

## U.S. Senator Maria Cantwell

### Spokane Airport Expansion Press Conference

**Speakers: Jennifer West, Secretary (Spokane Airport Board); Larry Krauter, CEO (Spokane Regional Airport); Ben Brookman, Managing Director of Airport Affairs (Alaska Airlines); Hollis Barnett, Vice President (Garco Construction); Matt Mattke (Spokane Workforce Council)**

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[\[VIDEO\]](#) [\[AUDIO\]](#)

**Jennifer West:** Welcome, everybody and good morning. It's my pleasure to welcome Senator Maria Cantwell on behalf of the Spokane airport board today. My name is Jennifer West and I am the Secretary of the airport board and I am joined here today by three other members of the Spokane International Airport Board and we collectively welcome you. Senator Cantwell has always been a strong advocate for Spokane International Airport and Phelps Field during her service in the United States Senate.

Senator Cantwell is the Chair of the Senate Committee on Commerce, Science and Transportation. And as chair of that committee last year, she worked to pass the Bipartisan Infrastructure Law that contains \$25 billion for airport improvements nationwide, and most importantly, includes specific set aside funding for renovation and expansion of airport terminal buildings by airport hub category including small hubs like Spokane International.

We're grateful to Senator Cantwell for her commitment to help airports of all sizes to address their infrastructure needs through this historic legislation that she played a significant role in writing. And we're even more pleased that she could join us here today to talk about how this funding program can help our region to advance the first phase of our terminal renovation and expansion project that we otherwise call TREX.

And now I'd like to welcome the Spokane International Airport CEO Larry Crowder to the podium. He'll be followed by several of our strategic partners to share their perspectives on the significance of this TREX project. And then Senator Cantwell will provide concluding remarks, Larry,

**Larry Krauter:** Thanks, Jennifer. Good morning, and thank you Senator Cantwell, for visiting with us today to discuss the importance of the Bipartisan Infrastructure Law and the airport specific funding programs within that law that will go to great lengths to help the Spokane Airport Board to deliver the first phase of the terminal renovation and expansion project, which is centered on the C concourse that is right behind us. It is remarkable to note that this project is the first substantial investment in terminal building expansion and renovation. In over 23 years. The TREX project will deliver substantial benefits to our community.

First and foremost, it gives us more gate capacity to help our airline partners to expand service to new cities or to increase frequencies within their existing networks. It promotes competition by allowing new entrants to start service as well as allowing for additional charter flight opportunities. With the three new gate additions, and the addition of three passenger loading bridges where the current horizon ground loading operation is located, we estimate that we will be able to have sufficient capacity as we

are approaching year to date 2018 Passenger levels and expect to continue our recovery through the rest of the year to near our 2019 pre pandemic passenger level of over 4.1 million total passengers. This project then gives us room to grow we estimate by 20% to 25% or closer to another three quarters of a million total passengers that can be accommodated.

Senator Cantwell is a veteran of the tech industry and this project will feature important technological advances by deployment of things such as common use terminal equipment and all of the gates which basically allow any gate to be used by any airline so that's a really big efficiency gain for us.

The project will also use electrochromic windows to reduce heat and cooling loads and allow our HVAC AC system to work more efficiently and obviously provide a great passenger experience. As you can see on some of the boards that are located off to my left and right that the environment for passengers will be very welcoming and very comfortable.

The project will also be LEED certified. We obviously want to have the most sustainable project that we can, and it will incorporate things such as new mechanical, electrical and plumbing systems that support the MERV 13 air filters, which contribute to a healthier building.

We'll be looking at ADA infrastructure improvements. Things such as hearing loops installed at each boarding and ticketing area, companion care spaces, nursing mother spaces, pet relief areas, new food and beverage and gift shops concession areas and a number of other passenger amenities, including the capability to install future rooftop mounted solar panels.

We will also be able to install automated exit lane technology as part of this project which enhances security and also frees up TSA staffing resources. Overall a substantial enhancement to first and last impressions of our community and a more pleasing passenger experience for everyone while also achieving sustainability goals.

I want to talk a little bit about Senator Cantwell, she's been a great partner with us. The TREX project has been in the planning stage for many, many years and as we visited with Senator Cantwell and as she's come out here to Spokane International Airport, she knew that one of our biggest challenges was how are we going to be able to pay for this project and accordingly, she worked for years. I know that everyone thinks the bipartisan infrastructure law was a recent phenomenon, but it was really years and years of hard work to allow the ability to bring greater federal investment to address terminal building needs as we are doing now.

The magnitude of the policy and funding changes Senator Cantwell delivered for us in the bipartisan infrastructure law are enormous. Through the creation of the Airport Improvement Grant Program and the Airport Terminal Program to that will help fund tracks. We will save \$2 for every grant dollar received by not having to finance as much of the project cost. This not only helps us to reduce the amount of bonds that need to be sold to help finance the project. But it also obviously reduces that principal and interest. It helps us take some of those savings and reinvest it in other projects on the airport and also continue to have competitive costs.

I am delighted that Senator Cantwell is here today so that we can extend our sincere thanks to her and to recognize her efforts to bring additional financial resources to a project that is so critical to the future success of our community as our primary connection to the global economy and a job creating regional

economic engine. I would now like to invite Ben Brookman, Managing Director of Airport Affairs for Alaska Airlines to the podium.

**Ben Brookman:** Thanks everybody. My name is Ben Brookman. I'm the Managing Director of Airport Affairs for Alaska Airlines, Alaska Air Group. I am honored to be here today in our home state with our home state Senator who chairs the Commerce, Science and Transportation Committee. Senator Cantwell is a champion for aviation, and has worked tirelessly over the years, but particularly these last few to ensure our industry is healthy and is ready for the future. So thank you, Senator for all that you do and from all of the 23,000 of us at Alaska Airlines and Horizon Air, we really appreciate it.

So today we're here to talk about Spokane International Airport and the plan to expand the Concourse C through the Terminal Renovation and Expansion Program. Spokane International Airport and Alaska Airlines have a long history of successful partnership in delivering air service to the Spokane region. We are the largest airline serving the International Airport and annually transport more than 1.4 million passengers to 7 non-stop destinations across the West Coast.

This project is something we've been engaged in for many years in the planning design process. And its completion will create gates and ticketing space that provide operational flexibility that we need as we grow our fleet and our operations at Spokane International and as well as delivering a fantastic customer experience. In addition, this project is critical for creating additional accessibility and safety improvements for the overall guest and employee experience here in Spokane. Particularly with all the new jetways that are going to be built right behind me.

Spokane is a critically important market for our airline. In the last few years we've connected three new cities: LA, San Francisco and most recently Payne Field just north of Seattle. And the region has seen fantastic economic growth and having the right infrastructure in place is critical to that effort succeeding. So we'd like to thank Spokane International for their longtime partnership, and Senator Cantwell for her tireless leadership for critical infrastructure development at airports across our state. With that, I'd like to introduce Hollis Barnett, Vice President of Garco Construction.

**Hollis Barnett:** Thank you, Ben. Morning. Thank you, Senator Cantwell for joining us today, appreciate that. My name is Hollis Barnett, the Vice President of Garco Construction. Nearly a year ago, Garco and its joint venture partner Q&D were hired by the Spokane Airport to provide a general contractor construction matter of pre-construction services, to make sure their design was coordinated and constructible and with cost certainty. So last year, we worked tirelessly with the airport staff, and with the designers to make sure we got a design that was constructible and it was phased in a way that can be designed and constructed in a phased manner.

The phased approach allows construction to take place efficiently, in the least cost behind the scenes, with minimal impact the traveling public. Not only is this project mission critical to Spokane Airport, it is economically impactful to City of Spokane, to our local region and to the State of Washington. This project incorporates a wide variety of work that requires specific skills from craftsmen, represented by all building trades and specialty contractors across the country. More importantly, it's going to provide high paying wages to these highly skilled craft workers for this project. Every craft will be represented on this project. There's work for everyone.

This will also provide a great opportunity for workforce development, our union building trade partners, and our local contractors. We're struggling right now trying to find workforce that wants to join

construction. This provides a great opportunity to bring folks, young folks in, teach them construction and provide apprenticeship opportunities on the job site and we're looking forward to that opportunity with our union partners.

The Associated General Contractors of America publishes Economic Construction Data for all states across the country. This data for Washington State tells us that for every \$1 million we spend or invest in construction generates 8 jobs. Construction of Spokane Airport TREX Project will generate nearly 1,200 jobs. Both locally here on this project, and indirectly in other aspects of work across the state. Also, for every dollar invested in new construction, it generates 2 additional dollars of economic activity throughout the state. So correlate that this project will generate nearly 300 million additional dollars of economic activity across the state of Washington.

The construction across Washington State represents only about 4.3% of the Gross Domestic Product of Washington State. Only 4.3%. But it generates more than 25% of the taxable state sales tax revenue for the state as well. So as you can see, this project is economically important for both local regional workforce, as well as the great state of Washington itself. And with that, I'd like to introduce Mark Mattke CEO of Spokane Workforce Council.

**Matt Mattke:** Good morning. I'm Mark Mattke, I'm the CEO the Spokane Workforce Council and thanks for the opportunity to be here today to help celebrate this grant and share a little about the impacts of this funding at Spokane International Airport and for our entire regional economy.

The airport is a key driver of our region's economic success and the impacts of this exciting project will be immediate and long lasting. The TREX Project will create more than 1,600 direct and indirect construction jobs. These construction jobs are good paying, with 25% higher than average wages for Spokane County and family sustaining with comprehensive benefits that offer our residents career opportunities in an industry that is vital to our continued growth as a region. The multiplier effects of these dollars will positively affect not just the individual workers and their families, but the whole regional economy.

This project will also help Spokane build a stronger and more inclusive workforce by giving us the opportunity to bring in and scale up more workers from underrepresented populations and connect them to pathways and lifelong careers. Spokane International Airport already serves as a worksite for over 3,000 people. And over 60% of the workforce here resides in our most diverse zip codes. As a partner in this effort, the Spokane Workforce Council is committed to working to ensure all members of our community have access to great jobs and participate in our ongoing economic expansion.

I think as you all know, in the last couple of years, Spokane continues to be an attractive destination as people in businesses seek new places to live, and new markets to expand into. And Spokane is actually one of the fastest growing areas in the US. Spokane County's population has grown 3 times as fast as Washington State overall in the last year, and 10 times as fast as the rest of the US. This influx of both talent and capital is critical to meet the workforce needs of our area businesses.

Increasing our airport's capacity and better connecting Spokane air travel to new markets, will allow for the Spokane economy to better engage with other metro areas, growing tourism and business market development and relocation. And the TREX Project will support our economic expansion efforts and result in increased prosperity for Eastern Washington.

It's now my distinct honor to introduce United States Senator Maria Cantwell. She served as our senator since 2001. And been a staunch and effective advocate for aviation and the aerospace industry and continues to help build the economy of greater Eastern Washington. She's the current Chair of the Senate Commerce Committee and the driving force behind the infrastructure package that will have tremendous economic impacts for generations all across the US. Please join me in welcoming her to the podium.

**Senator Cantwell:** Well, thank you, Mark. It's a pleasure to be here. I appreciate your leadership on Spokane's Workforce Council. As you could see, we need to train and skill a workforce for these important economic opportunities including building right here at the airport. I also want to thank Jennifer West as the Board Secretary, Larry Krauter, the CEO of Airport International. Obviously, Ben Brookman, Hollis Barnett, and obviously our two great elected officials here, Spokane City Councilman Beggs and Commissioner French. They also serve on the airport board and so they really are thinking about our region here and how it should work together. So I thank all of them for being here.

We're here in Spokane today to talk about an important infrastructure investment that will allow this region to continue to grow and with that growth attract more jobs here in the region. Now I know this because as several speakers have mentioned, we've been keeping tabs on the airport's efforts and the council's efforts to expand the business parks around here and attract other employers. And we know very well that companies like to locate close to airports, it helps cut down on costs and allows them to reach markets. So this project, the Terminal Renovation and Expansion Project, known as TREX, will allow the airport to accommodate growing passenger traffic and enlarge the economic opportunities for this area.

As Eastern Washington's gateway Spokane International Airport needs a terminal to look to allow new local visitors to the region and help that commerce continue to grow. We need to make sure that Congress continues to make investments in these important projects. The United States pioneered aviation, but our airports lag behind our competitors. Currently no US airport is ranked in the top 25 of Airports Worldwide according to a passenger satisfaction survey. We've tried to change that with the infrastructure law, which invested \$25 billion in airports to repair and help maintenance backlogs, reduce congestion, and make investments in emission reductions at our airports. This included \$15 billion for airport infrastructure improvement programs, and \$5 billion for airport terminals, and \$5 billion for modernizing the FAA traffic control system.

So we know this that modern resilient and sustainable airports will help strengthen our supply chain, help our US businesses compete in a global economy, and get our consumers where they need to go. By making goods move faster while reducing and providing a down payment on future economies, Spokane can continue to realize its full potential.

For instance, the infrastructure law already provided \$385 million to the airport infrastructure grants program. So that meant here in Spokane, based on a formula, they already got \$32 million for Spokane airport. But we're here to talk about the next step, which is applying for a federal grant to do airport terminal innovation as has been discussed by Larry and others. This airport improvement program is built just for airports like this to propose ideas for expansion and why it's so important to the region.

Well here's why I think they have a very good case where these federal dollars. Airport use is growing right along between 2013 and 2019, the number of passengers using Spokane airport grew 38% with a record 4.1 million passengers in 2019. By 2030, the airport expects to serve more than 6.2 million

passengers. So that expected growth means we have to expand the airport here. That's why part of that infrastructure bill and the Terminal Improvement Program is really a once in a lifetime investment to help Spokane reach that potential.

I'm proud to support this application and hope that the Department of Transportation will act very soon, hopefully within the next few days to let us know about this investment request, and hopefully support Spokane's application. I think this application is so important because the 64,000 square foot expansion adds new gates as you can see in this diagram over here. Those three additional gates are opportunities for new flights and new destinations and let's just say maybe you don't have to go through Seattle. So it would be great to see a nonstop to Hawaii, it'd be great to see a nonstop to the East Coast, it would be great to have other destinations not currently served by the airport get access to Spokane.

The airport construction means that you will give the passengers who are coming here, not just more flights to more destinations, but hopefully improvements like faster baggage delivery, more spacious ticketing and check in areas. And as was mentioned with the Leadership in Energy and Environmental Design, efficiencies that will help the airport compete.

Now I just have to put in a plug for something geeky that Larry brought up. Most airports and their gates in the past have kind of been controlled by an airline. And with the rotation with the efficiency that he's talking about, you will be able to rotate those gates and rotate the various providers. That will give Spokane the opportunity to have a little more competition and attract more people. So we very much appreciate that level of innovation that they're doing.

In addition to improving the passenger experience. The TREX project, as was mentioned will create near over 1,200 construction jobs over the next several years and that certainly helps with the local economy. Investing in infrastructure like this is important to maintaining America's aviation leadership and to helping our regional economy. Our airports should reflect on America's spirit and competitiveness. I know that's what being done here in Spokane. They are continuing to try to set a standard for what Spokane can become, and the services it can deliver. So thank you for inviting me here today to Spokane. And hopefully we'll hear some good news on additional resources to make this terminal expansion a reality.