

**ORDER 2020-21:
AN ORDER OF THE PORT OF SEATTLE COMMISSION**

to authorize additional adjustments to agreements with tenants and concessionaires impacted by the COVID-19 pandemic.

**AMENDED AND ADOPTED
DECEMBER 8, 2020**

INTRODUCTION

The COVID-19 global pandemic is an unprecedented public health emergency that has drastically impacted the economy and threatened the viability of many businesses. It has affected the Port as a public entity and its tenants and concessionaires, which are integral to ensuring the financial success of the Port and supporting the ability of the Port to provide essential aviation, maritime and related facilities and to promote economic development for the region. A sustainable base of tenants and concessionaires is essential to generate and insure a continued in-flow of revenues for the Port. Tenants and concessionaires also support the Seattle-Tacoma International Airport (SEA) and other Port properties in fulfilling the Port's goal to provide a customer experience that is essential to attract travelers, tourists and other customers to the region. Therefore, it is in the best interest of the Port and the financial sustainability of its operations for the Executive Director to consider, and where appropriate, provide short-term adjustments to the agreements of certain tenants and concessionaires.

TEXT OF THE ORDER

The Port of Seattle Commission hereby provides the following direction to Port Leadership:

- 1) The Commission authorizes the Executive Director to continue to make short-term adjustments to agreements for tenants and concessionaires that are consistent with the Commission's April 1, 2020, direction on the provision of relief measures.
- 2) In carrying out this authority, the Executive Director will consider the financial and business interests of the Port and the impacts of the COVID-19 pandemic and related public health measures on the economic conditions facing the Port and its tenants and concessionaires. The Executive Director may continue to use the tools employed to-date, including without limitation the deferral of rent and other charges, under terms that are commercially reasonable and beneficial to the Port.
- 3) In carrying out this authority, the Executive Director will seek input from Commissioners on the types of adjustments prior to implementation..

STATEMENT IN SUPPORT OF THE ORDER

At the outset of the drastic impacts of COVID-19 the Commission on April 1, 2020, through Motion 2020-07 and Action Item 7b, authorized the Executive Director to implement short-term relief to Port tenants and concessionaires and recognized that such relief may change as circumstances warrant. Through the course of the year the Executive Director has approved relief based on the evolving economic conditions and impacts on tenants and concessionaires. On April 24, May 12, and May 24, 2020, the Executive Director informed the Commission of additional measures that would be taken to provide relief to tenants and concessionaires. On June 9, 2020, through Motion 2020-13, the Commission also approved a motion authorizing Airport Dining and Retail leases to be adjusted to temporarily suspend the minimum annual guarantee and to extend those leases by three years.

We are now experiencing another surge in COVID-19 infections, which caused Governor Inslee on November 15, 2020, to impose significant restrictions on retail and restaurant operations, including limiting the occupancy of retail establishments to twenty-five percent of capacity and limiting restaurants to providing food to-go. While the restrictions have been imposed through December 14, 2020, it is likely the limitations will be extended as we continue to see increasing infection rates. These restrictions are having a particularly significant impact on food, beverage and retail tenants at SEA, which have again had to sharply curtail operations. Other Port tenants may be similarly impacted. Moreover, the economic impacts of COVID-19 will likely continue at least until a vaccine is widely available.

In light of the continuing impacts of COVID-19, there may be a need for additional adjustments to agreement terms that advance and preserve the Port's financial and business interests. Through such actions, the Port will take necessary steps to ensure its on-going financial stability and fulfill being financially accountable to the public. The actions will serve to support the continued viability of affected businesses, which are integral to the Port's business success, so that they remain as a significant revenue source for the Port by providing continued services as restrictions are lifted and the economy recovers. Taking such actions substantially reduces the risk of financial harm to the Port resulting from losing a large number of tenants that would be difficult and expensive to replace, and which would be an avoidable cost and revenue loss for the Port.