



COMMISSION REGULAR MEETING AGENDA

November 14, 2023

To be held virtually via MS Teams and in person at the Port of Seattle Headquarters Building – Commission Chambers, Pier 69, 2711 Alaskan Way, Seattle WA. You may view the full meeting live at meetings.portseattle.org. To listen live, call in at +1 (425) 660-9954 or (833) 209-2690 and Conference ID 792 618 824#

ORDER OF BUSINESS

10:30 a.m.

1. CALL TO ORDER

~~2. EXECUTIVE SESSION~~ – *if necessary, pursuant to RCW 42.30.110 (executive sessions are not open to the public)*

► 12:00 noon – PUBLIC SESSION

Reconvene or Call to Order and Pledge of Allegiance

3. **APPROVAL OF THE AGENDA** (*at this time, commissioners may reorder, add, or remove items from the agenda*)

4. SPECIAL ORDERS OF THE DAY

5. EXECUTIVE DIRECTOR'S REPORT

6. COMMITTEE REPORTS

7. **PUBLIC COMMENT** – *procedures available online at <https://www.portseattle.org/page/public-comment-port-commission-meetings>*

During the regular order of business, those wishing to provide public comment on items related to the conduct of the Port will have the opportunity to:

1) Deliver public comment via email: All written comments received by email to commission-public-records@portseattle.org will be distributed to commissioners and attached to the approved minutes.

2) Deliver public comment via phone or Microsoft Teams conference: To take advantage of this option, please email commission-public-records@portseattle.org with your name and the topic related to the conduct of the Port you wish to speak to by 9:00 a.m. PT on Tuesday, November 14, 2023. (***Please be advised that public comment is limited to topics related to the conduct of the Port only.***) You will then be provided with instructions and a link to join the Teams meeting.

3) Deliver public comment in person by signing up to speak on your arrival to the physical meeting location: To take advantage of this option, please arrive at least 15 minutes prior to the start of any regular meeting to sign-up on the public comment sheet available at the entrance to the meeting room to speak on items related to the conduct of the Port.

For additional information, please contact commission-public-records@portseattle.org.

8. CONSENT AGENDA (*consent agenda items are adopted by one motion without discussion*)

- 8a. Approval of Minutes of the Regular Meeting of October 24, 2023. **(no enclosure)** (p.5)
- 8b. Approval of the Claims and Obligations for the Period October 1, 2023, through October 31, 2023, Including Accounts Payable Check Nos. 950359 through 950740 in the Amount of \$7,146,738.79; Accounts Payable ACH Nos. 059215 through 060276 in the Amount of \$63,987,654.77; Accounts Payable Wire Transfer Nos. 016153 through 016168 in the Amount of \$16,288,567.88; Payroll Check Nos. 209323 through 209829 in the Amount of \$303,152.31; and Payroll ACH Nos. 1158541 through 1165572 in the Amount of \$23,398,832.82, for a Fund Total of \$111,124,946.57. **(memo enclosed)** (p.13)
- 8c. Monthly Notification of Prior Executive Director Delegation Actions October 2023. **(memo enclosed – No action, for information only)** (p.16)
- 8d. Authorization for the Executive Director to Authorize Final Design and Preparation of Construction Bid Documents for the Perimeter Access and Gate Enhancement (PAGE) Project; to Advertise, Award, and Execute a Major Public Works Construction Contract for PAGE and Perimeter Intrusion Detection System Phase 2, and Transfer Budget/Authorization, as Necessary, Between the Two Projects; to Procure Long Lead Material Items; and to Include a Project Labor Agreement for the Contract, for a Total Amount Requested of \$3,816,000 and a Total Estimated Project Cost of \$37,614,000. (CIP# C801363, C800844) **(memo and presentation enclosed)** (p.19)
- 8e. Authorization for the Executive Director to Take All Steps Necessary to Complete the Rental Car Facility 5th Floor Parking Membrane Project at Seattle-Tacoma International Airport, for a Total Requested Amount of \$1,030,000 and a Total Estimated Project Cost of \$9,300,000. (CIP #800977) **(memo and presentation enclosed)** (p.32)
- 8f. Authorization for the Executive Director to Take All Steps Necessary to Complete the Tye Pond Effluent Pipe Replacement Project at Seattle-Tacoma International Airport, for a Total Requested Amount of \$2,275,000 and a Total Estimated Cost of \$2,900,000. (CIP# C801173) **(memo and presentation enclosed)** (p.44)
- 8g. Authorization for the Executive Director to Competitively Bid and Execute a Unified Pest Management Contract with a Duration of Up to Five Years, for a Total Amount Not-to-Exceed \$7,000,000 **(memo and presentation enclosed)** (p.55)
- 8h. Authorization for the Executive Director to Execute Up to Three Indefinite Delivery, Indefinite Quantity Professional Services Agreements for Building and Structure Related Consulting and Design Services with a Total Amount Not-to-Exceed \$9,000,000 and a Contract Ordering Period of Five Years. **(memo enclosed)** (p.66)

- 8i. Authorization for the Executive Director to Execute up to Three Indefinite Delivery, Indefinite Quantity Professional Services Agreements for Infrastructure Related Consulting and Design Services with a Total Amount Not-to-Exceed \$9,000,000 and a Contract Ordering Period of Five Years. **(memo enclosed) (p.68)**
- 8j. Authorization for the Executive Director to Prepare Design and Construction Bid Documents for Flow Meter Replacement in the Central Mechanical Plant; to Advertise, Bid, And Execute a Major Works Construction Contract, Execute Related Project Change Orders, Amendments, Work Authorizations, Purchases, Contracts, and Take Other Actions Necessary to Support and Deliver the Flow Meter Replacement Project within the Approved Budget; and to Use Port of Seattle Crews and Small Works Contracts to Support the Design and Construction Activities, for a Total Requested Amount of \$4,165,000 and an Estimated Total Project Cost Not-To-Exceed \$4,235,000. **(memo and presentation enclosed) (p.70)**
- 8k. Authorization for the Executive Director to Approve Additional Funding in the Amount of \$1,810,000 for the Procurement of Long-Lead Major Electrical Equipment for the Maritime Industrial Center Electrical Infrastructure Replacement Project. (CIP# C801241) **(memo and presentation enclosed) (p.82)**
- 8l. Authorization for the Executive Director to Proceed with the Specification Document Management System Project; to Execute Contract(s) for Software and Implementation Services; to Use Port Staff for Implementation; and to Execute a Contract for Up to Ten Years for Software License, Service and Maintenance Fees Estimated at \$2,300,000, for a Total Requested Amount of \$600,000 for Project Implementation. (CIP# C801343) **(memo enclosed) (p.99)**
- 8m. Authorization for the Executive Director to Execute an Interlocal Agreement with the Northwest Seaport Alliance (NWSA) to Implement a Series of Support Service Agreements to Allow Port Staff to Provide Services to the NWSA for 2024. **(memo and agreement enclosed) (p.103)**
- 8n. Authorization for the Executive Director to Execute the Third Amendment to Lease with Mad Anthony's Pier 66, Extending the Second Amendment Terms Until the Reopening of Two-Way Traffic on Alaskan Way. **(memo, amendment, and presentation enclosed) (p.192)**
- 8o. Authorization for the Executive Director to Set 2024 Marine Stormwater Utility Rates with an 8 Percent Increase from 2023. **(memo and presentation enclosed) (p.204)**

10. NEW BUSINESS

- 10a. PUBLIC HEARING and Introduction of Resolution No. 3814: A Resolution Adopting the Final Budget of the Port of Seattle for the Year 2024; Making, Determining, and Deciding the Amount of Taxes to Be Levied Upon the Current Assessment Roll; Providing Payment of Bond Redemptions and Interest, Cost of Future Capital Improvements and Acquisitions, and for Such General Purposes Allowed By Law Which the Port Deems Necessary; and Directing the King County Council As to the Specific Sums to Be Levied on All of

the Assessed Properties of the Port of Seattle District in the Year 2024. ([memo](#), [presentation](#), and [draft resolution enclosed](#)) (p.216)

10b. PUBLIC HEARING and Introduction of Resolution No. 3815: A Resolution Specifying the Dollar and Percentage Change in the Regular Property Levy From the Previous Year Per RCW 84.55.120; Providing for a 4.8 Percent Increase of the Levy from \$82,657,367 to \$86,664,580. ([memo](#) and [draft resolution enclosed](#)) (p.265)

10c. Order 2023-15: An Order of the Port of Seattle Commission to Establish an Environmental Legacy Fund within the Port Budget and Plan of Finance. ([order](#) and [presentation enclosed](#)) (p.268)

10d. SEA Access Program 2023 Update and Order 2023-14: An Order of the Port of Seattle Commission to Affirm the Port of Seattle’s Longstanding Commitment to Developing Seattle-Tacoma International Airport, as One of the Most Accessible Airports in the Nation and Consider Accessibility as a Priority in Aviation Division Strategy, Facility Design, Construction, and Operations. ([memo](#), [order](#), and [presentation enclosed](#)) (p.276)

11. PRESENTATIONS AND STAFF REPORTS

11a. ADR Program Briefing. ([memo](#) and [presentation enclosed](#)) (p.303)

12. QUESTIONS on REFERRAL to COMMITTEE and CLOSING COMMENTS

13. ADJOURNMENT



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APPROVED MINUTES COMMISSION REGULAR MEETING

October 24, 2023

The Port of Seattle Commission met in a regular meeting Tuesday, October 24, 2023. The meeting was held at the Seattle-Tacoma International Airport Conference Center located at: 17801 International Blvd, Seattle WA, Mezzanine Level, Seattle, Washington, and virtually on Microsoft Teams. Commissioners Calkins, Felleman, Hasegawa, and Mohamed were present. Commission President Cho was absent and excused from the meeting.

1. CALL to ORDER

The meeting was convened at 10:30 a.m. by Commission Vice-President Hasegawa.

2. EXECUTIVE SESSION pursuant to RCW 42.30.110

The public meeting recessed into executive session to discuss one matter regarding litigation/or potential litigation/or legal risk, per RCW 42.30.110(1)(i) and collective bargaining per RCW 42.30.140(4); and separately regarding one item related to litigation/or potential litigation/or legal risk, per RCW 42.30.110(1)(i) for approximately 60 minutes, with the intention of reconvening the public session at 12:00 p.m. Commissioner Cho was present for the Executive Session. Following the executive session, the public meeting reconvened at 12:05 p.m. Commission Vice-President Hasegawa led the flag salute.

3. APPROVAL of the AGENDA

The agenda was approved as amended without objection, with Agenda Item 8h pulled from the Consent Agenda to be discussed separately.

In favor: Calkins, Felleman, Hasegawa, and Mohamed (4)

Opposed: (0)

4. SPECIAL ORDERS OF THE DAY

No Special Orders of the Day were presented.

5. EXECUTIVE DIRECTOR'S REPORT

Executive Director Metruck previewed items on the day's agenda and made general and meeting-related announcements.

6. COMMITTEE REPORTS

Commission Strategic Advisor, Erica Chung, provided the committee reports.

Aviation Committee

The Aviation Committee met on October 17, 2023, with Commissioners Mohamed and Calkins in attendance. The committee discussed aviation dining and retail opportunities coming available in the near-term and the timeline for opportunities into the future.

Equity and Workforce Development Committee

Commissioners Hasegawa and Calkins convened the Equity and Workforce Development Committee on October 17, 2023. Commissioners heard an update on the Youth Maritime Career Launch program and gave their input as to ways to further diversify the applicant pool and keep employers engaged in the program. The Office of Equity Diversity and Inclusion and Finance budget staff also presented to Commissioners on the Port's equity in budgeting efforts. Commissioners checked in on staff capacity to administer this program, and heard that work done in prior years has streamlined the efforts this year.

Portwide Arts and Culture Board

The Portwide Arts and Culture Board met with Commissioner Cho attending on October 17, 2023. The Board was introduced to Tamar Benzikry, the newest public member to the board, and discussed the terms and process of onboarding new members. The Board also received a briefing on the AV art funding authorization for 2024, discussed the board's workplan for 2024, and an update of remaining projects for 2023. The Board received a briefing on upcoming events including a one-night event featuring neon by Kelsey Fernkopf, in collaboration with Pilchuck School of Glass, at the SEA Cell Lot Hill 10 on Saturday, November 4, 2023, from 5 – 9 p.m.; and 'New Icons: Portraits of Burn Survivors Art' by Grace Athena Flott and reception at Pier 69 on December 19, 2023 at 4 p.m.

7. PUBLIC COMMENT

Public comment was received from the following individual(s):

- The following people spoke in support of Agenda Item 10b, and improvements, ongoing work, and activation of Gateway Park North: Jake Bookwalter; Ian Bright; and Andrew Schiffer.
- The following person spoke regarding the harms of the cruise industry: Iris Antman, Volunteer for Seattle Cruise Control.
- The following person spoke regarding Agenda Item 11a, the Port's Tax Levy Draft Plan of Finance for 2024-2028: JC Harris, city of Des Moines Council Member.
- In lieu of spoken comment, written comment regarding Agenda Item 10a, supporting the Climate Careers Coalition funding was submitted by: Michael Carter, King County Green Jobs Program Manager.
- In lieu of spoken comment, written comment regarding Agenda Item 10b, supporting improvements, ongoing work, and activation of Gateway Park North was submitted by: Nick Reynolds.

[Clerk's Note: All written comments are combined and attached here as Exhibit A.]

8. CONSENT AGENDA

[Clerk's Note: Items on the Consent Agenda are not individually discussed. Commissioners may remove items for separate discussion and vote when approving the agenda.]

8a. Approval of Minutes of the Regular and Special Meetings of October 10, 2023.

8b. Authorization for the Executive Director or Designee to Execute an Amendment to the Airport Network Programming Service Agreement Incorporating Up to Three, Six-Month Extension Option Periods Allowing for Continued Television Programming in the Airport Terminal Gate Hold Areas for the Traveling Public's Entertainment.

Request document(s) included an agenda memorandum, amendment, and presentation.

8c. Commission Authorization for Additional Funds in the Amount of \$4,497,000 to Provide for South Correctional Entity (SCORE) Services in Conjunction with the SCORE Interlocal Agreement for Inmate Housing with the Port.

Request document(s) included an agenda memorandum, agreement, amendment, and letter.

8d. Authorization for the Executive Director to Authorize \$850,000 to Proceed with Design and Permitting of the Terminal 91 Buildings Demolition Project, Increasing the Total Project Authorization To-Date to \$1,000,000 out of a Total Estimated Project Cost of \$9,100,000. (CIP# C801372)

Request document(s) included an agenda memorandum and presentation.

8e. Authorization for the Executive Director to Execute Termination Agreements; Payout where applicable Net Book Value (NBV) Associated with the Termination Agreement; and Execute New Lease and Concession Agreements for Certain Airport Dining and

Retail Tenants Impacted by the Upcoming Concourse C Expansion and Concourse A Duty-Free Projects, in the Amount of \$2,479,145.

Request document(s) included an agenda memorandum and presentation.

- 8f. Authorization for the Executive Director to Advertise, Award, and Execute a Major Construction Contract for the Baggage Claim 15 and 16 Replacement Project at Seattle-Tacoma International Airport; to Use Port Crews to Assist in the Completion of the Work; and to Include a Project Labor Agreement for the Project, for a Total Requested Amount of \$10,658,000 and a Total Estimated Project Cost of \$14,325,000. (CIP# C801127)**

Request document(s) included an agenda memorandum and presentation.

- 8g. Authorization for the Executive Director to Prepare Design and Construction Bid Documents for the Passenger Loading Bridge (PLB) Renewal Replacement Phase 4 Project; to Purchase Six PLBs and Associated Gate Equipment for Specified Gates; to Use Port of Seattle Crews, and Small and Major Works On-Call Contracts to Support Design Activities and to Perform the Construction Work; and to Advertise, Bid, and Execute Up to Four Major Works Construction Projects, for a Total Requested Amount \$16,850,000 and an Estimated Total Project Cost Not-to-Exceed \$17,000,000. (CIP# C801308)**

Request document(s) included an agenda memorandum and presentation.

- ~~**8h. Authorization for the Executive Director to Advertise and Execute a Construction Contract for 2024 Airfield Projects - Contract 1; to Transfer Budget/Authorization as Necessary Between the 2024 Airfield Projects; to Transfer Budget/Authorization for Gate B11 Passenger Loading Bridge (PLB) Civil Foundation from the PLB Phase 3 Project to the 2021-2025 Airfield Pavement and Supporting Infrastructure Replacement Program; to Procure Long Lead Items; to Include a Project Labor Agreement for the Contract; and to Authorize Use of Port Crews for Abatement Work, for a Total Requested Amount of \$50,500,000 and a Total Estimated Project Cost of \$200,300,000. (CIP# C800930 and C801177)**~~

Request document(s) included an agenda memorandum and presentation.

The motion for approval of consent agenda items 8a, 8b, 8c, 8d, 8e, 8f, and 8g carried by the following vote:

In favor: Calkins, Felleman, Hasegawa, and Mohamed (4)

Opposed: (0)

ITEMS REMOVED FROM THE CONSENT AGENDA

¹ Agenda Item 8h was removed from the Consent Agenda and addressed separately.

- 8h. **Authorization for the Executive Director to Advertise and Execute a Construction Contract for 2024 Airfield Projects - Contract 1; to Transfer Budget/Authorization as Necessary Between the 2024 Airfield Projects; to Transfer Budget/Authorization for Gate B11 Passenger Loading Bridge (PLB) Civil Foundation from the PLB Phase 3 Project to the 2021-2025 Airfield Pavement and Supporting Infrastructure Replacement Program; to Procure Long Lead Items; to Include a Project Labor Agreement for the Contract; and to Authorize Use of Port Crews for Abatement Work, for a Total Requested Amount of \$50,500,000 and a Total Estimated Project Cost of \$200,300,000. (CIP# C800930 and C801177)**

Request document(s) included an agenda memorandum and presentation.

Presenter(s):

Robert Kikillus, Airport Operations Development Manager, Airfield Operations
Eze Nduaguba, Capital Project Manager IV, AV Project Management Group
Paul Shen, Manager Engineer, AV Facilities and Infrastructure
Mengqi Wu, Capital Program Manager, AV Project Management Group

Clerk Hart read Item 8h into the record.

Executive Director Metruck introduced the item and presenters.

Discussion ensued regarding:

- managing the project with the area remaining an active work zone;
- risks and mitigations managed under a project labor agreement; and
- procuring long-lead items in advance.

The motion, made by Commissioner Calkins carried by the following vote:

In favor: Calkins, Felleman, Hasegawa, and Mohamed (4)

Opposed: (0)

10. NEW BUSINESS

- 10a. **Authorization for the Executive Director to Enter into a Memorandum of Agreement with King County to join the Coalition for Climate Careers in the Amount of \$100,000.**

Request document(s) included an agenda memorandum, agreement, and presentation.

Presenter(s):

Tiffany Sevilla, Program Manager, Workforce Development

Clerk Hart read Item 10a into the record.

Executive Director Metruck introduced the item and presenters.

The presentation addressed:

- background related to the formation of a steering committee to form a regional green jobs coalition;

- composition of the steering committee;
- mission statement of the coalition - a strategic collaboration among public and private organizations and frontline communities, dedicated to establishing an inclusive and prosperous green workforce in King County;
- goals of the coalition;
- coalition members;
- governance and financial framework;
- increasing competitiveness for emerging green jobs funding opportunities;
- financial implications; and
- scope of work for a C3 coordinator to support the coalition for a period of no longer than two years after start of the contract.

Discussion ensued regarding:

- alignment with the Port's green careers initiatives;
- justification for Port participation;
- other agencies' contributions;
- developing funding strategies;
- participating as a region in creating pathways to green jobs;
- compensating community coalition members of their participation;
- providing additional information to the Commission regarding goals and outcomes of the program; and
- reporting back to the Commission by end of the first quarter 2024 with additional details.

The motion, made by Commissioner Mohamed carried by the following vote:

In favor: Calkins, Felleman, Hasegawa, and Mohamed (4)

Opposed: (0)

10b. Authorization for the Executive Director to Sign a Memorandum of Agreement with the City of Seattle Enabling the Port to Provide Funding Up to \$500,000 and Approximately \$50,000 In-Kind Support for Site Characterization, Design, and Permitting of the 8th Avenue S/Gateway Park North Project; and to Authorize Funding in the Amount of \$317,128 to Support City-Led Site Characterization, Design and Permitting Tasks, for a Total Estimated Project Cost of \$2,600,000.

(Commissioner Mohamed stated her need to recuse from participating in Agenda Item 10b due to a potential conflict of interest or a potential appearance of a conflict of interest with her employment. Commissioner Mohamed exited the meeting at this time.)

Request document(s) included an agenda memorandum, agreement, and presentation.

Presenter(s):

Sarah Ogier, Director, Maritime Environment and Sustainability
Jon Sloan, Senior Manager, Environmental Programs
Danielle Butsick, Environmental Program Manager, Maritime Environment and Sustainability
Julie Yun, Manager, Waterfront Capital Projects

Clerk Hart read Item 10b into the record.

Executive Director Metruck introduced the item and presenters.

The presentation addressed:

- authorization and Memorandum of Agreement (MOA) for site characterization, design, and permitting tasks associated with City of Seattle's Gateway Park North project;
- project site location; and
- memorandum of agreement with the city of Seattle, roles and responsibilities.

Discussion ensued regarding:

- re-invigoration of green spaces;
- the engagement with PCAT on the project; and
- city of Seattle's improvement work in the Georgetown area.

The motion, made by Commissioner Calkins carried by the following vote:

In favor: Calkins, Felleman, and Hasegawa (3)

Opposed: (0)

(Commissioner Mohamed re-entered the meeting at this time.)

11. PRESENTATIONS AND STAFF REPORTS

11a. Tax Levy Draft Plan of Finance for 2024-2028 Briefing.

Presentation document(s) included agenda memorandum and presentation.

Presenter(s):

Elizabeth Morrison, Director of Corporate Finance, Finance and Budget
Scott Bertram, Manager of Corporate Finance, Finance and Budget

Clerk Hart read Item 11a into the record.

Executive Director Metruck introduced the item and presenters, and provided a presentation overview and the 2024 budget process timeline.

The presentation addressed:

- tax levy background;
- levy history;
- taxpayer impact for the proposed 2024 levy increase;
- shifting use of tax levy funding;
- non-airport capital spending forecast for the projected plan of finance;
- airport funding 2024 – 2028;
- planning beyond 2028;
- 2024 levy recommendations; and
- finance initiatives.

Discussion ensued regarding:

- the maximum statutory allowed levy amount;
- effects of inflation on the levy;
- use of the levy in environmental and community program applications;
- potentially receiving a more detailed briefing on some of the Port's environmental commitments;
- estimated increases in salaries;
- decrease in county tax assessments;
- whether or not specific levy resources can be dedicated to cities;
- ensuring the equity lens is applied to the tax levy and assessing equity spending; and
- reflecting Commissioner asks clearly in the budget.

12. QUESTIONS on REFERRAL to COMMITTEE and CLOSING COMMENTS

None.

13. ADJOURNMENT

There was no further business and the meeting adjourned at 2:44 p.m.

Prepared:

Attest:

Michelle M. Hart, Commission Clerk

Fred Felleman, Commission Secretary

Minutes approved: November 14, 2023



**COMMISSION
AGENDA MEMORANDUM**

Item No. 8b

ACTION ITEM

Date of Meeting November 14, 2023

DATE: November 7, 2023
TO: Steve Metruck, Executive Director
FROM: Eloise Olivar, AFR Senior Manager Disbursements
SUBJECT: **Claims and Obligations –October 2023**

ACTION REQUESTED

Request Port Commission approval of the Port Auditor’s payment of the salaries and claims of the Port pursuant to RCW 42.24.180 for payments issued during the period October 1 through 31, 2023 as follows:

Payment Type	Payment Reference Start Number	Payment Reference End Number	Amount
Accounts Payable Checks	950359	950740	\$ 7,146,738.79
Accounts Payable ACH	059215	060276	\$ 63,987,654.77
Accounts Payable Wire Transfers	016153	016168	\$ 16,288,567.88
Payroll Checks	209323	209829	\$ 303,152.31
Payroll ACH	1158541	1165572	\$ 23,398,832.82
Total Payments			\$111,124,946.57

Pursuant to RCW 42.24.180, “the Port’s legislative body” (the Commission) is required to approve in a public meeting all payments of claims within one month of issuance.

OVERSIGHT

All these payments have been previously authorized either through direct Commission action or delegation of authority to the Executive Director and through his or her staff. Detailed information on Port expenditures is provided to the Commission through comprehensive budget presentations as well as the publicly released Budget Document, which provides an even greater level of detail. The Port’s operating and capital budget is approved by resolution in December for the coming fiscal year, and the Commission also approves the Salary and Benefit Resolution around the same time to authorize pay and benefit programs. Notwithstanding the Port’s budget approval, individual capital projects and contracts exceeding certain dollar thresholds are also subsequently brought before the Commission for specific authorization prior to commencement of the project or contract—if they are below the thresholds the Executive Director is delegated authority to approve them. Expenditures are monitored against budgets monthly by management and reported comprehensively to the Commission quarterly.

Meeting Date November 14, 2023

Effective internal controls over all Port procurement, contracting and disbursements are also in place to ensure proper central oversight, delegation of authority, separation of duties, payment approval and documentation, and signed perjury statement certifications for all payments. Port disbursements are also regularly monitored against spending authorizations. All payment transactions and internal controls are subject to periodic Port internal audits and annual external audits conducted by both the State Auditor’s Office and the Port’s independent auditors.

For the month of October 2023, over \$87,422,961.44 in payments were made to nearly 824 vendors, comprised of 2,595 invoices and over 11,650 accounting expense transactions. About 92 percent of the accounts payable payments made in the month fall into the Construction, Employee Benefits, Contracted Services, Leasehold Taxes, Payroll Taxes, Utility Expenses, Janitorial Services, Sales Tax, Environmental Remediation, and Maintenance Inventory. Payroll expenses for the month of October were \$23,701,985.13.

Top 15 Payment Category Summary:

Category	Payment Amount
Construction	39,670,834.57
Employee Benefits	9,938,318.74
Contracted Services	6,744,876.78
Leasehold Taxes	6,516,814.34
Payroll Taxes	6,214,550.08
Utility Expenses	3,933,164.62
Janitorial Services	3,016,322.70
Sales Tax	1,965,177.34
Environmental Remediation	1,590,825.20
Maintenance Inventory	1,015,419.74
Software	997,436.57
Room/Space/Land Rental	878,395.69
Legal	679,743.61
Parking Taxes	660,084.27
Bond Fees	650,748.41
Other Categories Total:	2,950,248.78
Net Payroll	23,701,985.13
Total Payments:	\$111,124,946.57

Meeting Date November 14, 2023

Appropriate and effective internal controls are in place to ensure that the above obligations were processed in accordance with Port of Seattle procurement/payment policies and delegation of authority.



Lisa Lam/Port Auditor

At a meeting of the Port Commission held on November 14, 2023, it is hereby moved that, pursuant to RCW 42.24.180, the Port Commission approves the Port Auditor’s payment of the above salaries and claims of the Port:

Port Commission

RETURN TO AGENDA



COMMISSION
AGENDA MEMORANDUM
FOR INFORMATION ONLY

Item No. 8c
Date of Meeting November 14, 2023

DATE: November 14, 2023
TO: Stephen P. Metruck, Executive Director
FROM: Karen R. Goon, Deputy Executive Director

SUBJECT: Monthly Notification of Prior Executive Director Delegation Actions October 2023

APPROVAL SUMMARY

Notification of the following Executive Director delegated approvals that occurred in October 2023.

Category of Approval	Request#	Description of Approvals October 2023	Category Amount
Projects & Associated Contracts	932.2023	Increase contract value for Online Booking System Development	350,000.00
Projects & Associated Contracts	922-2023	C801311 Construction Logistics Site Expansion Preliminary Project Work	250,000.00
Projects & Associated Contracts	908-2023	CUSS Renewal Replacement	320,000.00
Non-Project Procurement of Goods & Purchased Service Contracts, Other Contracts, & Tenant Reimbursement	935-2023	2023 Securing the Cities MOU between POSPD and SPD	0.00
Non-Project Procurement of Goods & Purchased Service Contracts, Other Contracts, & Tenant Reimbursement	942-2023	MM Fleet - Class 8 Heavy Duty Vehicle Replacements for MM	730,000.00

Non-Project Procurement of Goods & Purchased Service Contracts, Other Contracts, & Tenant Reimbursement	944-2023	MM Fleet - Service Body Trucks and Hybrid Bucket Trucks	1,250,000.00
Non-Project Procurement of Goods & Purchased Service Contracts, Other Contracts, & Tenant Reimbursement	899-2023	SKC Trips MOA with City of Tukwila	25,000.00
Non-Project Procurement of Goods & Purchased Service Contracts, Other Contracts, & Tenant Reimbursement	850-2023	2023 King County Public Safety Answering Point ILA Amendment	0.00
Non-Project Procurement of Goods & Purchased Service Contracts, Other Contracts, & Tenant Reimbursement	912.2023	Approval Request to Issue a Contract - Motor Pool Car Sharing System	850,000.00
Real Property Agreements	N/A	No Approvals In October	
Utilization of Port Crews	N/A	No Approvals In October	
Sale of Surplus Port Property	N/A	No Approvals In October	
Total Value of Executive Director Approvals			\$3,775,000.00

TRANSPARENCY:

In approving the delegations for the Executive Director, the Commission requested that staff ensure transparency is built into the process. As a result, staff will make approvals visible to the public in two ways. First, these types of approvals will be made visible in public Commission meetings via monthly reporting like this one. Approvals are both timed and designed to be visible in a similar manner to the monthly Claims and Obligations reporting. Second, staff will publish these delegations in a PeopleSoft formatted report on the Port website in the same manner that all procurements, contracts, and other opportunities are made available to public communities.

BACKGROUND:

On January 24, 2023, the Commission approved and adopted Resolution No. 3810 that repealed related prior resolutions and increased the previously delegated Commission authority to the Executive Director and provided clarity in process directives to port staff. The approval made the Delegation of Responsibility and Authority to the Executive Director (DORA) effective on April 3, 2023.

Meeting Date: November 14, 2023

The foundation for Resolution No. 3810 included significant data analysis, employee surveys, and internal audit recommendation. Resolution No. 3810 also aligns with the Port Century Agenda in that it helps make the Port a more effective public agency. Considerations and checks and balances have been built into the associated processes of Executive Director approvals including a high bar of transparency.

Following significant analysis and multiple Commission reviews, the Commission approved the DORA on January 24, 2023. That reporting memo is available for review on the Port website under the January 24, 2023, Commission public meeting, and it provides detailed reasoning and explanation of Resolution No. 3810.

RETURN TO AGENDA



**COMMISSION
AGENDA MEMORANDUM**

Item No. 8d

ACTION ITEM

Date of Meeting November 14, 2023

DATE: November 3, 2023

TO: Stephen P. Metruck, Executive Director

FROM: Eileen Francisco, Director Aviation Project Management
Darryl McKinney, Senior Manager, Security Strategy and Intelligence
Matt Breed, ICT Chief Information Officer

SUBJECT: Perimeter Access and Gate Enhancements and Perimeter Intrusion Detection System Phase 2 (CIP# C801363, C800844)

Amount of this request: \$3,816,000

Total estimated project cost: \$37,614,000

ACTION REQUESTED

Request Commission authorization for the Executive Director to (1) authorize final design and preparation of construction bid documents for the Perimeter Access and Gate Enhancement (PAGE) project; (2) advertise, award, and execute a major public works construction contract for PAGE and Perimeter Intrusion Detection System (PIDS) Phase 2, and transfer budget/authorization, as necessary, between the two Projects; (3) procurement of long lead material items; (4) include a Project Labor Agreement for the contract. The amount of the request is \$3,816,000.

EXECUTIVE SUMMARY

The 2024 Airfield Projects – Contract 3 is comprised of two interdependent Capital Improvement Projects (CIPs) noted above. The two projects have overlapping work areas and design functionality, interdependent operational impacts, and share 2024 schedule milestones. As such, they are being planned, designed, and phased to be delivered concurrently for the purposes of Airfield safety and efficiency, while minimizing operational impacts.

The below table details the CIPs, corresponding authorizations requested, total authorizations to date, and the total estimated project cost for each CIP.

Meeting Date: November 14, 2023

CIP Name/#	Amount of this Request	Amount Authorized to Date	Total Estimated Project Cost
Perimeter Access & Gate Enhancements C801363	\$3,116,000	\$284,000	\$3,400,000
Perimeter Intrusion Detection System Phase 2 C800844,	\$700,000	\$33,514,000	\$34,214,000
Total Authorization of this Request	\$3,816,000		

JUSTIFICATION

The two projects being co-delivered via the 2024 Airfield Projects – Contract 3 consist of a variety of physically and functionally interdependent Capital Improvements designed to ensure continued operational safety and security and meet SEA’s regulatory requirements. The purpose of each project (CIP) is summarized below:

- The PAGE project will reduce the risk of unauthorized fence and gate intrusions. This project will also meet Port Security Standards to comply with our Airport Security Program (ASP) and Transportation Security Regulations by increasing the height of the defined Perimeter fence.
- The Perimeter Intrusion Detection System (PIDS) project will enhance the airport perimeter security to ensure public safety and improve operational efficiencies through use of technology and automation. PIDS Phase 2 enable PIDS to meet the operational and functional requirements by reducing nuisance alarms on high usage gates via Access Control.

Diversity in Contracting

Through the Diversity in Contracting program, a Women and Minority Business Enterprise (WMBE) aspirational goal will be established and included in the procurement of this construction contract.

DETAILS

These projects will interface with other projects and airfield operations. Continual coordination with Airport Operations, Airlines, and related Tenants will ensure the least possible operational impact during construction.

A project labor agreement will be used for these projects based on the importance of labor continuity and the need to minimize any risk of impact to operations during construction.

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Scope of Work

The PAGE project will automate three Airport Operations Area (AOA) perimeter vehicle access gates and install access control systems, cameras, and lighting; replace three seven foot gates with 12 feet gates and upgrade outdated equipment at the gates; replace perimeter fence and signage to comply with Port standards; and install razor wire on existing perimeter fence along the AOA perimeter.

The PIDS Phase 2 will install access control systems to two AOA perimeter gates so that personnel accessing the AOA area can be identified via technology, reducing nuisance alarms.

Schedule

Activity

Design complete	2024 Quarter 2
Construction start	2024 Quarter 3
In-use date	2024 Quarter 4

Cost Breakdown

This Request

Total Project

	This Request	Total Project
Perimeter Access and Gate Enhancements (C801363)		
Design	\$669,000	\$953,000
Construction	\$2,447,000	\$2,447,000
Total	\$3,116,000	\$3,400,000
Perimeter Intrusion Detection System (C800844)		
Design	\$0	\$3,025,000
Construction	\$700,000	\$23,044,000
Technology	\$0	\$8,145,000
Total	\$700,000	\$34,214,000

ALTERNATIVES AND IMPLICATIONS CONSIDERED

Alternative 1 – Proceed with only the PAGE project scope. Do not proceed with the project scope in PIDS Phase 2 which includes installing access control to two Gates.

Cost Implications: \$3,116,000 in Capital Cost for Perimeter Access and Gate Enhancements

Pros:

- (1) Reduced capital spending in 2024.
- (2) Reduced construction impacts to airport/airline operations in 2024.
- (3) Meets Ports Security Standards to comply with our Airport Security Program (ASP) and Transportation Security Regulations.

Cons:

- (1) Requires PIDS Phase 2 to be handled as a separate effort.

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- (2) Does increase the risk of added cost to install access control at the two gates through a future project.

This is not the recommended alternative.

Alternative 2 – Construct each individual project with separate construction contracts.

Cost Implications: An estimated \$4,083,000 in Capital Cost to deliver the projects via two major construction contracts, \$267,000 more than delivering via one major construction contract as proposed by the recommended alternative.

Pros:

- (1) Less complexity for budget tracking during construction.

Cons:

- (1) Additional labor costs for contractor on-boarding and mobilizations, double-project ramp up and close out.
- (2) Increased coordination required between overlapping projects.
- (3) Increased construction safety risk due to overlapping work areas.
- (4) Additional and recurring impacts to airfield operations.
- (5) Additional risk in less attractive contracts for bidders.

This is not the recommended alternative.

Alternative 3 – Move forward to construct both projects as a single coordinated effort.

Cost Implications: \$3,816,000.

Pros:

- (1) Reduces safety risks, minimizes operational impacts and increases efficiencies as coordination and construction is managed as a single effort.
- (2) Minimizes time to completion, limiting exposure to future cost increases, while delivering benefits expeditiously.

Cons:

- (1) Additional accounting complexity during construction.

This is the recommended alternative.

FINANCIAL IMPLICATIONS

PAGE Cost Estimate/Authorization Summary

COST ESTIMATE	Capital	Expense	Total
Original estimate	\$3,400,000	\$0	\$3,400,000
AUTHORIZATION			
Previous authorizations	\$284,000	0	\$284,000
Current request for authorization	\$3,116,000	0	\$3,116,000
Total authorizations, including this request	\$3,400,000	0	\$3,400,000
Remaining amount to be authorized	\$0	\$0	\$0

PIDS Cost Estimate/Authorization Summary

COST ESTIMATE	Capital	Expense	Total
Original estimate	\$10,000,000	\$0	\$10,000,000
Previous changes – net	\$23,969,000	\$245,000	\$24,214,000
Revised estimate	\$33,969,000	\$245,000	\$34,214,000
AUTHORIZATION			
Previous authorizations	\$33,269,000	\$245,000	\$33,514,000
Current request for authorization	\$700,000	0	\$700,000
Total authorizations, including this request	\$33,969,000	\$245,000	\$34,214,000
Remaining amount to be authorized	\$0	\$0	\$0

Annual Budget Status and Source of Funds

The Perimeter Access and Gate Enhancements (PAGE) – (CIP 801363) project was included in the 2023-2027 capital budget and plan of finance with a budget of \$3,400,000. The funding sources would be Airport Development Fund and revenue bonds.

The Perimeter Intrusion Detection System (PIDS) – (CIP 800844) project was included in the 2023-2027 capital budget and Plan of Finance for \$28,500,000. The capital budget increase of \$5,469,000 was transferred from the Aeronautical Allowance #C800753 resulting in zero net change to the Aviation capital budget. The funding sources would be Airport Development Fund and Airport Revenue Bonds The additional \$245,000 expense budget for training will be budgeted in 2024. This project has a Majority-In-Interest (MII) approval from the airlines on March 28, 2019, in the amount of \$10 million. Per Signatory Lease Operating Agreement, Port Management has the discretion to utilize the MII Management Reserve for the budget increase.

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Financial Analysis and Summary

C801363 Perimeter Access and Gate Enhancements

Project cost for analysis	\$3,400,000
Business Unit (BU)	Airfield Movement Area
Effect on business performance (NOI after depreciation)	NOI after depreciation will increase due to inclusion of capital (and operating) costs in airline rate base.
IRR/NPV (if relevant)	N/A
CPE Impact	\$0.01 in 2025

CIP 800844 Perimeter Intrusion Detection System

Project cost for analysis	\$34,214,000
Business Unit (BU)	Airfield Movement Area
Effect on business performance (NOI after depreciation)	NOI after depreciation will increase due to inclusion of capital (and operating) costs in airline rate base.
IRR/NPV (if relevant)	N/A
CPE Impact	\$0.10 in 2025

Future Revenues and Expenses (Total cost of ownership)

Perimeter Access and Gate Enhancements (PAGE) – (CIP 801363)

Aviation Maintenance will see an increase in Operation and Maintenance Manuals (O&M) cost for Electrical and Electronic systems and lampers to maintain cameras, access controls and lighting (roughly 50 additional labor hours per year). Mechanical systems will see an increase in O&M costs to maintain the gate operating system. Labor hours and parts requirements will depend on Original Equipment manufacturer (OEM) maintenance requirements and the frequency of damage due to vehicles.

Perimeter Intrusion Detection System (PIDS) – (CIP 800844)

Annual recurring maintenance, license, and spare parts costs estimated for the PIDS scope prior to this authorization are not expected to change with this authorization.

ATTACHMENTS TO THIS REQUEST

- (1) Presentation slides

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

October 25, 2022 – The Commission authorized the executive director to (1) advertise, execute two separate construction contracts, and transfer budget/authorization, as necessary, among the 2023 Airfield Projects; (2) procure long lead items; (3) include a

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Project Labor Agreement for both contracts; (4) authorize use of Port crews for abatement work; (5) increase the budget for the Perimeter Intrusion Detection System Program by \$5,400,000 for a total project budget of \$34,045,000; and (6) increase the budget for the Secured Area Vehicle Checkpoint Project by \$400,000 for a total project budget of \$4,700,000.

May 24, 2022 – The Commission authorized the executive director to increase the Perimeter Intrusion Detection System (PIDS) with Siemens, contract #S-00319688 by \$374,000 to procure hardware, professional and installation services to ensure PIDS redundancy.

December 15, 2020 – The Commission authorized the Executive Director to (1) increase the Perimeter Intrusion Detection System (PIDS) project at Seattle-Tacoma International Airport (SEA) funding by \$18,645,000 for a total estimated project cost of \$28,645,000; (2) expand the PIDS coverage area; (3) execute contracts for required hardware, software, and technical vendor services, license(s) and maintenance; (4) complete design (5) enter into reimbursable agreements with the Federal Aviation Administration (FAA); and (6) execute contract(s) for up to ten years for licenses, service, and maintenance fees estimated not-to-exceed \$4,500,000, which will be paid from the Aviation annual operating budget. The amount requested under this authorization is \$6,625,000 with an estimated total program cost of \$28,645,000.

January 22, 2019 – The Commission authorized \$3,500,000 of a \$10,000,000 CIP to procure and implement a Perimeter Intrusion Detection system with limited coverage scope.

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Perimeter Access & Gate Enhancements Perimeter Intrusion Detection System Phase 2 (CIP# C801363, C800844)

Seattle-Tacoma
International Airport



2024 Airfield Projects Contract 3

- Request Commission authorization for the ED to:
 - authorize final design and preparation of construction bid documents for the Perimeter Access & Gate Enhancement (PAGE) project
 - advertise, award, and execute a major public works construction contract for PAGE and Perimeter Intrusion Detection System (PIDS) Phase 2, and transfer budget/authorization, as necessary, between the two Projects
 - procurement of long lead material items
 - include a Project Labor Agreement

2024 Airfield Projects Contract 3 Scope

- PAGE

- Automate three Airport Operations Area (AOA) perimeter vehicle access gates and install access control system, cameras and lighting;
- Replace three 7' gates with 12' gates and upgrade some outdated equipment at the gates;
- Replace perimeter fence and signage to comply with Port standards;
- Install razor wire on existing perimeter fence along the north and east AOA perimeter.

- PIDS Phase 2

- Install access control system to two AOA perimeter gates so that personnel accessing the AOA area can be identified.

2024 Airfield Projects Schedule

Construction Contract #	Contract #3
Commission design & construction authorization	2023 Quarter 4
Construction start	2024 Quarter 3
In-use date	2024 Quarter 4

2023 Airfield Projects Budget

Cost Breakdown	This Request	Total Project
Perimeter Access and Gate Automation (C801363)		
Design	\$669,000	\$953,000
Construction	\$2,447,000	\$2,447,000
Subtotal	\$3,116,000	\$3,400,000
Perimeter Intrusion Detection System (C800844)		
Design	\$0	\$3,025,000
Construction	\$700,000	\$23,044,000
Technology	\$0	\$8,145,000
Subtotal	\$700,000	\$34,214,000
Total	\$3,816,000	\$37,614,000

Thank You!



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**COMMISSION
AGENDA MEMORANDUM**

Item No. 8e

ACTION ITEM

Date of Meeting November 14, 2023

DATE: November 6, 2023

TO: Stephen P. Metruck, Executive Director

FROM: Jeff Wolf, Director, Aviation Commercial Management
Eileen Francisco, Director, Aviation Project Management Group

SUBJECT: Rental Car Facility Pavement Remediation - 5th Floor Parking Membrane

Amount of this request: \$1,030,000
Total estimated project cost: \$9,300,000

ACTION REQUESTED

Request Commission authorization for the Executive Director to take all steps necessary to complete the Rental Car Facility (RCF) 5th Floor Parking Membrane project at Seattle-Tacoma International Airport (SEA). This request is in the amount of \$1,030,000 for a total authorization amount of \$9,300,000.

EXECUTIVE SUMMARY

The employee and visitor parking area at the RCF has worn and needs new surface treatment to protect from water intrusion and improve pedestrian conditions during rain events. The work was previously part of the RCF Pavement Remediation project and was omitted when varying site conditions made the placement of the proposed resurfacing material incompatible with the existing condition. This effort will complete the original effort utilizing a resurfacing material compatible with the existing condition.

JUSTIFICATION

This project reinvests in facilities essential to ground transportation operations at SEA supporting the Century Agenda Goal to advance this region as a leading tourism destination and business gateway by meeting the region’s air transportation needs by delivering vital facilities and infrastructure in a sustainable and cost-effective manner.

Diversity in Contracting

The design of this project utilized an existing indefinite delivery indefinite quantity (IDIQ) contract that has a Women and Minority-Owned Business Enterprise (WMBE) commitment of ten percent. The project team in coordination with the Diversity in Contracting department established an additional WMBE aspirational goal of thirteen percent for the construction phase of this effort.

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DETAILS

During the construction of the RCF Pavement Remediation project a portion of the existing 5th floor weatherproofing membrane was removed exposing a varying site condition. A layer of urethane coating was discovered which was not compatible with the planned methyl methacrylate membrane to be installed. After reviewing the potential costs and warranty requirements, Port staff elected to remove the installation of the planned methyl methacrylate membrane from the construction contract and proceed with an additional later phase of the project that would install a compatible product. Construction was completed for the remaining scope of the RCF Pavement Remediation project in August 2021.

Design has now been completed for the complete replacement of the 5th floor weatherproofing membrane. The overall project budget has increased from \$8,270,000 to \$9,300,000 to account for the additional costs associated with the compatible membrane, escalation due to the extended schedule, and the additional soft costs to complete design and procure and manage a second construction contract.

Scope of Work

The scope of this phase of the project includes the replacement of the employee and visitor parking lot surface membrane on the 5th floor of the RCF.

Schedule

Activity

Construction start	2024 Quarter 2
In-use date	2024 Quarter 3

Cost Breakdown

	This Request	Total Project
Design	\$0	\$1,400,000
Construction	\$1,030,000	\$7,900,000
Total	\$1,030,000	\$9,300,000

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ALTERNATIVES AND IMPLICATIONS CONSIDERED

The alternatives presented are specific to the replacement of the employee and visitor parking lot surface membrane on the 5th floor of the RCF.

Alternative 1 – Do not replace the employee and visitor parking membrane.

Cost Implications: \$210,000

Pros:

- (1) Reduces capital investment.

Cons:

- (1) Not supported by the rental car tenants.
- (2) Not consistent with the tenant lease agreement to protect the tenant improvements on the floors below.

This is not the recommended alternative.

Alternative 2 – Continue with original methyl methacrylate membrane installation.

Cost Implications: \$11,500,000

Pros:

- (1) Completes the membrane installation with the original construction effort.
- (2) Consistent with the tenant lease agreement.
- (3) Meets the requirements for the product warranty.

Cons:

- (1) Significantly higher capital investment.
- (2) Not supported by the rental car tenants.

This is not the recommended alternative.

Alternative 3 – Proceed with a second phase of the project to install a compatible membrane product.

Cost Implications: \$9,300,000

Pros:

- (1) Lower capital investment.
- (2) Consistent with the tenant lease agreement.
- (3) Ensures a product warranty.
- (4) Supported by the rental car tenants.

Cons:

- (1) Delays membrane replacement by up to three years from the original schedule.

This is the recommended alternative.

Meeting Date: November 14, 2023

FINANCIAL IMPLICATIONS

<i>Cost Estimate/Authorization Summary</i>	Capital	Expense	Total
COST ESTIMATE			
Original estimate	\$11,417,000	\$0	\$11,417,000
Previous changes – net	(\$2,492,000)	\$75,000	(\$2,417,000)
Current change	\$355,000	(\$55,000)	\$300,000
Revised estimate	\$9,280,000	\$20,000	\$9,300,000
AUTHORIZATION			
Previous authorizations	\$8,195,000	\$75,000	\$8,270,000
Current request for authorization	\$1,085,000	(\$55,000)	\$1,030,000
Total authorizations, including this request	\$9,280,000	\$20,000	\$9,300,000
Remaining amount to be authorized	\$0	\$0	\$0

Annual Budget Status and Source of Funds

This project #C800977 was included in the 2023-2027 capital budget and plan of finance with a total budget of \$8,925,000. A budget increase of \$355,000 will be transferred from #C800754 Non-Aeronautical Allowance resulting in no net change to the Aviation capital budget. This project will be funded by Customer Facility Charge (CFC) funds per the terms of the Rental Car Facility Lease Agreement.

Financial Analysis and Summary

Project cost for analysis	\$9,300,000
Business Unit (BU)	Rental Car
Effect on business performance (NOI after depreciation)	NOI after depreciation will decrease
IRR/NPV (if relevant)	N/A
CPE Impact	N/A

Future Revenues and Expenses (Total cost of ownership)

According to the terms of the RCF Lease Agreement the Operators are responsible for majority of the on-going operating and maintenance costs of the facility.

ATTACHMENTS TO THIS REQUEST

- (1) Presentation

Meeting Date: November 14, 2023

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

May 25, 2021 – The Commission authorized a change order for additional weatherproof membrane preparatory coating work.

February 9, 2021 – The Commission authorized a change order to defer work consistent with Governor Inslee’s “Stay Home, Say Healthy” proclamation.

April 23, 2019 – The Commission authorized advertisement and execution of a major works construction contract.

July 10, 2018 – The Commission authorized execution of a professional services contract for design services, proceeding with the design and preparation of contract bid documents, and use Port Construction Service crews to perform the early construction work.

RCF 5th Floor Parking Membrane

Construction Authorization

RCF 5th Floor Parking Membrane

Request Commission Authorization for Executive Director to:

- Advertise, award, and execute a major public works construction contract for the 5th Floor Parking Membrane project

Project Purpose and Scope

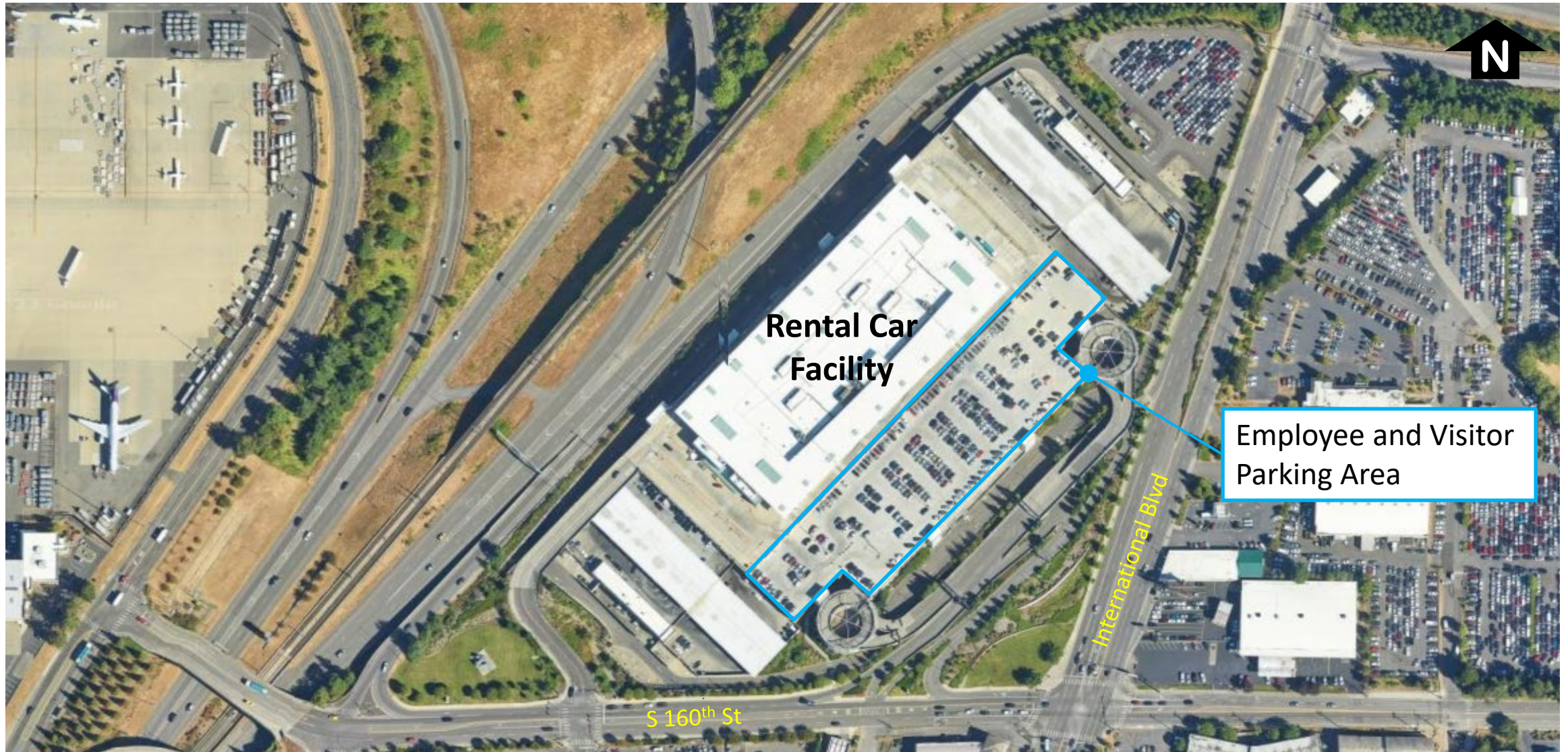
Purpose:

To resurface the employee and visitor parking area located on the 5th Floor of the Consolidated Rental Car Facility (RCF)

Scope:

- Remove and replace the existing parking membrane

Project Location



Project Budget & Schedule

Project Budget:

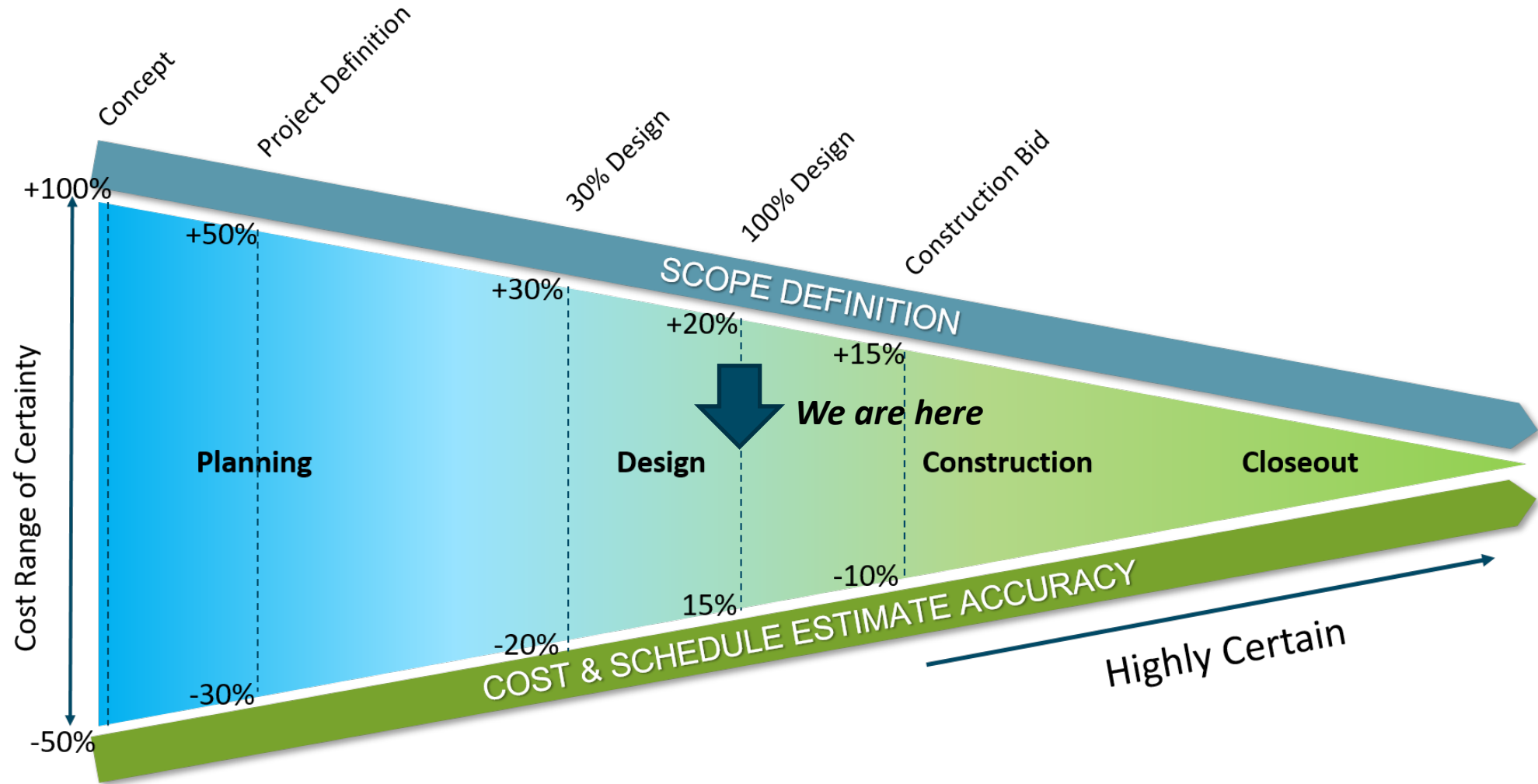
Original Budget: \$11,417,000

Current Budget: \$9,300,000

Key Schedule Milestones:

- Construction Start: Q2 2024
- In-Use Date: Q3 2024

Cone of Certainty



Thank You!



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**COMMISSION
AGENDA MEMORANDUM**

Item No. 8f

ACTION ITEM

Date of Meeting November 14, 2023

DATE: November 7, 2023

TO: Stephen P. Metruck, Executive Director

FROM: Keri Stephens, Director, Aviation Facilities & Capital Programs
Eileen Francisco, Director, Aviation Project Management Group

SUBJECT: Tyee Pond Effluent Pipe Replacement (C801173)

Amount of this request: \$2,275,000

Total estimated project cost: \$2,900,000

ACTION REQUESTED

Request Commission authorization for the Executive Director to take all steps necessary to complete the Tyee Pond Effluent Pipe Replacement project at Seattle-Tacoma International Airport (SEA). This request is in the amount of \$2,275,000 for a total authorization of \$2,900,000.

EXECUTIVE SUMMARY

The Tyee Pond stormwater pond and its control structures are a regional detention facility that the Port of Seattle owns, maintains, and operates. This detention facility is regulated by the Department of Ecology (DOE) Dam Safety Program. The downstream effluent pipe is over 30 years old and shows signs of damage and deterioration. The pipe must be replaced to ensure that the detention facility and downstream effluent pipe can function as designed for the next 50 years. Emergency repairs have already been needed and DOE issued a requirement for a permanent repair to be completed by 2025.

JUSTIFICATION

This project will support the following Century Agenda goals to be the greenest and most energy-efficient port in North America by meeting or exceeding agency requirements for stormwater leaving Port-owned or operated facilities.

In December 2021, a pipe assessment was completed that examined the existing pipe downstream of the repaired section (approximately 382 linear feet). The Pipe Assessment Report noted joint separation, deformation, and corrosion in the downstream pipe and recommended replacing the entire pipe. If the pipe completely fails, the hydraulics of Des Moines Creek will be affected impacting the downstream salmon bearing creek habitat. In the worst-case scenario, with the detention facility at full capacity, the pipe failure can result in the failure of the Tyee

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Pond embankment sending several thousand gallons of stormwater towards downstream residents adjacent to Des Moines Creek in an uncontrolled fashion.

Diversity in Contracting

The design of this project utilized an existing indefinite delivery indefinite quantity (IDIQ) contract that has an established WMBE commitment of 10%. The project team will work with Diversity in Contracting establish the WMBE goal for the major works construction contract.

DETAILS

Tyee Pond is located south of SEA and is located on the east fork of Des Moines Creek flowing south from Bow Lake. The pond has a capacity of 19.7 acre-ft and is therefore regulated by DOE Dam Safety program. The pond and effluent pipe were originally constructed in the late 1980’s. In 2020, emergency repairs were made to a small section of the pipe (approximately 32 linear feet) that was leaking and causing sinkholes to appear on the pond embankment above the pipe. DOE accepted the interim repairs but required a permanent repair by 2025.

During project definition the project scope was revised to reflect the actual shorter pipe length, and a full pipe replacement instead of relining using the cured-in-place pipe method. These changes resulted in \$251,000 in project savings.

The project has completed the environmental permitting requirements with DOE and the U.S. Army Corps of Engineers. This has led to additional regulatory requirements that has increased the project cost by \$360,000 and delayed construction to the 2024 fish window.

Scope of Work

The project will replace the entire downstream effluent pipe with a 72-inch diameter reinforced concrete pipe. In addition, two manhole structures will be added to the northern section of the pipe to provide energy dissipation.

Schedule

Construction start	2024 Quarter 2
In-use date	2024 Quarter 4

Cost Breakdown

	This Request	Total Project
Design	\$0	\$625,000
Construction	\$2,275,000	\$2,275,000
Total	\$2,275,000	\$2,900,000

Meeting Date: November 14, 2023

ALTERNATIVES AND IMPLICATIONS CONSIDERED

Alternative 1 – No Improvements

Cost Implications: \$0

Pros:

- (1) Requires no capital investment.

Cons:

- (1) Does not address integrity of Tyee Pond dam required by DOE to perform permanent repairs by 2025.
- (2) Does not address long-term viability of the storm water infrastructure.
- (3) Potential to damage downstream salmon bearing creek habitat and residents (and trigger fines).

This is not the recommended alternative.

Alternative 2 – Utilize the bypass system.

Cost Implications: \$702,000

Pros:

- (1) Requires less capital investment.

Cons:

- (1) Does not address integrity of Tyee Pond dam required by DOE to perform permanent repairs by 2025.
- (2) Does not address long-term viability of the storm water infrastructure.
- (3) Potential to damage downstream salmon bearing creek habitat and residents (and trigger fines).

This is not the recommended alternative.

Alternative 3 – Replace the effluent pipe.

Cost Implications: \$2,900,000

Pros:

- (1) Permanent solution ensuring Tyee Pond dam integrity.
- (2) Offers maximum stormwater flow control from the Tyee Pond.
- (3) Doesn't adversely impact flow to downstream salmon bearing creek.
- (4) Fulfills DOE Dam safety regulatory obligations.

Cons:

- (1) Requires greater capital investment.

This is the recommended alternative.

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FINANCIAL IMPLICATIONS

<i>Cost Estimate/Authorization Summary</i>	Capital	Expense	Total
COST ESTIMATE			
Original estimate	\$2,791,000	\$0	\$2,791,000
Previous changes – net	(\$251,000)	\$0	(\$251,000)
Current change	\$360,000	\$0	\$360,000
Revised estimate	\$2,900,000	\$0	\$2,900,000
AUTHORIZATION			
Previous authorizations	\$625,000	\$0	\$625,000
Current request for authorization	\$2,275,000	\$0	\$2,275,000
Total authorizations, including this request	\$2,900,000	\$0	\$2,900,000
Remaining amount to be authorized	\$0	\$0	\$0

Annual Budget Status and Source of Funds

This project CIP #801173 was included in the 2023-2027 capital budget and plan of finance as a budget of \$2,540,000. A budget increase of \$360,000 was transferred from the Aeronautical Allowance (CIP #800753) resulting in a zero-net change to the Aviation capital budget. The funding sources for this project will be the Airport Development Fund (ADF) and revenue bonds.

Financial Analysis and Summary

Project cost for analysis	\$2,900,000.
Business Unit (BU)	Airfield Movement Area.
Effect on business performance (NOI after depreciation)	NOI after depreciation will increase due to inclusion of capital (and operating) costs in airline rate base.
IRR/NPV (if relevant)	N/A.
CPE Impact	\$0.01 in 2025.

Future Revenues and Expenses (Total cost of ownership)

Operations and maintenance costs are anticipated to be minimal. The pipe will be video inspected once every 3-5 years.

ATTACHMENTS TO THIS REQUEST

- (1) Presentation.

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

April 26, 2022 – The Commission authorized an additional \$390,000 for design.

Item No.	8f_supp
Date of Meeting	November 14, 2023

Tyee Pond Effluent Pipe Replacement

Project Authorization

Tyee Pond Effluent Pipe Replacement

Request Commission Authorization for Executive Director to:

- Advertise, award, and execute a major public works construction contract for the Tyee Pond Effluent Pipe Replacement project

Project Purpose and Scope

Purpose:

To replace the failing Tye Pond effluent pipe and ensure that the Tye Pond embankment is structurally sound as required by Department of Ecology Dam Permit

Scope:

- Replacement of 414 linear feet of 72-inch diameter pipe
- Installation of two manholes to provide energy dissipation and elevation drop

Project Location



Project Budget and Schedule

Project Budget:

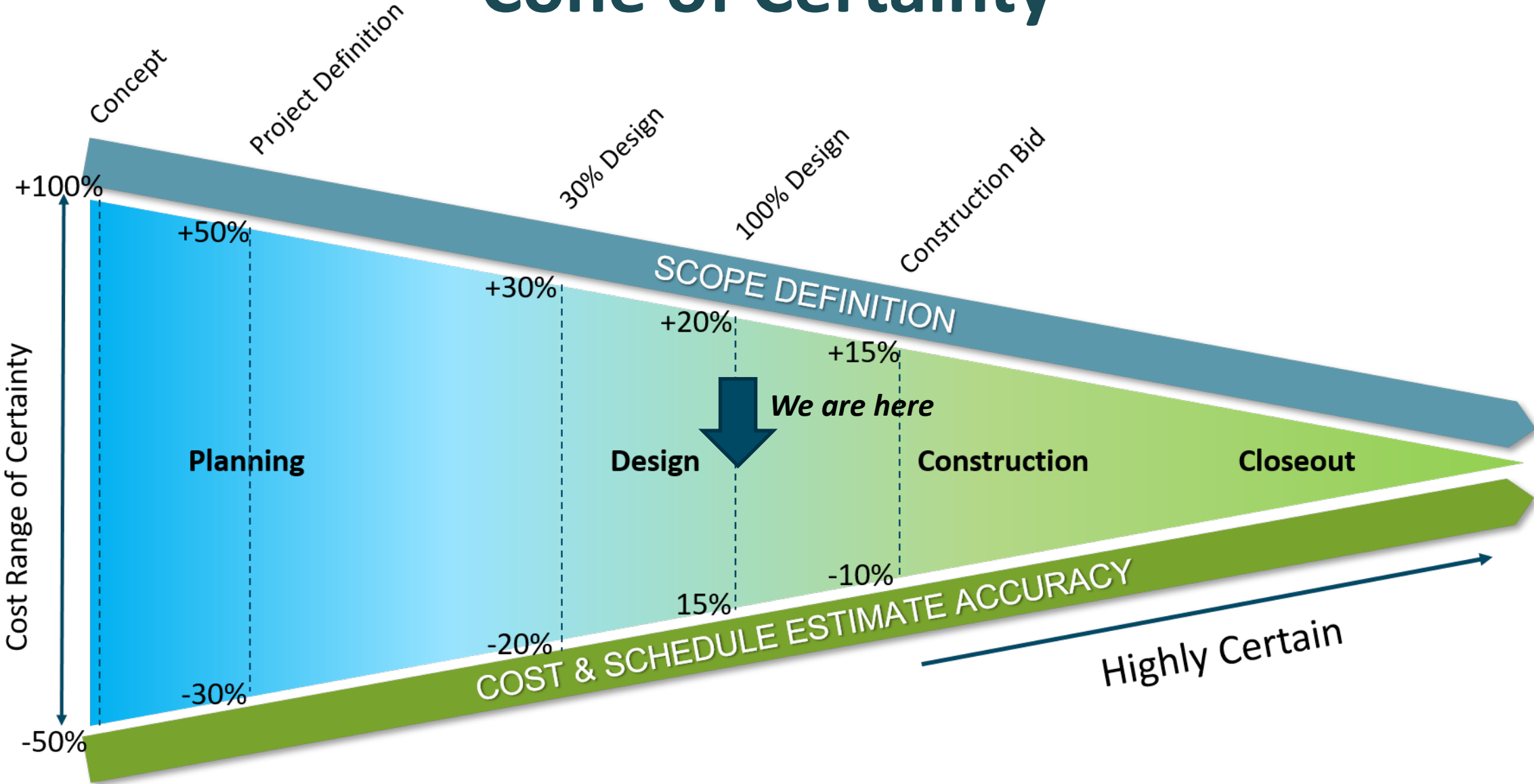
- Previous Budget \$2,540,000
- Revised Budget \$2,900,000

Budget increase due to environmental permitting regulatory requirements

Project Schedule:

- Construction Start Q2 2024
- Substantial Completion Q3 2024

Cone of Certainty



Thank You!



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Airport

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**COMMISSION
AGENDA MEMORANDUM**

Item No. 8g

ACTION ITEM

Date of Meeting November 14, 2023

DATE: July 7, 2023
TO: Stephen P. Metruck, Executive Director
FROM: Tino Petterson, Unified Pest Management Airport Operations

SUBJECT: New Unified Pest Management Contract

Amount of this request: \$7,000,000

Total estimated contract cost: \$7,000,000

ACTION REQUESTED

Requesting Commission authorization for the Executive Director to competitively bid and execute a Unified Pest Management (UPM) contract with a duration of up to five years, not to exceed value of \$7,000,000.

EXECUTIVE SUMMARY

The Port operates a Unified Pest Management (UPM) Program that coordinates pest control measures across the airport to reduce and eliminate root causes of pest activity before pest issues become health and safety concerns and centralizes pest reporting for all airport tenants. The UPM program was created in 2013 and has grown substantially. In 2016, pest populations both increased and became more visible. This surge required the Port to increase pest control services and contract value to address growing pest concerns holistically. The pest outbreak was effectively managed by mid-2019, although some areas still require regular attention. Pest reporting declined from 2019 through 2022, likely driven by a reduction of pests and by Covid impacts on operations, passenger volumes, waste stream volumes, and staffing numbers. As operations increase to pre-Covid levels pest reporting began to rise and is expected to continue increasing. Only through outreach, education, and preventative measures will the number continue to go down, maintaining a healthy and safe airport.

Funding for the current contract will expire on May 31, 2024. The new contract will maintain a similar level of service and the value is estimated at \$7,000,000 for the next 5 years. Services will include the same scope of work to cover all airport locations and maintaining proactive pest control helps prevent future outbreaks and keeps costs lower.

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JUSTIFICATION

Requested funds will allow for a continuity of efforts already underway through May 31, 2029. Prior to the implementation of the UPM program in 2013, airport tenants contracted their pest control services independently, with little information available to the Port by which to determine the type and magnitude of concern the tenants faced or what kind of control methods their contactors were using to address them.

Today the UPM program has 100% enrollment of all concessions and airline tenants. UPM gives the Port the ability to track all pest reports at the airport to better manage the needed action. The UPM Working Group is comprised of many Port departments, including Airport Dining and Retail, Port Construction Services, Aviation Maintenance, Environmental, and Facilities and Infrastructure to better remediate pest issues by addressing items that contribute to the problem, such as small openings that need to be sealed off to prevent pest access. Pest issues are reported to UPM through a safety hotline (206-787-SAFE). Call-in data are used to identify problem areas, determine best practices, and monitor contractor response times. Consequently, the Port's unified program has been successful in tracking and identifying where pest hotspots are and what contributing factors need to be addressed promptly.

The program continuity is necessary to monitor and control pests as the airport continues to get busier and generate more activity and waste. UPM effectiveness is evaluated annually to monitor and analyze pest activity as influenced by passenger volumes, new construction activity, and compliance of higher sanitation standards. The new contract will service all existing and new airport square footage.

Increased passenger volume and construction activity at Seattle-Tacoma International Airport (SEA) drove the necessity for expanding pest management level of services to maintain a healthy and safe environment. Construction across the airport, specifically the new A Concourse Expansion, C Concourse Expansion, Baggage Optimization, South Satellite, and Perimeter Road Work has been disturbing habitat, requiring additional pest monitoring. Additionally, significant increases in passenger traffic post-Covid has led to an increase in waste generation, sanitation challenges, and a rapid increase in certain pest populations, requiring diligent control measures. Maintaining the current level of service will address these factors, while still providing adequate pest control in conjunction with Port oversight to improve tenant sanitation and waste stream challenges. The Port hired a full-time UPM Coordinator in 2022 to oversee and coordinate airport pest control, allowing the Port to reduce some contracted services while maintaining current levels of proactive control and oversight.

The UPM Working Group, with broad departmental representation, along with the Port-contracted pest control service provider, have worked aggressively over the past 5 years to respond to and keep pest issues under control. In 2023, the Working Group evaluated and reprioritized Port and tenant responsibilities to reduce pest attractants responsible for increasing pest numbers. Under UPM, the Port provides services to tenants on a cost recovery basis under

Meeting Date: November 14, 2023

Airport Tariffs. The UPM tariff is evaluated annually to recover costs and increased for benefits of UPM. This holistic approach to pest control has been much more successful than treating spaces independently, which does not address root problems and has led to moving pest problems between spaces. It is critical that the Port continue current efforts to ensure the ongoing health and safety of the traveling public and airport employees.

DETAILS

In early 2018, the pest contractor responded to many more emergency call outs beyond the proactive work they had been doing. By May 2018 it became clear that one technician per day could not handle all pest management needs and 24/7 coverage was justified. With a rise in pest complaints/sightings by the public and an increase of complaints to King County Public Health and Washington Department of Labor and Industry it was urgent that the contractor increase resources and technologies immediately, raising the cost of the contract well past its original scope and budget. Since the contract increase and proactive 24/7 pest response there have been no additional complaints issued by King County Public Health.

For the areas serviced today, rodent numbers declined under the higher level of control efforts and increased implementation of sanitation audit results. The existing level of effort was required to reach greater than 90 percent eradication, and the current goal of the UPM is to prevent another population uptick in other pest population in the absence of rodents and in rodents themselves due to their high reproduction rates. The Port audits tenant spaces to further improve sanitation and seal off all pest entry points. Sanitation audits were added to the scope of the current pest control contract in 2019. Tracking call-in data, pest data, and condition data (collected from sanitation audits and other Port inspections) allows the Port to more efficiently allocate resources to eliminate conditions conducive to pests. The goal was to reduce costs of the UPM program even with additional building square footage over next 5 years by hiring a full-time Port UPM Coordinator, improving airport sanitation, and reducing pest attractants and access.

UPM Efforts to-date:

- Updated Pest Hazard data entry and location (Safety Events) in Veoci.
- Hired a new Unified Pest Management Coordinator for Airport Operations.
- Equipped more areas above drop ceilings with additional control methods.
- Provided guidance and training on best practices to reduce opportunities for pests.
- Stricter sanitation audits of tenant spaces.
- Increased pest control vendor presence to 24/7.
- Aviation Maintenance secured pest access points into the terminal.
- Pest remediation at construction sites.

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ALTERNATIVES AND IMPLICATIONS CONSIDERED

Alternative 1 – Do not renew the existing contract. The current contract will run out of funds in June 2024. Pest services would end until there was time to get a new contract in place, which could take several months.

Cost Implications: \$0

Pros:

- (1) None.

Cons:

- (1) The current Pest control contract would end, pest numbers would increase and the health and safety of passengers and those working at the airport would be compromised.
- (2) The Port will receive more notices from King County Public Health and Washington Department of Labor and Industries regarding pest-related complaints.

This is not the recommended alternative.

Alternative 2 – Create our own Integrated Pest Management Team to do the work done by our previous contractors (Rentokil, Sprague). This work would include monthly services, pest safety events, weekly follow ups, sanitation audits, treatments, etc.

Cost Implications: \$ 850,000 per year

Pros:

- (1) System created in Veoci to collect and document all data.
- (2) Reduce the current budget about 15%.
- (3) Sustain current levels of rodent and insect control currently in place.
- (4) 24/7 coverage.
- (5) Additional personnel for snow (ramp task force).

Cons:

- (1) Port retains 100% of the liability and responsibility.
- (2) Independent contractor maintains industry awareness of pest controls and practices.
- (3) Port would not have certification and licensing of this work prior to the current service contract expiration.

This is not the recommended alternative for 2024.

Alternative 3 – Competitively bid/start a New Unified Pest Management Contract by June 1, 2024- May 2029 using existing scope of work.

Cost Implications: \$7,000,000 (\$1,400,000 per year)

Meeting Date: November 14, 2023

Pros:

- (1) Sustains the level of rodent abatement and insect control currently in place through May 2029.
- (2) Airport will maintain oversight of pest control actions taking place with all required data to make the best management decisions in correcting issues.
- (3) Current lease agreements remain in effect without renegotiation.

Cons:

- (1) None.

This is the recommended alternative.

FINANCIAL IMPLICATIONS

In 2018 our baseline was approved for \$5,000,000 over a 5-year period. However, in April 2019 an emergency action request was approved for \$7,000,000 (additional \$2,000,000) to help control an unprecedented pest issue, by increasing the services and reducing the reaction time to these events. As we've become more proactive and our response times improve, our pest populations have diminished allowing the return to the 2018 baseline, (\$1M/Year X 5 years).

ATTACHMENTS TO THIS REQUEST

- (1) Presentation

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

- (1) **April 23, 2019** – The Commission authorization for the Executive Director to execute a new contract for an estimated value of \$7,000,000 for Unified Pest Management at Seattle-Tacoma International Airport. This action requests increased contract authority compared to the \$5,000,000 Unified Pest Management authorization of November 13, 2018.
- (2) **November 13, 2018** – The Commission authorized to: (1) increase the value of the current Unified Pest Management contract at Seattle-Tacoma International Airport by \$550,000 to continue current services from January 2019 through June 2019; and (2) competitively bid and execution of new 5-year follow-on contract (commencing on or about July 1, 2019, and continuing through June 30, 2024) for 5 years for a base year and additional four 1-year options for an estimated amount of \$5,000,000.
- (3) **September 8, 2015** – The Commission authorized execution of contract for commercial pest management services at Seattle-Tacoma International Airport's main terminal, North and South Satellites, parking garage, and several other Port-owned buildings at the Airport. The total estimated cost of the contract(s) is \$1,200,000 for a 5-year contract.

New Unified Pest Management Contract

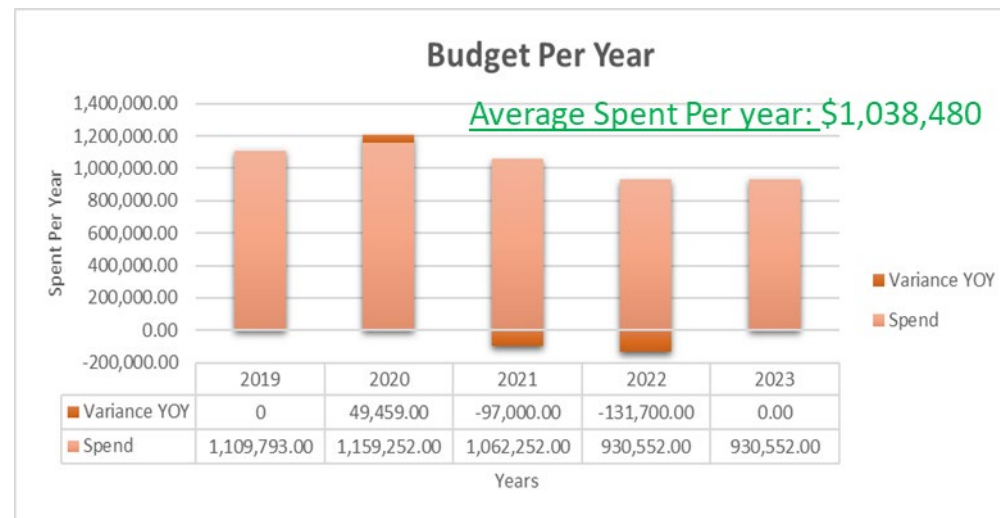


Presenters: Tino Petterson, UPM Coordinator
David Crowner, Sr. Mgr. Operational Risk & Safety

Action Request

Requesting Commission authorization for the Executive Director to competitively bid and execute a new 5-year Unified Pest Management (UPM) contract with one base year and four 1-year optional extensions commencing on June 1, 2024, through May 31, 2029, for an estimated value of \$7,000,000.

- Requesting a \$70,000 increase to the baseline; Totaling \$1,400,000 per/year
- Authorization to Bid new 5-year, \$7,000,000 Pest control contract



Unified Pest Management

UPM-Is a Port operated program that coordinates pest control measures across the airport to reduce and eliminate root causes of pest activity before pest issues become health and safety concerns and centralizes pest reporting for all airport tenants.

Coordinates with:

- ADR- Airport Dining and Retail
- Environmental
- Maintenance
- Facility and Infrastructure
- Janitorial
- Wildlife
- Contractor (Western)



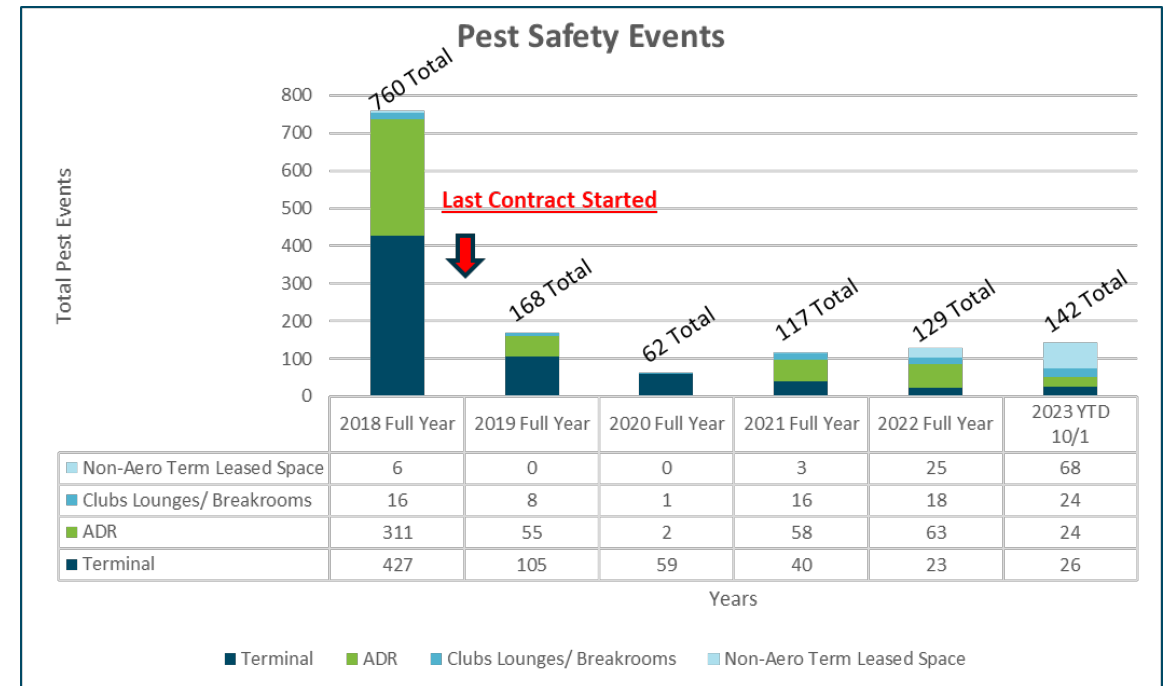
Overview

- 2013 to 2018- Unprecedented pest issue

- Spending \$1.2 Million over 5 years or \$240,00 per/year
- Increased rodent concerns
- One technician covering the Airport
- Large gaps in services
- Slow reaction times

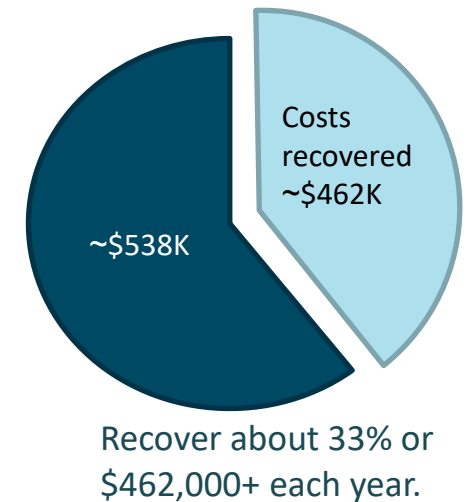
- 2019-2024 Current contract (Ending May 31,2023)

- Authorized for \$5,000,000 initially (Nov. 2018)
- Increased again for \$2,000,000; Totaling \$7,000,000 (April 2019)
- Increased scope of work
 - 24/7/365 coverage
 - Additional technicians (1 manager, 6 technicians)
 - Overlapped shifts to eliminate gaps in service
 - Performing sanitation audits, pest safety events, weekly follow up visits, ETC.
 - Annual reports created to show results



New UPM Contract

- This contract is meant to be “Preventative” with the ability to be reactive.
- Covers the same scope of work
- Ensures data integration for uninterrupted access
 - Creating location maps
 - Showing hot spots
 - Helping keep pest at a manageable level/ out public view
- UPM Tariffs (ADR and Non-Aero Leased Space)
 - Wet spaces
 - Dry spaces



Safety/Objectives

- Improving communication and response times (24/7/365)
- Training
- Regularly performed Sanitation Audits
 - Stricter audits
- Enforcing proper cleaning, use of Port property and trash disposal
 - All attractants for pests



Improved Sanitation and proactive control = Reduced Pests



**COMMISSION
AGENDA MEMORANDUM**

Item No. 8h

ACTION ITEM

Date of Meeting November 14, 2023

DATE: October 13, 2023

TO: Stephen P. Metruck, Executive Director

FROM: Cassie Fritz, Manager, Waterfront Project Management Program Controls

SUBJECT: Buildings and Structures Indefinite Delivery, Indefinite Quantity Professional Service Agreements

Amount of this request: \$0.00
Total Requested Project Cost: \$9,000,000

ACTION REQUESTED

Request Commission authorization for the Executive Director to execute up to three (3) Indefinite Delivery, Indefinite Quantity (IDIQ) professional services agreements for Building and Structure related consulting and design services with a cumulative total amount not to exceed \$9,000,000 and a contract ordering period of five years. No funding is associated with this request.

SUMMARY

The Port of Seattle owns and maintains a large variety of facilities of varying age and condition. Building and structure projects are generally those that facilitate the efficient and safe operation of our industrial and commercial facilities, preserve the value of assets, and ensure compliance with state and local codes.

These service agreements will provide the Port of Seattle with subject matter expertise to support building and structure related maintenance, repair, and upgrade projects as needed to ensure ongoing operation of port facilities.

Waterfront Project Management Program Controls proposes to advertise and select qualified firms to provide consulting and design services. If authorized, the procured services will replace existing IDIQ contracts that have reached their capacity limits.

The Service agreements resulting from this request will allow Port staff to respond to a range of project needs, including, but not limited to:

- Building condition assessments
- Design services for new construction and renovation of existing spaces
- Repair and/or maintenance plans for new or existing facilities

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- HVAC, boiler, and steam equipment repair and replacement.
- Repair and replacement of standpipes, fire control panels, and fire control systems.
- Permitting assistance, code interpretation, regulatory assistance recommendations.

This procurement will allow the Port to responsibly manage finances by providing a cost-effective means of managing projects that have variable workloads, are time-sensitive, and require specialized expertise.

Diversity in Contracting

The proposed IDIQ contracts will be competitively bid, and the procurements will identify opportunities for participation by WMBE and small business designated suppliers, consultants, and contractors.

Funds will be obtained from separate project authorization requests so there is no funding request associated with this memo.

ATTACHMENTS

None.

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

November 19, 2019 – Commission authorized to execute IDIQ contracts for Buildings and Structures related consulting Services for a total not to exceed \$3,000,000, with a contract ordering period of five years.

December 12, 2017 - Commission authorized to execute IDIQ contracts for Buildings and Structures Architectural and Engineering Services. One for \$700,000 with a small business subcontracting goal, and one for \$300,000 as a small business set-aside, with a contract ordering period of five years.



**COMMISSION
AGENDA MEMORANDUM**

Item No. 8i

ACTION ITEM

Date of Meeting November 14, 2023

DATE: October 17, 2023

TO: Stephen P. Metruck, Executive Director

FROM: Cassie Fritz, Manager, Waterfront Project Management Program Controls

SUBJECT: Infrastructure Indefinite Delivery, Indefinite Quantity Professional Service Agreements

Amount of this request: \$0
Total Requested Project Cost: \$9,000,000

ACTION REQUESTED

Request Commission authorization for the Executive Director to execute up to three (3) Indefinite Delivery, Indefinite Quantity (IDIQ) professional services agreements for Infrastructure related consulting and design services with a cumulative total amount not to exceed \$9,000,000 and a contract ordering period of five years. No funding is associated with this request.

SUMMARY

Waterfront Project Management Program Controls proposes to advertise and select qualified firms to provide consulting services. If authorized, the procured services will replace existing IDIQ contracts that have reached their capacity limits.

The service agreements resulting from this request will allow Port staff to respond to a range of infrastructure project needs, including, but not limited to:

- Stormwater drainage systems.
- Electrical power and lighting systems, low voltage, and telecom systems.
- Pressurized utilities such as domestic water and fire mains and natural gas lines.
- Roadways and elevated roadway structures, pavement sections, and traffic analysis.
- Permitting assistance and compliance.
- Landscape and public shoreline access.
- Adherence to the Seattle Municipal Code (SMC).

This procurement will allow the Port to responsibly manage finances by providing a cost-effective means of managing projects that have variable workloads, are time-sensitive, and require specialized expertise.

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Diversity in Contracting

The proposed IDIQ contracts will be competitively bid, and the procurements will identify opportunities for participation by WMBE and small business designated suppliers and consultants.

- Funds will be obtained from separate project authorization requests so there is no funding request associated with this memo.

There are no attachments to this memo.

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

November 19, 2019 - Commission authorized DIQs contracts for infrastructure related consulting services for a not to exceed of \$2,000,000 with a five-year contract period.

October 17, 2015 - Commission authorized IDIQs contracts for infrastructure related design, construction, and other engineering support services for a not to exceed of \$2,000,000 with a three-year contract period.

RETURN TO AGENDA



**COMMISSION
AGENDA MEMORANDUM**

Item No. 8j

ACTION ITEM

Date of Meeting November 14, 2023

DATE: November 3, 2023
TO: Stephen P. Metruck, Executive Director
FROM: Keri Stephens, Director AV Facilities & Capital Programs
Eileen Francisco, Director Aviation Project Management
SUBJECT: Flow Meter Replacement CMP Design and Construction

Amount of this request: \$ 4,165,000
Total estimated project cost: \$4,235,000

ACTION REQUESTED

Request Commission authorization for the Executive Director to (1) prepare design and construction bid documents for Flow Meter Replacement in the Central Mechanical Plant (CMP), (2) advertise, bid, and execute a major works construction contract, execute related project change orders, amendments, work authorizations, purchases, contracts, and take other actions necessary to support and deliver the Flow Meter Replacement project within the approved budget, (3) use Port of Seattle crews and small works contracts to support the design and construction activities. The amount of this request is \$4,165,000 for an estimated total project cost not to exceed \$4,235,000.

EXECUTIVE SUMMARY

This is a renewal and replacement project that will be replacing flow meters and some isolation valves in the CMP which are at their end of life. The flow meters are critical to the operation of the entire cooling system. It provides cooling to the terminal building and concourses, as well as all other critical mechanical, electrical and data communication rooms. Additionally, select isolation valves were identified as needing replacement in conjunction with the flow meters because they are not properly sealing and stopping the water flow as intended. New isolation valves on the condenser supply and return side of equipment will ensure adequate equipment isolation during project construction, regular maintenance, and emergency operations.

JUSTIFICATION

The cooling system consists of chillers, heat exchangers, water loops, and cooling towers. The flow meters are essential for the efficient operation of these systems. In 2019, four flow meters in two of the cooling towers failed and had to be replaced by a separate project. This project will be replacing the remaining cooling systems' flow meters to mitigate unplanned outages and loss

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off cooling capacity. Four isolation valves were identified as needing replacement because they can no longer maintain a complete seal after approximately 20 years of use. These are large valves that are upstream of the flow meters and replacing the isolation valves at the same time provides efficiency by consolidating shutdowns during one capital project.

This project was one that was deferred during the COVID-19 workplace disruption. The project scope was confirmed and the addition of the four isolation valves was re-estimated with current market trends which resulted in an increase project cost.

Diversity in Contracting

The design services will be completed using an existing IDIQ contract that was established in 2022 which has a 16% WMBE commitment. The project staff, in coordination with the Diversity in Contracting Department, will evaluate the WMBE goals for the construction services during the design phase.

DETAILS

The work detailed in this memo is to remove and replace a total of thirty-one flow meters and four isolation valves throughout the CMP and cooling towers.

Scope of Work

The Flow Meter Replacement in the CMP project will consist of:

- (1) Remove and replace six flow meters at the cooling towers. There are two flow meters at Towers 3, 4, and 5.
- (2) Remove and replace sixteen flow meters at the chillers. One chilled water meter and one condenser water flow meter on each of the eight chillers.
- (3) Remove and replace six flow meters at the heat exchangers. One chilled water meter and one condenser water flow meter on each of the three heat exchangers.
- (4) Remove and replace three flow meters on the main secondary water loops. All three meters are chilled water flow meters.
- (5) Remove and replace four isolation valves on two chillers. Two valves on chiller #3 and chiller #4.
- (6) Integrate new flow meters and isolation valves with the Siemens Direct Digital Control (DDC) system.
- (7) Connect the thirty-one flow meters to the flow rate remote displays (MagFlow).
- (8) If necessary, provide piping support as required to meet current building codes.

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Schedule

Activity

Advertisement	2025 Quarter 1
Construction Start	2025 Quarter 3
In-use date	2026 Quarter 3

Cost Breakdown

	This Request	Total Project
Design	\$1,559,000	\$1,609,000
Construction	\$2,626,000	\$2,626,000
Total	\$4,185,000	\$4,235,000

ALTERNATIVES AND IMPLICATIONS CONSIDERED

Alternative 1 – Defer project to a later date or cancel project.

Cost Implications: Approximately \$50,000 would need to be expensed for notebook development.

Pros:

- (1) No further capital investment at this time.

Cons:

- (1) Flow meter failure could occur at any time resulting in a large expense cost for replacement and result in lengthy down time with incremental loss of cooling capacity.
- (2) Potential for increased costs of materials and labor if deferred to a later date.

This is not the recommended alternative.

Alternative 2 – Remove and replace the flow meters and all thirty-four isolation valves in the CMP and cooling towers.

Cost Implications: Capital project investment of an estimated \$5.2M for planning, design, and construction.

Pros:

- (1) Mitigate potential for failures that negatively affect the operation of the cooling systems.
- (2) Improved efficiency over existing systems.
- (3) Increase reliability and decrease maintenance costs.
- (4) Future routine maintenance is made easier and smaller segments of the system can be shutdown with more reliable isolation valves.
- (5) Reduces potential for change orders due to faulty isolation valves.

Cons:

- (1) Increases project schedule.
- (2) Increases capital investment.

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- (3) Increases the number of shutdowns and disruptions to the cooling systems.

This is not the recommended alternative.

Alternative 3 – Remove and replace the flow meters and four isolation valves in the Central Mechanical Plant as scoped.

Cost Implications: Capital project investment of an estimated \$4.2M for planning, design, and construction.

Pros:

- (1) Mitigate potential for failures that negatively affect the operation of the cooling systems.
- (2) Improved efficiency over existing systems.
- (3) Increase reliability and decrease maintenance costs.

Cons:

- (1) Large capital project investment.
- (2) Increases potential for change orders due to faulty isolation valves.

This is the recommended alternative.

FINANCIAL IMPLICATIONS

Cost Estimate/Authorization Summary

COST ESTIMATE	Capital	Expense	Total
Original estimate	\$2,954,000	\$0	\$2,954,000
Budget Increase	\$1,281,000	\$0	\$1,281,000
Revised estimate	\$4,235,000	\$0	\$4,235,000
AUTHORIZATION			
Previous authorizations	\$70,000	\$0	\$70,000
Current request for authorization	\$4,165,000	\$0	\$4,165,000
Total authorizations, including this request	\$4,235,000	\$0	\$4,235,000
Remaining amount to be authorized	\$0	\$0	\$0

Annual Budget Status and Source of Funds

The Flow Meter Replacement CMP (CIP #C801182) was included in the 2023-2027 capital budget and plan of finance with a budget of \$2,954,000. The capital increase of \$1,281,000 was transferred from the Aeronautical Allowance¹ CIP C800753 resulting in no net change to the

¹ The Aeronautical Allowance is included in the Capital Improvement Plan to ensure funding capacity for unspecified projects, cost increases for existing projects, new initiatives, and unforeseen needs. This ensures funding capacity for unanticipated spending within the dollar amount of the Allowance CIP.

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Airport capital budget. The funding sources will be the Airport Development Fund and revenue bonds.

Financial Analysis and Summary

Project cost for analysis	\$4,235,000
Business Unit (BU)	Terminal Building
Effect on business performance (NOI after depreciation)	NOI after depreciation will increase due to inclusion of capital (and operating) costs in airline rate base
IRR/NPV (if relevant)	N/A
CPE Impact	\$0.01 in 2027

Future Revenues and Expenses (Total cost of ownership)

This project will likely have no impact on Aviation Maintenance operating & maintenance (O&M) costs. This is a renewal and replacement project that replaces flow meters and some isolation valves in the CMP which are at their end of life. Replacement will require a similar level of maintenance. Therefore, there will not be a material impact on Aviation O&M costs.

ATTACHMENTS TO THIS REQUEST

- (1) Presentation

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

None.

Flow Meter Replacement in the Central Mechanical Plant (CMP)

Joe Cook

AV F&I – Mech. Engineering Manager

Matthew Piccolo

AV PMG – Capital Project Manager

Project Scope

This is a renewal and replacement project for the cooling system flow meters and select isolation valves in the CMP which are at the end of their service life.

- Replace 31 flow meters
- Replace 4 isolation valves
- Integrate flow meters and isolation valves with the Direct Digital Control (DDC) System
- Connect flow meters to the flow rate remote displays



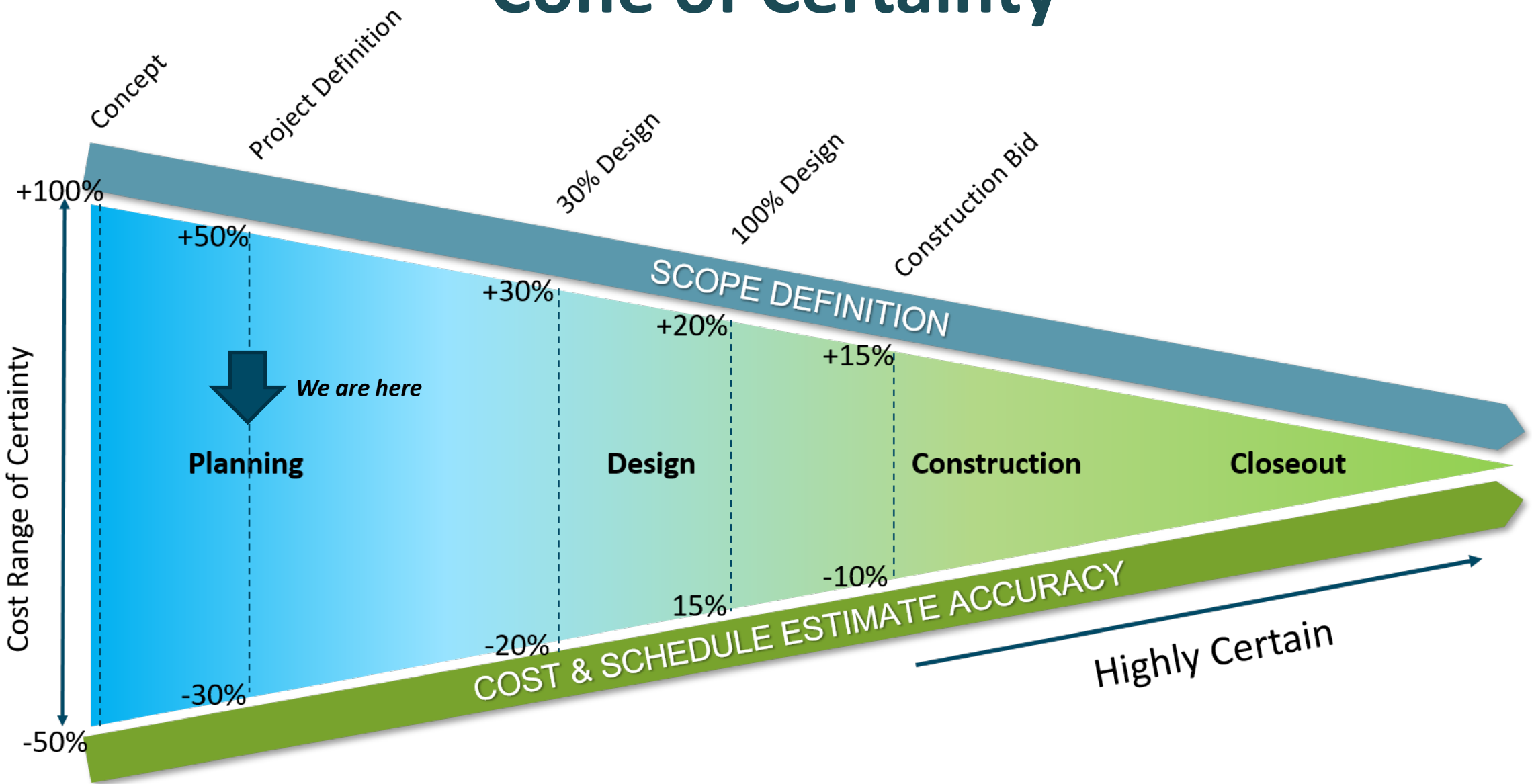
Schedule

Milestone	Date
Design Complete	Q4 2024
Advertisement for Construction	Q1 2025
Construction Start	Q3 2025
Substantial Completion	Q3 2026

Budget

Cost Estimate	Capital	ERL	Total
Design & Other Soft Costs	\$1,609,000	\$0	\$1,609,000
Construction	\$2,626,000	\$0	\$2,626,000
Project Cost Estimate	\$4,235,000	\$0	\$4,235,000

Cone of Certainty



Action Requested

- Prepare design and construction bid documents;
- Advertise, bid, and execute a major works construction contract for the project;
- Authorize the use Port of Seattle Crews and small works contracts to support the design and construction activities;
- Requesting \$4,185,000 for an estimated total project cost not to exceed \$4,235,000, this will fully authorize this project.

QUESTIONS?



[RETURN TO AGENDA](#)



**COMMISSION
AGENDA MEMORANDUM**

Item No. 8k

ACTION ITEM

Date of Meeting November 14, 2023

DATE: October 16, 2023

TO: Stephen P. Metruck, Executive Director

FROM: Kelly Purnell, Capital Project Manager
Jennifer Maietta, Director, Real Estate Asset Management
Kenneth Lyles, Director of Maritime Operations and Security

SUBJECT: Maritime Industrial Center Electric Equipment Procurement (C801241)

Amount of this request: \$1,810,000

Total estimated project cost: \$8,590,000

ACTION REQUESTED

Request Commission authorization for the Executive Director to approve additional funding in the amount of \$1,810,000 for the procurement of long-lead major electrical equipment for the Maritime Industrial Center Electrical Infrastructure Replacement project.

EXECUTIVE SUMMARY

This project will replace the electrical infrastructure at the Maritime Industrial Center (MIC). The site, located just west of Fishermen’s Terminal, currently has a tenant mix of storage, warehouse, maintenance and repair shops, boatyard and marine services, and fishing vessel support operations. A large majority of the electrical infrastructure that serves the tenants is approximately 25 years old. Though electrical systems generally last 20 to 30 years, their proximity to water has caused it to deteriorate at an expedited rate. An arc flash study and condition assessment were performed on the property in 2020 and determined that several pieces of equipment need replacement for safety reasons as they are not compliant with National Electrical Code (NEC) standards and are too dangerous to service properly.

The replacement of the infrastructure is critical to maintaining reliable and resilient electrical service to the MIC facilities, ensure that the Port meets its tenant obligations, and continues to leverage the economic opportunities that result in well managed and maintained assets. To not further delay this essential work, early purchasing of large electrical equipment is necessary due to extensive long-lead times for procuring the equipment.

In October 2022 the Port Commission authorized staff to proceed with the design and permitting phase of the project, and to proceed on long lead material procurement in March 2023. Staff bid

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the long-lead electrical equipment in August 2023. Three bids were received in response to the procurement advertisement. Acceptance of any bid would exceed the previously authorized total procurement budget of \$1,800,000. The lowest bid received of \$3,610,000 (including sales tax) which is \$1,810,000 over the Engineer’s Estimate of \$1,800,000. This overage can be chiefly attributed to the current market conditions and very high demand for low and medium voltage electric equipment.

The additional funds requested in this action will be used to cover the difference of the bid amount including Washington state sales tax.

The recommendation is to accept the low bid of Access Electric Supply, Inc. Their bid has been reviewed and confirmed that they are the lowest and responsible bidder.

JUSTIFICATION

This project supports the following Century Agenda and Maritime Division strategic goals:

Century Agenda:

1. Responsibly Invest in the Economic Growth of the Region and All Its Communities.
2. Be a Highly Effective Public Agency.

Maritime Division:

1. Asset Management
2. Sustainability

The project will include necessary upgrades to the electrical system by replacing current equipment that is dangerous to work on and at risk of failure. This investment will increase the asset value of the MIC by ensuring that the site facilities are functioning well and efficiently, removing dangerous water intrusion into electrical areas, and increasing the reliability of power to the Port’s tenants. Additionally, the upgraded electrical equipment will provide the flexibility to utilize electrical capacity for future sustainable EV charging capabilities and potential additional shore power that is not currently possible with the existing equipment.

Purchasing the equipment in advance of construction contracting will mitigate risks to the project schedule due to long-lead times in electrical equipment procurement times, currently estimated between 72 and 85 weeks.

Diversity in Contracting

WMBE aspirational goals have not been established for purchasing of the electrical equipment. The procurement of the equipment from available suppliers will be very prescriptive and based on technical credentials and performance. WMBE goals will be established for the larger general construction contract that will be solicited when the project is ready to be constructed.

DETAILS

Maritime Industrial Center – 2700 Commodore Way, Seattle, WA 98199

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The project scope consists of demolishing existing switchboards and structural concrete pads; decommissioning conduits and wire; and replacing all with new structural infrastructure, conduits, wires, switchboards, and associated equipment. The switchboards will be upsized from existing capacity of between 400 and 600 amps to 2000 amps for the smaller switchboards and from 2500 Amps to 4000 Amps for the main switchboard for future capacity needs (e.g., EV chargers, shore power). This project will not increase the electrical load at the site at this time.

To maintain the project schedule, the critical path equipment procurement timeline is paramount. After an evaluation of the three bids, the technical review team has concluded that the lowest bidder is responsible and responsive.

Scope of Work

The following electrical equipment will be replaced:

1. Switchboard 4SP and 2SPN (service entry to site)
2. Switchboard 4W and 2W (wharf)
3. Switchboard 4P and 2P (NE side of Building A-1)
4. Switchboard EY4 (east side of Building A-1)
5. Switchboard SEY4 (lighting connection for east lot)
6. Switchboards EY4 and SEY4 will be consolidated with 4P and 2P in one location that has better access. Additionally, this will eliminate a stormwater intrusion point at EY4.

Site work:

1. Provide new conduits and conductors from Seattle City Light to new MIC main distribution switchgear.
2. Provide new conduits and conductors from new MIC main distribution switchgear to:
 - a. New electrical switchboard at Mooring Pier
 - b. New electrical switchboard at Wharf
3. Provide new electrical vaults.

The following equipment will be purchased in advance per this authorization:

1. New main electrical distribution
 - A. Main switchgear, switchboards including main circuit breakers and feeder circuit breakers, transformer.
2. New electrical distribution at mooring pier
 - A. Switchboards including main circuit breaker and feeder circuit breakers, transformer.
3. New electrical distribution at wharf
 - A. Switchboards including main circuit breakers and feeder circuit breakers, transformer.

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Schedule

Activity

Commission design authorization	October 11, 2022
Design start	October 21, 2022
Commission authorization for major electrical equipment procurement	March 28, 2023
Commission authorization for additional electrical equipment procurement funds	2023 Quarter 4
Commission construction authorization	2024 Quarter 3
Construction Start	2024 Quarter 4

Cost Breakdown

This Request

Total Project

	This Request	Total Project
Design	\$0	\$850,000
Electric Equipment Procurement	\$1,810,000	\$3,610,000
Construction	0	\$4,130,000
Total	\$1,810,000	\$8,590,000

ALTERNATIVES AND IMPLICATIONS CONSIDERED

Alternative 1 – Cancel bid and require electrical equipment to be procured by general contractor.

Cost Implications:

- Additional \$3.1M overall project cost (due to additional escalation and GC markup on equipment).
- Total estimated project cost \$12.3M.

Pros:

- (1) Transfers risk to the contractor.
- (2) Advances Century Agenda goals and Maritime Division strategic goals.

Cons:

- (1) Very high probability of causing project delays due to estimated 72–85 week procurement lead times for electrical equipment.
- (2) Potential for longer equipment design duration due to Port quality control process.
- (3) More expensive due to overheads applied to the equipment purchase.

This is not the recommended alternative.

Alternative 2 – Rebid the electrical equipment procurement

Cost Implications:

Cost may increase between \$50k and \$150k due to 4% escalation of overall project for two-month delay. Potential that rebidding could lower bids and negate escalation increase.

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Pros:

- (1) Potential to negotiate faster delivery of equipment.

Cons:

- (1) Cost implications do not outweigh schedule impacts. Lead times have not been improving. While possible to negotiate faster delivery, will be offset due to rebid timeline.
- (2) The equipment is already in a state of advanced disrepair due to the proximity to maritime environments and areas of stormwater intrusion. Additional delays to project are not optimal and increases risk of failure and need for temporary power.

This is not the recommended alternative.

Alternative 3 – Approve additional funds and proceed with awarding contract based on lowest responsible and responsive bid.

Cost Implications:

Increase in procurement costs of \$1.8M. No additional escalation and GC mark-up on electrical equipment.

Pros:

- (1) Maintains critical path schedule by proceeding with procurement of long-lead electrical equipment.
- (2) Less expensive due to escalation and GC mark-up avoidance.
- (3) Advances Century Agenda goals and Maritime Division strategic goals.

Cons:

- (1) Maintains Port risk if equipment is delayed or damaged during delivery.
- (2) May require temporary storage of equipment if procurement times come down.
- (3) Adds some complexity to timing GC construction contract procurement.

This is the recommended alternative.

FINANCIAL IMPLICATIONS

<i>Cost Estimate/Authorization Summary</i>	Capital	Expense	Total
COST ESTIMATE			
Original estimate	\$1,500,000	\$0	\$1,500,000
Current Change	\$1,810,000	\$0	\$1,810,000
Revised estimate	\$8,590,000,00	\$0	\$8,590,000
AUTHORIZATION			
Previous authorizations	\$2,650,000	\$0	\$2,650,000
Current request for authorization	\$1,810,000	\$0	\$1,810,000
Total authorizations, including this request	\$4,460,000	\$0	\$4,460,000
Remaining amount to be authorized	\$4,130,000	\$0	\$4,130,000

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Annual Budget Status and Source of Funds

This project was included in the 2023 Capital Plan under CIP C801241 Maritime Industrial Center Electrical Infrastructure Replacement at an estimated total project cost of \$6,413,000. The additional cost of the project will be covered by the Maritime Management Reserve C800002.

This project will be funded by the General Fund.

Financial Analysis and Summary

Project cost for analysis	\$8,590,000
Business Unit (BU)	Maritime Portfolio Management
Effect on business performance (NOI after depreciation)	This project will increase annual depreciation by approximately \$287K.
IRR/NPV (if relevant)	NA
CPE Impact	NA

Future Revenues and Expenses (Total cost of ownership)

This project will provide for reliable and resilient electrical power to the MIC facilities for the next 25-30 years. This upgrade will provide protection of Port assets and extend their useful life, provide for additional future electrical capacity to support Port sustainability goals, and increase economic development potential. Maintaining existing assets will preserve the economic vitality of our operations and serve the Port, tenants, and their customers well by providing a safe and sustainable working environment.

ADDITIONAL BACKGROUND

None.

ATTACHMENTS TO THIS REQUEST

- (1) Presentation slides

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

October 11, 2022 – The Commission authorized design.

March 28, 2023 – The Commission authorized procurement of the electrical equipment for \$1.8 million.

Maritime Industrial Center Electrical Infrastructure Replacement

Electric Equipment Procurement Authorization for Additional Funding

Kelly Purnell – Capital Project Manager

Jennifer Maietta – Director, Real Estate Asset Management (Sponsor)

Kenneth Lyles – Director, Fishing and Commercial Operations (Sponsor)

CIP # C801241

Project # N06470



Overview

- Action Requested
- Current Condition
- Project Scope and Equipment Purchase
- Risks and Opportunities
- Schedule
- Funding



Action Requested

Request Commission authorization for the Executive Director to:

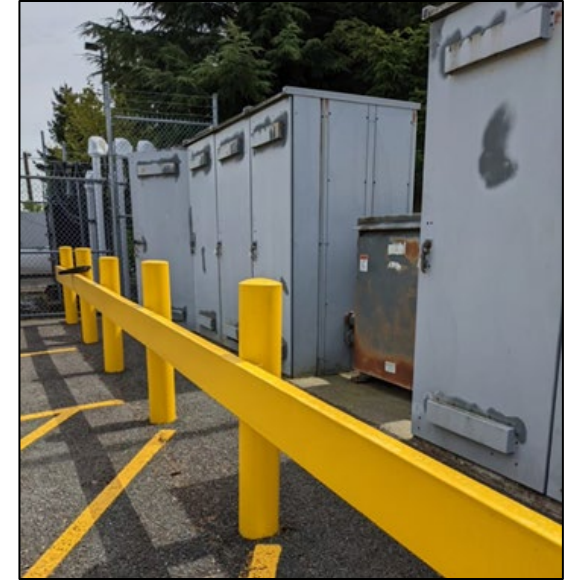
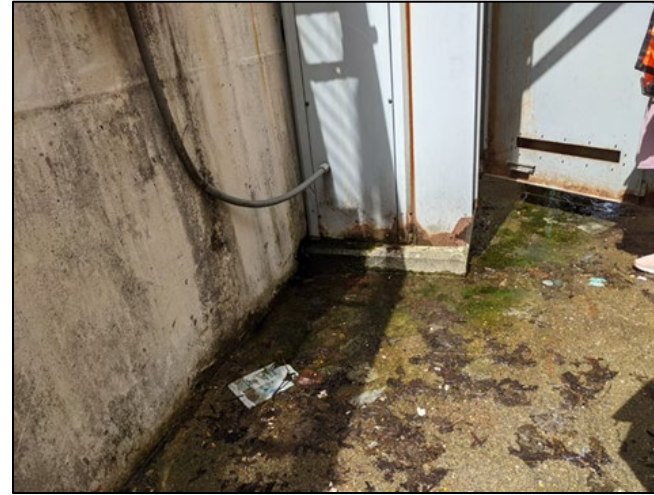
1. Approve additional funding in the amount of \$1,810,000 for the procurement of long-lead major electrical equipment for the Maritime Industrial Center Electrical Infrastructure Replacement project.

Project Estimated Cost: \$8,590,000

Procurement Authorization Request: \$1,810,000

Current Condition

- Significant corrosion
- Stormwater intrusion
- Degraded protective coatings
- Decaying structural pads



Current Tenant Mix

- Building A-1:
 - Mix of storage, warehouse, repair and maintenance shops, silk screen printing
- Building A-2, yard and moorage:
 - Boat yard and marine services (metal fabrication, woodwork, heating and cooling, electronics)
- Building A-3, A-4, A-5, yard and moorage:
 - Fishing vessel support operations

Project Scope

Project Work:

- Demolition of (5) existing switchboards and associated equipment
- Install new switchboards and associated equipment
- New ducts, vaults, and electric cables

Electrical Equipment Purchase:

- Location 1: At Main Electrical – Switchgear, switchboards, transformer
- Location 2: At Mooring Pier – Switchgear, switchboard, transformer
- Location 3: At Wharf – Switchboards, transformer

Risks and Opportunities

- Risks
 - Failure of the existing electrical equipment
 - Safety risks to maintenance personnel due to degradation of equipment
 - Schedule risks
 - Supply chain constraints causing very long lead times for equipment procurement
 - Seattle City Light delays
 - Materials and equipment price volatility
 - High escalation in current construction market
- Opportunities
 - Upgraded and safe equipment with higher load capacities for future site upgrades (EV chargers, shore power, tenant changes)

Project Status/Authorization Request

- 30% design complete on overall project
- Equipment procurement advertised and bids opened 10/06/2023
- Three bids received; low bid 82% over the Engineer's Estimate
- Requesting additional funding to allow for execution of procurement contract including WSST
- Total amount of this request: \$1,810,000
- Total project budget: \$8,590,000

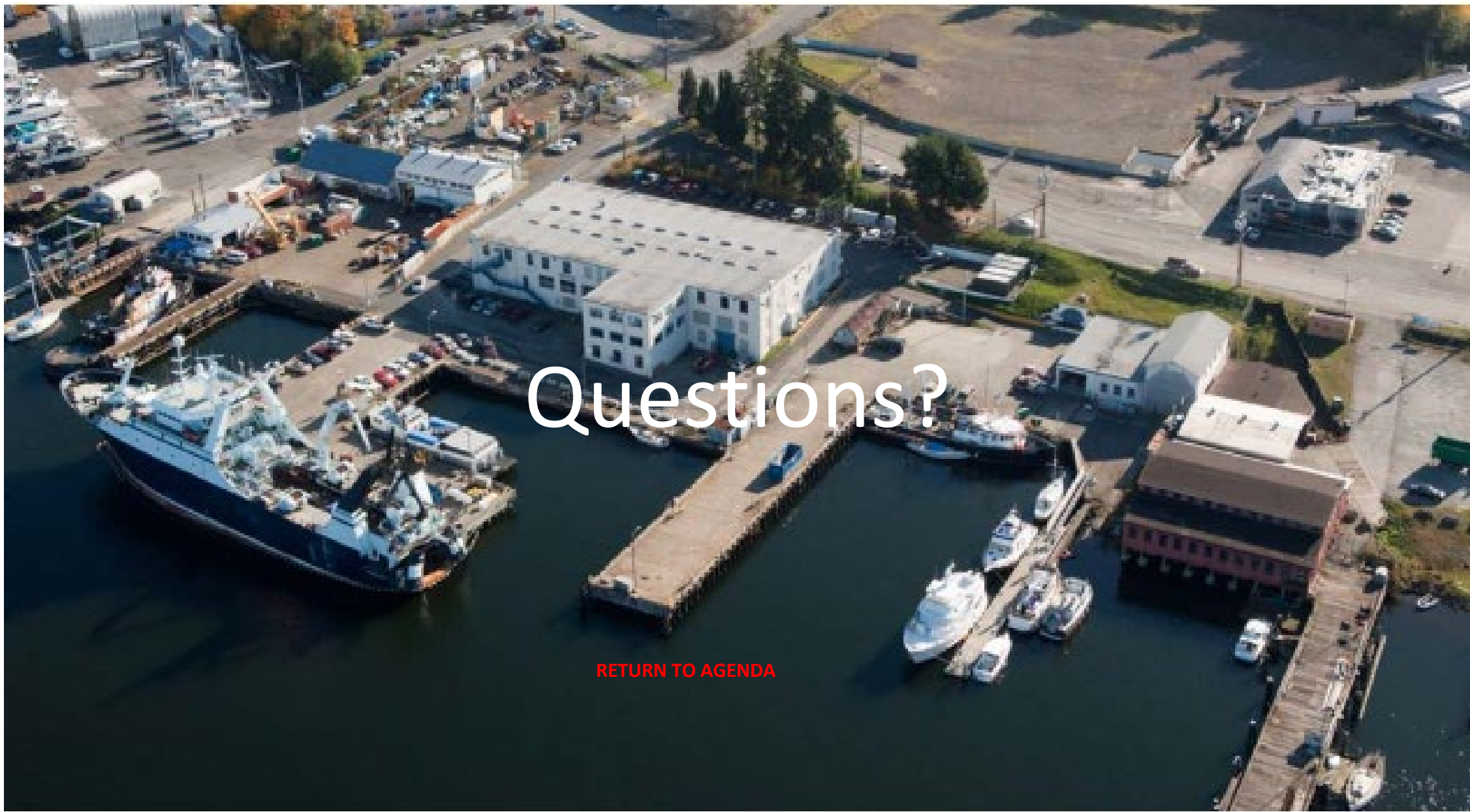
Preliminary Schedule

Commission design authorization	2022 Quarter 4
Design start	2022 Quarter 4
Commission authorization for major electrical equipment procurement	2023 Quarter 1
Commission authorization for additional funds for electrical equipment procurement	2023 Quarter 4
Commission construction authorization	2024 Quarter 3
Construction start	2024 Quarter 4
In-use date	2025 Quarter 3

Funding

Cost Estimate/Authorization Summary	Capital	Expense	Total
COST ESTIMATE			
Current estimate	\$8,590,000	0	\$8,590,000
AUTHORIZATION			
Previous authorizations	\$2,650,000	0	\$2,650,000
*Current request for authorization	\$1,810,000	0	\$1,810,000
Total authorizations, including this request	\$4,460,000	0	\$4,460,000
Remaining amount to be authorized	\$4,130,000	\$0	\$4,130,000

*Additional funding will be covered by the Maritime Management Reserve C800002



Questions?

[RETURN TO AGENDA](#)



**COMMISSION
AGENDA MEMORANDUM**

Item No. 81

ACTION ITEM

Date of Meeting November 14, 2023

DATE : October 26, 2023

TO: Stephen P. Metruck, Executive Director

FROM: Karen Goon, Deputy Executive Director
Krista Sadler, Technology Delivery Director

SUBJECT: Specification Document Management System (C801343)

Amount of this project request:	\$600,000
Total estimated project cost:	\$600,000
Ten-year license and maintenance agreement:	\$2,300,000

ACTION REQUESTED

Request Commission authorization for the Executive Director to 1) proceed with the Specification Document Management System project; 2) execute contract(s) for software and implementation services; 3) use Port staff for implementation and 4) execute a contract for up to ten years for software license, service and maintenance fees estimated at \$2,300,000. The amount requested for project implementation under this authorization is \$600,000.

EXECUTIVE SUMMARY

The purpose of this authorization request is to competitively procure and implement a Specification Document Management (SDM) software system to support the management of construction specification document templates and project-specific specifications. Central Procurement Office (CPO) and Engineering manage the Construction Guide Specification templates (templates), which include contracting and procurement documents, general requirements for construction, and technical specifications. These templates are then used by CPO, Engineering, Port Construction Services (PCS), Consultants, and other departments to develop construction project-specific specifications (project manuals) that are used to bid out and ultimately are integrated into the contracts, for roughly 50 construction projects annually. These projects range in price from \$300,000 to \$1,000,000,000. A software solution will improve the management of the templates and development and management of project manuals, providing a much more efficient and higher quality process.

CPO, Engineering, PCS, and Information & Communications Technology (ICT) will be involved in this project estimated at \$600,000. Software-as-a-service subscription fees and maintenance costs are estimated at \$175,000 annually. Future recurring license costs will be budgeted and by CPO, Engineering and PCS.

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JUSTIFICATION

The Port of Seattle issues around 50 highly complex construction contracts each year. The current labor-intensive process involves editing hundreds of Word documents in order to develop the Project Manual which is made up of contract documents, the construction general requirements, and design specifications. There are approximately 600 unique templates that are updated often via a manual time-consuming process. For example, one recent change from the FAA resulted in multiple templates being updated and took one staff member 8 hours. The Port staff is looking to improve the process for management and updates of the specification templates as well as management and development of project manuals. Some specific benefits of the SDM software include:

- (1) Efficiency with automated process to better accommodate increase in projects associated with the upcoming \$5.5B Capital Improvement Program.
- (2) Improve accuracy of the design and reduce possibility of change orders or inaccurate bid prices due to conflicting, outdated, or inaccurate information.
- (3) Improve efficiencies and speed in the development of the Project Manual/bid documents.
- (4) Improve communications between Port and Contractors by having Port information updated in one place.

An estimate of the Port efficiency gains in time saved managing the Port's global specifications and project manual development ranges from \$53,000 to \$300,000 annually. This doesn't include reductions in the number of addenda issued due to errors or the number of change orders issued due to errors.

Diversity in Contracting

Project staff will work with the Diversity in Contracting Department to determine if a direct women-and-minority-owned business enterprise (WMBE) aspirational goal should be assigned.

DETAILS***Scope of Work***

- (1) Competitively procure and implement new SDM software system to support the management of construction specification document templates and project specifications.
- (2) Form an SDM system governance team to manage configuration changes, additions and improvements to the software.

Meeting Date: November 14, 2023

Schedule

Activity

Commission authorization	2023 Quarter 4
Procurement complete	2024 Quarter 2
In-use date	2025 Quarter 2

Cost Breakdown

	This Request	Total Project
Software and vendor services	\$400,000	\$400,000
Port labor	\$200,000	\$200,000
Total	\$600,000	\$600,000

ALTERNATIVES AND IMPLICATIONS CONSIDERED

Alternative 1 – Postpone procurement and implementation of SDM software.

Cost Implications: \$0

Pros:

- (1) Capital and operating dollars are available for other projects.
- (2) Port staff don’t need to tackle the business process changes.

Cons:

- (1) Port staff continue with inefficient and error-prone time-consuming manual contracting processes, which fail to meet business demands and increasing contracting requirements.
- (2) Does not support the Port’s Century Agenda goal to “be a highly effective public agency.”

This is not the recommended alternative.

Alternative 2 – Procure SDM software and vendor implementation services.

Cost Implications: \$600,000

Pros:

- (1) Provides software to eliminate manual tasks, automate workflows and improve efficiencies in the bid and contracting process for construction projects.
- (2) Improves collaboration with design and construction contractors.
- (3) Provides improved mechanism to enforce use of correct specifications and consistency across Port contracts.

Cons:

- (1) Capital and operating dollars aren’t available for other projects.
- (2) Business departments will need to tackle several change management challenges and collaborate closely across multiple departments.

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- (3) Requires upfront staff time to properly configure the software, which will encourage timely user adoption.

This is the recommended alternative.

FINANCIAL IMPLICATIONS

<i>Cost Estimate/Authorization Summary</i>	Capital	Expense	Total
COST ESTIMATE			
Original estimate	\$600,000	\$0	\$600,000
AUTHORIZATION			
Previous authorizations	\$0	\$0	\$0
Current request for authorization	\$600,000	\$0	\$600,000
Total authorizations, including this request	\$600,000	\$0	\$600,000
Remaining amount to be authorized	\$0	\$0	\$0

Annual Budget Status and Source of Funds

This project was included in the 2023 – 2027 capital budget and plan of finance for \$600,000. The project will be funded 81.3% Airport Development Fund and 18.7% General Fund.

Financial Analysis and Summary

Project cost for analysis	\$600,000
Business Unit (BU)	Technology
Effect on business performance (NOI after depreciation)	NOI after depreciation will increase due to inclusion of capital (and operating) costs in airline rate base.
IRR/NPV (if relevant)	N/A
CPE Impact	Less than \$0.01 in 2026

Future Revenues and Expenses (Total cost of ownership)

Annual license and maintenance costs estimated at \$175,000 will be budgeted in the CPO, Engineering and PCS operating budgets.

ATTACHMENTS TO THIS REQUEST

None

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

None

RETURN TO AGENDA



**COMMISSION
AGENDA MEMORANDUM**

Item No. 8m

ACTION ITEM

Date of Meeting November 14, 2023

DATE: October 20, 2023

TO: Stephen P. Metruck, Executive Director

FROM: Dan Thomas, Chief Financial Officer
Michael Tong, Director, Corporate Budget

SUBJECT: 2024 Service Agreements for Port of Seattle Staff to Provide Services to the Northwest Seaport Alliance

Amount of this request: \$0

Total estimated project cost: \$0

ACTION REQUESTED

Request Commission authorization for the Executive Director to execute an interlocal agreement (ILA) with the Northwest Seaport Alliance (NWSA) to implement a series of support service agreements to allow Port staff to provide services to the NWSA for 2024.

EXECUTIVE SUMMARY

The NWSA will require service support from different departments at the Ports of Seattle and Tacoma. The means to provide these support services is through an ILA between the NWSA and the homeports as a part of the annual budget process. The costs for these support service agreements are included in both the Port’s and NWSA’s 2024 budgets.

JUSTIFICATION

The NWSA will require support services from both the Ports of Seattle and Tacoma in order to carry out its functions. Each port will provide these support functions through an ILA that describes the services to be provided.

DETAILS

The NWSA needs support and services from both ports in order to carry out its various administrative functions and operations. Each port intends to execute an ILA with NWSA to allow the ports to provide those services for 2024. The Port of Seattle budget included the budgeted amounts for the proposed ILA service agreements with the NWSA.

Below is a summary of the major cost allocation changes to the NWSA from the 2023 budget to the 2024 budget.

Meeting Date: November 14, 2023

Department	2023 Budget	2024 Budget	'23 vs '24 Change	Explanations
Insurance	809,860	1,080,767	270,907	Mainly due to \$272K increase of NWSA Reimbursable Insurance Expense change to the NWSA.
Engineering	588,003	803,596	215,593	Mainly due to higher payroll costs.
Marine Maintenance (including NWSA Mitigation Parks)	4,648,521	4,731,171	82,650	Mainly due to higher payroll costs.
Maritime Security	547,058	582,520	35,462	Due to a \$37K increase in security service contract, partially offset by lower allocation rate.
Environment & Sustainability	317,999	100,000	(217,999)	Agreed to \$100K limit for 2024.
Police	852,806	755,287	(97,520)	Due to lower allocation rate to the NWSA by 0.52%.
Portfolio Management	72,587	0	(72,587)	Agreed no cost allocation to the NWSA in 2024.
Waterfront Project Management	1,356,596	1,298,026	(58,570)	Due to lower allocation rate from 58.27% in 2023 to 42.60% in 2024.
Labor Relations	39,995	0	(39,995)	Agreed no cost allocation to the NWSA in 2024.
All Other	2,767,998	2,837,072	69,074	
Total	12,001,424	12,188,440	187,016	

There are 18 support service agreements that will be implemented as part of this agreement for 2024 and are attached as exhibits to the ILA.

Scope of Work

The proposed ILA is included as Attachment A. There are 18 service directives that are attached as exhibits to the ILA. The list of those exhibits is as follows:

- Exhibit 1: Accounting, Finance, Treasury and Risk Management
- Exhibit 2: Legal and Public Records
- Exhibit 3: Information Technology & Information Security
- Exhibit 4: External Relations
- Exhibit 5: Portfolio Management
- Exhibit 6: Capital Development
- Exhibit 7A: Port of Seattle Police
- Exhibit 7B: Security
- Exhibit 8: Maritime Maintenance
- Exhibit 9: Central Procurement Office
- Exhibit 10: Managing Member (Commission Office)
- Exhibit 11: Pier 69 Facilities Management

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Exhibit 12: Environment and Sustainability

Exhibit 13: Tribal Coordination

Exhibit 14: Labor Relations

Exhibit 15: Additional Support Services as Needed

Exhibit 16: Equity, Diversity and Inclusion

Exhibit 17: Municipal, County, and State Use of NWSA-Licensed Property

Exhibit 18 – North Harbor Customs and Border Patrol Facilities

Schedule

This is a part of the annual budget process.

FINANCIAL IMPLICATIONS

The amounts required to provide the services to the NWSA are included in the Port's 2024 budget.

ADDITIONAL BACKGROUND

None

ATTACHMENTS TO THIS REQUEST

(1) Interlocal Agreement

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

None

**INTER-LOCAL AGREEMENT FOR SUPPORT SERVICES BY AND BETWEEN
THE PORT OF SEATTLE AND THE NORTHWEST SEAPORT ALLIANCE**

**INTER-LOCAL AGREEMENT FOR SUPPORT SERVICES BY AND BETWEEN
THE PORT OF SEATTLE AND THE NORTHWEST SEAPORT ALLIANCE**

THIS INTER-LOCAL AGREEMENT (“Agreement”) is entered into by and between the Port of Seattle, a Washington municipal corporation, (“POS”) and The Northwest Seaport Alliance, a Washington Port Public Development Authority (“NWSA”) (referred to herein individually as “Party” and collectively as the “Parties”).

WHEREAS, the Port of Tacoma and the Port of Seattle have entered into an agreement to establish The Northwest Seaport Alliance pursuant to the following federal and state authorities: (1) the FMC Discussion Agreement, (2) an interlocal agreement with delegated powers exercised pursuant to the port joint powers statute (RCW 53.08.240) which expressly permits joint operation and investment outside of a port’s district, (3) RCW 39.34.030, the state Interlocal Cooperation Act, and (4) pursuant to ESHB 1170, WA Session Laws of 2015-6, (Chapter 53.57 RCW), which authorizes the Ports to create a port development authority to use, operate and manage certain marine facilities jointly, to be known as the NWSA;

WHEREAS, in order to improve efficiency in obtaining, the services necessary for the development, redevelopment, repair and maintenance of new and existing facilities, and providing for the operation of The Northwest Seaport Alliance, NWSA and POS desire to retain support services from one another pursuant to the terms and conditions contained herein; and

WHEREAS, the Parties are authorized, pursuant to Chapter 39.34 RCW (the Inter-local Cooperation Act), to enter into this Inter-local agreement.

NOW, THEREFORE, the Parties agree as follows:

I. General Provisions for Support Services

A. Duration of this Agreement. Services to be provided under the terms of this Agreement will be provided during Calendar Year 2024. This Agreement and attached Service Directive exhibits are effective between January 1, 2024 and December 31, 2024. Subsequent Inter-Local Agreements for Support Services, if any, will be executed on an annual basis.

B. Services Provided. The NWSA and POS have agreed to provide support services to one another as defined in the Service Directive exhibits attached to this Agreement. Each Service Directive exhibit defines the scope of services, cost for services, charge methodology, and service level expectations for each service area to be provided. The NWSA and POS, in their respective sole discretion, may obtain the services under this Agreement from entities other than the Parties to this Agreement.

**INTER-LOCAL AGREEMENT FOR SUPPORT SERVICES BY AND BETWEEN
THE PORT OF SEATTLE AND THE NORTHWEST SEAPORT ALLIANCE**

C. Communications. Each Service Directive exhibit identifies the contact people for the Parties that will coordinate the work for each service area. It is expected that the identified contact people will communicate frequently, to coordinate the work, to confirm that services are being provided in a manner that meets service level expectations, and to evaluate monthly financial performance of actual vs. projected spending.

D. Employment, Policies and Procedures. During the term of this Agreement, individuals providing support services will remain full-time employees of their respective employer, who shall continue to be responsible for salary, benefits and retirement contributions. Nothing contained herein shall be construed as creating an employer/employee relationship between the individuals providing support services and the entity receiving the services. Staff providing support services will follow the policies and procedures of their respective employer in conducting the work.

E. Billing Rate and Procedures. The charge for services will be determined during the budget cycle for the coming fiscal year. Based on the type of support service and as reflected on each specific Service Directive exhibit, costs will be allocated in one of the following ways: (1) monthly based on a fixed charge or formula, (2) charged to projects based on developed charge out rates or (3) performed as a fee for service based on predetermined charged out rates.

F. Independent Municipal Governments. The Parties hereto are independent governmental entities and nothing herein shall be construed to limit the independent government powers, authority or discretion of the governing bodies of each Party. It is understood and agreed that this Agreement is solely for the benefit of the Parties hereto and gives no right to any other party. No joint venture or partnership is formed as a result of this Agreement. No employees or agents of any Party shall be deemed, or represent themselves to be, employees of any of the other Party.

G. Legal obligations. This Agreement does not relieve either Party of any obligation or responsibility imposed upon it by law.

H. Timely Performance. The requirements of this Agreement shall be carried out in a timely manner according to a schedule negotiated by and satisfactory to the Parties.

I. Recording. Copies of this Agreement shall be posted to the web sites of the Parties.

J. Audit of Records. During the term of this Agreement, and for a period not less than six (6) years from the date of termination, records and accounts pertaining to the work of this Agreement and accounting therefore shall be kept by each Party and shall be available for inspection and audit by representatives of either Party and any other entity with legal entitlement to review said records. If any litigation, claim, or audit is commenced, the records

**INTER-LOCAL AGREEMENT FOR SUPPORT SERVICES BY AND BETWEEN
THE PORT OF SEATTLE AND THE NORTHWEST SEAPORT ALLIANCE**

and accounts along with supporting documentation shall be retained until all litigation, claims, or audit finding has been resolved, even though such litigation, claim, or audit continues past the six-year (6) retention period. This provision is in addition to and is not intended to supplant, alter or amend records retention requirements established by applicable state and federal laws.

II. Dispute Resolution

A. Process. The Parties' designated representatives under Paragraph III herein shall use their best efforts to resolve disputes between the Parties. If the designated representatives are unable to resolve a dispute, then each Party's responsible Project Directors shall review the matter and use their best efforts to resolve it. If the Project Directors are unable to resolve the dispute, the matter shall be reviewed by the department director or chief executive officer of each Party or his or her designee. The Parties agree to exhaust each of these procedural steps before seeking to further resolve the dispute in any other forum. Any controversy or claim arising out of or relating to this Interlocal Agreement, or the breach thereof, which is not settled by agreement between the Parties, shall be settled by mediation in the State of Washington, in Pierce or King Counties. In the event either Party reasonably believes mediation will not result in a solution to the disagreement, mediation may be waived.

B. Controlling law & Venue. This Agreement shall be construed and enforced according to the laws of the State of Washington.

III. Notices

A. Contact Persons. Any notice, demand, request, consent, approval or communication that either Party desires or is required to give to the other Party shall be in writing addressed to the other Party at the addresses as follows unless otherwise indicated by the Parties to this Agreement:

NWSA:	David Morrison, Chief Financial Officer PO Box 2985 Tacoma, WA 98401-2985 egaleno@portoftacoma.com
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Port of Seattle:	Dan Thomas, Chief Financial Officer PO Box 1209 Seattle, WA 98111 thomas.d@portseattle.org
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B. Receipt. Notice shall be deemed "received" on the date of actual delivery or the first attempted delivery as shown on the return receipt if mailed with the United States Postal

**INTER-LOCAL AGREEMENT FOR SUPPORT SERVICES BY AND BETWEEN
THE PORT OF SEATTLE AND THE NORTHWEST SEAPORT ALLIANCE**

Service by certified mail, return receipt requested, otherwise receipt if presumed three days after deposit of mail into US Mail, or by receipt of email.

IV. Indemnification and Hold Harmless

A. The Parties release each other from, and shall defend, indemnify, and hold each other and agents, employees, and/or officers harmless from and against all claims, demands, suits at law or equity, actions, penalties, losses, damages, or costs, of whatsoever kind or nature, made by or on behalf of the other Party and/or its agents, employees, officers, and/or subcontractors, arising out of or in any way related to this Agreement, unless and except to the extent the same be caused in whole or in part by the negligence of a Party or its agents, employees, and/or officers.

B. This Agreement includes a waiver of subrogation against all losses sustained by either Party and/or its agents, employees, officers, subcontractors, and/or insurers, arising out of or related to this Agreement except to the extent the Parties' losses are caused in whole or in part by the negligence of the other Party or its agents, employees, and/or officers.

C. Each Party specifically assumes liability for actions brought by its own employees against the other Party and for that purpose each Party specifically waives, as respects the other Party only, any immunity under the Worker's Compensation Act, RCW Title 51.

D. Both Parties recognize that this waiver was the subject of mutual negotiation. In the event any Party incurs attorney's fees, costs or other legal expenses to enforce the provisions of this Agreement against the other Party, all such fees, costs and expenses shall be recoverable by the prevailing Party.

E. No liability shall attach to any of the Parties by reason of entering into this Agreement except as expressly provided herein.

F. Each Party agrees that it will include in any contract which is related to the work of this Agreement a provision requiring the contractor to defend, indemnify and hold harmless all the Parties to this Agreement against any claims arising out of or related to the work of the contractor.

G. The provisions of this Article shall survive any termination or expiration of this Agreement.

**INTER-LOCAL AGREEMENT FOR SUPPORT SERVICES BY AND BETWEEN
THE PORT OF SEATTLE AND THE NORTHWEST SEAPORT ALLIANCE**

V. Severability

If any term or provision of this Agreement, or its application to any person or circumstance is ruled invalid or unenforceable, the remainder of this Agreement will not be affected and will continue in full force and effect.

VI. Limits of Financial Obligations/Property ownership.

Except as provided above, each Party shall finance its own conduct of responsibilities under this Agreement. No ownership of property will transfer as a result of this Agreement.

VII. Entire Agreement/Amendment

This Agreement, together with any documents incorporated by reference shall constitute the entire agreement between the Parties with respect to the Services to be provided and shall supersede all prior agreements, proposals, understandings, representations, correspondence or communications relating to the subject matter hereof. No modification or amendment of this Agreement shall be valid and effective unless approved by both parties in writing.

WHEREFORE, the parties have executed this Agreement this _____ day of _____, _____.

Northwest Seaport Alliance

Port of Seattle

John Wolfe
Chief Executive Officer

Stephen P. Metruck
Executive Director

Date _____

Date _____

**INTER-LOCAL AGREEMENT FOR SUPPORT SERVICES BY AND BETWEEN
THE PORT OF SEATTLE AND THE NORTHWEST SEAPORT ALLIANCE**

**Attached Support Service Directives for Calendar Year 2024
Support Service Agreement between NWSA and POS:**

- Exhibit 1 – Accounting, Finance, Treasury & Risk Management Support Services
- Exhibit 2 – Legal and Public Records Support Services
- Exhibit 3 – Information & Communication Technology and Security Support Services
- Exhibit 4 – External Relations Support Services
- Exhibit 5 – Portfolio Management Support Services
- Exhibit 6 – Capital Development Support Services
- Exhibit 7A – Port of Seattle Police Support Services
- Exhibit 7B – Security Support Services
- Exhibit 8 – Marine Maintenance Support Services
- Exhibit 9 – Central Procurement Office Support Services
- Exhibit 10 – Managing Member and Executive Support Services
- Exhibit 11 – Pier 69 Facilities Management Support Services
- Exhibit 12 – Environment and Sustainability Support Services
- Exhibit 13 – Tribal Coordination Support Services
- Exhibit 14 – Labor Relations Support Services
- Exhibit 15 – Additional Support Services as Needed
- Exhibit 16 – Equity, Diversity and Inclusion
- Exhibit 17 – Municipal, County, and State Use of NWSA-Licensed Property
- Exhibit 18 – North Harbor Customs and Border Patrol Facilities

EXHIBIT POS – 01

Service Directive for Accounting, Finance, Treasury, & Risk Management Support Services

by and between

Port of Seattle and The Northwest Seaport Alliance

This document is an Exhibit to the Inter-Local Agreement for Support Services By and Between the Port of Seattle (POS) and The Northwest Seaport Alliance (NWSA).

1) Purpose:

The purpose of this exhibit is to identify the services provided by the Port of Seattle with regard to Support Services listed above for The Northwest Seaport Alliance. This exhibit defines the mutually agreed upon scope of services, cost for services, charge methodology, and service level expectations to include performance measures and monitoring. Refer to the governing Inter-Local Agreement for terms under which these services are provided.

2) Time period:

This agreement is for calendar year 2024.

3) Scope of Services to be provided by POS to The NWSA

a) Accounting

- i) Prebilling tasks (such as balancing, reconciliation, review of billing data) for activity-based billings, i.e. utilities:
 - (1) Surety document maintenance (such as maintaining the original document onsite, quarterly reconciliation, and forwarding original document when needed for collection).
 - (2) Use tax (state) filing for items procured in North Harbor.
- ii) Accounts payable services for the NWSA for North Harbor activity.
- iii) Project accounting services to support project delivery for the NWSA.
 - (1) Project cost tracking and review of project costs for proper classification.
 - (2) Capitalization policy analysis and application to projects.
 - (3) Capital Project Spending reporting and comparison to budget, coordinate Cash Reimbursement for 50% of total project spending on monthly basis.
- iv) General accounting services for NH financial transactions associated with The NWSA:
 - (1) In conjunction with POT, provide information, resources and expertise to ensure The NWSA is in compliance with Generally Accepted Accounting Principles,

Government Accounting Standards and specific Accounting policies as developed by the NWSA.

- (2) Services to support external financial audit, single audit of financial reporting and compliance with policies and state and federal statutes.

v) Grant accounting services for NH federal and state grants:

- (1) POS Accounting has provided and discussed grant compliance requirements with NWSA accounting in accordance with 2 CFR 200.331. Applies to grants where POS is grantee and NWSA is sub-recipient.

b) Finance & Budget

i) Provide Operating Budget services to include:

- (1) Partner with the NWSA and POS staff to compile North Harbor budget.

ii) Provide Capital Budget services:

- (1) No capital budget services provided by POS to NWSA.

iii) Provide Financial Analysis Services to include:

(1) Business Development

- (a) Review and provide feedback or suggestions on project analyses.
- (b) Advise on bond restrictions for POS licensed facilities.

(2) Policy

- (a) Work collaboratively on financial policy and procedure issues as initiated by any of the three entities or as required for NWSA function.

(3) Funding

- (a) Assess fundability and funding options for NWSA decision on investments.
- (b) Review and collaborate on long-term forecasting.
- (c) Provide State Grant support for NWSA Lead and POS provides grant administration.
- (d) Provide support services for project delivery between POS and NWSA for split funding due to environmental liabilities, authorization of projects with dual funding between NWSA and POS.

c) Treasury

i) Provide Banking services, including but not limited to:

- (1) No routine banking services provided by POS to the NWSA, however, certain Accounting activities (see section 3, a, i, (1) and 3, a, ii) flow through POS main bank account.

- ii) Provide Investment services, including but not limited to:
 - (1) Invest the working capital liquidity fund for North Harbor projects.

d) Risk Management

- i) Provide risk management services to The NWSA for NWSA-licensed properties in King County and as requested. Scope includes negotiation/update of insurance policies; process claims; consult on risk management aspects of contracting.

**EXHIBIT POS – 01 - Service Directive:
Accounting, Finance, Treasury & Risk Management Support Services**

4) Cost for Service and Charge Methodology – POS to The NWSA:

Service Area and Department # (Acct if appropriate)	Service Item (from list above)	Method of Charges ¹	Basis for Charge	Hourly Rate, Fixed Percentage, Fixed Amount, or Formula	2024 Budgeted Amount ²
Accounting					
AFR Core Services Dept# 2210	3.a.iv	Standard	Charge based on the standard allocation.	2.75%	\$25,112
AFR Disbursements Dept# 2240	3.a.ii	Special	Based on support services and activities provided by staff to each operating division and NWSA.	2.00%	\$48,617
AFR General Accounting Dept# 2260	3.a.iii-v	Special	Based on support services and activities provided by staff to each operating division and NWSA.	6.75%	\$198,338
AFR Financial Reporting Dept# 2290	3.a.iv	Standard	Charge based on the standard allocation.	2.75%	\$36,227
Finance					
Finance & Budget Dept# 2100	3.b.i-iii	Special	Based on estimated support services provided by each staff to each operating division and NWSA.	5.27%	\$160,005
Maritime Finance & Budget Dept# 6210	3.b.i-iii	Special	Based on estimated support services provided by each staff to each operating division and NWSA.	10.94%	\$174,805

¹ Method Options: Costs associated with support services will be charged to the Alliance as follows:

- Standard Fixed Percentage allocation – Set by Corporate F&B. Charged as a fixed allocated percentage or formula that will be applied monthly to the actual expenditures.
- Project/Direct Charges – Charged to specific projects based on current procedures.
- Special Fixed Percentage allocation – Variable by department methodology but fixed for the year. Charges will be tracked and based on a fixed percentage as determined by the level of service.
- Flat/Fixed Amount – Charged as a fixed or flat amount agreed upon by all parties for the year.

² Preliminary budget amount – subject to final budget approval.

**EXHIBIT POS – 01 - Service Directive:
Accounting, Finance, Treasury & Risk Management Support Services**

Environmental Finance Dept# 6211	3.b.i-iii	Special	Based on estimated support services provided by each staff to each operating division and NWSA.	2.47%	\$31,110
Treasury	3.c.ii	Special	Investments: Based on NWSA funds % share of POS PIF		Included in the cost allocation for Dept 2100
		Special	Banking: see Accounting/AFR Revenue and AFR Disbursements, 3, a, i and 3,a,ii, respectively		Included in the cost allocation for Dept 2100
Risk Management					
Risk Management Dept# 1330	3.d.i	Standard	Charge based on the standard allocation.	2.75%	\$32,421
Insurance Dept# 1335	3.d.i	Direct Charge	NWSA Insurance Premium		\$1,080,031
Insurance Dept# 1335	3.d.i	Direct Charge	Property & Liability Broker Contract		\$736

5) Scope of Services to be provided by The NWSA to POS

a) None.

6) Cost for Service and Charge Methodology – The NWSA to POS

a) None.

7) Service Level Expectations:

- a) Before January 1, 2024, agreements will be made on desired standard report formats and frequencies.
- b) Accounting services will be provided on standard schedules consistent with, and coordinating with, POT and POS accounting schedules.
- c) Retention of key financial reports and information in compliance with state requirements.

**EXHIBIT POS – 01 - Service Directive:
Accounting, Finance, Treasury & Risk Management Support Services**

d) Performance Measures and Metrics:

This section outlines the performance measures and metrics upon which service under this SLA will be assessed. Shared Service Centers and Customers will negotiate the performance metric, frequency, customer, and provider service responsibilities associated with each performance measure.

Measurements of the Port of Seattle activities are critical to improving services and are **the basis for cost recovery** for services provided. The Port of Seattle and The Northwest Seaport Alliance have identified activities critical to meeting The NWSA’s business requirements and have agreed upon how these activities will be assessed.

Service Area	Type of Measure ³	Performance Measure (SMART - Specific, Measurable, Achievable, Relevant, Time Bound)	Target
Accounting – Accounts Payable	Management	<ol style="list-style-type: none"> 1. Public works contracts paid within statutory period. 2. Open payables over 60 days 3. Rec’d not invoiced report reconciled weekly 	<ol style="list-style-type: none"> 1. 100% 2. \$0 3. Resolved within 1 month
Accounting – Projects	Accuracy	<ol style="list-style-type: none"> 1. Project costs accurately reflected in the project subledger and reconciles to GL. 2. Project reviewed and analyzed for capital vs. expense accounting before spending begins, provided timely and complete Asset Plans are submitted to POS Accounting by the project management groups. 	<ol style="list-style-type: none"> 1. 100% 2. 100%

³ Type of Measure Options:

- Time Based – measure is time bound – duration, frequency, by a specific date, etc...
- Management – measure dealing with or controlling issues, communications, or staff
- Accuracy – measure to have a specified level of accuracy to be measurable
- Other – measure that doesn’t fit into category above

**EXHIBIT POS – 01 - Service Directive:
Accounting, Finance, Treasury & Risk Management Support Services**

Accounting - General	Time Based	<ol style="list-style-type: none"> 1. Monthly Fin'l package avail <ol style="list-style-type: none"> a. SH data avail b. Cashflow avail c. NH data avail 2. Annual audited financial statements avail. 	<ol style="list-style-type: none"> 1. 13th bus day <ol style="list-style-type: none"> a. 8th bus day b. 9th bus day c. 10th bus day 2. April 30th
Accounting – Grants	Accuracy	<ol style="list-style-type: none"> 1. Audit Findings 	<ol style="list-style-type: none"> 1. 0
Finance – Budget	Time Based	<ol style="list-style-type: none"> 1. Provide North Harbor budget information by agreed upon dates 	<ol style="list-style-type: none"> 1. (date updated annually)
Finance – Financial Analysis	Time Based	<ol style="list-style-type: none"> 1. Provide timely response and feedback regarding NWSA analyses, policies, or procedures. 	<ol style="list-style-type: none"> 1. Timely
Treasury – Investments	Management	<ol style="list-style-type: none"> 1. Maintain investments consistent with investment guidelines, prioritizing Safety, Liquidity and Return of Principle, in that order. 	<ol style="list-style-type: none"> 1. 100% compliance

8) Primary Contacts:

- a) NWSA – David Morrison
- b) POS – Dan Thomas

It is expected that the identified contact people will communicate frequently, to coordinate the work, to confirm that services are being provided in a manner that meets service level expectations, and to evaluate monthly financial performance of actual vs. projected spending.

EXHIBIT POS - 02
Service Directive for Legal Services
by and between

Port of Seattle and The Northwest Seaport Alliance

This document is an Exhibit to the Inter-Local Agreement for Support Services By and Between the Port of Seattle (POS) and The Northwest Seaport Alliance (NWSA).

1. Purpose:

The purpose of this exhibit is to identify the services provided by the Port of Seattle with regard to Support Services listed above for The Northwest Seaport Alliance. This exhibit defines the mutually agreed upon scope of services, cost for services, charge methodology, and service level expectations to include performance measures and monitoring. Refer to the governing Inter-Local Agreement for terms under which these services are provided.

2. Time period:

This agreement is for calendar year 2024.

3. Scope of Services to be provided by POS to The NWSA

a) Legal Services

- i) Provide legal services to The NWSA associated with NWSA-licensed properties, contracts, projects managed in the North Harbor, NWSA legal matters and workplace responsibility. Coordinate with NWSA legal support and outside counsel. The major areas POS attorneys will possibly cover include: public works, construction, contracts, leasing, land use, and environmental matters for the NWSA.
- ii) Provide legal services for project-specific environmental matters, litigation, specific claims, focused contract negotiations, etc.
- iii) Coordinate services of outside counsel as appropriate.
- iv) Provide POS portion of state-mandated NWSA records management, and support for NWSA PDR requests.

4. Cost for Service and Charge Methodology – POS to The NWSA:

Service Area and Department # (Acct if appropriate)	Service Item (from list above)	Method of Charges ¹	Basis for Charge	Hourly Rate, Fixed Percentage, Fixed Amount, or Formula	2024 Budgeted Amount ²
Attorney Services Dept# 1310	3.a.i-iii	Standard	Charge based on the standard allocation.	2.75%	\$126,689
		Direct Charge	NMFS, Trademarks, ESA, Compliance, T5 Construction (Dock Upgrade) including potential litigation, T5 Permitting.		\$94,000

¹ Method Options: Costs associated with support services will be charged to the Alliance as follows:

- Standard Fixed Percentage allocation – Set by Corporate F&B. Charged as a fixed allocated percentage or formula that will be applied monthly to the actual expenditures.
- Project/Direct Charges – Charged to specific projects based on current procedures.
- Special Fixed Percentage allocation – Variable by department methodology but fixed for the year. Charges will be tracked and based on a fixed percentage as determined by the level of service.
- Flat/Fixed Amount – Charged as a fixed or flat amount agreed upon by all parties for the year.

² Preliminary budget amount – subject to final budget approval.

5. Scope of Services to be provided by The NWSA to POS

- a) None.

6. Cost for Service and Charge Methodology – NWSA to POS

- a) None.

7. Service Level Expectations:

- a) To Be Determined.
- b) Performance Measures and Metrics:

This section outlines the performance measures and metrics upon which service under this SLA will be assessed. Shared Service Centers and Customers will negotiate the performance metric, frequency, customer, and provider service responsibilities associated with each performance measure.

Measurements of the Port of Seattle activities are critical to improving services and are **the basis for cost recovery** for services provided. The Port of Seattle and The Northwest Seaport Alliance have identified activities critical to meeting The NWSA’s business requirements and have agreed upon how these activities will be assessed.

Service Area	Type of Measure ³	Performance Measure (SMART - Specific, Measurable, Achievable, Relevant, Time Bound)	Target

8. Primary Contacts:

- a) NWSA – Dana Henderson
- b) POS – Pete Ramels

³ Type of Measure Options:

- Time Based – measure is time bound – duration, frequency, by a specific date, etc...
- Management – measure dealing with or controlling issues, communications, or staff
- Accuracy – measure to have a specified level of accuracy to be measurable
- Other – measure that doesn’t fit into category above

It is expected that the identified contact people will communicate frequently, to coordinate the work, to confirm that services are being provided in a manner that meets service level expectations, and to evaluate monthly financial performance of actual vs. projected spending.

EXHIBIT POS - 03

**Service Directive for Information & Communication Technology and Security Support Services
by and between
Port of Seattle and The Northwest Seaport Alliance**

This document is an Exhibit to the Inter-Local Agreement for Support Services By and Between the Port of Seattle (POS) and The Northwest Seaport Alliance (NWSA).

1) Purpose:

The purpose of this exhibit is to identify the services provided by the Port of Seattle with regard to Support Services listed above for The Northwest Seaport Alliance. This exhibit defines the mutually agreed upon scope of services, cost for services, charge methodology, and service level expectations to include performance measures and monitoring. Refer to the governing Inter-Local Agreement for terms under which these services are provided.

2) Time period:

This agreement is for calendar year 2024.

3) Scope of Services to be provided by POS to The NWSA

a) Information Technology

- i) Provide technology for the POS support service groups that will be providing services to the NWSA. This may include (but is not limited to): MAXIMO, CAD, Police Systems (including 911 dispatch), Financial Systems, Project Delivery System, Construction Document Management System, Contractor Management Systems, Debt Management System, Emergency Communications, Engineering Archives, Access Control ID Badge, and GIS, as well as PC, desktop software and technology infrastructure support for those groups that are providing support to the NWSA.
- ii) Miscellaneous service requests or new Port owned equipment or software outside of services specifically listed in (i) will be charged on a time and materials basis.

b) Information Security

- i) Provide cyber security protection, detection, and response services and business continuity and disaster recovery programs for the POS support service groups that will be providing services to the NWSA. This may include (but is not limited to): MAXIMO, CAD, Police Systems (including 911 dispatch), Financial Systems, Project Delivery System, Construction Document Management System, Contractor Management Systems, Debt Management System, Emergency Communications, Engineering Archives, Access Control ID Badge, and GIS, as well as PC, desktop

**EXHIBIT POS - 03 - Service Directive:
Information & Communication Technology and Security Support Services**

software and technology infrastructure support for those groups that are providing support to the NWSA.

4) Cost for Service and Charge Methodology – POS to The NWSA:

Service Area and Department # (Acct if appropriate)	Service Item (from list above)	Method of Charges ¹	Basis for Charge	Hourly Rate, Fixed Percentage, Fixed Amount, or Formula	2024 Budgeted Amount ²
Indirect Technology Support. Charges for POS service providers using technology while working for NWSA. Dept# 1910	3.a.i	Special. ICT costs are allocated to subclasses of POS service groups which are then reallocated to NWSA as appropriate.	PC Counts for Infrastructure, PC Support and Service Desk. Systems Support Costs for Business Applications.	2.84%	\$319,828
Dept# 1936		Special. (see above)	See above.	2.41%	\$140,866
Dept# 1970		Special. (see above)	See above.	3.16%	\$406,679
Direct Support Dept# 1910	3.a.ii	Direct Charge	Service requests or additional equipment requested from NWSA staff for miscellaneous IT services while they are at P69, or accessing Port of Seattle systems.	Time and materials	\$0

- ¹ Method Options: Costs associated with support services will be charged to the Alliance as follows:
- Standard Fixed Percentage allocation – Set by Corporate F&B. Charged as a fixed allocated percentage or formula that will be applied monthly to the actual expenditures.
 - Project/Direct Charges – Charged to specific projects based on current procedures.
 - Special Fixed Percentage allocation – Variable by department methodology but fixed for the year. Charges will be tracked and based on a fixed percentage as determined by the level of service.
 - Flat/Fixed Amount – Charged as a fixed or flat amount agreed upon by all parties for the year.

² Preliminary budget amount – subject to final budget approval.

**EXHIBIT POS - 03 - Service Directive:
Information & Communication Technology and Security Support Services**

Indirect Information Security Support. Charges for POS service providers while working for NWSA. Dept #1980	3.b.i	Special. Costs are allocated to subclasses of POS service groups which are then reallocated to NWSA as appropriate.	PC Counts	2.95%	\$81,098
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5) Scope of Services to be provided by The NWSA to POS

a) None.

6) Cost for Service and Charge Methodology – NWSA to POS

a) None.

7) Service Level Expectations:

a) To Be Determined

b) Performance Measures and Metrics:

This section outlines the performance measures and metrics upon which service under this SLA will be assessed. Shared Service Centers and Customers will negotiate the performance metric, frequency, customer, and provider service responsibilities associated with each performance measure. The POS technology ticketing system, Freshservice, should be used to ensure visibility regarding an outage or service issue.

Service Area	Type of Measure ³	Performance Measure (SMART - Specific, Measurable, Achievable, Relevant, Time Bound)	Target

³ Type of Measure Options:

- Time Based – measure is time bound – duration, frequency, by a specific date, etc...
- Management – measure dealing with or controlling issues, communications, or staff
- Accuracy – measure to have a specified level of accuracy to be measurable
- Other – measure that doesn't fit into category above

8) Primary Contacts:

- a) NWSA – David Morrison
- b) POS Information Technology – Matt Breed / Krista Sadler

It is expected that the identified contact people will communicate frequently, to coordinate the work, to confirm that services are being provided in a manner that meets service level expectations, and to evaluate monthly financial performance of actual vs. projected spending.

EXHIBIT POS - 04
Service Directive for External Relations Support Services
by and between
Port of Seattle and The Northwest Seaport Alliance

This document is an Exhibit to the Inter-Local Agreement for Support Services By and Between the Port of Seattle (POS) and The Northwest Seaport Alliance (NWSA).

1) Purpose:

The purpose of this exhibit is to identify the services provided by the Port of Seattle with regard to Support Services listed above for The Northwest Seaport Alliance. This exhibit defines the mutually agreed upon scope of services, cost for services, charge methodology, and service level expectations to include performance measures and monitoring. Refer to the governing Inter-Local Agreement for terms under which these services are provided.

2) Time period:

This agreement is for calendar year 2024.

3) Scope of Services to be provided by POS to The NWSA

a) Government Relations

- i) Represents the NWSA's legislative and transportation planning interests with local officials and staff and tribal governments in King County in collaboration with NWSA Government Affairs and Planning staff.

b) Community Relations

- i) Establish and maintain NWSA relationship with community organizations in King County to build support for the NWSA's mission and activities.

c) Communications

- i) Helps represent the NWSA to media.

4) Cost for Service and Charge Methodology – POS to The NWSA:

Service Area and Department # (Acct if appropriate)	Service Item (from list above)	Method of Charges ¹	Basis for Charge	Hourly Rate, Fixed Percentage, Fixed Amount, or Formula	2024 Budgeted Amount ²
External Relations Dept# 1420	3.a	Special	External Relations will provide services to The Northwest Seaport Alliance (NWSA) on issues and projects where the unique knowledge, capabilities and relationships of the POS homeport staff are essential to advancing NWSA business priorities and the Port of Seattle's Century Agenda objectives. The cost allocation is based on the estimated staff time supporting each operating division and the NWSA.	2.62%	\$260,883

¹ Method Options: Costs associated with support services will be charged to the Alliance as follows:

- Standard Fixed Percentage allocation – Set by Corporate F&B. Charged as a fixed allocated percentage or formula that will be applied monthly to the actual expenditures.
- Project/Direct Charges – Charged to specific projects based on current procedures.
- Special Fixed Percentage allocation – Variable by department methodology but fixed for the year. Charges will be tracked and based on a fixed percentage as determined by the level of service.
- Flat/Fixed Amount – Charged as a fixed or flat amount agreed upon by all parties for the year.

² Preliminary budget amount – subject to final budget approval.

5) Scope of Services to be provided by The NWSA to POS

- a) None.

6) Cost for Service and Charge Methodology – NWSA to POS

- a) None.

7) Service Level Expectations:

- a) External Relations will provide any necessary services to the NWSA.

b) Performance Measures and Metrics:

This section outlines the performance measures and metrics upon which service under this SLA will be assessed. Shared Service Centers and Customers will negotiate the performance metric, frequency, customer, and provider service responsibilities associated with each performance measure.

Measurements of the Port of Seattle activities are critical to improving services and are **the basis for cost recovery** for services provided. The Port of Seattle and The Northwest Seaport Alliance have identified activities critical to meeting The NWSA’s business requirements and have agreed upon how these activities will be assessed.

Service Area	Type of Measure ³	Performance Measure (SMART - Specific, Measurable, Achievable, Relevant, Time Bound)	Target
Government Relations	Management	Develop annual legislative agenda for MM to approve and make sufficient progress toward achieving goals within.	Sufficient Progress
Community Relations	Management	Develop annual community outreach plan and make sufficient progress toward achieving goals within. NWSA staff will serve as the lead for the NWSA Annual Breakfast as well as any unplanned NWSA events in the North harbor.	Sufficient Progress

³ Type of Measure Options:

- Time Based – measure is time bound – duration, frequency, by a specific date, etc...
- Management – measure dealing with or controlling issues, communications, or staff
- Accuracy – measure to have a specified level of accuracy to be measurable
- Other – measure that doesn’t fit into category above

Communications	Management	Assist in response to media requests in timely and professional manner. The POS maritime media officer will work alongside NWSA Communications on issues residing in the North harbor. POS staff will provide maritime clips to all commissioners and appropriate staff.	Timely
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8) Primary Contacts:

- a) NWSA – Ryan McFarland/Melanie Stambaugh
- b) POS – Pearse Edwards

It is expected that the identified contact people will communicate frequently, to coordinate the work, to confirm that services are being provided in a manner that meets service level expectations, and to evaluate monthly financial performance of actual vs. projected spending. Port of Seattle Government Relations staff performing transportation planning service also will coordinate directly with NWSA’s Senior Planning Manager, as appropriate.

EXHIBIT POS - 05

Service Directive for Portfolio Management Support Services

by and between

Port of Seattle and The Northwest Seaport Alliance

This document is an Exhibit to the Inter-Local Agreement for Support Services By and Between the Port of Seattle (POS) and The Northwest Seaport Alliance (NWSA).

1) Purpose:

The purpose of this exhibit is to identify the services provided by and between the Port of Seattle and The Northwest Seaport Alliance with regard to the Support Services listed above. This exhibit defines the mutually agreed upon scope of services, cost for services, charge methodology, and service level expectations to include performance measures and monitoring. Refer to the governing Inter-Local Agreement for terms under which these services are provided.

2) Time period:

This agreement is for calendar year 2024.

3) Scope of Services to be provided by POS to The NWSA

a) Utility, Street Use Permit & Miscellaneous Charges:

- i) For NWSA-licensed properties in King County, POS staff will coordinate with utility billing/invoicing, and current routine reporting for accounts that may not be put in the NWSA's name and must remain in the name of the property owner. Such accounts include but are not limited to street use permits, King County noxious weed and environmental charges associated with property taxes, water, and sewer accounts.
- ii) For NWSA-licensed properties in King County, for utility meters and sub-meters managed by POS but also servicing NWSA licensed property read meters and provide tenant and/or NWSA reimbursements as necessary.
- iii) Additional utility administration to include, calculate utility rates including service charges and communicate revised rates to the NWSA, assistance with utility account transitions and on-going utility account coordination, upon receipt of electronic copy of any new NWSA lease, license agreement or amendment, set-up or amend the Stormwater utility billing to be direct billed by the POS Stormwater Utility to NWSA tenants.

4) Scope of Services to be provided by The NWSA to POS

a) Utility and Lease and Data Reporting Services:

- i) Provide electronic copies of all NWSA leases, license agreements and their amendments to POS to set-up or revise stormwater billing rules and collection assistance for delinquent stormwater utility accounts servicing NWSA tenants.
- ii) Provide utility account information to POS upon request for purposes of, but not limited to, calculating annual rates, tracking property accounts and any utility data required for energy management reporting as necessary and assistance with utility account transitions and on-going utility account coordination.
- iii) Provide cargo reporting services related to the POS grain terminal lease billing terms and conditions including monthly tracking and reporting of actual grain volumes by vessel reported to POS and research on crop and trade assumptions used for forecasting.

b) Third-party Agreements:

- i) Provide management of NWSA third-party agreements located within the Terminal 46 POS premises.

Note: these services are not new and have been ongoing since the inception of the NWSA.

5) Cost for Service and Charge Methodology – POS to The NWSA and NWSA to POS

There shall be no charge for the services contemplated in this Service Directive. POS and NWSA agree that the scope of services provided to each entity is of comparable time and value. Therefore, POS and NWSA will exchange these services in lieu of a monetary cost.

6) Service Level Expectations:

a) Timely and accurate.

b) Performance Measures and Metrics:

This section outlines the performance measures and metrics upon which service under this SLA will be assessed. Shared Service Centers and Customers will negotiate the performance metric, frequency, customer, and provider service responsibilities associated with each performance measure.

Measurements of the Port of Seattle activities are critical to improving services and are **the basis for cost recovery** for services provided. The Port of Seattle and The Northwest Seaport Alliance have identified activities critical to meeting The NWSA's business requirements and have agreed upon how these activities will be assessed.

**EXHIBIT POS - 05 - Service Directive:
Portfolio Management Support Services**

Service Area	Type of Measure ¹	Performance Measure (SMART - Specific, Measurable, Achievable, Relevant, Time Bound)	Target
Utilities and Lease Administration	Time-Based	Utility providers, SDOT and tax related fees are paid in a timely manner. Rate changes are provided to the NWSA in a timely manner.	N/A
Cargo Volume Reporting, Utilities, Lease Management	Time-Based	Provide reports relied upon by POS to confirm budget, billings and utility data. Lease Management of NWSA third-party Agreements. Agreements and utility documentation transmitted to the POS in a timely manner.	N/A

7) Primary Contacts:

- a) NWSA – Tong Zhu, NWSA Real Estate Director
- b) POS – Joe Pelonio

It is expected that the identified contact people will communicate frequently, to coordinate the work, to confirm that services are being provided in a manner that meets service level expectations, and to evaluate monthly financial performance of actual vs. projected spending.

POS and NWSA agree to swap the services. No financial transaction is expected for this service agreement – confirmed by Jenn on August 11th, 2023.

¹ Type of Measure Options:

- Time Based – measure is time bound – duration, frequency, by a specific date, etc...
- Management – measure dealing with or controlling issues, communications, or staff
- Accuracy – measure to have a specified level of accuracy to be measurable
- Other – measure that doesn't fit into category above

EXHIBIT POS - 06

Service Directive for Capital Development Support Services

by and between

Port of Seattle and The Northwest Seaport Alliance

This document is an Exhibit to the Inter-Local Agreement for Support Services By and Between the Port of Seattle (POS) and The Northwest Seaport Alliance (NWSA).

1) Purpose:

The purpose of this exhibit is to identify the services provided by the Port of Seattle with regard to Support Services listed above for The Northwest Seaport Alliance. This exhibit defines the mutually agreed upon scope of services, cost for services, charge methodology, and service level expectations to include performance measures and monitoring. Refer to the governing Inter-Local Agreement for terms under which these services are provided.

2) Time period:

This agreement is for calendar year 2024.

3) Scope of Services to be provided by POS to The NWSA

a) Engineering (ENG)

- i) POS staff may support The NWSA with engineering services for projects in King County. Services include Engineering Design, Tenant Improvement Request reviews, Construction Management & Construction Labor/Workforce, Construction Safety, Survey, Mapping & Utility Locating, and support for professional and public works contract procurement.

b) Port Construction Services (PCS)

- i) NWSA may contract with Port Construction Services for small works construction services at NWSA-licensed properties in King County.

c) Waterfront Project Management (WPM)

- i) POS staff may support The NWSA with project delivery and program management for NWSA projects in King County. Services for projects start with capital planning and budgeting of new projects. WPM project delivery processes include the following phases: initiation, planning, design, execution, any grant related work, grant administration, and closeout. Changes in 2024 include adding use of consultants for project management services and hiring several new staff members to handle increasing project workload.

4) Cost for Service and Charge Methodology – POS to The NWSA:

Service Area and Department # (Acct if appropriate)	Service Item (from list above)	Method of Charges ¹	Basis for Charge	Hourly Rate, Fixed Percentage, Fixed Amount, or Formula	2024 Budgeted Amount ²
Engineering Dept# O1600	3.a	Project Charge	Expense Projects, Direct Charge & Project Costing overhead		\$135,885
	3.a	Special	Based on support services and activities provided by staff to each operating division and NWSA.	10.76%	\$667,711
Port Construction Services Dept #1700	3.b	Project Charge	Expense Projects, Direct Charge & Project Costing overhead		\$0
	3.b	Special	Based on support services and activities provided by staff to each operating division and NWSA.	1.70%	\$70,533
Waterfront Project Management Dept #6260	3.c	Project Charge	Expense Projects and Direct Charges & Direct Charge Markup Exp		\$685,369
	3.c	Special	Based on support services and activities provided by staff to each operating division and NWSA.	45.06%	\$612,658

**Amounts identified in this table reflect only the Operating Budget and do not include the Capital Budget spending.*

¹ Method Options: Costs associated with support services will be charged to the Alliance as follows:

- Standard Fixed Percentage allocation – Set by Corporate F&B. Charged as a fixed allocated percentage or formula that will be applied monthly to the actual expenditures.
- Project/Direct Charges – Charged to specific projects based on current procedures.
- Special Fixed Percentage allocation – Variable by department methodology but fixed for the year. Charges will be tracked and based on a fixed percentage as determined by the level of service.
- Flat/Fixed Amount – Charged as a fixed or flat amount agreed upon by all parties for the year.

² Preliminary budget amount – subject to final budget approval.

5) **Scope of Services to be provided by The NWSA to POS**

- a) None.

6) **Cost for Service and Charge Methodology – NWSA to POS**

- a) None.

7) **Service Level Expectations:**

- a) Will provide any necessary services to the NWSA.
- b) Approval: All services provided by POS for the NWSA shall be approved and authorized by the NWSA. The NWSA Master Policy (Delegation of Authority) is the controlling document for authorization of projects.

c) Performance Measures and Metrics:

This section outlines the performance measures and metrics upon which service under this SLA will be assessed. Shared Service Centers and Customers will negotiate the performance metric, frequency, customer, and provider service responsibilities associated with each performance measure.

Measurements of the Port of Seattle activities are critical to improving services and are **the basis for cost recovery** for services provided. The Port of Seattle and The Northwest Seaport Alliance have identified activities critical to meeting The NWSA's business requirements and have agreed upon how these activities will be assessed.

Service Area	Type of Measure ³	Performance Measure (SMART - Specific, Measurable, Achievable, Relevant, Time Bound)	Target
Conformance with appropriate and applicable policies and procedures	Management	Projects appropriately authorized and work completed in accordance with appropriate policies and procedures	0 Deficiencies reported on the Compliance Report
Scope	Accuracy	Project definitions, as defined in the basis of design or 30% design documents, are accurate and complete	Properly documented
Budget	Accuracy	Projects are completed within authorized amounts	Project spending does not exceed current authorization
Schedule	Accuracy	Work is delivered on time	Schedules are developed and agreed to by all parties

8) Primary Contacts:

- a) NWSA – Thais Howard
- b) POS:
 - i) Engineering – Janice Zahn & Vy Donnelly
 - ii) Project Management – Tin Nguyen & Renu Patten
 - iii) Port Construction Services – Jermaine Murray & Christopher Clemetson

It is expected that the identified contact people will communicate frequently, to coordinate the work, to confirm that services are being provided in a manner that meets service level expectations, and to evaluate monthly financial performance of actual vs. projected spending.

³ Type of Measure Options:

- Time Based – measure is time bound – duration, frequency, by a specific date, etc...
- Management – measure dealing with or controlling issues, communications, or staff
- Accuracy – measure to have a specified level of accuracy to be measurable
- Other – measure that doesn’t fit into category above

EXHIBIT POS – 07A

Service Directive for Port of Seattle Police Support Services

by and between

Port of Seattle and The Northwest Seaport Alliance

This document is an Exhibit to the Inter-Local Agreement for Support Services By and Between the Port of Seattle (POS) and The Northwest Seaport Alliance (NWSA).

1) Purpose:

The purpose of this exhibit is to identify the services provided by the Port of Seattle with regard to Support Services listed above for The Northwest Seaport Alliance. This exhibit defines the mutually agreed upon scope of services, cost for services, charge methodology, and service level expectations to include performance measures and monitoring. Refer to the governing Inter-Local Agreement for terms under which these services are provided.

2) Time period:

This agreement is for calendar year 2024.

3) Scope of Services to be provided by POS to The NWSA

a) Port of Seattle Police

i) The NWSA will contract with POS Port Police for services at NWSA-licensed properties in King County, which include:

- (1) Terminal 5
- (2) Terminal 10
- (3) Terminal 18
- (4) Terminal 46
- (5) Terminal 30
- (6) Terminal 25
- (7) Terminal 103
- (8) Terminal 104
- (9) Terminal 106
- (10) Terminal 107
- (11) Terminal 108
- (12) Terminal 115

ii) Services include, but are not limited to:

- (1) General Patrol
- (2) Traffic Management

- (3) Incident Response
- (4) Crowd Management
- (5) Community Participation
- (6) Itinerant trespassing

4) Cost for Service and Charge Methodology – POS to The NWSA:

Service Area and Department # (Acct if appropriate)	Service Item (from list above)	Method of Charges ¹	Basis for Charge	Hourly Rate, Fixed Percentage, Fixed Amount, or Formula	2024 Budgeted Amount ²
Police Dept# 4300	3.a	Special	The overall Allocation was based on hours assigned to particular units. Hours are provided from the Police scheduling system and Police CAD system from June 30, 2022 through June 30, 2023. Breakdown of allocation to Maritime units was determined from calls for service to specific properties.	1.96%	\$755,287

¹ Method Options: Costs associated with support services will be charged to the Alliance as follows:

- Standard Fixed Percentage allocation – Set by Corporate F&B. Charged as a fixed allocated percentage or formula that will be applied monthly to the actual expenditures.
- Project/Direct Charges – Charged to specific projects based on current procedures.
- Special Fixed Percentage allocation – Variable by department methodology but fixed for the year. Charges will be tracked and based on a fixed percentage as determined by the level of service.
- Flat/Fixed Amount – Charged as a fixed or flat amount agreed upon by all parties for the year.

² Preliminary budget amount – subject to final budget approval.

5) Scope of Services to be provided by The NWSA to POS

a) None.

6) Cost for Service and Charge Methodology – NWSA to POS

a) None.

7) Service Level Expectations:

a) Port of Seattle Police will provide any necessary services to the NWSA.

b) Performance Measures and Metrics:

This section outlines the performance measures and metrics upon which service under this SLA will be assessed. Shared Service Centers and Customers will negotiate the performance metric, frequency, customer and provider service responsibilities associated with each performance measure.

Measurements of the Port of Seattle activities are critical to improving services and are **the basis for cost recovery** for services provided. The Port of Seattle and The Northwest Seaport Alliance have identified activities critical to meeting The NWSA’s business requirements and have agreed upon how these activities will be assessed.

Service Area	Type of Measure ³	Performance Measure (SMART - Specific, Measurable, Achievable, Relevant, Time Bound)	Target
General Patrol	Time Based	Daily frequency	3x / day
Traffic mgmt	Management	On Call	Until trucks clear
Incident response	Management	On Call	Until resolved
Crowd Mgmt	Management	On Call	Until resolved
Community mtg participation	Management	On Call	Attend
Itinerant Intervention	Time Based	Contact and referral to City	Within 24 hours

³ Type of Measure Options:

- Time Based – measure is time bound – duration, frequency, by a specific date, etc...
- Management – measure dealing with or controlling issues, communications, or staff
- Accuracy – measure to have a specified level of accuracy to be measurable
- Other – measure that doesn’t fit into category above

8) Primary Contacts:

- a) NWSA – Tom Bellerud
- b) POS – Michael Villa, Mark Thomas

It is expected that the identified contact people will communicate frequently, to coordinate the work, to confirm that services are being provided in a manner that meets service level expectations, and to evaluate monthly financial performance of actual vs. projected spending.

EXHIBIT POS – 7B

Service Directive for Security Support Services

by and between

Port of Seattle and The Northwest Seaport Alliance

This document is an Exhibit to the Inter-Local Agreement for Support Services By and Between the Port of Seattle (POS) and The Northwest Seaport Alliance (NWSA) for Calendar Year 2024.

1) Purpose:

The purpose of this exhibit is to identify the services provided by the Port of Seattle with regard to Support Services listed above for The Northwest Seaport Alliance. This exhibit defines the mutually agreed upon scope of services, cost for services, charge methodology, and service level expectations to include performance measures and monitoring. Refer to the governing Inter-Local Agreement for terms under which these services are provided.

2) Time period:

This agreement is for calendar year 2024.

3) Scope of Services and Costs for Service:

a) Security Support Services to be provided by POS to The NWSA include the following:

- i. POS will manage contract security services as needed at NWSA-licensed properties in King County. Those contract security charges will be billed to NWSA.
- ii. Maintain compliance with the Maritime Transportation Security Act (MTSA) at all properties.
- iii. Maintain security personnel services for properties to provide for the protection of the asset from theft, vandalism, and other criminal activities.
- iv. Maintain security personnel services and U.S. Coast Guard required Facility Security Plan (FSP) for properties to maintain compliance with MTSA and applicable laws, regulations, policies, and procedures.

- v. Provide emergency management services to ensure continuity of operations, mitigation of hazards and coordinated responses to planned and unplanned emergent/emergency events.
- vi. Maintain liaison with Federal, State, County, City and other governmental and law enforcement agencies for legal/regulatory compliance and emergency management, to include act as representative for Maritime Security Committees.
- vii. Maintain the ability of the facilities to communicate effectively on the Port of Seattle Radio System through radios provide by the Port of Seattle and operated through a Memorandum of Agreement with the tenants as part of the emergency management and security program.
- viii. Coordinate drills and exercises of security plans and emergency management activities with all Port of Seattle Maritime Properties and the appropriate federal, state, and local authorities in order to maintain regulatory/legal requirements and operational readiness.
- ix. Represent the Port of Seattle and all Maritime properties and activities at the U.S. Coast Guard Area Maritime Security Committee.
- x. Represent Washington State Public Ports on the Puget Sound Harbor Safety Committee.
- xi. Where appropriate, maintain Port of Seattle access control program and infrastructure for access to facilities in compliance with U.S. Coast Guard regulations.
- xii. Where appropriate, maintain Port of Seattle video surveillance program and infrastructure for video surveillance of Port of Seattle properties.
- xiii. Maintain Port of Seattle 24 hour a day, 7 day a week Duty Officer response telephone number for security and emergencies (206) 787-3688.
- xiv. Where appropriate, provide safety, security and emergency management training for Port of Seattle personnel, contractors, vendors, and tenants.
- xv. Where appropriate, maintain the Port of Seattle TWIC program for maritime facilities.

4) Cost for Service and Charge Methodology – POS to The NWSA:

Service Area and Department # (Acct if appropriate)	Service Item (from list above)	Method of Charges ¹	Basis for Charge	Hourly Rate, Fixed Percentage, Fixed Amount, or Formula	2024 Budgeted Amount ²
Contract Security Services (Maritime Security) Dept# 6910	3.a	Direct Charges	Budget/Actual expenditures for contract security at NWSA-licensed properties.		\$450,874
	3.a	Special	Variable Driven Charge allocation for department expense	26.82%	\$131,647

¹ Method Options: Costs associated with support services will be charged to the Alliance as follows:

- Standard Fixed Percentage allocation – Set by Corporate F&B. Charged as a fixed allocated percentage or formula that will be applied monthly to the actual expenditures.
- Project/Direct Charges – Charged to specific projects based on current procedures.
- Special Fixed Percentage allocation – Variable by department methodology but fixed for the year. Charges will be tracked and based on a fixed percentage as determined by the level of service.
- Flat/Fixed Amount – Charged as a fixed or flat amount agreed upon by all parties for the year.

² Preliminary budget amount – subject to final budget approval.

5) Scope of Contract Security Services to be provided by The NWSA to POS:

- a) Contract security guard services at Terminal 46 to provide for perimeter security, deterrence of theft, vandalism, criminal activity in the preservation of the value of the asset, and compliance with USCG MTSA requirements.
- b) Contract security guard services at other NWSA facilities not occupied by a tenant to prevent theft, vandalism, and criminal activity in the preservation of the value of the asset, and compliance with USCG MTSA requirements as applicable.

6) Service Level Expectations:

- a) Monthly billing statements for security personnel to be provided by the Port of Seattle Maritime Security program to the NWSA for services provided.
- b) The Port of Seattle provides 24 hour a day, 7 days a week security and emergency response via the Maritime Duty Officer telephone number (206) 787-3688.
- c) Other service level expectations to be determined as needed.

7) Primary Contacts:

- a) NWSA – Tom Bellerud
- b) POS – Russ Read

It is expected that the identified contact people will communicate frequently, to coordinate the work, to confirm that services are being provided in a manner that meets service level expectations, and to evaluate monthly financial performance of actual vs. projected spending.

EXHIBIT POS - 08
Service Directive for Marine Maintenance Support Services
by and between
Port of Seattle and The Northwest Seaport Alliance

This document is an Exhibit to the Inter-Local Agreement for Support Services By and Between the Port of Seattle (POS) and The Northwest Seaport Alliance (NWSA).

1) Purpose:

The purpose of this exhibit is to identify the services provided by the Port of Seattle with regard to Support Services listed above for The Northwest Seaport Alliance. This exhibit defines the mutually agreed upon scope of services, cost for services, charge methodology, and service level expectations to include performance measures and monitoring. Refer to the governing Inter-Local Agreement for terms under which these services are provided.

2) Time period:

This agreement is for calendar year 2024.

3) Scope of Services to be provided by POS to The NWSA

a) Marine Maintenance

- i) The NWSA will contract with POS Marine Maintenance for facility maintenance services at NWSA license properties in King County.
- ii) Other to be determined.

b) POS Vehicle Use by NWSA Approved Staff

- i) The NWSA shall indemnify the Port of Seattle for all damages, claims, or injuries resulting from the use of a Port vehicle. The Port self-insures its fleet for liability (damages for property or bodily injury we owe to an injured party) and physical damage to the fleet. All damages, whether to the vehicle itself or paid to an injured third party - that result from when a NWSA driver is using a Port vehicle, shall be indemnified back to the Port, by the NWSA. If a third-party driver (not the NWSA driver) is liable for damages to the Port (i.e. Port is injured party), the Port will recover damages that it's owed from the liable third party to the extent possible. However, any damages not recovered will be reimbursed to the Port from the NWSA. The Port recognizes that the NWSA has vehicle or auto insurance however that insurance applies on an excess basis to all vehicles other than those owned by the NWSA. The vehicles who NWSA will be driving are Port owned and self-insured by the Port. However, regardless of whether the NWSA has insurance that applies to pay for

damages, it's the responsibility of the NWSA to indemnify the Port for any and all damages incurred while a NWSA driver is driving a Port vehicle. The lack of insurance or an exclusion in a NWSA auto/vehicle policy of insurance does not override the NWSA's responsibility to pay for all damages that result from use of a Port vehicle.

- ii) All NWSA staff who operate POS vehicles assigned to Terminal 46 shall meet the following criteria and conform to the following processes. NWSA drivers shall:
1. Have passed scrutiny of the POS Risk Management department (Driving Abstract, EX-14 read and sign) prior to using POS vehicles.
 2. Maintain a valid Washington State driver license.
 3. Notify POS Risk Management and POS Marine Maintenance Fleet and Transportation Manager in the event of any collision, vandalism/damage, or any moving or parking violations, as they occur.
 4. Use POS vehicles only for NWSA business purposes, no personal use is permitted.
 5. Not use POS vehicles overnight, out of state, or park overnight anywhere other than Terminal 46 without prior written approval by POS Risk Management.
 6. Log every use of POS vehicles, and provide those logs to the MM Fleet and Transportation Manager monthly.
 7. Report any vehicle defects immediately to the MM Fleet and Transportation Manager or their identified support staff.
 8. Not operate any POS vehicle that is suspected of having a mechanical or safety issue, or that has warning lights illuminated in the dashboard.
 9. Not loan POS vehicles to contractors, sub-contractors, interns, or other staff who have not been approved to operate POS vehicles by POS Risk Management.

**EXHIBIT POS - 08 - Service Directive:
Marine Maintenance Support Services**

4) Cost for Service and Charge Methodology – POS to The NWSA:

Service Area and Department # (Acct if appropriate)	Service Item (from list above)	Method of Charges ¹	Basis for Charge	Hourly Rate, Fixed Percentage, Fixed Amount or Formula	2024 Budgeted Amount ²
Marine Maintenance Dept# O6280	3.a	Project Charges	Project and other work as budgeted in 2024 Operating Budget. Actual charges will be for actual projects and work performed.		\$1,417,771
	3.a	Special	To be based on historical 5Y proportion of actual spending of work performed for NWSA, Maritime, Stormwater, and Economic Development Divisions.	16.08%	\$3,145,273
NWSA Mitigation Parks Dept# 6114	3.a	Special	Project and other work as budgeted in 2024 Operating Budget. Actual charges will be for actual projects and work performed.	100%	\$168,041

¹ Method Options: Costs associated with support services will be charged to the Alliance as follows:

- Standard Fixed Percentage allocation – Set by Corporate F&B. Charged as a fixed allocated percentage or formula that will be applied monthly to the actual expenditures.
- Project/Direct Charges – Charged to specific projects based on current procedures.
- Special Fixed Percentage allocation – Variable by department methodology but fixed for the year. Charges will be tracked and based on a fixed percentage as determined by the level of service.
- Flat/Fixed Amount – Charged as a fixed or flat amount agreed upon by all parties for the year.

² Preliminary budget amount – subject to final budget approval.

5) Scope of Services to be provided by The NWSA to POS

- a) None.

6) Cost for Service and Charge Methodology – The NWSA to POS

- a) None.

7) Service Level Expectations:

- a) To be determined.
- b) Performance Measures and Metrics:

This section outlines the performance measures and metrics upon which service under this SLA will be assessed. Shared Service Centers and Customers will negotiate the performance metric, frequency, customer, and provider service responsibilities associated with each performance measure.

Measurements of the Port of Seattle activities are critical to improving services and are **the basis for cost recovery** for services provided. The Port of Seattle and The Northwest Seaport Alliance have identified activities critical to meeting The NWSA’s business requirements and have agreed upon how these activities will be assessed.

Service Area	Type of Measure ³	Performance Measure (SMART - Specific, Measurable, Achievable, Relevant, Time Bound)	Target

8) Primary Contacts:

- a) NWSA – Tom Bellerud
- b) POS – Delmas Whittaker

³ Type of Measure Options:

- Time Based – measure is time bound – duration, frequency, by a specific date, etc...
- Management – measure dealing with or controlling issues, communications, or staff
- Accuracy – measure to have a specified level of accuracy to be measurable
- Other – measure that doesn’t fit into category above

It is expected that the identified contact people will communicate frequently, to coordinate the work, to confirm that services are being provided in a manner that meets service level expectations, and to evaluate monthly financial performance of actual vs. projected spending.

EXHIBIT POS - 09

Service Directive for Central Procurement Office Support Services

by and between

Port of Seattle and The Northwest Seaport Alliance

This document is an Exhibit to the Inter-Local Agreement for Support Services By and Between the Port of Seattle (POS) and The Northwest Seaport Alliance (NWSA).

1) Purpose:

The purpose of this exhibit is to identify the services provided by the Port of Seattle with regard to Support Services listed above for The Northwest Seaport Alliance. This exhibit defines the mutually agreed upon scope of services, cost for services, charge methodology, and service level expectations to include performance measures and monitoring. Refer to the governing Inter-Local Agreement for terms under which these services are provided.

2) Time period:

This agreement is for calendar year 2024.

3) Scope of Services to be provided by POS to The NWSA in the North Harbor

a) Central Procurement

- i) Provide procurement services associated with NWSA projects managed through POS system in King County.

**EXHIBIT POS - 09 - Service Directive:
Central Procurement Office Support Services**

4) Cost for Service and Charge Methodology – POS to The NWSA:

Service Area and Department # (Acct if appropriate)	Service Item (from list above)	Method of Charges ¹	Basis for Charge	Hourly Rate, Fixed Percentage Fixed Amount, or Formula	2024 Budgeted Amount ²
CPO Construction (purchasing/consulting if related to projects) Dept# 1680	3.a	Standard	Use Project Costing Charge first. The vast amount of our work is Capital with some Expense.	2.75%	\$20,829
Central Procurement Office Dept# 9205	3.a	Standard	Charge based on the standard allocation.	2.75%	\$214,169

¹ Method Options: Costs associated with support services will be charged to the Alliance as follows:

- Standard Fixed Percentage allocation – Set by Corporate F&B. Charged as a fixed allocated percentage or formula that will be applied monthly to the actual expenditures.
- Project/Direct Charges – Charged to specific projects based on current procedures.
- Special Fixed Percentage allocation – Variable by department methodology but fixed for the year. Charges will be tracked and based on a fixed percentage as determined by the level of service.
- Flat/Fixed Amount – Charged as a fixed or flat amount agreed upon by all parties for the year.

² Preliminary budget amount – subject to final budget approval.

5) Scope of Services to be provided by The NWSA to POS

a) None.

6) Cost for Service and Charge Methodology – NWSA to POS

a) None.

7) Service Level Expectations:

a) Service will be provided as needed where POS Central Procurement Office can aid and assist Alliance efforts through direct procurements, allowing use of POS contracts or working collectively on mutual procurements, and emergent needs.

b) Performance Measures and Metrics:

This section outlines the performance measures and metrics upon which service under this SLA will be assessed. Shared Service Centers and Customers will negotiate the performance metric, frequency, customer, and provider service responsibilities associated with each performance measure.

Measurements of the Port of Seattle activities are critical to improving services and are **the basis for cost recovery** for services provided. The Port of Seattle and The Northwest Seaport Alliance have identified activities critical to meeting The NWSA’s business requirements and have agreed upon how these activities will be assessed.

Service Area		Performance Measure (SMART - Specific, Measurable, Achievable, Relevant, Time Bound)	Target
Services (includes Professional, Personal, and Purchased services as well as the purchase of goods) related to Public Works Projects		Provide services related to Public Works based on a mutually agreed upon schedule where staffing availability, existing contracts, and procurement efficiencies can be realized in both Harbors regarding Alliance initiatives impacting both Harbors. Prior to engaging in work in either Harbor, the home port shall have first right of refusal.	Meet mutually agreed upon schedule 80% of the time.
Services (includes Professional, Personal, and		Provide services based on a mutually agreed upon schedule where staffing availability, existing contracts, and	Meet mutually agreed upon

**EXHIBIT POS - 09 - Service Directive:
Central Procurement Office Support Services**

Purchased services as well as the purchase of goods)		procurement efficiencies can be realized in both Harbors. This does not include normal MRO and routine warehouse stock replenishment conducted by Storekeepers and Maintenance staff.	schedule 80% of the time.
Public Works Projects		Provide Public Works based on a mutually agreed schedule. Construction will remain the responsibility of the Home Port.	Meet mutually agreed upon schedule 80% of the time.

8) Primary Contacts:

- a) NWSA – David Morrison
- b) POS – Nora Huey

It is expected that the identified contact people will communicate frequently, to coordinate the work, to confirm that services are being provided in a manner that meets service level expectations, and to evaluate monthly financial performance of actual vs. projected spending.

EXHIBIT POS - 10
Service Directive for Managing Member/Commission Support Services
by and between
Port of Seattle and The Northwest Seaport Alliance

This document is an Exhibit to the Inter-Local Agreement for Support Services By and Between the Port of Seattle (POS) and The Northwest Seaport Alliance (NWSA).

1) Purpose:

The purpose of this exhibit is to identify the services provided by the Port of Seattle with regard to Support Services listed above for The Northwest Seaport Alliance. This exhibit defines the mutually agreed upon scope of services, cost for services, charge methodology, and service level expectations to include performance measures and monitoring. Refer to the governing Inter-Local Agreement for terms under which these services are provided.

2) Time period:

This agreement is for calendar year 2024.

3) Scope of Services to be provided by POS to The NWSA

a) Managing Member/Commission Support

- i) The PDA shall be governed by its Managing Members who will carry out the provisions of RCW 53.08 by overseeing the business of the PDA, setting policy and strategic direction for the NWSA in both internal and external matters and provide for their implementation.
- ii) The Managing Members shall meet at least quarterly and may hold executive sessions to consider matters enumerated in RCW 42.30 or privileged matters recognized by law.
- iii) Oversee The Northwest Seaport Alliance Charter and other formation documents.
(1) Costs include commission salary, benefits, and major community memberships.
- iv) Commission travel for NWSA business will be included in the NWSA Commission Department budget and actuals.
- v) POS Commission staff will coordinate closely with NWSA staff to provide support for NWSA Managing Member meeting coordination.
- vi) POS Commission staff will coordinate closely with NWSA staff to provide weekly support for issues management, scheduling, travel arrangements and production of

**EXHIBIT POS - 10 - Service Directive:
Managing Member/Commission Support Services-Revised effective May 2, 2024**

briefings, outreach materials, event support, document signatures and other emergent activities as necessary.

b) NWSA specific travel

- i) Commission travel for NWSA business not paid for directly by the NWSA will be direct charged to the NWSA.

4) Cost for Service and Charge Methodology – POS to The NWSA:

Service Area and Department (Acct if appropriate)	Service Item (from list above)	Method of Charges ¹	Basis for Charge	Hourly Rate, Fixed Percentage, Fixed Amount or Formula	2024 Budgeted Amount ²
Commission Office Dept #1200	3.a	Fixed Amount	Based upon agreed amount of \$250,000 per year.		\$250,000
	3.b	Direct	NWSA specific travel expenses paid by POS	Actual	TBD

¹ Method Options: Costs associated with support services will be charged to the Alliance as follows:

- Standard Fixed Percentage allocation – Set by Corporate F&B. Charged as a fixed allocated percentage or formula that will be applied monthly to the actual expenditures.
- Project/Direct Charges – Charged to specific projects based on current procedures.
- Special Fixed Percentage allocation – Variable by department methodology but fixed for the year. Charges will be tracked and based on a fixed percentage as determined by the level of service.
- Flat/Fixed Amount – Charged as a fixed or flat amount agreed upon by all parties for the year.

² Preliminary budget amount – subject to final budget approval.

5) Scope of Services to be provided by The NWSA to POS

a) None.

6) Cost for Service and Charge Methodology – NWSA to POS

a) None.

7) Service Level Expectations:

a) Will provide any necessary services to the NWSA.

b) Performance Measures and Metrics:

This section outlines the performance measures and metrics upon which service under this SLA will be assessed. Shared Service Centers and Customers will negotiate the performance metric, frequency, customer and provider service responsibilities associated with each performance measure.

Measurements of the Port of Seattle activities are critical to improving services and are **the basis for cost recovery** for services provided. The Port of Seattle and The Northwest Seaport Alliance have identified activities critical to meeting The NWSA’s business requirements and have agreed upon how these activities will be assessed.

Service Area	Type of Measure ³	Performance Measure (SMART - Specific, Measurable, Achievable, Relevant, Time Bound)	Target
Managing Member Support	Other	Managing Member administrative support such as calendaring, briefings, materials dissemination, travel, policy and media coordination.	Weekly coordination
Managing Member – Meeting Frequency	Other	Managing Member shall meet at least quarterly and may hold executive sessions to oversee the business of the	At least Quarterly

³ Type of Measure Options:

- Time Based – measure is time bound – duration, frequency, by a specific date, etc...
- Management – measure dealing with or controlling issues, communications, or staff
- Accuracy – measure to have a specified level of accuracy to be measurable
- Other – measure that doesn’t fit into category above

**EXHIBIT POS - 10 - Service Directive:
Managing Member/Commission Support Services-Revised effective May 2, 2024**

		PDA, set policy and strategic direction for the NWSA.	
Managing Member – Compliance	Other	Managing Member will carry out the provisions of the PDA in RCW 53.08 and RCW 42.30.	100% compliance
Managing Member – Meeting Attendance	Other	Three or more commissioners from each homeport present at Managing Member meetings.	100% of MM Meetings

8) Primary Contacts:

- a) NWSA – Leilani Berinobis
- b) POS – Aaron Pritchard

It is expected that the identified contact people will communicate frequently, to coordinate the work, to confirm that services are being provided in a manner that meets service level expectations, and to evaluate monthly financial performance of actual vs. projected spending.

EXHIBIT POS - 11

Service Directive for Pier 69 Facilities Management Support Services

by and between

Port of Seattle and The Northwest Seaport Alliance

This document is an Exhibit to the Inter-Local Agreement for Support Services By and Between the Port of Seattle (POS) and The Northwest Seaport Alliance (NWSA).

1) Purpose:

The purpose of this exhibit is to identify the services provided by the Port of Seattle with regard to Support Services listed above for The Northwest Seaport Alliance. This exhibit defines the mutually agreed upon scope of services, cost for services, charge methodology, and service level expectations to include performance measures and monitoring. Refer to the governing Inter-Local Agreement for terms under which these services are provided.

2) Time period:

This agreement is for calendar year 2024.

3) Scope of Services to be provided by POS to The NWSA

a) Pier 69 Facilities Management

- i) POS will provide fully serviced office space, conference space and common use space for those POS service groups housed at Pier 69 that provide services to NWSA.
- ii) POS will provide the NWSA with use of the commission chambers, conference center, and common use space at Pier 69.
- iii) POS will provide NWSA employees visiting Pier 69 with parking access at the Bell Street Garage.

**EXHIBIT POS - 11 - Service Directive:
Pier 69 Facilities Management Support Services**

4) Cost for Service and Charge Methodology – POS to The NWSA:

Service Area and Department # (Acct if appropriate)	Service Item (from list above)	Method of Charges ¹	Basis for Charge	Hourly Rate, Fixed Percentage, Fixed Amount, or Formula	2024 Budgeted Amount ²
Pier 69 Facilities Management Dept #2510	3.a	Special	Allocation based on corporate allocations for some larger departments, and default corporate allocations for others, of office space occupied by Central Services groups.	3.69%	\$66,961

¹ Method Options: Costs associated with support services will be charged to the Alliance as follows:

- Standard Corporate Percentage (Fixed) allocation – Charged as a fixed allocated percentage or formula that will be applied monthly to the actual expenditures.
- Project Charges – Charged to specific projects based on current procedures.
- Special Fixed Percentage (Variable by budget organization but fixed for the year)– Charges will be tracked and charged based on a fixed percentage as determined by the level of service.

² Preliminary budget amount – subject to final budget approval.

5) Scope of Services to be provided by The NWSA to POS

- a) None.

6) Cost for Service and Charge Methodology – NWSA to POS

- a) None.

7) Service Level Expectations:

- a) Pier 69 Facilities Management will provide NWSA with the same high level of service it provides to the POS.
- b) POS employees and NWSA employees visiting Pier 69 will be subject to the same policies and procedures with respect to requesting and receiving facility management services.
- c) Performance Measures and Metrics:

This section outlines the performance measures and metrics upon which service under this SLA will be assessed. Shared Service Centers and Customers will negotiate the performance metric, frequency, customer, and provider service responsibilities associated with each performance measure.

Measurements of the Port of Seattle activities are critical to improving services and are **the basis for cost recovery** for services provided. The Port of Seattle and The Northwest Seaport Alliance have identified activities critical to meeting The NWSA’s business requirements and have agreed upon how these activities will be assessed.

Service Area	Type of Measure ³	Performance Measure (SMART - Specific, Measurable, Achievable, Relevant, Time Bound)	Target

³ Type of Measure Options:

- Time Based – measure is time bound – duration, frequency, by a specific date, etc...
- Management – measure dealing with or controlling issues, communications, or staff
- Accuracy – measure to have a specified level of accuracy to be measurable
- Other – measure that doesn’t fit into category above

8) Primary Contacts:

- a) NWSA – David Morrison
- b) POS – Nick Milos

It is expected that the identified contact people will communicate frequently, to coordinate the work, to confirm that services are being provided in a manner that meets service level expectations, and to evaluate monthly financial performance of actual vs. projected spending.

EXHIBIT POS - 12
Service Directive for Environment & Sustainability Services
by and between
Port of Seattle and The Northwest Seaport Alliance

This document is an Exhibit to the Inter-Local Agreement for Support Services By and Between the Port of Seattle (POS) and The Northwest Seaport Alliance (NWSA).

1) Purpose:

The purpose of this exhibit is to identify the services provided by the Port of Seattle Maritime Environment and Sustainability department staff (POS staff) with regard to Support Services listed in the title for The Northwest Seaport Alliance. This exhibit defines the mutually agreed upon scope of services, cost for services, charge methodology, and service level. Refer to the governing Inter-Local Agreement for terms under which these services are provided.

2) Time period:

This agreement is for calendar year 2024.

3) Scope of Services to be provided by POS to The NWSA

a) Environmental Services Administration

- i) Overall administration of environmental programs that support coordination with and delivery of services to NWSA.

b) Environment & Sustainability Services

Core Services to be provided by POS to NWSA

POS staff provides a range of tactical environmental, and sustainability services to NWSA that are necessary for maintaining our collective “license to operate.” These services include:

- i) Programmatic permit development and administration. Develop and secure programmatic permits that benefit NWSA projects. These include programmatic permits for pile systems repair and maintenance, shoreline stabilization, maintenance dredging, etc.
- ii) General compliance. Prepare required permit compliance manuals and establish protocol and triggers for project reporting. Maintain SharePoint workflows and permit compliance tracking system.
- iii) Agency and stakeholder communication/consultations. Respond to calls and requests

- for information outside of a specific capital project (bill time to project).
- iv) Tribal relationships, engagement, negotiations. Maintain excellent working relationships with Treaty-tribes and support negotiations related to in-water work for NWSA projects (talk with LW-vessel coordination discussions need JS's time).
 - v) Contract Procurement/Management. Procure and manage contracts needed to ensure that a full range of environmental services are available to support NWSA projects as needed.
 - vi) WRDA coordination. Meet with USACE staff regularly to review status of all current and future NWSA projects in the North Harbor and maintain relationships that ensure a high level of service under WRDA.
 - vii) Nuisance wildlife management. Provide on-call service for NWSA properties to address wildlife related problems and respond to and addresses issues that include but are not limited to osprey nests on utility poles, racoons in catch basins, peregrine falcons in warehouses, removal of deceased marine mammals, and terns nesting on rooftops.
 - viii) Spill response. Provide 24/7 on-call spill response for NWSA properties.
 - ix) Derelict vessel response. Provide 24/7 on-call service to respond to derelict vessels that exist at or threaten NWSA facilities.
 - x) Hazardous material response. Provide hazardous material assessment, illicit discharge response, and manage hazardous material disposal on NWSA projects when needed.
 - xi) Regulatory expertise and relationships. Provide expertise and relationships related to regulations, policies, procedures and staff at the following agencies/tribes: Seattle Department of Construction and Inspection; Seattle Office of Planning and Community Development; Seattle Department of Transportation; Seattle City Light; Seattle Public Utilities; Seattle City Council; Seattle Office of the Waterfront; Seattle Mayor's Office; King County Department of Permitting & Environmental Review; U.S. Army Corps of Engineers; Washington State Departments of Ecology, Natural Resources, and Fish & Wildlife; NOAA/National Marine Fisheries Service; US Fish & Wildlife Service; Environmental Protection Agency; Dredged Material Management Office; Suquamish Tribe; Muckleshoot Indian Tribe. (talk with RM/LW)
 - xii) Common coordination. If requested by the NWSA, and agreed to by POS additional POS staff time could be spent on NWSA actions for work outside of the common strategy development and beyond requirements. The actual costs (based on analysis of work activities, staff and consultant contracting time) will be covered by NWSA, applied to the project with approvals by the project lead. (No additional costs in this ILA)
 - xiii) Project delivery. All project costs including permit fees, staff time, and outside services required for permit acquisition will be tracked and charged to the individual project. Non-capital project environmental services will be covered by the allocation in the table below. (No additional costs in this ILA)

4) Cost for Service and Charge Methodology – POS to The NWSA:

Service Area and Department (Acct if appropriate)	Service Item (from SD title)	Method of Charges ¹	Basis for Charge	Hourly Rate, Fixed Percentage, Fixed Amount or Formula	2024 Budgeted Amount ²
Environment & Sustainability Dept# 01350 Dept# 2710		Fixed Amount	Percentage of committed amount		\$100,000

¹ Method Options: Costs associated with support services will be charged to the Alliance as follows:

- Standard Fixed Percentage allocation – Set by Corporate F&B. Charged as a fixed allocated percentage or formula that will be applied monthly to the actual expenditures.
- Project/Direct Charges – Charged to specific projects based on current procedures.
- Special Fixed Percentage allocation – Variable by department methodology but fixed for the year. Charges will be tracked and based on a fixed percentage as determined by the level of service.
- Flat/Fixed Amount – Charged as a fixed or flat amount agreed upon by all parties for the year.

² Preliminary budget amount – subject to final budget approval.

**** The Port of Seattle and the NWSA agreed that the total fixed amount for Environment & Sustainability is \$100,000. The actual direct charges and allocation among the two orgs can change, but the total will remain \$100,000 for 2024.***

**** Amounts identified in this table reflect only the Operating Budget and do not include the Capital Budget spending.***

Payment for services

POS and NWSA acknowledge that services described in the scope of services entail direct and indirect costs to provide. These costs will be transacted between POS and NWSA in a manner that is proportionate to the level of service provided by either entity, as follows:

- a. In 2024 and going forward, NWSA will provide a fixed amount to POS for the core environmental services identified in item (3). This reflects an accurate accounting of the services received by NWSA in relation to the actual cost to provide them. This does not include direct charges to capital programs or projects. In future years, if NWSA consistently requires additional services not included in item (3), POS and NWSA will work collaboratively to estimate the cost of the additional services and adjust the fixed fee accordingly through a new or amended agreement.

- b. In 2024 and going forward, POS will provide funding for any services requested of NWSA on a case-by-case basis. Such services and the method of payment will require mutual agreement, transacted either through direct charges to POS subclasses or projects, or through special agreements for that purpose, based on current billable rates for NWSA.
- c. Specific service requests made pursuant to item (5) will be negotiated on a case-by-case basis. Such services and the method of payment will require mutual agreement, transacted either through direct charges to POS or NWSA subclasses or projects (depending on who is receiving service), or through special agreements for that purpose, based on current billable rates.

Coordination of activities which are of mutual interest but outside of the core services

In addition to activities in item (3) above, POS and NWSA routinely coordinate activities related to regional environmental initiatives, strategies, and programs, at their own cost. This coordination includes sharing of data, collaborative strategy development, and ensuring alignment between NWSA and POS environmental programs. Time spent on these coordinated activities is typically staffed and funded individually by POS and NWSA. These activities include but are not limited to:

- Northwest Ports Clean Air Strategy implementation
- Seattle Waterfront Clean Energy Strategy planning and implementation
- Emissions accounting and joint reporting
- Grant funding and public and private partnerships
- Southern Resident Killer Whale (SRKW) Orca Recovery efforts
- International and domestic engagement on shared policy issues
- Resiliency and hazard mitigation planning
- Negotiation/coordination with Muckleshoot Indian Tribe and Suquamish Tribe
- Land use planning such as feasibility studies, development proposals, city and regional regulatory or policy changes

POS or NWSA may request additional staff time and resources to be allocated to the above-mentioned (or other) activities that exceeds normal “coordination.” In such case, if mutually agreed, the costs of the additional staff time and resources will be borne by the entity receiving the additional services.

5) Scope of Services to be provided by The NWSA to POS

- a) It is anticipated that the following support will be provided by the NWSA environmental team:
 - i) NWSA has common interest in meeting POS and NWSA environmental goals established by the individual ports and the commonly managed properties under the NWSA. NWSA, POT & POS staff agree to coordinate closely on regional programs, sharing data, strategy development, and alignment of programs. Time spent on these programs are staffed and paid for by each organization, although collaboration and coordination of tasks will be required and cost sharing may be agreed to. Programs of common coordination include, but are not limited to:
 - Northwest Ports Clean Air Strategy update
 - Emissions accounting
 - Awards programs including POS Environmental Excellence Awards and NWSA North Star Awards
 - SRKW Orca Recovery efforts

If requested by POS, and agreed to by NWSA, additional staff time could be spent on POS actions for work outside of the common strategy development and beyond requirements. The actual costs (based on analysis of work activities, staff and consultant contracting time) will be covered by POS, applied to the project with approvals by the project lead.

6) Cost for Service and Charge Methodology – The NWSA to POS

Service Area and Department (Acct if appropriate)	Service Item (from SD title)	Method of Charges	Basis for Charge	Hourly Rate, Fixed Percentage or Formula	2024 Budgeted Amount
Environment & Sustainability Dept# O1350 Dept# 2710	5.a.i		As mutually agreed to per text	Based on current billable rate	Undetermined – as needed basis

7) Partnership Expectations:

- a) POS and NWSA agree to:
 - i) Work cooperatively to share information
 - ii) Communicate on a regular basis via phone and meetings to keep each other appraised of issues of mutual interest
 - iii) Jointly decide level of engagement and participation
 - iv) Respond to each other's requests in a timely manner
 - v) Raise any concerns or issues in a timely manner and work cooperatively to resolve

8) Primary Contacts:

- a) NWSA – Jason Jordan (Secondary: Mindi Kellar, Deirdre Wilson, Steve Nicolas)
- b) POS – Sarah Ogier (Secondary: Jon Sloan, Alex Adams, Jane Dewell, Mike DeSota)

It is expected that the identified contact people will communicate frequently to coordinate the work, to confirm that services are provided, and to evaluate financial performance.

EXHIBIT POS - 13
Service Directive for Tribal Coordination Support Services
by and between
Port of Seattle and The Northwest Seaport Alliance

This document is an Exhibit to the Inter-Local Agreement for Support Services By and Between the Port of Seattle (POS) and The Northwest Seaport Alliance (NWSA).

1) Purpose:

The purpose of this exhibit is to identify the services provided by the Port of Seattle with regard to Support Services listed above for The Northwest Seaport Alliance. This exhibit defines the mutually agreed upon scope of services, cost for services, charge methodology, and service level expectations to include performance measures and monitoring. Refer to the governing Inter-Local Agreement for terms under which these services are provided.

2) Time period:

This agreement is for calendar year 2024.

3) Scope of Services to be provided by POS to The NWSA

a) Tribal Coordination

- i) POS and NWSA staff will coordinate closely on tribal coordination, permits and negotiations affecting marine cargo projects.
- ii) POS staff will provide administrative and technical services in connection with Tribal Coordination activities to The NWSA.
- iii) Other to be determined.

4) Cost for Service and Charge Methodology – POS to The NWSA:

Service Area and Department (Acct if appropriate)	Service Item (from list above)	Method of Charges ¹	Basis for Charge	Hourly Rate, Fixed Percentage, Fixed Amount or Formula	2024 Budgeted Amount ²
Tribal Coordination Dept #0101	3.a	Fixed Amount	Agreements with Muckleshoot Indian Tribe and Suquamish Tribe. Actuals based on CPI increase during following year.		\$1,200,096 (for the tribal payments)

¹ Method Options: Costs associated with support services will be charged to the Alliance as follows:

- Standard Fixed Percentage allocation – Set by Corporate F&B. Charged as a fixed allocated percentage or formula that will be applied monthly to the actual expenditures.
- Project/Direct Charges – Charged to specific projects based on current procedures.
- Special Fixed Percentage allocation – Variable by department methodology but fixed for the year. Charges will be tracked and based on a fixed percentage as determined by the level of service.
- Flat/Fixed Amount – Charged as a fixed or flat amount agreed upon by all parties for the year.

² Preliminary budget amount – subject to final budget approval.

5) Scope of Services to be provided by The NWSA to POS

- a) Regular engagement with POS and recognized Tribal Communities concerning items of mutual interest to resolve problems, communicate ports development plans, receive tribal concurrence necessary for issuance of ACOE permits for port projects, coordinate vessel access to port facilities with tribal treaty fishing access needs, identify government to government opportunities that could result in mutual benefits and other reasons for maintaining and growing strong relationships between the ports and federally recognized tribes.
- b) See Exhibit POS-12 for additional relevant environmental services.

6) Cost for Service and Charge Methodology – NWSA to POT

- a) None

7) Service Level Expectations:

a) Performance Measures and Metrics:

This section outlines the performance measures and metrics upon which service under this SLA will be assessed. Shared Service Centers and Customers will negotiate the performance metric, frequency, customer and provider service responsibilities associated with each performance measure.

Measurements of the Port of Seattle activities are critical to improving services and are **the basis for cost recovery** for services provided. The Port of Seattle and The Northwest Seaport Alliance have identified activities critical to meeting The NWSA’s business requirements and have agreed upon how these activities will be assessed.

Service Area	Type of Measure ³	Performance Measure (SMART - Specific, Measurable, Achievable, Relevant, Time Bound)	Target
Tribal Coordination Agreements	Management	Receive tribal concurrence on ACOE permits.	Receipt within project schedule.

³ Type of Measure Options:

- Time Based – measure is time bound – duration, frequency, by a specific date, etc...
- Management – measure dealing with or controlling issues, communications, or staff
- Accuracy – measure to have a specified level of accuracy to be measurable
- Other – measure that doesn’t fit into category above

8) Primary Contacts:

- a) NWSA – Lindsay Wolpa
- b) POS – Jon Sloan

It is expected that the identified contact people will communicate frequently, to coordinate the work, to confirm that services are being provided in a manner that meets service level expectations, and to evaluate monthly financial performance of actual vs. projected spending.

Additional Information

The Muckleshoot Indian Tribe, the Suquamish Tribe, POS, and NWSA share a common area of operations, including bay and channel areas throughout north and south Elliott Bay. Since 1995, Treaty tribes and the port have cooperated through a series of agreements, with the objective to avoid and minimize potential negative effects on Treaty-protected fishing access, in conjunction with cargo and passenger activities and infrastructure improvements at port marine terminal (and other) facilities.

Background

The Port of Seattle conducts government-to-government relations with the Muckleshoot Indian Tribe and Suquamish Tribe as federally recognized, Treaty-protected native sovereign nations.

POS long-term commitment to the Muckleshoot Indian Tribe and Suquamish Tribes relates to maintenance of usual and accustomed treaty fishing access adjacent to port marine terminal sites throughout Elliott Bay, the East and West waterways, and the Duwamish River.

Treaty tribe authority: The Muckleshoot Indian Tribe and the Suquamish Tribe have authority to exercise treaty-reserved fishing rights within their “usual and accustomed hunting and fishing areas” (U&A) in Elliott Bay, the East and West waterways in south Elliott Bay, and the Duwamish River. This includes two elements affecting port marine terminal facilities: (1) direct fishing access at marine terminal locations and (2) participation in federal decision-making for proposed port development that might affect treaty fishing access.

The tribes have treaty-reserved fishing rights in all areas required for navigational access to port facilities, so navigational and berth access to all port marine terminal facilities during fishing periods (generally August through January) must be accomplished without substantially impeding fishing activities.

Treaty tribes have equal decision-making authority with federal agencies, including the U.S. Army Corps of Engineers, U.S. Fish and Wildlife Service, National Marine Fisheries Service, and Environmental Protection Agency, regarding authorizations required by the port for development, operation, and maintenance of marine cargo infrastructure. This authority also extends to federal Superfund cleanup determinations and natural resource damage and restoration requirements.

The Muckleshoot Indian Tribe and Suquamish Tribe and the port have worked to manage successful Treaty fishing access with marine cargo and passenger vessel access for many years. Experience indicates that pro-active actions taken to design, construct, and operate port facilities in a manner that avoids conflicts with Treaty fishing improves safety, reduces damage to fishing gear and vessels, allows for effective harvest, reduces the potential for delays in vessel arrivals

and departures, and reduces uncertainty for port-sponsored marine terminal development actions.

Since 1995 all capital Port of Seattle development and marine facility improvement projects, including Terminal 5, Terminal 18, Terminal 30, Terminal 91, and Terminal 115, have included agreements to compensate Treaty tribes for adverse “in-water” effects on Treaty fishing, in instances where displacement of fishing access could not be avoided or minimized. Compensation measures in most cases consisted of payments to the Muckleshoot Indian Tribe and Suquamish Tribe.

In addition, recent agreements with the Muckleshoot Indian Tribe and Suquamish Tribe have provided for coordination of fishing activities with marine terminal operations. During fishing periods, the tribes and the port have agreed on measures and funding for twenty-four-hour monitoring and management, to minimize potential disruption of net fishing, while allowing for movement of cargo and passenger vessels.

The POS and NWSA have a shared interest in continuing close coordination with both Tribes, including frequent engagement and careful attention to their treaty rights.

EXHIBIT POS - 14
Service Directive for Labor Relations Support Services
by and between
Port of Seattle and The Northwest Seaport Alliance

This document is an Exhibit to the Inter-Local Agreement for Support Services By and Between the Port of Seattle (POS) and The Northwest Seaport Alliance (NWSA).

1) Purpose:

The purpose of this exhibit is to identify the services provided by the Port of Seattle with regard to Support Services listed above for The Northwest Seaport Alliance. This exhibit defines the mutually agreed upon scope of services, cost for services, charge methodology, and service level expectations to include performance measures and monitoring. Refer to the governing Inter-Local Agreement for terms under which these services are provided.

2) Time period:

This agreement is for calendar year 2024.

3) Scope of Services to be provided by POS to The NWSA

a) Labor Relations

- i) Management and negotiation of CBA and other labor relations activities for represented employees working for POS under service agreements to NWSA (eg: Marine Maintenance, Port Construction Services).

4) Cost for Service and Charge Methodology – POS to The NWSA:

Service Area and Department (Acct if appropriate)	Service Item (from list above)	Method of Charges ¹	Basis for Charge	Hourly Rate, Fixed Percentage, Fixed Amount, or Formula	2024 Budgeted Amount ²
Labor Relations Dept# 1810	3.a		Support for NWSA has been discontinued for 2024.		\$0

5) Scope of Services to be provided by The NWSA to POS

- a) None.

6) Cost for Service and Charge Methodology – NWSA to POT

- a) None.

7) Service Level Expectations:

- a) Labor Relations will provide any necessary services to the NWSA.

b) Performance Measures and Metrics:

This section outlines the performance measures and metrics upon which service under this SLA will be assessed. Shared Service Centers and Customers will negotiate the performance metric, frequency, customer, and provider service responsibilities associated with each performance measure.

Measurements of the Port of Seattle activities are critical to improving services and are **the basis for cost recovery** for services provided. The Port of Seattle and The Northwest Seaport Alliance have identified activities critical to meeting The NWSA’s business requirements and have agreed upon how these activities will be assessed.

¹ Method Options: Costs associated with support services will be charged to the Alliance as follows:

- Standard Fixed Percentage allocation – Set by Corporate F&B. Charged as a fixed allocated percentage or formula that will be applied monthly to the actual expenditures.
- Project/Direct Charges – Charged to specific projects based on current procedures.
- Special Fixed Percentage allocation – Variable by department methodology but fixed for the year. Charges will be tracked and based on a fixed percentage as determined by the level of service.
- Flat/Fixed Amount – Charged as a fixed or flat amount agreed upon by all parties for the year.

² Preliminary budget amount – subject to final budget approval.

Service Area	Type of Measure ³	Performance Measure (SMART - Specific, Measurable, Achievable, Relevant, Time Bound)	Target
Labor Relations	Management	Collective Bargaining Agreements are negotiated in a timely manner so as to avoid contract expiration (and potential lost productivity)	Agreements reached prior to contract expirations

8) Primary Contacts:

a) NWSA – Don Esterbrook

b) POS – Mikel O’Brien

It is expected that the identified contact people will communicate frequently, to coordinate the work, to confirm that services are being provided in a manner that meets service level expectations, and to evaluate monthly financial performance of actual vs. projected spending.

³ Type of Measure Options:

- Time Based – measure is time bound – duration, frequency, by a specific date, etc...
- Management – measure dealing with or controlling issues, communications, or staff
- Accuracy – measure to have a specified level of accuracy to be measurable
- Other – measure that doesn’t fit into category above

EXHIBIT POS - 15
Service Directive for Additional Support Services as Needed
by and between
Port of Seattle and The Northwest Seaport Alliance

This document is an Exhibit to the Inter-Local Agreement for Support Services By and Between the Port of Seattle (POS) and The Northwest Seaport Alliance (NWSA).

1) Purpose:

The purpose of this exhibit is to identify the services provided by the Port of Seattle with regard to Support Services listed above for The Northwest Seaport Alliance, and vice versa. This exhibit defines the mutually agreed upon scope of services, cost for services, charge methodology, and service level expectations to include performance measures and monitoring. Refer to the governing Inter-Local Agreement for terms under which these services are provided.

2) Time period:

This agreement is for calendar year 2024.

3) Scope of Services to be provided by POS and The NWSA to Each Other

a) POS and The NWSA will provide miscellaneous additional support services as requested by one to the other. The specific scope of those services will be determined at the time of the request. These are services that are not covered by one of the other service agreement exhibits. Charges will be tracked and charged based on level of use monthly at rates agreed to when need for service is determined.

4) Cost for Service and Charge Methodology – POS to The NWSA:

Service Area and Department (Acct if appropriate)	Service Item (from list above)	Method of Charges ¹	Basis for Charge	Hourly Rate, Fixed Percentage, Fixed Amount or Formula	2024 Budgeted Amount ²
	3.a	Fee for Service/Special	Level of use monthly at agreed to rates	Agreed to when need for service is determined	TBD

5) Service Level Expectations:

a) To be determined for each individual service to be provided at the time of request

b) Performance Measures and Metrics:

This section outlines the performance measures and metrics upon which service under this SLA will be assessed. Shared Service Centers and Customers will negotiate the performance metric, frequency, customer and provider service responsibilities associated with each performance measure.

Measurements of the Port of Seattle activities are critical to improving services and are **the basis for cost recovery** for services provided. The Port of Seattle and The Northwest Seaport Alliance have identified activities critical to meeting The NWSA’s business requirements and have agreed upon how these activities will be assessed.

¹ Method Options: Costs associated with support services will be charged to the Alliance as follows:

- Standard Fixed Percentage allocation – Set by Corporate F&B. Charged as a fixed allocated percentage or formula that will be applied monthly to the actual expenditures.
- Project/Direct Charges – Charged to specific projects based on current procedures.
- Special Fixed Percentage allocation – Variable by department methodology but fixed for the year. Charges will be tracked and based on a fixed percentage as determined by the level of service.
- Flat/Fixed Amount – Charged as a fixed or flat amount agreed upon by all parties for the year.

² Preliminary budget amount – subject to final budget approval.

6) Primary Contacts:

- a) NWSA – David Morrison
- b) POS – Dan Thomas/Michael Tong

It is expected that the identified contact people will communicate frequently, to coordinate the work, to confirm that services are being provided in a manner that meets service level expectations, and to evaluate monthly financial performance of actual vs. projected spending.

EXHIBIT POS - 16

Service Directive for Equity Diversity and Inclusion Project Support

by and between

Port of Seattle and The Northwest Seaport Alliance

This document is an Exhibit to the Inter-Local Agreement for Support Services By and Between the Port of Seattle (POS) and The Northwest Seaport Alliance (NWSA).

1) Purpose:

The purpose of this exhibit is to identify the services provided by the Port of Seattle with regard to Support Services listed above for The Northwest Seaport Alliance, and vice versa. This exhibit defines the mutually agreed upon scope of services, cost for services, charge methodology, and service level expectations to include performance measures and monitoring. Refer to the governing Inter-Local Agreement for terms under which these services are provided.

2) Time period:

This agreement is for calendar year 2024.

3) Scope of Services to be provided by POS to The NWSA

- a) Provide high-level, strategic advice to NWSA staff and primary consultants to support the development of the long-term strategy for transitioning to zero-emission drayage trucking. Strategic advice will focus on approaches for incorporating necessary equity considerations into the strategy, including prioritizing stakeholder outcomes among those who have been disproportionately impacted by poorer environmental health and economic prosperity related to the trucking industry.
- b) POS will work closely with NWSA staff and the primary consultant, to provide strategic advice on best practices related to equitable community engagement.

4) **Cost for Service and Charge Methodology – POS to The NWSA:**

Service Area and Department (Acct if appropriate)	Service Item (from list above)	Method of Charges ¹	Basis for Charge	Hourly Rate, Fixed Percentage, Fixed Amount or Formula	2024 Budgeted Amount ²
Office of EDI Dept# 1460	3.a	Direct Charges	Estimated costs related to Truck Collaboration		\$50,000 for Truck Collaboration support services

¹ Method Options: Costs associated with support services will be charged to the Alliance as follows:

- Standard Corporate Percentage (Fixed) allocation – Charged as a fixed allocated percentage or formula that will be applied monthly to the actual expenditures.
- Project Charges – Charged to specific projects based on current procedures.
- Special Fixed Percentage (Variable by budget organization but fixed for the year)– Charges will be tracked and charged based on a fixed percentage as determined by the level of service.

² Preliminary budget amount – subject to final budget approval.

5) Service Level Expectations:

Provide guidance and facilitation to incorporate Equity, Diversity and Inclusion (EDI) into trucker engagement strategies. Primarily work with the Puget Sound Zero Emission Truck Collaborative by supporting the NWSA staff and their primary consultants as they develop ways to incorporate equity, diversity, and inclusion into the strategy for transitioning to zero-emission drayage trucking by 2050.

6) Performance Measures and Metrics:

This section outlines the performance measures and metrics upon which service under this SLA will be assessed. Shared Service Centers and Customers will negotiate the performance metric, frequency, customer and provider service responsibilities associated with each performance measure.

Measurements of the Port of Seattle activities are critical to improving services and are **the basis for cost recovery** for services provided. The Port of Seattle and The Northwest Seaport Alliance have identified activities critical to meeting The NWSA’s business requirements and have agreed upon how these activities will be assessed.

- a) Provide on-going, strategic advice and support to NWSA staff and the consulting team/backbone organization to help ensure that equity goals are effectively integrated into the formation and work of the PS-ZETC, especially the development of the “Decarbonizing Drayage: Roadmap 2050” – the long-term strategy for facilitating and accelerating the transition to zero-emission drayage in the NWSA gateway.
 - i) Monthly 1.5-hour meetings with NWSA and consulting team/backbone organization, and additional as necessary
 - ii) Bi-monthly 3.5 hour meetings with the Truck Collaborative stakeholders
 - iii) Monthly Collaborative sub-committee meetings focused on “just and equitable transition”, and other sub-committee meetings, as necessary. Cadence of sub-committee meetings may vary.
 - iv) Meetings with Managing Members and the Environmental Working Group when zero emission drayage trucking topics are addressed
 - v) Other meeting as necessary and appropriate
 - vi) Review/comment on draft materials produced by the PS-ZETC (especially the Decarbonizing Drayage: Roadmap 2050)

7) Primary Contacts:

- a) NWSA – Jason Jordan
- b) POS – Bookda Gheisar

It is expected that the identified contact people will communicate frequently, to coordinate the work, to confirm that services are being provided in a manner that meets service level expectations, and to evaluate monthly financial performance of actual vs. projected spending.

**EXHIBIT POS - 17 - Service Directive:
Municipal, County, and State Use of NWSA-Licensed Property Support Services**

**EXHIBIT POS - 17
Service Directive for Municipal, County, and State
Use of NWSA-Licensed Property
by and between
Port of Seattle and The Northwest Seaport Alliance**

This document is an Exhibit to the Inter-Local Agreement for Support Services By and Between the Port of Seattle (POS) and The Northwest Seaport Alliance (NWSA).

1) Purpose:

The purpose of this exhibit is to identify the services provided by and between The Northwest Seaport Alliance and the Port of Seattle with regard to Support Services listed above. This exhibit defines the mutually agreed upon scope of services, cost for services, charge methodology, and service level expectations to include performance measures and monitoring. Refer to the governing Inter-Local Agreement for terms under which these services are provided.

2) Time period:

This agreement is for calendar year 2024.

3) Scope of Services to be provided by POS to The NWSA

- a) Municipal, county, and state organizations (collectively “Third-Party Users”) occasionally have need for temporary use of property licensed to The NWSA for lay-down, staging, and other activities in support of major capital improvement projects. Such use is formalized via a written agreement typically in the form of a Temporary Construction Easement (TCE). Depending upon the duration, scope of use, and agreement terms, payment by the Third-Party Users for use of the property may be made directly to the POS as the property owner. In such cases, these payment funds should be transferred to The NWSA as licensee/agent for the property. In the year ahead, POS expects to receive funds from the City of Seattle relating to a Memorandum of Understanding (MOU) between POS and the City of Seattle for the East Marginal Way Corridor Project. The MOU establishes the amount that the City will pay for TCEs on related POS properties including those licensed to NWSA, and NWSA participated in the negotiations. In the event other TCEs are paid directly to POS for use of NWSA licensed-property, payment for such TCEs shall be transferred by POS to NWSA pursuant to the terms of this exhibit.

**EXHIBIT POS - 17 - Service Directive:
Municipal, County, and State Use of NWSA-Licensed Property Support Services**

4) Cost for Service and Charge Methodology – POS to The NWSA:

Service Area and Department (Acct if appropriate)	Service Item (from list above)	Method of Charges ¹	Basis for Charge	Hourly Rate, Fixed Percentage or Formula	2024 Budgeted Amount ²
Real Estate Dept #08	5	Project	The charge will be the fair market value for use of the property by the Third-Party Users as determined by an independent appraiser based upon the property attributes and characteristics (\$290,600 for the EMW Corridor Project). Such amount will be incorporated into the use agreement for the property.	100% of actual amount received for use of NWSA-licensed property	\$290,600 Plus any associated amounts in the event other TCEs are paid directly to POS for use of NWSA licensed-property.

5) Scope of Services to be provided by The NWSA to POS

- a) NWSA Real Estate will negotiate and draft, unless drafted by the Third-Party Users, the agreement by which the Third-Party Users may take temporary occupancy of NWSA-licensed property. The agreement shall state the fee for use of the property to be paid by the Third-Party Users.

6) Cost for Service and Charge Methodology – The NWSA to POS

- a) None

7) Service Level Expectations:

- a) NWSA Real Estate will provide any necessary services to the POS for these transactions regarding the drafting and negotiation of use agreements.
- b) POS will provide any necessary services to the NWSA to transfer any fee to the NWSA paid directly to the POS for use of NWSA-licensed property.

¹ Method Options: Fixed, Project Charges, Fee for Service/Variable. Costs associated with support services will be charged to the POS as follows:

- Fixed allocation – Charged as a fixed allocated percentage or formula that will be applied monthly to the actual expenditures.
- Project Charges – Charged to specific projects based on current procedures.
- Fee for Service/Variable – Charges will be tracked and charged based on level of use monthly at rates agreed to when need for service is determined.

² Preliminary budget amount – subject to final budget approval.

**EXHIBIT POS - 17 - Service Directive:
Municipal, County, and State Use of NWSA-Licensed Property Support Services**

c) Performance Measures and Metrics:

This section outlines the performance measures and metrics upon which service under this SLA will be assessed. Shared Service Centers and Customers will negotiate the performance metric, frequency, customer and provider service responsibilities associated with each performance measure.

Measurements of the Port of Seattle activities are critical to improving services and are **the basis for cost recovery** for services provided. The Port of Seattle and The Northwest Seaport Alliance have identified activities critical to meeting The

NWSA’s business requirements and have agreed upon how these activities will be assessed.

Service Area	Type of Measure ³	Performance Measure (SMART - Specific, Measurable, Achievable, Relevant, Time Bound)	Target
NWSA Real Estate	Management	NWSA Real Estate will negotiate and draft, unless drafted by the Third-Party Users, the agreement by which the Third-Party Users may take temporary occupancy of NWSA-licensed property. The agreement shall state the fee for use of the property to be paid by the Third-Party Users.	Agreement(s) finalized prior to commencement date for property use.
POS Finance	Management	POS Finance to transfer funds to NWSA for use of NWSA-licensed property that has been formalized via a use agreement with the Third-Party Users.	Funds transferred prior to commencement date for property use.

³ Type of Measure Options:

- Time Based – measure is time bound – duration, frequency, by a specific date, etc...
- Management – measure dealing with or controlling issues, communications, or staff
- Accuracy – measure to have a specified level of accuracy to be measurable
- Other – measure that doesn’t fit into category above

**EXHIBIT POS - 17 - Service Directive:
Municipal, County, and State Use of NWSA-Licensed Property Support Services**

8) Primary Contacts:

- a) NWSA –Erin DeBroux
- b) POS – Jennifer Maietta

It is expected that the identified contact people will communicate frequently, to coordinate the work, to confirm that services are being provided in a manner that meets service level expectations, and to evaluate monthly financial performance of actual vs. projected spending.

EXHIBIT POS -18
Service Directive for North Harbor Customs and Border Patrol Facilities
by and between
Port of Seattle and The Northwest Seaport Alliance

This document is an Exhibit to the Inter-Local Agreement for Support Services By and Between the Port of Seattle (POS) and The Northwest Seaport Alliance (NWSA).

1) Purpose:

The purpose of this exhibit is to identify the services provided by and between the Port of Seattle with regard to Support Services listed above for or by The Northwest Seaport Alliance. This exhibit defines the mutually agreed upon scope of services, cost for services, charge methodology, and service level expectations to include performance measures and monitoring. Refer to the governing Inter-Local Agreement for terms under which these services are provided.

2) Time period:

This agreement is for calendar year 2024, effective June 1, 2024.

3) Scope of Services to be provided by POS to The NWSA

a) None.

4) Cost for Service and Charge Methodology – POS to The NWSA:

a) None.

5) Scope of Services to be provided by The NWSA to POS

Facility costs for Customers and Border Patrol in the North Harbor/ Port of Seattle.

**EXHIBIT POS - 18 - Service Directive:
Customs and Border Patrol Facility Costs**

6) Cost for Service and Charge Methodology – NWSA to POS

Service Area and Department (Acct if appropriate)	Service Item (from list above)	Method of Charges	Basis for Charge	Hourly Rate, Fixed Percentage or Formula & Dept	2024 Budgeted Amount
North Harbor Customs and Border Patrol facility costs Dept# 11	5	Fixed Percentage of Actual Costs	Percentage of budget based on analysis of work activities	13% of ALL actual spending related to North Harbor CBP Facility excluding Depreciation	TBD

7) Service Level Expectations:

a) To be determined for each individual service to be provided at the time of request

b) Performance Measures and Metrics:

This section outlines the performance measures and metrics upon which service under this SLA will be assessed. Shared Service Centers and Customers will negotiate the performance metric, frequency, customer and provider service responsibilities associated with each performance measure.

Measurements of the NWSA activities are critical to improving services and are **the basis for cost recovery** for services provided. The Port of Seattle and The Northwest Seaport Alliance have identified activities critical to meeting The POS’s business requirements and have agreed upon how these activities will be assessed.

Service Area	Type of Measure ¹	Performance Measure (SMART – Specific, Measurable, Achievable, Relevant, Time Bound)	Target
CBP facility costs	Percent of time supporting homeport business	CBP time spent supporting homeport activities vs NWSA.	

8) Primary Contacts:

- a) NWSA – Tong Zhu
- b) POS – Jennifer Maietta

It is expected that the identified contact people will communicate frequently, to coordinate the work, to confirm that services are being provided in a manner that meets service level expectations, and to evaluate monthly financial performance of actual vs. projected spending.

RETURN TO AGENDA

¹ Type of Measure Options:

- Time Based – measure is time bound – duration, frequency, by a specific date, etc...
- Management – measure dealing with or controlling issues, communications, or staff
- Accuracy – measure to have a specified level of accuracy to be measurable
- Other – measure that doesn't fit into category above



**COMMISSION
AGENDA MEMORANDUM**

Item No. 8n

ACTION ITEM

Date of Meeting November 14, 2023

DATE :

TO: Stephen P. Metruck, Executive Director

FROM: Susie Archuleta, Senior Real Estate Manager, Central Harbor

SUBJECT: Mad Anthony’s Pier 66 Third Amendment to Lease

Amount of this request: \$0

Total estimated project cost: \$0

ACTION REQUESTED

Request Commission authorization for the Executive Director to execute the Third Amendment to Lease with Mad Anthony’s Pier 66 (“Anthony’s”), substantially the same as the attached draft amendment. The previous Amendment temporarily restructured the method for calculating Base Rent from July 2022 through April 2023 (the start of cruise season). The Third Amendment would extend the Second Amendment terms until the reopening of two-way traffic on Alaskan Way.

EXECUTIVE SUMMARY

In 2022, Anthony’s business volumes were negatively impacted by 1) the aftermath of the COVID-19 pandemic; 2) the construction along the Seattle Waterfront; and 3) labor shortages. Together, the negative impact to Anthony’s Pier 66 business volumes was significant and led to the Second Amendment, which temporarily restructured the base rent calculation to provide Anthony’s with some financial relief for the period July 2022 through April 2023 (the beginning of cruise season).

In 2023, the continuation of construction along the Seattle Waterfront extends the negative impact to Alaskan Way traffic and pedestrian volumes. There is a related negative impact to Anthony’s Pier 66 business volumes. Staff now recommends a Third Amendment to Lease, which extends the temporary Base Rent structure previously established in the Second Amendment to the period beginning May 2023 to the earlier of the date when two-way traffic resumes on Alaskan Way (contingent upon the Overlook Walk and Seattle Aquarium construction projects) or December 31, 2024. It is estimated that the Alaskan Way connector road will be opened in April of 2024 resuming the two-way traffic.

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JUSTIFICATION

Anthony's is a family-owned, local company that was established in 1969 and currently operates restaurants known for their excellent seafood in 27 locations in Washington, Oregon and Idaho, including Anthony's Pier 66 and Chinook's Restaurant at Fishermen's Terminal. The Port of Seattle and Anthony's have both made significant investments in the building and operations of the Pier 66 restaurant. As an anchor tenant, the success of Anthony's restaurant reflects on the entire Pier 66 campus.

Anthony's Pier 66 suffered serious financial hardship during COVID-19 pandemic, and ultimately Commission approved the First Amendment in June 2020 to help them weather the storm. The First Amendment temporarily restructured the base rent calculation for the period beginning June 1, 2020 and ending May 31, 2022 by: 1) temporarily removing the Minimum Rent requirement; and 2) increasing the percentage rent rate from 6.0% to 6.5%. Furthermore, from June 1, 2022 onward, it reinstated the minimum base rent and increased the percentage rent rate from 6.0% to 6.25%.

In 2022, Anthony's sales improved modestly but were still well behind pre-pandemic levels and not yet covering all operating costs. The well-publicized hiring challenges that restaurants in this region suffered from led to shortening of the restaurant operating hours due to staffing shortages. The reduced hours also negatively impacted Anthony's revenues and ability to cover their costs.

In 2023, the Overlook Walk and Seattle Aquarium construction projects have created intermittent partial and full road closures on Alaskan Way. These closures limit waterfront visitation and foot traffic, with visitors generally uncertain about traffic patterns, parking availability and which businesses are impacted. Revenues for the 2022 calendar year were 36% less than in 2018 (the year before the viaduct demolition).

To ensure the long-term success of this key Pier 66 retail tenant, staff recommends providing additional support to Anthony's via a Third Amendment to their lease. The Third Amendment would simply extend the length of time that Anthony's pays percentage-only rent as initiated by the First Amendment. The timing of the Third Amendment would be tied to the construction projects and would expire at the earlier of the date when two-way traffic resumes on Alaskan Way or December 31, 2024.

Diversity in Contracting

There is no opportunity for WMBE participation as this is a request for an amendment to an existing lease agreement.

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DETAILS

Staff proposes the following Third Amendment temporary base rent calculation:

	Original	First Amendment	Second Amendment	Third Amendment	After Third Amendment
Minimum Rent	\$30,670/mo	None	None	None	\$30,670/mo
Percentage Rent Rate	6.00%	6.50%	6.50%	6.50%	6.25%
Effective period	Prior to First Amendment	June 1, 2020 – May 31, 2022	June 1, 2022 – April 30, 2023	May 1, 2023 – earlier of 2-way traffic on Alaskan Way or December 31, 2024	Through lease expiration of December 31, 2041

Since the percentage rent consistently exceeds the minimum base rent during the cruise season months, this is anticipated to only affect the non-cruise season months (when the percentage rent typically falls below the minimum base rent). Two-way traffic on Alaskan Way is anticipated to resume April 2024 at the commencement of the 2024 Cruise season.

Additionally, the Third Amendment provides reinstatement of the minimum base rent and a Percentage Rent Rate of 6.25% after the effective period of the temporary base rent restructuring (compared to the 6.00% Percentage Rent Rate provided in the Basic Lease).

ALTERNATIVES AND IMPLICATIONS CONSIDERED

Alternative 1 – Reject Anthony’s request for additional temporary rent relief after the Second Amendment expiration on April 30, 2023.

Cost Implications: None, unless tenant vacates the Pier 66 restaurant.

Pros:

- (1) The Port receives more monthly rent in the short term.
- (2) Administrative effort of processing a Third Amendment is avoided.

Cons:

- (1) Increases the risk that Tenant fails financially.
- (2) Increases the risk that Tenant vacates the restaurant.
- (3) Increases the risk the Port will take legal action against a tenant who is still operating at another Port location (Fishermen’s Terminal).

This is not the recommended alternative.

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Alternative 2 – Shorten the Third Amendment effective period, using an expiration date of April 30, 2024 (instead of December 31, 2024).

Cost Implications: None

Pros:

- (1) Limits the extension of the Second Amendment terms to 12 additional months (May 2023-April 2024), which could be long enough to keep Anthony’s afloat.
- (2) Rent structure reverts to the original calculation earlier than in the recommended alternative, accelerating the Port’s collection of potentially higher monthly rents.

Cons:

- (1) Potentially reverts to the original, higher rent structure before Alaskan Way fully reopens to two-way traffic and while Anthony’s volumes are still depressed.

This is not the recommended alternative.

Alternative 3 – Agree to extend the Second Amendment terms until the earlier of the reopening of Alaskan Way to two-way traffic or December 31, 2024.

Cost Implications: None

Pros:

- (1) Extends financial assistance to Anthony’s until the expiration of their primary business challenge, reduced Alaskan Way traffic.
- (2) Strengthens the relationship between the Port and its’ sole Pier 66 retail tenant.
- (3) Ensures that the time period of the Alaskan roadway closure is covered without an additional future amendment.

Cons:

- (1) Extends the period that the Port receives reduced rent.

This is the recommended alternative.

FINANCIAL IMPLICATIONS There are no incremental costs to the Port for this request.

Financial Analysis and Summary

Project cost for analysis	No incremental costs to the Port for this request
Business Unit (BU)	Portfolio Management
Effect on business performance (NOI after depreciation)	This third amended lease agreement will generate the Total Cash Flow of \$10,829,419 for the remainder of the lease term until December 31, 2041.
IRR/NPV (if relevant)	Total Effective Rent: \$10,829,419, a decrease of \$39K as compared to the second amendment. Marginal NPV of (\$28K) as compared to the second amendment.
CPE Impact	N/A

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Future Revenues and Expenses (Total cost of ownership)

Future revenues will be generated based on lease rates and terms stated above in the Third Amendment.

ATTACHMENTS TO THIS REQUEST

- (1) Draft Third Amendment to Lease
- (2) Presentation

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

February 14, 1995 - Commission approved the Lease Agreement

January 12, 2016 – Commission authorized reimbursement of costs related to the installation of heating and hot water systems necessitated by the termination of Seattle Steam service to the facility.

June 23, 2020 – Commission approved the First Amendment to Lease.

August 9, 2022 – Commission approved the Second Amendment to Lease.

THIRD AMENDMENT TO LEASE
 BETWEEN
PORT OF SEATTLE
 AND
MAD ANTHONY’S, INC.
 AT
PIER 66

THIS THIRD AMENDMENT TO LEASE is made as of _____, 2023, by and between the PORT OF SEATTLE, a Washington municipal corporation, hereinafter called “Owner,” and MAD ANTHONY’S, INC., a Washington corporation, hereinafter called “Tenant,”

W I T N E S S E T H :

WHEREAS, the parties entered into the Bell Street Pier Restaurant Lease Agreement dated February 14, 1995, hereinafter called “Basic Lease,” covering certain premises and activities by Tenant at Pier 66, Seattle, Washington, which was subsequently amended by First Amendment dated December 28, 2020 and Second Amendment dated August 9, 2022, together with the Basic Lease called “Lease”; and

WHEREAS, the parties now wish to further revise the Lease as previously amended, by extending the period of time during which Tenant’s rent structure does not follow the Basic Lease rent structure.

NOW THEREFORE, in consideration of their mutual promises, the parties hereby agree as follows:

- 1) For the period beginning retroactively to May 1, 2023 until the earlier of: 1) December 31, 2024 or; 2) the last day of the calendar month when two-way traffic on Alaskan Way resumes (timing is dictated by Seattle Aquarium and Overlook Walk construction projects), Tenant shall owe no monthly or annual minimum rent, but instead shall pay percentage rent on a monthly basis in the amount of six and one-half percent (6.50%) of its monthly Gross Sales (as defined in Section 4.c. of the Basic Lease), as follows: within 14 days following the end of each calendar month Tenant shall furnish Owner with a computation, certified by an officer of Tenant, of the Gross Sales made on or from the Premises for the preceding calendar month and the amount due Owner as percentage rent for that month, and shall contemporaneously pay the amount of percentage rent due. Once the Third Amendment is executed, Owner shall prepare a reconciliation of Tenant’s account that begins May 1, 2023. If the reconciliation results in a Tenant overpayment, Owner shall issue Tenant a credit invoice in Owner’s next billing period. If the reconciliation results in a Tenant underpayment, Owner shall bill Tenant for the additional rent due in Owner’s next billing period.

- 2) Commencing the earlier of: 1) January 1, 2025 or; 2) the first day of the calendar month following the month when two-way traffic on Alaskan Way resumes, the rent modifications set forth above shall expire and Tenant shall resume paying minimum monthly rent as provided in Section 4 of the Basic Lease, with a monthly minimum rent of \$30,670, except that the percentage used for calculation of percentage rent shall be six and one quarter (6.25%).

- 3) Contract rent for assessment of leasehold excise tax (“LET”) shall be that method defined by Washington Department of Revenue (“DOR”). Tenant agrees to comply with Chapter 82.29A RCW, the DOR implementing Regulations thereof, and any revision or amendment thereto to determine DOR taxable rent for the assessment of LET. In the event that the Washington Department of Revenue determines, based on Chapter 82.29A RCW and/or any implementing regulations thereunder, including any amendments to said statute or regulations, that LET is due in an amount greater than the amount invoiced or remitted by the Owner, whether assessed based on the percentage rent, gross receipts, minimum monthly rent or otherwise, Tenant agrees that any deficiency and payment of

any additional LET owed (whether retroactive or prospective) shall be the sole responsibility of Tenant, shall be payable by Tenant, and Tenant agrees to indemnify and hold Owner harmless from and against any such LET assessed, including any penalties or interest. The obligations set forth in this section shall survive any expiration or termination of the Agreement.

- 4) The terms of this Amendment shall control over any contrary or inconsistent terms of the Lease. Except as expressly amended herein, all provisions of the Basic Lease shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have executed this Second Amendment as of the day and year first above written.

LESSOR
PORT OF SEATTLE

LESSEE
MAD ANTHONY'S, INC.

By _____
Its _____

By _____
Its _____

DRAFT

Notary to Third Amendment to Lease with
Mad Anthony's, Inc.
at Pier 66.

STATE OF WASHINGTON)
) ss
COUNTY OF KING)

On this ____ day of _____, 20____, before me personally appeared _____, to me known to be the _____ of the PORT OF SEATTLE, the municipal corporation that executed the within and foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that s/he was authorized to execute said instrument.

In Witness Whereof I have hereunto set my hand and affixed my official seal the day and year first above written.

(Signature)

(Print Name)
Notary Public, in and for the State of Washington,
residing at _____
My Commission expires: _____

STATE OF WASHINGTON)
) ss
COUNTY OF KING)

On this ____ day of _____, 20____, before me personally appeared _____, to me known to be the _____ of the _____, the individual/entity that executed the within and foregoing instrument as Lessee, and acknowledged said instrument to be the free and voluntary act and deed of said individual/entity, for the uses and purposes therein mentioned, and on oath stated that s/he was authorized to execute said instrument.

In Witness Whereof I have hereunto set my hand and affixed my official seal the day and year first above written.

(Signature)

(Print Name)
Notary Public, in and for the State of Washington,
residing at _____
My Commission expires: _____

Item No. 8n_supp

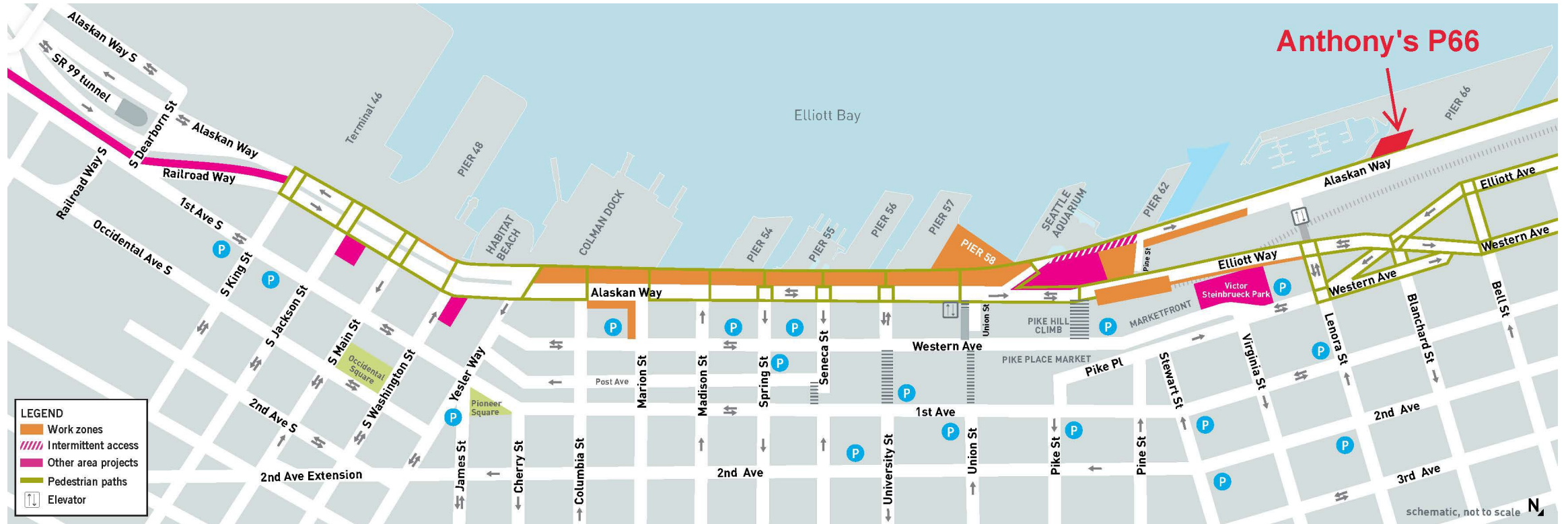
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Mad Anthony's Pier 66

Third Amendment to Lease

Seattle waterfront construction

2019 - 2025



Anthony's Pier 66 gross sales history

Seattle waterfront construction began in 2019, so the year 2018 is used as the baseline.

Year	% of 2018
2018	100%
2019	95%
2020	20%
2021	41%
2022	62%

Key Amendment Terms

	Original	First Amendment	Second Amendment	Third Amendment	After Third Amendment
Minimum Rent	\$30,670/mo	None	None	None	\$30,670/mo
Percentage Rent Rate	6.00%	6.50%	6.50%	6.50%	6.25%
Effective period	Prior to First Amendment	June 1, 2020 – May 31, 2022	June 1, 2022 – April 30, 2023	May 1, 2023 – earlier of 2-way traffic on Alaskan Way or December 31, 2024	Through lease expiration of December 31, 2041

[RETURN TO AGENDA](#)



**COMMISSION
AGENDA MEMORANDUM**

Item No. 80

ACTION ITEM

Date of Meeting November 14, 2023

DATE: October 18, 2023

TO: Stephen P. Metruck, Executive Director

FROM: Stephanie Jones Stebbins, Maritime Managing Director; Director, Marine Stormwater Utility
Sarah Ogier, Director, Maritime Environment & Sustainability
Jane Dewell, Sr. Manager Environmental Programs/Marine Stormwater Utility

SUBJECT: Adoption of 2024 Marine Stormwater Utility Rate Increase

Amount of this request: \$0

Total estimated project cost: \$0

ACTION REQUESTED

Request Commission authorization for the Executive Director to set 2024 Marine Stormwater Utility rates with an 8.0% increase from 2023.

EXECUTIVE SUMMARY

The requested authorization will provide a 2024 rate structure to be adopted by the Marine Stormwater Utility (Utility), in support of Utility obligations to protect water quality, rehabilitate Port of Seattle (Port) stormwater assets, and support property managers and tenants in compliance with stormwater permit conditions. The proposed rate is an 8.0% increase from 2023 as advised by the Utility Rate Advisory Committee. This rate increase will help ensure the Utility is able to fund regulatory requirements and rehabilitation projects, including projected capital improvements, over the next 5 years.

JUSTIFICATION

The Stormwater Utility is a self-funded program responsible for maintaining all Port of Seattle Maritime property stormwater assets and ensuring properties comply with all relevant stormwater regulations. Cost for these services continue to increase with regional inflation and also due to the increasing complexity in stormwater regulations in Washington State. Additionally, a few substantial capital improvements are on the immediate horizon increasing demand on this limited utility revenue stream. A rate increase at the proposed level of 8.0% allows the Utility to improve water quality to meet the Port’s Century Agenda environmental goals by:

1. Meeting or exceeding stormwater regulatory requirements;

Meeting Date: November 14, 2023

2. Investing in streamlining processes to improve efficiency and reduce costs of meeting regulatory obligations; and
3. Maintaining significant level of investment to rehabilitate and increase the performance of the stormwater system to protect water quality in the Puget Sound.

DETAILS

The Utility was formed in 2014 to enable the Port to provide services, facilities, systems, and programs for surface water and stormwater management and pollution control. The Utility collects stormwater fees from the Port of Seattle, Northwest Seaport Alliance (NWSA), and tenants, and reinvests that income into maintaining and upgrading the stormwater infrastructure. Prior to creating the Utility, the stormwater fees paid by the Port and its tenants to the City of Seattle (City) were used to address City priorities and not priority stormwater needs at Port facilities. Benefits of Utility work include water quality protection in the Puget Sound as well as stormwater infrastructure that better supports Port tenants’ stormwater investments.

The Utility rates apply to all Port-owned maritime (non-aviation) property, which includes land managed by the NWSA. Tenants pay stormwater fees based on the area of their leaseholds. The stormwater fees for the remaining unleased land at a facility are paid by the operating business. The operating business is either the NWSA or the specific Port business (Economic Development, Maritime Operations, Cruise, etc.) that oversees the unleased property. Rates are set to recover the cost of Utility operation and maintenance and support future capital improvements.

The City’s utility rates, reflected in City Resolution 32000 (signed May 13, 2021), continue to be on average 21% higher than the Port’s stormwater rates.

The Port’s Stormwater Utility rates are approved annually by the Commission. The Utility’s internal Rate Advisory Committee reviews and validates rate recommendations for Commission consideration and approval. The advisory committee has recommended an 8.0% increase in 2024. This would ensure the Utility budget is sufficient to address stormwater regulatory obligations and asset improvement projects.

The 2023 stormwater utility rates and proposed rates with 8.0% increase are shown in the table, below.

Utility Rate Category	2023	Proposed 2024
<i>(based on % impervious surface)</i>	<i>(\$ per 1,000 square feet)</i>	
Undeveloped (0-15%)		
Regular	\$43.13	\$46.58
Low Impact	\$25.25	\$27.27
Light (16-35%)		
Regular	\$66.69	\$72.03
Low Impact	\$52.46	\$56.65

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Utility Rate Category	2023	Proposed 2024
Medium (36-65%)		
Regular	\$96.87	\$104.61
Low Impact	\$77.92	\$84.15
Heavy (66-85%)	\$129.97	\$140.37
Very Heavy (86-100%)	\$153.73	\$166.03

Scope of Work

The Utility completed a full system assessment to obtain baseline conditions of the existing stormwater infrastructure at the end of 2019. As of mid-2023, over 75 urgent repairs of stormwater infrastructure have been completed since 2016, reducing hazards and allowing the conveyance system to function properly, which benefits overall water quality. Twenty-eight tide gates have been installed preventing the flow of tidal waters into the conveyance system, which is both a safety and an infrastructure improvement. Other completed work includes administrative efforts to update policies that guide Utility work, refine the billing system, and provide support to tenants and Port business units to comply with stormwater regulations.

Several capital projects were completed to replace poorly functioning stormwater infrastructure and to purchase large equipment (e.g., closed-circuit television truck, vacuum truck, grout truck) that support this work. In 2021, the Utility completed its first strategic plan, which included feedback from Port, NWSA, and external tenant stakeholders. The Strategic Plan memorializes a vision and mission for the Utility to prioritize our work for five years (2021-2025). This plan is intended to help better serve customers and ensure a resilient Utility while supporting the Maritime industry. There are six goals with strategies and specific tasks to support the guiding principles defined in the mission and vision statements.

The projected expense and capital budgets in 2024 total approximately \$8.6M, which will be necessary to:

- Perform system assessments to monitor known conditions and be proactive in asset management;
- Repair damaged stormwater pipes and infrastructure;
- Perform required regulatory stormwater management activities such as catch basin inspections and sweeping;
- Perform additional stormwater management activities that enhance water quality protection, such as dock cleaning and plaza washing;
- Evaluate and implement two to three green or innovative stormwater treatment systems;
- Use on-line technology to support and document field inspections;
- Refine dashboard for real-time data reports of Stormwater Infrastructure Asset Management System;
- Apply scoring matrix including equity, diversity and inclusion considerations to prioritize infrastructure work;
- Implement year 4 of the strategic plan;

Meeting Date: November 14, 2023

- Participate in Port-wide planning and research for in-depth climate change/resilience study that includes stormwater infrastructure;
- Complete the current capital program portfolio including pipe rehabilitation and drainage improvements; and
- Cover operational and administrative expenses including staff costs, utility taxes and Port allocations.

Rate Criteria: The following criteria were used in considering the proposed 2024 rate:

1. Maintain adequate budget to meet or exceed stormwater regulatory requirements, the Port’s Environmental Long-Range Plan, and Utility Charter responsibilities including rehabilitation of stormwater infrastructure.
2. Continue adequate funding to maintain and improve a high functioning stormwater system to benefit the water quality of the Puget Sound.
3. Maintain a 6-month fund reserve for financial prudence consistent with Port policy and best practices.
4. Maintain a consistent rate increase over the 5-year projection, striving for a smooth rate profile to avoid future steep rate hikes and maintain stable funding for the program.

Schedule

The Utility Rate Advisory Committee reviewed and validated the rate recommendation in October 2023. This committee consists of Port and NWSA operations, real estate, property management and finance leaders. The Utility does not explicitly seek external input, consistent with other public drainage utilities, but relies on the committee’s expertise to reflect customer needs and priorities. The public notice for Commission approval seeks public input similar to the Seattle City Council approval process for municipal utilities. If approved by the Commission, the 2024 rates will be adopted by the Utility effective January 1, 2024. The Utility notifies tenants in December of the upcoming rate change following adoption. Tenants can dispute billing fees by contacting Utility staff, and a decision would be made within 60 days of receipt of the dispute.

ALTERNATIVES AND IMPLICATIONS CONSIDERED

Alternative 1 – Increase rates by 9.5%

Cost Implications: Projected revenue in 2024 will be \$7.8M

Pros:

- (1) Builds greater fund balance to support unexpected repairs and future planned capital projects in next 5 years as compared to the recommended alternative.
- (2) Funds critical capital investments to meet Century Agenda goals and exceed regulatory requirements.

Cons:

- (1) Higher 2024 financial impact to tenants, NWSA and Port business units than recommended alternative, with average of 9.5% increase over next 5 years.

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- (2) Higher fees for customers in 2024 than were enacted during the COVID-19 pandemic (2021-2023).
- (3) Falls below the 6-month reserve balance for a less than a week in 2024.

This is not the recommended alternative.

Alternative 2 – Increase rates by 8.0%

Cost Implications: Projected revenue in 2024 will be \$7.6M

Pros:

- (1) Enables lower average rate change over the next 5 years, projecting an average of 8.0% through 2028 to conduct project stormwater work and maintain recommended fund reserve balance.
- (2) Lower financial impact in 2024 to tenants, NWSA and Port business units.
- (3) Steady projected rate change of 8.0% over the next five years allows customers to better plan for budget changes.
- (4) Funds critical capital investments to meet Century Agenda goals and exceed regulatory requirements.

Cons:

- (1) Builds a lower fund balance for future planned capital projects than Alternative 1.
- (2) Higher fees for customers in 2024 than were enacted during the COVID-19 pandemic (2021-2023).
- (3) Falls below the 6-month reserve balance for less than a week in 2024.

This is the recommended alternative.

FINANCIAL IMPLICATIONS

All revenue collected by the Utility is separate from the Port’s general funds and must be spent on or for the benefit of the Port stormwater program. The proposed rate increase has several positive implications including:

- Maintain funding for critical stormwater infrastructure improvements,
- Support a 6-month fund reserve as sound fiscal policy consistent with standard Port procedure (except for a short period in 2024), and
- Reduce operating costs funded by Port business units and tenants by funding stormwater related maintenance activities.

ADDITIONAL BACKGROUND

The Utility maintains a separate accounting fund, known as the stormwater utility fund, to conduct all business. This fund is separate from the Port general funds and cannot be used for any purpose other than administering, operating, maintaining, and improving the Port’s stormwater system. The Utility may borrow money from the Port funds as needed, provided that such funds are paid back in full to the originating funds.

Meeting Date: November 14, 2023

ATTACHMENTS TO THIS REQUEST

- (1) Presentation slides

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

October 25, 2022 – The Commission approved Marine Stormwater Utility Rates for 2023.

September 14, 2021 – The Commission approved Marine Stormwater Utility Rates for 2022.

October 27, 2020 – The Commission approved Marine Stormwater Utility Rates for 2021.

October 8, 2019 – The Commission approved Marine Stormwater Utility Rates for 2020.

October 9, 2018 – The Commission approved Marine Stormwater Utility Rates for 2019.

November 14, 2017 – The Commission approved Marine Stormwater Utility Rates for 2018.

November 18, 2014 – Commission approved Resolution No. 3696, as amended, Authorizing Stormwater Utility Formation, included utility rates for 2015 through 2017.

Marine Stormwater Utility 2024 Rate Adoption

November 14, 2023

Sarah Ogier, Director, Maritime Environment & Sustainability
Jane Dewell, Senior Manager, Marine Stormwater Utility

Action Requested

- Request Commission authorization of 8.0% rate increase in 2024 to fund Marine Stormwater Utility
- Rate criteria includes:
 - Maintain adequate budget to meet Port's Long-range Plan and Utility Charter responsibilities
 - Continue investment to maintain and improve a high functioning stormwater system to protect water quality
 - Support a 6-month fund reserve consistent with Port policy and best practices
 - Maintain consistent rate over a 5-year projection



Stormwater Utility Operating Budget

\$ in 000's	2022 Actual	2023 Approved Budget	2023 Forecast	2024 Estimated Budget
Revenue	6,840	7,081	7,081	7,648
Expenses				
SWU Admin	1,524	1,607	1,607	1,593
Maintenance	2,995	3,592	3,592	4,700
Other	1,139	1,067	1,067	1,318
Total Expense	5,658	6,266	6,266	7,611
Capital Program	1,130	1,218	1,218	1,060

Key Accomplishments

- 2021-2025 Strategic Plan
 - Define and track equity goals
 - Implement digital record-keeping for inspections
 - Refine plans for green stormwater infrastructure improvements
- Asset Management & Stewardship
 - Progress on system rehabilitation
 - Trenchless construction repairs
 - New capital projects and project design initiation
- Stormwater Innovations
 - Oyster shell barrels and Splash Boxx
 - Pilot testing for Hula Bug, Flogard and Retain Drain
 - Decant facility feasibility analysis



Pipes ready for installation at Terminal 46



Bioretention at Shilshole Bay Marina

2024 Proposed Annual Rates

Stormwater Rate Category	City 2024*	Port 2024*	City rate % higher than Port
Undeveloped (0 – 15% Impervious)			
Regular Impact	\$59.05	\$46.58	27%
Low Impact	\$34.21	\$27.27	25%
Light (16 – 35% Impervious)			
Regular Impact	\$87.62	\$72.03	22%
Low Impact	\$68.11	\$56.65	20%
Medium (36 – 65% Impervious)			
Regular Impact	\$124.14	\$104.61	19%
Low Impact	\$100.31	\$84.15	19%
Heavy (66 – 85% Impervious)	\$164.01	\$140.37	17%
Very Heavy (86 – 100% Impervious)	\$195.58	\$166.03	18%

*Rates are shown as \$ per 1,000 sq ft

Request Adoption of 2024 Rate

Questions?

[RETURN TO AGENDA](#)



Port
of Seattle®



**COMMISSION
AGENDA MEMORANDUM**

Item No. 10a

ACTION ITEM

Date of Meeting November 14, 2023

DATE: October 20, 2023

TO: Stephen P. Metruck, Executive Director

FROM: Dan Thomas, Chief Financial Officer
Michael Tong, Director, Corporate Budget

SUBJECT: Introduction and Public Hearing of Resolution No. 3814, Adopting the Final Budget of the Port of Seattle for the Year 2024

ACTION REQUESTED

Request Introduction of, and hold a public hearing regarding, Resolution No. 3814: A resolution of the Port Commission of the Port of Seattle adopting the final budget of the Port of Seattle for the year 2024; making, determining, and deciding the amount of taxes to be levied upon the current assessment roll; providing payment of bond redemptions and interest, cost of future capital improvements and acquisitions, and for such general purposes allowed by law which the Port deems necessary; and directing the King County Council as to the specific sums to be levied on all of the assessed properties of the Port of Seattle District in the Year 2024.

EXECUTIVE SUMMARY

The 2024 business and budget planning process began in May. In the past few months, staff conducted budget work sessions, provided briefings to the Commission on budget process, key budget assumptions, SWOT analysis and budget development overview, preliminary operating budget, and preliminary capital budget. The preliminary 2024 Budget document was provided to the Commission on October 24, 2023 and made available to the public on October 26, 2023.

Staff recommends the following final budget process:

- November 14, 2023 – First Reading of Resolution No. 3814 and Public Hearing
- November 21, 2023 – Second Reading and Final Passage of Resolution No. 3814
- November 30, 2023 – Submittal of the 2024 Final Statutory Budget to the King County Council and Assessor’s Office.
- December 8, 2023 – Release of the final 2024 Budget and Draft Plan of Finance document to the public.

ADDITIONAL BACKGROUND

The budget process includes planning, setting up and testing new budget modules in the budget system, budget user training, department strategic and business planning, publishing budget guidelines, establishing budget targets, entering budget data into the system, running budget

Meeting Date: November 14, 2023

allocations and budget reports, conducting department and division reviews, executive reviews and Commission reviews, preparing and publishing the preliminary budget document, a public hearing, adoption of the final budget, filing the statutory budget with the King County Council and Assessor’s Office, and the preparation and release of the final budget document.

Prior to the Introduction and public hearing of the preliminary 2024 Budget on November 14, 2023, staff has provided 7 briefings to the Commission. The preliminary 2024 Budget was provided to the Port Commission on October 24, 2023 and made available to the general public on October 26, 2023. An announcement of the preliminary budget and public hearing was made in the Daily Journal of Commerce newspaper on November 2, 2023 and November 9, 2023.

After the public hearing and Commission adoption of a final plan, the statutory budget will be filed with the King County Council and King County Assessor, as required by law. The final 2024 Budget and Draft Plan of Finance will be released to the public by December 8, 2023.

ATTACHMENTS TO THIS REQUEST

- (1) Draft Resolution No. 3814
- (2) Presentation slides

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

- October 24, 2023 – 2024 Tax Levy and Draft Plan of Finance for 2024-2028 Briefing
- October 10, 2023(PM) – Maritime and EDD CIP and Operating Budgets Briefing
- October 10, 2023 (AM) – Aviation Division CIP and Operating Budgets Briefing
- September 26, 2023 – 2024 Central Services Preliminary Budget and Portwide Rollup Briefing
- July 25, 2023 – 2024 Budget Development Briefing
- July 24, 2023 – Commission Budget Retreat – Part II
- June 29, 2023 – Commission Budget Retreat – Part I

Introduced and Public Hearing: 11/14/23
Adopted:

**PORT OF SEATTLE
RESOLUTION NO. 3814**

A RESOLUTION of the Port Commission of the Port of Seattle adopting the final budget of the Port of Seattle for the year 2024; making, determining, and deciding the amount of taxes to be levied upon the current assessment roll; providing payment of bond redemptions and interest, cost of future capital improvements and acquisitions, and for such general purposes allowed by law which the Port deems necessary; and directing the King County Council as to the specific sums to be levied on all of the assessed properties of the Port of Seattle District in the Year 2024.

WHEREAS, the Port of Seattle in the Century Agenda commits to create economic opportunity for all, steward our environment responsibly, partner with surrounding communities, promote social responsibility, conduct ourselves transparently, and hold ourselves accountable; and

WHEREAS, the Port of Seattle's Century Agenda outlined goals of meeting current demand as a business gateway and tourism hub for the region, and further expressed the need to anticipate future growth of the region and to prepare for the ensuing demand for cruise, maritime, and aviation all for the economic benefit of the region; and

WHEREAS, the Port of Seattle Commission is committed to the responsible stewardship of public tax revenue, financial transparency, and an open budget process; and

WHEREAS, the Port of Seattle and its Commission are committed to making strategic investments necessary to promote a thriving maritime and industrial economy and recognize that increasing pressure on industrial lands and freight corridors in the region threatens the viability of this sector; and

WHEREAS, the long-term viability of the maritime and industrial sector is dependent on a robust and well-trained workforce and the sector is facing both an aging workforce and a limited influx of trained younger workers to replace those approaching retirement and the need to strengthen training and pathways into the sector; and

WHEREAS, the Port of Seattle Commission is committed to reducing our carbon footprint by investing in solutions to become the "greenest" and most efficient port in the

nation and we are further committed to assisting and incentivizing those we do business in order to reach these goals; and

WHEREAS, the Port of Seattle Commission has determined that the mission of the Port is to create good jobs in the region by advancing trade and commerce, promoting manufacturing and maritime growth, and stimulating economic development; and

WHEREAS, the Port of Seattle Commission, on the 24th day of October, 2023, published the preliminary 2024 Budget of the Port of Seattle on the Port website and, on the 26th day of October, 2023, made hard copies available to the public; and for the publication of Notice of Budget Hearing to consider adoption of a final budget, to be heard on the 14th day of November, 2023, when taxpayers might appear and present objections to the preliminary 2024 Budget; and

WHEREAS, a public hearing on the preliminary 2024 Budget was held remotely and in-person in the Port Commission Chambers, pursuant to notice duly given, in the City of Seattle, County of King, State of Washington, on the 14th of November, 2023, at 12 p.m.; and

WHEREAS, all parties present at said hearing were afforded a full opportunity to present objections to the preliminary 2024 Budget, and the Port Commission being duly advised in the premises; and

WHEREAS, the King County Assessor notified the Commissioners of the Port of Seattle on the 28th day of September, 2023, that the preliminary regular levy assessed value of the property lying within the boundaries of the Port of Seattle district ("Port District") for the year 2023 is \$818,180,224,035 (after omitted assessments); and

WHEREAS, the King County Assessor notified the Commissioners of the Port of Seattle on the 28th day of September, 2023, that the preliminary maximum allowable levy is \$115,552,773, including \$273,518 levy for prior year refunds, and the Port intends to retain this levy capacity; and

WHEREAS, the Port has outstanding General Obligation bonds due in 2024 and has a General Obligation line of credit, for the payment of the principal and interest on such indebtedness in 2024 the entire amount of the levy is required to be available to the Port.

NOW, THEREFORE, BE IT RESOLVED by the Port Commission of the Port of Seattle that the preliminary 2024 Budget, as updated and amended at the November 14, 2023, Port Commission hearing, and as may have been further amended by the Port Commission on this 21st of November, 2023, is hereby adopted as the final budget of the Port of Seattle for the Year 2024. Said final budget includes the statutory budget required under RCW 53.35.040. A copy of the final budget shall be made available to the public on the Port of Seattle website.

BE IT FURTHER RESOLVED that the amount of taxes to be levied by the Port of Seattle on the current assessment rolls to provide for payment of bond redemption and interest on the Port of Seattle General Obligation Bonds and line of credit and, as available, for future expenditures for acquisitions and capital improvements and for such general purposes allowed by law which the Port deems necessary be set and deposited is still pending commission approval.

BE IT FURTHER RESOLVED that the King County Council, State of Washington, be notified that the specific sum herein mentioned being a total of \$86,664,580 is necessary to be raised by taxation to meet the payment of bond redemption and interest on Port of Seattle General Obligation Bonds and line of credit, of future expenditures for acquisitions and capital improvements, and of costs for such general purposes allowed by law which the Port deems necessary, as set forth for the period January 1, 2024, and thereafter; that said King County Council be respectfully requested to make a levy in said amount for the aforesaid purposes.

BE IT FURTHER RESOLVED that the above is a true and complete listing of levies for the Port District for collection in the year 2024 and they are within the maximums established by law.

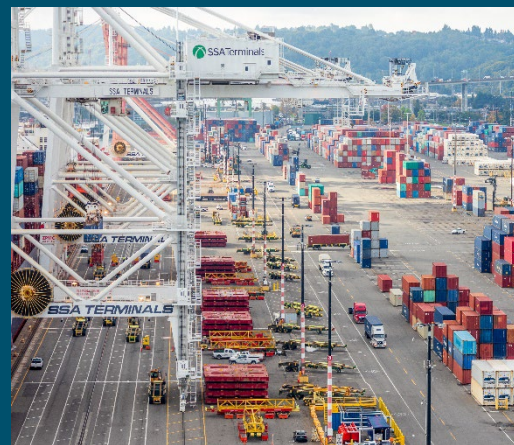
ADOPTED by the Port Commission of the Port of Seattle at a duly noticed meeting held this 21st day of November, 2023, and duly authenticated in open session by the signatures of the Commissioners voting in favor thereof and the seal of the Commission.

Port Commission



Introduction & Public Hearing of the Preliminary 2024 Budget

Date: November 14, 2023



Outline

- Background
- Changes Since Prior Briefings
- 2024 Operating Budget Highlights
- 2024-2028 Capital Plan
- 2024 Sources and Uses of Funds
- 2024 Proposed Tax Levy
- 2024 ESAP/Equity with Budgeting
- Remaining 2024 Budget Schedule

Background

- The Commission was briefed on the Preliminary Central Services in September and Operating Division budgets in October
- The 2024 Preliminary Budget document was provided to the Commission on October 22nd and released to the public on October 24th
- Today's presentation highlights subsequent changes and provides a high-level summary of the budget for today's Public Hearing
- Additional details are provided in the Appendix

Changes Since Prior Commission Briefings

- Aviation Division – REVENUES decreased by \$7.6 million
 - Aeronautical revenues decreased by a net \$7.4M:
 - Lower Aeronautical revenue from the Aeronautical share of \$11.4M reduction in O&M costs which qualified for capitalization
 - Partially offset by the Aeronautical share of a \$5.0M contingency added to O&M expenses
 - Non-Aeronautical revenue decreased by \$0.2M:
 - (\$183K) - decrease in Ground Transportation cost recovery revenue due to lower allocated costs
 - (\$64K) - decrease in Utility cost recovery revenue due to lower allocated costs
 - \$30K - increase in Non-Aeronautical space rent due to the higher terminal lease rate

Changes Since Prior Commission Briefings

- Aviation – OPERATING EXPENSES decreased \$6.3M:
 - (\$11.4M) reduction in Operating Expenses due to costs identified which qualify for capitalization
 - \$5.0M increase in Operating Expenses due to addition of contingency, potential utilization of contingency provided in appendix
 - \$72K increase in Payroll for represented labor group contractual increase based on published CPI not available earlier in budget development process
 - (\$6K) reduction in B&O Tax expense due to incremental change in revenue
 - (\$2K) reduction in Credit Card Fee expense due to incremental change in revenue

Changes Since Prior Commission Briefings

- Maritime Division
 - No change
- Economic Development Division
 - No change
- Central Services
 - PCS : reclass salary from capital to operating expense (\$33K)
- NWSA/Joint Venture
 - No change

2024 Operating Budget Highlights

(\$ in '000s)	2021	2022	2023	2024	Inc/(Dec)	
	Actual	Actual	Budget	Proposed Budget	Change from 2023	
					\$	%
Operating Revenues	622,020	810,130	953,684	1,023,071	69,387	7.3%
O&M Expenses w/o Pension Credit	422,372	491,377	573,431	617,056	43,625	7.6%
DRS Pension Credit	(57,716)	(15,638)	-	-	-	NA
O&M Expenses with Pension Credit	364,656	475,739	573,431	617,056	43,625	7.6%
Net Operating Income (with Pension Credit)	257,364	334,390	380,253	406,015	25,762	6.8%

- Operating revenues up 7.3% to \$1,023 million from 2023 Budget
- Operating expenses up 7.6% to \$617 million from 2023 Budget
- Net Operating Income up 6.8% to \$406 million from 2023 Budget

2024 Key Budget Drivers

- **Payroll**

- 5.0% Cost-of-Living Adjustment (COLA) increase for non-represented employees
- 2.0% average Pay for Performance increase for non-represented employees
- Wage increases for represented groups based on contracts
- Approved a net increase of 16.7 new mid-year FTEs in 2023, which carry over into 2024
- Added a net increase of 60.0 FTEs for 2024, focused on strategic objectives and supporting critical operations
- 5.0% vacancy factor

- **Non-Payroll**

- Growing operational needs and capital investment program
- Maintenance costs for new facilities
- Increase in insurance premiums and other contractual costs
- Added resources for customer service and safety & security for the travelling public
- Invest in employee development and retention
- Additional investments in Environmental Sustainability, Workforce Development, and Community Programs

2024 Community Programs

\$19.3 million is being invested in 17 programs supporting equitable economic opportunities throughout the region and healthy communities and environment.



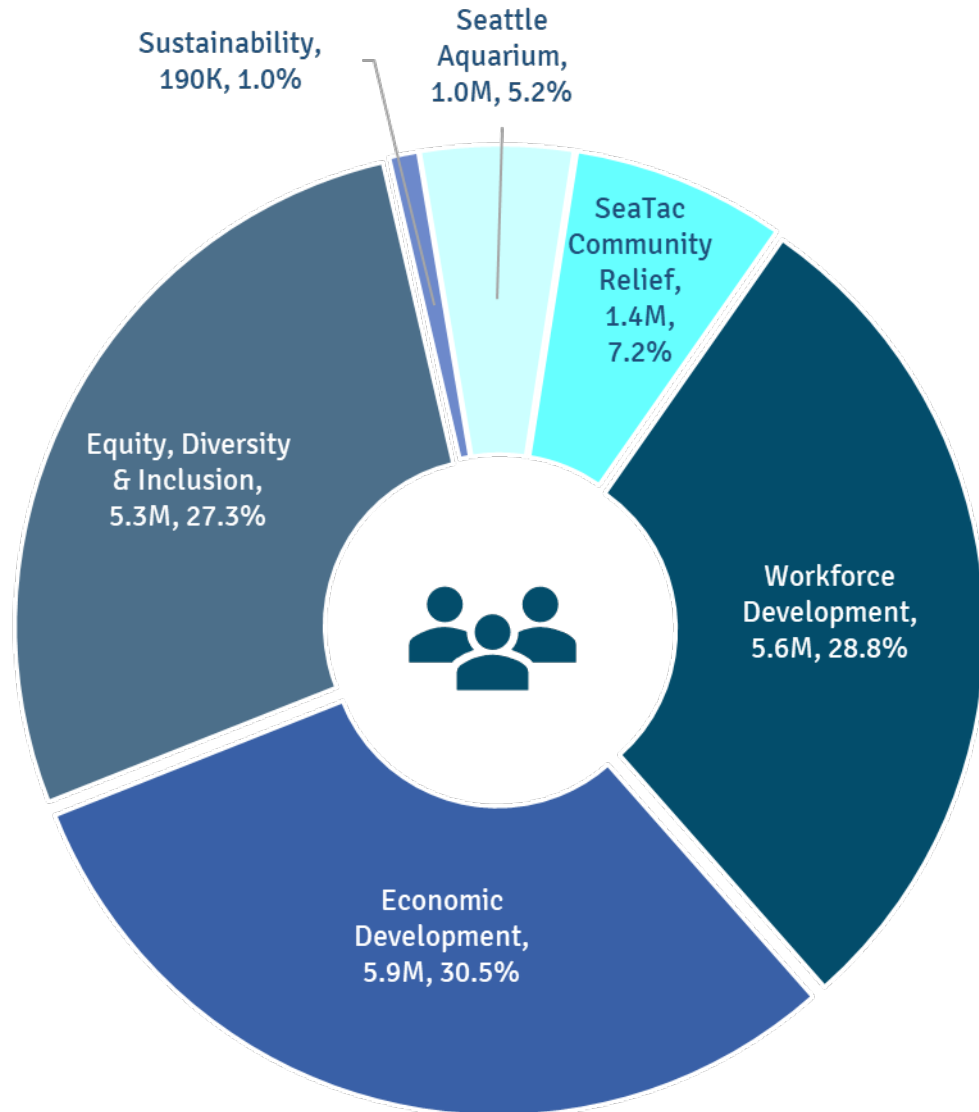
- Diversity in Contracting and DBE/ACDBE/WMBE Training and Outreach
- Equity, Diversity and Inclusion
- Community Business Connectors

- Airport Employment Center
- Internship program
- Maritime High School
- Youth Maritime Career Launch Program
- Construction Trades Pre-Apprenticeship Training and support

- South King County Community Impact Fund
- Duwamish Valley Community Equity Program
- Green House Gas Reduction Initiatives

- Economic Development Partnership Program
- Tourism Marketing Support Program
- Community Advertising Program

2024 Port Community Program Funding by Activity*



\$19.3M Total

Workforce Development

- Workforce Development Department - \$5.1M
- High School Interns - \$486K

Economic Development

- Diversity in Contracting -\$2.3M
- Tourism Marketing Support - \$1.9M
- Economic Development Partnership grants - \$950K
- Spotlight Advertising - \$466K
- Community Business Connector - \$380K
- Maritime Blue - \$175K

Equity, Diversity & Inclusion

- South King County Community Impact Fund (SKCCIF) - \$2.2M
- OEDI Department - \$2.0M
- Program staff support - \$589K
- Duwamish Valley Community Equity program - \$471K

SeaTac Community Relief

- \$1.4M

Seattle Aquarium

- \$1.0M

Sustainability

- Ace Fund - \$40K
- Low Carbon Fuel Standards- \$150K

* Detailed list included in the Appendix.

2024 Port Community Program Funded by Levy*

Workforce Development

- Workforce Development Department - \$3.9M
- High School Interns - \$259K

Economic Development

- Economic Development Partnership grants - \$950K
- Spotlight Advertising - \$466K
- Community Business Connector - \$380K
- Tourism Marketing Support - \$300K
- Maritime Blue - \$175K
- Diversity in Contracting - \$50K

Equity, Diversity & Inclusion

- South King County Community Impact Fund (SKCCIF) - \$2.2M
- Program staff support - \$589K
- Duwamish Valley Community Equity program - \$471K
- OEDI Environmental Justice support - \$203K

SeaTac Community Relief

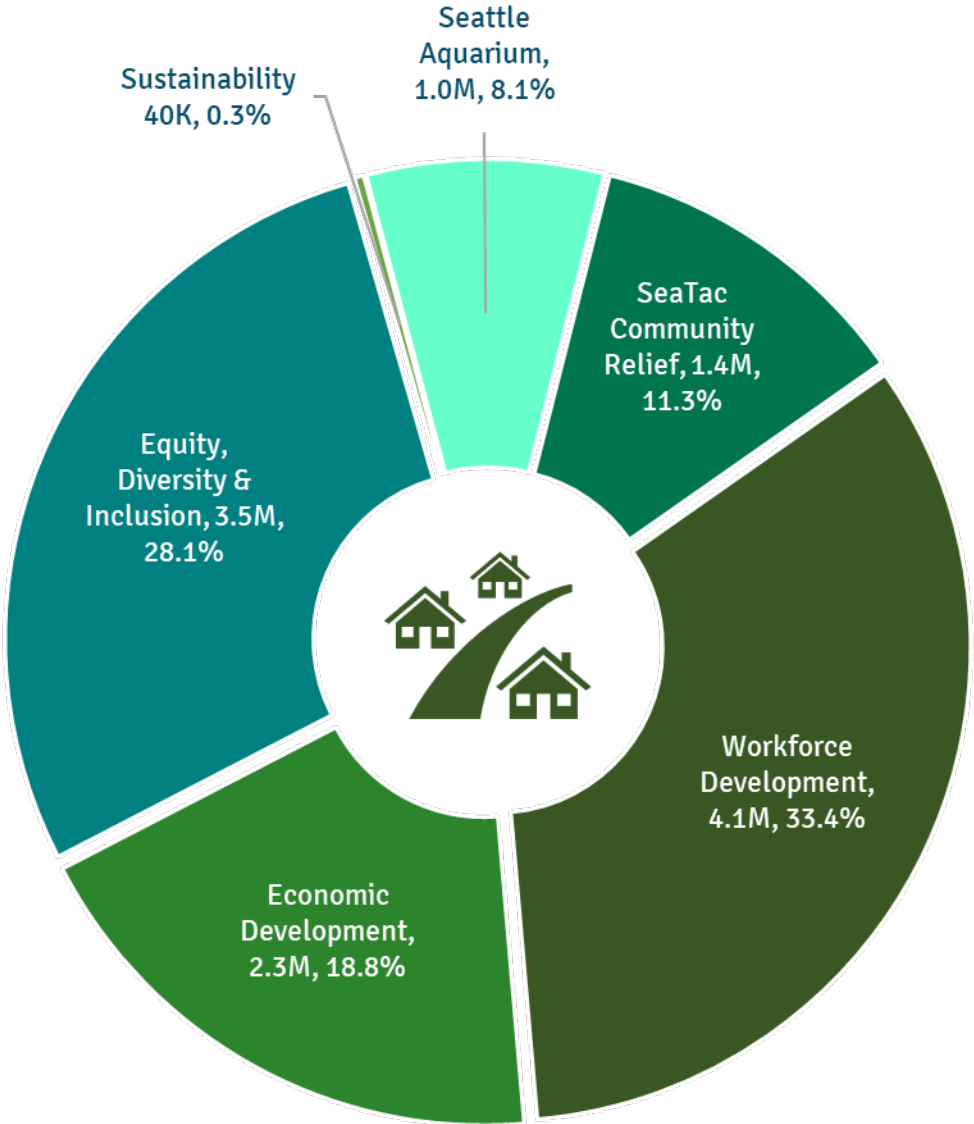
- \$1.4M

Seattle Aquarium

- \$1.0M

Sustainability

- Ace Fund - \$40K



\$12.4M Total

* Detailed list included in the Appendix.

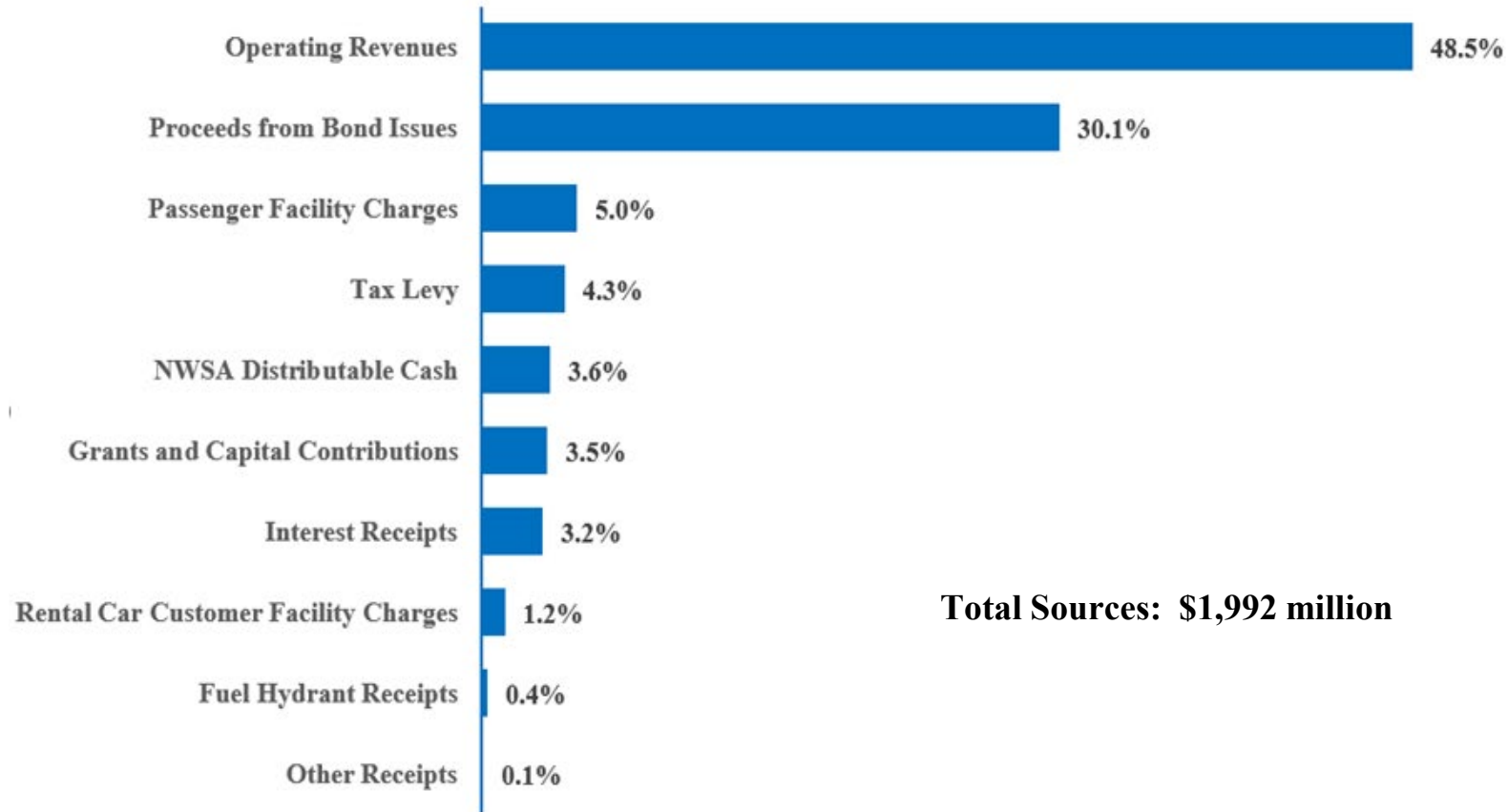
2024-2028 CIP Summary

(\$ in 000's)	Notes	2024 Budget	2024-2028 CIP	% of 2024 Total Committed
Committed Capital Projects				
Aviation Division		\$ 795,967	\$ 3,389,990	85.7%
Maritime Division		92,373	227,020	9.9%
Economic Development Division		22,966	94,968	2.5%
Central Services		16,308	35,269	1.8%
Other	1	1,453	29,336	0.2%
Total Committed		\$ 929,067	\$ 3,776,583	100.0%
Business Plan Prospective Projects		\$ 94,642	\$ 1,861,162	
CIP Cashflow Adjustment Reserve		\$ (181,044)	\$ -	
Total CIP		\$ 842,665	\$ 5,637,745	

Notes:

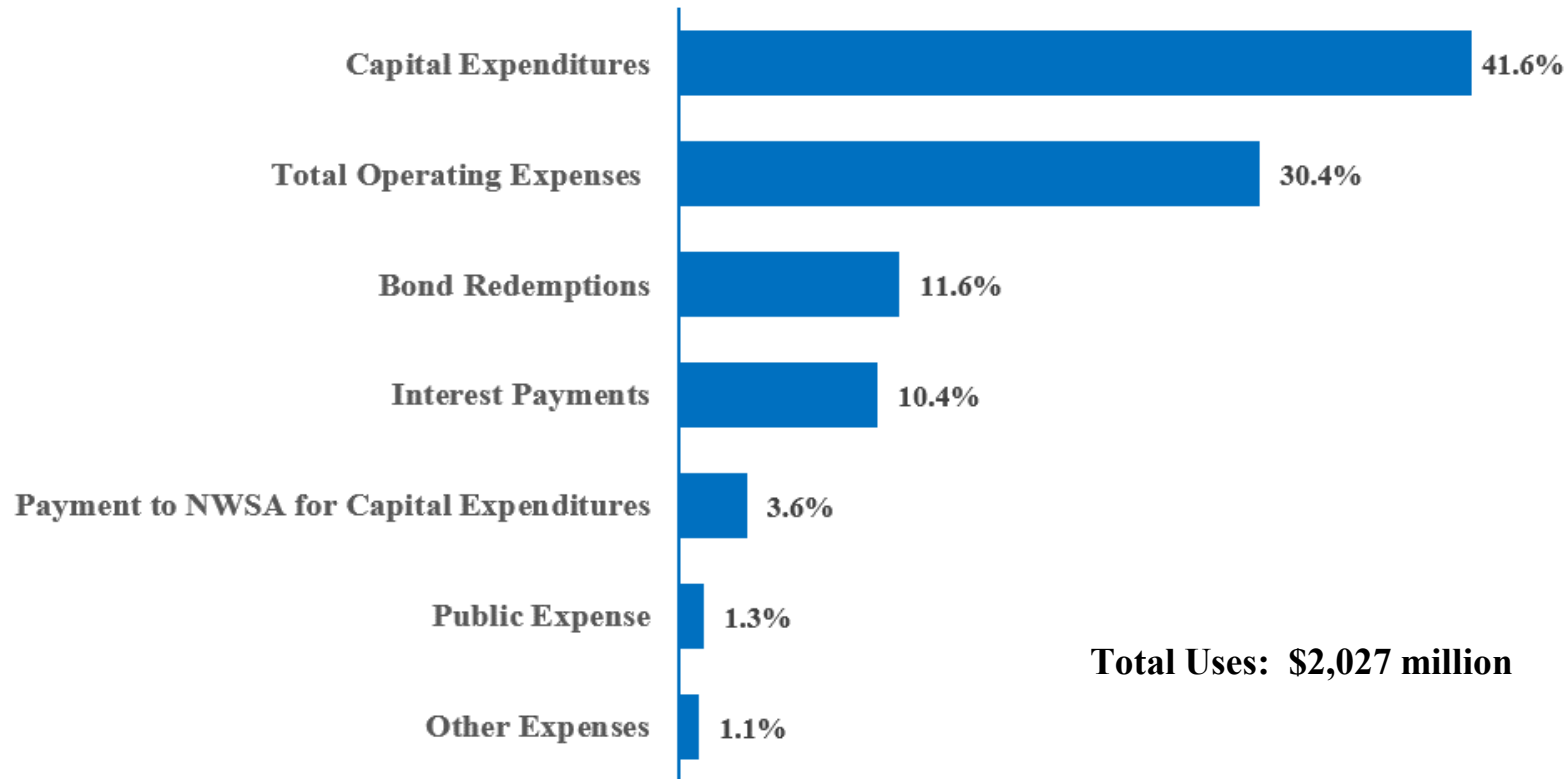
1) Includes the Stormwater Utility and NWSA Joint Venture

2024 Sources of Funds



- 48.5% of funding sources comes from operating revenues
- 30.1% of funding sources comes from bond proceeds
- The tax levy makes up 4.3% of total funding sources in 2024

2024 Uses of Funds



- Plan to spend about 41.6% of total funds on capital projects in 2024
- 30.4% of total expenditures on operating expenses

Tax Levy Summary

- Levy amount is approved annually by the Commission
- Levy can be leveraged by issuing General Obligation (G.O.) bonds
- Current Levy uses:
 - G.O. bond debt service
 - Environmental remediation and sustainability
 - Regional transportation mobility
 - Investments in maritime infrastructure
 - Community: equity, workforce, economic development
- The Port may approve a levy amount up to the maximum allowable within statutory limits (\$115.6 million in 2024)
- 2024 levy proposed to be \$86.7 million



Taxpayer Impact

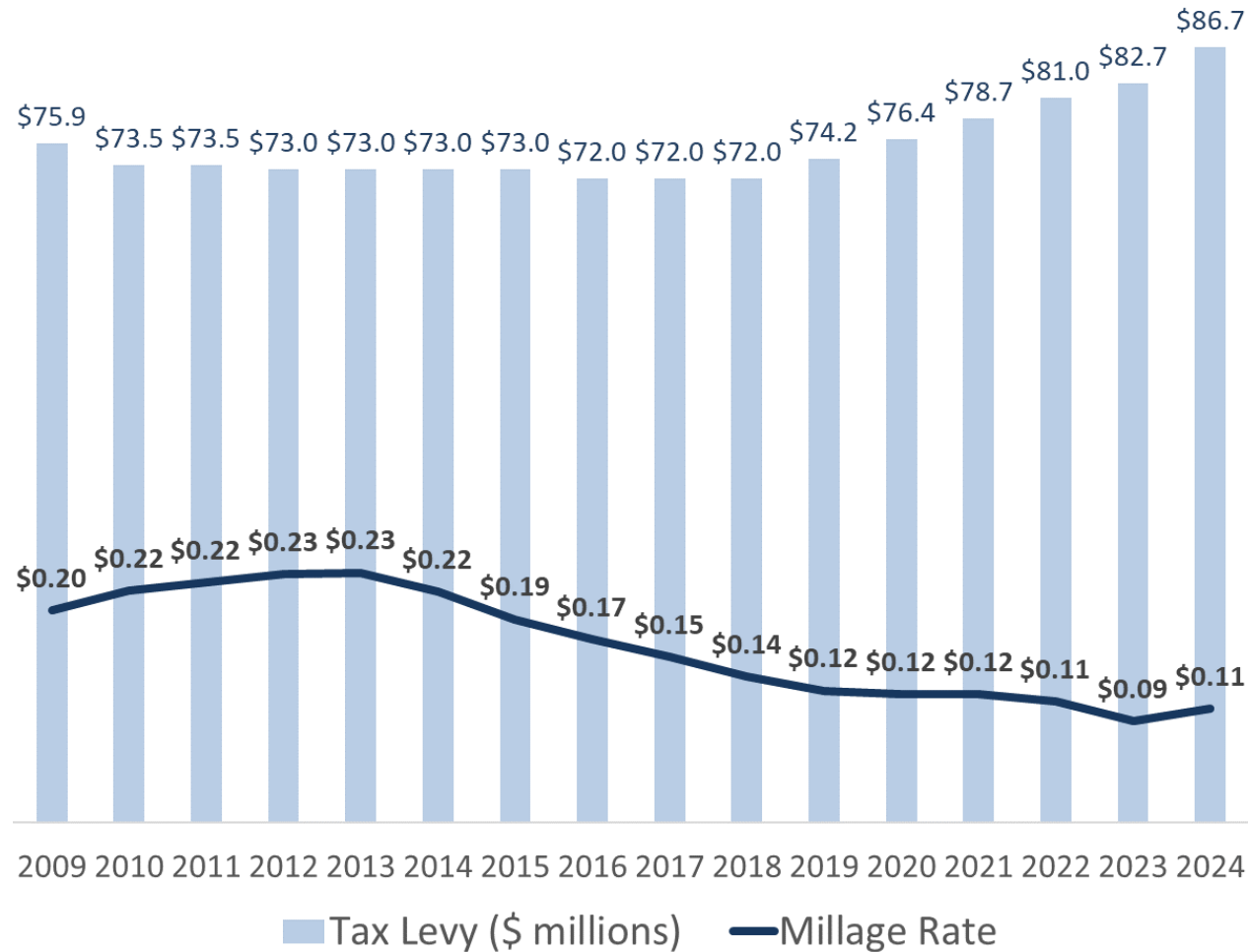
	2023	2024 preliminary
Tax Levy (\$ million)	82.7	86.7
Estimated millage rate (\$/1000)	0.0943	0.1059
Median home value (\$) ⁽¹⁾	853,000	853,000
Estimated median home Port tax (\$)	\$80	\$90

(1) 2023 per King County; 2024 data is not yet available

- The Port's levy increases by 4.8% in 2024, but assessed valuation decreased by 7%, thus the millage rate and median taxpayer tax increase
- The Port's levy was approximately 1.2% of total property taxes levied in King County in 2023



2009-2024 Tax Levy & Millage Rate (1)



(1) Millage rate represents the amount per every \$1,000 of assessed valuation

Remaining 2024 Budget Schedule

- Adoption of 2024 Budget Nov. 14, 2022
- File the Statutory Budget with King County Nov. 30, 2023
- Release the 2024 Final Budget Document Dec. 8, 2023



2024 ESAP/Budgeting With Equity Summary



Equity Spending Definition

The Port of Seattle defines *equity spending* as Port investments that:

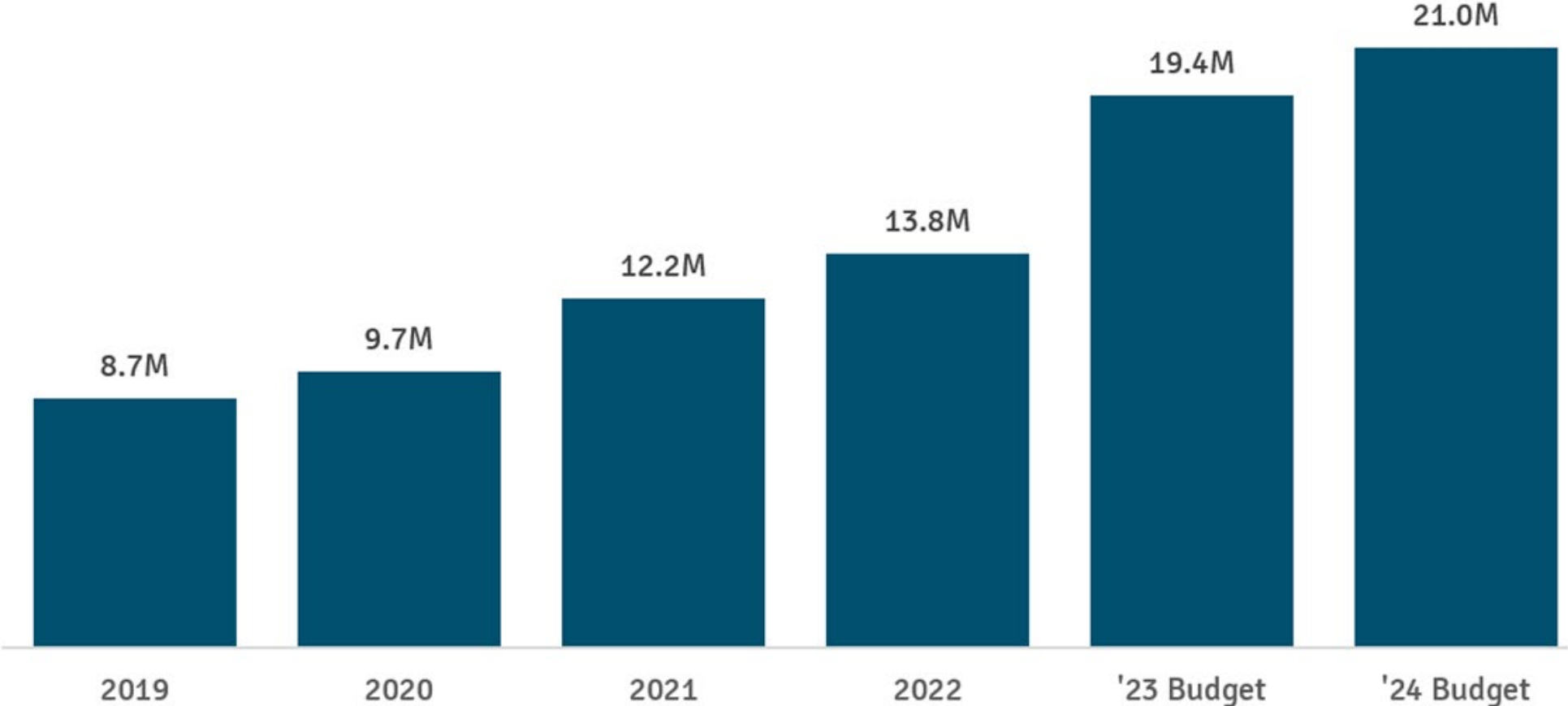
- 1) Invest directly in targeted communities, either through grants, contracts, programs, sponsorships, or dedicated facilities; OR
- 2) Invests in businesses and individuals outside the Port to help us realize our internal and external equity priorities; OR
- 3) Invests in Port staff whose essential work functions were designed to primarily focused on advancing equity work.

Equity Spending Criteria

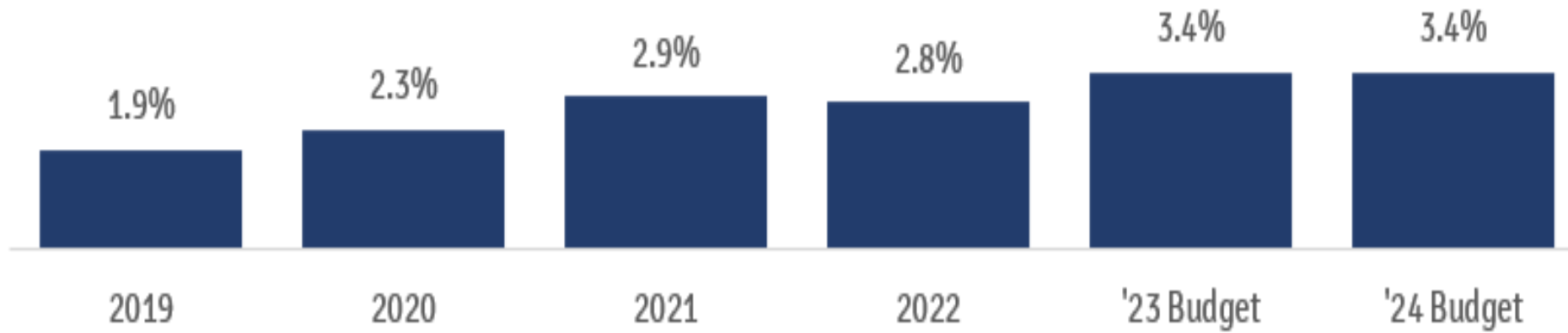
If an investment meets one of the definitions, then it must also meet at least one of the key criteria:

- A. Advances diversity for the Port.
- B. Removes systemic barriers for BIPOC or structurally excluded communities to participate in the Port.
- C. Programs and funding that were developed through direct engagement with communities, and/or communities been consulted in design of the program.
- D. Has a demonstrable impact in quality of life for BIPOC or structurally excluded communities.
- E. Was intentionally designed to have a positive impact in BIPOC or structurally excluded communities .
- F. Achieves our environmental justice goals and removes barriers for BIPOC or structurally excluded communities to live and enjoy a healthy environment.

Port Wide Equity Spending Trend

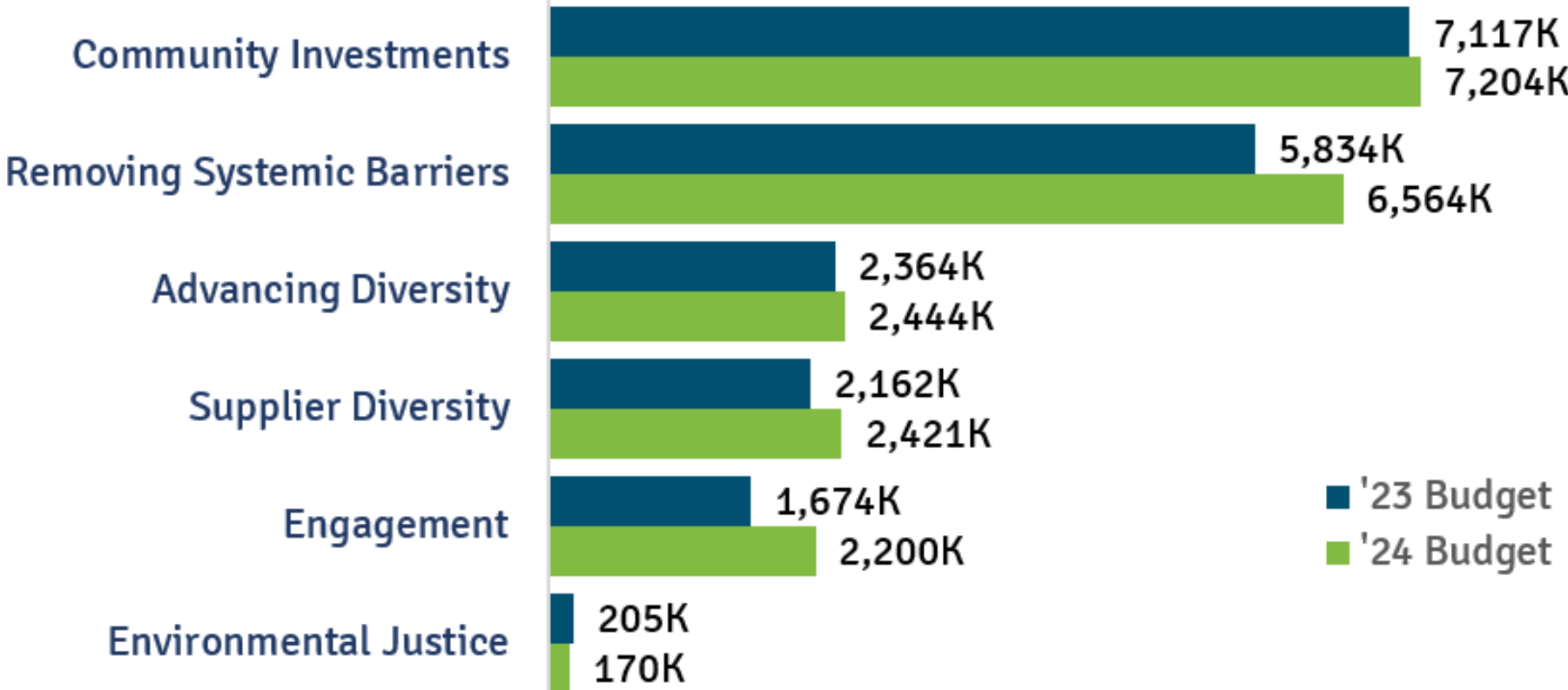


Port Wide Equity Spending as a Percentage of Total Operating Expense

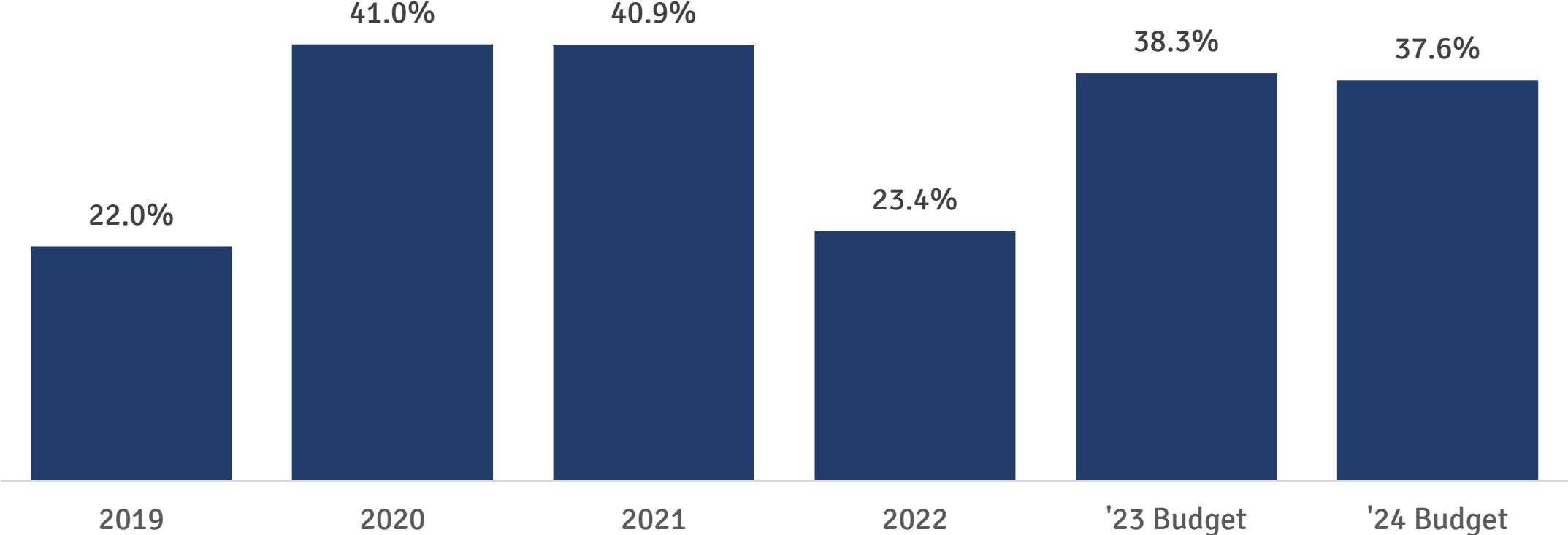


2024 Port Wide Equity Spending by Category

TOTAL AMOUNT by category



Port Wide Equity Spending Funded by Tax Levy



Appendix

2024 Budget Process Recap

Jun. 29	Commission Budget Retreat (Part I)
Jul. 24	Commission Budget Retreat (Part II)
Jul. 25	2024 Budget Development Briefing
Sept. 26	2024 Central Services Operating and Capital Budgets Briefing and Port Wide Rollup
Oct. 10	2024 Aviation Division Operating and Capital Budgets Briefing
Oct. 10	2024 Maritime and EDD Operating and Capital Budgets Briefing
Oct. 24	Preliminary 2024 Budget Document provided to the Commission
Oct. 24	Tax Levy & Draft Plan of Finance Commission Briefing
Oct. 26	Preliminary 2024 Budget Document released to the public
Nov. 14	Introduction & Public Hearing of the Preliminary 2024 Budget
Nov. 21	Adoption of the 2024 Budget
Nov. 30	File the 2024 Statutory Budget with King County
Dec. 8	Release the 2024 Final Budget and Draft Plan of Finance

2024 Business Activity Forecasts

Aviation Division:

- Passenger volumes for 2024 projected to be 3.5% higher than 2023 forecast and 2.1% above the pre-Covid 2019 level
- Long-term focus on capital planning and projects

Maritime Division:

- Cruise forecasts a 100% occupancy rate
- Grain volume budgeted at 3.7 million metric tons, a 14% decrease from the 2023 budget

Economic Development Division:

- Commercial Properties target 90% occupancy rate at the end of 2024

2024 Community Programs

Program (in \$000)	2022 Budget	2023 Budget	2024 Proposed Budget	2024 Budget Funded by the levy	% of the 2024 Budget Funded by the levy
1) Energy & Sustainability Fund	160	120	-	-	-
2) Airport Community Ecology (ACE) Fund	135	40	40	40	100%
3) South King County Community Impact Fund (SKCCIF)	2,195	2,214	2,214	2,214	100%
4) Duwamish Valley Community Equity Program	387	462	471	471	100%
5) EDD Partnership Grants	1,200	850	950	950	100%
6) Tourism Marketing Support Program	1,750	1,830	1,875	300	16%
7) Airport Spotlight Ad Program*	466	466	466	466	100%
8) City of SeaTac Community Relief*	1,400	1,400	1,400	1,400	100%
9) Maritime Blue (formerly Maritime Innovation Center)	150	150	175	175	100%
10) Workforce Development	4,390	5,186	5,077	3,863	76%
a. Youth Career Launch Program (formerly OYI) ¹	1,000	1,000	900	900	100%
b. Airport Employment Center	1,096	1,517	1,517	303	20%
c. Construction Pre-Apprenticeship Program	600	629	650	650	100%
11) High School Internship Program	496	457	486	259	53%
12) Diversity in Contracting	1,836	2,299	2,304	300	13%
a. Small Bus. Accelerator under SKCCIF ²	250	250	250	250	100%
b. DBE/ACDBE/WMBE Training Consultants & Outreach	-	50	50	50	100%
13) Equity, Diversity & Inclusion	1,366	1,767	2,015	203	10%
14) Sustainable Aviation Fuels & Air Emissions Program	200	100	-	-	-
15) Low Carbon Fuel Standard Initiative	110	150	150	-	-
16) Community Biz Connector (Regional Small Biz Partnerships)	150	350	380	380	100%
17) Public Market Study	-	100	-	-	-
18) Seattle Aquarium Partnership	-	1,000	1,000	1,000	100%
Sub Total	16,142	18,691	18,753	11,772	63%
Payroll charged to the Levy ³	483	433	589	589	100%
Grand Total	16,625	19,124	19,342	12,361	64%

Notes:

1 Youth Career Launch Program budget rolls up to Workforce Development total (item 10).

2 \$250K Small Business Accelerator under DIC is included in DIC total (Item 12) and SKCCIF (item 3).

3 2024 Payroll only for CPO & Ext. Rel. Other payroll from HS Interns, WFD, EDI are included in the individual items above.

* Non-Operating Accounts

Community Programs Funded by Tax Levy

Program (in \$000)	2023 Budget Funded by the levy	2024 Budget Funded by the levy	Inc/(Dec) from 2023 Proposed Budget	
			\$ Change	% Change
1) South King County Community Impact Fund (SKCCIF)	2,214	2,214	-	N/A
2) Duwamish Valley Community Equity Program	462	471	8	1.8%
3) EDD Partnership Grants	850	950	100	10.5%
4) City of SeaTac Community Relief*	1,400	1,400	-	N/A
5) Maritime Blue (formerly Maritime Innovation Center)	150	175	25	14.3%
6) Workforce Development	3,785	3,863	78	2.0%
a. Youth Career Launch Program (formerly OYI) ¹	1,000	900	(100)	-11.1%
b. Airport Employment Center	303	303	-	N/A
7) High School Internship Program	252	259	7	2.7%
8) Diversity in Contracting	300	300	-	N/A
a. Small Bus. Accelerator under SKCCIF ²	250	250	-	N/A
b. DBE/ACDBE/WMBE Training Consultants & Outreach	50	50	-	N/A
9) Equity, Diversity & Inclusion	138	203	65	31.9%
10) Community Biz Connector (Regional Small Biz Partnerships)	350	380	30	7.9%
11) Seattle Aquarium Partnership	1,000	1,000	-	N/A
12) Other	1,108	806	(302)	-37.4%
Total	11,760	11,772	12	0.1%
Payroll charged to the Levy ³	433	580	147	25.3%
Grand Total	12,193	12,352	159	1.3%

Notes:

1 Youth Career Launch Program budget rolls up to Workforce Development total (item 10).

2 \$250K Small Business Accelerator under DIC is included in DIC total (Item 12) and SKCCIF (item 3).

* Non-Operating Accounts

2024 Operating Budget for Aviation

(\$ in '000s)	2021	2022	2023	2024	Inc/(Dec)	
	Actual	Actual	Budget	Proposed Budget	Change from 2023	
					\$	%
Operating Revenues						
Aeronautical	317,513	402,540	504,948	520,600	15,652	3.1%
Airport Non-Aero Revenues	183,819	256,613	296,102	332,713	36,611	12.4%
TOTAL	501,332	659,153	801,051	853,313	52,263	6.5%
O&M Expenses w/o Pension Credit	341,679	394,990	460,535	495,724	35,189	7.6%
DRS Pension Credit	(47,462)	(12,286)	-	-	-	NA
O&M Expenses with Pension Credit	294,217	382,704	460,535	495,724	35,189	7.6%
Net Operating Income (with Pension Credit)	207,114	276,449	340,515	357,589	17,074	5.0%

2024 Operating Budget for Non-Aviation

(\$ in '000s)	Note	2021	2022	2023	2024	Inc/(Dec)	
		Actual	Actual	Budget	Proposed Budget	Change from 2023 \$	%
Operating Revenues							
Maritime		48,331	71,534	75,875	86,132	10,256	13.5%
Economic Development		9,294	17,799	22,201	21,542	-659	-3.0%
NWSA/Joint Venture	1)	54,842	55,381	49,010	55,881	6,871	14.0%
Stormwater Utility/ELIM		4,821	5,150	5,392	6,039	647	12.0%
Central Services		3,401	1,112	155	163	8	5.3%
Total		120,689	150,977	152,634	169,758	17,124	11.2%
Operating Expenses							
Maritime		47,784	59,556	66,121	72,589	6,468	9.8%
Economic Development		20,560	24,200	30,149	30,669	520	1.7%
Joint Venture		2,390	2,539	2,148	2,270	122	5.7%
Stormwater Utility/ELIM		3,105	3,967	4,639	6,003	1,364	29.4%
Central Services		6,854	6,125	9,839	9,801	-38	-0.4%
O&M Expenses w/o Pension Credit		80,693	96,387	112,896	121,332	8,436	7.5%
DRS Pension Credit		(10,254)	(3,351)	-	-	-	NA
O&M Expenses with Pension Credit		70,439	93,036	112,896	121,332	8,436	7.5%
Net Operating Income (with Pension Credit)		50,249	57,941	39,738	48,426	8,689	21.9%

Note:

1) Includes NWSA Distributable Revenue

2024 Comprehensive Budget (Combined Operating & Non-Operating Items)

(\$ in 000s)	2021	2022	2023	2024	Inc/(Dec)		Explanations
	Actual	Actual	Budget	Proposed Budget	Change from 2023		
					\$	%	
Revenues							
1. Operating Revenues	622,020	810,130	953,684	1,023,071	69,387	7.3%	Higher operating revenues from each division
2. Tax Levy	78,311	80,785	82,657	86,665	4,007	4.8%	Proposed a 4.8% increase in 2024
3. Passenger Facilities Charges	72,845	88,284	94,122	99,886	5,764	6.1%	Higher enplanements than 2023 budget
4. Customer Facilities Charges	24,271	24,461	24,658	24,899	241	1.0%	Slightly increase from 2023 budget
5. Fuel Hydrant	7,010	7,451	7,023	6,996	(27)	-0.4%	
6. Non-Capital Grants and Donations	105,988	156,546	35,701	5,907	(29,793)	-83.5%	Final year of COVID relief grants in 2023
7. Capital Contributions	47,632	38,116	44,377	63,421	19,044	42.9%	Expect more FAA grant contribution
8. Interest Income	(5,386)	(50,735)	64,128	64,541	413	0.6%	Higher interest rates and fund balance in 2024
Total	952,693	1,155,038	1,306,349	1,375,386	69,036	5.3%	
Expenses							
1. Operating Expenses w Pension Credit	364,656	475,739	573,431	617,056	43,625	7.6%	Higher operating expenses from each division
2. Depreciation	190,683	232,236	207,951	250,025	42,075	20.2%	More new assets coming to service
3. Revenue Bond Interest Expense	132,925	140,838	171,294	162,463	(8,831)	-5.2%	More favorable rates and savings from 2023
4. GO Bond Interest Expense	11,004	11,877	10,562	15,819	5,257	49.8%	Increase in new bond issuance
5. PFC Bond Interest Expense	1,041	-	-	-	-	0.0%	
6. Non-Op Environmental Expense	7,495	1,296	10,500	14,800	4,300	41.0%	Expect higher environmental expenses in 2024
7. Public Expense	9,769	8,282	11,309	27,020	15,711	138.9%	Include the first payment of \$15M for SR509 in 2024
8. Other Non-Op Rev/Expenses	20,160	61,271	3,684	4,459	775	21.0%	Net of a number of other non-op rev and exp accounts
9. Special Item Income/Expense	34,907	-	-	-	-	0.0%	
Total	772,640	931,538	988,731	1,091,642	102,911	10.4%	
Revenues over Expenses	180,053	223,500	317,619	283,744	(33,875)	-10.7%	

2024 FTE Summary

	Aviation	Maritime	Econ Dev.	Central Services	Total
2024 Approved FTE's	1,270.9	291.5	37.0	919.2	2,518.6
Mid Year Approval	9.1	-	-	11.6	20.7
Eliminated	(4.0)	-	-	-	(4.0)
Net Transfers	1.0	-	-	(1.0)	-
Adjusted 2022 FTE's ¹	1,277.0	291.5	37.0	929.8	2,535.3
2024 Budget					
Eliminated	-	-	(1.0)	(1.0)	(2.0)
Transferred	-	-	-	-	-
New FTE's	39.0	5.0	1.0	17.0	62.0
Total 2024 Changes	39.0	5.0	-	16.0	60.0
Proposed 2024 FTE's	1,316.0	296.5	37.0	945.8	2,595.3

- Proposed a net increase of 60.0 FTEs for 2024
 - AV=39.0
 - Maritime=5.0
 - EDD=No change
 - Central Services=16.0

Notes:

1) Includes FTEs from Stormwater Utility in Maritime Division.

Equity in Budgeting Highlights by Division

2024 Equity in Budgeting Highlights (Aviation)

New Equity Spending in 2024 Budget:

- Celebrations and Cultural Connections Events – in recognition of SEA's 75th Anniversary, \$500K – combined contribution from airport share (\$150K) and Airport Dining & Retail concessionaire tenant marketing fund share (\$350K)
- Sponsorship of Open Doors Organization (ODO). Co-hosting Universal Access in Aviation Conference at SEA in 2024 (\$20K)
- Increased Airport Minority Advisory Council engagement (\$27K)

2024 Equity in Budgeting Highlights (Maritime)

- **Continued funds for Park Strategy Outreach** to increase community engagement and begin implementation of Parks Management Strategy.
- Added funding for external **Equity, Diversity & Inclusion Certification** for team members.
- Increased sponsorships that **support workforce development**.
- Outside services contracts and service directives have a **15-20% WMBE Goal**.
- Equitable **professional development/training** incorporated across all budgets.

2024 Equity in Budgeting Highlights (EDD)

- **Adding Ombudsperson FTE** to Diversity in Contracting Department to support WMBE businesses working on Port projects
- **Completing Disparity Study** to evaluate how well Diversity in Contracting policy and program are eliminating disparities within the Port's supply chain
- Continuing **New Community Business Connectors initiative** with Chamber of Commerce to provide outreach/technical assistance to BIPOC businesses and underserved rural businesses
- **Supporting Duwamish Community Hub and Partnership**
- **Supporting Apprenticeship Utilization and workforce development** on real estate development projects (ex. Terminal 106 redevelopment, Des Moines Creek West)

2024 Equity in Budgeting Highlights (Central Services)

- Continue to support the **workforce development programs** (\$5,077K)
 - Airport Employment Center (\$1,517K)
 - Youth Maritime Career Launch Program (\$900K)
 - Construction Pre-Apprenticeship Program (\$650K)
 - Maritime High School (\$250K)
- Continue to fund **South King County Community Impact Fund** (\$2,214K)
- Continue to fund **Seattle Aquarium Partnership** (\$1,000K)
- Continue to fund **High School Internship Program** (\$486K)
- Continue to fund the **Duwamish Valley Community Equity Program** (\$471K)
- Added resources to **support Employee Resource Groups** (\$20K)

Aviation Division Planned Utilization of Contingency

Aviation Division Contingency Planned Utilization by Strategic Focus

Budget Request Category	# of Requests	Additional One-time
Health and Safety	4	325,000
Security	1	50,000
Employee Engagement	1	10,000
Community	1	45,000
Innovations and Operational Efficiencies	4	500,000
Economic Opportunities and Social Responsibility	2	270,000
Customer Experience	2	300,000
Environment and Sustainability	3	200,000
Financial Sustainability	1	200,000
Asset Management, Capital Development and Delivery	16	1,865,000
Incremental Budget Requests by Strategic Focus	35	\$ 3,765,000
Reserve Contingency for emerging needs		\$ 1,235,000
Incremental Aviation Contingency		\$ 5,000,000

AV Contingency – Planned Utilization Detail

STRATEGIC FOCUS	Problem/Need /Opportunity	Budget Request Title	Additional One-time
Health & Safety	Maintain and Improve Safety of Airport Operations Area	Airfield Wildlife Habitat Management	50,000
		Airfield/Gate Striping Design Support	75,000
		Fire Riser Testing	100,000
	Operational Efficiencies	Ramp Tower - Add'l funding	100,000
Health & Safety Total			325,000
Security	Maintain and Enhance Overall Security at the Airport	InfoSec Consultant - compliance requirement	50,000
Security Total			50,000
Employee Engagement	Invest in Employee Training	Onsite Airport Certified Employee - Training Course, AAAE	10,000
Employee Engagement Total			10,000
Community	Strategic Customer Experience Improvements	Commission Initiative Public Health & Safety - Hygiene Product Vending Machines	45,000
Community Total			45,000
Innovations & Operational Efficiencies	Asset Management, Capital Development and Delivery - provide consulting support	Asset Management Program Development - Consultant	50,000
		Digital Signage Consultant	250,000
		Condition Assessment Support	100,000
	Operational Efficiencies	Consulting Professional Finance Staff Support	100,000
Innovations & Operational Efficiencies Total			500,000

AV Contingency – Planned Utilization Detail

STRATEGIC FOCUS	Problem/Need /Opportunity	Budget Request Title	Additional One-time
Economic Opportunities & Social Responsibilities	Enhance Community Engagement	Airport Minority Advisory Council Sponsorship Increase	20,000
	Keeping up with Growth at the Airport	2026 World Cup - advance planning	250,000
Economic Opportunities & Social Responsibilities Total			270,000
Customer Experience	Customer Experience	Terminal Furniture Replacement	50,000
	Processing Passengers	Reimbursable Services Program increase - extending U.S. Customers and Border Protections coverage	250,000
Customer Experience Total			300,000
Environment & Sustainability	Address Maintenance Needs and Standards, Energy Efficiency	Utility Master Plan (Fire)	150,000
	Be the Greenest and Most Energy-Efficient Port in North America	National Renewable Energy Laboratory (NREL) traffic simulation modeling	25,000
	Environmental Compliance	Land Stewardship Goals and Development Standards	25,000
Environment & Sustainability Total			200,000
Financial Sustainability	Financial Sustainability	Life Cycle Cost Analysis Consultant	200,000
Financial Sustainability Total			200,000

AV Contingency – Planned Utilization Detail

STRATEGIC FOCUS	Problem/Need /Opportunity	Budget Request Title	Additional One-time
Asset Mgmt, Capital Development & Delivery	Asset Management, Capital Development and Delivery - provide consulting support	Capital Development Technical Support - Outside Services	350,000
		Project Control Support for Expense projects	100,000
		Consulting for Structural Plan Review	200,000
	Maintain Airport Art	Art moving contractor	25,000
	Meet the Maintenance Needs and Standards of Existing and Future Facilities	Airfield cable annual replacements contract	150,000
		AV Maintenance Electrical materials increase	100,000
		AV Maintenance STS materials increase	65,000
		Casework Standards Phase 2 & Mockup	225,000
		Cues Annual Maintenance - camera truck fleet	10,000
		Cues TV/Camera Operator Training	6,000
		Landscape Standards	50,000
		Other AV Maintenance materials increase	365,000
		Signage Standards Documentation Updates	75,000
		Small Works Construction Services - Add'l Funding	100,000
		Surface Area Management System training	32,000
		Upgrades to Road Striping Truck	12,000
Asset Mgmt, Capital Development & Delivery Total			1,865,000
Reserve Contingency for emerging needs (i.e. snow events, HR compensation program)			1,235,000
Additional Aviation Contingency Total			5,000,000

[RETURN TO AGENDA](#)



**COMMISSION
AGENDA MEMORANDUM**

Item No. 10b

ACTION ITEM

Date of Meeting November 14, 2023

DATE: October 20, 2023

TO: Stephen P. Metruck, Executive Director

FROM: Dan Thomas, Chief Financial Officer
Michael Tong, Director, Corporate Budget

SUBJECT: Introduction and Public Hearing of Resolution No. 3815, Specifying the Dollar and Percentage Change in the Regular Property Levy from the Previous Year per RCW 84.55.120; Providing for an Increase of the Levy from \$82,657,367 to \$86,664,580.

ACTION REQUESTED

Request Introduction of, and hold a public hearing regarding, Resolution No. 3815: A resolution of the Port Commission of the Port of Seattle specifying the dollar and percentage change in the regular property levy from the previous year per RCW 84.55.120; providing for a 4.8 percent increase of the levy from \$82,657,367 to \$86,664,580.

EXECUTIVE SUMMARY

RCW 84.55.120 requires Washington State taxing districts to adopt a separate ordinance or resolution specifically authorizing any increase in property tax levies. The resolution must also specifically state the dollar increase and percentage change in the levy from the previous year. In connection with the Port’s proposed 2024 budget, Resolution No. 3815 authorizes an increase of \$4,007,213, a 4.8 percent increase in the Port tax levy from 2023. Excluding the new construction and refund amount, the increase is \$2,699,680 or 3.3 percent from 2023 for tax filing purposes. The Port’s estimated levy rate is \$0.1059 per thousand of assessed value for 2024.

ADDITIONAL BACKGROUND

The budget process includes planning, setting up and testing new budget modules in the budget system, budget user training, department strategic and business planning, publishing budget guidelines, establishing budget targets, entering budget data into the system, running budget allocations and budget reports, conducting department and division reviews, executive reviews, and Commission reviews, preparing and publishing the preliminary budget document, a public hearing, adoption of the final budget, filing the statutory budget with the King County Council and Assessor’s Office, and the preparation and release of the final budget document.

Meeting Date: November 14, 2023

Prior to the Introduction and public hearing of the preliminary 2024 Budget on November 14, 2023, staff has provided 7 briefings to the Commission. The preliminary 2024 Budget was provided to the Port Commission on October 24, 2023 and made available to the general public on October 26, 2023. An announcement of the preliminary budget and public hearing was made in the Daily Journal of Commerce newspaper on November 2, 2023 and November 9, 2023.

After the public hearing and Commission adoption of a final plan, the statutory budget will be filed with the King County Council and King County Assessor, as required by law. The final 2024 Budget and Draft Plan of Finance will be released to the public by December 8, 2023.

ATTACHMENTS TO THIS REQUEST

- (1) Draft Resolution No. 3815

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

- October 24, 2023 – 2024 Tax Levy and Draft Plan of Finance for 2024-2028 Briefing
- October 10, 2023(PM) – Maritime and EDD CIP and Operating Budgets Briefing
- October 10, 2023 (AM) – Aviation Division CIP and Operating Budgets Briefing
- September 26, 2023 – 2024 Central Services Preliminary Budget and Portwide Rollup Briefing
- July 25, 2023 – 2024 Budget Development Briefing
- July 24, 2023 – Commission Budget Retreat – Part II
- June 29, 2023 – Commission Budget Retreat – Part I

Introduced and Public Hearing: 11/14/23
Adopted:

**PORT OF SEATTLE
RESOLUTION NO. 3815**

A RESOLUTION of the Port Commission of the Port of Seattle specifying the dollar and percentage change in the regular property levy from the previous year per RCW 84.55.120; providing for an increase of the levy from \$82,657,367 to \$86,664,580.

WHEREAS, the Port of Seattle in the Commission has met and considered its budget for the calendar year 2024; and

WHEREAS, the Port of Seattle's Commission, after hearing and duly considering all relevant evidence and testimony presented in a public hearing held pursuant to RCW 84.55.120, has determined the Port of Seattle requires a regular levy in the amount of \$86,664,580, which represents the levy rate of approximately \$0.1059 per thousand of assessed value; and

WHEREAS, the levy amount includes an increase in property tax revenue from the previous year to discharge the expenses and obligations of the district in its best interest.

NOW, THEREFORE, BE IT RESOLVED by the Port Commission of the Port of Seattle that a property tax levy is hereby authorized in the amount of \$86,664,580, an increase of \$4,007,213, a 4.8 percent increase from 2023. Excluding the new construction and refund amount, the increase is \$2,699,680 or 3.3 percent from 2023 for tax filing purposes.

ADOPTED by the Port Commission of the Port of Seattle at a duly noticed meeting held this 21st day of November, 2023, and duly authenticated in open session by the signatures of the Commissioners voting in favor thereof and the seal of the Commission.

RETURN TO AGENDA

Port Commission

1
2
3
4 **ORDER 2023-15**

5
6 **AN ORDER OF THE PORT OF SEATTLE COMMISSION**

7
8 ... to establish an Environmental Legacy Fund within the
9 Port budget and plan of finance.

10
11 **PROPOSED**
12 **NOVEMBER 14, 2023**

13
14 **INTRODUCTION**

15
16 The Port of Seattle is deeply committed to its role in cleaning up historical industrial pollution
17 related to its properties. Environmental cleanups are key to the Port’s mission, vision, and
18 Century Agenda goals for a sustainable, equitable region. The Port’s cleanup efforts ensure not
19 only improved water quality, salmon and marine mammal recovery, and healthier habitats in the
20 lands, waters, and wildlife in the Puget Sound region, but also quality of life for local residents
21 through safer shorelines for people to use for recreation and fishing, and a cleaner environment
22 for future generations.

23
24 The Port has demonstrated this commitment over many years of work throughout King County –
25 from Elliott Bay to Seattle-Tacoma International Airport. In fact, the Port has not only completed
26 a substantial amount of cleanup work to-date, but also gained national and international
27 recognition for its innovative and community-centered approaches.

28
29 Key to the Port’s ongoing success in these efforts is fiscally responsible planning. With more than
30 one hundred millions of dollars in currently known Port environmental cleanup costs anticipated
31 in the coming decade, it is prudent for the Port to start making down payments now so that it
32 can meet its responsibilities without undue impact on the Port’s taxpayers. The creation of a
33 dedicated Environmental Legacy Fund within the Port’s budget and plan of finance will help to
34 achieve that goal.

35
36 Finally, while not directly part of the Environmental Legacy Fund, the Port will continue its efforts
37 to minimize the burden on its taxpayers through a commitment to the “polluter pays” principle,
38 ensuring where possible that the parties responsible for causing contamination are accountable
39 for paying their fair share.

40
41 **TEXT OF THE ORDER**

42
43 The Port Commission hereby directs the Executive Director to create a dedicated Environmental
44 Legacy Fund, with the following properties:

- 45
46 1) The Environmental Legacy Fund shall be established within the Port’s overall financial
47 structure. Funds within this account shall only be used for the purposes outlined below.
48
49 2) Assets in the fund shall be used exclusively for costs related to environmental cleanup of
50 contamination from historical industrial operations on properties acquired by the Port
51 and/or prior Port or Port tenant operations. Eligible activities shall include environmental
52 investigations, testing, analysis, design, cleanup, and monitoring for active sites as well as
53 initiation of similar activities for new sites.
54
55 3) The fund will only include deposits of Port property tax levy funds. Additional funds used
56 toward the Port’s environmental cleanup efforts – including but not limited to the Port’s
57 General Fund, contributions from third parties or legal settlements with those parties,
58 insurance recoveries, and Washington State Department of Ecology grants – will be
59 managed separately but in coordination with expenditures from the new Environmental
60 Legacy Fund.
61
62 4) The Executive Director shall recommend a deposit of \$30 million in property tax levy
63 revenues into the fund to seed the creation of this account.
64
65 5) In subsequent years, the Executive Director shall make an annual recommendation
66 through the budget process about designating additional increments of property tax levy
67 dollars to be deposited into the fund.
68

69 **STATEMENT IN SUPPORT OF THE ORDER**

70
71 The Port and its neighbors are committed to a shared vision of a sustainable, equitable region.
72 The Port’s cleanup work is core to achieving that goal, leading to improved water quality, salmon
73 and marine mammal recovery, healthier habitats, safer shorelines for people to use for
74 recreation and fishing, and a cleaner environment for future generations. It is this vision and
75 values that are driving the Port to create the Environmental Legacy Fund – as a way to ensure
76 critical resources needed for remediation and cleanup are available, while staying true to its role
77 as an environmental and financial steward for its taxpayers and residents.
78

79 The Port’s environmental remediation projects identify and address threats to human health and
80 the environment caused by contamination resulting from historical industrial operations on
81 properties acquired by the Port and/or prior Port or Port tenant operations. The results of these
82 efforts – as well as the attendant compliance with regulatory mandates, management of Port
83 liabilities, and support of the local community – align with the goals and objectives of the Century
84 Agenda, and Maritime, Aviation, Economic Development Division and Storm Water Utility
85 Business Plans.
86

87 The Port has identified a number of potentially contaminated sites that must be investigated and
88 remediated in compliance with federal and state environmental laws and regulations. The cost
89 to achieve these cleanups will exceed one hundred million dollars.

90

91 Although the Port may not ultimately bear all or even most of the liability for the contamination,
92 it is often practically and financially beneficial for the Port to take initial responsibility to manage
93 and pay for the cleanup, and seek proportional recovery of its costs from other liable parties
94 through insurance claims, legal settlements, state grants and other sources. The Port's goals are
95 to cost-effectively complete this environmentally responsible work.

96

97 One of the key lessons from the COVID-19 global pandemic is the incredible value of having
98 strong financial reserves. The Port maintained its operations and supported its partners and
99 community during the pandemic because of this preparation, and it is prudent to bring that
100 approach to its environmental cleanup planning.

101

102 Establishing the fund allows these investments to be more predictable and allows the Port to
103 build resources over time to meet these costs. Setting aside cleanup reserves also gives the Port
104 more ability to continue pursuing other important tax-levy funded projects, like maritime capital
105 improvement and economic development programs.



Item No. 10c supp
Meeting Date: November 14, 2023

Environmental Legacy Fund Order

Dan Thomas, Chief Financial Officer
Vy Nguyen, Commission Office Strategic Advisor
Tyler Emsky, Commission Office Strategic Advisor

Background

- The Port of Seattle is deeply committed to its role in cleaning up historical industrial pollution related to its properties.
- Port environmental remediation projects address contamination from historical industrial operations by prior Port or Tenant operations.
- Cleanup work improves water and habitat quality, bolsters salmon and marine mammal recovery, and makes shorelines safer for humans and wildlife.
- Known environmental cleanup costs in the coming decade will exceed one hundred million dollars.

Creation of an Environmental Legacy Fund

- Creates a financial planning tool for known environmental cleanup costs
- Captures Port Property Tax Levy savings for dedicated use
 - Can be spent alongside other revenues such as insurance payments, legal settlements, and state grants
- Initial \$30 million investment into the Fund with additional increments recommended through the annual budget process

Order 2023-15

- What will this Order do?
 - Establish the Environmental Legacy Fund
 - Explicitly states what the Fund can be used for
 - Fund will *only* include Port property tax levy funds; additional funds from other sources will also go toward the Port's environmental cleanup efforts
 - Establish that the Executive Director shall make an annual recommendation during the budget process about designating additional increments of property tax levy dollars to be deposited into the Fund

Questions?

[RETURN TO AGENDA](#)





**COMMISSION
AGENDA MEMORANDUM**

Item No. 10d

ACTION ITEM

Date of Meeting November 14, 2023

DATE: October 9, 2023

TO: Stephen P. Metruck, Executive Director

FROM: Heather Karch, Aviation Facilities and Infrastructure Manager - Architecture
Chelsea Rodriguez, Airport Volunteers & Customer Accessibility Manager
Pete Mills, Commission Strategic Advisor

SUBJECT: SEA Access Program 2023 Update and Order No. 2023-14

Amount of this request: \$0

Total estimated project cost: \$0

ACTION REQUESTED

The purpose of this item is to update the Port of Seattle Commission on the Accessibility Program at Seattle-Tacoma International Airport (SEA). Since the last Commission update, the travel industry has rebounded to pre-COVID levels. This summer was one of our busiest ever, with 15.3 million passengers, almost reaching 2019 numbers. SEA’s busiest day ever was recorded on July 24 with 198,000 departing, arriving, and connecting travelers. During this peak period, SEA has accelerated our efforts to better serve travelers with disabilities. These improvements can be grouped in the interrelated categories of Facility, Customer Service, and Engagement.

Commission adoption of an Order is requested to provide policy direction on the Accessibility Program at Seattle-Tacoma International Airport (SEA). This order directs the executive to formally execute policy and action that the Port and our staff have been informally implementing over decades and codifies accessibility for the Port.

EXECUTIVE SUMMARY

SEA has a robust capital development program, Upgrade SEA, that includes updating existing facilities, building new large-scale projects, and signage updates throughout the facility. Recent construction improvements include improved accessibility at upper and lower curbside, new restroom amenities, new service animal relief area (SARA), and updates to existing facilities to meet new standards. Projects currently in design and construction include accessibility related amenities such as additional Sensory Rooms, Nursing Rooms, Adult Changing Tables, and Service Animal Relief Areas. The signage and wayfinding team supports passengers by updating signage to address ongoing operational and/or construction changes as well as researching innovative digital solutions to address disability related passenger needs that will benefit

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everyone. These improvements, along with other projects within Upgrade SEA, will benefit our region for many years and significantly improve the airport experience for travelers with disabilities. Reducing barriers along the passenger journey benefits all travelers, not just those with disabilities.

SEA has also invested in our customer service to better serve travelers with disabilities. Highlights include partnering with disability organizations and businesses to lead customer service trainings; creating physical materials that promote SEA's accessibility program for frontline customer service use; updating our website in accordance with accessibility standards; expanding the impact of our frontline volunteer program – including increasing SEA Pups Animal Therapy team coverage; and investing in technology resources that will serve a broader audience.

The third pillar of SEA's Accessibility program is engagement. This includes engagement within the larger disability community and the aviation industry. SEA is known as a leader in accessibility among our peers. This is reflected in staff invitations to present at national and international conferences, including Passenger Terminal Expo, IATA, and the Airport Customer Experience Symposium. SEA has positively impacted the aviation industry through tirelessly advocating for accessibility.

We recognize that forming authentic relationships with the disability community and travelers with disabilities is paramount as we strive to take a 'nothing about us without us' approach. Strategies we employ to ensure this engagement spirit is actualized include regularly meeting with disability community members and working with our SEA AAC (SEA Accessibility Advisory Committee) to provide information and receive honest feedback. Travelers and community members consistently report they are unaware of the breadth of SEA's accessibility offerings.

To help improve awareness, and aligned with other comparable airport programs, we developed a brand identity for SEA's Accessibility Program. The program is now known as *SEA Access*, which fits under the larger SEA brand umbrella. Our website, public-facing information materials, signage, and more will soon be updated to reflect this. With the support of our External Relations team, we plan to widely promote *SEA Access* both within the airport and in our community. SEA's brand promise is to create an elevated travel experience, and this is a promise to all travelers, including people with disabilities. We can achieve this promise through taking a holistic perspective towards our Facilities, Customer Service, and Engagement.

FACILITY UPDATES

Infrastructure updates are related to the physical infrastructure systems of SEA, including signage, that is available for all passengers. Current infrastructure improvements include:

Meeting Date: November 14, 2023

Exit Ramps and Curbside

The Curbside Accessibility and Safety Project completed major accessibility improvements to the upper and lower drive by adding wheelchair loading zones every 100' on the upper drive and a zero-curb condition at the lower drive. The existing ramp access between baggage claim and lower drive will be updated as part of the SEA Gateway project. The updated ramps are designed to provide a shallower slope with landings at the top and bottom. The new ramps are highlighted with a more prominent entrance and updated signage for improved wayfinding. Implementing these types of features helps ensure our drives are accessible for travelers who use wheelchairs or other mobility aids and the zero curb embodies universal design principles.

Sensory Room

C Concourse Expansion project will include a Sensory Room, adjacent to an interfaith prayer and meditation room. Based on feedback from the SEA AAC we located a family restroom including an adult changing table, adjacent to the Sensory Room. This second Sensory Room will expand available options for passengers during the travel journey.

Service Animal Relief Areas (SARA)

In 2023 a new landside SARA was opened outside of door 00 at the south end of the lower drive to support our passengers traveling with service animals. Looking ahead, phase 5 of the Restroom Renovation project will build a SARA in D Concourse and C Concourse Expansion will build a SARA. We continue to look for opportunities to deliver fully plumbed SARAs throughout the airport.

Adult and Baby Changing Tables

Adult changing tables are a relatively new amenity provided at SEA and fulfil an important need for a wide range of passengers that require additional restroom support. Significant progress has been made in the number of adult changing tables being integrated into the terminal. IAF, which opened in 2022, added an adult changing table at the baggage claim level. C Concourse Expansion will provide adult changing tables on Concourse level and level 3. Phase 5 of the Restroom Renovation Project will add adult changing tables in both C and D Concourses.

In 2023 an additional six baby changing tables were installed in the IAF to provide appropriate amenities to support families with young children.

All Gender Restroom

SEA opened our first multi-user all gender restroom in 2023 in D Concourse as part of phase 4 of the Restroom Renovation Project. The restroom features ten fully enclosed individual stalls, two wheelchair accessible stalls, a separate urinal room, baby changing tables, and shared handwashing station. The objective was to create a restroom facility that is inclusive and accessible to people of all identities, abilities, and circumstances. It provides an additional option for people with disabilities to always stay with their caregiver or family member.

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The Airline Realignment project will include SEA’s first ramp level multi-user all gender restroom for staff use. Restroom Renovation Project, C Concourse Expansion, and SEA Gateway include multi-user gendered restrooms designed to be able to easily convert to multi-user all gender restrooms in the future.

Nursing Rooms

Nursing rooms and suites provide a dedicated space for families with young children to nurse or pump. We currently have multiple types of nursing spaces throughout the airport with a goal of more integrated spaces versus modular options. IAF added a nursing room at mezzanine level. The existing Nursing Suite adjacent to the Children’s Play Area on A Concourse will be refreshed with new furniture and interior wall finishes. The Restroom Renovation Project, C Concourse Expansion, and SEA Gateway projects, include additional nursing spaces.

Facility Self-Audits

In 2022 the Port conducted self-led audits of the main terminal, baggage claim, and Concourses A-D, and level 3 and 4 of the parking garage that included external stakeholders from the disability community. In 2023, the remainder of the parking garage levels will be audited. Conducting periodic facility audits are part of the ADA regulatory requirements and support additional engagement with the community. In response to these audits, multiple small projects have been identified. Examples are adding cane rail detection at select drinking fountains and adding contrasting color to stair nosing to improve visibility for circulation.

Aviation Facility Program Manager

A full-time position was created in 2023 to fulfill the responsibilities of the ADA Coordinator Role for SEA as well as support Maritime and EDD divisions of the Port of Seattle. Creation of this position reflects the commitment to improving accessibility by Port of Seattle leadership. This position will be a dedicated resource for the Port of Seattle to build upon the precedent of innovation and collaboration in the aviation industry.

Signage

Signage is paramount to a successful passenger experience. The sign department supported accessibility related improvements over the past year throughout the passenger experience from garage to the hold room. The signage team is always adapting to ongoing construction impacts. The in-house design and installation expertise allows for a customized response to our operational and facility needs. Moving forward the signage team continues to integrate digital technology into the wayfinding program and has started research and project planning for Talk-to-Text translations in gate hold rooms as well as improved sign standards development focusing on accessibility within signage and wayfinding. Below are examples of accomplishments:

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1. Garage:

- a. Designed and installed new accessible EV parking signage at select dedicated stalls.
- b. Improved automated parking guidance system digital signage to direct passengers to accessible parking stalls.
- c. Improved signage at the Link Light Rail Shuttle to highlight passengers with mobility challenges take priority.

2. Terminal:

- a. Ongoing temporary wayfinding updates to address elevators and accessible routes around construction barricades.
- b. Designed and installed improved accessible loading zone signs on the upper and lower drives.
- c. Created new adult changing table symbol to support communication to non-English speaking passengers.
- d. Designed and installed improved signage for the wheelchair waiting areas highlighting the passenger process for engagement with airlines for wheelchair access.
- e. Improved signage for employee accessible entrances at the Airport Office Building and IAF.
- f. Developed digital graphics highlighting wheelchair lanes and sunflower lanyard in the IAF.

CUSTOMER SERVICE UPDATES

Customer Service updates are related to the service travelers receive from our frontline staff, as well as the resources SEA provides to better serve the public. Customer Service highlights include:

Programs + Services

We created a physical Accessibility brochure to better inform the public of our suite of resources. This brochure is available at our information desks and within our Sensory Room. We provide Braille versions with tactile maps for travelers who are blind. The brochure includes an airport accessibility map, information on technology resources, and details on how to connect with SEA's Customer Care team. Plans are in the works for an updated version that is available at expanded locations inside and outside SEA. Examples of SEA programs and services highlighted within the brochure include:

- (1) **American Sign Language:** The SEA Pathfinder Customer Service team have tablets with access to live American Sign Language interpreters, and 240+ other languages. The service is known as Video Remote Interpretation within the Deaf community. Pathfinders are located at key locations throughout the terminal, including SEA's two main Information desks.

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- (2) **Sunflower Lanyard program:** SEA was the first U.S. airport to participate in the Sunflower Lanyard program, which started at Gatwick Airport. The Sunflower Lanyard discreetly signals to airport staff that the wearer may need additional support, guidance, or patience. The optional lanyards are free to travelers with invisible disabilities and available at our information desk. The lanyards are packaged in kits that include a bookmark to explain the program and SEA sticker. The lanyard is now recognized at 200+ airports, 100+ within the United States.
- (3) **TSA Cares:** The Customer Service team is increasing collaboration with TSA at the national and local level through the National TSA Disabilities Working Group. The SEA website has been updated to better inform passengers about the TSA Cares program.

Staff Training

Investing in frontline staff who are the face of SEA to our customers is a cornerstone of SEA's accessibility approach. This past year, SEA's customer service department hosted Deaf-Friendly CONSULTING and The Arc of King County to lead customer service workshops open to all SEA airport workers. The Deaf-Friendly workshops focused on learning about Deaf people, Deaf culture, and barriers frequently experienced as travelers. The workshop was led by Deaf trainers with ASL interpreters and was widely well-received. An additional workshop is scheduled for this fall. The Arc of King County workshops were led by trainers with developmental disabilities and reviewed foundational information about developmental disabilities, models of disability, and strategies for better serving travelers with developmental disabilities. Additional workshops are scheduled this fall. SEA will continue the approach of working with disability owned business and disability non-profits to lead customer service focused workshops.

Volunteer Program

An important arm of SEA's Customer Service staffing model is our community of volunteers. Volunteers are focused on enhancing the customer experience, extending the reach of our Pathfinder customer service employees, and acting as ambassadors for both the airport and region. Supporting travelers with disabilities is a considerable program focus. Whether it is giving directions to a Service Animal Relief Area, distributing a Sunflower Lanyard, or helping secure a wheelchair, our volunteers are here to help.

The SEA Pups Animal Therapy Program is a dedicated team within the Volunteer Program. Our animal therapy dog volunteers, and their human handlers, focus on putting travelers at ease by offering pets, cuddles, and a chance to destress. All SEA Pups are required to be rated 'complex' through Pet Partners, a national animal therapy organization. We know from traveler feedback that the SEA Pups can bring remarkable comfort to all travelers, in particular travelers with disabilities. Considerable efforts are underway to expand both the SEA Pups and general Volunteer Program. In 2023, our volunteer hours have increased approximately 35% compared to 2022. We strive for a similar increase in 2024.

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Customer Communication

We are providing subject matter expertise, and facilitating accessibility community feedback, on the Port's website accessibility update. This effort, led by External Relations, is making improvements in the areas not currently meeting the Web Content Accessibility Guidelines (WCAG). To support this effort, pertinent staff have been trained on how to produce accessible web content, image tags and headlines have been optimized to support assistive device users, and there are plans to update the website's color palette to maximize accessibility and contrast. This work is ongoing as standards continue to evolve. We recognize that the website is a valuable pre-travel resource, and it needs to be accessible to all.

Later this year, airport customers will gain access to a new tool called *SEA Customer Care Connect* while in the terminal. This "facetime" style feature enables a customer to use their smart phone with a QR code that connects them to a live customer service staff member. A SEA call center has been established to enable both video and phone calls to be handled in a quiet environment. The primary goal is to establish a single SEA information number - rather than a separate information number for services like parking - and continually enhanced video capabilities.

These broadened customer service phone and video capabilities will augment the in-person assistance offered by Pathfinders and Volunteers and will include voice-to-text capabilities with real-time language translations of up to 60 languages. *SEA Customer Care Connect* also includes a texting feature, which would be beneficial to travelers who are Deaf or who cannot speak. We also respond to customer inquiries regarding accessibility issues through direct customer service chat, through social media, responding to e-mails and assisting with formal ADA complaints.

Future planned enhancements (2025 budget permitting) will include adding physical video kiosks inside SEA. Kiosks will be designed to accommodate SEA customers with disabilities. They will be equipped to engage with customers who have varying needs, using the newest tools and techniques that the disability community would expect from SEA.

ENGAGEMENT UPDATES

Engagement includes our work to engage with the disability community, broaden awareness about SEA's Accessibility work, and our Aviation industry advocacy efforts. Recent engagement highlights include:

Disability Community Engagement

A cornerstone of SEA's engagement efforts is the SEA Accessibility Advisory Committee. The advisory committee is composed of a cross-section of disability community members, airline partners, and Port of Seattle staff. We have been fortunate to engage with both local and national disability organizations, including: the Open Doors Organization, NW ADA Center, Paralyzed Veterans of America – WA Chapter, MS Society – WA Chapter, The Arc of King County

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and more. Committee members provide important advice on customer service and facilities related topics – all to improve the experience for travelers with disabilities.

The Accessibility Advisory Committee is just one vehicle for disability engagement. SEA staff regularly meet with disability community members, disability organizations, and participate on committees, such as the TSA Disability Working Group and WA Community of Practice network for ADA Coordinators. These meetings and engagement efforts are an opportunity to hear from disability community members about their travel experience, as well as to influence the aviation industry.

Aviation Industry Advocacy

Staff regularly participate on panels related to aviation accessibility. Recent examples include panel participation at the 2022 Universal Access in Aviation Conference, 2023 Passenger Terminal Expo *Neurodiversity Design and Airports* presentation, and the Customer Experience Symposium *Walking the Talk: Accessibility at Seattle-Tacoma International Airport* presentation. We will each be participating on separate accessibility-related research panels for the Airport Cooperative Research Program. These presentations and panels are an opportunity to both share more about accessibility initiatives at SEA, to influence the aviation industry, and to further develop our relationships with other airports and organizations in the field. While the aviation industry is very competitive, the accessibility advocacy community is very collaborative. SEA is often approached for guidance by other organizations just as we learn from and are inspired by others.

Community Promotions + Outreach

In partnership with the External Relations department, there have been increased efforts to better inform the public of SEA accessibility amenities through blogs, terminal overhead announcements, and Checking-in videos. This year, SEA accessibility was also a key pillar of the Port's paid advertising efforts. These ads were on local television, social media (Instagram, Facebook), digital banner ads and YouTube with a goal of continuing to increase awareness of accessible services at SEA. Finalizing the *SEA Access* program name and logo was an important milestone. It provides a more cohesive look and feel as well as a renewed energy to expand the promotion of the program.

CONCLUSION AND NEXT STEPS

SEA is entering an exciting, but challenging period. Travel volumes have rebounded to pre-COVID levels, and the airport is in the midst of multiple complex construction projects. During this period of transition, we will continue the holistic approach of focusing on our facilities, customer service, and engagement to advance accessibility. We remain committed to improving the status quo and striving to be innovative leaders. In 2024 there are opportunities to share the *SEA Access* program both within the airport and the broader community.

We are happy to announce that the Open Doors Organization has chosen to host the 2024 *Universal Access in Aviation* conference in Seattle. SEA and Alaska Airlines are major sponsors

Meeting Date: November 14, 2023

of this industry event, which will be a tremendous opportunity to highlight the *SEA Access* program to the larger disability community. As we continue to engage with the disability community, the design community, and the larger aviation industry we are providing an example for others and learning along the way. Each initiative provides the opportunity to expand our knowledge and perspective of this rapidly evolving field.

ATTACHMENTS

- (1) Order No. 2023-14
- (2) Presentation slides

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

March 22, 2022 – SEA Accessibility Program 2022 Update

January 26, 2021 – 2020 Accessibility Improvements at Seattle-Tacoma International Airport

October 22, 2019 – Accessibility Improvements at Seattle-Tacoma International Airport

ORDER 2023-14

AN ORDER OF THE PORT OF SEATTLE COMMISSION

...to affirm the Port of Seattle’s longstanding commitment to developing SEA as one of the most accessible airports in the nation and consider accessibility as a priority in aviation division strategy, facility design, construction, and operations.

**PROPOSED
NOVEMBER, 14, 2023**

INTRODUCTION

The Port of Seattle’s commitment to providing accessible facilities and operations pre-dates the 1990 Americans with Disabilities Act. This commitment is reflected in myriad of physical and operational improvements throughout SEA and the Port of Seattle.

This order extends the Port’s commitments and commits to continue to provide adequate resources moving forward to fully achieve the goal of being one of the most accessible airports in the nation and to ensure SEA Airport is welcoming, safe, and comfortable for all.

TEXT OF THE ORDER

The Commission affirms the Port of Seattle’s ongoing commitment to construct and operate Seattle-Tacoma International Airport, SEA, as one of the most accessible airports in the nation and that the facility meet or exceed designs and considerations outlined in the Americans with Disabilities Act.

The Port Commission hereby directs the Executive Director to expand his interpretation of the Port of Seattle’s Century Agenda goals and objectives including but not limited to goal 5, “Become a Model for Equity, Diversity and Inclusion”, and Goal 2, “Advance this region as a leading tourism destination and business gateway” to reflect this formal commitment to prioritize accessibility considerations in areas including SEA facility design, operations, and ongoing community engagement. Included in this commitment is to ensure accessibility of our conferences, events and sponsored events by utilizing remotely available digital conference or meeting options whenever possible.

STATEMENT IN SUPPORT OF THE ORDER

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The Port of Seattle’s Century Agenda goals highlight broad support for accessibility including but not limited to goal 5, “Become a Model for Equity, Diversity and Inclusion”, Objective 14 to “Ensure that all internal and external programs, structures and practices provide equitable opportunities for all”, and Goal 2: Advance this region as a leading tourism destination and business gateway Objective 3: Continuously improve the operational efficiency and customer experience at SEA.

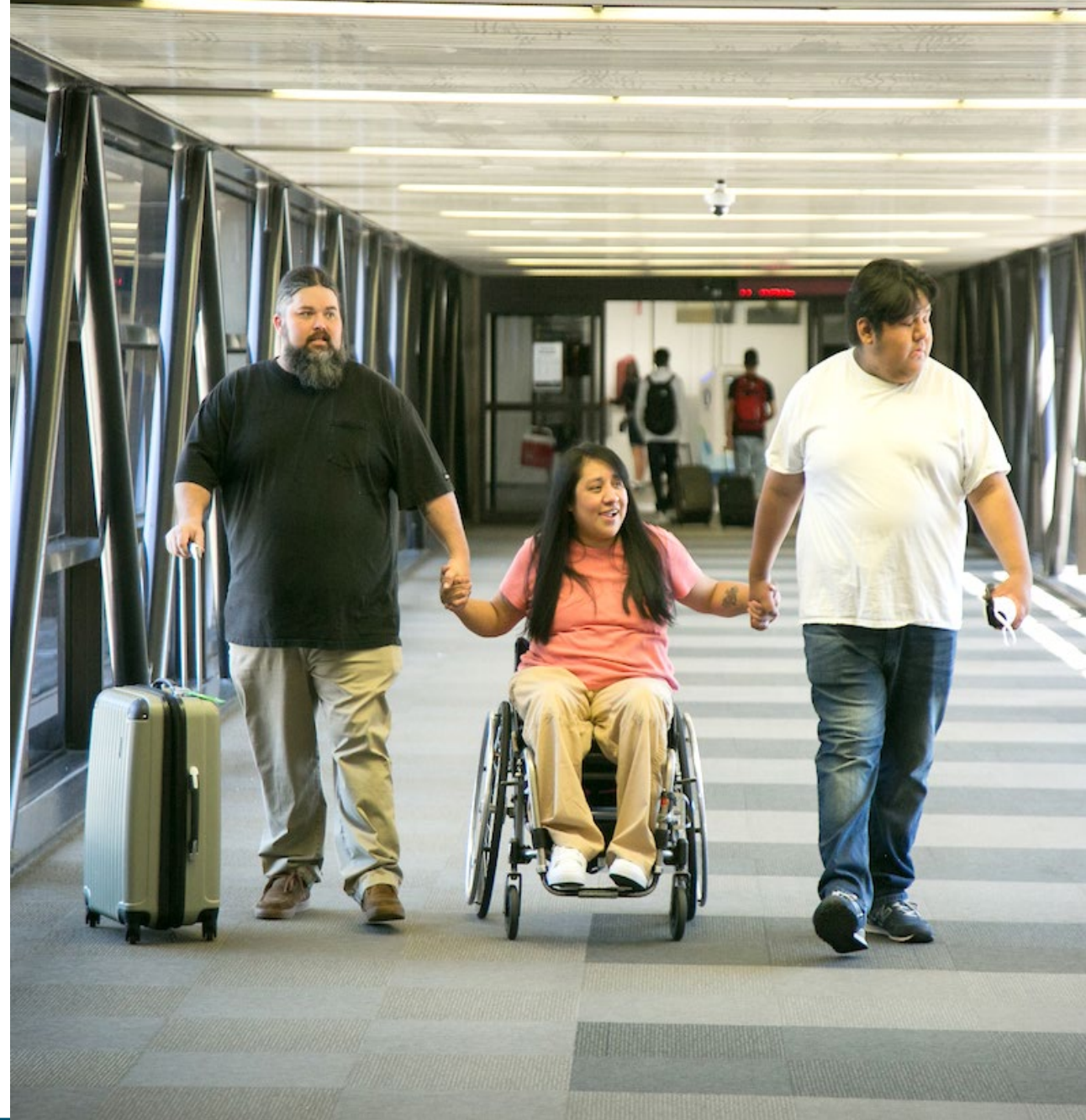
The Commission commends the work of Port staff, members of the Accessibility Advisory Committee and our community stakeholders in guiding the Port to where we are today and for your commitment to working together into the future. SEA has a long-standing history of prioritizing accessibility as an interdepartmental initiative and the work of many.

SEA Airport Accessibility Program 2023 Update

Heather Karch, *Aviation Facilities & Infrastructure Manager – Architecture*
Chelsea Rodriguez, *Airport Volunteers & Customer Accessibility Manager*

Overview

- SEA Airport Context
- Guiding Principles
- Facilities Updates
- Customer Service Updates
- Engagement Updates
- Next Steps



Guiding Principles

- Goals
 - Most accessible airport in the USA
 - Exceed accessibility requirements
 - Innovative leader in aviation accessibility
 - Align with SEA brand promise
- Three Areas of Focus
 - Facilities
 - Customer Service
 - Engagement

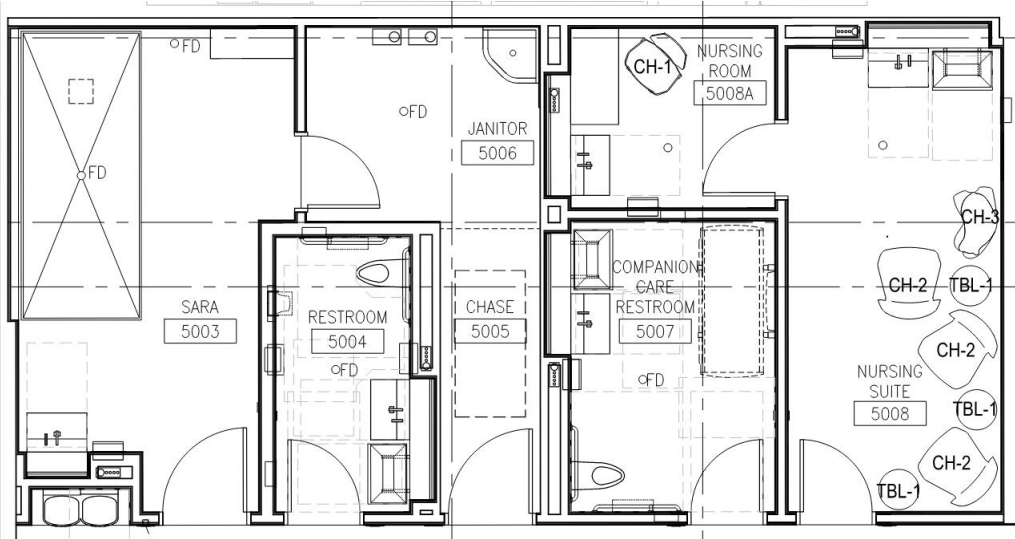




FACILITY UPDATES

Facility Improvements

- All Gender restroom
- Additional baby changing areas and SARA
- Updating existing equipment and stairs
- Upcoming: Sensory room, Nursing suites, SARA, & adult changing tables



Curbside and Signage Improvements

- Wheelchair access every 100' feet on upper drive, zero curb lower drive
- Upcoming: new ramps from baggage claim to lower drive
- Ongoing updates to improve wayfinding during construction and highlight accessibility amenities
- Increased digital signage integration





CUSTOMER SERVICE UPDATES

Programs and Amenities Highlights

- Created an Accessibility brochure (braille version too)
- Sunflower Lanyard Program expansion
- Investing in Volunteer + SEA Pups Program

SEA Brand Promise: *To create, through a passionate service culture, an elevated travel experience that's inspired by the original nature of the Pacific Northwest*



Customer Communication

- Online Accessibility Updates
- Customer Care Connect Initiative
- Community Promotions + Outreach
 - Blogs
 - Checking-In Videos
 - Paid advertising



Staff Focus Highlights

- Staff Training
 - Deaf-Friendly Customer Service
 - Support Strategies for People with Developmental Disabilities
 - E-learning to be strengthened
- Recognition Programs





ENGAGEMENT UPDATES

Disability Community Engagement

- SEA Accessibility Advisory Committee
- Ongoing engagement throughout the year
- 2024 Universal Access in Aviation Conference in Seattle

UNIVERSAL ACCESS
IN AVIATION 2024
📍 SEATTLE, WA

SEPT.
24TH-26TH
2024

SAVE
THE
DATE

 Open Doors
Organization

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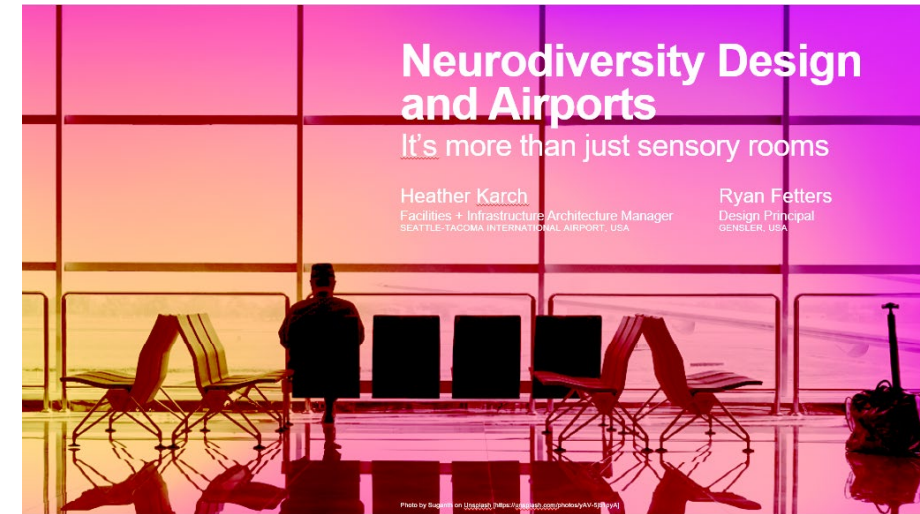
 Port
of Seattle

FOR MORE INFORMATION
VISIT [OPENDOORSNFP.ORG](https://opendoorsnfp.org)

CONTACT YIESHA BEAMON AT
YIESHA@OPENDOORSNFP.ORG

Aviation Industry Advocacy Highlights

- Industry Presentations
 - FAA National Civil Rights Training Conference (2022)
 - Airport Marketing & Communications Conference (2022)
 - Passenger Terminal Expo (2023)
 - Airport Customer Experience Symposium (2023)
 - IATA World Passenger Symposium (2023)
- Partnership with Airports + participation on industry working groups





CONCLUSION & NEXT STEPS

Furthering Accessibility Commitment

- Program name development
- Increased focus on outreach and engagement with disability community





THANK YOU & QUESTIONS

[RETURN TO AGENDA](#)

**COMMISSION
AGENDA MEMORANDUM**

Item No. 11a

BRIEFING ITEM

Date of Meeting November 14, 2023

DATE: October 27, 2023
TO: Stephen P. Metruck, Executive Director
FROM: Jeff Wolf, Director, Aviation Commercial Management
 Khalia Moore, Senior Manager, Airport Dining and Retail
SUBJECT: ADR Program Briefing

EXECUTIVE SUMMARY

The continued redevelopment of the Airport Dining and Retail (ADR) Program offers an excellent opportunity to advance the Port’s Century Agenda goals by enhancing the Airport’s profile as the preferred gateway to the Pacific Northwest by promoting job growth, creating new opportunities for small, local, and disadvantage businesses, and meeting the expectations of the traveling public for quality food service, retail products, and personal services.

The ADR program is an important element of the Port’s ongoing efforts to provide outstanding customer service and improve the traveling experience. In addition, the businesses generate significant revenue that is reinvested to support airport operations and capital improvements. Starting in 2014, ADR underwent a master planning effort and continues to be in a state of implementation of that ADR master plan.

This briefing is to provide Commission with an update on the implementation of the ADR Master Plan, Lessons Learned through the master planning effort and from the previous request for proposal (RFP’s) processes. This briefing will also review the new ADR locations that are being constructed as part of the Concourse C Expansion (CCE) Project to be released for concessions bidding opportunities at SEA. This upcoming RFP will also include multiple locations in the area surrounding the Concourse C Expansion. Port staff intends to return to Commission in public session on December 12 to seek authorization for the CCE ADR RFP release and corresponding contract executions.

Master Plan and Lessons Learned:

- Status of the ADR Master Plan
- Lessons learned with master planning effort
- Lessons learned in RFP process
- ADR process improvements to the RFP process

Meeting Date: Month November 14, 2023

Concourse C RFP

The CCE project is the latest and one of the last projects at SEA to add new ADR locations into the overall ADR program. The approval of these proposed RFP opportunities continues to support the Port’s Century Agenda to create 100,000 new jobs and provide opportunities for small, local, and disadvantaged businesses.

The RFP bidding opportunities will be comprised of both single unit and multi-unit packages with a total of 13 new locations, of which seven (7) will be food and beverage and six (6) will be retail. There will be at least two (2) locations specifically identified for small business proposals only. Currently, all locations are designated as open concept categories to allow for greater variety of proposals and staff is still evaluating concept specific needs on a space-by-space basis.

Proposed Business Terms:

- (1) Food and Beverage: 12 years
- (2) Retail: 10 years

There are multiple locations within the CCE project that are not a part of this RFP release as there are extenuating circumstances regarding the leasing of those locations which include:

- six (6) introductory kiosk locations, which have a limited contract term and
- space CC-29, which is allocated as a contractually required replacement space for an existing ADR tenant displacement.

ADDITIONAL BACKGROUND

The additional 13 units will provide an increase in new non-aeronautical revenue at SEA estimated to range from approximately \$15 -\$20 million per year depending on final selection of tenants, lease terms, and passenger demand.

ATTACHMENTS TO THIS BRIEFING

- (1) Presentation

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

October 24, 2023– Concourse C and Concourse A Termination Agreements

Concourse C Expansion RFP Briefing

Commission Presentation

November 14, 2023

Jeff Wolf, Director, Aviation Commercial Management

Khalia Moore, Senior Manager, Airport Dining and Retail

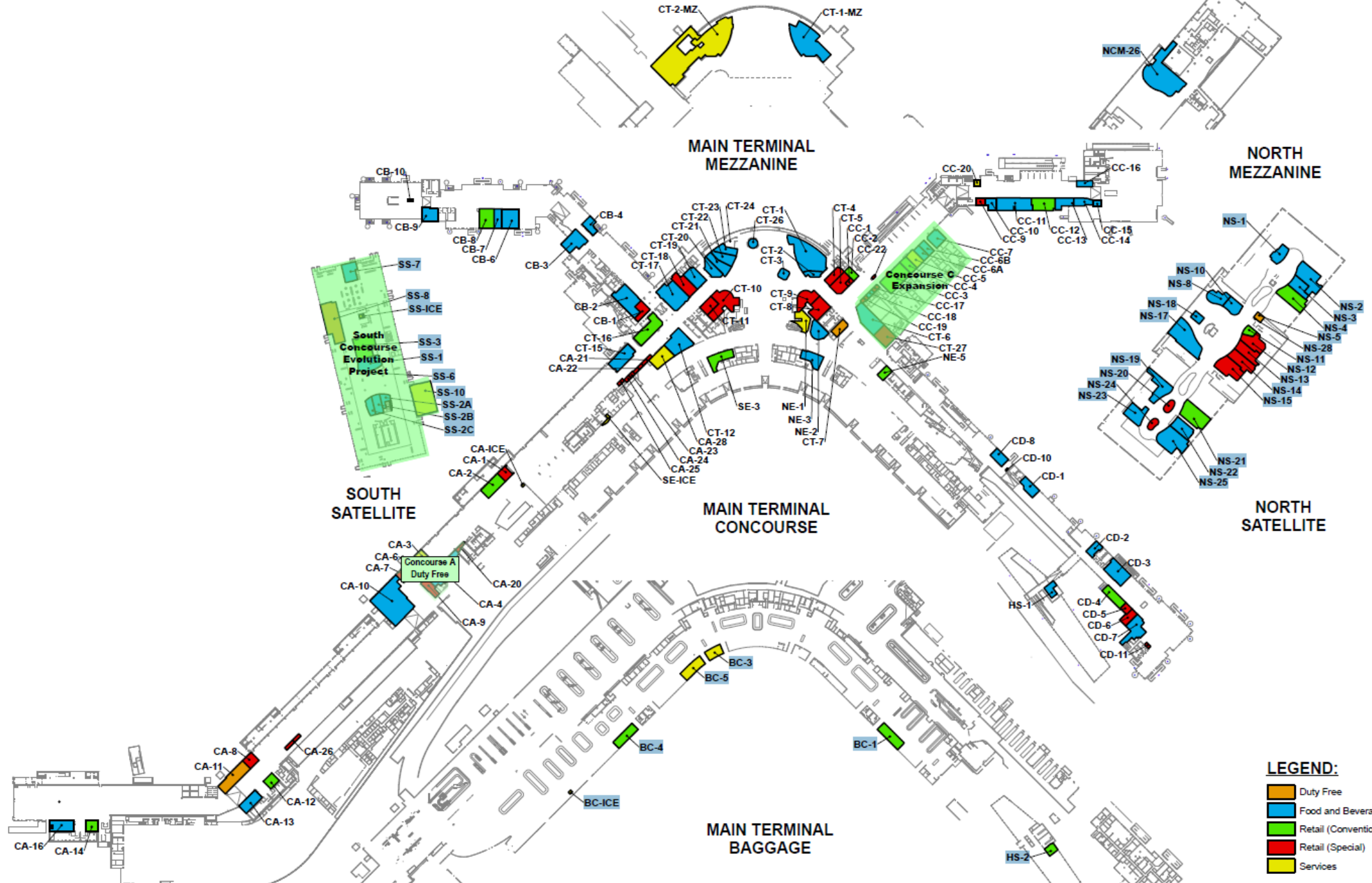


ADR MASTER PLAN UPDATE

ADR Master Plan Update

- Overall ADR master planning effort is completed.
 - The master planning effort for ADR is a process in reviewing concept categories and adjusting them throughout the airport for a better representation of offerings throughout the airport.
 - These category allocations are reflected in redevelopment Lease Groups 2 through SoCoEvo.
 - All of the locations leased in Lease Groups 2-5 will complete construction by end 2024.

ADR MASTER PLAN



- LEGEND:**
- Duty Free
 - Food and Beverage
 - Retail (Conventional)
 - Retail (Special)
 - Services

ADR Master Planning Update

- Eight (8) remaining locations to be completed from Lease Groups 4 and 5.
 - All remaining concepts are in design or construction phases.
- Lease Group CCE: Concourse C Expansion (CCE)
- Lease Group SOCO: South Concourse Evolution (SoCoEvo)
- Duty-Free Expansion (RFP23-1DF): Currently out for bid

ADR Master Planning Update

- ADR master planning efforts took place when identifying the categories for the Concourse C Expansion and SoCoEvo projects.
- Concourse C Expansion is the last opportunity for “New” space within the airport outside of SoCoEvo retail offerings.
- All other future RFP’s will be for naturally expired spaces already established within the program.

CONCOURSE C EXPANSION RFP

Concourse C RFP Timeline

- CCE RFP release is aligned with the completion of Concourse C Expansion (estimated completion Q2 2026).
- This release must take place in Q1 2024 as CCE locations will have staggered construction start times to accommodate for tenant specific needs.
 - This is a lesson learned from the construction of recent mezzanine level concessions spaces.
- Concessions Timeline:
 - RFP process including contract negotiation: ~9 months
 - Design and Construction Process: ~12-18 months

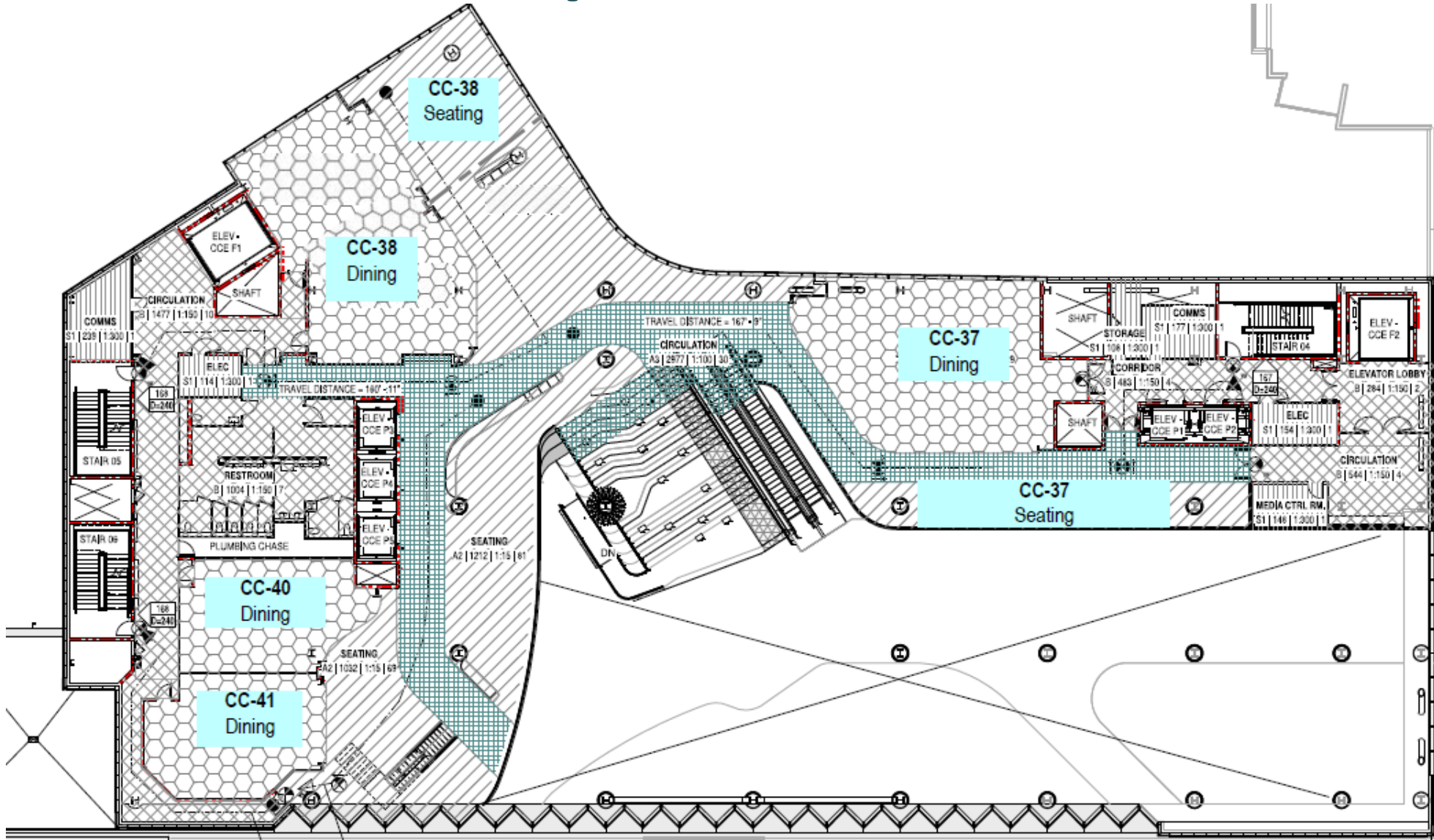
Concourse C Expansion RFP Details

- Total of 13 spaces will be released including the CCE
 - Seven **(7)** Food and Beverage locations within Concourse C Expansion
 - One **(1)** Pre-Security Food and Beverage location in an area adjacent to Concourse C
 - Three **(3)** Retail locations within Concourse C Expansion
 - Two **(2)** Retail Locations surrounding the Concourse C Expansion
- Of the 13, intend to allocate one (1) retail and one (1) food and beverage for small business participation only.

Concourse C Expansion RFP Details

- There will be one (1) retail package and one (1) food and beverage package within the RFP.
 - Both packages will consist of two (2) units.
 - All other locations will be released as individual locations.
- Prime operators (large or small) may be awarded a maximum of three (3) locations.
 - This ensures that opportunities are not cannibalized by one prime operator.
- Concourse C Expansion locations not included in this RFP:
 - Six (6) Introductory Kiosk locations
 - CC-29: Space is allocated for a required tenant relocation

Concourse C Expansion RFP At-A-Glance



Concourse C RFP Business Terms

- Proposed Business Terms:
 - Food and Beverage: Twelve (12) years
 - Retail: Ten (10) years
- Staff is recommending these new contract terms in response to:
 - Increased costs to design and build at SEA, as increased operational costs due to Port initiatives and city requirements and tenant feedback.
- Staff recommendation also considered an appropriate period of operation to allow for new business opportunities at SEA.

LESSONS LEARNED

Overall Lessons Learned

- Feedback received included the following:
 - Concept category changes in the master planning effort led to increased costs to tenants as spaces were not outfitted appropriately for these adjustments.
 - The RFP process can be confusing to small businesses looking to enter the aviation industry.
 - Small business experience unique barriers to opportunities and growth (discussed later in the presentation)

Actions Taken/In-Process to Address Overall Barriers

- What has been done:
 - LEAN Process Improvement
 - Commission approved findings on March 8, 2022
 - Resulted in additional term for tenant impacted by Port processes and deficiencies.
 - Phase 1: Port to do demolition of tenant spaces prior to turnover.
 - Decreases design and construction costs for tenants by 10-15%
 - Will be coming back to Commission for construction project approval in Q1 2024.
 - Removed of the bid bond requirement from RFP
 - Removed Capital Investment scoring from RFP
 - Removed the ability to bid MAG as a proposed rent structure from the RFP.

Small Business Barriers to Entry and Business Growth

- Feedback received included the following:
 - There were concerns regarding the capability of new small business to compete on the same locations with larger, more established businesses.
 - Small business barriers to entry and business growth included confusing processes, mandatory labor policies, badging, and buildout costs/cost recovery.

Small Business Actions Taken/In-Process

- What has been done:
 - First Time Bidders Classes: Demystifying the RFP process at SEA.
 - Taking place in Q1 2024
 - Small Business specific opportunities in RFP.
 - Review of the small business exemption to mandatory labor harmony agreements within the RFP process.
(Options on next slide)

Small Business Exemption Considerations

Option 1:

Maintain current small business exemption for labor engagement for bidders who meet Federal stipulations and have 35 or less employees.

Option 2:

(Recommendation)

Change the small business exemption for labor engagement requirement to bidders who meet Federal stipulations and have three (3) spaces at the airport.

Option 3:

Change the small business exemption for labor engagement requirement to bidders who meet the Federal stipulations for small businesses.

Next Steps

- ADR returning to Commission on December 12th seeking authorization to release and award the RFP-CCE.
- RFP-CCE release in Q1 2024.
- Concourse C Expansion and surrounding locations open to the public in advance of 2026 World Cup.



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