



COMMISSION REGULAR MEETING AGENDA

October 10, 2023

To be held virtually via MS Teams and in person at the Port of Seattle Headquarters Building – Commission Chambers, Pier 69, 2711 Alaskan Way, Seattle WA. You may view the full meeting live at meetings.portseattle.org. To listen live, call in at +1 (425) 660-9954 or (833) 209-2690 and Conference ID 936 038 002#

ORDER OF BUSINESS

10:30 a.m.

1. CALL TO ORDER

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

► 12:00 noon – PUBLIC SESSION

Reconvene or Call to Order and Pledge of Allegiance

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

4. SPECIAL ORDERS OF THE DAY

5. EXECUTIVE DIRECTOR'S REPORT

6. COMMITTEE REPORTS

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

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

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

2) Deliver public comment via phone or Microsoft Teams conference: To take advantage of this option, please email commission-public-records@portseattle.org with your name and the topic related to the conduct of the Port you wish to speak to by 9:00 a.m. PT on Tuesday, October 10, 2023. (***Please be advised that public comment is limited to topics related to the conduct of the Port only.***) You will then be provided with instructions and a link to join the Teams meeting.

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

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

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

8a. Approval of Minutes of the Regular Meeting of September 26, 2023. **(enclosed)** (p.3)

8b. Approval of the Claims and Obligations for the Period September 1, 2023, through September 30, 2023, Including Accounts Payable Check Nos. 949989 through 950358 in the Amount of \$14,929,671.83; Accounts Payable ACH Nos. 058329 through 059214 in the Amount of \$63,656,138.66; Accounts Payable Wire Transfer Nos. 016137 through 016152 in the Amount of \$13,650,008.09; Payroll Check Nos. 208789 through 209322 in the Amount of \$213,803.50; and Payroll ACH Nos. 1153809 through 1158540 in the Amount of \$15,182,251.54, for a Fund Total of \$107,631,873.62. **(memo enclosed)** (p.12)

8c. Monthly Notification of Prior Executive Director Delegation Actions September 2023. **(memo enclosed – No action, for information only)** (p.15)

10. NEW BUSINESS

10a. Authorization for the Executive Director to Advertise, Award and Execute a Major Public Works Contract, and Fund Construction for Sound Insulation on Places of Worship Program in an Amount Not-to-Exceed \$3,500,000 of the Total Program Cost of \$25,872,000. (CIP #C200098) **(memo and presentation enclosed)** (p.18)

10b. Authorization for the Executive Director to Approve Additional Design Funding to Execute the Remaining Service Agreements for Professional Design and Port-Related Cost for all Project Elements and Improvements Necessary to Complete Design, and Inclusion of a 1 Percent Art Program Investment, for the T91 Uplands Development Project in the Amount of \$4,500,000 and a Total Estimated Project Cost of \$84,000,000. (CIP# C800158) **(memo and presentation enclosed)** (p.28)

11. PRESENTATIONS AND STAFF REPORTS

11a. South King County Community Impact Fund Annual Report and Evaluation. **(memo, findings, and presentation enclosed)** (p.50)

11b. 2024 Maritime and EDD Operating and CIP Budgets Briefing. **(memo and presentation enclosed)** (p.85)

12. QUESTIONS on REFERRAL to COMMITTEE and CLOSING COMMENTS**13. ADJOURNMENT**



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**APPROVED MINUTES
COMMISSION REGULAR MEETING**

September 26, 2023

The Port of Seattle Commission met in a regular meeting Tuesday, September 26, 2023. The meeting was held at the Seattle-Tacoma International Airport Conference Center located at: 17801 International Blvd, Seattle WA, Mezzanine Level, Seattle, Washington, and virtually on Microsoft Teams. Commissioners Calkins, Cho, Felleman, Hasegawa, and Mohamed were present.

1. CALL to ORDER

The meeting was convened at 12noon by Commission President Cho who led the flag salute.

2. EXECUTIVE SESSION pursuant to RCW 42.30.110

No Executive Session was held.

3. APPROVAL of the AGENDA

The agenda was approved as amended without objection.

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

Opposed: (0)

4. SPECIAL ORDERS OF THE DAY

No Special Orders of the Day were presented.

5. EXECUTIVE DIRECTOR'S REPORT

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

6. COMMITTEE REPORTS

Commission Strategic Advisor, Erica Chung, provided the committee reports.

Aviation Committee

The Aviation Committee was convened by Commissioners Calkins and Mohamed on September 19, 2023. The Committee discussed airport accessibility and the FAA Reauthorization. Staff also provided updates on aviation budget priorities, ground transportation, dispute resolution and the South 160th Lot.

Airport Workforce Conditions Ad Hoc Committee

Commissioners Hasegawa and Mohamed convened the first meeting of the Airport Workforce Conditions Ad Hoc Committee on September 19, 2023. The Committee was briefed on SEA childcare survey findings and discussed next steps. Commissioners also discussed the meeting cadence and next meeting agenda. Moving forward, the Committee will meet every other month with the next meeting in November and a briefing by OEDI regarding third-party oversight of SEA vendors.

Small Business Ad Hoc Committee

Commissioners Mohamed and Cho convened the Small Business Ad Hoc Committee on Tuesday, September 19, 2023. The Committee heard an update on the progress of several port-funded business accelerators. Representatives from Business Impact NW, Maritime Blue, and Greater Seattle Partners gave updates on the PortGen, Maritime Blue Innovation Accelerator, and Greater Seattle Export Accelerator programs, respectively. While most of these programs are drawing a good amount of participant interest, Commissioners heard a need to drive more applicants to the export accelerator in any future cohort. Commissioners asked questions about follow-up with participants at the conclusion of the accelerator programs and emphasized the need to track and measure participant success over the long term.

7. PUBLIC COMMENT

There were no verbal or written public comments received.

8. CONSENT AGENDA

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

8a. Approval of Minutes of the Regular Meeting of September 12, 2023.

8b. Authorization for the Executive Director to Advertise and Execute a Project Specific Contract for Architecture and Engineering Services to Develop a Project Notebook Document and Progress the Overall Design to 30 Percent; and to Utilize Port Crews for Enabling Work Related to the Industrial Wastewater Treatment Plant (IWTP) Project at Seattle-Tacoma International Airport, in the Amount Requested of \$11,500,000. (CIP# C801234)

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

8c. Commission Approval of International Travel – Second, Third, and Fourth Quarter 2023 Requests.

Request document(s) included an agenda memorandum.

8d. Authorization for the Executive Director to Authorize Enabling Construction Work for the Post International Arrivals Facility Airline Realignment Project at Seattle-Tacoma International Airport; to Procure Long Lead Items; to Increase the Project Authorization by \$14,400,000; and to Execute a Project Labor Agreement, for a Total Estimated Project Cost of \$102,000,000 to \$140,000,000. (CIP# C801158)

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

The motion for approval of consent agenda items 8a, 8b, 8c, and 8d carried by the following vote:

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

Opposed: (0)

10. NEW BUSINESS

10a. Authorization for the Executive Director to Authorize an Additional \$213,900,000 and Increase the Total Project Budget to \$399,000,000; to Execute the Maximum Allowable Construction Cost (MACC) Contract Amendment, Any Related Project Change Orders, Amendments, Work Authorizations, Purchases, Contracts, and Take Other Actions Necessary to Support and Deliver the C Concourse Expansion Project within the Approved Budget. (CIP# C800845)

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

Presenter(s):

Rick Duncan, Director, AV Business and Properties

Janet Sheerer, Capital Program Leader, AV Project Management Group

Clerk Hart read Item 10a into the record.

Executive Director Metruck introduced the item and presenters.

The presentation addressed:

- the project being a part of the Upgrade SEA campaign;
- information contained on the project's page;
- preparing for proactive communication for construction and any customer impacts;
- the purpose of the project – increase airport revenue, improve customer service, and increase economic opportunities;
- project location and design rendering;
- sustainability;

- the C Concourse Expansion Schedule;
- WMBE participation; and
- project budget and requested Commission action.

Discussion ensued regarding:

- a second MII vote not being needed, as funds will be used from other sources;
- efforts from the Port, if any, to assist contractors in meeting their WMBE goals;
- communications plans for construction;
- showing what is being built, as it is being built at the airport;
- the sensory room and its primary purpose; and
- if WMBE goals will or will not assist the LEED facility status in the certification process.

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

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

Opposed: (0)

10b. Order No. 2023-11: An Order to Adopt the Port of Seattle Commission's Board of Ethics' Findings and Conclusions re: Board of Ethics Complaint No. 2022-01 and to Adopt a Corrective Course of Action.

Request document(s) included an order.

Presenter(s):

Commission President Sam Cho

Clerk Hart read Item 10b into the record.

Commissioners Felleman and Hasegawa stated their need to recuse themselves from discussion on Agenda Item 10b and exited the meeting at this time due to a conflict of interest, or perceived conflict of interest, in participating in the matter.

Commission Clerk Michelle Hart advised the recusing Commissioners that they may rejoin the meeting once discussion on the item had concluded.

(Commissioners Felleman and Hasegawa exited the meeting at this time.)

Commission President Cho spoke regarding the matter before the Commission, noting that the Order is resulting from an independent investigation and the findings, conclusions, and recommendations of the Board of Ethics to the Commission regarding Board of Ethics Case No. 2022-01. He advised that the Board made its findings, conclusions, and recommendations to the Commission in June 2023 and concluded that Commissioner Felleman, more likely than not, used his Port Commissioner position in an effort to secure special privileges or exemptions for himself and that he sought special consideration, treatment, or advantage from others – both of those actions being a violation of the Commissioner Code of Ethics. The Board also concluded that Commissioner Felleman's actions were not consistent with the Port's Statement of Values and the Port of Seattle Commission's Bylaws. Commission President Cho further advised that the Board did not conclude that Commissioner Felleman's actions were taken for either financial or electoral benefit.

Commission President Cho noted the Commission's admonition of Commissioner Felleman for violation of the Code of Ethics and corresponding failure to abide by the Port's Statement of Values and the Commission's Bylaws. Commission President Cho further noted the Commission's direction that Commissioner Felleman attend remedial and thorough training provided by the Port in, at a minimum, conflicts of interest and appropriate standards for interaction between elected officials and staff. The Commission also suggested that Commissioner Felleman apologize in writing to the complainants.

Commissioner Mohamed expressed her gratitude to the Board of Ethics for their diligence and thorough investigation and thanked them for the work that they did. She further thanked those who were part of the investigation, providing interviews and information. She stated that she agreed with the findings and would cast her vote accordingly.

Commissioner Calkins apologized on behalf of the Commission that this matter occurred. He reiterated the Commission's commitment to creating a welcoming workplace and spoke to every Commissioner having made mistakes- noting however, that when a person is elected to office, they take on the responsibility that comes with that authority and need to understand how seriously that authority can impact those who work with the elected officials. He stated that he views it as an opportunity for the Commission as an entirety to review the way they interact with staff, external stakeholders, and others and encouraged everyone to learn from it. Commissioner Calkins further expressed his sincere apology to the Complainants and for the process being necessary. He concluded that it is now the start of the process to review the Commission's Bylaws to ensure this type of matter did not occur again.

Commissioner Cho noted that he feels the Port is one of the best public agencies to work for because the Port holds itself to a high standard, which starts with the elected officials. He expressed his apologies that the Commission fell below that standard. Commissioner Cho spoke regarding the time this process has taken, noting it has been a good process to go through in reminding Commissioners how to work through issues that are brought before them. He acknowledged and thanked the Complainants for their willingness to come forward during a difficult time and speak up and hopes they will be proud of making the Port a better organization and holding them to that high standard. Commissioner Cho stated that the Commission will review its Bylaws and will look at these issues of ethics, conflicts of interest, and accountability measures for Commissioners. He concluded that it has been a thorough process of investigation and Ethics Board review and thanked everyone who has been involved in the past year.

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

In favor: Calkins, Cho, and Mohamed (3)

Opposed: (0)

Recused: (2)

Executive Director Metruck thanked the Commission for addressing the important issue and shared their sentiments about the value of staff, stating that staff are the most important asset the Port has and respect is the key for interacting with everyone. He noted one of his highest honors is to lead the workforce and he is continually impressed by them. He thanked the Commission for upholding the Port's values and stated he looks forward to working with the Commission to update policies

moving forward. He also thanked the Board of Ethics for their diligence and work in the process and spoke regarding the Port's RAISE values.

Commission Chief of Staff Aaron Pritchard noted a request from Commissioner Felleman to enter a statement into the record regarding Agenda Item 10b.

Members of the Commission reviewed the statement.

Commission President Cho asked if there were any objection to including the statement with the meeting record. No objection was noted. (*Attachment A*)

(Commissioner Hasegawa rejoined the meeting at this time.)

(Commissioner Felleman rejoined the meeting remotely at 1:05 p.m.)

11. PRESENTATIONS AND STAFF REPORTS

11a. 2024 Central Services Preliminary Budget and Portwide Rollup Briefing.

Presentation document(s) included agenda memorandum and presentation.

Presenter(s):

Dan Thomas, Chief Financial Officer, Finance and Budget
Michael Tong, Director, Corporate Budget
Krista Sadler, Director of ICT Technology Delivery

Clerk Hart read Item 11a into the record.

Executive Director Metruck introduced the item and spoke regarding:

- status of the budget process;
- overview of the presentation – including strategy; key budget drivers and considerations; the Portwide operating budget; the Central Services operating budget; equity in budgeting; the Central Services Capital Improvement Plan; and the remaining budget schedule;
- how strategy is implemented in the budget process; and
- key 2024 budget drivers and considerations, including inflationary impacts.

The presentation addressed:

- both operating revenues and expenses being up;
- operating revenue reaching record numbers for the Port;
- the 2024 Portwide budget summary;
- the proposed Central Service budget overview;
- 2024 baseline budget development;
- key baseline budget drivers;
- 2024 operating expense budget changes;
- 2024 new budget requests summary;
- selected major budget additions;
- approved new FTEs summary;

- Central Services preliminary budget highlights;
- 2024 port community program funding by activity;
- uncertainties and budget risks;
- equity spending highlights in the 2024 Central Services budget;
- portwide equity spending trends;
- Central Service Capital Projects summary;
- Commission authorized projects and projects pending authorization;
- small capital projects; and
- the remaining 2024 budget schedule.

Discussion ensued regarding:

- how the year over year percent increase compares with the past;
- decision-making around FTEs approved;
- developing dashboards and trends in equity spending;
- accounting for inflation in project budgets and employment;
- moving away from including contingencies in budgets;
- increases in aviation revenue resulting from parking rate increase, volumes returning, rental car fee increases, increases in concession fees; and increases in the dining and retail categories;
- composition of employment with no requests for temporary positions and emergency hire positions converted to full-time, as well as some limited-duration positions; and
- public engagement around equity spending.

11b. Port of Seattle Police Department 2022 Annual Report.

Presentation document(s) included agenda memorandum, report, and presentation.

Presenter(s):

Michael Villa, Chief of Police, Port of Seattle Police Department
Shawn Griffin, Police Sergeant, Port of Seattle Police
Lisa Drake, Police Commander, Port of Seattle Police Department

Clerk Hart read Item 11b into the record.

Executive Director Metruck introduced the item.

The presentation addressed:

- the vision, mission, and guiding principles of the port police department;
- functions and structure of the department;
- the Operations Bureau's and the Services Bureau's functional areas of operation;
- 911 Police and Fire Communications Team;
- 2022 Calls for Service;
- notable activity in 2022;
- response to persons in crisis engagement and data;
- recruiting and hiring;
- partnering in recruitment efforts;

- status of candidates in the recruitment process;
- Task Force Policing assessment and implementation of efforts, including four yearly reviews of implementation status; and
- strategy of the department looking into the future.

Discussion ensued regarding:

- the process for evaluating lateral recruitments;
- screening – including mental health, experience, education, knowledge of languages, etc.;
- length of time between application to the filling of a vacant position;
- including information in the next annual report regarding the number of people being hired from other departments;
- meeting the needs to reach full staffing;
- interception of drugs coming through the Port;
- anti-human trafficking efforts;
- make-up of the department's peer support team;
- physical restraint reporting data for 2022;
- traffic violations data;
- being a resource for the consultant team overseeing the progress of police assessment recommendations implementation;
- incorporating continuous process improvement in policing and ensuring a transparent process; and
- alternative restraint methods if use of force is needed.

Members of the Commission thanked Police Chief Villa and the department for all they do.

Chief Villa spoke to reasons why the Port of Seattle Police Department is special and worth being a part of, including having opportunities and experiences that are not available at other departments. He thanked Members of the Commission and the Executive Team for all their support.

12. QUESTIONS on REFERRAL to COMMITTEE and CLOSING COMMENTS

Commissioner Hasegawa stated her reaffirmation to the Port's values and her gratefulness to serve.

13. ADJOURNMENT

There was no further business and the meeting adjourned at 3:31 p.m.

Prepared:

Attest:

Michelle M. Hart, Commission Clerk

Fred Felleman, Commission Secretary

Minutes approved: October 10, 2023

RETURN TO AGENDA



**COMMISSION
AGENDA MEMORANDUM**

Item No. 8b

ACTION ITEM

Date of Meeting October 10, 2023

DATE: October 2, 2023
TO: Steve Metruck, Executive Director
FROM: Eloise Olivar, AFR Senior Manager Disbursements
SUBJECT: **Claims and Obligations –September 2023**

ACTION REQUESTED

Request Port Commission approval of the Port Auditor’s payment of the salaries and claims of the Port pursuant to RCW 42.24.180 for payments issued during the period September 1 through 30, 2023 as follows:

Payment Type	Payment Reference Start Number	Payment Reference End Number	Amount
Accounts Payable Checks	949989	950358	\$ 14,929,671.83
Accounts Payable ACH	058329	059214	\$ 63,656,138.66
Accounts Payable Wire Transfers	016137	016152	\$ 13,650,008.09
Payroll Checks	208789	209322	\$ 213,803.50
Payroll ACH	1153809	1158540	\$ 15,182,251.54
Total Payments			\$107,631,873.62

Pursuant to RCW 42.24.180, “the Port’s legislative body” (the Commission) is required to approve in a public meeting all payments of claims within one month of issuance.

OVERSIGHT

All these payments have been previously authorized either through direct Commission action or delegation of authority to the Executive Director and through his or her staff. Detailed information on Port expenditures is provided to the Commission through comprehensive budget presentations as well as the publicly released Budget Document, which provides an even greater level of detail. The Port’s operating and capital budget is approved by resolution in December for the coming fiscal year, and the Commission also approves the Salary and Benefit Resolution around the same time to authorize pay and benefit programs. Notwithstanding the Port’s budget approval, individual capital projects and contracts exceeding certain dollar thresholds are also subsequently brought before the Commission for specific authorization prior to commencement of the project or contract—if they are below the thresholds the Executive Director is delegated authority to approve them. Expenditures are monitored against budgets monthly by management and reported comprehensively to the Commission quarterly.

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Effective internal controls over all Port procurement, contracting and disbursements are also in place to ensure proper central oversight, delegation of authority, separation of duties, payment approval and documentation, and signed perjury statement certifications for all payments. Port disbursements are also regularly monitored against spending authorizations. All payment transactions and internal controls are subject to periodic Port internal audits and annual external audits conducted by both the State Auditor’s Office and the Port’s independent auditors.

For the month of September 2023, over \$92,235,818.58 in payments were made to nearly 735 vendors, comprised of 1,972 invoices and over 9,046 accounting expense. About 95 percent of the accounts payable payments made in the month fall into the Construction, Employee Benefits, Payroll Taxes, Contracted Services, Janitorial Services, Sales Taxes, Utility Expenses, Maintenance Inventory, Environmental Remediation, and Parking Taxes. Payroll expenses for the month of September were \$15,396,055.04.

Top 15 Payment Category Summary:

Category	Payment Amount
Construction	52,251,966.55
Employee Benefits	11,135,858.39
Payroll Taxes	5,965,861.33
Contracted Services	5,427,047.07
Janitorial Services	3,721,460.77
Sales Taxes	3,605,798.38
Utility Expenses	2,861,198.06
Maintenance Inventory	945,109.34
Environmental Remediation	913,154.63
Parking Taxes	770,616.24
Software	646,718.58
Legal	628,086.82
Room/Space/Land Rental	530,250.27
Miscellaneous Expense	488,421.70
Equipment Maintenance	335,916.34
Other Categories Total:	2,008,354.11
Net Payroll	15,396,055.04
Total Payments :	\$107,631,873.62

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Appropriate and effective internal controls are in place to ensure that the above obligations were processed in accordance with Port of Seattle procurement/payment policies and delegation of authority.



Lisa Lam/Port Auditor

At a meeting of the Port Commission held on October 10, 2023, it is hereby moved that, pursuant to RCW 42.24.180, the Port Commission approves the Port Auditor’s payment of the above salaries and claims of the Port:

Port Commission

RETURN TO AGENDA



**COMMISSION
AGENDA MEMORANDUM
FOR INFORMATION ONLY**

Item No. 8c
Date of Meeting October 10, 2023

DATE: October 10, 2023
TO: Stephen P. Metruck, Executive Director
FROM: Karen R. Goon, Deputy Executive Director

SUBJECT: Monthly Notification of Prior Executive Director Delegation Actions September 2023

APPROVAL SUMMARY

Notification of the following Executive Director delegated approvals that occurred in September 2023.

Category of Approval	Request#	Description of Approvals September 2023	Category Amount
Projects & Associated Contracts	820-2023	South Concourse Evolution Project GCCM Audit Services	\$900,000.00
Projects & Associated Contracts	828-2023	Airfield Compactor Capacity 30% Design	\$400,000.00
Projects & Associated Contracts	877-2023	Budget Increase - C801357	\$130,000.00
Projects & Associated Contracts	910-2023	Secondary Data Center Storage Refresh	\$400,000.00
Projects & Associated Contracts	826-2023	Generator Controls 30% Design	\$700,000.00
Non-Project Procurement of Goods & Purchased Service Contracts, Other Contracts, & Tenant Reimbursement	847-2023	2023 MOU between Police and Air Mobility Command	\$0.00
Non-Project Procurement of Goods & Purchased Service Contracts, Other Contracts, & Tenant Reimbursement	817-2023	MOU Between DHS and SEA to use and co-brand Blue Campaign AHT materials	\$0.00

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Non-Project Procurement of Goods & Purchased Service Contracts, Other Contracts, & Tenant Reimbursement	785-2023	Approval to Issue Contracts for a value up to \$1.5M for Fleet Telematics	\$1,500,000.00
Non-Project Procurement of Goods & Purchased Service Contracts, Other Contracts, & Tenant Reimbursement	815-2023	STAC Bussing During STS Closure	\$100,000.00
Non-Project Procurement of Goods & Purchased Service Contracts, Other Contracts, & Tenant Reimbursement	883-2023	Concourse A Building Expansion for Lounges – Delta Air Lines Tenant Reimbursement Agreement (TRA) Modification CIP #C801205	\$740,000.00
Non-Project Procurement of Goods & Purchased Service Contracts, Other Contracts, & Tenant Reimbursement	856-2023	Enterprise Technology Monitoring System	\$1,900,000.00
Non-Project Procurement of Goods & Purchased Service Contracts, Other Contracts, & Tenant Reimbursement	766-2023	Smith Detection Purchase Order	\$345,739.84
Real Property Agreements	N/A	No Approvals in September	
Utilization of Port Crews	N/A	No Approvals in September	
Sale of Surplus Port Property	N/A	No Approvals in September	
Total Value of Executive Director Approvals			\$7,115,739.84

TRANSPARENCY:

In approving the delegations for the Executive Director, the Commission requested that staff ensure transparency is built into the process. As a result, staff will make approvals visible to the public in two ways. First, these types of approvals will be made visible in public Commission meetings via monthly reporting like this one. Approvals are both timed and designed to be visible in a similar manner to the monthly Claims and Obligations reporting. Second, staff will publish these delegations in a PeopleSoft formatted report on the Port website in the same manner that all procurements, contracts, and other opportunities are made available to public communities.

BACKGROUND:

On January 24, 2023, the Commission approved and adopted Resolution No. 3810 that repealed related prior resolutions and increased the previously delegated Commission authority to the Executive Director and provided clarity in process directives to port staff. The approval made the Delegation of Responsibility and Authority to the Executive Director (DORA) effective on April 3, 2023.

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The foundation for Resolution No. 3810 included significant data analysis, employee surveys, and internal audit recommendation. Resolution No. 3810 also aligns with the Port Century Agenda in that it helps make the Port a more effective public agency. Considerations and checks and balances have been built into the associated processes of Executive Director approvals including a high bar of transparency.

Following significant analysis and multiple Commission reviews, the Commission approved the DORA on January 24, 2023. That reporting memo is available for review on the Port website under the January 24, 2023, Commission public meeting, and it provides detailed reasoning and explanation of Resolution No. 3810.

RETURN TO AGENDA



**COMMISSION
AGENDA MEMORANDUM**

Item No. 10a

ACTION ITEM

Date of Meeting October 10, 2023

DATE: September 29, 2023

TO: Stephen P. Metruck, Executive Director

FROM: Sarah Cox, Director Aviation Environment and Sustainability
Eileen Francisco, Director Aviation Project Management Group

SUBJECT: Sound Insulation for Places of Worship Construction Authorization (CIP #C200098)

Amount of this request: \$3,500,000
Total estimated program cost: \$25,872,000

ACTION REQUESTED

Request Commission authorization for the Executive Director to advertise, award and execute a major public works contract, and fund construction for sound insulation on places of worship program (CIP #C200098) in an amount not to exceed \$3,500,000 of the total places of worship program cost of \$25,872,000.

EXECUTIVE SUMMARY

The Sound Insulation Program exists to help reduce community noise impacts caused by aircraft utilizing the Airport. As part of its long-term commitment to communities surrounding the Airport, the Port offers sound insulation for eligible properties within the current Federal Aviation Administration (FAA) Airport Noise Compatibility (Part 150) noise remedy boundary. This includes places of worship.

Construction work includes installation of new Sound Transmission Class (STC) rated windows, doors, and storm doors, as well as supplemental ventilation to meet the FAA standard of 45 decibel (dB) Day-Night Average Sound Level (DNL) interior noise that can be achievable with at least a 5 dB reduction. This request will allow the Port to commence construction for sound insulation on the places of worship program. The Sound Insulation Program is on-track to complete in accordance with Commission Motion 2020-04 requiring completion no later than 2026.

The Commission previously authorized design funds for five participating places of worship properties. Currently, the program has three properties that are participating with design underway and are included in this construction authorization. The project budget continues to

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include funding for all five places of worship, and funding will be returned for properties that continue not to participate.

The Port has received \$6.25M in FAA Airport Improvement Program (AIP) grant funding to partially fund places of worship design and construction.

This request does not include work associated with condominium buildings, single-family homes, apartment complexes and south Approach Transition Zone (ATZ) voluntary residential acquisition.

JUSTIFICATION

Resolution No. 3683 was adopted by the Commission on October 22, 2013, and included all recommendations from the Part 150 Study, including sound insulation for eligible structures within the Noise Remedy Boundary. This authorization will help to meet the requirements of Resolution No. 3683 to conduct an ongoing Sound Insulation Program.

In February 2020, the Commission passed Motion 2020-04 to accelerate this work with the goal of completing work on these programs by the end of 2026. Moving forward with the places of worship sound insulation is critical to compliance with the Motion.

Diversity in Contracting

The places of worship program will be partially funded with FAA Airport Improvement Program (AIP) grants and the Port will follow the United States Department of Transportation’s Disadvantage Business Enterprise (DBE) program requirements. A DBE goal of 7% has been established for places of worship construction and the DBE Plan will be administered in accordance with 49 CFR Part 26 by the Diversity in Contracting Department.

DETAILS

This request is for construction authorization that includes 3 places of worship properties that are eligible to participate in the program.

Under state law, (R.C.W. 53.54.030), any owner who participates in the program is required to provide the Port with an Avigation Easement in return for the Port paying the cost of the improvements. A Subordination Agreement or Consent is required to convey the Avigation Easement if there is a mortgage, deed of trust, or other lien on the property.

Scope of Work

Construction to include:

- (1) STC rated solid core doors.
- (2) STC rated windows.
- (3) Storm doors.
- (4) Positive exterior air ventilation.

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- (5) Regulated materials abatement.
- (6) Other associated work as determined to be necessary by the architect to reduce noise or to meet code.

Schedule

The places of worship program will be completed by the end of 2026, staff does not anticipate subsequent authorizations at this time.

Activity CIP #C200098 Places of Worship Program

Commission design authorization	2021 Quarter 4
Design start	2023 Quarter 1
Construction start	2024 Quarter 4

Cost Breakdown CIP #C200098

	This Request	Total Project
Design	\$0	\$7,437,000
Construction	\$3,500,000	\$18,435,000
Total	\$3,500,000	\$25,872,000

ALTERNATIVES AND IMPLICATIONS CONSIDERED

Alternative 1 – Authorize Places of Worship Program Sound Insulation Program to commence construction (CIP #C200098).

Cost Implications: \$3,500,000 (CIP #C200098).

Pros:

- (1) Meets commitment to noise remediation in the community per Commission Resolution 3683.
- (2) Maintains the critical path program schedule to meet the intent of Commission Motion 2020-04 to accelerate the airport’s noise mitigation programs prior to 2026.
- (3) Allows staff to begin construction of the places of worship program.
- (4) Provides a direct community benefit to reduce aircraft noise impacts.

Cons:

- (1) The Port assumes the financial risk for this work if FAA AIP grant funding cannot be secured.

This is the recommended alternative.

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FINANCIAL IMPLICATIONS

Cost Estimate/Authorization Summary

(CIP #C200098)

	Capital	Expense	Total
COST ESTIMATE			
Original estimate	\$25,872,000	\$0	\$25,872,000
AUTHORIZATION			
Previous authorizations	\$7,437,000	\$0	\$7,437,000
Current request for authorization	\$3,500,000	\$0	\$3,500,000
Total authorizations, including this request	\$10,937,000	\$0	\$10,937,000
Remaining amount to be authorized	\$14,935,000	\$0	\$14,935,000

Annual Budget Status and Source of Funds

This project, CIP C200098, was included in the 2023-2027 capital budget and plan of finance with a budget of \$25,872,000. The funding sources would be AIP grants, AIP reinvested fund and revenue bonds.

The capital cost of the entire places of worship program is estimated at \$25,872,000. The AIP grants is estimated at \$16 million. Therefore, the airlines Rate Base Cost is estimated at \$9.8 million which would not require Majority in Interest project approval from the airlines. The debt service of 25-year amortization would be charged as landing fee when each place of worship property construction is substantially completed and grants are received.

Financial Analysis and Summary

Project cost for analysis	\$25,872,000
Business Unit (BU)	Airfield Movement Area
Effect on business performance (NOI after depreciation)	NOI after depreciation will increase due to inclusion of capital (and operating) costs in airline rate base
IRR/NPV (if relevant)	N/A
CPE Impact	\$0.04 in 2027

Future Revenues and Expenses (Total cost of ownership)

Once the project is complete and the Avigation Easement is permanently recorded on the parcel(s), there will be no further expenses incurred.

ATTACHMENTS TO THIS REQUEST

- (1) Presentation

Meeting Date: October 10, 2023

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

July 25, 2023 – Commission briefing on sound insulation programs and construction authorization for Phase 2 Apartment Program.

August 9, 2022 – Commission briefing on sound insulation programs and construction authorization for Phase 1 Apartment Program.

December 14, 2021 – Commission authorized design services for Places of Worship Sound Insulation Program.

August 10, 2021 – Commission briefing on sound insulation programs and design authorization for the Apartment Program.

December 15, 2020 – Commission briefing on sound insulation programs, acceleration and staff recommendations.

December 15, 2020 – The Commission authorized consultant services IDIQ contract to provide sound insulation program development support for single-family homes, apartments, and places of worship.

February 25, 2020 – Commission briefing on sound insulation programs, acceleration, and staff recommendations. Motion 2020-04 of the Port of Seattle Commission directing the acceleration of the sound insulation program at the Airport.

July 10, 2018 – The Commission authorized contracting for Sound Insulation Architect and Project Oversight Consulting for Condominiums.

October 11, 2016 – The Commission authorized contracting for Sound Insulation Architect and Project Oversight Consulting Services and Job Order Contracting (JOC) for Single-Family Homes.

October 22, 2013 – Second Reading and Final Passage of Resolution No. 3683 concluding the Federal Aviation Regulation (FAR) Part 150 Noise and Land Use Compatibility Study Update for Seattle-Tacoma International Airport.

October 8, 2013 – First Reading of Resolution No. 3683 concluding the Federal Aviation Regulation (FAR) Part 150 Noise and Land Use Compatibility Study Update for Seattle-Tacoma International Airport.

April 23, 2013 – The Commission authorized contracting for Sound Insulation Consulting Services and Job Order Contracting (JOC) for Single-Family Homes.

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Places of Worship Sound Insulation Construction Authorization

October 10, 2023



Places of Worship Construction Authorization

- Supports acceleration of the program
- Authorizes construction of 3 eligible places of worship properties
- Request \$3.5M construction authorization



Places of Worship Milestones

- Complete Design: Q1 - 2024
- Construction Advertisement: Q2 - 2024
- Commence Construction: Q3 2024 – Q4 2025

Sound Insulation Program(s) Status Update

Single-family homes program

- 24 homes completed to date
- 7 homes on target end of 2023
- 4 potential homes for design in 2024

Condominium Program

- Program COMPLETED in 2023
- 1 condominium complex with 28-units

Apartment Program

- Final design underway for 9 complexes with 320-units
- Advertisement for construction Q1 2024

Questions?

[RETURN TO AGENDA](#)



**COMMISSION
AGENDA MEMORANDUM**

Item No. 10b

ACTION ITEM

Date of Meeting October 10, 2023

DATE: September 11, 2023

TO: Stephen P. Metruck, Executive Director

FROM: David McFadden, Managing Director, Economic Development Division
Kyra Lise, Director Real Estate Development
Stefan Wynn, Capital Project Manager

SUBJECT: T91 Uplands Development Additional Design Authorization (CIP #C800158)

Amount of this request: \$4,500,000
Total estimated project cost: \$84,000,000

ACTION REQUESTED

Request Commission authorization for the Executive Director to approve additional design funding to execute the remaining service agreements for professional design and port-related costs for all project elements and improvements necessary to complete design, and inclusion of a 1 percent art program investment, for the T91 Uplands Development Project in the amount of \$4,500,000 and a total estimated project cost of \$84,000,000. (CIP# C800158)

EXECUTIVE SUMMARY

Background:

In February of 2019, the Commission authorized Design Funding for the overall Phase I and Phase II master planning, environmental review, permitting and full design services for the completion of Phase I. This work was based off a site development evaluation completed in 2017 and utility and infrastructure report completed by KPFF in 2018.

- In 2021 after completion of a subsurface investigation in the Phase I area and the development of the design to 10%, the design consultant services were discontinued.
- In Q4 of 2021 a contract with Mackenzie Engineering was executed to complete this scope of work.
- Additional subsurface site investigations to the Phase I and Phase II areas and validation to the KPFF infrastructure report identified additional infrastructure and utility upgrades that would be required from the initial assumptions. The Phase I buildings square footage were also increased in size by 20% per updated market analysis.
- To date the project has been developed to 60% design, the State Environmental Protection Act (SEPA) determination of non-significance has been issued and the Major

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Phased Development Plan permit (MPD) described below has been submitted and is currently under review by the Seattle Department of Construction & Inspections (SDCI).

The total anticipated project cost is estimated to be \$84,000,000. The Port of Seattle’s 1% Art Program Policy is included in the projected total project cost. This request for additional design funding is to complete the design, permitting, and documentation to take this now larger project through the advertisement and bidding process.

Project Summary:

The Port’s Economic Development Division (EDD) plans to construct upland light industrial building space (storage, warehouse, manufacturing) within the northeast portion of Terminal 91 (T91) to support maritime industries and the maritime supply chain in the Ballard Interbay Manufacturing Industrial Center (BINMIC). Major project components of the T91 Uplands Development that are included in the Major Phased Development Plan (MPD) include the following: Phase I, T91 utility infrastructure improvements, and Phase II.

- Phase I premises: Approximately 6 acres in size, located at the northeast portion of T91, will consist of developing approximately 120,000 SF of industrial building and associated amenities.
- T91 utility infrastructure improvements: In New telecom/Data distribution, a new Sewer connection, Stormwater upgrades, and Electrical Upgrades are required for the Phase I buildings and the pad-ready development of Phase II.
- Phase II premises: In the future years, up to approximately 9 acres in the Phase II area will involve the construction of up to 300,000 SF of additional industrial building space. The improved utility infrastructure will enable the potential for a built-to-suit or ground lease development for this phase.

JUSTIFICATION

The T91 Uplands Development addresses the shortage of light industrial property in consideration of the current market demand and in alignment with Seattle’s Industrial Maritime Strategy and Century Agenda Goals. It aims to preserve and enhance industrial land that contributes to local economic impact of maritime-focused operations, and diversify uses and assets, while balancing environmental, financial, and community stewardship goals of the Port of Seattle.

The development project also supports the following Economic Development Division and Maritime Division goals, through a set of guiding principles developed in conjunction with a Port-conducted stakeholder outreach program, and Port project team effort:

(1) Create New Economic Impact on Port Land

Continue to strengthen and grow the economic value of the maritime cluster, including the number of local jobs and business revenues.

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- a. Anchor the maritime industrial workforce in Seattle by fulfilling tenant mix goals.
- b. Meet square feet developed, jobs and associated wage rate goals.
- c. Meet target occupancy rate, and asset utilization.
- d. Create flexible spaces to accommodate multiple lines of business and a range of users/tenants.
- e. Meet revenue goals for long term investment.
- f. Add value to the overall equity component of the land; increase appreciation of Port land.

(2) Support Flexible & Sustainable Industrial Development

Align Seattle’s Industrial and Maritime Strategy with key climate and environmental protection goals, securing integration with social and economic dimensions of sustainability.

Financial Sustainability:

- a. Develop a creative, cost-effective solution within the given project budget. Achieve good value over the life cycle of the asset.
- b. Find a balance between cost and environmental benefits that reconciles desired tenant profile with a sustainable design approach.
- c. Create new revenue and new jobs for maritime and maritime supply chain industries.
- d. Ground design choices in economic sustainability and market influence data; identify and target preferred tenants’ need and achieve a product that is affordable.

Innovative Environmentally Conscious Practices:

- a. Achieve energy savings and water consumption reduction. Consider efficiency and conservation approaches.
- b. Use construction materials and methods that minimize harm to the surrounding ecosystem and reduce carbon footprint.
- c. Design resilient facilities that can retain structure and functions while adjusting to environmental (e.g., climate adaption) and socio-economic changes.
- d. Prioritize re-use of existing Port assets in design.

Operational Improvement:

- a. Leverage opportunities to evaluate a cluster of assets, addressing holistically other activities and operations across the terminal with a campus mindset.
- b. Explore cost savings opportunities towards operational and maintenance efficiency.
- c. Develop process for data collection and develop data story and metrics for how the Port approaches large, phased projects.

Users Health, Safety, Welfare:

- a. Protect the health, safety, and welfare of occupants and users through solutions, methods and materials that ensure a healthy built environment and eliminate or reduce hazards in the workplace.
- b. Integrate health safety and welfare considerations in all phases of the buildings’ life cycle: planning, design, construction, operations and maintenance, renovation, and final disposal.

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(3) Champion Diversity and Equity

Promote equitable access to information and new jobs through and inclusive industrial economy and ladders of economic opportunity.

- a. Meet or exceed the Port’s diversity in contracting goals in the procurement of Design and Construction services.
- b. Support apprenticeship utilization and workforce development during construction.
- c. Ensure broad inclusion during public outreach.

(4) Improve the Movement of People and Goods to and Within Industrial Zones

- a. Promote environmentally sustainable transportation modes.
- b. Increase safety for all travel modes.
- c. Leverage wider plans for changes to transportation and circulation systems in the vicinity to improve access to/from the site.

(5) Foster Community Stewardship and Cultural Benefits

- a. Build new confidence in Port’s ability to pursue industrial development.
- b. Seek opportunities to leverage and develop partnerships in industrial maritime sector.
- c. Demonstrate the Port’s continued commitment to engaging communities near T91 in a transparent manner with timely information and opportunities to provide input.
- d. Include and strive for functional integration of art (Port’s 1% Art Program) into the designed product.

Major Phased Development Plan

The Port has submitted permitting for a Major Planned Development (MPD) through SDCI. An MPD is a unique permitting vehicle under the Seattle Land Use code, which allows for one land use permit to cover multiple development projects on one large site phased over time. A major phased development authorizes construction up to 15 years after the permit is issued.

The MPD provides flexibility for the Port in planning, design, and construction. The Port also completed a State Environmental Protection Act (SEPA) review for this project.

Diversity in Contracting

In the executed project-specific contract for professional design services related to continue progress towards design and permitting and complete the scope of work described below the consultants Diversity in Contracting Commitment was 18%.

After the completion of 90% design, the applicability of a Project Labor Agreement will be determined as well, in coordination with Labor Relations.

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DETAILS

All professional design services for all project elements/improvements necessary to support the T91 Uplands Development are described below.

Scope of Work

The scope of the T91 Uplands Development project includes:

1. Design and MDP permitting of Phase I and Phase II Premises
2. Design, permitting and Construction of Phase I Premises

Phase I Premises' improvements are anticipated to include, but not limited to, the following:

1. Removal and replacement of associated on-site utility systems
2. Installation of stormwater treatment system
3. Installation of new sewer line sized to serve Phase II development.
4. New Telecom and Data infrastructure extended to uplands to Support all current and future development.
5. Removal and replacement of on-site roadway and parking lot pavement
6. Construction of new building(s) totaling 120,000 SF
7. Upgrading of facility signage, lighting, and landscaping as required
8. Improvements to off-site public streets as, and if, required by the City of Seattle
9. Implementation of applicable environmental best management practices
10. Obtainment of LEED Core & Shell, Silver Level credential
11. Development of sustainable tenant design requirements for occupant build-out
12. Installation of protected bicycle and pedestrian spaces
13. Installation of conduit to enable future electric vehicle charging in all parking spaces
14. Enable a future pedestrian portal on the Northern multi-use trail
15. Install solar panels to provide approximately 20% of expected building energy use
16. Avoid red list materials as defined by the International Living Future Institute
17. Increase tree canopy in parking area by planting approximately 45 trees

Significant progress has been made on the Terminal 91 Uplands project since the last authorization. This work guides and supports future work on the project:

1. Developed Owner's Project Requirements
2. Submitted MPD permit for agency review
3. Completed Sustainable Design Approach
4. Final issued SEPA Decision - Determination of Non-Significance
5. Completed Traffic Report of existing and proposed impacts
6. Completed Geotech and Environmental subsurface investigation
7. Completed 60% Phase I design development
8. 15% & 30% Risk Analysis planning

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Schedule

Activity

Commission design authorization	2019 Quarter 1
Design start	2020 Quarter 3
Commission construction authorization	2024 Quarter 2
Construction start	2025 Quarter 1
In-use date	2026 Quarter 2

Cost Breakdown

	This Request	Total Project
Design	\$3,700,000	\$8,000,000
1% Art	\$800,000	\$800,000
Construction	\$0	\$75,200,000
Total	\$4,500,000	\$84,000,000

ALTERNATIVES AND IMPLICATIONS CONSIDERED

Alternative 1 – Do nothing: pass on authorizing the additional design funding of a contract for professional design services to complete the design and permitting on T91 Uplands.

Cost Implications: Halt spending on an approved Major Capital Project and loss of possible return on investment to date.

Pros:

1. Retain Port capital for other priority projects and financial initiatives.

Cons:

Delay, and possible interruption of the project, leading to:

1. Missed opportunity to achieve Port objectives of supporting fishing and maritime clusters.
2. Missed opportunity for improving long-term financial viability of T91.
3. Missed opportunity to add major maritime business tenants at T91.
4. Missed opportunity to add needed light industrial space in the Ballard Interbay area at T91.
5. Missed opportunity to replace existing aged storm sewer system with effective stormwater management system, including water quality treatment, at T91 in full compliance with Port and City of Seattle standards.
6. Missed opportunity to improve existing water, sanitary, lighting, electrical, communications, and traffic related infrastructure to enable future development at T91.

This is not the recommended alternative.

Alternative 2 - Authorize the additional design funding of a contract for professional design services to complete the design and permitting on T91 Uplands in two phases.

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Cost Implications: Continued spending on an approved Major Capital Project with a potential for a return on the investment made to date.

Pros:

Allow progress of project towards completion, achieving the following:

1. Meets Port objectives of supporting maritime industries and the maritime supply_chain.
2. Improves long-term financial viability of T91.
3. Adds major maritime business tenants at T91.
4. Adds needed light industrial space in the Ballard Interbay area at T91.
5. Provides a flexible city-approved development plan for phased construction over 15 years to meet market demand.
6. Provides long-term cost savings due to economy of scale derived from larger (more consolidated) permit, design, and construction efforts.
7. Replaces existing aging storm sewer system with effective stormwater management system, including water quality treatment, at T91 in full compliance with Port and City of Seattle standards.
8. Improves existing water, sanitary, lighting, electrical, communications, and traffic related infrastructure at T91.
9. The property would support the creation of hundreds of new jobs in the maritime/manufacturing sector.

Cons:

1. Requires major Port investment of funds over shorter term.
2. Requires reduction of existing area available for on-site open storage.
3. Creates temporary construction impacts to existing T91 upland tenant business operations.

This is the recommended alternative.

FINANCIAL IMPLICATIONS

<i>Cost Estimate/Authorization Summary</i>	Capital	Expense	Total
COST ESTIMATE			
Original estimate	\$39,000,000	\$0	\$39,000,000
Previous changes – net	\$10,000,000	0	\$10,000,000
Current change	\$35,000,000	0	\$35,000,000
Revised estimate	\$84,000,000	0	\$84,000,000
AUTHORIZATION			
Previous authorizations	\$4,300,000	0	\$4,300,000
Current request for authorization	\$4,500,000	0	\$4,500,000
Total authorizations, including this request	\$8,800,000	0	\$8,800,000
Remaining amount to be authorized	\$75,200,000	\$0	\$75,200,000

Meeting Date: October 10, 2023

Annual Budget Status and Source of Funds

This project was included in the 2023 Capital Plan under C800158 T91 Uplands Development Phase I with a total estimated cost of \$79 million. The updated project cost estimate has been incorporated into the draft 2024 Capital Plan currently in development.

The project is being funded by the Tax Levy.

Financial Analysis and Summary

Project cost for analysis	\$84,000,000
Business Unit (BU)	Real Estate Development/EDD Portfolio Management
Effect on business performance (NOI after depreciation)	The project is expected to generate approximately \$2 million in incremental revenue in the first year of full occupancy. The development will add approximately \$2.8 million of annual depreciation expense. Updated financial information will be provided at construction authorization based on market conditions and the leasing strategy for the property.
IRR/NPV (if relevant)	NPV: (\$58 million)
Payback	30+ years

ATTACHMENTS TO THIS REQUEST

- (1) Presentation

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

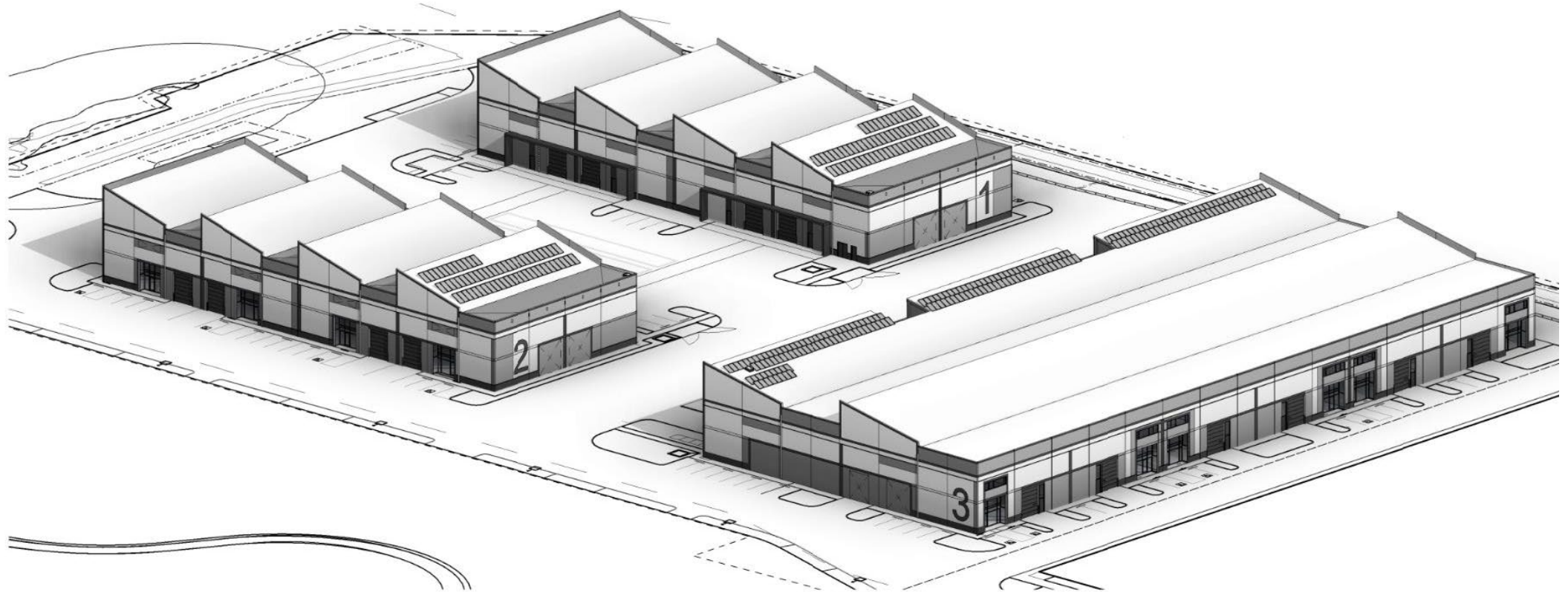
February 26, 2019 – The Commission authorized the execution of contracts for overall master planning, environmental review, permitting, and Phase I Design services in an amount not-to-exceed \$4,000,000, in support of the Port’s development of the T91 Uplands Development project.

November 27, 2018 – The Commission approved 2019 Capital Budget and Plan of Finance including T91 Uplands Development project.

October 25, 2016 – The Commission received a briefing about the Real Estate Strategic Plan including the T91 Uplands Development project.

Terminal 91 Uplands Development

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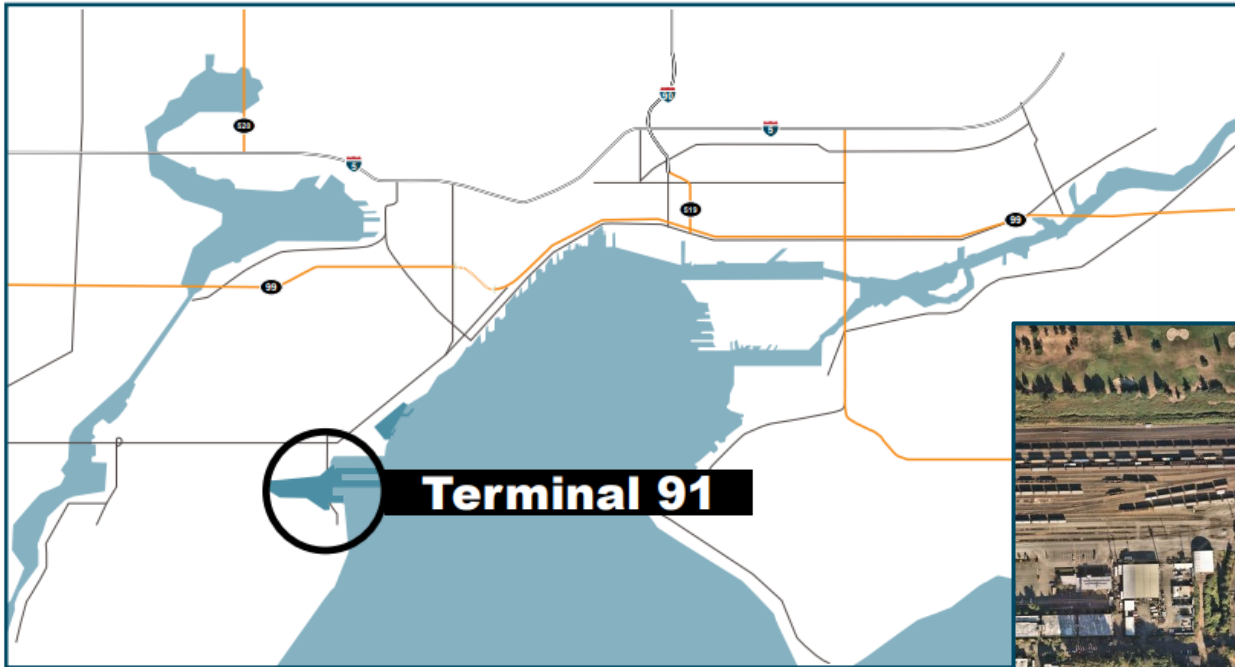


Kyra Lise, Director of Real Estate Development
Stefan Wynn, Capital Project Manager IV

Action Requested

Request Commission authorization for the Executive Director to approve additional design funding to execute the remaining service agreements for professional design and port-related costs for all project elements and improvements necessary to complete design, and inclusion of a 1 percent art program investment, for the T91 Uplands Development Project in the amount of \$4,500,000 and a total estimated project cost of \$84,000,000.

Project Location



New Facilities to Support Maritime Manufacturers & Suppliers

New upland Port buildings will help sustain and support maritime industries and the maritime supply chain.

- Industrial property in Ballard/Interbay area in short supply
- Rising rent costs and high building sales prices
- Port can provide affordable and needed facilities
- Port can demonstrate support for Seattle's Industrial Lands policy
- Supports maritime innovation
- Maritime manufacturers and suppliers want space at Terminal 91

Decades of Effort to Redevelopment T91 Uplands

2001 Harbor Development Strategy

2004: North Bay plan proposed mixed use (including biotech)

2012: Proposed mix of light industrial buildings and yard leases (considered parking garage and office building)
Proposed ground lease to 3rd party developer

Challenged with cost of infrastructure

2016: Real Estate Strategic Plan proposes phased light industrial development

Ready to Start Construction on Phase One in 2024

- Project has been developed to 60% design, the State Environmental Policy Act (SEPA) determination has been issued and the Major Phased Development Plan permit (MPD) has been submitted and is currently under review by the Seattle Department of Construction & Inspections (SDCI).
- This request for additional funding is to complete design, permitting, and documentation needed to take this project through the advertisement and bidding process.

Changes to Project Since Inception

- Added new infrastructure to support short- and long-term facility plans
- Added 20,000 square feet of light industrial facilities to Phase I

Major Phased Development



UNIQUE PERMIT
IN SEATTLE LAND
USE CODE



ONE LAND USE
PERMIT PROVIDES
UP TO 15 YEARS OF
CONSTRUCTION
AUTHORIZATION



APPLIES TO MULTIPLE
DEVELOPMENTS
PHASED OVER TIME
ON ONE LARGE SITE

An aerial photograph of a city, likely Seattle, showing a dense urban area with residential neighborhoods, commercial buildings, and a large industrial area. A green oval highlights a specific site within the industrial area, which is the focus of the project. The site is located near a railway and a large body of water in the background.

Project Scope - Phase I

- Phase I of the project, with a footprint of approximately 6 acres, is located at the far northeast portion of the T91 Uplands area.
- It will consist of developing approximately 120,000 square feet (SF) of industrial building space with associated utility infrastructure improvements.
- Phase I improvements will include:
 - New on-site utility systems to include Telecom / Data, Sewer line and upgraded electrical distribution.
 - Installation of a stormwater treatment system and replacement of existing outdated lines.
 - Removal and replacement of on-site roadway and parking lot pavement.
 - Site improvements, including upgrading facility signage, lighting, and landscaping.



Protected bike paths
and parking



Wayfinding signage

Phase I Project Details

118,000 Square Feet total

- Two 25,000 SF building
- Mass Timber roof framing
- One 68,000 SF building
- Integral load Docks

**Estimated \$2 Million in
lease income once facilities
are occupied**

Flex industrial warehouse

- Tilt up concrete walls
- Fully insulated
- Mezzanine potential



Outdoor lunch areas



1% Art installation



Trees and landscaping

Sustainable Evaluation Framework and Environmental Elements

LEED Silver – Shell & Core

LEED design requirements for tenant build-outs

Energy Efficient Building

- Install energy efficient HVAC
- Insulate building shell
- Install solar panels to support approx. 20% of expected building energy use

Dark Sky Compliance

- Dark Sky outdoor lighting is designed to direct light to the ground, not up into the sky where it can contribute to light pollution

Environmentally Preferred Materials

- No Red List Building Materials. Materials containing chemicals that have been designated as harmful to living creatures, including humans, or the environment.
- Reduce embodied carbon through use of alternative materials

Transportation/Equity

- Install safe biking and pedestrian spaces
- Install conduit to all parking spaces to enable future electric vehicle charging

Green Space

- Increase tree canopy in parking and tenant amenity areas by planting approximately 45 trees

Project Scope -Phase II











- Approximately 9-acre located immediately to the south of the Phase I.
- In future years, improvements will involve the construction of up to approximately 300,000 SF of additional industrial buildings utilizing the new Phase I utility infrastructure improvements.
- Both phases are to be covered under the same Major Phased Development permit (land use) currently under review.

Phase I

Phase II

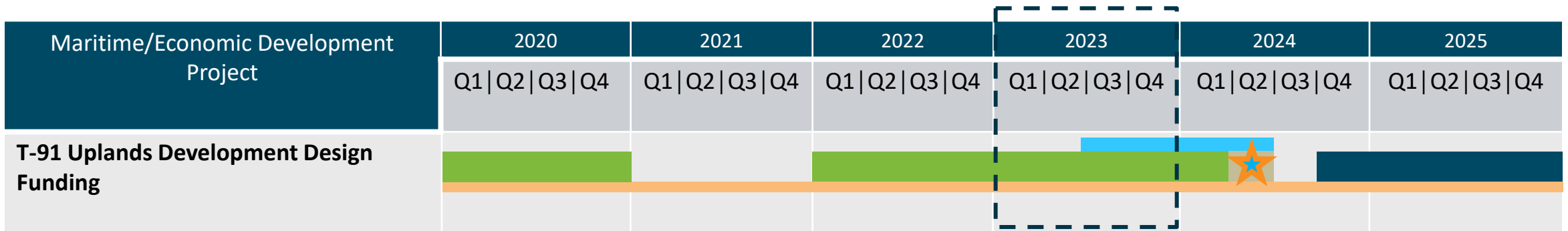
No specific project currently defined

Risk

RISK	DESCRIPTION	PROBABILITY	IMPACT	MITIGATION
Permit Reviews	Required street improvements could increase correction response times and delay the final issuance of the MPD permit currently under review.	Med 	Med 	Continued coordination with SDOT and SDCI to mitigate the extent and scope of the improvements. Consider submitting the building permit after 60% for a concurrent review of the two permits.
Unforeseen Hazardous materials in building/Site	Industrial site carries risk of contaminated soils and regulated building materials	Med 	Low 	Regulated material surveys performed on all buildings, soil pre-characterization completed. Soil characterization has been factored into the project estimate.
Delayed Material Availability	Long lead items may impact installation schedule, especially precast and electrical materials	Low 	Med 	Bid work as soon as possible to allow for lead time, prioritize submittals for long lead items.
External Coordination	Schedule delays and increased scope from permit appeals or project litigation	Med 	High 	Additional public outreach and timely stakeholder briefings to build consensus and support.
Bids Significantly Over Estimate	Continued volatility and escalation in construction markets, specialized work	Low 	High 	Carry additional contingency as informed by risk analysis, escalate estimates to mid point of construction.

Terminal 91 Development Schedule

Major Phased Development (MPD) Permit 02/2024
 Phase I Building Permit 06/2024
 Phase I Start of Construction 11/2024
 Phase I Substantial Completion 12/2025



* Community engagement tasks will vary by project needs

Community Engagement*

Commission Construction Approval

Environmental Review

Planning/Design

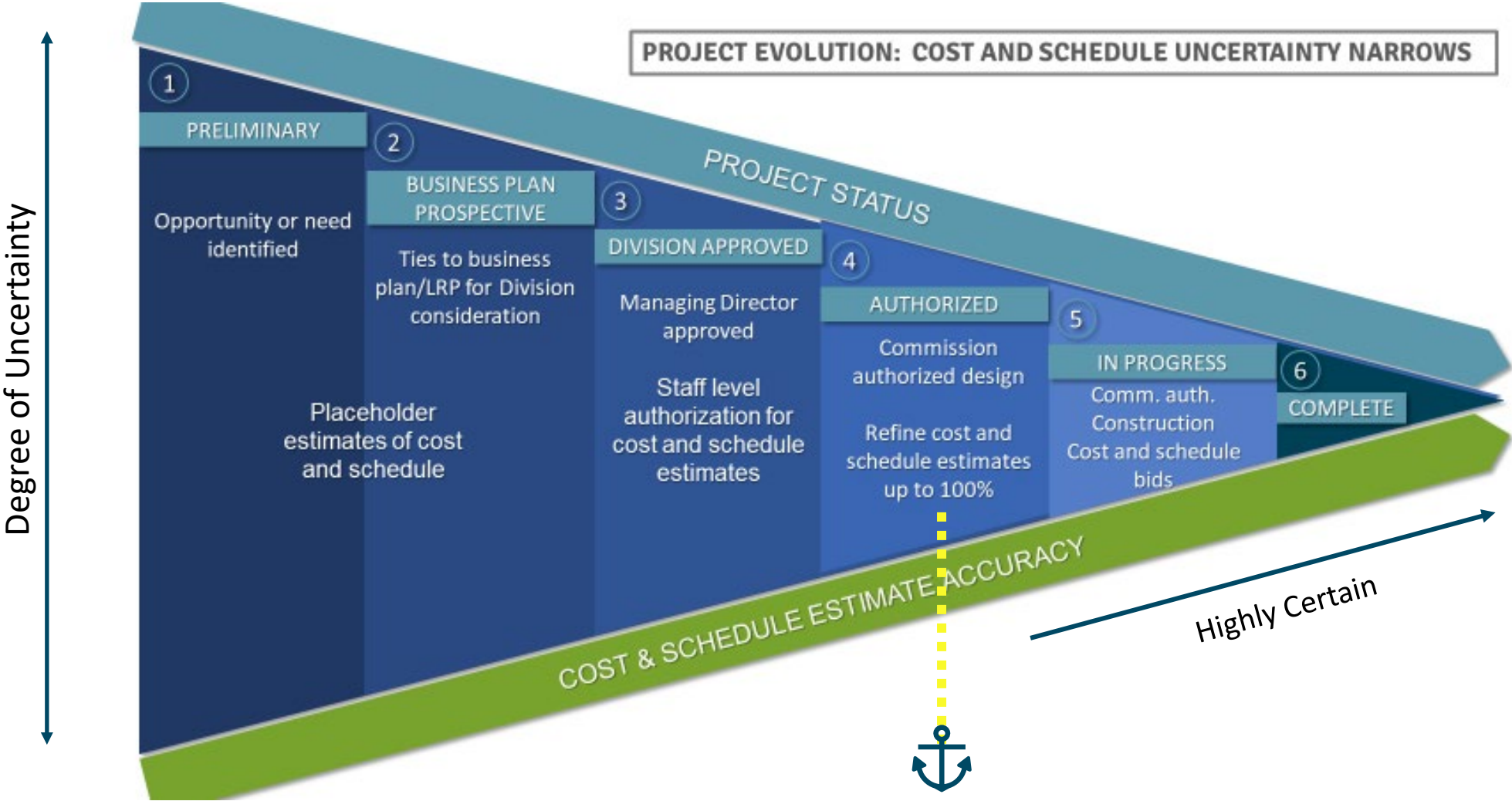
Construction

Project Estimate

Cost Estimate/Authorization Summary	Capital	Expense	Total
COST ESTIMATE			
Current estimate	\$84,000,000	0	\$84,000,000
AUTHORIZATION			
Previous authorizations	\$4,300,000	0	\$4,300,000
Current request for authorization	\$4,500,000	0	\$4,500,000
Total authorizations, including this request	\$8,800,000	0	\$8,800,000
Remaining amount to be authorized	\$75,200,000	\$0	\$75,200,000

The current total project estimate of \$84,000,000 is based on a 60% cost estimate that includes the additional scope described and a quantitative risk assessment completed after 30% design. The Port of Seattle's 1% Art Program Policy is included in the projected total project cost.

Capital Improvement Plan Status & Certainty



An aerial photograph showing a mix of industrial and residential areas. In the center, there's a large industrial yard with several large white buildings and a parking lot. To the left, there are railroad tracks with several trains. The background features a large body of water, possibly a bay or harbor, with a bridge and some industrial structures. The foreground is dominated by a dense residential neighborhood with many houses and trees. The word "Questions?" is overlaid in the center in a large, dark blue font.

Questions?



**COMMISSION
AGENDA MEMORANDUM**

Item No. 11a

BRIEFING ITEM

Date of Meeting October 10, 2023

DATE: October 10, 2023

TO: Stephen P. Metruck, Executive Director

FROM: Bookda Gheisar, Senior Director – Office of Equity, Diversity and Inclusion
Pearse Edwards, Senior Director, External Relations
Guadalupe Torres, Community Investments Project Manager
AJ McClure, Sr. Program Manager, Environmental Engagement
Ilays Aden, Program Coordinator, Environmental Engagement

SUBJECT: South King County Community Impact Fund Annual Report and Evaluation

EXECUTIVE SUMMARY

In 2019, the Port Commission authorized \$10 million over five years to build partnerships with near airport communities with the goal of advancing equity and access to economic opportunity. In 2020, the Port launched the South King County Fund (now SKCCIF) to support three primary programs – Economic Recovery, Environmental Improvement Projects, and WMBE support. SKCCIF is co-managed by the Office of Equity, Diversity, and Inclusion (OEDI) and External Relations.

Order No. 2021-12 authorized the Executive Director to conduct an evaluation and develop recommendations for the future re-authorization of the program before the end of the funding program. These Evaluation documents reflect the support the program success and reflect positive outcomes of distributing financial investments to support communities most in need of economic recovery from COVID-19.

To date, the Fund has allocated \$7.3 million of the \$10 million in awarded contracts to 28 projects for Economic Recovery, 37 public improvement projects for Environmental Programs, and 7 WMBE small business initiatives. The fourth and final funding cycle is currently underway, with a budget of \$2.7 million, which will zero out the fund.

Funded Area	Partners	Projects	Allocated funds	Cash disbursements August 2023
Economic Recovery	22	28	\$ 5, 235,970	\$1,935,120
Environmental	26	37	\$ 930,717	\$276,830
WMBE	7	7	\$ 760,000	\$590,236

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Capacity Building/Siliana Consulting			\$400,000 (over 4 years)	\$86,061
TOTAL	55	67	\$ 7,326,686	\$2,888,247
Cycle 4 funds available			\$ 2,739,715	

Cycle 4 Projected Allocation

Economic Recovery	10 Projects	\$2 million – 2.5 million
Environmental	8-10 Projects	\$400,000 -\$600,000

Economic Recovery Program

Currently Economic Recovery has completed three cycles of funding allocation. The fourth and final cycle is currently underway with 13 South King County nonprofits submitting RFP applications. To date 28 programs have been funded with 22 King County partners. It is important to note that funding began shortly after COVID 19 hit the country. Many South King County communities of color, especially Black, Brown and Native peoples were especially hit hard. In response the Port of Seattle with intent focused its economic recovery efforts on these and other historically underserved communities which include immigrant, refugee, disabled, seniors, youth and veterans.

Awarded partner organizations are uniquely positioned to provide effective and culturally relevant programming and training that will prepare and equip community members to access and secure quality living wage jobs with the Port and in Port related industries. These industries are specific to Aviation, Construction, Maritime and Green jobs/Green Careers. Port investments with and in communities' advances closing the wage, income and wealth gap for people and families often excluded from opportunity, and ultimately contributes to an enhanced quality of life for near airport communities.

These communities represent the rich diverse population of South King County. To date 1,200 individuals have obtained port related job training, 500 job placements have been secured, 231 pre-apprenticeships placements in port-related industries have been made. Fifty-two Business Partners have been established and relationships are growing. The average starting salary for those securing employment is between \$19.05-\$34.00, many positions include benefits.

Environmental Grants Program

For the Environmental Grants Program, 11 of the 14 funded projects from Cycle 1 have been managed to completion. Of the funded projects, six were BIPOC-Led organizations, 654 trees were planted, 2,935 volunteer hours logged, 3,176 education and training hours. Moreover, fourteen park stewards are now working in green jobs and eleven parks are currently in restoration. Additionally, for the current Cycle 2 projects and the remaining cycles moving forward, Port staff will closely coordinate key environmental metrics with Port environmental staff, including invasive species removal, number of trees planted, and number of acres restored.

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This will provide key community data to support the overall impacts of Port Land Stewardship activities in near-Port communities.

Based on community feedback and an extensive external and internal assessment, the need for the Fund remains critical to fulfilling the Port’s goal of creating equitable access to high-quality, livable-wage jobs in Port-related industries for women, people of color, and low-income people. The Fund also supports public improvement projects led by community-based organizations to increase access to healthier green spaces and improved health outcomes.

BACKGROUND

Environmental Improvement Program:

The Environmental Grants Program supports projects to improve the environment in near-airport communities of Burien, Des Moines, Federal Way, Normandy Park, SeaTac, and Tukwila. Community-led groups are invited to apply for funding for activities such as: public space improvements (including parks, school playgrounds, or public square); equipment or artwork installations; or neighborhood or environmental stewardship and restoration projects.

Through funding and partnerships with community-based organizations, the Environmental Improvement Program drives the Port’s investment in projects within cities around the airport to enhance livability, improve green spaces, and restore forests. The SKCIIF Environmental Grants Program expands the reach of the successful Airport Community Ecology (ACE) program into more communities that surround Seattle-Tacoma International Airport (SEA). Communities in South King County disproportionately experience environmental harm due to a long history of inequitable land use practices and economic displacement that have pushed marginalized communities farther south.

The Port offers multi-year awards to applicants for projects spanning one, two, or three years for up to \$20,000 per year and not to exceed \$60,000 for multi-year funding. The multi-year funding element increases the impact of the Port’s community investments and helps to support sustainable project planning and implementation.

Economic Recovery Program:

With ties to all of Washington’s key economic sectors and connections to more than 500 employers operating at our facilities, the Port is uniquely positioned to help create a diverse talent pipeline that is well trained and equipped to access and secure family-wage jobs at the Port and in port-related industries.

The Economic Recovery Program invites proposals for projects with outcomes related to workforce development, job creation programs, or economic recovery solutions in Port or Port

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related industries. Applicants must be a certified 501C(3) nonprofit organization or 501C(6) (chambers of commerce), a community coalition or group may apply but they must have a licensed nonprofit partner serve as their fiscal sponsor. Projects must serve those who are economically vulnerable.

Economic Recovery offers multi-year awards to applicants for projects spanning one, two, or three years. The vast majority (95%) of applicants request multi-year funding (2 or 3 years). The minimum multi-year request is \$60,000 and the maximum is \$250,000, the max awarded for the entirety of the contract. Multi-year funding increases the impact of the Port's community investments and helps to support sustainable project planning and implementation.

Diversity in Contracting (WMBE)

SKCCIF supports WMBE Small Businesses through the Economic Development Division. Funded projects include the Highline Small Business Development Center, Advanced PortGen, and the Business Accelerator Mentorship program which develop capacity among WMBE firms to partner with the Port. Several of the funded programs focus on increasing WMBE's knowledge of how to navigate the city, state and federal contractual processes. Other programs provide WMBE entrepreneurs with mentors, especially needed for small businesses still impacted by Covid. Over the last three years the programs have experienced high attendance and participation from local WMBE's.

Interlocal Agreement (ILA): Highline College

Small Business Development Center (SBDC) mentorship and training

- 68 Training Classes; 816 Attendees

Advanced PortGen Workshop Series

6-week program focusing on government contracting fundamentals

Over 200 businesses have participated in Series

PortGen: Business Accelerator Mentorship Program

Intense 10-week training program providing a cohort group with robust curriculum and one-on-one industry mentorship

- 33 Cohorts participated

Program Improvements

Significant improvements to the program include the following:

- Need for capital startup funds: 25% of the yearly funding will be provided within 30 days of the start of contract for Economic Recovery funded projects.

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- Multi –year funding with a broader range of funding amounts, providing a minimum and maximum
- Drove policy change lowering the Environmental mandate match from 3:1 to 2:1
- Community reviewers participate throughout the consensus process
- Cohort learning model for Economic Recovery – meeting every other month discussing best practices, shared learning and networking to amplify impact.
- Consistent RFP release dates (July for Economic Recovery and September for Environmental)

Evaluation and Assessment Findings:

SKCCIF investments have empowered vulnerable communities to bring their community led program solutions and environmental justice projects to fruition. The intent of the fund is anchored in the Port’s commitment to equity and attainment of its century agenda goals. Success requires on-going communication, trust, mutual accountability, continuously learning and a commitment to process improvements. Some of the recommendations made have already been implemented as noted above. Other recommendations will require planning and prioritization.

In November 2022 the Port hired Contacto Consulting to evaluate what has worked and areas for improvement to support future decision making. The consultant’s assessment included literature and internal document review, examination of similar funds at other ports across the country, an online survey to community partners, two visioning sessions with community members, and in-depth qualitative interviews with 25 key internal and external constituents. Participants included applicants (funded and non-funded), community reviewers, consultants, Port Commissioners, ELT members and staff. The consultant’s review focused on four areas:

- Current state: Is there clarity about the intent of SKCCIF?
- Reaching communities: How can SKCCIF improve its connections with target communities?
- Equity: How can SKCCIF make the process more accessible and equitable?
- Vision: What could the future of the SKCCIF look like?

For additional information on the findings and recommendations (See Attached)

COMMUNITY ENGAGEMENT AND CAPACITY BUILDING

Community Liaisons

After four years of conducting outreach and receiving community feedback regarding the Fund, we have identified barriers. Other common barriers identified by community members include the challenges related to our procurement and contracting processes and the use of formal and complex contractual language.

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To address these barriers, and to align with the SKCCIF principles to prioritize community input and implement Port equity policies and practices, External Relations engaged a group of Community Liaisons. Led by Alma Villegas Consulting, the liaisons represented South King County's diverse population which includes: Latinx, African American, Korean, Somali, Filipino, Bhutanese, Pacific Islander, and Congolese communities. The liaisons chosen are trusted community leaders with deep connections to their communities.

Early in 2020, the Port team began training the first round of liaisons about the mission of the Port of Seattle, its role and limitations as a "special purpose government," and the history of the South King County Community Impact Fund. Next, the team went through a series of brainstorming exercises aimed at developing potential project ideas. The liaisons would then replicate this brainstorming activity with their communities. This served as an important foundation, equipping the liaisons with the tools and knowledge they needed to conduct community outreach. We have successfully work with ten community liaisons over the last three years and onboarded three new liaisons in the Summer 2023.

In addition to this incredible community engagement work, the liaisons have been instrumental in the development of outreach messages, supporting grant materials, and training Port staff on multi-cultural engagement. An early suggestion from the group was to include a "sample application" in the supporting materials. This would give first time applicants the level of detail required in the written application. The sample application has also been translated into the top languages spoken in South King County, including Spanish, Somali, Vietnamese, Amharic, and Russian. We also work with ethnic media partners to share information about the program.

Central Procurement Office (CPO) and the Community Engagement team worked in collaboration to create the content, structure, and delivery of presentations for the public information sessions. Port staff prepared a draft presentation and delivered it to the liaisons before delivering it to the general public. The liaisons gave feedback in real time on format, word choice, and graphic depictions of information. To increase language accessibility, Port staff members were also asked to use simple words and slow down the pace of the presentation. This feedback was incorporated in the presentation materials and how Port staff delivered the presentation.

Community reviewers

Community reviewers are used in both the economic recovery and environmental programs competitive RFP process. Two community reviewers are recruited and serve on the application review pane to determine the best candidates for funding. They participate with two other Port employees that have specialization in the Port specific areas of aviation, maritime, construction and green jobs. The project manager and the contract manager also participate on the panel. The process is competitive, so community reviewers provide a critical level of community input perspective and accountability. The process to work with community to inform decision-making is new to the Port but is standard practice in community grant-making. The inclusion of

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community reviewers helps to normalize this practice in Port procurement processes and is consistent with procurement and selection processes implemented through the Duwamish Valley Community Equity Program. Community Reviewers are provided a stipend of between \$2,500 - \$3,500 depending on the number of applications.

Green City Partnership

The Green City Partnership, a program with Forterra, was completed in April 2022. This partnership recognized that neighboring communities that experience more impacts from airport operations should also experience more benefits, the Port Commission adopted the Airport Community Ecology (ACE) Fund in 2016, dedicating \$1 million to support environmental stewardship in Burien, SeaTac, and Des Moines. This funding included \$550,000 for a Small Matching Grants Program, which allowed local community organizations to apply to receive funding for stewardship projects. The Port also awarded the remaining \$450,000 to Forterra to support long-term urban forestry efforts through the development of new Green Cities Partnerships in Burien, SeaTac, and Des Moines.

These Partnerships created and implemented community-based models that ensure ongoing restoration and stewardship of these vital outdoor spaces through their adopted green city plans. Below are the key metrics from the partnership between 2017-2022:

Key Metrics

- 2,765 Plants and Trees Planted, including 982 Trees
- 836 Volunteers
- 2,113 Volunteer Hours (valued at \$67,040)
- 78 Volunteer Events
- 475 Yard Trees Distributed
- 11 Parks in Restoration
- 14 Forest Stewards
- 26 City Council and Community Meetings
- 4,339 Paid Youth Crew Hours (valued at \$134,459)

Community Capacity Building Consultant

In Summer 2022, Port staff brought on Siliana Consulting LLC (Siliana) to support the Community Capacity Building and outreach efforts with organizational partners in both Economic Recovery and Environmental. Siliana is continuing to lead the community liaison program, outreach to community reviewers, conduct workshops to support community-based organizations, and support media and outreach opportunities for the SKCCIF. Furthermore, they provide wrap-around services, like food, transportation, childcare, stipends, and other needs for our community partners when conducting Port related events and programming.

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Both the Economic Recovery Program and the Environmental Grants Program hold information sessions before the Request for Proposal is launched. These sessions are open to potential applicants through invitations, press releases, the Port website, and direct outreach with the Siliana team.

South King County Community Engagement

- The local city engagement efforts, specifically with the six near airport cities of Burien, Des Moines, Federal Way, Normandy Park, SeaTac, and Tukwila, have allowed greater partnership building to support our organizational partners. As an example, the SKCCIF team presented to the Highline Forum in September providing an update on the projects funded and an update on the open Cycle 4 Environmental RFP. We also have cultivated relationships with City parks and recreation department teams to ensure we are working together to increase awareness of SKCCIF. City Council Presentation tours are also another way for local cities to engage with the Port.

Environment and Jobs Symposium

In 2020 and 2022, the Port hosted the annual Environmental Symposium and in 2023, we hosted the first South King County Environmental and Jobs Symposium, which focused on building partnerships with both community members and partners in economic recovery and environmental. Through great outreach, speaker presentations, and tabling we were able to attract almost 130 attendees and partner organizations to learn about exciting and innovative projects happening in the surrounding communities. The event featured speakers from youth-led projects, immigrant and refugee led programs, city and county partners, and Port staff presenting on current Port programs.

ATTACHMENTS TO THIS REQUEST

- 1) Findings and Recommendations
- 2) Presentation

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

- 1) November 16, 2021- Order 2021-12 to rename the South King County fund and to direct the Executive Director to review the Port's South King County Fund grant program prior to the end of the program to assess the programs impacts; to develop recommendations on the future of the program and possible extension.
- 2) November 9, 2021- Multi-year program authorization increase request for the South King County Fund
- 3) July 27, 2021 – The Commission authorized \$2 million for the South King County Fund for 2021.

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- 4) April 28, 2020 – The Commission approved Motion 2020-10 to add economic development to the permissible uses for the South King County Fund, in support of local recovery from the COVID-19 pandemic.
- 5) June 25, 2019 – The Commission approved Motion 2019-10, adopting principals to guide outreach and development of the South King County policy.
- 6) November 27, 2018 – The Commission approved Motion 2018-14, establishing the South King County Fund.

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

April 28, 2020 | Motion 2020-10

The Commission to add economic development to the permissible uses for the South King County Fund, in support of local recovery from the COVID-19 pandemic.

June 25, 2019 | Motion 2019-10

The Commission adopting principals to guide outreach and development of the South King County policy.

November 27, 2018 | Motion 2018-14

The Commission directing the Executive Director to designate funding in the 2019-2023 plan of finance for South King County communities.

November 22, 2016 | Motion 2016-5

The Port Commission directing the creation of an Airport Community Ecology Fund to support projects and programs in Sea-Tac Airport-area communities to improve ecological and environmental attributes in airport-area communities.

Summary of South King County Community Impact Fund *Evaluation Findings and Recommendations*

Background

The South King County Community Impact Fund (SKCCIF) was created in 2018 to provide funding to non-profit organizations that support environmental health, sustainability, and economic recovery, primarily in near-airport communities. The program has been successful in advancing its goals and, as we near the completion of the fund's initial investment of \$10 million, the Port hired Contacto Consulting in November 2022 to evaluate what has worked and areas for improvement to support future decision making. This provides a high-level overview of their findings and recommendations from a combination of community and Port staff engagement.

The consultant's assessment included literature and internal document review, examination of similar funds at other ports across the country, an online survey to community partners, a visioning session with community members, and in-depth qualitative interviews with 25 key internal and external constituents. Participants included applicants (funded and non-funded), community reviewers, consultants, Port Commissioners, ELT members and staff. The consultant's review focused on four areas:

- Current state. Is there clarity about the intent of SKCCIF?
- Reaching communities. How can SKCCIF improve its connections with target communities?
- Equity. How can SKCCIF make the process more accessible and equitable?
- Vision. What could the future of the SKCCIF look like?

SKCCIF Mission, Vision, and Goals

Mission: The Port removes systemic barriers and enhances the quality of life for structurally excluded communities. We do so by increasing access to living wage jobs in Port-related industries, improving public spaces, and investing in community-led projects.

Vision: The SKCCIF is a model for partnerships that address structural inequities, creates thriving communities, and advances equity for all.

Goals:

- Invest in near-airport cities to enhance livability, improve green spaces, and restore urban forests.
- Support development of skills, experience, and education to secure living wage jobs at the Port and to develop the next generation of workers in Port-related industries.
- Foster economic development pathways that provide training and assistance and help small and women and minority owned businesses to fully compete for Port contracts.
- Advance equity, diversity and inclusion in Port programs and community investments.

Results of the first four years of funding:

Economic Recovery Program (Cycle 1 through Cycle 3)

Projects Funded	28
Apprenticeship and Pre-Apprenticeship Placements	239* Aviation: Nucor, Boyd Corp, Three Sigma, Hill Aero, Maritime: Seattle Goodwill Youth Maritime, Pacific Yacht Mgmt., Vigor, Center for Wooden Boats, UW Ocean Labs Construction: ANEW, PACT (pre-apprentice construction training) Green Jobs: Shere Solar Energy, Youth Build
Internship Placements	130* Maritime: Port of Seattle Maritime, Youth Maritime Accelerator, Launch 206, Seattle Parks and Recreation, Basta Boatlifts Aviation: American Structures & Design, Automatic Products, Renton Coil & Spring, Aero-Plastics and Out of the Box Manufacturing Construction: Pacific Steel Group
Job Placements	528* Aviation: VIP Hospitality, HMSHost, Discovery Health, TransWest, McGee Air Services. Delta and Alaska Airlines Maritime: Harbor Freight, SSA Marine, Tote Marine, Mid Sound Fisheries, WA Conservation Corps. Construction: Sunset Rebar, Riverside Steele, R&D Masonry
Business Partners	52* HMSHost, Discovery Health, TransWest, McGee Air Services. Delta and Alaska Airlines, Worldwide Flight Services, Prime Flight Aviation Services, Concessions International; SCIS Air Security; FedEx; ABM – Aviation; Terminal Spa Getaway, McGee Air Services, Keller Meyers Janitorial, Mid Sound fisheries, Basta Boatlifts, Machinist institute,
Starting salary	\$19.06-\$34.00 per hour
Dollars Awarded	\$5,235,970

*Cycle 3 projects started in June 2023, and are not included in these totals.

Environmental Program (Cycle 1 through Cycle 3)

Projects Funded	37
Trees Planted	664*
Total Volunteer Hours	3,420*
Total Education and Training Hours	3,020*
Total Dollars Awarded	\$930,717

*Cycle 3 projects will complete their six-month progress reports in November 2023, therefore their improvements are not included in these totals.

Program Area	Funds allocated to date
Economic Recovery	\$ 5,235,970
Environmental	\$ 930,717
WMBE /Small Business	\$ 760,000
Capacity Building	\$ 400,000
Total funds allocated	\$ 7,326,686
Cycle 4 funds available	\$ 2,739,715

Accomplishments, Findings, and Recommendations:

Key Accomplishments:

- Introducing community-based organizations to the Port and its operations while increasing support and capacity building for small grassroots organizations.
- Make the application process more accessible (multiple languages) and consolidate content into one form.
- Allow organizations to submit a proposal in their language of preference.
- Offer a “first time applicant” workshop and multiple community information sessions to increase participation.
- Supported multiple organizations to develop new workforce and job training programs and increasing the opportunities for community organizations to expand their services for people living in South King County.
- Introducing many new communities and organizations to the Port and its operations who had no [previous relationship to the organization while increasing support and capacity building for small grassroots community organizations.
- Offering multi-year (up to 3 years) funding to allow for community organizations sustainable income streams to better carry out their scope of work and mission in their communities.
- Changing policy at the state level that mandated contracts with community organizations required a financial match from 3:1 to 2:1.
- Allowing community members to review project applications throughout the entire approval process.
- Releasing 25% of the yearly funding will be provided within 30 days of the start of contract to enable community organizations to ramp up projects more quickly.
- Consistent RFP schedules for the Economic Recovery and Environmental grants to provide more access to community partners.

Findings and Recommendations for the future: While we made significant progress since the launch of the fund five years ago, we heard from community members and partners about their recommendations for the future fund's future.

1. Increase opportunities to collaborate with community partners in South King County.

- Incorporate feedback from the program's ecosystem (i.e., community organizations, program participants, young people, cities, potential employees, vendors, neighbors, customers, employers, other funders) about how the Port's investments advance the environmental and economic opportunity goals of their communities.
- Provide multilingual and multicultural capacity building support to diverse near-airport communities to strengthen community partnerships within SKCCIF activities. This includes: community reviewers, liaisons, and project applicants.
- Collaborate with other funders to pool resources and provide more comprehensive support to participants, particularly for smaller CBOs.

"We need to look at, from an equity perspective, how are we helping smaller CBOs grow by providing them these financial resources. They may not have the perfect grant application to begin with, but the work they're trying to do is solid." – Port of Seattle staff member

2. Improve program accessibility by creating authentic pathways for community engagement and by nurturing partnerships with aligned stakeholders.

- Increase the number of community reviewers on each cycle, grant them voting rights and clarify their role and Port expectations.
- Leverage the Port's investment in historically under-resourced communities.
- Explore an expanded definition of Port-related jobs.

"I wish that there was more of an emphasis on partnerships. Because there are a lot of small, teeny tiny nonprofits who couldn't really apply for the Fund because they wouldn't have all the help they would need to fulfill the grant. But if they partnered with other organizations that would be really beneficial for both organizations, not just from a volunteer standpoint but also a monetary standpoint." – Community member

3. Continue to track impact, develop metrics for success and more effectively tell our story of our success via -paid, earned and social media.

- Increase coordination with other Port-related community engagement efforts supporting Workforce Development, Economic Development and Environment and Sustainability

- Create a story bank of qualitative data from funded partners to promote the community impact of their projects.
- Track quantitative metrics such as the number of jobs created, people trained, volunteer hours, trees planted to demonstrate the investments in the community.
- Utilize the Port’s Equity Index to invest in community-driven solutions.

“The Fund needs to create some ecosystem around conversations on who's got funding, what impact it had in the community, what communities were impacted.” Community member

“Having a way to showcase us and others working in the apprenticeship community is something that their employer partners can utilize.” – Community member

4. Simplify the application process to increase the diversity of applicant pool.

- Continue to make the application process more accessible through multiple languages and a simple one-page application form.
- Allow organizations to submit a proposal in their language of preference.
- Continue offering a “first time applicant” workshop and multiple community information sessions to increase participation.

“Would love to see more organizations come to the table: provide more resources, provide a level of support needed in order for new organizations to be able to meet Port requirements.” - Community member

5. Implement equitable contracting practices that put community organizations on a path to success.

- Maintain offering the initial investment of 25% of the annual funding will be provided within 30 days of a signed contract.
- Continue offering technical assistance in different languages or have interpreters if in-language training is not possible.
- Maintain the multi-year funding approach to allow more flexibility for CBOs.

“Focus on training and education about what the Port does to meet and provide folks with the ability to give us better applications. We need education around what we can and can't do, and within the scope of that, how can we be more impactful.” - Community member

“The Port is using a very large procurement for relatively small amounts of money in the Port scale of revenue. The way they are asking all of us to apply, and the steps and the time that has to be spent is actually more labor and cost intensive for the amount of funding that is. And there are steps in the process that potentially, especially if you're a smaller organization and you serve a very local area, you may have to actually contract out someone to help you with writing, with the accounting or other

aspects of the Port requirements. It would be useful if there was a different process that the Port could use within their system.” –Community member

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South King County Community Impact Fund (SKCCIF)

Bookda Gheisar, Senior Director

Office of Equity, Diversity and Inclusion

Pearse Edwards, Senior Director

External Relations

Ilays Aden, Program Coordinator

External Relations

Guadalupe Torres, Community Investments Manager

Office of Equity, Diversity and Inclusion



Presentation Agenda

- Program Background
- Financial Update
- Community Led Projects
- Process Improvements
- Evaluation and Assessment
- Key Findings and Recommendations
- Q & A



SKCCIF Mission & Vision

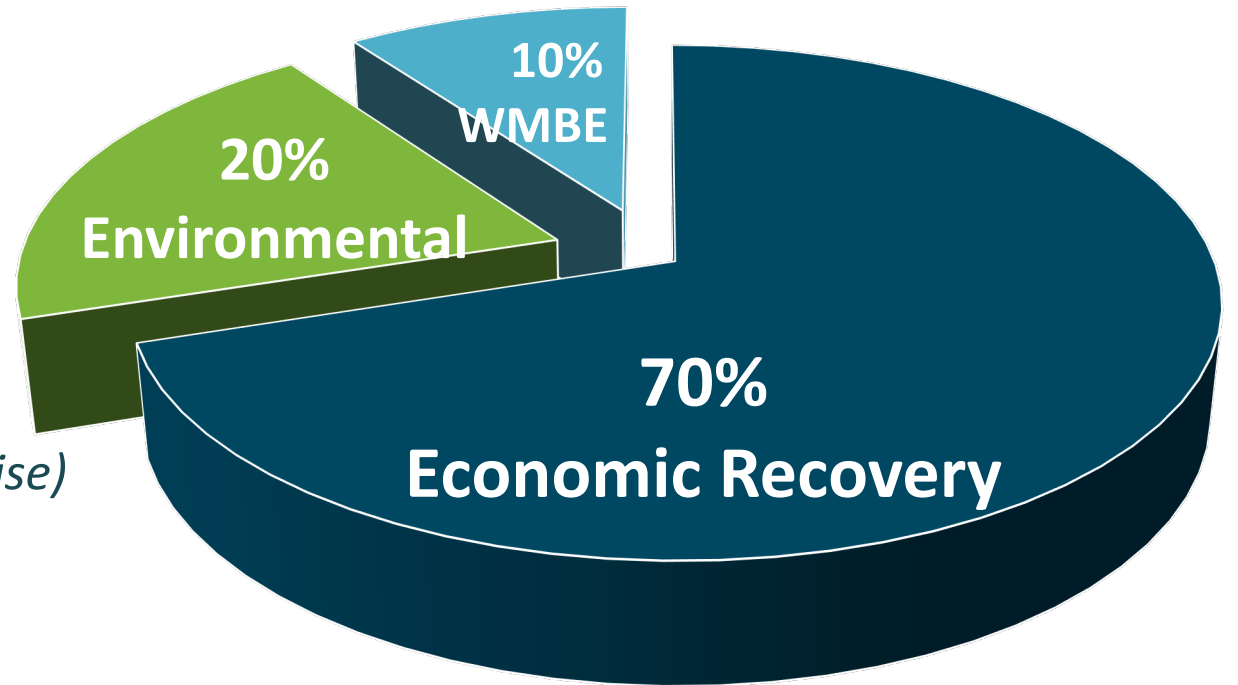
Mission: The Port removes systemic barriers and enhances the quality of life for structurally excluded communities. We do so by increasing access to living wage jobs in Port-related industries, improving public spaces, and investing in community-led projects.

Vision: SKCCIF is a model for partnerships that address structural inequities, creates thriving communities, and advances equity for all.



Program Background

- \$10 million investment over 5 years
- Three primary programs:
 - Economic Recovery
 - WMBE (*Women, Minority, Business Enterprise*)
 - Environmental Grants



South King County Community Investment Fund

Programs	Projects Awarded	Amount Allocated	Cash disbursed as of August 2023
Economic Recovery	28 Projects	\$5,200,000	\$1,935,120
Environmental	37 Projects	\$930,000	\$276,830
WMBE Support	7 Projects	\$760,000	\$590,236
Community Capacity Bldg.	Siliana Consulting	\$400,000	\$86,061
Cycle 4 (In progress)		\$2,710,000	
Total		\$10,000,000	\$2,888,247

Overview – Economic Recovery

Workforce Training Programs in

Port-related Industries:

- Aviation
- Maritime
- Construction & Trades
- Green Jobs/Career

Funding options:

One-Year: \$20K – \$100K

Multi-Year (2-3 years): \$60K - \$250K

Who can apply:

Nonprofit organizations (501(c)3)

Chamber of commerce (501(c)6)

Community groups with a “fiscal sponsor”



Economic Recovery	Cycle 1 (2021)	Cycle 2 (2022)	Cycle 3 (2023)	Total to Date
Projects Funded	10	12	6	28
African Chamber of Commerce		Asian Counseling & Referral Services – ACRS	World Relief Seattle	
African Community Housing & Development		CARES of Washington	El Centro de La Raza	
Businesses Ending Slavery & Trafficking - BEST		Chief Seattle Club	Evergreen Goodwill	
Aerospace Joint Apprenticeship Committee		Partner in Employment	BIPOC Apostrophe	
Welcome Back Center – Highline College		WA Maritime Blue	Serve Ethiopians	
Your Money Matters Mentoring		Neighborhood House	Casa Latina	
Boys and Girls Club of King County		Key Tech Labs	Latino Civic Alliance	

Partner Sharing: Pathways to established pre-apprenticeship training programs

Latino Civic Alliance

Building Future Industry Leaders (BFIL) Program

32 Pre-apprenticeship placements in Construction and Aviation



Measuring progress towards Economic Recovery (outcomes)

Measures	Outcome
Projects funded	28
Apprenticeship and Pre-Apprenticeship Placements	130
Job Placements	528
Business Partners	52
Starting Salary range	\$19.05 - \$34.00 per hour

“I worked at a restaurant when I first came to PIE. My language was limited. However, I was helped to find a good job, learn English, and establish a good life in the US. Now, I’m confident at my job and with my language skills”.

“Port funding helped to anchor a new partnership between AJAC and Green River College (launched in July 2022) and is also helping to expand access to manufacturing academy training facilities in South Seattle (South Seattle College Georgetown campus) and Bates Technical College for South King County residents.”

WMBE/Small Business Support Programs

➤ Interlocal Agreement (ILA): Highline College Small Business Development Center (SBDC)

(mentorship & trainings)

- 68 Training Classes; 816 Attendees

➤ Advanced PortGen Workshop Series

(6-week program focusing on government contracting fundamentals)

- Over 200 businesses have participated in Series

➤ PortGen: Business Accelerator Mentorship Program

(Intense 10-week training program providing a selected cohort group with robust curriculum and one-on-one industry mentorship)

- 33 Cohorts participated

Overall Outcomes:

- Direct support of WMBE businesses in South County - English as a Second Language (ESL) support
- Business Development through Workshops
- Enhanced understanding of contracting with the Port
- Expansion of Port's Vendor Connect supplier database of WMBE businesses
- Increased WMBE Businesses pursuing Port contracts as a Prime or Subcontractor
- Continued Partnership through ILA with SBDC with Soundside Alliance cities

Environmental Grants Program Overview

- Projects must have a public improvement
- Projects can be funded up to \$20,000 per year
- Multi-year projects are available for up to three years at \$60,000
 - Supports sustainability of longer-term projects
- Projects include community gardens, art installations, park restoration, and tree plantings



Environmental Program Cycle 2 Projects

Burien	Des Moines
Weed Warriors	Friends of Saltwater State Park
Earth Corps (Multi-Year)	Tukwila
Dirt Corps (Multi-Year)	Bhutanese Community Resource Center
Amigos Latinos de Burien	The Service Board (Multi-Year)
Mountains to Sound Greenway Trust (Multi-Year)	SeaTac
Toros Cycling Club	Serve Ethiopians Washington (Multi-Year)
Environmental Science Center (Multi-Year)	Multiple Cities
Normandy Park	Partner In Employment (Multi-Year)
Friends of Normandy Park	Tilth Alliance (Multi-Year)
Federal Way	EarthGen (Multi-Year)
African Young Dreamers Empowerment (Multi-Year)	Des Moines Memorial Drive Preservation Assoc.
Federal Way Korean American Association (Multi-Year)	

Environmental Program Cycle 3 Projects

Congolese Integration Network

Friends of Normandy Park Foundation

Key Tech Labs

New Start Community Garden

Valley Kangaroo Rugby Club

Environmental	Cycle 1 (2021)	Cycle 2 (2022)	Cycle 3 (2022)	Total to Date
PROJECTS FUNDED	14	18	5	37

Environmental Partner Sharing: Stewardship Model

Serve Ethiopians of WA

“The Port’s Environmental Grants Program helps to meet our immigrant and youth community needs by funding outdoor activities in habitat restoration and planting, engaging in training programs, and helping to fund park language access and signage needs. We have been fortunate to work closely with the Port and the City of SeaTac to make our parks are more accessible, safer, and healthier for all to enjoy.” -

Armaye Eshete, Executive Director, Serve Ethiopians of Washington.



Environmental Improvement Project Outcomes

- Funded Projects to date: 37
- Trees Planted: 654
- Volunteer Hours: 2,935
- Educational and Training Hours: 3,176
- Green City Partnership
 - SeaTac, Burien and Des Moines
 - 2,765 Plants and Trees
 - 2,113 Volunteer Hours



Process Improvements

- Multi-year funding with a broader range of funding amounts, providing a minimum and maximum
- Community reviewers participate for entirety of consensus process
- Investment funds: 25% of the yearly funding will be provided within 30 days of the start of contract for Economic Recovery
- Consistent RFP release dates
- Increased the number of informational and technical sessions
- Drove policy change lowering the mandate match from 3:1 to 2:1

Community Capacity Building and Outreach

- Capacity building for Community Based Organizations
- City and civic engagement
- Continuation and expansion of the Community Liaison Program and Community Reviewers
 - 12 Liaisons and 10 Community reviewers to date
- Storytelling, support and networking opportunities through info sessions and events
- Environmental and Jobs Symposium
- Pathways to working with the Port



SKCCIF Evaluation and Assessment

Order no. 2021-12

- Hired Contacto Consulting for a review and analysis of processes and systems
- Conducted:
 - Comparison to similar funds at other ports
 - 25 qualitative interviews with key internal, external stakeholders
 - Online surveys
 - Community visioning sessions

Recommendations

1. Increase opportunities to collaborate with community partners in South King County.
2. Improve program accessibility by creating authentic pathways for community engagement and by nurturing partnerships with aligned stakeholders.
3. Continue to track impact, develop metrics for success & more effectively tell our story of our success via -paid, earned and social media.
4. Simplify the application process to increase the diversity of applicant pool.
5. Implement equitable contracting practices that put community organizations on a path to success.

THANK YOU!

Questions



RETURN TO AGENDA

**COMMISSION
AGENDA MEMORANDUM**

Item No. 11b

BRIEFING ITEM

Date of Meeting October 10, 2023

DATE: September 20, 2023

TO: Stephen P. Metruck, Executive Director

FROM: Stephanie Jones Stebbins, Managing Director, Maritime Division
Dave McFadden, Managing Director, Economic Development Division
Kelly Zupan, Director, Seaport Finance and Budget

SUBJECT: **2024 Maritime and EDD Operating and CIP Budgets Briefing**

EXECUTIVE SUMMARY

The purpose of this briefing is to discuss with the Commission the 2024 preliminary operating and CIP budgets for Maritime and Economic Development Divisions. Staff would also like to seek the Commission's feedback on the preliminary budgets.

This is one of a series of budget briefings to the Commission starting from early June. Staff also plans to discuss the three operating division operating and capital budgets on October 10, 2023 and the Tax Levy and Draft Plan of Finance on October 24, 2023 prior to the formal Commission reviews and approvals of the 2024 budget in November.

ATTACHMENTS TO THIS BRIEFING

- (1) Presentation slides

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

- October 10, 2023 – Aviation Division CIP and Operating Budgets Study Session
- September 26, 2023 – 2024 Central Services Preliminary Budget and Portwide Rollup Briefing
- July 25, 2023 – 2024 Budget Development Briefing
- July 24, 2023 – Commission Budget Retreat – Part II
- June 29, 2023 – Commission Budget Retreat – Part I



Item Number: 11b supp
Meeting Date: October 10, 2023

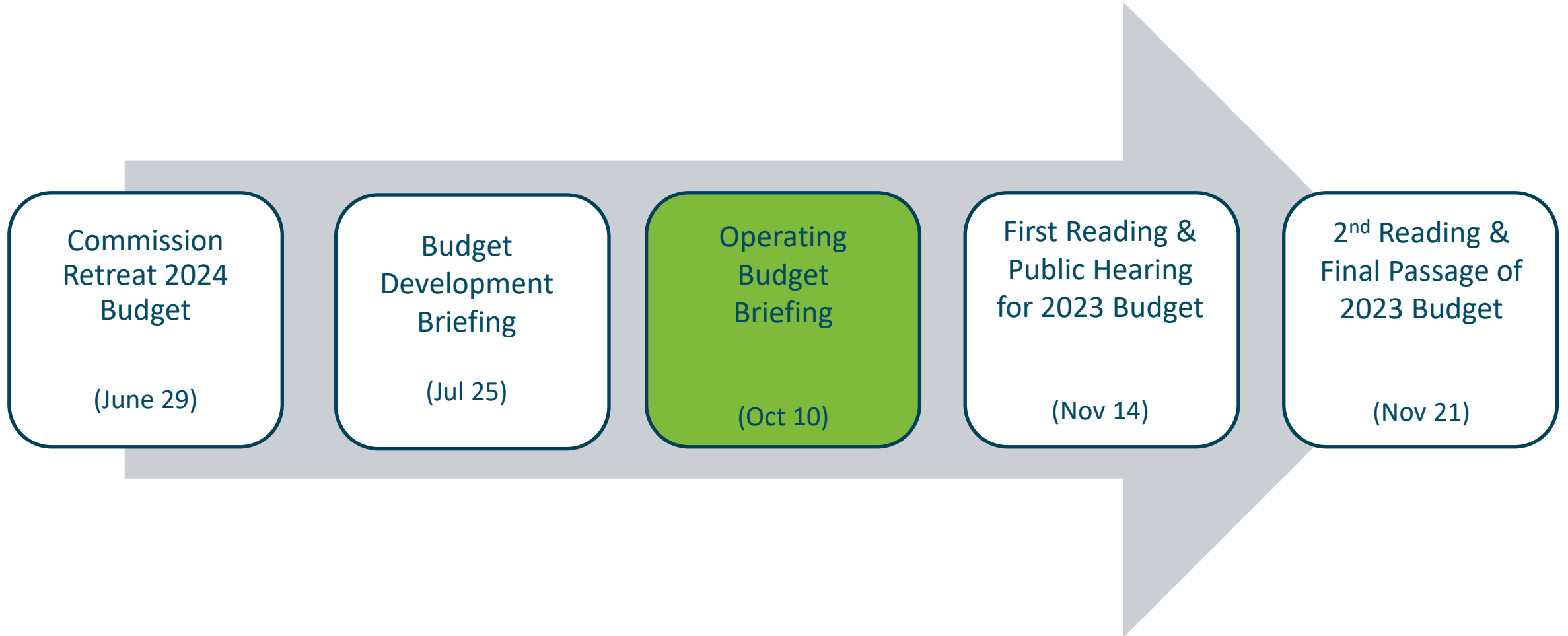


Seaport Operating Budgets & Capital Improvement Plan

2024 Preliminary Budget | October 10, 2023



2024 Division Budget Timeline



Agenda

Operating Budgets

- Maritime Division including:
 - Joint Venture
 - Stormwater Utility
- Economic Development Division
- Rollup of Seaport (Non-Aviation)

Capital Improvement Plan (CIP)

- Maritime
- Economic Development
- Joint Venture

Note: Northwest Seaport Alliance CIP to be presented 10/27

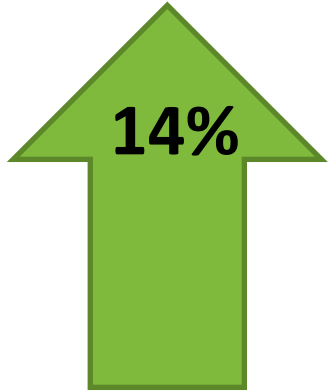
Maritime Division



2024 Preliminary Budget

Oct 10, 2023

Bottom Line Up Front: On Path to Self-Funding

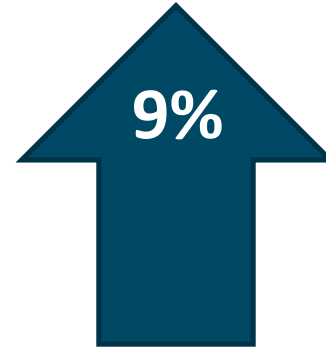


REVENUE

at \$86.1M up \$10.3M or
14% from 2023 Budget

Drivers:

- Cruise Occupancy
- Recreational Boating
- T106 Warehouse Lease
- Lower Grain Volumes



EXPENSES

at \$72.3M, up 9% or
\$6.2M from 2023 Budget

Drivers:

- Environmental Programs
- Port workforce
- Planning Department
- Inflation

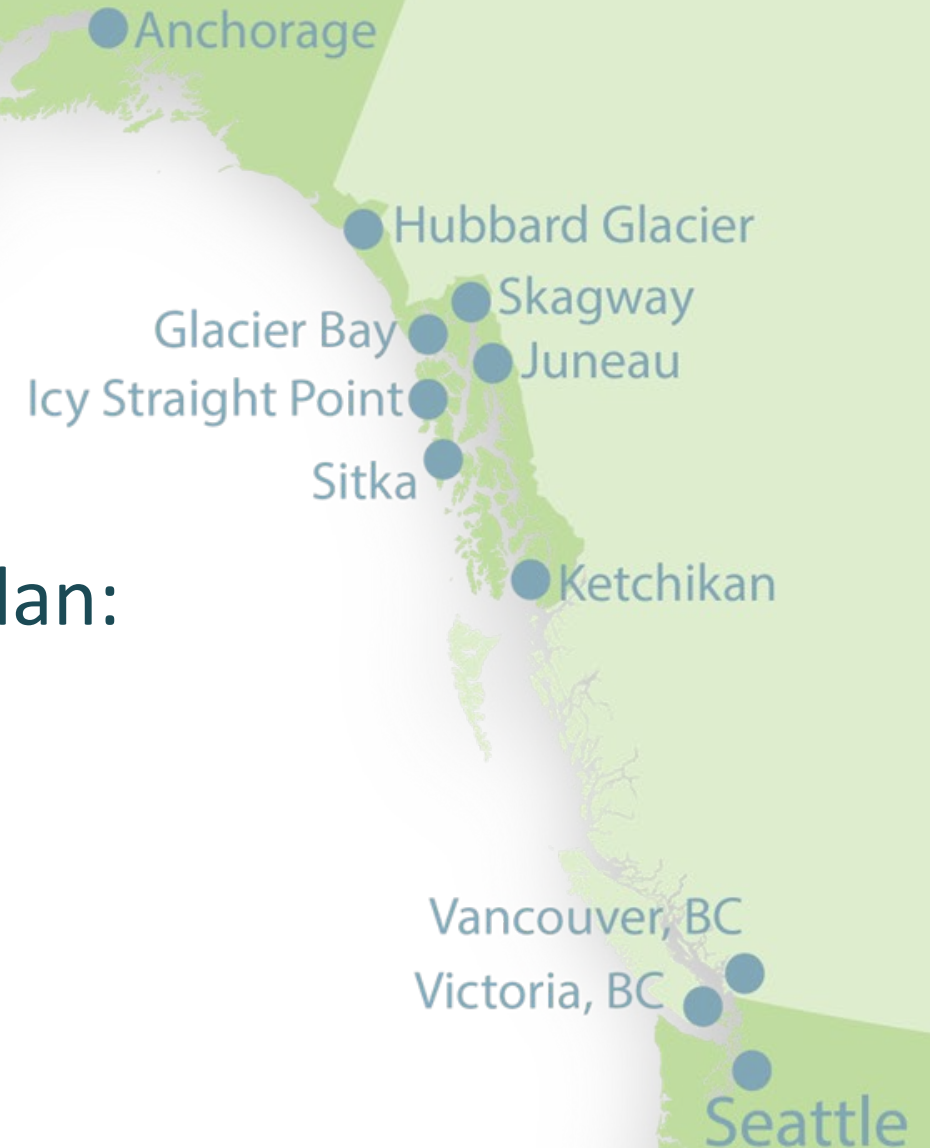
2024 Maritime Business/Budget Drivers

- Support long-term sustainable financial picture for Maritime Division
- Capital Delivery Process
 - Structure & resources to deliver growing CIP



2024 Maritime Business/Budget Drivers

- Advance Green Corridor Initiative
- Finalize & begin implementing Parks Management Strategy
- Implement Maritime Clean Air Action Plan:
 - Expand Shore Power
 - Develop & Implement Fleet Strategy



SWOT Analysis – Maritime Division



- Cruise leadership in green Port initiatives
- Diverse and desirable maritime & industrial properties
- Relationships with regulatory agencies and tribes
- PM team with industry experience and institutional knowledge, and strong ability to collaborate internally and externally.

- Cruise terminals require updates to remain competitive.
- Outdated processes lead to inefficiencies.
- Absence of clear strategic framework or master planning leads to unplanned and emergent work.
- Workload is straining capacity for some teams.

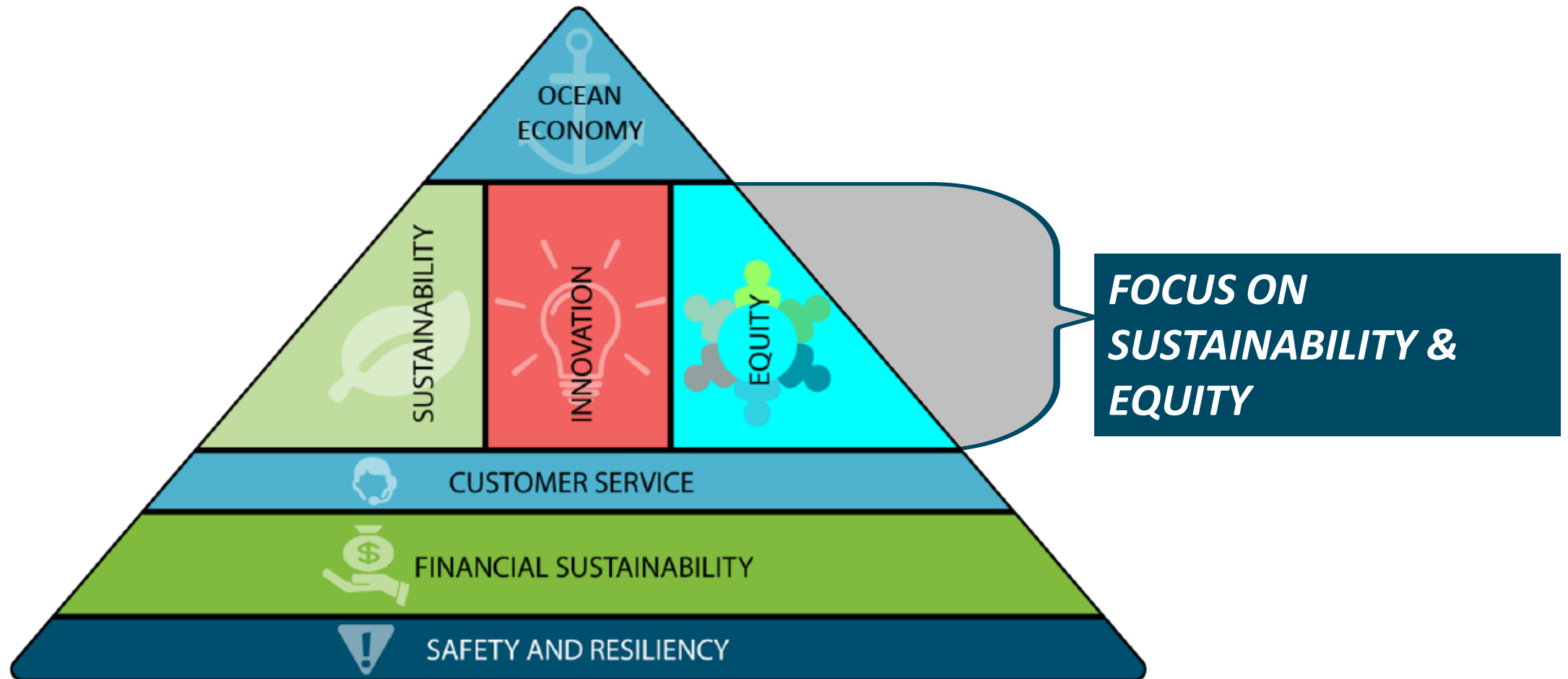
- Opportunity to include EDI/ENV priorities in agreements.
- Prepare the utility grid and plan for the future = resiliency.
- Maritime innovation initiatives can generate demand for space
- Strategic risk-based Asset Management that feeds capital investment decisions

- Lingering community concerns with cruise business lines
- Continued swings in cost predictability and supply chain impact project implementation.
- Rising security and safety incidents for port properties and our customers

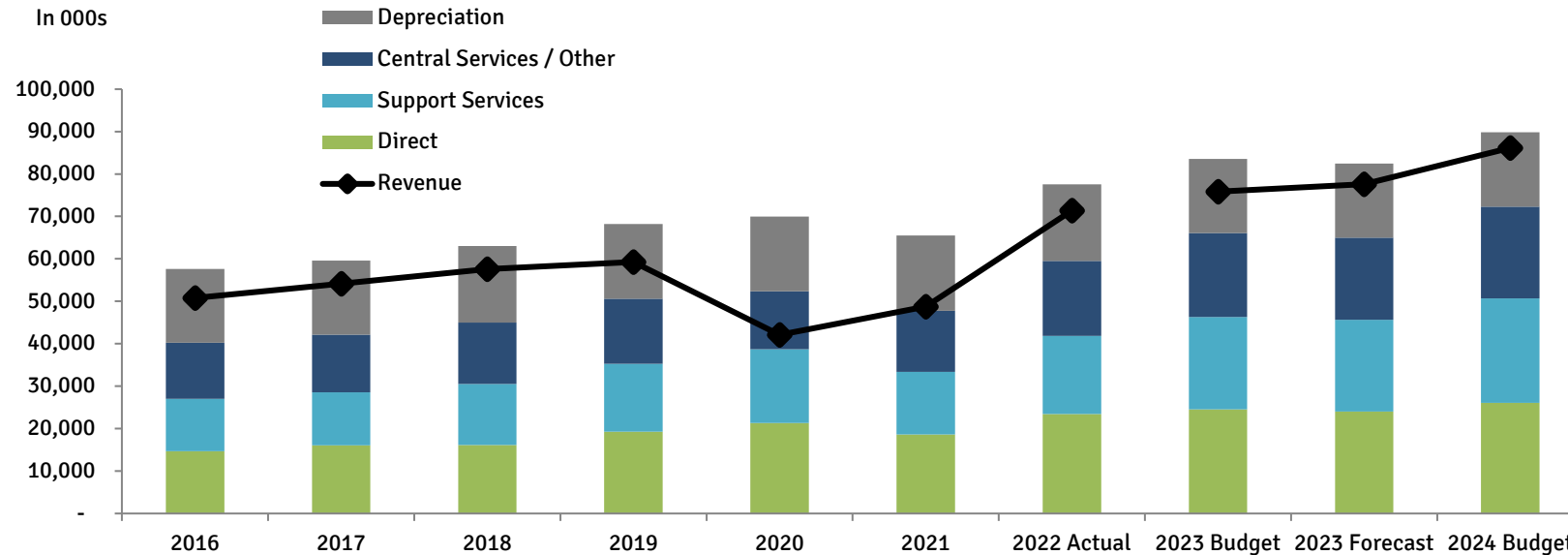
2024 Equity in Budgeting Highlights

- **Continued funds for Park Strategy Outreach** to increase community engagement and begin implementation of Parks Management Strategy.
- Added funding for external **Equity, Diversity & Inclusion Certification** for team members.
- Increased sponsorships that **support workforce development.**
- Outside services contracts and service directives have a **15-20% WMBE Goal.**
- Equitable **professional development/training** incorporated across all budgets.

Maritime Priorities 2024



Maritime Division Financial Trends



Growth Rates Since 2016

Revenue 70%

**Direct Expenses 78%*

Support Services 99%

Central Services 63%

Total Operating Exp. 80%

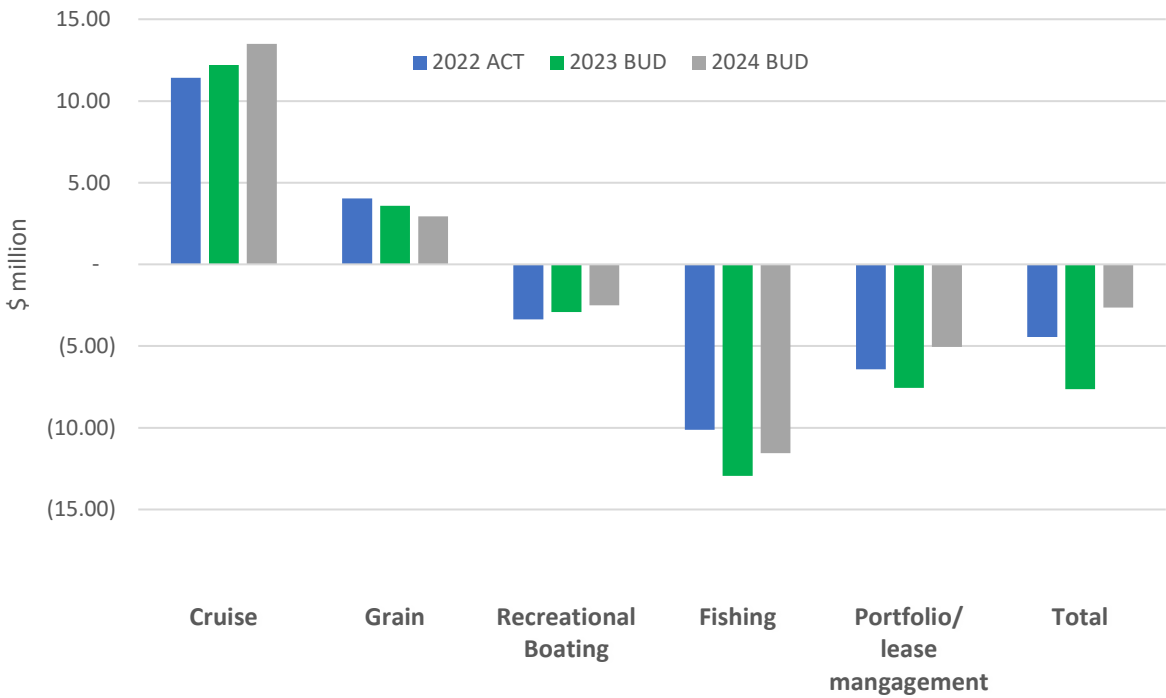
Depreciation 1%

** Would be 64% absent T46*

- Cruise and T106 ground lease lifting division to nearly break even when excluding T46 lease.
- Revenues up 14%. Anticipated to return to a normalized 3-7% growth in 2025.
- Expenses up 9% from payroll increases and annualization of 2023 new hires.

Maritime Net Operating Income (NOI) by Business

NOI Including Depreciation



Net Operating Income:

- NOI after Depreciation up \$4M from 2023 Budget.
- Cruise and the Grain Terminal income funds the other businesses and environmental initiatives.
- We are evaluating appropriate long term funding target to align business strategies and realities.

Maritime Revenues

- Overall planning a \$10.3M annual increase, or 14% above 2023 budget.
- Cruise budgeted at 100% occupancy on 276 sailings with 1.66M passengers.
- Grain Terminal volumes projected to be down 14%.
- Maritime Real Estate up 25% from T106 ground lease.

Recreational Marinas & Commercial Operations.

- Moorage, Service, Equipment, Storage rate increases:
 - Commercial Fishing & Maritime: 5%
 - Recreational Boating:
 - ≤ 42': 7%
 - Guest: 10%
 - >42': 12%
 - Salmon Bay Marina: 7%
 - Services: 10%

\$ in 000's	2019	2020	2021	2022	2023	2023	2024	Change from 2023	
	Actual	Actual	Actual	Actual	Budget	Forecast	Proposed Budget	\$	%
Ship Canal Fishing & Operations	3,929	4,704	4,240	4,592	4,555	4,855	4,984	429	9%
Elliott Bay Fishing & Commercial Operations	6,095	5,752	5,618	5,975	5,253	5,453	5,731	478	9%
Recreational Boating	12,484	12,611	12,851	13,978	15,591	15,591	16,468	876	6%
Cruise	22,410	3,824	9,517	30,469	34,445	37,445	41,057	6,611	19%
Grain	4,266	5,142	6,112	5,792	5,814	3,814	5,191	(623)	-11%
Maritime Portfolio Management	10,108	10,074	10,392	10,550	10,192	10,392	12,697	2,505	25%
Other	(3)	4	7	10	24	24	4	(20)	-85%
Total Revenue	59,289	42,111	48,738	71,365	75,875	77,575	86,132	10,256	14%

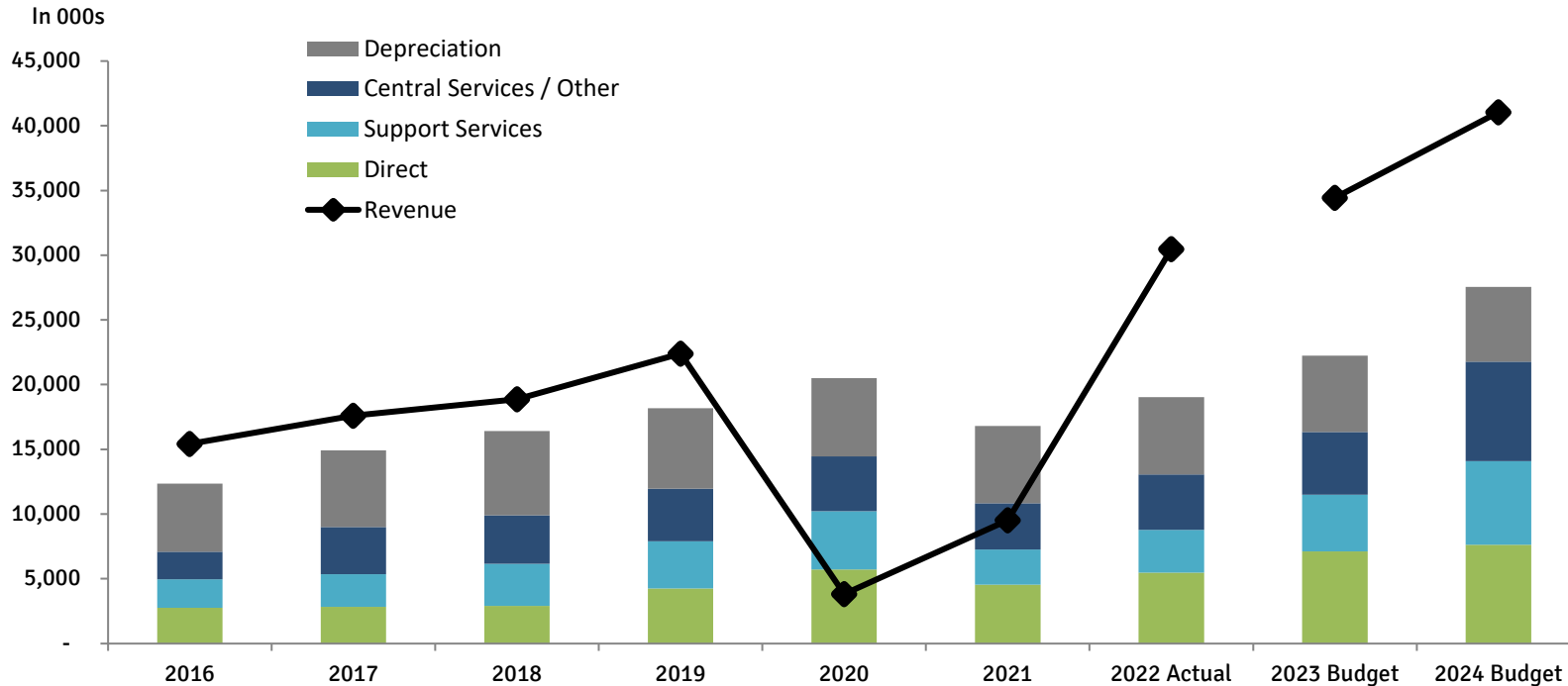
Maritime Expenses

- Up 9% Compared to 2023 Approved Budget
- Direct Expenses up \$1.5M: Planning Dept Strategy.
- Support Services up \$2.8M from increases: 1.) Maintenance, 2.) Environmental, and 3.) Less Charges to Capital.
- Central services up \$1.9M from 2023. Increased payroll cost and slightly higher standard allocation hitting Maritime.
- FTE's – 5 New; Supporting Environmental Maintenance, Capital Development, and Fishermen's Terminal.

	2019	2020	2021	2022	2023	2023	2024	Change from 2023	
\$ in 000's	Actual	Actual	Actual	Actual	Budget	Forecast	Proposed Budget	\$	%
Expenses									
Total Direct	19,318	21,329	18,621	23,416	24,566	24,066	26,113	1,547	6%
Total Support Services	15,978	17,414	14,738	18,426	21,771	21,571	24,566	2,795	13%
Total Central Services / Other	15,309	13,614	14,426	17,714	19,783	19,336	21,653	1,870	9%
Total Expense	50,605	52,357	47,784	59,556	66,121	64,974	72,332	6,211	9%

*Note: Actual excludes pension adjustments and 2019 does not include \$2M payment to NWSA for T46.

Cruise Operations



Compared to 2023 Budget

Revenue up \$6.6M / 19%

- 100% occupancy
- Tariff increases from 6% - 8%
 - Weekend vs midweek rate

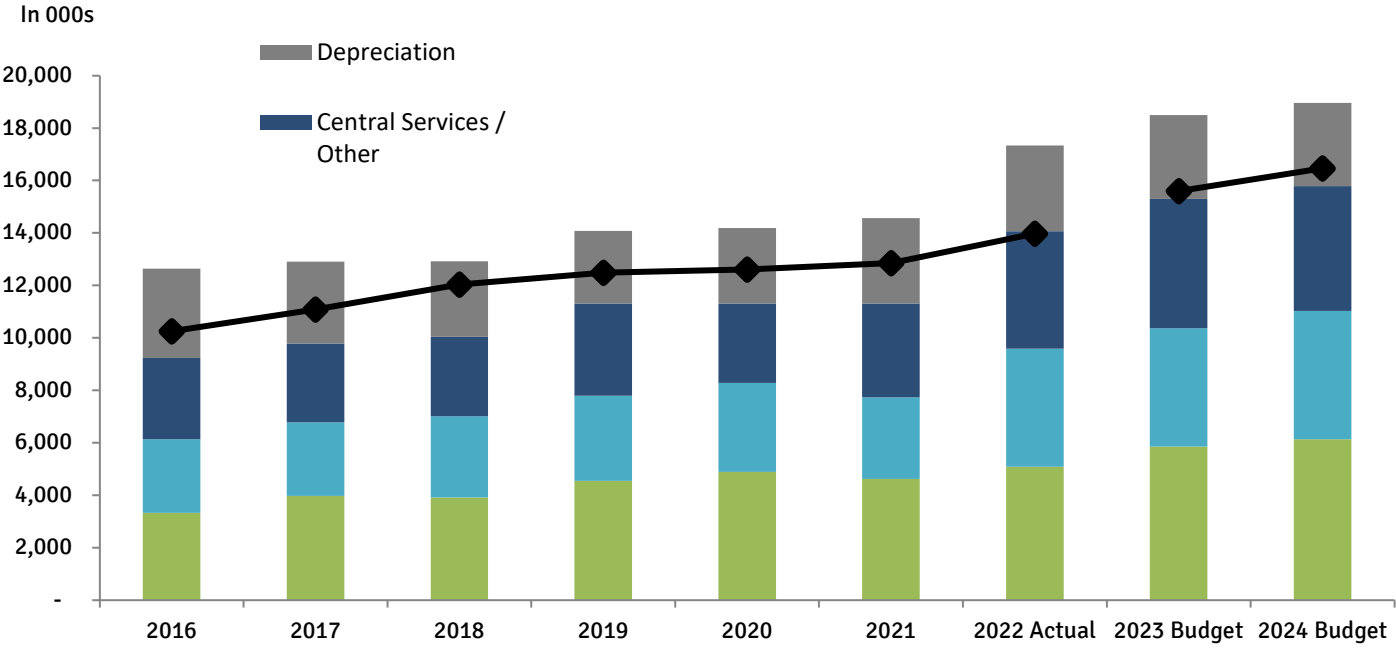
Direct Expenses up \$531K / 8%

Support Services up \$2,054K / 47%

Central Services up \$2,837K / 59%

Depreciation down \$114K/2%

Recreational Boating

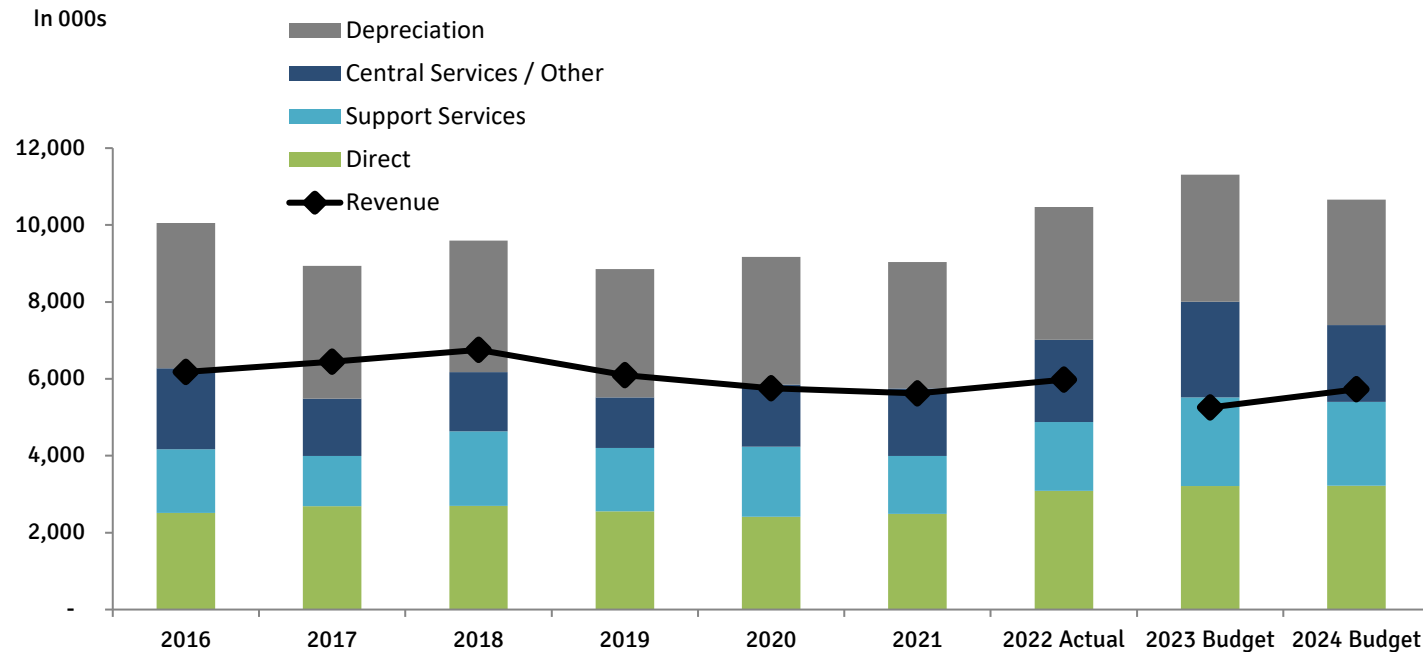


Compared to 2023 Budget

- Revenue up \$876K / 5.6%
 - Shilshole Bay Marina rate increase
 - 7% (<=42'),
 - 10% (Guest), and
 - 12% (>42')
- Direct Expenses up \$280K / 5%
- Support Services up \$378K / 8%
- Central Services down \$169K / -3%
- Depreciation down \$22K / -1%

• Includes waterside of Shilshole Bay Marina, Bell Harbor Marina, Harbor Island Marina.

Elliott Bay Fishing & Commercial Operations



Compared to 2023 Budget

Revenue up \$478K / 9%

- 5% rate increase for moorage
- 10% service, equipment rental and
- 3% tariff rate increase 2024

Direct Expenses up \$7K / 0%

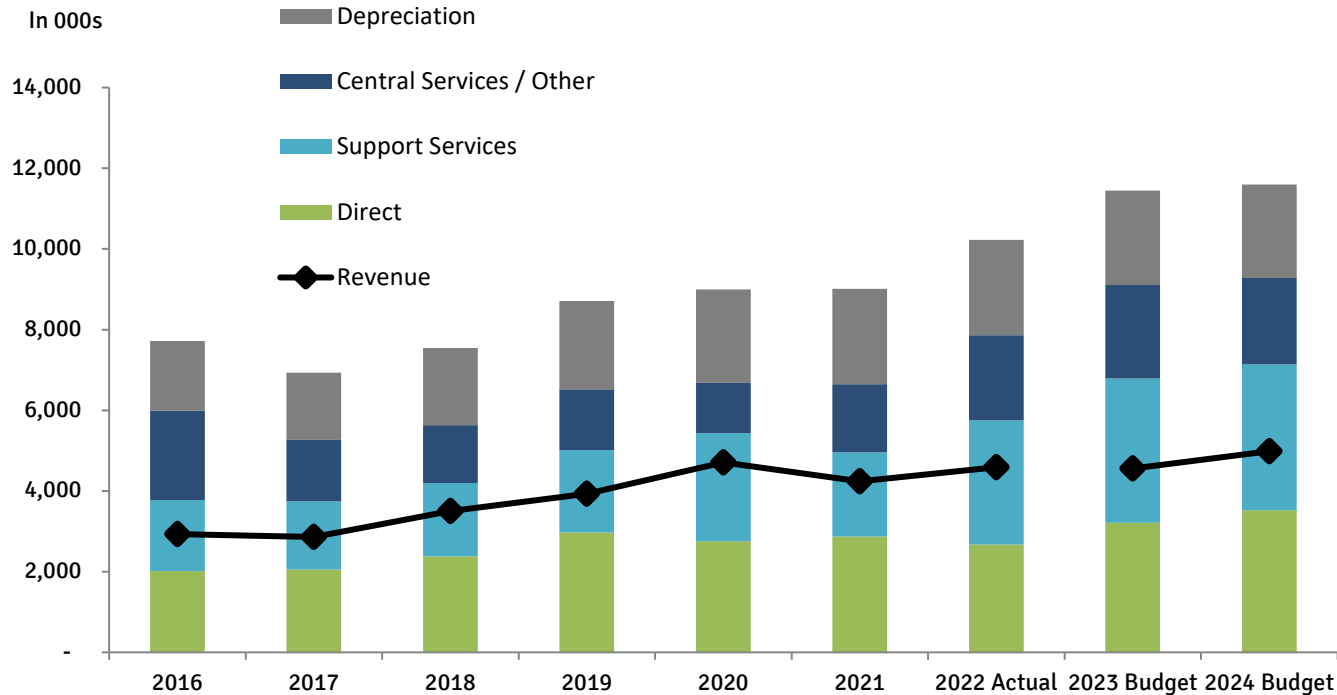
Support Services down \$123K / -5%

Central Services down \$492K / -20%

Depreciation down \$42K / -1%

- Includes waterside of T91 Fishing and Commercial Vessels, Kellogg Island, T25 Docks, P69 Vessel Ops, Dolphins (T18 North, Pier 34), T46 North Docks, Pier 28 Docks, Pier 2 Docks, T108 Moorage

Ship Canal Fishing & Operations



Compared to 2023 Budget

Revenue up \$429K / 9%

- 5% rate increase for commercial fishing
- 7% Salmon Bay Marina
- Recreational vessel moorage rates increase: 7% (<=40'), 10% (Guest), and 12% (>40')
- 10% services

Direct Expenses up \$310K / 10%

- Payroll expenses up \$179K / 13%
- Utilities expenses up \$48K / 5%

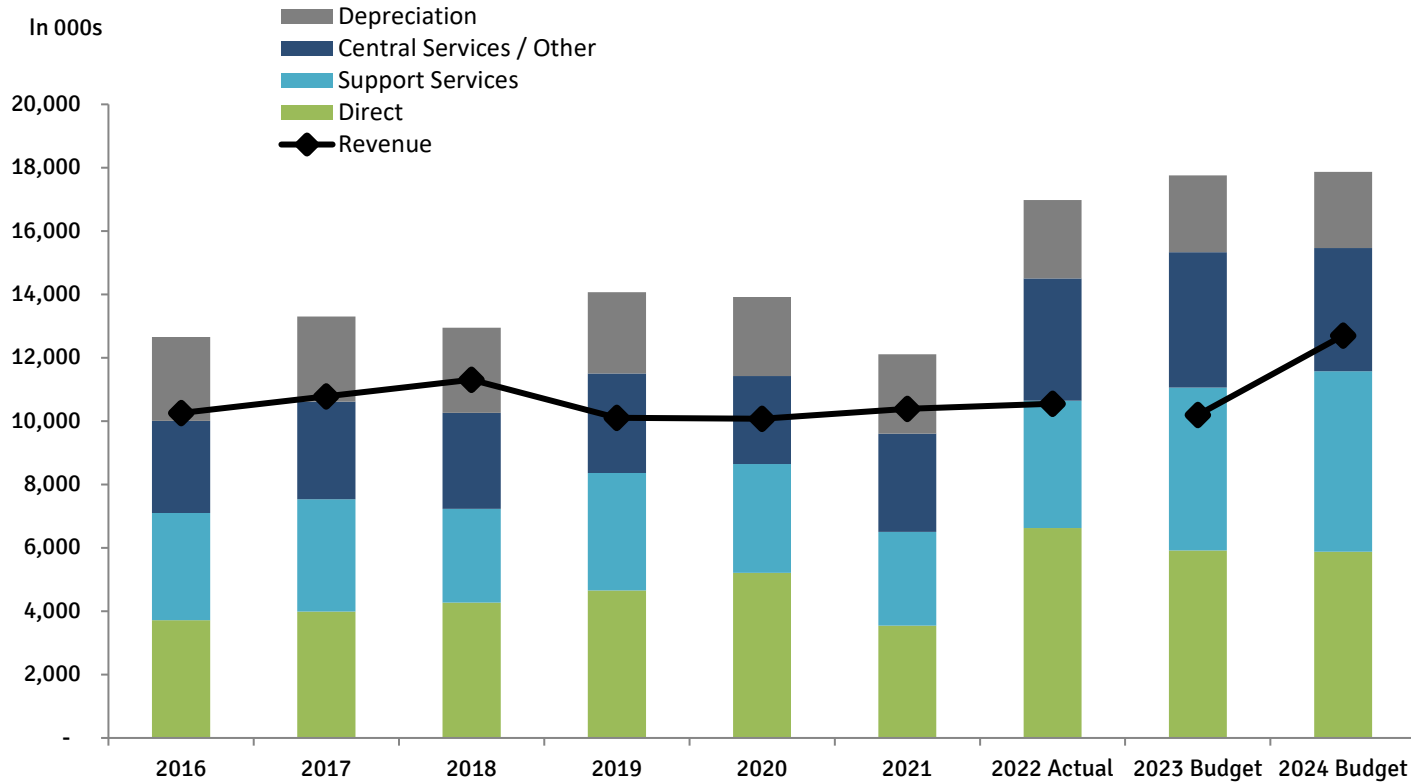
Support Services up \$32K / 1%

Central Services down \$165K / -7%

Depreciation down \$21K / -1%

- Includes waterside of Fishermen's Terminal, Salmon Bay Marina, and Maritime Industrial Center (MIC).

Maritime Portfolio Management



Compared to 2023 Budget

Revenue up \$2,505K / 25%

- Escalated rent at T106 warehouse ground lease starting April 2024.

Direct Expenses down \$46K / -1%

- Outside Service expenses down \$214K / -23% relate to TI & Management Fees
- Payroll related expenses up \$38K / 7%
- Utilities expenses up \$118K / 4%

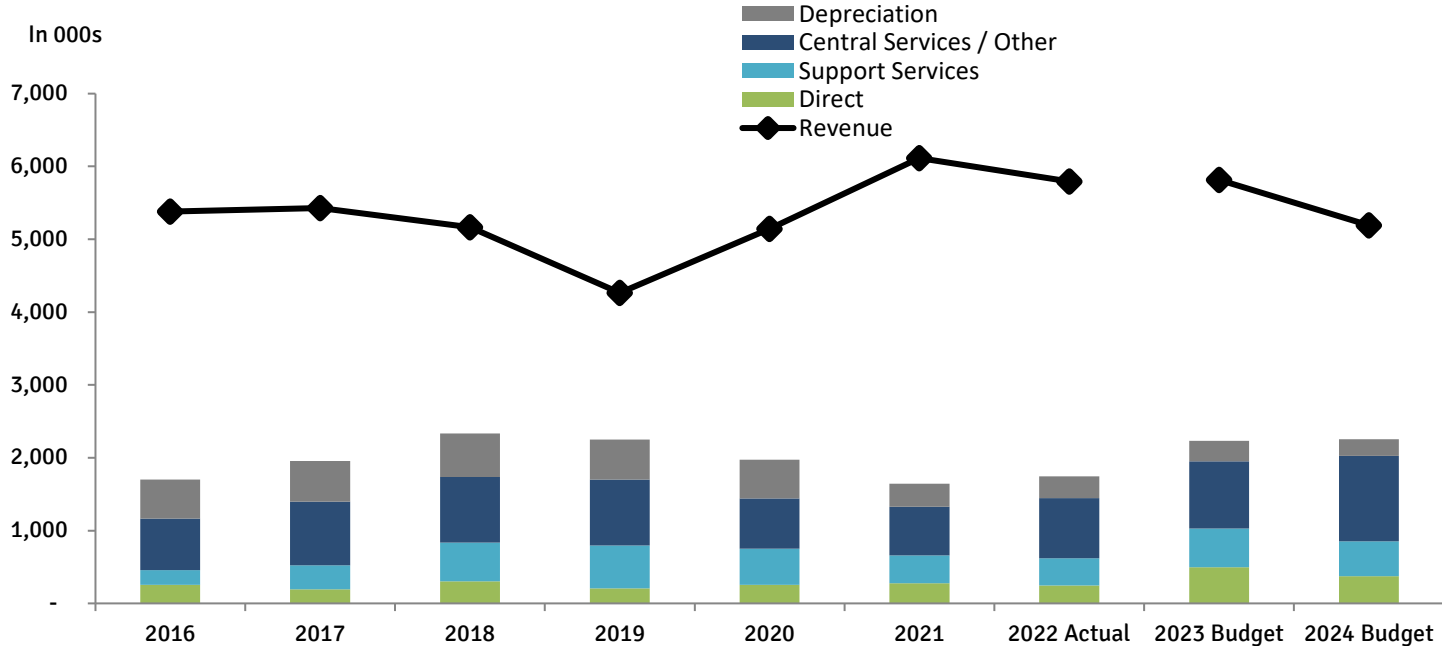
Support Services up \$563K / 11%

Central Services down \$393K / -9%

Depreciation down \$9K / -.3%

- Includes uplands of Shilshole Bay Marina, Terminal 91 (Industrial), Fishermen's Terminal, Maritime Industrial Center, Salmon Bay Marina, T-115, T-108, and T-106.

Grain Terminal



Compared to 2023 Budget

Revenue down \$623K / -11%

- Based on preliminary forecast from Louis Dreyfus Company.

Direct Expenses down \$122K / -25%

Support Services down \$44K / -8%

Central Services up \$236K / 26%

Depreciation Down \$53K / -19%

Maritime Division Service Group Summary

2024 Preliminary Budget
October 10, 2023



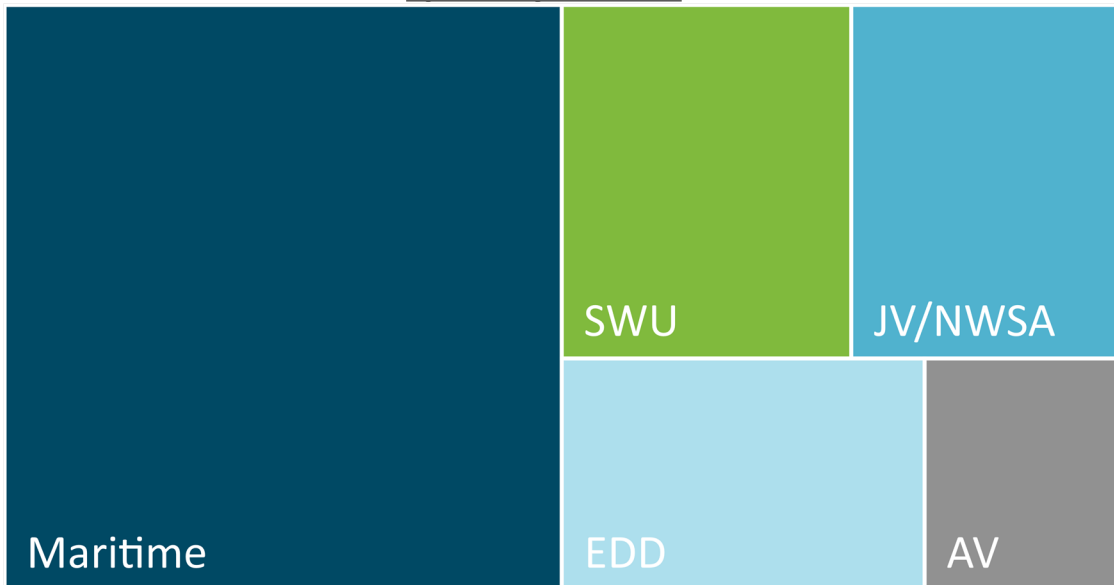
Marine Maintenance

Total Department Expenses Before charges and allocations \$ in 000's	2020	2021	2022	2023	2024	Change from 2023	
	Actual	Actual	Actual	Budget	Proposed Budget	\$	%
Payroll	20,532	19,881	20,329	23,136	25,534	2,399	10%
Outside Services	953	673	890	728	789	61	8%
Other	3,489	3,473	4,810	4,344	5,563	1,219	28%
Capital / Non Operational	(2,341)	(1,219)	(953)	(1,015)	(1,097)	(82)	8%
Total Expenses	22,633	22,809	25,075	27,193	30,789	3,597	13%

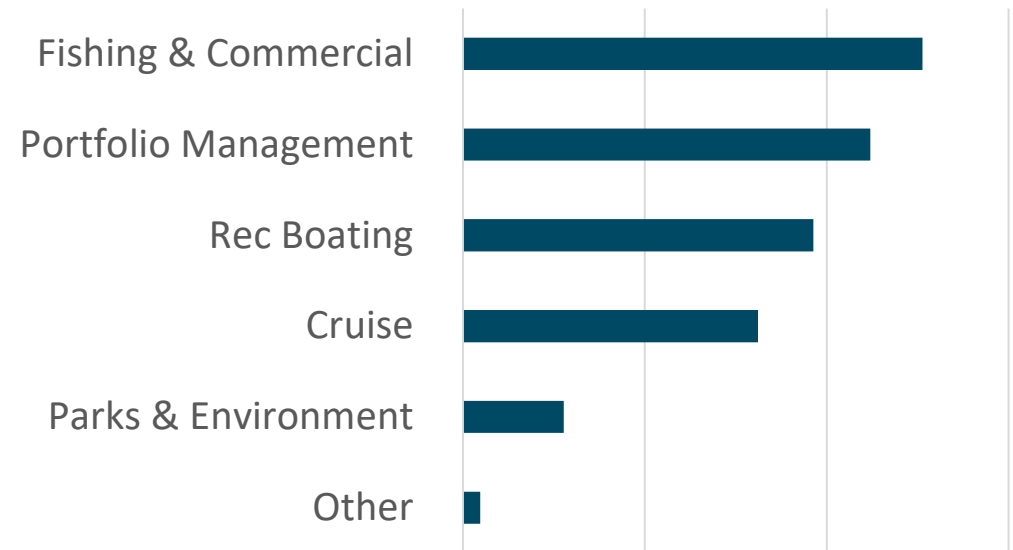
Maintenance expenses up \$3.6M or 13% from 2023 Approved Budget

- Payroll up \$2.4M from additional FTE (2), Apprenticeships (3) and Emergency Hires (5)
- Other up mostly in materials & equipment cost, but also in utilities and workers comp.

MM Spend by Division



Spend by Maritime Business Group



Waterfront Project Management

Total Department Expenses Before charges and allocations \$ in 000's	2020	2021	2022	2023	2024	Change from 2023	
	Actual	Actual	Actual	Budget	Proposed Budget	\$	%
Payroll	3,665	3,551	4,895	6,983	7,597	614	9%
Outside Services	600	11	261	2,379	2,152	(227)	-10%
Other	28	31	108	171	187	16	9%
Capital / Non Operational	(2,253)	(2,290)	(2,729)	(4,830)	(4,658)	172	-4%
Total Expenses	2,040	1,303	2,535	4,702	5,278	576	12%

Growth Drivers:

- Payroll:
 - New FTE.
 - Full year annualization of new 2023 FTEs
- Outside Services
 - Expense Project Work was previously budgeted in Marine Maintenance moved in 2023.
 - Contracting for Project Delivery Process Manual (New).
 - Work for NWSA Expense Projects not included

Maritime Environment and Sustainability

Total Department Expenses Before charges and allocations \$ in 000's	2020	2021	2022	2023	2024	Change from 2023	
	Actual	Actual	Actual	Budget	Proposed Budget	\$	%
Payroll	3,039	2,943	3,591	4,557	5,214	657	14%
Outside Services	1,575	926	1,428	2,101	2,049	(51)	-2%
Other	248	86	259	217	225	8	4%
Capital / Non Operational	(1,394)	(1,343)	(1,265)	(1,643)	(1,378)	264	-16%
Total Expenses	3,469	2,612	4,013	5,232	6,110	878	17%

Overall increased \$.9M/17% compared to 2023 budget

Salary & Benefits

- Increased \$657K/14% from 2023 budget
 - Four new Positions in 2023 and 1 new in 2024

Outside Services

- Decreased \$51K/2% from 2023 budget

Other

- Increased \$8K/4% from 2023 budget
 - Increases in Travel/Training new staff

Capital/ Non-Operational

- Dropped \$264K/3% from 2023 budget
 - Lower percentage of project work

Consultant Support for Environmental

Air - \$727K

- Green Corridor
- Energy Compliance Program
- Sustainable Maritime Fuels Program
- Climate and Air Program
- Maritime Energy Efficiency
- Cruise Environmental Programs
- Multiple Power Master Planning
- Industry Engagement
- Seattle Waterfront Clean Energy Strategy

Other Sustainability - \$47K

- Software
- Design Spec/Standard Support
- EIM - Data Management Support

Hazardous Waste / Compliance – \$219K

Habitat - \$690K

- Bankline Natural Resource Development Performance Monitoring (10yr program)
- Bankline Programmatic
- Multi-Site Mitigation Bank
- Underwater Noise Mitigation & Noise Monitoring Plan Habitat Smith Cove Kelp Octopus Enhancement with Department of Natural Resources
- Smith Cove Blue Carbon Project
- Duwamish Valley Stewardship
- Duwamish Basin Steward
- Seagrant Fellow
- Quiet Sound Underwater Noise Reduction Program
- PORTfolio Planning Services
- PORTfolio Corrective Actions

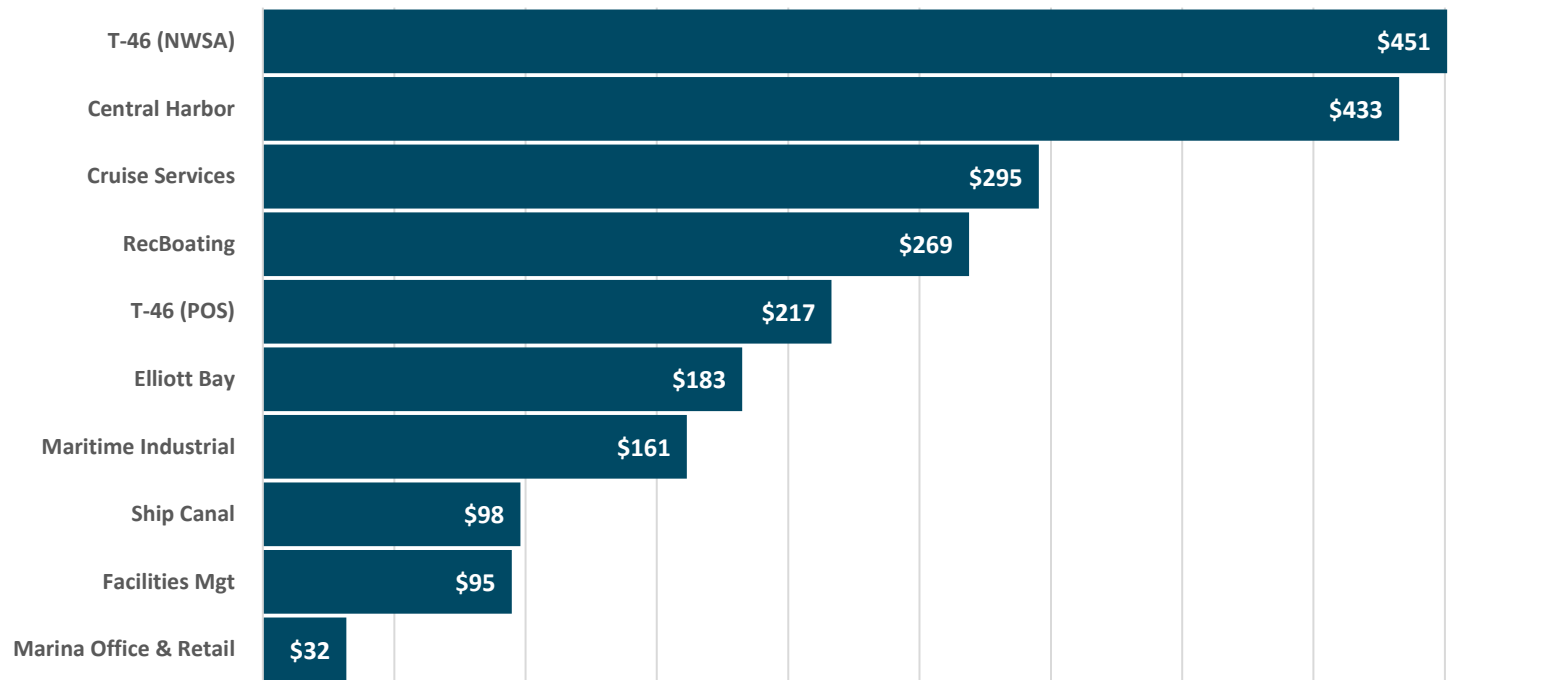
Permitting - \$200K

- Includes Centennial Park Coastal Study

Security

Total Department Expenses Before charges and allocations \$ in 000's	2020 Actual	2021 Actual	2022 Actual	2023 Budget	2024 Proposed Budget	Change from 2023	
						\$	%
Payroll	318	320	303	358	387	29	8%
Outside Services	1,788	1,815	1,897	2,470	2,235	(235)	-10%
Other	10	6	6	105	102	(3)	-2%
Total Expenses	2,116	2,142	2,206	2,933	2,724	(209)	-7%

2024 Maritime Security Budget (in '000s)



2024 FTEs – 5 New

Total Change from 2023 Approved Budget =5

Waterfront PM - 1

- Capital Project Manager V (EWW Lead)

Marine Maintenance - 2

- Facilities Asset ISO Specialist
- Auto Machinist

Environment & Sustainability - 1

- Administrative Assistant

Ship Canal Fishing and Operations- 1

- Billing Analyst

Total Maritime FTEs Planned = 296.5



Joint Venture and Stormwater Utility Summary

2024 Preliminary Budget
October 10, 2023



Port Interest in NWSA (Joint Venture)

\$ in 000's	2022	2023	2024	Change from 2023	
	Actual	Budget	Proposed Budget	\$	%
Revenue					
NWSA Distributable Revenue	55,353	50,305	57,200	6,895	12%
Contra Joint Venture Revenue	(1,949)	(2,030)	(2,071)	(41)	2%
Subtotal Distributable Revenue frm NWSA	53,403	48,275	55,129	6,854	12%
Other Service Revenue Tenant Reimbursements	825	569	632	63	10%
Port Revenue from NWSA Facilities	1,153	165	165	0	N/A
Total Revenues	55,381	49,010	55,927	6,917	12%
Expenses					
Maintenance Expenses	569	630	493	(137)	-28%
JV Direct	1,082	98	92	(6)	-7%
Security	182	198	217	18	8%
Environmental & Sustainability	271	657	824	168	20%
Seaport Finance & Cost Recovery	166	272	289	17	6%
Seaport Project Management	129	75	153	78	51%
Central Services / Other	140	217	201	(15)	-8%
DRS Pension Plan True-up Exp	(278)	0	0	0	NA
Total Expenses	2,261	2,148	2,270	122	5%
NOI Before Depreciation	53,120	46,862	53,657	6,795	13%
Legacy Depreciation for NWSA Facilities	14,744	14,627	14,229	(398)	-3%
NOI After Depreciation	38,376	32,235	39,428	7,193	18%

Compared to 2023 Budget

Revenue (Based on Preliminary Estimates)

- Contra Revenue primarily T46 lease.
- Tenant Reimbursable for Maintenance Work.
- Port Revenue from NWSA includes crane lease and any other potential revenue at T46.

Expenses up \$122K / 5%

- \$137K lower for Marine Maintenance
- \$168K increase in Env & Sustainability expense from higher overall cost and lower allocation directly to NWSA.

Stormwater Utility Budget

\$ in 000's	2021	2022	2023	2024	Change from 2023	
	Actual	Actual	Budget	Proposed Budget	\$	%
Revenue						
NWSA	1,662	829	1,005	1,790	785	78.1%
Tenants Revenue	3,159	4,321	4,355	4,249	(106)	-2.4%
Port Non-tenants Revenue	1,439	1,690	1,721	1,609	(112)	-6.5%
Total Revenues	6,260	6,840	7,081	7,648	567	8.0%
Expenses						
SWU	1,052	1,524	1,607	1,593	14	0.9%
Maintenance Expenses	2,622	2,995	3,592	4,700	(1,108)	-30.8%
Central Waterfront PM	5	32	13	50	(37)	-284.6%
Environmental & Sustainability	41	27	35	67	(32)	-91.4%
Environmental Finance	22	34	12	113	(101)	-841.7%
Other Central Services	803	1,046	1,007	1,088	(81)	-8.0%
Total Expenses	4,545	5,658	6,266	7,611	(1,345)	-21.5%
NOI Before Depreciation	1,715	1,182	815	37	778	95.5%
Depreciation	1,285	1,272	1,297	1,204	93	7.2%
NOI After Depreciation	430	(90)	(482)	(1,167)	685	-142.1%

- SWU rate increase of 8% in 2024
- SWU increase includes full year of 2023 FTE and increased professional services
- Maintenance planned for Full Staff for Full Year
- Other Costs are based on allocation changes

Economic Development Division



- 2024 Preliminary Budget
- October 10, 2023

EDD Up-Front Summary

- **Top and Bottom Line**

- Net Operating Income (\$9.1M); \$1.1M below 2023 Budget
- Revenue \$21.5M; down \$659K or 3% from 2023 Budget
- Expenses \$30.6M; up \$453K or 1% from 2023 budget
- *Budget includes \$2.2M of levy investment*

- **Budget Drivers:**

- Conference & Event Centers competitive pricing environment
- Increased Maintenance and Central Service Costs
- Tourism Promotion – Supporting the Region
- Supporting Small Business Accelerators

SWOT Analysis -- Economic Development Division



- Commission committed to Economic, Equitable & RE Development
- Grant funding advances Port partnerships and priorities
- Talented, connected and respected team (inc. Commissioners)
- Diverse attractive properties

- Internal policies and labor force challenges negatively impact property management, capital projects and Diversity in Contracting program
- Challenging Properties
- Innovation initiatives not well defined or broadly supported

- Expansion of regional small businesses (WMBE) initiatives
- Strong industrial market and post pandemic real estate opportunities
- Alaska cruise market showing strong rebound
- Innovation can solve Port problems and drive new opportunities

- Economic uncertainty: changing trade patterns, inflation, availability of labor, childcare shortages
- Challenging homelessness/public safety issues

Equity in Budgeting Highlights

- **Adding Ombudsperson FTE** to Diversity in Contracting Department to support WMBE businesses working on Port projects
- **Completing Disparity Study** to evaluate how well Diversity in Contracting policy and program are eliminating disparities within the Port's supply chain
- Continuing **New Community Business Connectors initiative** with Chamber of Commerce to provide outreach/technical assistance to BIPOC businesses and underserved rural businesses
- **Supporting Duwamish Community Hub and Partnership**
- **Supporting Apprenticeship Utilization and workforce development** on real estate development projects (ex. Terminal 106 redevelopment, Des Moines Creek West)



Economic Development Revenues

Overall, down \$659K or 3% compared to 2023 budget.

Conference & Event Centers

demand regionally returning close to pre-COVID levels, but challenges exist with loss leading pricing from new competitors.

Bell Street Garage

growth from increasing demand from Cruise and Conferences. Some potential upside with return of office customers.

Leasing portfolio

experiencing some return of concession revenue, but soft demand on office space.

	2019	2020	2021	2022	2023	2023	2024	Change from 2023	
\$ in 000's	Actual	Actual	Actual	Actual	Budget	Forecast	Proposed Budget	\$	%
Conf & Event Centers	12,239	1,662	1,910	8,914	12,479	10,879	11,156	(1,323)	-11%
Bell Street Garage	1,899	1,180	996	1,500	2,171	2,471	2,473	302	14%
Leasing Revenue	7,035	6,641	6,590	7,316	7,548	7,548	7,911	362	5%
Other Revenue	(21)	(13)	2	4	3	3	3	0	NA
Total Revenue	21,151	9,470	9,498	17,734	22,201	20,901	21,542	(659)	-3%

Note: EDD Real Estate Development projects generate \$4+ MM/year in revenues for Maritime and Aviation. This revenue will grow to \$10+ MM/year with T106 and Des Moines Creek W developments

Economic Development Expenses

	2022	2023	2023	2024	Change from 2023	
\$ in 000's	Actual	Budget	Forecast	Proposed Budget	\$	%
Expenses						
Portfolio Management	3,653	3,905	3,680	3,917	12	0%
Conf & Event Centers	6,563	10,769	9,537	9,602	(1,167)	-11%
P69 Facilities Expenses	230	221	221	225	5	2%
RE Dev & Planning	299	294	294	249	(45)	-15%
EconDev Expenses Other	1,058	900	900	1,058	159	18%
Maintenance Expenses	3,836	3,303	3,253	4,024	721	22%
Maritime Expenses (Excl Maint)	1,263	1,811	1,736	1,897	86	5%
Total EDD & Maritime Expenses	16,902	21,203	19,621	20,973	(230)	-1%
Diversity in Contracting	186	250	250	250	0	0%
Tourism	1,737	1,830	1,830	1,875	45	2%
EDD Grants & Innovation	105	1,450	1,450	1,505	55	4%
Total EDD Initiatives	2,028	3,530	3,530	3,630	100	3%
Total Central Services & Aviation	5,270	5,417	5,268	5,999	582	11%
Total Expense befor Pension Adj.	24,200	30,149	28,418	30,602	453	2%
Pension Expense Adjustment	(2,396)				0	NA
Total Expense	21,804	30,149	28,418	30,602	453	2%

Compared to 2023 Budget

EDD & Maritime Expenses down \$230K or 1%

- Lower volumes at Conference & Event Centers.
- Right sized Broker Fees and Tenant Improvements
- Increased Maintenance.

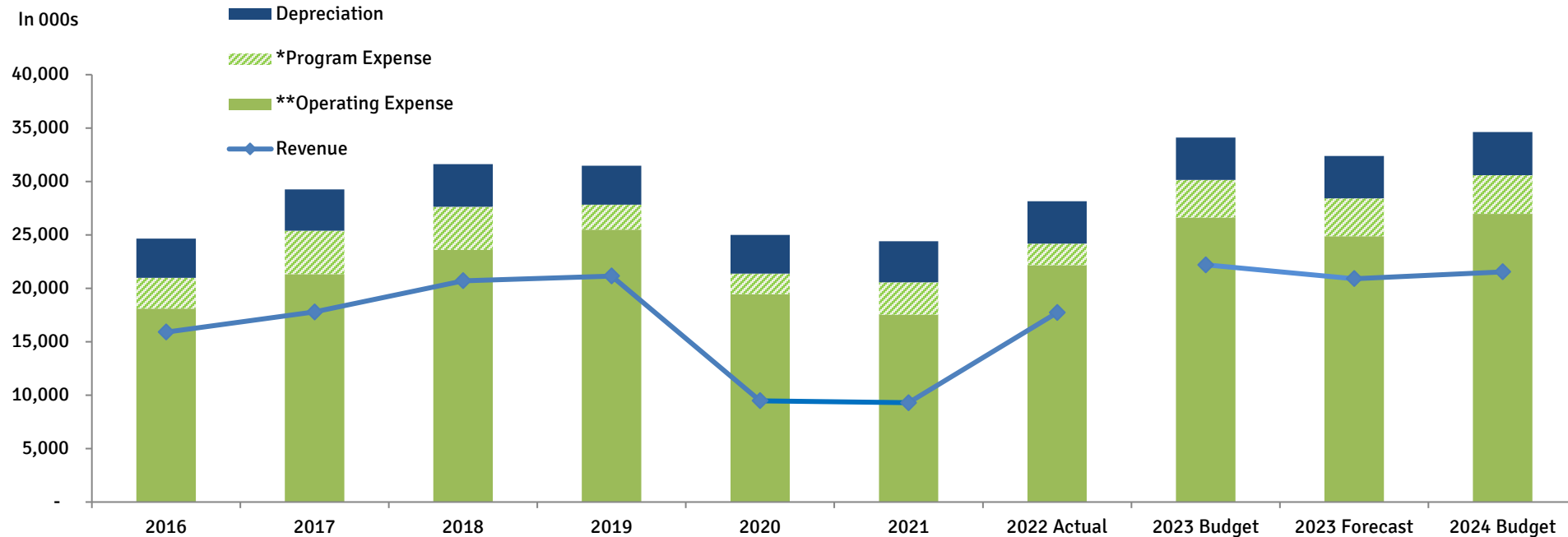
EDD Development Initiatives up \$100K or 3%

- Payroll increases driving cost.
- Growth of Innovation and Tourism Grants.
- Continuation of Economic Development Grants.

Central services Up \$582K or 11%

No net new FTEs

Economic Development Division Financial Trend



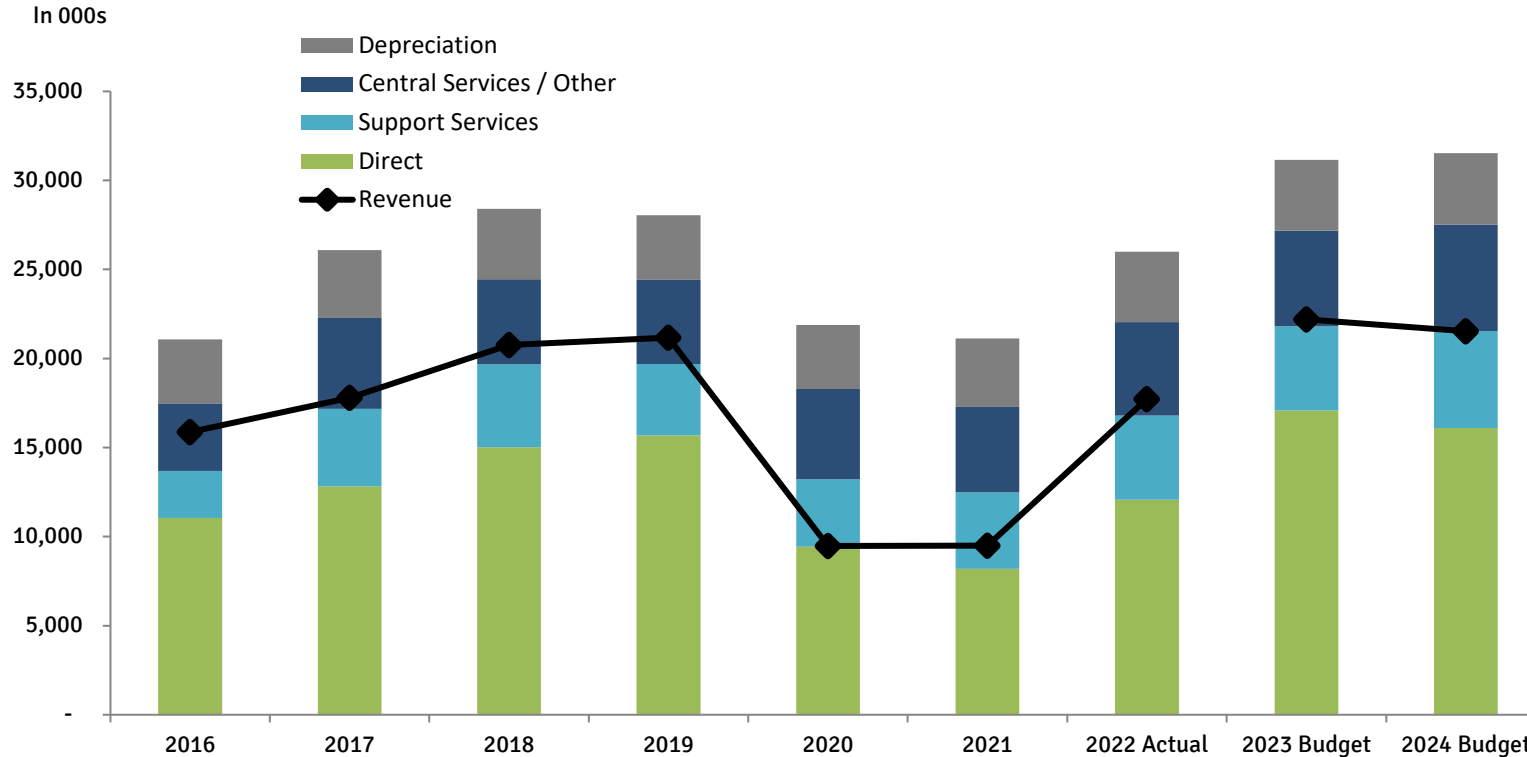
Revenues

- Stabilizing around \$21-22M with modest inflationary growth.

Expenses up 2% from 2023 budget

- Conference & Event Center Variable Cost reduction offset by inflationary growth.

Portfolio Management Financial Trend



Compared to 2023 Budget

Revenue down \$.7M / -3%

- Conf Center down \$1.3M / -11%
- Bell St Garage up \$.3M / 14%

Direct Expenses down \$1M / -6%

- Lower Variable Conference Expenses.

Support Services up \$.7M / 15%

Central Services up \$.6M / 11%

Depreciation up \$42K / 1%

- Includes non-NWSA & Upland real-estate at Tsubota, T-91 (General), T-86, P-69, Bell Street Garage, Smith Cove Conference Center, Bell Harbor Conference Center, World Trade Center, Foreign Trade Zone, Pier 2, T-34, and T-102.

Diversity in Contracting

- ❑ **Increase WMBE utilization** results to reduce disparities in Port contracting processes
- ❑ **Complete disparity study** to gauge impact from DC policies and programs
- ❑ **Establish new 5-year goals** for Diversity in Contracting program
- ❑ Provide PortGen workshops/trainings
- ❑ Implement communication and education programs to support Diversity in Contracting

In \$000s	2023 Budget	2024 Budget	difference
Personnel	1,262	1,462	200
Outside Service	803	573	(230)
Promo Expenses	97	112	15
General Expenses	83	87	4

Addition of Ombudsperson, Finalizing Disparity Study, and moved Export Accelerator Pilot to Division Management Department.



Tourism

- ❑ **Expand Tourism Grant program** to support sustainable and equitable tourism marketing partnerships
- ❑ Work with WA State Tourism and Visit Seattle to **promote WA State and King County in select international markets**
- ❑ Continue to **advance responsible tourism** and facilitate distribution and use of new Responsible Tourism guidebook

In \$000s	2023 Budget	2024 Budget	difference
Personnel	591	635	44
Outside Service	939	924	(15)
Promo Expenses	157	98	(59)
General Expenses	47	105	58



Real Estate Development & Management

- ❑ Redevelop Port properties (ex. T106, Terminal 91)
- ❑ Manage Maritime Innovation Center construction
- ❑ Maintain 90% Occupancy within Port RE portfolio
- ❑ Implement top recommendations within Aviation RE Strategic Plan
- ❑ Evaluate Acquisition/Partnership development opportunities to support the Northwest Seaport Alliance
- ❑ Manage, Operate & Maintain Pier 69 Headquarters

Total Real Estate Development & Management Expenses

In \$000s	2023 Budget	2024 Budget	difference
RE Development	959	1,100	141
P69 Facilities	1,760	1,815	55
Portfolio Leasing	20,090	18,907	(1,184)



Economic Development and Innovation Partnerships

- ❑ **Support Community Business Connector initiative**
- ❑ **Support Regional Economic Development** via financial partnerships with cities, Chambers, Small Business Development Centers and other partners
- ❑ Support **Greater Seattle Partners'** trade development and business attraction initiatives
- ❑ Support **Duwamish Community Equity Partners'** economic development initiatives
- ❑ Support **maritime innovation initiatives** to discover, promote and help advance promising maritime ventures and startups

In \$000s	2023 Budget	2024 Budget	difference
Personnel	829	927	98
Outside Service	1,550	1,756	206
Promo Expenses	31	32	1
General Expenses	150	150	0

Includes ED City Partnership grants 880k Community Business Connectors \$350k Maritime Blue 150k Greater Seattle Partners 250k

CA Goal

Responsibly Invest in the Economic Growth of the Region and all its Communities

**EDD
Real Estate
& Admin**

City ED Partnership Grants
Duwamish partnership
Innovation Initiatives

**Key
Metrics**

- **Green buildings**
- **Property redeveloped or acquired**

No Net New FTEs

2024 Economic Development FTEs

<u>Description</u>	<u>FTEs</u>
2023 Approved Budget	37.0
Changes in 2023:	
Mid-Year Approvals	0.0
Eliminated	0.0
Transfer	0.0
2024 Baseline	37.0
2024 Budget Changes:	
Transfer	0.0
Eliminated	-1.0
New FTEs Approved	1.0
Net Change	0.0
2024 Proposed FTEs	37.0

• Senior Real Estate Manager

• Diversity in Contracting Ombudsperson

Seaport Rollup

2024 Preliminary Budget
October 10, 2023



Seaport Financial Roll-Up

	2020	2021	2022	2023	2023	2024	Change from 2023	
\$ in 000's	Actual	Actual	Actual	Budget	Forecast	Proposed Budget	\$	%
Revenues								
Maritime	42,111	48,738	71,365	75,875	77,575	86,132	10,256	14%
Economic Development Division	9,470	9,294	17,734	22,201	20,901	21,542	(659)	-3%
Joint Venture	37,563	54,842	55,381	49,010	49,010	55,927	6,917	14%
Total Revenue	89,144	112,875	144,480	147,086	147,486	163,601	16,515	11%
Expenses								
Maritime	52,357	47,784	59,556	66,121	64,974	72,332	6,211	9%
Economic Development Division	21,382	20,560	24,200	30,149	28,418	30,602	453	2%
Joint Venture	1,063	1,708	2,261	2,148	2,148	2,270	122	6%
Total Expense	74,802	70,052	86,018	98,418	95,540	105,204	6,786	7%
NOI before Depreciation	14,341	42,823	58,462	48,668	51,946	58,397	9,729	20%
Depreciation	36,422	36,556	36,678	36,064	36,064	35,776	(289)	-1%
NOI After Depreciation	(22,081)	6,267	21,784	12,604	15,882	22,621	10,018	79%

Note: Excludes impact of pension adjustments.

- NOI Before Depreciation of \$58.4M is a proxy for the Operational Cash Flow absent:
 - Debt Service Payments (Both POS and NWSA)
 - Environmental Remediation Expense (Both POS and NWSA)
 - Public Expense
- Operational cash flow is available to pay for capital investments and any new expenses. Anything not paid from operational cash flow must rely on the tax levy.



Maritime and Economic Development Draft 2024-28 Capital Improvement Plan (CIP)

2024 Preliminary Budget | October 10, 2023



MD/EDD Capital Improvement Plan



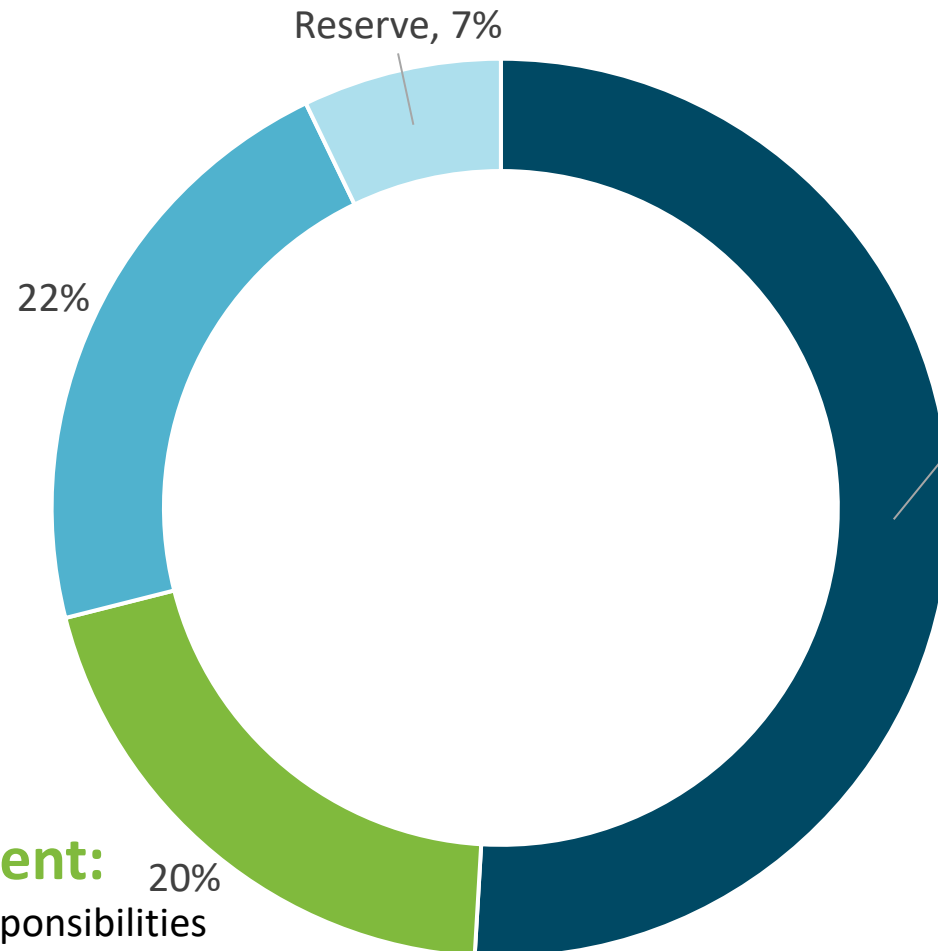
Financial Sustainability:

Making investments that support maritime industries and the Port's long term funding capacity



Community & Environment: 20%

Stewarding our environment and social responsibilities
*All projects incorporate Community & Environment priorities when possible



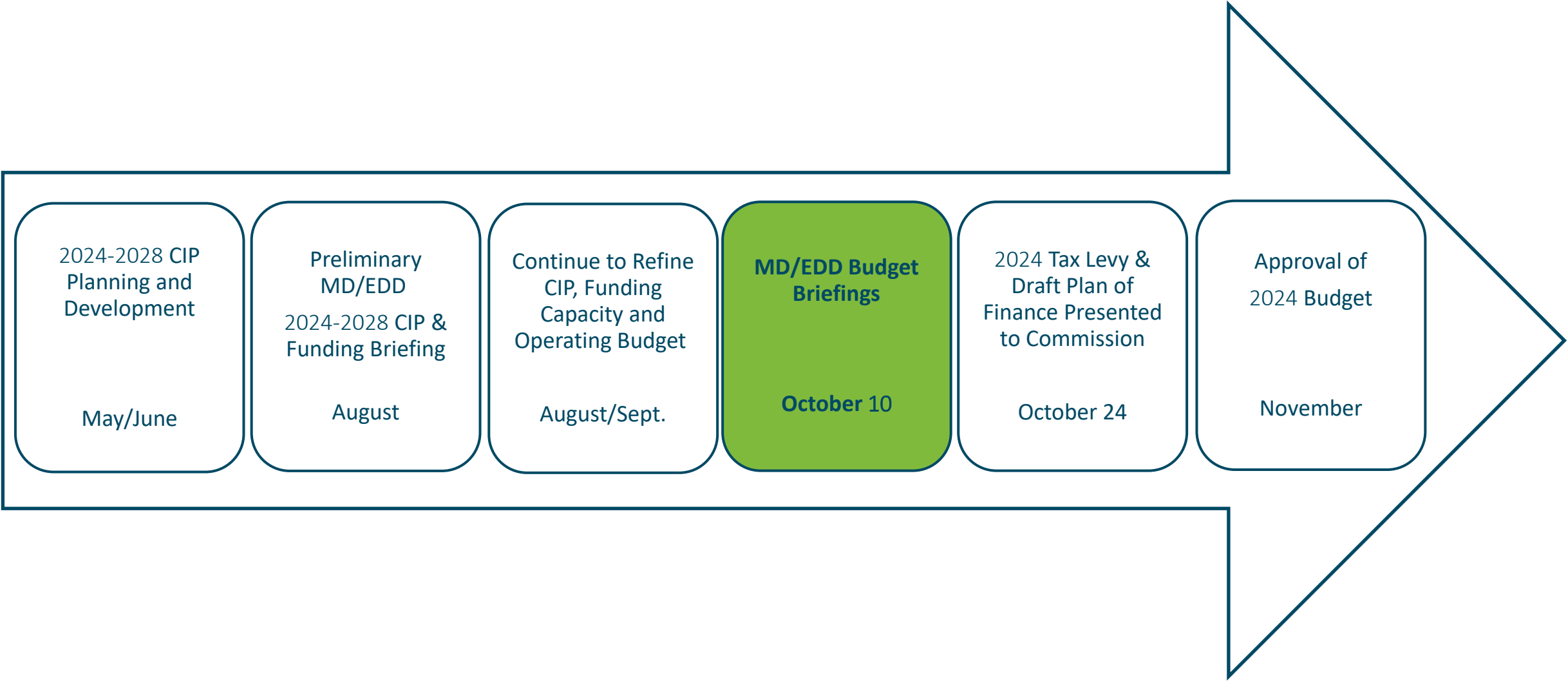
Asset Stewardship:
Maintaining the Port's capital assets and preserving Seattle's iconic working waterfront

Over half of the CIP is dedicated to preservation of existing assets

2024 Capital Development Dynamics

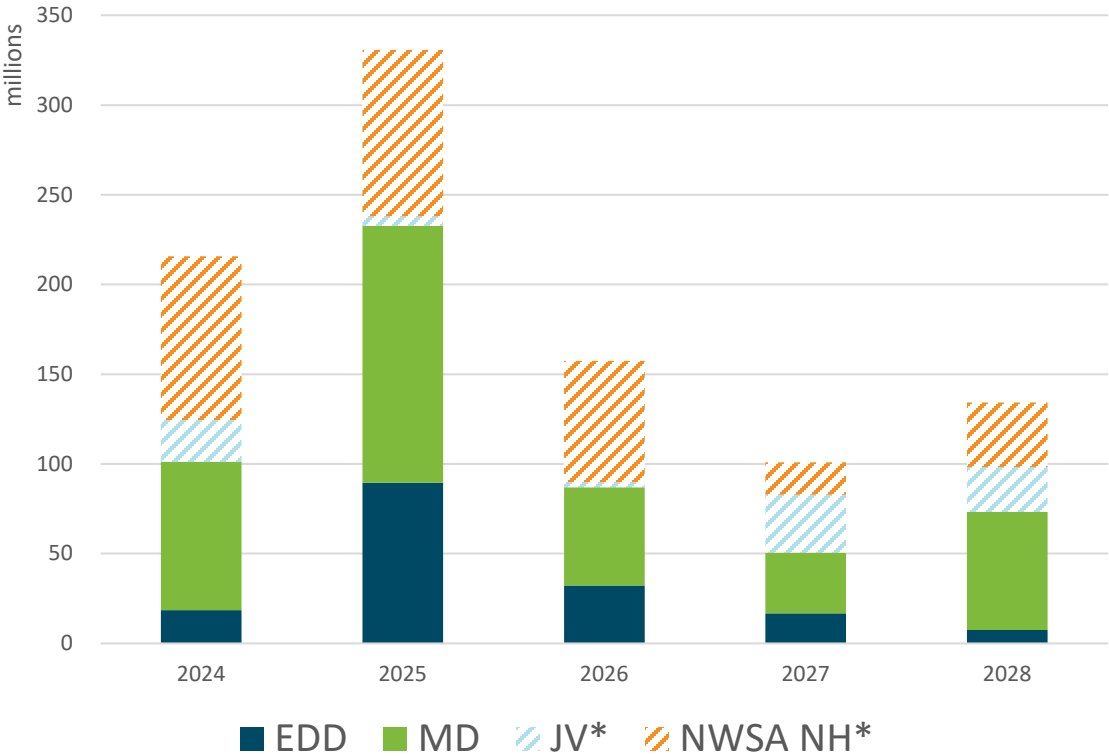
- Managing large capital spend
 - Preparation for several major projects to move into Construction
 - Preparation for major environmental clean-up work
 - Concurrent NWSA (North Harbor) project delivery
- Responding to cost increases and capacity issues
 - Supply chain constraints
 - External permitting delays
 - Continued inflationary pressures
- **\$400+ million** in projects postponed
- Continued implementation of Sustainable Evaluation Framework

CIP Timeline



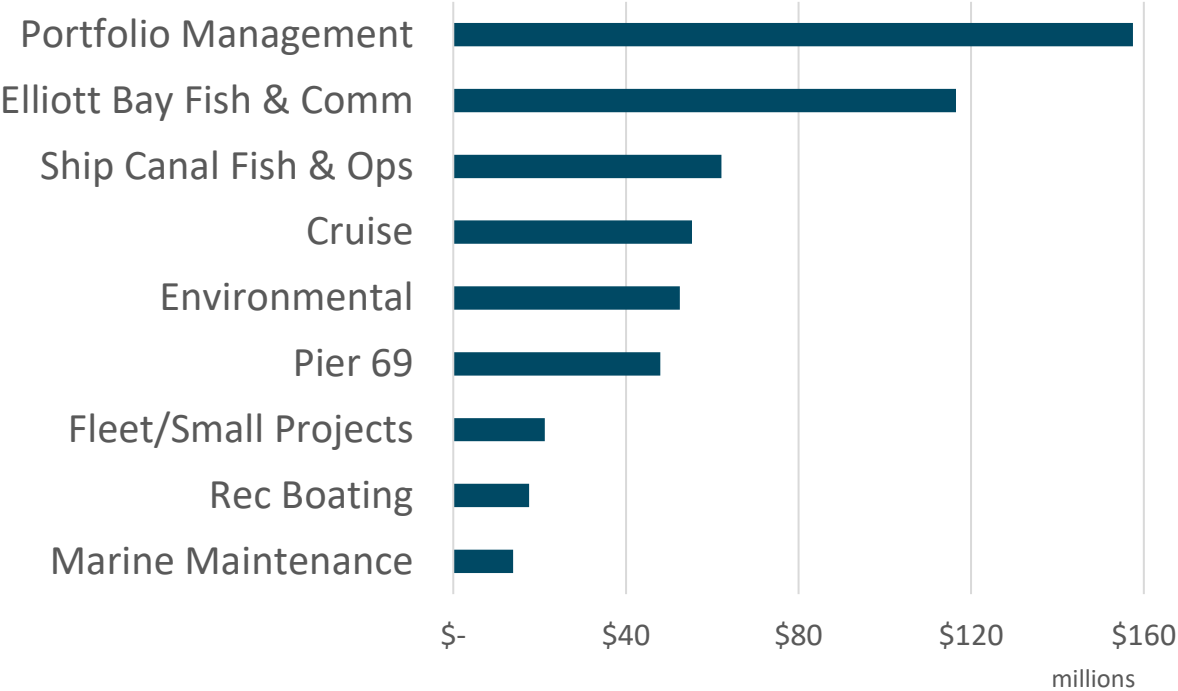
Maritime/EDD Draft 2024 to 2028 CIP: \$579M

Forecasted 5-Year Spend*



*NWSA/JV projects not included in MD/EDD CIP total

5-Year Capital Spend by Business Group



Draft 2024 to 2028 CIP: \$579M

Cash Flows in \$000s

Primary LOB	Project	Status*	2024	2025	2026	2027	2028	5Y Total	Project Total
Cruise	P66 Shore Power	5	27,752	1,560	0	0	0	29,312	41,000
	T91 New Cruise Gangway	5	3,040	5,786	0	0	0	8,826	9,000
	P66 Fender Replacement	5	2,382	1,839	0	0	0	4,221	7,616
	P66 New Cruise Passenger Gangway	2	950	5,000	0	0	0	5,950	6,000
Fishing, Commercial & Rec Boating	T91 Berth 6 & 8 Redevelopment	5	19,223	51,000	2,371	0	0	72,594	75,600
	FT NW Dock West Improvements	2	270	450	930	7,800	30,000	39,450	56,000
	FT S Wall Fender Replacement	2	0	0	0	700	2,000	2,700	24,700
	T91 P90/91 Dock Rehab	2	800	10,350	10,000	0	0	21,150	21,200
	Harbor Mooring Dolphins	3	0	40	120	6,800	10,500	17,460	18,000
	FT W Wall N Fender Replacement	2	0	0	500	1,500	7,000	9,000	16,500
Real Estate	HIM Dock-E Improvements	5	2,350	1,893	0	0	0	4,243	5,350
	T91 Uplands Dev Phase I	4	18,409	55,901	4,005	0	0	78,315	82,471
	FT Maritime Innovation Center	5	14,789	10,906	0	0	0	25,695	29,320
	P69 Concrete Dock Rehabilitation	2	1,000	10,000	10,000	5,995	0	26,995	27,000
	T91 Uplands Phase II Infrastructure	2	500	6,500	3,250	0	0	10,250	10,350
	P66 Grand Staircase Replacement	2	50	4,400	3,888	0	0	8,338	8,338
	P69 HVAC System Modernization	2	100	2,618	3,711	1,545	0	7,974	7,974
	MIC Electrical Replacements	4	411	6,100	0	0	0	6,511	7,179
	P66 Retail HVAC Upgrade	3	0	4	219	2,485	4,161	6,869	6,928
Environmental	Bell Street Bridge Refresh	2	0	0	5	3,400	1,948	5,353	5,353
	Smart Electric Meters	2	667	467	3,204	3,204	3,204	10,746	10,883
Reserves/Cash Flow Adjustment	Waterfront EV Infrastructure	3	230	1514	1,514	1,514	0	4,772	4,817
	Mid-Cap		27,860	21,367	11,145	6,132	4,724	71,228	
	Small		3,669	1,650	1,550	1,550	1,550	9,969	
	Fleet		5,428	4,700	5,350	3,550	1,200	20,228	
Total Funded			105,186	237,748	94,977	61,654	79,287	578,992	

Project Categories: Large >\$5M, Mid \$1M to \$5M, Small <\$300K

*Status: 5=Construction, 4=Design, 3=Pre-Design, 2=Business Plan Prospective

Projects by Status

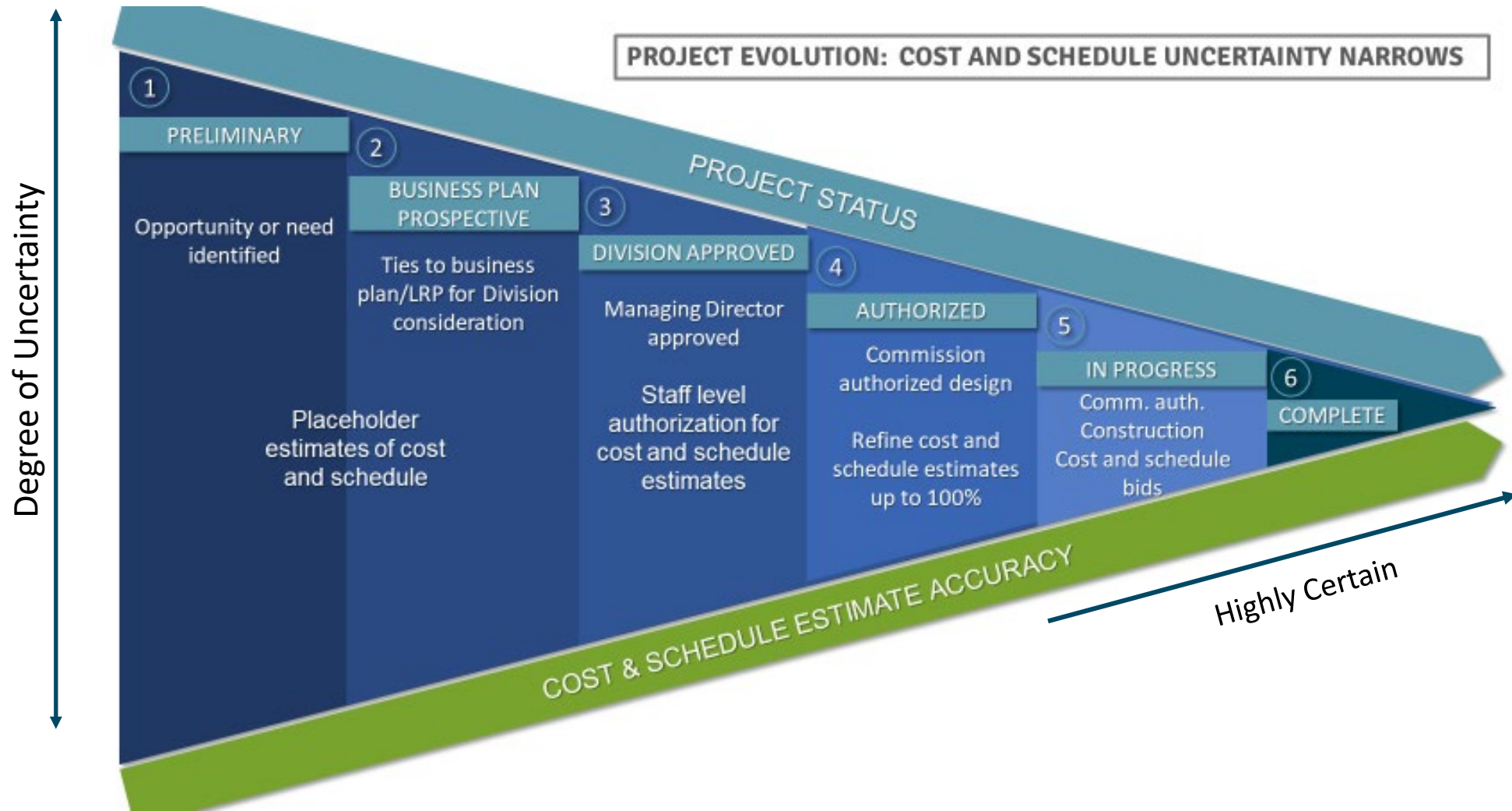
Cash Flows in \$000s

Status	Project	2024	2025	2026	2027	2028	5Y Total	Project Total
Construction	T91 Berth 6 & 8 Redevelopment	19,223	51,000	2,371	0	0	72,594	75,600
	P66 Shore Power	27,752	1,560	0	0	0	29,312	41,000
	FT Maritime Innovation Center	14,789	10,906	0	0	0	25,695	29,320
	T91 New Cruise Gangway	3,040	5,786	0	0	0	8,826	9,000
	P66 Fender Replacement	2,382	1,839	0	0	0	4,221	7,616
	HIM Dock-E Improvements	2,350	1,893	0	0	0	4,243	5,350
Design	T91 Uplands Dev Phase I	18,409	55,901	4,005	0	0	78,315	82,471
	MIC Electrical Replacements	411	6,100	0	0	0	6,511	7,179
Pre-Design	Harbor Mooring Dolphins	0	40	120	6,800	10,500	17,460	18,000
	P66 Retail HVAC Upgrade	0	4	219	2,485	4,161	6,869	6,928
	Waterfront EV Infrastructure	230	1514	1,514	1,514	0	4,772	4,817
Planning / Business Plan Prospective	FT NW Dock West Improvements	270	450	930	7,800	30,000	39,450	56,000
	P69 Concrete Dock Rehabilitation	1,000	10,000	10,000	5,995	0	26,995	27,000
	FT S Wall Fender Replacement	0	0	0	700	2,000	2,700	24,700
	T91 P90/91 Dock Rehabilitation	800	10,350	10,000	0	0	21,150	21,200
	FT W Wall N Fender Replacement	0	0	500	1,500	7,000	9,000	16,500
	Smart Electric Meters	667	467	3,204	3,204	3,204	10,746	10,883
	T91 Uplands Phase II Infrastructure	500	6,500	3,250	0	0	10,250	10,350
	P66 Grand Staircase Replacement	50	4,400	3,888	0	0	8,338	8,338
	P69 HVAC System Modernization	100	2,618	3,711	1,545	0	7,974	7,974
	P66 New Cruise Passenger Gangway	950	5,000	0	0	0	5,950	6,000
Bell Street Bridge Refresh	0	0	5	3,400	1,948	5,353	5,353	
	Mid-Cap	27,860	21,367	11,145	6,132	4,724	71,228	
	Small	3,669	1,650	1,550	1,550	1,550	9,969	
	Fleet	5,428	4,700	5,350	3,550	1,200	20,228	
	Reserves/Cash Flow Adjustment	(24,694)	33,703	33,215	15,479	13,000	70,703	
	Total Funded	105,186	237,748	94,977	61,654	79,287	578,992	

Project Categories: Large >\$5M, Mid \$1M to \$5M, Small <\$300K

*Status: 5=Construction, 4=Design, 3=Pre-Design, 2=Business Plan Prospective

Capital Improvement Plan Status & Certainty



A few key large projects are approaching construction authorization

Updates on Major Projects Underway

T91 Berths 6 & 8 Redevelopment



Scope:

- **Berth Reconstruction**
 - Removal of existing creosote piles from water column
 - Overall reduction of overwater coverage
 - Slope rehabilitation & stabilization
 - Concrete pile supported replacement pier
 - Boathouse and float reconfiguration
 - Upgraded Electrical Power Supply/ Distribution
- **Uplands Improvements**
 - Replacement of support office buildings (Port & Tenant)
 - Stormwater upgrades

Estimated Cost: \$76 million

Schedule:

- Q3 2024: Construction Authorization
- Q2 2024: Construction Begin
- Q4 2025: Construction Complete

Terminal 91 Uplands Development

Scope:

Phase I: Develop 120,000 square feet of industrial buildings to support maritime suppliers and manufacturers. Funding includes utility and infrastructure investments to support Phase II of overall T91 Major Phased Development project.

Estimated Cost:

\$84 million for Phase I Building

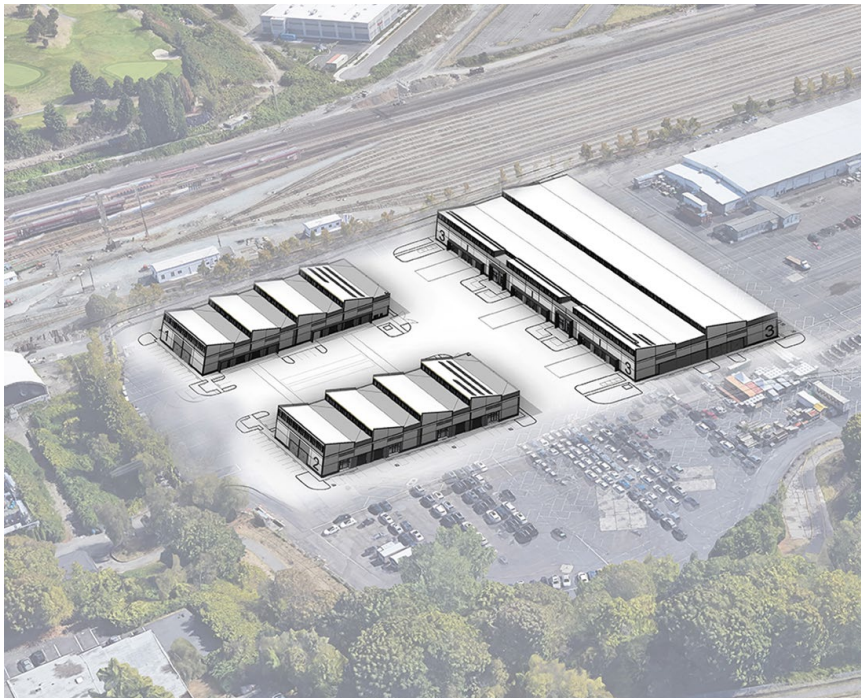
\$10 million for utility infrastructure

Schedule for Phase I:

Q2 2024: Design Complete

Q1 2025: Construction Begin

Q2 2026: Construction Complete





Maritime Innovation Center

Scope: restoration and modernization of the Port’s historic Ship Supply Building into a Living Building Challenge-certified facility with advanced sustainability and resiliency features. The project will create 15,000 square feet of space offering an incubator and accelerator environment in support of maritime innovation. A related project will provide site improvements designed to enhance the experience of users and visitors of the Fishermen’s Terminal facility.

Estimated Cost: \$32.6 million

Schedule:

- Q3 2023: Design Complete
- Q2 2024: Construction Begin
- Q4 2025: Building in-use

P66 Shore Power

Scope: Provide shore power connection for cruise ships while at berth at Pier 66's Bell Street Pier Cruise Terminal. Power to be provided across Terminal 46 via duct bank and then submarine cable in Elliott bay between terminals. Electrical equipment installed at the south end of Pier 66 will distribute the power to the cruise ship connection.

Estimated Cost: \$41 million

Schedule:

Q3 2023: Construction Begins

Q2 2024: System in-use



New Large Projects

- P69 Concrete Dock Rehab (\$27M)
- P66 New Cruise Gangway (\$6M)
- P66 Grand Staircase Replacement (\$8M)
- P69 HVAC System Modernization (\$8M)
- Bell Street Bridge Refresh (\$5.4M)
- T91 Building Demolition (W39,M28,19)* (\$9.1M)
- Salmon Bay Marina Roof Safety* (\$4.5M to \$9.4M)

*Non-Capital Major Expense:

Top Mid-Cap Projects

Fishing & Commercial:

- FT S Wall Improvements: \$4.5M
- Salmon Bay Marina Roof Safety: \$4.5M
- FT W Wall Corrosion Protection: \$4.2M
- FT W Wall Sheet Piling Protection: \$3.1M
- T106 Mooring Dolphins: \$3.5M
- MIC Pier Resurfacing: \$1.3M

Cruise:

- T91 Shore power Extension: \$4M
- P66 Wave Break Protection: \$1.75M

Rec Boating:

- SBM G Dock Rehab: \$3M
- BHM Pile Wraps and Cathodic Protection: \$2.75M
- SBM Fuel Float Rehabilitation: \$2M
- SBM Office Reconfiguration: \$1.8M
- SBM Dock X Pier Replacement: \$1.65M

Portfolio Management:

- FT Site Improvements: \$3M
- FT C15 Bldg Misc Improv: \$2.8M
- T91 Path & Bike Bridge: \$1.5M
- WTC HVAC Replacement: \$4M
- P66 Bridge Elevator Upgrade: \$3.5M
- WTC Garage Elevator Mods: \$2.8M
- WTC-W Roof Replacement: \$2.4M

Facilities:

- P69 Underdock Utility Replacement: \$4.5M
- P69 Clerestory and Skylights: \$3M
- P69 Elevator Control Mod: \$2.4M
- P69 3rd Floor Terrace Repair: \$1.1M

Environmental:

- LED Upgrades: \$4.5M
- Shoreline Habitat Improvements: \$1.7M

Over \$80 million planned in small & mid (up to \$5M projects) over the next 5 years

Key Projects Postponed

- T91 Uplands Phase 2 Buildings: \$204M
- T46 North Pier Structure Replacement: \$75M
- FT Gateway Building: \$60M
- Freshwater Wetland Mitigation: \$40M
- Strategic Opportunity Fund: \$25M

Future Capital Funding Factors

- NWSA projects funded first
- Future funding is affected by:
 - Net income
 - Continuation of tax levy
 - Environmental remediation liability payments
 - Level of other commitments, including community programs and regional transportation contributions

Capital Capacity is Constrained

Next Steps

- ↳ 2024 Tax Levy & Draft Plan of Finance Commission Briefing (10/24)
 - ↳ 2024 Preliminary Budget Document Available to the Commission (10/24)
 - ↳ 2024 Preliminary Budget Document Available to the Public (10/26)
 - ↳ Introduction and Public Hearing of the 2024 Budget (11/14)
 - ↳ Commission Approval of the 2024 ILA between POS and the NWSA (11/14)
 - ↳ NWSA Budget Adoption by Managing Members (11/14)
 - ↳ Adoption of the 2024 Budget (11/21)
 - ↳ Filing of 2024 Statutory Budget with King County Council & Assessor (11/30)
 - ↳ Release of 2024 Budget to the Public (12/8)
-
- Q4 Update – forecast for 2024 spend

Maritime Appendix

2024 Preliminary Budget
October 10, 2023



2024 Maritime Budget Summary

Inclusive of Direct Charges & Allocations from Corporate, & Other Divisions

	2019	2020	2021	2022	2023	2023	2024	Change from 2023	
	Actual	Actual	Actual	Actual	Budget	Forecast	Proposed Budget	\$	%
\$ in 000's									
Ship Canal Fishing & Operations	3,929	4,704	4,240	4,592	4,555	4,855	4,984	429	9%
Elliott Bay Fishing & Commercial Operations	6,095	5,752	5,618	5,975	5,253	5,453	5,731	478	9%
Recreational Boating	12,484	12,611	12,851	13,978	15,591	15,591	16,468	876	6%
Cruise	22,410	3,824	9,517	30,469	34,445	37,445	41,057	6,611	19%
Grain	4,266	5,142	6,112	5,792	5,814	3,814	5,191	(623)	-11%
Maritime Portfolio Management	10,108	10,074	10,392	10,550	10,192	10,392	12,697	2,505	25%
Other	(3)	4	7	10	24	24	4	(20)	-85%
Total Revenue	59,289	42,111	48,738	71,365	75,875	77,575	86,132	10,256	14%
Expenses									
Maritime (Excl. Maint)	14,287	16,779	14,062	17,706	18,200	18,000	19,787	1,587	9%
Economic Development	5,032	4,549	4,559	5,710	6,366	6,066	6,326	(40)	-1%
Total Direct	19,318	21,329	18,621	23,416	24,566	24,066	26,113	1,547	6%
Maintenance Expenses	12,458	12,353	11,326	13,213	14,087	14,087	14,982	895	6%
Environment & Sustainability	2,331	2,844	1,907	3,120	3,853	3,853	4,802	950	25%
Seaport Finance & Cost Recovery	953	1,072	1,163	1,087	1,342	1,342	1,653	310	23%
Waterfront Project Management	236	1,144	342	1,007	2,489	2,289	3,129	640	26%
Total Support Services	15,978	17,414	14,738	18,426	21,771	21,571	24,566	2,795	13%
IT	2,850	2,888	2,695	3,223	3,725	3,714	4,080	354	10%
Police Expenses	4,387	3,131	3,064	3,662	4,781	4,683	4,929	148	3%
External Relations	1,604	1,242	1,222	1,552	2,045	1,690	2,158	112	5%
Other Central Services	6,188	6,035	7,109	8,908	8,869	8,886	10,140	1,271	14%
Aviation Division / Other	280	318	336	368	363	363	346	(16)	-5%
Total Central Services / Other	15,309	13,614	14,426	17,714	19,783	19,336	21,653	1,870	9%
Total Expense	50,605	52,357	47,784	59,556	66,121	64,974	72,332	6,211	9%
NOI Before Depreciation	8,684	(10,246)	954	11,808	9,755	12,602	13,800	4,045	41%
Depreciation	17,627	17,624	17,718	17,980	17,456	17,456	17,523	67	0%
NOI After Depreciation	(8,943)	(27,870)	(16,764)	(6,172)	(7,701)	(4,854)	(3,723)	3,978	52%
<i>Pension Credit Adjustment Impact</i>	<i>1,960</i>	<i>2,129</i>	<i>6,662</i>	<i>2,396</i>	<i>0</i>	<i>0</i>	<i>0</i>		

*Note 2019 Actual does not include \$2M payment

Total Roll Up

- The 2024 Budget is the closest Maritime Division has been to break-even NOI after Depreciation since the formation of the NWSA.

Cruise Operations

	2022	2023		2024		Incr (Decr) Change from 2023		
		Actual	Budget	Proposed Budget	\$	%		
\$ in 000's								
T-91 & Bell St Cruise Operations	30,326	34,330	41,027	6,697	20%			
Bell Street Vessel Operations	143	115	30	(85)	-74%			
Total Revenue	30,469	34,445	41,057	6,611	19%			
Expenses								
Maritime (Excl. Maint)	5,057	6,577	7,054	476	7%			
Economic Development	405	527	581	54	10%			
Total Direct	5,463	7,104	7,635	531	7%			
Maintenance Expenses	2,302	3,007	3,721	714	24%			
Envir Services & Planning	651	723	1,318	595	82%			
Seaport Finance & Cost Recovery	211	308	554	246	80%			
Seaport Project Management	161	357	855	499	140%			
Total Central Services / Other	4,272	4,852	7,689	2,837	58%			
DRS Pension Plan True-up Exp	1,216	0	0	0	N/A			
Total Expense	14,276	16,351	21,772	5,422	33%			
NOI Before Depreciation	16,192	18,094	19,284	1,190	7%			
Depreciation	5,976	5,897	5,782	(114)	-2%			
NOI After Depreciation	10,216	12,198	13,502	1,304	11%			

Compared to 2023 Budget

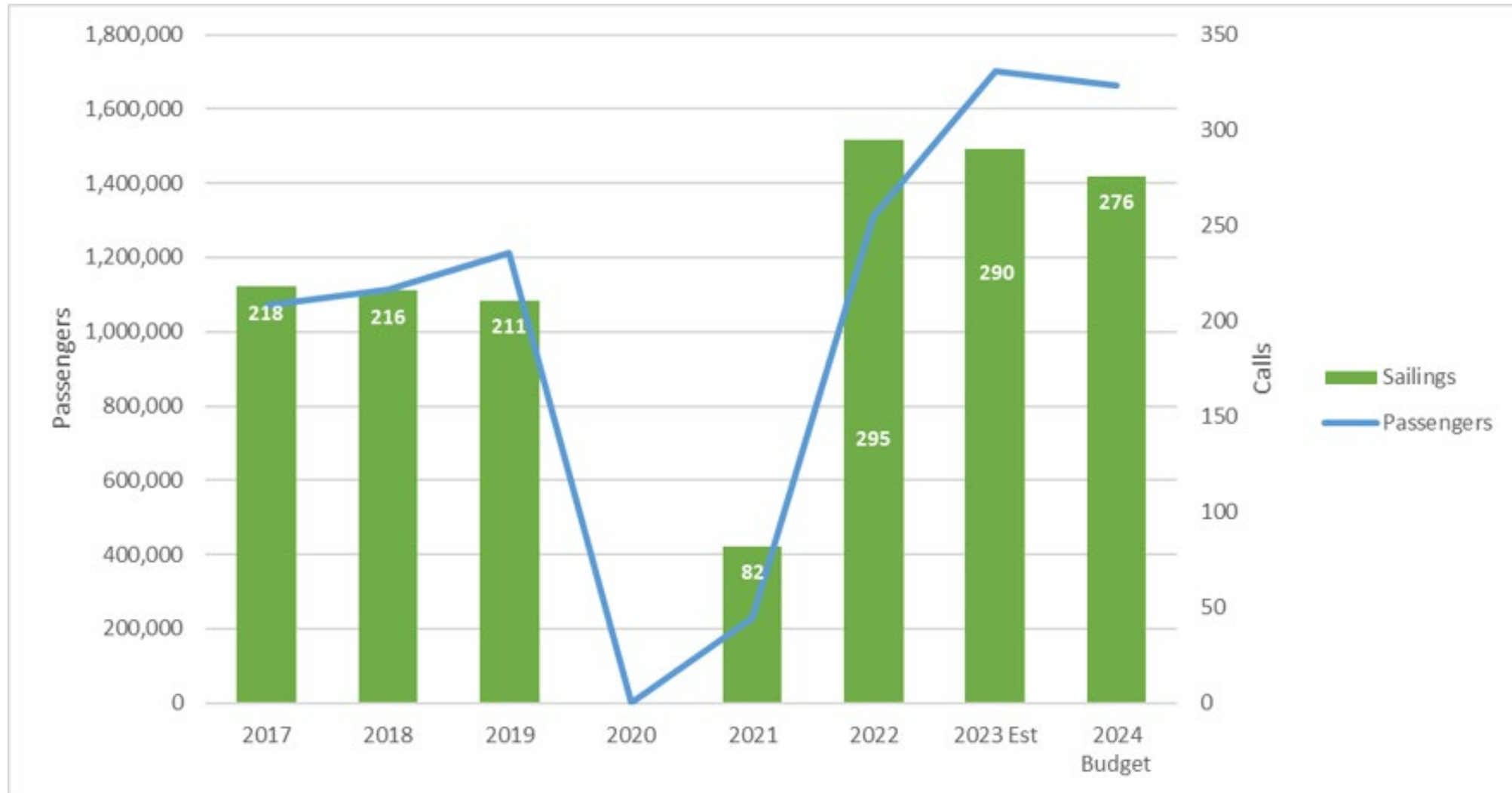
Revenue up \$6.6M / 19%

- Less calls than 2023 but assumes higher occupancy at 100%
- Tariff passenger fee & dockage increases of 6% midweek & 8% weekends

Direct Expenses up \$531K / 7%

- Increased Port Valet & B&O taxes
- Includes NWSA payment for T46 escalated at 2% per agreement

Cruise Sailings and Passengers



Fewer Sailings, Higher Occupancy

Recreational Boating

	2022	2023	2024	Incr (Decr) Change from 2023	
	Actual	Budget	Proposed Budget	\$	%
\$ in 000's					
Berthage and Moorage & Concession Services	12,768	14,178	15,057	878	6%
Utility Sales Revenue	530	634	599	(35)	-5%
Other Service Revenue	533	588	620	32	5%
Other	147	191	192	1	0%
Total Revenue	13,978	15,591	16,468	876	6%
Expenses					
Maritime (excl Maint)	4,816	5,538	5,846	308	6%
Economic Development	272	319	291	(28)	-9%
Total Direct	5,088	5,857	6,137	280	5%
Maintenance Expenses	3,590	3,406	3,490	84	2%
Envir Services & Planning	457	570	704	134	23%
Seaport Finance & Cost Recovery	207	309	323	14	5%
Seaport Project Management	250	224	370	146	65%
Total Support Service	4,504	4,509	4,887	378	8%
IT	932	1,014	1,051	37	4%
Police Expenses	901	1,175	1,050	(125)	-11%
External Relations	381	486	445	(41)	-8%
Other Central Services	2,170	2,173	2,147	(26)	-1%
Aviation Division/Other	84	83	68	(15)	-18%
Total Central Services/Other	4,469	4,931	4,761	(169)	-3%
Total Expense	14,060	15,297	15,785	488	3%
NOI Before Depreciation	(82)	294	683	388	-132%
Depreciation	3,274	3,200	3,179	(22)	-1%
NOI After Depreciation	(3,357)	(2,906)	(2,496)	410	14%

Compared to 2023 Budget

Revenue up \$876K / 6%

- Shilshole Bay Marina (SBM) rates will increase 7%, 10%, or 12% based on the size of the boats; and we are expecting the occupancy will slightly down -1% in 2024.

Direct Expenses up \$280K / 5%

- Payroll expense up \$199K / 8%
- Security carts budgeted in 2024 at SBM.

Support Services up \$378K / 8%

Central Services down \$169K / -3%

Depreciation down \$22K / -1%

Elliott Bay Fishing & Commercial Operations

	2022	2023	2024	Incr (Decr) Change from 2023	
	Actual	Budget	Proposed Budget	\$	%
\$ in 000's					
Berthage and Moorage & Dockage	3,379	2,939	3,075	136	5%
Space Rental	1,526	1,544	1,615	71	5%
Utility Sales Revenue	781	517	801	284	55%
Other	289	254	240	(13)	-5%
Total Revenue	5,975	5,253	5,731	478	9%
Expenses					
Maritime (excl Maint)	2,986	3,092	3,118	26	1%
Economic Development	104	118	99	(19)	-16%
Total Direct	3,090	3,209	3,217	7	0%
Maintenance Expenses	1,293	1,493	1,471	(23)	-2%
Envir Services & Planning	246	338	356	18	5%
Seaport Finance & Cost Recovery	151	211	229	18	9%
Seaport Project Management	98	264	128	(137)	-52%
Total Support Service	1,787	2,307	2,184	(123)	-5%
IT	393	428	373	(55)	-13%
Police Expenses	452	586	455	(130)	-22%
External Relations	189	240	195	(45)	-19%
Other Central Services	1,065	1,198	947	(251)	-21%
Aviation Division/Other	36	34	24	(10)	-30%
Total Central Services/Other	2,135	2,486	1,994	(492)	-20%
Total Expense	7,012	8,002	7,394	(608)	-8%
NOI Before Depreciation	(1,038)	(2,749)	(1,663)	1,086	39%
Depreciation	3,459	3,308	3,266	(42)	-1%
NOI After Depreciation	(4,496)	(6,057)	(4,929)	1,128	19%

Compared to 2023 Budget

Revenue up \$478K / 9%

- Expecting 5% rate increase for moorage, 10% for service, equipment rental and storage, 3% tariff rate increase 2024.

Direct Expenses up \$7K or flat

- Payroll expenses up \$56K / 8%.

Support Services down \$123K / -5%

Central Services down \$492K / -8%

Depreciation expenses down \$42K / -1%

Ship Canal Fishing & Operations

	2022	2023	2024	Incr (Decr) Change from 2023	
	Actual	Budget	Proposed Budget	\$	%
\$ in 000's					
Berthage and Moorage & Concession Services	3,436	3,398	3,704	306	9%
Space Rental	163	162	172	10	6%
Utility Sales Revenue	172	176	176	0	0%
Other	820	819	932	113	14%
Total Revenue	4,592	4,555	4,984	429	9%
Expenses					
Maritime (excl Maint)	2,620	3,133	3,461	328	10%
Economic Development	52	81	62	(19)	-23%
Total Direct	2,672	3,213	3,523	310	10%
Maintenance Expenses	2,267	2,355	2,312	(42)	-2%
Envir Services & Planning	543	376	387	11	3%
Seaport Finance & Cost Recovery	93	137	136	(1)	-1%
Seaport Project Management	175	712	776	65	9%
Total Support Service	3,078	3,580	3,612	32	1%
IT	416	510	501	(9)	-2%
Police Expenses	398	527	444	(83)	-16%
External Relations	170	268	238	(30)	-11%
Other Central Services	1,093	974	940	(35)	-4%
Aviation Division/Other	36	32	24	(9)	-27%
Total Central Services/Other	2,113	2,311	2,146	(165)	-7%
Total Expense	7,863	9,105	9,282	177	2%
NOI Before Depreciation	(3,271)	(4,550)	(4,298)	252	6%
Depreciation	2,361	2,339	2,319	(21)	-1%
NOI After Depreciation	(5,632)	(6,889)	(6,616)	273	4%

Compared to 2023 Budget

Revenue up \$429K / 9%

- Includes a 5% rate increase for commercial fishing; 7%, 10%, or 12% increase for Recreational Boats based on the size of the boats; and 10% for others.

Direct Expenses up \$310K / 10%

- Payroll expenses up \$219K / 16%
 - A Billing Analyst position budgeted in 2024

Support Services up \$32K / 1%

Central Services down \$165K / -7%

Depreciation expenses down \$21K / -1%

Maritime Portfolio Management

\$ in 000's	2022	2023	2024	Incr (Decr)	
	Actual	Budget	Proposed Budget	Change from 2023 \$	%
Revenue					
Marina Office & Retail	3,444	3,208	3,389	181	6%
Maritime Industrial	4,540	4,194	6,639	2,445	58%
Utilites	2,566	2,791	2,669	(121)	-4%
Total Revenue	10,550	10,192	12,697	2,505	25%
Expenses					
Maritime (Excl. Maint)	1,848	723	716	(7)	-1%
Economic Development	4,776	5,200	5,161	(39)	-1%
Total Direct	6,623	5,924	5,877	(46)	-1%
Maintenance Expenses	3,149	3,633	3,880	247	7%
Environmental & Sustainability	375	466	559	93	20%
Seaport Finance and Cost Recovery	218	313	321	8	2%
Seaport Project Management	277	722	937	215	30%
Total Support Services	4,018	5,134	5,697	563	11%
Total Central Services/Other	3,862	4,278	3,886	(393)	-9%
Total Expense	14,504	15,336	15,460	124	1%
NOI Before Depreciation	(3,954)	(5,143)	(2,762)	2,381	-46%
Depreciation	2,471	2,416	2,407	(9)	0%
NOI After Depreciation	(6,425)	(7,559)	(5,169)	2,389	-32%

Compared to 2023 Budget

Revenue up \$2,505K / 25%

- New rent at T106 warehouse ground lease starts April 2024.

Direct Expenses down \$46K / -1%

Support Services up \$563K / 11%

Central Services down \$393K / -9%

Depreciation down \$9K/ -.3%

Note: \$126K is deducted from total revenue due to data entry correction needed in AI

Grain Terminal

	2022	2023	2024	Incr (Decr)	
	Actual	Budget	Proposed Budget	Change from 2023	%
\$ in 000's				\$	%
Lease Revenue	5,792	5,814	5,191	(623)	-11%
Total Revenue	5,792	5,814	5,191	(623)	-11%
Expenses					
Maritime (Excl. Maint)	208	434	305	(129)	-30%
Economic Development	41	61	71	10	17%
Total Direct	250	496	376	(119)	-24%
Maintenance Expenses	215	160	95	(65)	-41%
Envir Services & Planning	72	106	244	138	131%
Seaport Finance & Cost Recovery	44	64	89	25	40%
Waterfront Project Management	40	205	47	(157)	-77%
Total Support Services	371	533	475	(58)	-11%
IT	98	115	148	33	29%
Police Expenses	189	248	293	45	18%
External Relations	80	102	124	22	21%
Other Central Services	449	444	597	152	34%
Aviation Division / Other	11	13	15	2	14%
Total Central Services / Other	827	922	1,176	254	28%
Total Expense	1,447	1,951	2,027	77	4%
NOI Before Depreciation	4,344	3,863	3,164	(699)	-18%
Depreciation	299	282	228	(54)	-19%
NOI After Depreciation	4,045	3,581	2,936	(646)	-18%

Compared to 2023 Budget

Revenue down \$86K / -1.5%

- Based on preliminary forecast from Louis Dreyfus Company.

Direct Expenses down \$119K / -24%

Support Services down \$58K / -14%

Central Services up \$254K / 28%

Depreciation Down \$54K / -19%

Waterfront Project Management 2024 Major Initiatives

- 1. ED Priority: Institute structure and resources for strong project delivery to meet or exceed KPIs.**
 - I. Deliver 75% of projects on or under budget measured against baseline by EOY 2024
 - II. Deliver 60% of projects on or ahead of schedule measured against baseline by EOY 2024.
 - III. Achieve 80% execution rate measured against Q4 cashflows by EOY 2024.
 - IV. Achieve 50% of Key Milestones.

- 2. Develop new Project Delivery Process Manual (PDPM).**
 - I. Procure and onboard consultant resource by Q1 2024.
 - II. Complete new PDPM by EOY 2024.

- 3. Standardize the use of Primavera P6 for scheduling of all major projects by EOY 2024.**

- 4. Complete NEXUS (project management information system) implementation for major projects by EOY 2024.**

- 5. EDI Goal: Implement new process (developed in 2023) for all IDIQ solicitation issued in 2024 to increase WMBE participation on consultant professional services contracts.**

2024 Equity in Budgeting

1. Did you have difficulty spending your budgeted equity dollars in 2023? And if so, why?
 - In 2023 in Maritime budgets, equity dollars were focused on increasing WMBE utilization, community outreach and sponsorships that include workforce development. Additional funds were added to support EDI trainings for staff.
 - At the division level there was not difficulty spending budgeted equity dollars, however, some of our items are slightly behind schedule including our Parks strategy outreach, which will occur in Q4 and into 2024.

2024 Equity in Budgeting

2. In your 2024 budget, how did your Division choose to prioritize equity programs with the available budget?

- At the division level, we prioritized equity programs by ensuring equitable opportunities for travel/training/development across all departments, and within individual departments, travel/training/development opportunities are distributed equitably amongst staff year over year.
- Additionally, we prioritized community outreach for important upcoming items such as Parks, with a focus on He?apus Village Park. We increased funds for sponsorships that increase community investments/workforce development/engagement and environmental justice. A major priority will be furthering our work with Green Corridor and we've added \$150k in funds to support this important effort.
- Teams are focused on increasing WMBE spend and will include a new process for IDIQ solicitation to increase WMBE participation on consultant professional services contracts, and also utilizing WMBE vendors for our marketing services and food procurement where possible.

2024 Equity in Budgeting

3. How did you engage with staff and/or community during the 2024 budget process?
 - In Maritime we regularly engage staff through our business planning and budget planning process to determine priorities for the coming year. We incorporated Change Team members into our business planning process to ensure we were reviewing our business plan with an equity lens. In regards to budgeting, several teams weigh into the budget process throughout the budget season.
 - We partner with the community in a variety of ways to obtain feedback that contributes to our budgets each year and influences decisions.
 - Teams held outreach at Hub during Duwamish River Festival to focus on parks long term strategic planning.
 - Work with external stakeholders to determine their needs in order to be more engaged in our budgets.
 - Maritime Youth Career Launch with Workforce Development work continued – total of \$4M, selected two companies to manage this funding for workforce development – 3 year funding program.

Equity in Budgeting

4. What new items have you added related to Equity, Diversity, and Inclusion in your 2024 budget (new requests and baseline budget)?

- In Maritime teams added new training/development opportunities for staff, sponsorships that support workforce development, memberships that further equity, dollars that will be dedicated to WMBE businesses, funding for EDI certification for team members, and additional funds for community engagement regarding our parks.
- Japan CPI/Cultural Tour additions for multiple teams that include represented and operations staff.
- Continued funding for: training and travel to the Blacks In Government (BIG), National Training Institute; Center for Creative Leadership; Pacific Coast Congress; Alaska Association of Harbor Masters and Port Authorities; and the Northwest Marine Terminal Association.
- Added funds to procure BIPOC artist for mural project.

Economic Development Appendix

2024 Preliminary Budget
October 10, 2023



Economic Development Division Advances Century Agenda

Century Agenda Goal	Department & Initiatives	Key Metrics
Advance this Region as a Leading Tourism Destination and Business Gateway	EDD Tourism Department <ul style="list-style-type: none"> • International Tourism Promotion • Promote Air Travel and Cruise/Stay • Tourism grant programs 	<ul style="list-style-type: none"> • Passenger enplanement increases • Out of state visitor \$ spend
Become a Model for Equity, Diversity and Inclusion	EDD Diversity in Contracting <ul style="list-style-type: none"> • Diversity in Contracting • WMBE/DBE Outreach • WBE/DBE Technical Assistance 	<ul style="list-style-type: none"> • WMBE/DBE % Utilization • # WMBE/DBE firms utilized
Be a Highly Effective Public Agency	EDD Real Estate <ul style="list-style-type: none"> • Maritime/EDD property and lease management • Real Estate Development • Pier 69 HQ Management 	<ul style="list-style-type: none"> • Property acquired/redeveloped • Exceed energy efficiency goals • Property occupancy %
Responsibly Invest in the Economic Growth of the Region and all its Communities	EDD Partnerships & Innovation <ul style="list-style-type: none"> • City ED Partnership Grants • Duwamish partnership • Innovation Initiatives 	<ul style="list-style-type: none"> • # small biz receiving assistance through partners • # of emerging maritime, wmbe, and export companies assisted

Equity in Budgeting Questions

1. Did you have difficulty spending your budgeted equity dollars in 2023? And if so, why?

- no

2. In your 2024 budget, how did your Division choose to prioritize equity programs with the available budget?

- We developed Department SWOTs with an equity lens that became the basis for establishing department and Executive Director priorities that advance DEI. These goals became the basis for identifying and supporting equity related investments in our 2024 budget.

3. How did you engage with staff and/or community during the 2024 budget process?

- Staff within the Division helped establish SWOTs with an equity lens and discussed and helped develop 2024 equity goals. Our division has ongoing touchpoints with the community surrounding our programs and projects that help inform our priorities and budget. When new programs are created, we engage heavily with the community and staff across the Port to get input on key budget requests (ex. Community business connector initiative)

4. What new items have you added related to Equity, Diversity, and Inclusion in your 2024 budget (new requests and baseline budget)?

- We are adding an FTE to the Diversity in Contracting Department to create an Ombudsmen position that can support WMBE and DBE businesses working on Port projects.
- We are also proposing to add a new round of tourism grant funding that caters to smaller organizations that need more time and help to submit applications. We are also adding specific equity evaluative criteria to our tourism grant program so more emphasis is placed on responsible and inclusive tourism

EDD Summary

	2019	2020	2021	2022	2023	2023	2024	Incr (Decr)	
\$ in 000's	Actual	Actual	Actual	Actual	Budget	Forecast	Proposed Budget	Change from 2023	
								\$	%
Revenue	8,912	7,808	7,384	8,886	9,722	10,022	10,386	664	7%
Conf & Event Centers	12,239	1,662	1,910	8,848	12,479	10,879	11,156	(1,323)	-11%
Total Revenue	21,151	9,470	9,294	17,734	22,201	20,901	21,542	(659)	-3%
Expenses									
Portfolio Management	3,806	3,143	3,737	3,653	3,905	3,680	3,917	12	0%
Conf & Event Centers	10,218	4,440	3,124	6,563	10,769	9,537	9,602	(1,167)	-11%
P69 Facilities Expenses	249	268	268	230	221	221	225	5	2%
RE Dev & Planning	152	230	231	299	294	294	249	(45)	-15%
EconDev Expenses Other	963	974	736	1,058	900	900	1,058	159	18%
Maintenance Expenses	3,155	3,055	3,769	3,836	3,303	3,253	4,024	721	22%
Maritime Expenses (Excl Maint)	1,088	1,117	862	1,263	1,811	1,736	1,897	86	5%
Total EDD & Maritime Expenses	19,631	13,227	12,727	16,902	21,203	19,621	20,973	(230)	-1%
Diversity in Contracting	198	162	253	186	250	250	250	0	0%
Tourism	1,374	991	1,877	1,737	1,830	1,830	1,875	45	2%
EDD Grants & Innovation	785	778	889	105	1,450	1,450	1,505	55	4%
Total EDD Initiatives	2,357	1,931	3,019	2,028	3,530	3,530	3,630	100	3%
Environmental & Sustainability	29	33	24	35	83	67	108	25	30%
Police Expenses	224	215	205	240	258	250	289	31	12%
Other Central Services	5,486	5,815	4,408	4,848	4,938	4,813	5,471	533	11%
Aviation Division	114	161	177	147	138	138	131	(7)	-5%
Total Central Services & Aviation	5,853	6,225	4,814	5,270	5,417	5,268	5,999	582	11%
Total Expense befor Pension Adj.	27,841	21,382	20,560	24,200	30,149	28,418	30,602	453	2%
Pension Expense Adjustment	(703)	(771)	(2,396)	(695)				0	NA
Total Expense	27,137	20,611	18,164	23,505	30,149	28,418	30,602	453	2%
NOI Before Depreciation	(5,986)	(11,141)	(8,870)	(5,771)	(7,948)	(7,517)	(9,060)	(1,111)	-14%
Depreciation	3,647	3,611	3,841	3,954	3,982	3,982	4,024	42	1%
NOI After Depreciation	(9,633)	(14,752)	(12,711)	(9,725)	(11,930)	(11,499)	(13,084)	(1,153)	-10%