

**MOTION 2020-06:
A MOTION OF THE PORT OF SEATTLE COMMISSION**

to provide guidance for Port leadership in prioritizing Port investments to assist local, regional, and statewide economic recovery from the COVID-19 pandemic.

**ADOPTED
APRIL 1, 2020**

INTRODUCTION

The COVID-19 global pandemic is an unprecedented public health emergency that impacts the lives of every local resident and is causing incalculable economic and human costs. The Port of Seattle's number one priority is keeping employees, tenants, concessionaires, contractors, customers, travelers and residents safe.

The Commission extends its thanks to the public health officials, first responders, and elected leaders who are helping our region navigate this crisis, and to the Port employees, tenants and associated businesses and front-line workers who are focused on keeping the Port operational during this challenging time. The functional continuity and operations of the Port are vital to preventing greater disruption in the current emergency conditions. Ensuring the protection of public health and safety while maintaining operations is essential. The Port an over 100-year-old organization, is resilient, and every day is a demonstration of its commitment to the residents of King County, the businesses and workers who rely on it, and the global travel and trade supply chains that depend on it.

Once this global crisis ends, the Port of Seattle is uniquely positioned to be one of the leading public agencies to help drive the recovery efforts. The Port of Seattle's mission is to promote economic opportunities and quality of life in the region by advancing trade, travel, commerce, and job creation in an equitable, accountable, and environmentally responsible manner. We are committed to sustaining and creating living-wage jobs, preserving the maritime sector and industrial lands that serve our seaport and airport facilities, supporting small and disadvantaged businesses, workforce development, tourism and economic development.

The Port commits to values of equity, justice and inclusion in the COVID-19 crisis response, from immediate response to longer-term recovery. In developing recovery plans, the Port will ensure that principles of equity, justice, inclusion, transparency, and accountability are embraced. The Port will engage communities who are most impacted to understand their needs.

In response to the extraordinary circumstances posed by the COVID-19 crisis, the Port's relief and recovery effort will focus on restoring, sustaining and maximizing our aviation and maritime operations. These operations will play a critical role in the economic recovery of the Puget Sound region and the state of Washington. The financial sustainability of Port, responsible fiscal stewardship and public accountability should inform these efforts. Planning for the recovery efforts, both short-term and long-term, needs to start now and we must ensure these efforts are equitable, inclusive and environmentally sustainable.

TEXT OF THE MOTION

The Port of Seattle Commission hereby adopts the following principles to support and guide the Executive Director's evaluation and prioritization of recovery actions to restore, sustain and maximize our aviation and maritime operations in response to the COVID-19 pandemic and ensure swift regional economic recovery. The Port shall consider its fiscal, legal, and equity responsibilities in all decisions made when applying these principles.

Port Employees and Partners

To mitigate impacts of this pandemic on the Port's workforce and its partners, the Executive Director shall consider the following principles when making decisions:

- **Port Employee health, safety and wellbeing:** The Port shall continue to protect the health, safety and well-being of our employees and will maximize teleworking policies and leave policies, as appropriate based on public health guidance.
- **Keep Port employees working:** The Executive Director shall consider steps to keep our workforce employed such as deferring hiring of new and replacement positions, flexible leave without pay options, and reduced hours over reduction in the workforce. In addition, the Executive Director shall determine whether new skill-building and educational resources for employees are necessary to transition employees to new career pathways. The Executive Director shall take into consideration the Port's represented employees and their unique needs.
- **Youth employment:** The Executive Director shall offer youth internships to provide to the extent possible a short-term boost to the economy, support the most vulnerable and underserved communities, and continue its strategic investment in the Port's workforce of the future. Where possible, the Port should consider youth whose parents have lost employment as a result of the COVID-19 pandemic.
- **Federal, state and regional recovery coordination:** The Port shall collaborate with the Federal government, Washington State, King County, City of Seattle and other regional institutions to develop and implement a coordinated plan for long-term economic recovery. The Executive Director will work to identify federal and state programs that benefit the Port's business partners, and support their efforts to apply for and/or otherwise take advantage of these resources.

- **Tenants and concessionaires:** The Port has a strong interest in supporting the economic vitality of its business partners so that they may produce revenue for the Port, provide service to Port customers, and generate jobs. This will be a key element of the recovery.

The Executive Director may consider proposing adjusted agreement terms in a manner that serves the financial interests of both the Port and its tenants and concessionaires. The Executive Director shall, in light of Port finances and to the extent permitted by applicable law, consider prioritizing:

- Businesses that are directly impacted by the COVID-19 pandemic and the restrictions that have been implemented to address it;
- Businesses that can commit to being available to provide services and generate revenue;
- Businesses who are not otherwise eligible for significant state or federal economic relief;
- Small and diverse businesses;
- Independent contractors, hourly-wage workers, “gig workers”, and artists and craftsman who do not otherwise have access to basic economic safety nets; and
- Non-profit organizations and not-for-profit tenants.

Capital Programs

The Executive Director shall evaluate project assumptions for all capital projects approved prior to the COVID-19 pandemic. These projects shall be evaluated if assumptions on demand for Port facilities, industry trends, and consumer habits have changed. The Executive Director shall determine which projects shall be postponed, accelerated or phased, and consider the following principles when making decisions about these short-term and long-term capital investments and major capital maintenance projects:

- **Maximize economic impact:** Prioritize projects that generate significant economic activity – not only construction-related employment and spend, but also projects that, once completed, will facilitate key drivers of regional economic activity such as trade, fishing, tourism and travel. This shall include considerations for projects that facilitate a rapid recovery and accelerate employment opportunities, and reduce our capital construction costs in the face of reduced market demand.
- **Diversity in Contracting:** Prioritize capital programs that have high utilization rates for woman and minority owned businesses consistent with the Diversity in Contracting Policy Directive.
- **Small Business Enterprises:** Prioritize projects that provide opportunities for small business.
- **Environmental Sustainability Goals:** Prioritize actions that support attainment of Century Agenda goals for greenhouse gas and air emission reductions, habitat stewardship and enhancing the environmental features of capital projects, particularly projects or operational decisions that utilize the Sustainable Evaluation Framework.

Economic Development and Community Investment Programs

The Executive Director shall consider the following principles when making decisions about economic development and community investment programs:

- **Existing Grant and Community Benefit Programs:** Prioritize community investments using existing programs such as the Economic Development Partnership Program, Tourism Marketing Support Program, Duwamish Valley Community Equity Program, the South King County Fund and others.
- **Partnerships to Maximize Funding Impact:** Identify partnerships and coordinate efforts to create multiplier effects of Port funding. For example, the Executive Director can leverage Washington Department of Commerce economic recovery investments that create near-term economic activity; expand on regional transportation investments that support the region's trade and travel needs; leverage city and statewide tourism promotional programs; and address long-term infrastructure needs.

Reporting Timelines

The Executive Director shall deliver to the Commission by April 28 , 2020, a draft early action recovery plan with recommendations and options outlining how the principles will be applied to Port investments. By December 31, 2020, the Executive Director will update the Commission on recovery implementation efforts and continue to provide updates on a quarterly basis throughout 2021. The Executive Director shall compile and report on lessons learned to incorporate innovative and new ways of doing business and report in the first quarter of 2021.

STATEMENT IN SUPPORT OF THE MOTION

The Port of Seattle is a major regional economic driver. It owns and operates vital transportation infrastructure necessary to facilitate recovery across the state. Sea-Tac International Airport (SEA) is the largest transportation hub in the five-state region with over 51 million passengers annually. With a regional economic impact of more than \$22.5 billion in business revenue, SEA generates more than 151,400 jobs (87,300 direct jobs), representing over \$3.6 billion in direct earnings and more than \$442 million in state and local taxes.

The Port and The Northwest Seaport Alliance (NWSA) operate the 4th largest gateway in the country serving farmers, manufacturers, retailers and service providers throughout Washington and is a critical part of the supply chain. Our Maritime facilities, including cargo, cruise and fishing operations, support over 20,000 employees including our terminal operators, longshore workers, steamship agents and freight forwarders, trucking companies and railroads moving cargo to and from terminals. NWSA Marine Cargo generates almost \$6 billion dollars in business output across Washington state. In addition, our cruise operation supports 5,500 jobs and a full cruise season generates nearly \$900 million in economic activity.

Because of those roles, the Port of Seattle Commission is focused on the Port's responsibility to plan strategically and proactively for how to help our region during this crisis and guide its

recovery once it is over. As a public agency that provides essential services to facilitate our economy, the Port is uniquely positioned to be a key driver of economic recovery. The Port's roles in the transportation of people and goods, economic development, tourism promotion, workforce development, trade and travel facilitation, environmental remediation, youth employment and equitable inclusion are all essential tools that are needed to help workers, businesses, local residents and the overall economy. It is also in the Port and regions financial interest to keep tenants operating in both the maritime and aviation sector.

Just as important as the Port's role to help the economy revive will be its focus on rebuilding the economy equitably, in an environmentally sustainable manner, across King County and the region.

Prioritization of investments is critical in the upcoming months and those decisions must be made in alignment with the Port's mission, values and goals; this motion is the beginning of that process, with an acknowledgement that additional guidance will be required on a regular basis and reviewed on a case-by-case basis.

As the Port changes the way we do business and innovates to meet this challenge, the Port will look at ways to incorporate these new approaches into doing business for the long-term benefit of our employees and the region.