

**MOTION 2020-17:
A MOTION OF THE PORT OF SEATTLE COMMISSION**

supporting the Executive Directors recommendation to adjust the Commission-approved 2020 Port budget and to authorize the execution of \$3,000,000 in new community benefit programs to spur regional economic recovery.

**ADOPTED
JUNE 23, 2020**

INTRODUCTION

The COVID-19 global pandemic is an unprecedented public health emergency that impacts the lives of everyone in the region and state. The Port of Seattle's top priorities during this difficult time are keeping employees, tenants, concessionaires, contractors, workers, customers, travelers and residents safe, while simultaneously strengthening our critical aviation and maritime infrastructure to advance trade and commerce and to support jobs, small and diverse businesses, and environmental sustainability.

Therefore, the Commission believes strongly that it is in the best interest of the Port and its financial sustainability to make adjustments to the 2020 Port budget, preserving resources to help the organization remain viable for the long-term. However, it is also essential that the Port continue to invest in key economic recovery programs, and so the Commission supports new dollars for key efforts to support the region's residents. The Commission and the Executive Director will continue to evaluate and adjust this approach as new information becomes available.

The Executive Director has the authority to reduce the budget of the Port of Seattle, the Commission is passing this motion to support the exercise of that authority.

TEXT OF THE MOTION

The Port of Seattle Commission hereby supports the Executive Director recommendations to reduce the Port of Seattle 2020 budget by approximately \$70 million dollars, from both operating and capital budgets, to preserve funds for the uncertain future economic times ahead.

The Commission authorizes the Executive Director to execute \$3,000,000 (three-million) in contracts support investment in workforce development and tourism. The authorizations shall include:

- \$1.5 million to support implementation of the May 26, 2020, Opportunity Motion workforce development programs.
- \$1.5 million to support tourism promotion that is vital to the Port's economic sustainability and the region's economic vitality.

STATEMENT IN SUPPORT OF THE MOTION

The COVID-19 global pandemic has been an unprecedented public health emergency that continues to impact the lives of every local resident, and is causing incalculable economic and human costs. The Port of Seattle has been deeply affected in almost every way, especially since the economic downturn has been particularly severe on travel, trade and tourism. We have heard painful stories from our tenants and partners, but the Port's own budget has seen the loss of hundreds of millions of dollars in expected revenues. We are grateful for the federal support that Sea-Tac Airport has received to keep our operations funded in the near future.

Tourism is an important driver of King County and Washington state's economic vitality. Travel and tourism support 5.1 percent of all jobs in Washington. State and local taxes, generated by direct visitor spending, tallied nearly \$2.4 billion in 2019. The Coronavirus epidemic has acutely damaged employment in Washington State's travel sector. Through the end of April, job losses within the leisure and hospitality sector represented 42 percent of all job losses in the state. Since March 1, visitor spending in Washington has declined by \$3.8 billion compared with last year's figures. Supporting the revitalization of tourism throughout Washington State will support economic renewal and will positively impact the Port of Seattle's gateways and financial future.

Commissioners face a difficult task over the coming months and years, trying to be thoughtful stewards of the Port's assets while also trying to help drive regional recovery efforts. It is a challenge to balance those two priorities, and the Commission is grateful to Executive Director Metruck and his leadership team who have already taken actions to achieve both: implementing short-term cost saving measures while moving forward on our major capital construction projects and offering economic relief to tenants across the Port. The Commission also acknowledges that the reason the Port has been able to weather the storm so well to this point is years of conservative budgeting and strategic financial management that built up significant reserves.

In a time of huge shortfalls, money spent now is money that the Port will not have later. No one knows how long or how deep the current economic downturn will be, and so it is important to be prudent at the same time as entertaining bold ideas for helping our region rebound. Much of the Port's capacity to make a major impact will be through the 2021 budget, which will be discussed in greater detail at future meetings.