

**COMMISSION
AGENDA MEMORANDUM**

Item No.

8i

ACTION ITEM

Date of Meeting

December 10, 2024

DATE: December 10, 2024

TO: Stephen P. Metruck, Executive Director

FROM: John Flanagan, Senior State Government Relations Manager

SUBJECT: Adoption of 2025 State Legislative Agenda

ACTION REQUESTED

Request Commission adoption of the Port's 2025 State Legislative Agenda and authorization for staff to advocate on the agenda during the 2025 Legislative Session.

EXECUTIVE SUMMARY

Since the end of the 2024 state legislative session in Olympia, staff from the Government Affairs team has been working with subject-matter experts across the Port, members of the Executive Leadership Team, staff from the Commission office, and the Commissioners themselves to develop a legislative agenda for the 2025 legislative session.

An initial staff briefing for commissioners was conducted on November 19th. Following that briefing, the Port's Sr. State Government Relations Manager has been working to integrate suggestions from Commission and staff, which are included in this document.

2025 State Legislative Agenda

In general, and across the entirety of our state-level advocacy, the Port will seek to support state-level action that preserves local values. Those values include, but are not limited to:

- Respect for Tribal Sovereignty;
- Protection of the environment and natural resources;
- Adherence to established labor standards;
- Creating equitable economic opportunity; and
- The preservation of human rights.

Where possible, Port staff will seek opportunities for joint advocacy and collaboration with the Northwest Seaport Alliance, the Washington Public Ports Association, and individual port districts espousing the same values.

Meeting Date: December 10, 2024

Priority Agenda Items

Economic Development & Workforce

Encouraging Tourism

- Support industry-endorsed legislation allowing the establishment of Tourism Improvement Districts (TIDs) and establishing a process for assessed businesses to enact self-assessment fees. In addition to revenue generated within TIDs, advocate for an ongoing operating budget allocation to support a sustainable and competitive State Tourism Program in Washington.
- Monitor the rollout of the Department of Natural Resources' 'Safe and Sustainable Recreation' program and support agency requests related to implementation.
- As necessary, pursue funding to get the region 'World Cup ready', and support joint efforts to pursue legacy projects that will benefit the region long after the games are over.

Green Jobs

- Advocate for additional and ongoing funding to support the State's 'Green Jobs & Infrastructure' Program.

Childcare Access

- Support policies and programming that increase access to and improve affordability of childcare for parents that work primarily at a Port-owned or Port-controlled facility.

Support for Business & Innovation

- Advocate for the continuation or establishment of programs that champion innovation, aid the global competitiveness of the region, and provide critical support to international business. This includes support for pre-application services and other programming designed to assist overburdened and underserved communities in accessing resources.
- Work with the incoming Ferguson administration to create or enhance programs supporting economic development and domestic manufacturing. Support the creation of additional tools to empower the State's economic development agencies to increase equitable economic opportunity, including direct support for business and manufacturing.

Aviation

Shared Advocacy: StART Communities & the Port

Support the full set of shared State Policy Priorities developed by Port staff and the community representatives of the SEA Stakeholder Advisory Round Table (StART) Committee. That list includes:

- Effective implementation of the Noise Insulation Repair and Replacement Program;

Meeting Date: December 10, 2024

- Making tangible progress towards identifying additional regional airport capacity;
- Sustaining existing State programs to enhance air quality;
- Maintaining and expanding sustainable aviation fuel (SAF) production and use in Washington; and
- Decarbonizing ground transportation, reducing airport emissions, and supporting electrification.

Sustainable Aviation Fuels

Similarly, support the full set of updated legislative recommendations from the WSU Alternative Jet Fuel Work Group. Those recommendations include:

- Preservation of existing SAF incentives;
- Enacting new Property / Leasehold Tax Exemptions for SAF Facilities;
- Creating a SAF Infrastructure Grant Program;
- Amending an existing Construction Sales Tax Deferral program to include SAF facilities; and
- Streamlining permitting processes for SAF facilities.

Sustain funding for WSDOT's **Sustainable Aviation Grant Program**.

Continue to monitor any changes to the State's **Clean Fuel Standard** to ensure that those changes do not improperly disadvantage SAF production and use.

Aviation & Environment

Pursue inclusion of language in the biennial budget to direct the use of **previously diverted Aviation Fuel Sales Tax Revenue** towards environmental cleanup efforts at airport facilities.

Continue to advocate for improvements to statewide **sustainable waste management** standards, including by establishing new extended producer responsibility for packaging policy, elevating minimum post-consumer recycled content requirements, and supporting organics management and composting system improvements.

Transportation

Revenue & Funding Models

Given major funding challenges across the entirety of the Transportation Budget, the Legislature is likely to introduce several competing proposals aimed at addressing shortfalls this session. Generally, the Port has supported transportation revenue and funding models that:

- Benefit freight mobility;
- Enhance competitiveness of the gateway;
- Prioritize multimodal transportation; and
- Continue the work of decarbonizing our transportation system and reducing local transportation-related emissions.

Meeting Date: December 10, 2024

In the coming session, the Port will advocate for well-balanced revenue proposals that create funding capacity without impairing other priorities.

The Port will also support legislation to:

- Enable the use of **‘public-private partnership’ (P3) models** to fund transportation projects;
- Create a **‘supply chain competitiveness’ funding program** benefitting ports; and
- Enable effective **implementation of the Port’s Order to Expand Alternative Transportation Options** for Airport Workers. This is likely to include:
 - Extending the existing commute trip reduction incentive program;
 - Amending existing definitions to allow the Port’s program to qualify for incentives;
 - Ensuring that the Port is eligible for existing grant programs (like the Regional Mobility Grant Program);
 - Seeking clarification from the Utilities and Transportation Commission regarding provision of transportation services by similarly situated entities.

Major Transportation Projects

The Port will advocate for:

- Any legislative or budgetary changes that are necessary to ensure completion of the **Puget Sound Gateway Project** without additional delays;
- Small, but meaningful, investments in projects recommended by the joint WSDOT/Port of Seattle Corridor Study on **SR 518** that was completed in 2020;
- Funding to support mitigation efforts related to the ongoing **‘Revive I-5’** project; and
- Preservation of existing transportation investments in **high-speed rail**.

Environment & Energy

Clean Energy Siting

The Port will:

- Continue to broadly support statewide efforts to site clean energy facilities, and will seek to assess the feasibility of constructing and maintaining clean energy production facilities for its own use;
- Seek to participate in legislative proposals related to the Department’s ‘Considerations for Consolidating Clean Energy Permits and Applications’ report as well as the ‘Clean Energy Siting Council’s Annual Legislative Report Draft Recommendations’ to reinforce formal comments submitted to the State Department of Ecology in July;
- Ensure that funding is available for the work of the Blue Wind Collaborative to assess and support the offshore wind supply chain;
- Advocate broadly for policy and budgetary solutions that benefit the construction of transmission infrastructure and grid modernization and resiliency; and

Meeting Date: December 10, 2024

Sustainable & Decarbonized Maritime

Secure additional investment in the work of the **Sustainable Maritime Fuels Collaborative**, and in close coordination with partner organizations, support all efforts to incentivize the production and use of Sustainable Maritime Fuels (SMFs) in Washington. The Port will monitor existing and emerging clean fuels policies to ensure that SMFs are broadly included.

Request additional and ongoing funds for the **Port Electrification Grant Program** (including a set-aside benefitting shore power for cruise operations) and enacted Zero-emission Medium and Heavy-Duty Truck (**MHD ZEV**) incentives and programming.

Stormwater

In partnership with the Northwest Seaport Alliance and the Port of Tacoma, support legislation to establish a less onerous compliance pathway that affords protection from legal liability in certain situations for regulated entities under the updated **Industrial Stormwater General Permit (ISGP)**.

Public Safety

The Port will continue to participate in discussions with the State Auditor's office as they seek to update the State's system for **civil asset forfeiture** proceedings and outcomes. As in prior years, the Port will continue to pursue legislation that gives the Port additional flexibility in the use of revenue from civil asset forfeiture proceedings.

In partnership with relevant state agencies, the Port will assess, and pursue as necessary, legislation to **enable additional enforcement authority** on roadways that are jointly monitored and controlled by the Port and State.

Tax & Revenue

Support efforts by partner local governments to reform the state and local property tax, including efforts to **raise or eliminate the local property tax levy cap**.

Continue to seek improvements to the state's **Tax Increment Financing (TIF)** framework with the overall goal of diminishing the Port's possible exposure to revenue diversion.

Governance

Support joint efforts by the Public Ports Association, Association of Cities, and Association of Counties to **limit Public Records Act violations** by local governments and special purpose districts that are engaged in 'good faith efforts' to respond to records requests.

Meeting Date: December 10, 2024

In direct response to the recent cyber-attack that continues to impact port operations, explore opportunities to **update emergency powers statutes** to grant the Port expanded authority comparable to other local government entities.

Pursue administrative changes to allow public employees that are already accessing **PERS benefits** to continue accruing service hours if they are elected to serve as a Port Commissioner.

Meeting Date: December 10, 2024

Legacy Agenda Items

Legacy Issue Area 1: Economic and Workforce Development

Continue to support economic and workforce development proposals that are consistent with Goals 1, 2, 3, 5, and 6 of the Port’s Century Agenda with a focus on policies and programs that prioritize equity, foster innovation, and create quality and sustainable jobs in the region.

Advocacy will include support for:

- Partnerships that benefit the growth of port-related industries and expansion of state-level worker training programs in those industries;
- Career-connected learning and work-based learning programs that seek to expose K-12 students to professions in port-related industries, including ongoing support for CORE PLUS programming;
- Continuation and expansion of pre-apprentice and apprenticeship programs in a responsible manner;
- Efforts to expand the trucking and logistics workforce, including increasing the supply of Commercial Driver’s License (CDL) holders and drivers, with a specific focus on those serving port operations;
- Programs that prioritize equitable recruitment, training, and retention of workers representing diverse populations;
- Policy solutions that connect port-adjacent communities to economic opportunity and ‘prosperity-in-place’;
- The continued enforcement of responsible labor standards;
- Increased state-level investments to promote and grow the tourism industry in Washington;
- Investments in broadband infrastructure and digital equity programming, including the use of state funds as ‘match dollars’ for federal programs;
- Rural economic development initiatives, including those that benefit small manufacturers and domestic manufacturing generally, investments in freight corridors serving rural areas, rural tourism, and support for associate development organizations;
- Proposals that reduce structural barriers, prioritize equitable working conditions, promote the success of small businesses, and benefit minority and women-owned enterprises;
- The repeal of I-200, efforts to implement Executive Order 22-02, and outcomes resulting from the ongoing work of the Governor’s Statewide Diversity, Equity, and Inclusion Council;
- Statewide contracting practices and programs that increase flexibility for public owners while also supporting small, minority, and women-owned businesses, and increasing opportunity and access for those businesses;
- Creating state-level programs geared towards assisting businesses owned by woman, minority, and veteran populations and rural small businesses that traditionally struggle to access available public resources.

Meeting Date: December 10, 2024

The Port will continue to monitor and engage in legislative efforts that address emerging trends in labor relations.

Legacy Issue Area 2: Energy, Climate, Environment, and Habitat

Continue to support state-level policies regarding energy, environment, sustainability, climate, and habitat that serve Goals 4 and 5 of the Port's Century Agenda. Advocate for policy and budgetary solutions that promote the adoption and implementation of clean energy, phase-down the State's reliance on fossil fuels, reduce emissions, and improve environmental outcomes.

Advocacy will include support for:

- Promotion of the use of low- and zero-carbon fuels for transportation, providing low or zero emission transit options, and otherwise aiding the continued reduction in the cost of low- and zero-carbon energy sources;
- Technologically neutral strategies that lower emissions and ensure that clean fuels regulations do not frustrate their own purposes;
- Policies that promote the use of clean energy technology, promote the development of in-state renewable energy, build energy efficiency, and support a statewide reduction in greenhouse gas emissions while enforcing statewide goals for clean power, and that can be implemented in ways that leverage our state's competitiveness, maintain the efficient operation of essential public facilities such as airports and seaports, and support social equity in the private sector;
- Proliferation of sustainable aviation fuels, including support for SAF infrastructure programs and any necessary adjustments to existing incentives;
- Likewise, programs to support the proliferation of sustainable maritime fuels and other non-emitting maritime technologies, including support for all necessary storage, bunkering, and other infrastructure;
- On-dock decarbonization programs and incentives;
- Programs and policies geared towards 'Scope 3 emissions';
- Programs benefitting Puget Sound health, including water quality, habitat restoration, cleanups, stormwater, underwater noise reduction, and programs related to Southern Resident Killer Whale (SRKW) recovery, including support for additional Quiet Sound funding;
- Maintaining funding for programs associated with the Model Toxics Control Act (MTCA) that assist the Port in its efforts to promote environmental stewardship, including cleanup grants, public participation grants to community organizations, and benefitting voluntary, expeditious cleanup of habitat restoration and/or shoreline public access projects in underserved communities;
- Streamlining and providing robust state funding for the Department of Ecology's wetland mitigation banking program so that cost-effective and large-scale compensatory mitigation projects can be built in advance of permitted impacts;

Meeting Date: December 10, 2024

- Programs and legislative solutions to address derelict vessels on port and port-adjacent properties;
- Efforts to increase climate resiliency, including through implementation of recommendations in the State’s recently published Climate Resilience Strategy and investments in resilience in the transportation network serving ports, in collaboration and partnership with local governments;
- Policies that reduce air emissions and pollution for passengers and employees traveling to and from Port facilities, including promoting and improving the efficiency of public transportation and public transit;
- Continuing state partnerships to reduce emissions from waterfront operations while maintaining an international competitive edge, including partnerships to support electric transmission infrastructure development, regarding innovation in the clean maritime sector, and in the State’s ongoing Maritime Blue 2050 initiative;
- Responsible and thoughtful implementation of statewide environmental justice standards, including support for state-agency efforts to build intersectionality directly into programming, advocacy to ensure that state agencies adhere to standards for investment in overburdened communities and vulnerable populations that are set in current law, establishing adequate enforcement mechanisms, and providing necessary resources; and
- the Washington Conservation Corps (WCC) program, including creating opportunities to integrate WCC staff into Port operations and programs.

Legacy Issue Area 3: Transportation

Support transportation policy that is consistent with Goals 1, 2, and 4 of the Port’s Century Agenda, emphasizing the importance of proposals supporting freight mobility, enhancing competitiveness, aiding multimodal transportation, and continuing to decarbonize.

Advocacy will include support for:

- Investments in transportation networks serving essential public facilities with specific emphasis on funding needed for upgrades to near-port facilities;
- Proposals speeding the movement of freight and passengers from origin to destination through seaport and airport facilities, and improving trade competitiveness of the state and the Port’s gateway;
- Ongoing efforts to address the major deficit of truck parking in the region and to expand the number of areas set aside for the needs of commercial truck operators;
- Continued promotion of Washington as an international trading partner, including support for the state’s exporters and ensuring that transportation facilities supporting trade are modern, world-class, and operate efficiently;
- Proposals to clarify and affirm the authority of the Port Commission to control access to port facilities by all transportation modes (including private vehicle access, commercial ground transportation providers, and public transportation providers), and promoting fairness and equity among transportation service providers, in support of responsible

Meeting Date: December 10, 2024

operation in all areas of regulation, including insurance, monitoring, safety, and environmental standards;

- State engagement relating to increasing passenger vessel routes operating in Puget Sound, provided that any increased vessel traffic is accompanied by mitigation;
- Regional conversations related to innovative transportation partnerships that will help alleviate congestion on roadways and in airports, and reduce emissions associated with the transportation sector;
- Continuation of programs that incentivize the adoption and use of electric vehicles;
- Coordinated approaches to regional transportation planning, including aviation planning;
- Continued progress regarding airport siting or expansion and the efforts of the Commercial Aviation Work Group (CAWG);
- State-level actions to advance planning for major transportation projects, provided that planning efforts account for impacts to the broader transportation network and consider effects to adjacent areas;
- Investments in multimodal and active transportation infrastructure that prioritize safety, increased choice, and efficient movement of freight and all users; and
- Promotion of state agency efforts benefitting REAL ID compliance.

Participate in, and monitor, conversations regarding transportation revenue and revenue-generating policies, advocating that policies prioritize and uphold economic competitiveness and do not disadvantage the efficient movement of goods. Likewise, the Port will continue to advocate that broader transportation implications continue to be a central consideration of major transportation projects.

Legacy Issue Area 4: Land Use

Continue to advocate for land use policies benefitting goals 1, 3, 4, and 5 of the Port's Century Agenda, with a specific focus on zoning issues that may affect port competitiveness.

Advocacy will include support for:

- Proposals that reflect the "Guiding Principles: Stewardship, Enhancement, and Protection of Maritime and Manufacturing Lands" document that was adopted by the Northwest Seaport Alliance on November 1, 2016;
- Proposals that aim to reduce pressure on critical industrial lands by focusing dense residential development into existing residential areas that have typically been characterized by low-density single-family development;
- Economic and workforce development in the region facilitated by streamlining of permitting and increases to overall development opportunity;
- Efforts to acknowledge and define Manufacturing and Industrial Centers (MICs) as resource lands of statewide economic significance;
- Proposals that recognize the role industrial resource lands play in global port competitiveness and in supporting job retention in diverse economic sectors;
- Policies that give the Port flexibility in the conveyance of surplus property; and

Meeting Date: December 10, 2024

- Proposals that seek to strengthen the Container Ports Element of the Growth Management Act.

Monitor actions related to the Department of Commerce’s Interbay Public Development Advisory Committee, and any other legislative changes that may impact the efficient functioning of statewide essential public facilities.

Ensure that ongoing efforts to update the Growth Management Act do not inadvertently result in the imposition of new or expanded planning requirements for Ports without providing adequate resources to implement.

Other Legacy Issue Areas: Tax, Revenue, Governance, Technology, Trafficking, Civil Asset Forfeiture

Taxation:

Support state-level tax policies that foster the economic health of port-related businesses and activities, including:

- Policies that promote the efficient movement of freight and support communities that contain warehousing and distribution infrastructure, especially those facilities and communities benefitting agriculture, manufacturing, and trade sectors; and
- Policies that reduce manufacturing costs in port-related sectors, including businesses that support the efficient functioning of SEA International Airport, and incentivizing construction of fishing vessels within Washington State.

Pending action by the Department of Revenue, consider legislative solutions to clarify the application of Leasehold Excise Tax to certain port-related businesses, and continue to monitor stalled Leasehold Excise Tax rule making.

Additionally, the Port will continue monitoring developments around programs that divert Port revenues to other uses, opposing changes that further increase diversion of Port revenue, or are otherwise inconsistent with underlying tax law.

Revenue:

Continued support for grant & loan programs that aim to maximize the use and availability of federal resources for Port infrastructure and initiatives.

Governance:

- Oppose legislation that would create an imbalance of representatives between the two homeports in the governance of the Northwest Seaport Alliance.
- Monitor legislative proposals that would alter the governance structure of either NWSA homeport, and if proposed, advocate for ratification by citizen vote within the respective homeport district(s).

Meeting Date: December 10, 2024

Technology:

- Monitor proposals related to the use of biometric technology, such as facial recognition, with particular attention to those that address protection of individual privacy, equity, and compliance with federal and state regulations.
- Continue to monitor proposals related to establishing a Washington State Digital ID intended for general use including at airport facilities.
- Monitor state-level regulation of artificial intelligence (AI), and seek to form relevant partnerships with state and local government agencies regarding the use of AI.

Trafficking:

- Continue to engage state agencies, the legislature, and external partners in Port-sponsored efforts to combat human trafficking and forced labor at port facilities, including the airport, seaport, cruise terminals, and marina properties. Explore additional opportunities to deepen partnerships and align ongoing efforts happening elsewhere. As the region hosts major large-scale events (like the World Cup), ensure that the State supports anti-trafficking programs.

ATTACHMENTS TO THIS BRIEFING

- (1) Presentation slides

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

November 19, 2024 – The Commission was briefed on the Draft 2025 State Legislative Agenda

January 9, 2024 – The Commission voted to adopt the Final 2024 State Legislative Agenda

December 12, 2023 – The Commission was briefed on the Draft 2024 State Legislative Agenda