularly complicated system. Sharing a border with Canada and the collaboration across the border. It is a complicated and remarkable system. Canada has the largest port in their country, equal to Seattle and Tacoma combined, all entering the Strait of Juan de Fuca, pilotage in each place, vessel traffic service agreements, tug escorts, lots of work that's done.

And I agree that this is a tragedy, and I'm just committed in part of my work to make sure these things don't occur here. But it's really unfortunate when you have humans and machinery on the water, things happen so thank you for acknowledging that. Any additional

comments? It's women's History Month, and I just wanted to spotlight an amazing woman who works at the port of Seattle.

Wendy Ryder, director of airport security. I had two constituent calls that came in this last few weeks, and both time, Wendy, I only took my calls, but helped those families. Both families were experiencing a crisis at the moment. One of them in particular was experiencing a life threatening crisis for their family, and she acted so swiftly, contacted Seatac police, port police coordinated with them immediately. And mind you, this is like at 11:00 p.m. At night and helped resolve that issue for that family that was experiencing a really serious life threatening crisis within their own family. And so I just wanted to spotlight her and say thank you. There's so many, so many incredible women who work at the

port of SEA, and I just wanted to take that opportunity to shine a light on one of them. With that said, and hearing no further comments from my colleagues, we can adjourn this meeting, and the time now is 02:54 p.m. Thank you all for the time today.