

May 12, 2020

Mr. Stephen R. Metruck  
Executive Director, and  
Port Commissioners  
Port of Seattle  
P. O. Box 1209  
Seattle, WA 98121

Dear Mr. Metruck, Commissioners Bowman, Calkins, Cho, Felleman, and Steinbruck:

On behalf of two local citizen coalitions concerned with Port of Seattle transparency and accountability, the undersigned are responding to the Port Commission's Motion 2020-06 "to provide guidance for Port leadership in prioritizing Port investments to assist local, regional, and statewide economic recovery from the COVID-19 pandemic. While this motion may be the Port's attempt to demonstrate its economic development prowess to prop up the local economy, this effort should not be built upon the shifting sands of what are now outdated and faulty assumptions about priorities and expenditures.

Unfortunately, the Port's strategic use of key "social justice" phrases as a veneer for "business-as-usual," does not withstand scrutiny and fiscal examination of some infrastructure priorities included in development projects, such as the Sustainable Airport Master Plan (SAMP) for example. This point is exemplified in the following paragraph found on page 3, following Capital Project Investments:

"The Port plans to make \$3.4 billion of capital facility investments over the next five years. The over \$1 billion of scheduled construction work in 2020 and 2021 will provide a significant stimulus to the regional economy."

Nowhere in this Recovery Plan does the Port adjust its pre-2020 assumptions that—according to all aviation industry leaders—will change the "demand" side of the infrastructure projections model for the foreseeable future. For instance, a quote from a Wall Street Journal (WSJ) article on April 30, 2020, entitled "Aerospace Industry Forced to Retrench," "The once-booming aerospace industry has suffered one of the fastest and sharpest changes in fortunes, forcing national champions on both sides of the Atlantic to prepare for a *sustained period* of reduced demand for their planes that, optimistically, could take three years or more to reverse." (Emphasis added.)

It was also reported by the Associated Press (AP) and communicated via King5 News on April 30, 2020, that Jet Blue and Spirit Airlines were suspending flights to Sea-Tac Airport because, as Spirit Airlines stated, "to continue to operate to these cities during a period of almost zero demand is against the public interest as it wastes scarce financial resources while adding virtually nothing to these points to access air transportation." It was also announced that same day and article by the AP that Delta was suspending flights to nine airports because they argued, "each of those nine airports were within an hour's driving distance of another Delta airport."

Locally, there is also dramatic news from The Boeing Company—beyond a projected cutback in workforce from between 10-15%, in a WSJ article dated April 28, 2020, entitled “Airplane Makers Are Downbeat on Revival.” Chief Executive David Calhoun is quoted as saying, “Global airline revenues are set to drop by \$314 billion this year. We are in an unpredictable and fast-changing environment, and it is difficult to estimate when the situation will stabilize”, he added. “But when it does, the commercial market will be smaller and our customers’ needs will be different.” Further in this same article, “Mr. Calhoun said this pandemic is spurring reflection on how the plane maker will design airplane cabins in the future, including how air circulates. ‘There’s going to be a lot of learning in this process,’ he said.”

It’s important for the POS Commission to remember that downsizing and scrutinizing infrastructure developments at Sea-Tac Airport did not originate with the Covid-19 pandemic. In a six-page letter dated April 17, 2019, from Alaska Airlines to Mr. Steven Metruck, ED of the POS, Mr. Andrew Harrison, EVP and Chief Commercial Officer, highlights “several serious concerns with the current proposal for the SAMP:

- It fails to address airspace congestion that would make Sea-Tac among, if not the most, delayed airport in the nation, with the resultant additional block and increased taxi times only worsening the environmental impact.<sup>1</sup>”
- The proposed new north terminal is not connected to the main terminal, would be far too small for either Alaska or Delta, and the lack of connectivity would make use by either impractical. It also reduces the utility of the new \$1B International Arrivals Facility (IAF), as all passengers from the new terminal would have long transit times to/from important international flights. The decision to build a separate \$2.3B north terminal facility that 80% of the passengers will not be able use seems short sighted when fully connected less impactful alternatives are available.
- 19 additional gates are more gates than needed to meet demand and far more than needed to meet the Purpose and Need statement of the environmental process. Our own studies conducted by independent consultants using industry standard assumptions indicate a need for only 10 additional gates beyond the capacity already under construction.\* This variance was primarily driven by the Port using their consultant’s proprietary model for ‘gate rest’ between flights and Alaska assigning a specific value (15 minutes for domestic and 30 minutes for international) for periods between the departure of one flight and the arrival of the next. For perspective, even if Alaska were to double the buffer time for domestic flights to 30 min, a number clearly on the extreme, the number of required gates only increases from 10 to 14, not 19. With a price tag of ~\$100M/gate, building nearly two

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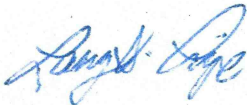
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Currently, the POS has an unprecedented opportunity to demonstrate its commitment to accountable planning and spending by using its airline and taxpayer resources responsibly. Scrutiny will be ongoing by Congress for spending its appropriated “CARES Act”<sup>2</sup> funds and local communities urge the POS to review ALL of its assumptions for enplanements, forecasted revenue, and other aviation industry considerations, as well as projected usage of an airport destined to be supplemented by a new airport with the site to be announced in January 2022.

The undersigned identified below are in unanimous agreement that the POS Commissioners should re-examine, redefine, and re-estimate the projects contained in the SAMP because *none* of the assumptions are based on realistic passenger or infrastructure projections and costs initially—as identified in the letter from Alaska Airlines—or particularly now with federal and local funds seriously in doubt; and economic conditions fluctuating monthly.

Sincerely,

Larry Cripe  
President, Burien Quiet Skies Coalition



Sheila Brush  
Founder, Quiet Skies Puget Sound



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<sup>2</sup> S. 3548 in 116<sup>th</sup> Congress, introduced March 19, 2020 and signed by President Trump.

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## Draft Letter to Port Commissioners from 3 coalitions concerning POS Response to Covid-19

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Larry Cripe, President of Burien Quiet Skies Coalition  
Sheila Brush, Founder of Puget Sound Quiet Skies Coalition  
350 Degrees (don't know the President's name or exact name of coalition)

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**COMMISSION  
AGENDA MEMORANDUM**

**BRIEFING ITEM**

<b>Item No.</b>	<u>7b</u>
<b>Date of Meeting</b>	<u>April 28, 2020</u>

**DATE:** April 14, 2020  
**TO:** Port of Seattle Commissioners  
**FROM:** Stephen P. Metruck, Executive Director

**SUBJECT:** Draft Port Early Action Recovery Plan

**EXECUTIVE SUMMARY**

On April 1, 2020, the Port of Seattle Commission passed Motion 2020-06 to provide guidance for Port leadership in prioritizing Port Investments to assist local, regional, and statewide economic recovery from the COVID-19 pandemic.

As the region moves through an unprecedented social and economic crisis related to the COVID-19 virus, the Port of Seattle as a major economic driver for the region is in a unique position to lead economic recovery efforts across King County and Washington State. The Port's unique statutory powers combined with its real estate, capital assets and financial capabilities can also be used to help small businesses recover, create and retain jobs, and boost economic activity. The Port can boldly help lead the state through an unprecedented period of economic challenges resulting from the public health emergency.

This memo provides a recommended framework for Port of Seattle recovery efforts. The initiatives highlighted in this outline will be guided by the Commission's guiding principles of equity, sustainability and community engagement.

The economic emergency facing the Port and the region demands both a rapid response and a longer-term strategy. The Commission has already taken actions to provide immediate relief to impacted Port related businesses. In the coming weeks, staff will evaluate the Port's financial position and capacity and then work with the Commission to further develop an action plan for economic recovery. The action plans will include funding levels, goals and objectives, metrics, and timeline for implementation. We will continue to engage with stakeholders and the community on ideas and opportunities for economic recovery. By July, we propose to initiate action programs and partnerships with external organizations to support our objectives. Throughout the remainder of 2020 we will provide regular updates to the Commission and the public.

April 28, 2020

**Background**

The Port's mission is to promote economic opportunity and quality of life in the region by advancing trade, travel, commerce and job creation in an equitable, accountable and environmentally responsible manner. The Port has broad statutory authority to operate airport and seaport facilities along with related transportation and cargo infrastructure. The Port's operations require substantial capital investments that result in major construction projects. Among other additional powers, the Port has authority to carry out economic development activities and workforce development programs, and to promote tourism and operate tourism related facilities

Through its operations the Port drives the economy of the region and the state. All of Washington's key industries depend upon Port services to reach markets and customers. Without access to markets, local businesses could not prosper nor grow jobs. Port operations also directly provide family-wage, durable jobs for more than 100,000 workers across trade, travel, and tourism industries, making Port-related jobs one of the most important jobs engines in King County. More specifically:

- Seattle-Tacoma International Airport is one of the largest job sites in King County, with more than 300 businesses employing 19,000 workers on location supporting \$22.5 billion in economic activity. Across the region, airport activity directly supports 87,000 jobs.
- Maritime cargo shipping, in partnership with the Northwest Seaport Alliance (NWSA), supports 20,100 jobs and \$5.9 billion in business revenue.
- Commercial fishing, recreational boating and Port real estate operations support nearly 10,000 jobs and \$1.4 billion in economic activity.
- Port cruise operations provide a platform for 5,500 local jobs and generates \$900 million in revenue for local businesses.
- Through its five-year, \$3.4 billion capital development program the Port supports the employment of thousands of local construction and related jobs.

**❖ Commission Guiding Principles**

In carrying out its planning and actions, the Port will align with the Commission's guiding principles of:

- Equity
- Sustainability
- Community engagement.

**❖ Equity Considerations**

The underrepresented communities in the King County area have suffered historically from systemic disparities and are especially hard hit during this pandemic. In response to the extraordinary circumstances posed by the COVID-19 public health crisis, the *Recovery Plan* will prioritize economic relief and recovery efforts to these vulnerable communities that are disproportionately impacted by the health pandemic. The following set of core principles are

April 28, 2020

intended to complement the Commission’s directives on COVID-19 response, and to further elaborate on how equity can be integrated into the Port’s response:<sup>1</sup>

- Integrate Values of Equity and Inclusion
- Prioritize the Most Vulnerable
- Mitigate Economic Loss
- Ensure Language and Cultural Competence
- Support Community-based Organizations

<sup>1</sup> A more detailed framework and exploration of each objective is provided in attachment 2.

## **Economic Recovery Framework:**

### **❖ Capital Project Investments**

The Port plans to make \$3.4 billion of capital facility investments over the next five years. The over \$1 billion of scheduled construction work in 2020 and 2021 will provide a significant stimulus to the regional economy.

These construction projects support quality jobs, Women and Minority Owned Business Enterprise (WMBE) businesses and a web of suppliers and businesses. On average per month, Port construction work generates directly 1,300 construction jobs and over 2,000 more jobs induced or indirectly. This work involves over 25 different trades.

Keeping these projects moving forward during the COVID-19 crisis and moving forward on other projects as public health restrictions lessen can generate significant economic activity and provide the following benefits:

- **Additional WMBE Contracting Opportunities**  
In addition to Port-wide 2020 WMBE utilization goals, the Port’s capital program will identify projects less than \$40,000 that can provide special procurement opportunities for small and disadvantaged businesses. Staff will also use Job Order Contracting opportunities that benefit small and disadvantaged businesses.
  - **Emphasis: Environmental Sustainability Goals**  
The Port will prioritize capital projects that utilize the Port’s Sustainable Evaluation Framework and support attainment of Century Agenda goals for greenhouse gas and air emission reductions, and habitat stewardship.
  - **Emphasis: Quality Jobs and Workforce Development**  
Port capital projects drive requirements for contractors to pay prevailing wages and promote apprenticeship utilization. On capital projects administered via Project Labor Agreements, the Port can also advance its Priority Hire policy. This policy modeled after the city and county, can
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April 28, 2020

help increase apprenticeship opportunities for people of color, women and other low-income communities.

❖ **Recovery Capital Opportunity Fund (New Initiative)**

Funds in this initiative would be invested in new “shovel-ready” building and infrastructure projects that are not currently in the five-year CIP. These projects can be expected to compete well for future opportunities anticipated in future Federal stimulus packages.

This Recovery Capital Opportunity Fund allows us to utilize the Port’s statutory authority under Washington State law as land owner and property developer. This fund allows us to leverage public and private investment on Port-owned property to support construction projects that serve our maritime and aviation enterprises at every scale from small to large.

The Port’s Recovery Capital Opportunity Fund be informed by the 2020 Port of Seattle Real Estate Development Strategic Plan. The strategic plan, initiated in early 2020, will be a critical component of overall Port recovery efforts. The plan will help establish investment priorities and opportunities to advance economic recovery. It will also outline innovative financial tools and partnerships that may have the potential to enhance the leverage ratio of Port capital and the economic impact of these projects..

❖ **Tourism**

Tourism is the State’s fourth largest industry with travel related employment of over 180,000 and State and local tax receipts of over \$2 billion. Seattle - Tacoma International airport and our maritime gateways have traditional been the entry points for visitors to Seattle and Washington State, especially during the peak summer travel season. Tourism throughout the region and the state has been decimated but, when restrictions on non-essential travel are lifted, **the Port can help the tourism industry rebound.** Working with Visit Seattle, the Seattle Southside Regional Tourism Authority, the Washington Tourism Alliance (WTA) and destination marketing organizations across the state, the Port can assist in funding and implementing a unified campaign to encourage interstate tourism and welcome visitors back to our State.

Port staff also has been making changes to selected 2020 tourism grant agreements to ensure these partners’ initiatives are closely aligned with a post COVID-19 statewide tourism marketing campaign. The Airport Spotlight advertising program can also be realigned in a similar fashion so it can amplify a post COVID-19 campaign promoting travel and tourism in Washington State.

❖ **Cruise Industry**

The cruise industry globally and in Seattle has been hard-hit by the COVID-19 pandemic. The 2020 summer season for Alaska homeport cruises has yet to start due to state and federal health mandates, and it appears likely vessels will not begin sailing to Alaska again before July 1. The conditions under which cruise operations will resume are still under discussion at the national and international levels.

April 28, 2020

When the conditions allow it, cruise operations could play a critical part of the region's economic recovery. When fully operational, the Alaska homeport cruise industry generates about \$894 million each year for our economy, along with 5,500 jobs here in the community. Last year, the cruise industry at the Port of Seattle was an important component of both the regional and statewide tourism economy with each vessel call in 2019 supporting \$4.2 million in economic activity. The more than 600 thousand passengers each season is a leading element of the region's tourism industry.

Although the pandemic has halted cruise operations around the world, the industry has proved itself resilient and adaptable to changing market conditions. Bookings for the 2021 season are reported strong.

Protecting the health and safety of the community, the traveling public and crews will be a top priority and require close collaboration by the Port staff with cruise line customers, cruise terminal operators, the United States Coast Guard, U.S. Customs and Border Protection and the Washington Department of Health. The Port will execute its responsibilities to work with all stakeholders to ensure that rigorous safety and health measures are in place and that confidence is rebuilt with travelers and the public.

❖ **Workforce Development**

As airport workers face challenging layoffs and regional unemployment rates skyrocket, the Port can help address workforce challenges by implementing training and placement initiatives that help current and future employees.

**Airport Employees and Employers:**

The Port will work with partners to support airport employees and employers impacted by the COVID-19 pandemic. We will work with PortJobs, the Career Advancement Center and other partners to identify and support airport workers who may be on standby or temporary layoff. We also recommend expanding Airport Career Pathways training initiatives. A promising partnership with South Seattle College and PortJobs is helping the Port support Aviation Maintenance Mechanic training for disadvantaged workers. This program can be expanded to support other Aviation pathways and provide disadvantaged workers access to training that can help them develop new skills and lead to better job opportunities. Staff will work with the Seattle King County Workforce Development Council and other partners to develop these new training initiatives. These allies can help provide important wrap around services and online learning supports that are critical to the overall success of the program.

**Youth Employment Program:**

Although reduced in scope and scale, the Port will continue offering high school and college students an array of internships and career connected learning opportunities. Providing employment and learning opportunities for youth is an especially important part of Port recovery efforts. With the uncertainty of the duration of COVID 19 public health policy measures, the Port will work to develop on-line, virtual career exploration and summer internship programs. The program will work with community partners to select students from

April 28, 2020

disadvantaged communities especially those whose families have been economically impacted as a result of the pandemic.

**Duwamish River Green Jobs Program:**

The Port's External Relations, Maritime Environmental, and Workforce Development groups will partner with Duwamish Valley stakeholders to organize hands-on, career-connected trainings that focus on habitat restoration on Port-owned properties along the Duwamish River. The program will emphasize recruitment opportunities for youth and adults experiencing challenges integrating into the mainstream environmental sector (such as people with low incomes, disabilities or with experience in the criminal justice system). This program establishes an inclusive green economy focused on Port environmental priorities related to riparian and urban forestry stewardship, salmon recovery efforts, and climate change.

❖ **Small and Disadvantaged Business Assistance**

Helping our Port tenants and small businesses that rely on Port operations recover from these difficult economic times is paramount. The economic repercussions from the COVID-19 emergency will be significant and the Port can be a key player to help small businesses survive. Our existing partnerships with Highline College's Small Business Development Center, Tabor 100 business hub and the Minority Business Development Agency (MBDA) are critical towards helping our small business partners access CARES Act loans and other resources.

Small Business Development Centers (SBDCs) are poised to get stimulus funding to help manage the flood of loan and technical assistance requests they have received. The SBDCs are doing their best to accommodate the flood of calls from small businesses seeking help, but they need aid from additional partners that can support the influx of small companies requesting assistance. The Port will reach out to Chambers of Commerce, Startup 425, and other partners to help ensure there is a broad circle of technical assistance available for small businesses at our Port facilities, in disadvantaged communities and across the region. Small business needs are glaring and significant, especially within our ethnic communities – we can provide immediate help by convening and supporting organizations that can help these enterprises survive the pandemic's economic shocks.

❖ **Leveraging Partnerships and Port Grant Funding**

The Port's unique partnerships with King County Cities, Greater Seattle Partners, the Puget Sound Regional Council, the Soundside Alliance, and Chambers of Commerce can also drive economic recovery across the entire region.

**King County Cities' Grant Program:**

The Port's King County Cities' grant program is helping focus resources across the region around economic recovery. Port staff asked city partners to revisit their initiatives this year and prioritize projects that drive economic recovery and relief. Toward this end, eleven cities are using funds to support small businesses. Eleven cities are implementing tourism grants and/or placing marketing campaigns that can help welcome travelers and residents back to local attractions. Another fifteen cities are complimenting small business and tourism efforts with

April 28, 2020

placemaking initiatives. Organizing community markets, accenting city commercial districts, and improving wayfinding signage can help attract visitors and help support local merchants.

The table below reflects city economic grant program investments. As you can see, cities across King County are providing over \$680,000 of funding leverage to support economic recovery and relief. Staff is still working to reorient a few cities grant projects, but most cities have embraced pivoting to support economic recovery and relief.

Project Categories	2020 Port Award	Total Investment (Port Award + Match)	Number of Cities
<b>Small Business Assistance</b>	\$251,204	\$407,805	12
<b>Tourism</b>	\$154,993	\$311,555	11
<b>Placemaking: Buy Local Campaign, Downtown/ Commercial Revitalization, etc.</b>	\$182,693	\$306,718	15
<b>Business Attraction and Trade Development</b>	\$145,930	\$186,592	7
<b>Feasibility - Real Estate Development</b>	\$48,780	\$214,180	5
<b>Workforce</b>	\$66,500	\$105,750	2
<b>Total</b>	<b>\$850,100</b>	<b>\$1,532,600</b>	<b>29</b>

**Greater Seattle Partners (GSP):**

Greater Seattle Partners (GSP) has also shifted gears to focus on regional economic recovery. It is holding weekly calls with economic development staff across the Puget Sound region on economic resiliency and resources available to promote recovery and reinvestment. GSP is now leading regional efforts to advance economic mitigation and recovery preparation. This new focus for GSP includes:

- Maximizing aid and support for the region
- Leading regional coordination and collaboration efforts; and
- Serving as an advocate and voice for the region

The Port’s 2020 funding support for GSP is helping the organization support this new recovery initiative. Staff will evaluate GSP funding level based on the organization’s ability to capture aid and funding to support economic recovery.

**South King County Fund**

The South King County Fund (SKCCF) can also be a resource to support a combination of economic development, workforce development, and environmental initiatives in Burien, Des Moines, Federal Way, Normandy Park, SeaTac, Tukwila.



April 28, 2020

**The Airport Community Ecology Program (ACE):**

The Airport Community Ecology Program (ACE) is an instrumental part of the Port’s recovery initiatives. ACE currently invests in community-led environmental programs serving Burien, Des Moines and SeaTac. In order to continue to support South King County non-profits and community groups, the program will be expanded to include Federal Way, Normandy Park and Tukwila. The Port will utilize \$250,000 from the South King County Fund to support this expansion. This ACE II special application cycle will be available this summer for projects needing funding in the Fall. .

❖ **Stakeholder and Community Engagement**

The Port will continue to support our tenants, customers, employees, small businesses and our communities through inclusive, equitable and robust engagement practices to ensure that the Port’s recovery programs connect to our most vulnerable populations.

Working with existing partners such as PortJobs, Fair Work Center, Duwamish Valley PCAT , and Highline College Small Business Development Center, outreach efforts will directly engage constituencies providing access to resources in multiple languages, using a variety of accessible engagement practices. Through targeted surveys, webinars, town hall meetings, virtual one-on-one discussions, speaking engagements with member organizations and consistent, ongoing communications, the Port and its partners will help identify and connect needs and opportunities as well as expand our reach to impacted communities.

In addition to robust community engagement, the Port will also coordinate recovery efforts with federal, state and regional partners. Working with these allies can help the Port leverage its own efforts, take advantage of new relief/recovery resources and maximize funding impact.

❖ **Key Implementation Timelines**

<b>May 2020</b>	<ul style="list-style-type: none"> <li>• Financial Capacity Analysis</li> <li>• Action Plan Development</li> <li>• Commission Committees</li> <li>• Engagement planning</li> </ul>
<b>June 2020</b>	<ul style="list-style-type: none"> <li>• Community Engagement</li> <li>• Commission Committees</li> <li>• Plan Finalization</li> <li>• Early Actions</li> </ul>
<b>July 2020</b>	<ul style="list-style-type: none"> <li>• Plan Implementation</li> <li>• Issue RFPs for key recovery services</li> <li>• Communications and Engagement</li> </ul>
<b>December 2020</b>	<ul style="list-style-type: none"> <li>• Commission update on recovery implementation efforts</li> </ul>
<b>Quarterly through 2021</b>	<ul style="list-style-type: none"> <li>• Recovery implementation updates</li> </ul>

**ATTACHMENTS TO THIS BRIEFING**

- (1) Presentation slides

**PREVIOUS COMMISSION ACTIONS OR BRIEFINGS**

April 14, 2020 – The Commission has a Study Session on the Capital Improvement Plan and briefing on the Federal CARES Act.

April 01, 2020 – The Commission passed Motion 2020-06