



COMMISSION SPECIAL MEETING AGENDA

June 25, 2024

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 978 435 113#

ORDER OF BUSINESS

Amended to include Item 8i attachments

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 (in accordance with the Commission's bylaws) on Commission agenda items or on topics related to the conduct of Port business 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 agenda item or topic related to the conduct of Port business you wish to speak to by 9:00 a.m. PT on Tuesday, June 25, 2024. **(Please be advised that public comment is limited to agenda items and topics related to the conduct of Port business 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 agenda items and topics related to the conduct of Port business.

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 June 11, 2024. **(enclosed)** (p.4)

- 8b. Authorization for the Executive Director to Increase the Budget for the Surface Area Management Project by \$2,614,000 for a Total Budget of \$18,479,000 and to Include and use a Project Labor Agreement. (CIP #C800650) ([memo enclosed](#)) (p.12)
- 8c. Number Not Used.
- 8d. Number Not Used.
- 8e. Authorization for the Executive Director to Proceed with the Maritime Camera and Technology Infrastructure project; to Prepare Design and Construction Bid Documents for the Replacement of Camera and Technology Infrastructure at Maritime Sites; to Procure Required Hardware, Vendor Services, Licensing, and Maintenance Services; to Use Port Labor Including Port of Seattle Crews and Small and Major Works On-Call Contracts; and to Purchase Additional Internet Bandwidth for Increased Capacity Needs Estimated at \$1,000,000 for Ten Years, for a Total Amount Requested of \$7,192,000, and a Total Estimated Cost of \$10,396,000. (CIP # C801020) ([memo enclosed](#)) (p.17)
- 8f. Adoption of Resolution No. 3826: A Resolution Authorizing the Issuance and Sale of Intermediate Lien Revenue and Refunding Bonds in One or More Series (the “2024 Revenue Bonds”), in the Aggregate Principal Amount Not-to-Exceed \$850,000,000 for the Purposes of Financing Capital Improvements to Aviation Facilities and Refunding Certain Outstanding Revenue Bonds of the Port; Setting Forth Certain Bond Terms and Covenants; and Delegating Authority to Approve Final Terms and Conditions and the Sale of the Bonds. ([memo](#), [resolution](#), and [presentation enclosed](#)) (p.22)
- 8g. Authorization for the Executive Director to Execute Up to Four Project Control Services Indefinite Delivery, Indefinite Quantity (IDIQ) Service Agreements in the Amount of \$5,000,000 Each and a Five-Year Contract Ordering Period. ([memo enclosed](#)) (p.77)
- 8h. Authorization for the Executive Director to Execute Two Settlement Agreements to Recover Costs Associated with the Port’s Cleanup of the Terminal 91 Uplands. ([memo enclosed](#)) (p.79)
- 8i. Executive Director Employment Agreement 2024 - 2027. ([memo and agreement enclosed](#)) (p.80)

10. NEW BUSINESS

- 10a. Authorization for the Executive Director to Increase Funding in the Amount of \$10,169,500 for Renewal and Replacement of Fire Department Apparatus. (CIP #C801040) ([memo and presentation enclosed](#)) (p.81)
- 10b. Authorization for the Executive Director to Approve a Total Project Budget of \$154,500,000 and to Allocate \$85,800,000 of that Budget for the Post IAF Airline Realignment Project at Seattle-Tacoma International Airport and to Execute the Maximum Allowable Construction Cost Contract Amendment, Any Related Project Change Orders, Amendments, Work Authorizations, Purchases, Contracts, and to Take any Actions Necessary to Support and Deliver the Project Within the Approved Budget. (CIP #C801158) ([memo and presentation enclosed](#)) (p.95)

- 10c. Authorization for the Executive Director to Approve Funding to Complete Design and Permitting; to Advertise, Award, and Execute an Owner-Furnished Equipment Contract; and to Authorize Use of Port of Seattle Crews and Small Works Contracts to Support the Design Development and Construction Execution for the Installation of Electric Vehicle Charging Stations for Waterfront Fleet Vehicles, in the Amount Requested of \$5,000,000, and a Total Estimated Project Cost of \$5,300,000. (CIP #801248) (p.114) ([memo](#) and [presentation](#) enclosed)
- 10d. Authorization for the Executive Director to Enter a 10-Year Preferential Berthing Agreement with Carnival Corporation (Carnival), Which Includes Carnival, Princess Cruises, and Holland America Line Brands and Environmental and Community Requirements in Addition to Business Terms and Data Sharing to Support a New Public Cruise Dashboard for Transparency and Tracking and Reporting on Performance Over the Term of the Agreement. ([memo](#), [agreement](#), and [presentation](#) enclosed) (p.128)

11. PRESENTATIONS AND STAFF REPORTS

- 11a. Seattle Waterfront Update on Projects and Partnerships Report. (p.178) ([memo](#) and [presentation](#) enclosed)

12. QUESTIONS on REFERRAL to COMMITTEE and CLOSING COMMENTS

13. ADJOURNMENT



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APPROVED MINUTES COMMISSION REGULAR MEETING

June 11, 2024

The Port of Seattle Commission met in a regular meeting Tuesday, June 11, 2024. The meeting was held at the Port of Seattle Headquarters Building, Commission Chambers, 2711 Alaskan Way, Seattle Washington, and virtually on Microsoft Teams. Commissioners Calkins, Cho, Felleman, Hasegawa, and Mohamed were present.

1. CALL to ORDER

The meeting was convened at 10:30 a.m. by Commission President Hamdi Mohamed.

2. EXECUTIVE SESSION pursuant to RCW 42.30.110

The public meeting recessed into executive session to discuss two items regarding litigation/potential litigation/legal risk per RCW 42.30.110 (1)(i) for approximately 35 minutes, with the intention of reconvening the public session at 12:00 p.m. Following the executive session, the public meeting reconvened at 12:05 p.m. Commission President Mohamed led the flag salute.

3. APPROVAL of the AGENDA

The agenda was approved as presented without objection.

**In favor: Calkins, Cho, Felleman, Hasegawa, and Mohamed (5)
Opposed: (0)**

4. SPECIAL ORDERS OF THE DAY

There were no Special Orders of the Day 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 committee reports.

Digital recordings of the meeting proceedings and meeting materials are available online – www.portseattle.org.

AV Workforce Conditions Committee

Commission President Mohamed and Commissioner Hasegawa convened the AV Workforce Condition Ad hoc Committee on May 28, 2024. The Committee heard health care needs of SEA workers and discussed potential paths forward for the Port.

Sustainability, Environment, and Climate Committee

Commissioners Cho and Felleman convened the Sustainability, Environment, and Climate Committee on May 31, 2024. The Committee was briefed on building energy, waste reduction, stormwater quality, and equity recommendations for the Maritime C-15 Miscellaneous Improvements project under the Sustainable Evaluation Framework. The Committee also received a briefing on the 2021 Puget Sound Maritime Air Emissions Inventory, a multi-stakeholder regional study to quantify air pollution and greenhouse gas emissions from all maritime-related sources in Puget Sound and conducted every 5 years. Staff will be sharing their findings later today during the 2023 Environment and Sustainability Annual Report briefing that: diesel particulate matter from maritime sources across the Puget Sound region declined 82 percent in 2021 compared to 2005 and GHG declined 10 percent; and the Port of Seattle's emissions also declined in 2021 compared to 2005, due in part to COVID-19. A supplemental inventory of cruise ships in 2022 shows a rebound in cruise and associated emissions.

Aviation Committee

Commissioners Hasegawa and Cho convened the Aviation Committee on June 6, 2024. The Committee received a mid-year Update on the 2024 Ground Transportation Access Plan Work Program Deliverables, including work towards implementing an SEA Commute Action Strategy. Commissioners discussed a potential ORCA pass program for SEA workers and heard that the Port is currently installing ten DC fast chargers at the SEA taxi and the TNC holding lot, with below market pricing for charging. Staff mentioned that future expansions of charging infrastructure at the airport will require greater power supply to the airport. Commissioners also received an update on the Taxi Order implementation and heard that dispute resolution discussions are ongoing. Commissioners agreed to bring this item back to the next committee meeting for a more in-depth discussion, including a discussion on how to ensure there is a neutral arbiter in any dispute resolution appeal process.

7. PUBLIC COMMENT

- The following person spoke regarding Item 8e on the agenda and the Terminal 115 Plant 1 Clean-up Site action memo and agreement: Amy Wilson, TRC (*written comments submitted*).
- The following person spoke regarding Order No. 2024-08, the increased number of cruise calls, increasing greenhouse gas emissions, and capping the output of carbon emissions allowed: Patrick McKee (*written comments submitted*).
- In lieu of spoken comment, the following people submitted written comments regarding their request for the Port to reduce the number of cruise sailings until there is no water, air, and climate pollution; for the Port to lobby the Washington State Legislature to expand the mission of Washington Ports to include stewardship; to support the proposed U.S. Clean Shipping Act; to reject false solutions; to approach discussions, goals, studies, etc related to the cruise sector in an honest and unbiased way; and to work in collaboration to support regional solutions that could reduce harm immediately: Vivien Sharples; Patrick McKee; Sarah Sanford; Scott McClay; Benjamin Menzies; Jill McGrath; Natalie Pierson; Iris Antman; Benjamin Joldersma; Marc Samson; Katherine Chesick; Irene Svete; Lynn Gaertner-Johnston; Sandra Jones; Cynthia Ervin; Sarah Mercer; Rebecca Cate; Sally Bartow; Sarah Ostheller; Anne Miller; Lars Watson; Cynthia Levine; Ayana Parrott; Grace Norman; Nichole Snyder; Michelle Lissner;

Nancy Chang; Wade Phillips; Sandeep Panigrahy; Kianna Hartley; Susan Blythe-Goodman; XinTong H; Paw Cast Kids LLC; Annemarie Dooley; Veronica Ruffin; Audrey Olshefsky; Jason Li; Chris Covert; Beth McKelvey; Hsieh Yuchin; Gregory Denton; Sarah Merner; Gregory Denton; Jeanie Johnson; Breck Lebeque; Brie Gynclid; Sara Bliss; Angeline Zalben; Sophia Keller; Donald Parda; Jean Myers; Charles Raymond; Beth Brunton; Mary Hanson; Paul Brown; Jim Bernthal; Leo Kucewicz; Jared Howe; Kevin Gallagher; Lorie Lucky; and Derek Gendvil.

[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 Meeting of May 28, 2024.

8b. Approval of the Claims and Obligations for the Period May 1, 2024, through May 31, 2024, Including Accounts Payable Check Nos. 953564 through 954035 in the Amount of \$11,166,324.08; Accounts Payable ACH Nos. 066056 through 066907 in the Amount of \$70,768,282.46; Accounts Payable Wire Transfer Nos. 016308 through 016325 in the Amount of \$18,492,599.27; Payroll Check Nos. 212389 through 212923 in the Amount of \$116,839.65; and Payroll ACH Nos. 1196497 through 1201301 in the Amount of \$15,914,379.65, for a Fund Total of \$116,458,425.11.

Request document(s) included an agenda memorandum.

8c. Monthly Notification of Prior Executive Director Delegation Actions May 2024.

Request document(s) included an agenda memorandum.

8d. Authorization for the Executive Director to Complete Design of LED Lighting and Controls Upgrades at T-91 in the Amount Requested of \$700,000 and a Total Project Authorization To-Date of \$750,000, for a Total Estimated Project Cost of \$3,600,000. (CIP #C801297).

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

8e. Authorization for the Executive Director to Increase the Overall Project Cost by \$2,000,000 to \$5,500,000 to Account for Increased Planning Costs and Need for Significantly Increasing Field Investigation Efforts and to Amend an Existing Maritime Environmental Site Management Support Services IDIQ Contract with Floyd Snider Inc. in the Amount of \$2,000,000, for a New Not-to-Exceed Total of \$4,000,000, and to Extend the Contract by Two Years to Complete the Remaining Work for the Terminal 115 Plant 1 Ecology Agreed Order Cleanup Site.

Request document(s) included an agenda memorandum, attachment 1, attachment 2, and attachment 3.

- 8f. Adoption of Resolution No. 3824: A Resolution to Determine 500 Mitigation Credits from the Port's Terminal 117 (T117) Mitigation Bank Site Are Surplus in Accordance with RCW 53.08.090 and EX-30; and to Authorize the Executive Director to Enter into a Purchase and Sale Agreement to Sell Those Credits at Fair Market Value.**

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

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

In favor: Calkins, Cho, Felleman, Hasegawa and Mohamed (5)

Opposed: (0)

9. NEW BUSINESS

- 9a. Introduction of Resolution No. 3823: A Resolution Amending the Policy Directive for Salaries and Benefits for Employees Not Covered by a Collective Bargaining Agreement Established by Resolution No. 3820 and Providing an Effective Date for All Amendments of June 16, 2024.**

Requested document(s) included an agenda memorandum, resolution, attachment A, attachment B, Exhibit A, 2023 pay range data, and presentation.

Presenter(s):

Katie Gerard, Senior Director, Human Resources

Kecia Reichstein, Director, Total Rewards, Human Resources

Chris Beck, Manager, Total Rewards, Human Resources

Clerk Hart read Item 9a into the record.

Executive Director Metruck introduced the item and presenters.

Commissioner Mohamed reminded Members of the Commission that the main motion to adopt Resolution No. 3823 was on the floor from the May 28, 2024, meeting. She spoke regarding equity and transparency, recognized challenges, and expressed her confidence in the Human Resources Department.

A primary amendment, made by Commissioner Mohamed, requiring the Executive Director to return to the Commission for approval of the second phase of the implementation of the compensation plan, carried by the following vote:

In favor: Calkins, Cho, Felleman, Hasegawa and Mohamed (5)

Opposed: (0)

**The main motion, as amended, carried by the following vote:
In favor: Calkins, Cho, Felleman, Hasegawa and Mohamed (5)
Opposed: (0)**

10. NEW BUSINESS

10a. Introduction of Resolution No. 3826: A Resolution Authorizing the Issuance and Sale of Intermediate Lien Revenue and Refunding Bonds in One or More Series (the “2024 Revenue Bonds”), in the Aggregate Principal Amount of Not-to-Exceed \$850,000,000 for the Purposes of Financing Capital Improvements to Aviation Facilities and Refunding Certain Outstanding Revenue Bonds of the Port; Setting Forth Certain Bond Terms and Covenants; and Delegating Authority to Approve Final Terms and Conditions and the Sale of the Bonds.

Requested document(s) included an agenda memorandum, resolution, and presentation.

Presenter(s):

Scott Bertram, Manager, Corporate Finance Analysis, Finance and Budget

Clerk Hart read Item 10a into the record.

Executive Director Metruck introduced the item and presenters.

The presentation addressed:

- the purpose of the bonds – refund for savings and funding for capital projects;
- funding of airport capital projects;
- details associated with the bond resolution terms; and
- next steps in the process including meeting with credit rating agencies in late June; adoption of Resolution No. 3826; and the scheduled bond sale of August 1, 2024.

Discussion ensued regarding the estimate of savings for net present value over the life of the bond being refunded.

The motion, to introduce Resolution No. 3826, made by Commissioner Cho, carried by the following vote:

In favor: Calkins, Cho, Felleman, Hasegawa and Mohamed (5)

Opposed: (0)

10b. Number Not Used.

10c. Order No. 2024-08: An Order Setting an Accelerated Timeline for All Cruise Ships to Utilize Shore Power at All Port Facilities by 2027

Requested document(s) included an order.

Presenter(s):

Aaron Pritchard, Chief of Staff, Commission Office

Clerk Hart read Item 10c into the record.

Commission Chief of Staff Aaron Pritchard introduced the Order and read the text of the Order into the record, noting the Order shall ensure that 100 percent of all homeported cruise vessels are shore power capable and plug into shore power at the start of the 2027 cruise season, with limited exceptions such as equipment maintenance and outages.

Executive Director Metruck supported the Order and spoke regarding meeting our sustainability goals; infrastructure required to support shore power; and ships' capability to connect to shore power.

Discussion ensued regarding:

- shore power availability through the port for over twenty years and making it more accessible;
- ships' capability of connecting;
- enforcing connection requirements; and
- ports mobilizing around the world to meet the needs of new technologies and regulations.

Commissioner Felleman, sponsor of the Order, acknowledged the work being done over the years through Stephanie Jones Stebbins and her department, and Executive Director Metruck for his leadership in this area. Commissioner Felleman also recognized Commission Chief of Staff Aaron Pritchard and Evan Ashe, of the Commission Office, for their work in drafting the Order.

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Commissioner Felleman noted:

- that it is a first for the Port in leveraging relationships with cruise partners moving towards the green ports goal;
- 35 percent of ships were able to plug in during 2023, however, 66 percent were shore power capable;
- the need to make progress on alternative fuels and benefits to the surrounding communities; and
- a dashboard report card being released by the Port that provides data and a visual on progress made in the communities.

Commissioner Hasegawa acknowledged and thanked Commissioner Felleman for his leadership on the bringing the Order forward. She spoke to the Order being a ground-breaking blueprint for others to follow and stated she would like to see the same requirements for cargo and container ships. Commissioner Hasegawa continued by stating that the growth of cruise calls outpaces the reductions in emissions and inquired regarding the holistic strategy to meeting the Port's net zero goals.

Director Jones Stebbins responded that the Port is also looking at methods including the use of less fuels and zero carbon fuels in discussions with cruise partners. She spoke to the establishment of the green corridor and efficiencies.

Discussion ensued regarding:

- sharing the action and language of the Order with others in an effort to generate infrastructure upgrades;
- feedback and input from cruise ridership;
- the need to get to zero carbon emissions;
- providing leadership for other ports to follow;
- if it is possible to cap emissions;
- ways to reduce emissions; and
- different considerations to take into account in a global industry.

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

In favor: Calkins, Cho, Felleman, Hasegawa and Mohamed (5)

Opposed: (0)

11. PRESENTATIONS AND STAFF REPORTS

11a. 2023 Environment and Sustainability Annual Report.

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

Presenter(s):

Sandra Kilroy, Senior Director Environment and Sustainability
Sarah Cox, Director, Aviation Environment and Sustainability
Sarah Ogier, Director, Maritime Environment and Sustainability
Mallory Hauser, Sustainability Reporting and Community Program Manager

Clerk Hart read Item 11a into the record.

Executive Director Metruck introduced the item and presenters.

The presentation addressed:

- building a green and resilient port;
- drivers and trends;
- stewarding healthy lands;
- cleaning up contaminated sites;
- protecting water quality;
- reducing waste;
- progress on greenhouse gas emissions reductions;
- building resilient and sustainable infrastructure;
- lessening the impact of aircraft noise;
- practicing equity, diversity, and inclusion;
- community engagement events and opportunities conducted; and
- building on progress made.

Discussion ensued regarding:

- metrics tracking;
- positioning for technology advancements;
- where the port is going next with respect to sustainable aviation fuels and ways in which communities can make sustainability investments;
- being able to clearly show the progress the port is making on emissions reduction;
- reporting on Scope 3 data annually;
- potential sources of funding;
- goals that have been accelerated;
- tracking beyond current port data to include all parameters in which the port makes direct investments;
- tree survival rates in the flight corridor and
- accounting for emissions during a full itinerary of travel.

(Commissioner Hasegawa exited the meeting at 2:15 p.m.)

12. QUESTIONS on REFERRAL to COMMITTEE and CLOSING COMMENTS

Executive Director Metruck shared that there is now a new location for first amendment activities at SEA.

13. ADJOURNMENT

There was no further business and the meeting adjourned at 2:27 p.m.

Prepared:

Attest:

Michelle M. Hart, Commission Clerk

Ryan Calkins, Commission Secretary

Minutes approved: June 25, 2024

RETURN TO AGENDA



**COMMISSION
AGENDA MEMORANDUM**

Item No. 8b

ACTION ITEM

Date of Meeting June 25, 2024

DATE: June 14, 2024

TO: Stephen P. Metruck, Executive Director

FROM: Laurel Dunphy, Director Airport Operations
Krista Sadler, Director ICT Technology Delivery

SUBJECT: Surface Area Management Project Additional Authorization (CIP #800650)

Amount of this request: \$2,614,000

Total estimated project cost: \$18,479,000

ACTION REQUESTED

Request Commission authorization for the Executive Director to 1) increase the authorized project budget for the Surface Area Management project by \$2,614,000 for a total budget of \$18,479,000; and 2) include and use a Project Labor Agreement.

EXECUTIVE SUMMARY

The Surface Area Management (SAM) project, first authorized in June 2019, has implemented a system to improve airfield situational awareness and provide forensic and analytic information on airfield operations at Seattle-Tacoma International Airport (SEA). The system provides information to improve aircraft flow and gate docking efficiencies, reduce aircraft holds, and support safety initiatives by providing more detailed information on incident causes and contributing factors. Integrating with several Port and external data feeds, the system provides a real-time, actionable picture of operations that is invaluable to Airport Operations, emergency response, security, and our airline partners.

The system is being implemented in multiple phases and portions are now used by Port staff, Federal Aviation Administration (FAA), and Airlines. The first three phases deployed the core system, video analytics capabilities, integration with other Port systems, and vehicle and equipment tracking. In parallel to the delivery of these phases, the project team progressed the design work for phase four, the installation of sensors and cameras used by the new system to provide more detailed situational awareness on the airfield. The first three phases of the project have been completed using the Job Order Contract (JOC) and staff have proceeded with the procurement process to deliver the final phase of the work via a major public works contract.

The Port opened bids for the major public works contract phase of the project in March 2024. Only one bidder proposed on the project and the bid total is 47% above the engineer’s estimate.

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After the bid opening, staff took the time to evaluate other delivery methods/alternatives to complete the work cost effectively and efficiently. The preferred alternative is to award the project to the sole bidder and increase the project budget by \$2,614,000.

JUSTIFICATION

The SAM system provides a holistic view or understanding of underlying reasons or root causes for delays, bottlenecks, or deficiencies and improve overall airfield efficiency and safety at the Airport. Additional funding through this request will allow the system to be constructed as designed providing the greatest opportunity to provide this holistic view.

Diversity in Contracting

The project team has worked with the Diversity in Contracting Department to establish a 10% women- and minority-owned business enterprise (WMBE) aspirational goal for this construction contract.

DETAILS

This system is comprised of sensors and cameras throughout the airfield which will provide forensic and analytical information on airfield operations at SEA. The intent of this project is to utilize system data to better determine root causes associated with delays, bottlenecks and deficiencies which will guide decisions to improve overall airfield efficiency and safety.

Scope of Work

The Phase 4 project scope of work includes sensor and camera installation at various locations in the airfield to improve identification of targets for situational awareness and provide gate turn monitoring at all gates. The scope also includes the setup of the all the required Power and Communication Infrastructure for the sensors and cameras.

Schedule

Activity

Construction start	Quarter 3 2024
In-use date	Quarter 4 2025

Cost Breakdown

	This Request	Total Project
Capital		
Hardware/Software/Vendor Services		\$3,283,000
Port Labor		\$649,000
Sensor/Camera Installation	\$2,614,000	\$14,147,000
Total Capital	\$2,614,000	\$18,079,000

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Expense		
Training		\$200,000
Spare Parts		\$200,000
Total Expense		\$400,000
TOTAL PROJECT	\$2,614,000	\$18,479,000

ALTERNATIVES AND IMPLICATIONS CONSIDERED

Alternative 1 – Utilize the JOC contractor to complete the work at 21 locations.

Cost Implications: ~\$7,700,000 in additional funding.

Pros:

- (1) JOC contractor has completed 9 locations and has implemented lessons learned.
- (2) JOC contract is executed, and work order(s) can proceed as capacity allows.

Cons:

- (1) Highest cost alternative
- (2) JOC construction completion anticipated in July 2026 which is the longest path to complete the time sensitive scope of work.
- (3) JOC capacity likely will be a challenge.
- (4) Future JOC contracts may not be awarded to the current JOC contractor, losing lessons learned and decreasing efficiencies.

This is not the recommended alternative.

Alternative 2 – Repackage the design-bid-build contract and re-bid the project.

Cost Implications: ~\$6,050,000 in additional funding.

Pros:

- (1) Re-bid documents would provide more detailed information to reduce unknown risks to bidders.
- (2) Opportunity for additional contractor outreach.

Cons:

- (1) No guarantee the re-bid package will attract more bidders.
- (2) Potential for bid(s) to be higher than the current sole low-bidder.
- (3) Major works construction completion anticipated in June 2026.
- (4) May require additional budget increases.

This is not the recommended alternative.

Alternative 3 – Award Major Works contract to low bidder.

Cost Implications: ~\$5,600,000

Meeting Date: June 25, 2024

Pros:

- (1) Most efficient alternative to complete the SAMS project Q4 2025.

Cons:

- (1) 47% above engineer’s estimate.
- (2) Increase project funding and additional budget authorization by \$2,614,000.
- (3) Requires the low-bid contractor to hold their bid price for an additional 60-days.

This is the recommended alternative.

FINANCIAL IMPLICATIONS

<i>Cost Estimate/Authorization Summary</i>	Capital	Expense	Total
COST ESTIMATE			
Original estimate	\$6,200,000	\$400,000	\$6,600,000
Previous changes – net	\$9,265,000	\$0	\$9,265,000
Current change	\$2,614,000	\$0	\$2,614,000
Revised estimate	\$18,079,000	\$400,000	\$18,479,000
AUTHORIZATION			
Previous authorizations	\$15,465,000	\$400,000	\$15,865,000
Current request for authorization	\$2,614,000	0	\$2,614,000
Total authorizations, including this request	\$18,079,000	\$400,000	\$18,479,000
Remaining amount to be authorized	\$0	\$0	\$0

Annual Budget Status and Source of Funds

This project, C800650 was included in the 2024-2028 capital budget and plan of finance for \$13,001,000. The capital budget increase of \$5,078,000 was transferred from the Aeronautical Allowance C800753 resulting in no net change to the Aviation Division capital budget. The funding source would be the Airport Development Fund and revenue bonds.

Financial Analysis and Summary

Project cost for analysis	\$18,479,000
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	\$0.07 in 2026

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Future Revenues and Expenses (Total cost of ownership)

Previously authorized annual recurring maintenance and license costs for this system, estimated at \$1,620,000 are budgeted in the Aviation Operations and Aviation Maintenance operating budgets.

ADDITIONAL BACKGROUND

Since the deployment of phase 1 of the project, the Port and its partners have realized several benefits from using the new system.

- (1) Alaska Airlines leveraged information from the new system and implemented a change to its operations that that resulted in reduction of wait time for gates upon arrival.
- (2) Ramp Tower and FAA coordination significantly improved coordination during impacts of the 2021 Airport Improvement Project (AIP) work and International Arrivals Facility (IAF) construction taxi lane closures
- (3) Sixty-seven (67) gates are currently under turn monitoring surveillance providing time stamps of up to 36 critical milestones throughout the progression of a turn which establishes a record to gauge vendor performance and predict off-block times.

ATTACHMENTS TO THIS REQUEST

None

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

December 12, 2023 – The Commission authorized (1) construction for major public works contract; (2) amend the contract with SAAB; (3) increase project budget; and (1) execute a Project Labor Agreement

February 8, 2022 – The Commission authorized construction using JOC, a budget increase and a contract amendment with the vendor SAAB, Inc.

June 11, 2019 –The Commission authorized proceeding with the project for \$4,782,000.

RETURN TO AGENDA



**COMMISSION
AGENDA MEMORANDUM**

Item No. 8e

ACTION ITEM

Date of Meeting June 25, 2024

DATE : June 14, 2024

TO: Stephen P. Metruck, Executive Director

FROM: Kenneth Lyles, Dir, Maritime Ops and Security
Krista Sadler, Dir. Technology Delivery, Information & Communication Technology

SUBJECT: Maritime Camera and Infrastructure Replacement (CIP #C801020)

Amount of this request:	\$7,192,000
Total estimated project cost:	\$10,396,000
Estimate for ten-year internet and maintenance:	\$1,000,000

ACTION REQUESTED

Request Commission authorization for the Executive Director to (1) proceed with the Maritime Camera and Technology Infrastructure project; (2) prepare design and construction bid documents for the replacement of camera and technology infrastructure at Maritime sites; (3) procure required hardware, vendor services, licensing, and maintenance services in support of cameras and technology Infrastructure at Maritime sites; (4) use Port labor including Port of Seattle Crews and small and major works on-call contracts; and (5) purchase additional internet bandwidth for increased capacity needs estimated at \$1,000,000 for ten years. The amount of this project request is \$7,192,000. The total estimated project cost is \$10,396,000.

EXECUTIVE SUMMARY

This project replaces and adds Maritime cameras and communications infrastructure at various Maritime facilities; improves the reliability of key devices including security access badge readers, cameras, and communication devices; repairs communication infrastructure; and leverages camera and video management technology to enable Maritime Resources to have better visibility at their many locations. The cameras and infrastructure, some installed over a decade ago, are failing, are not sufficient for current needs, and some devices include technology that presents a cyber security risk to the Port’s network.

This authorization includes (1) the design of electrical and communication infrastructure to support approximately 200 cameras and devices; (2) the procurement of equipment to minimize schedule risks from long-lead times; (3) use of Port labor including Port of Seattle Crews and small

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and major works on-call contracts; and (4) contract authorization for increased internet bandwidth requirements estimated at \$1,000,000 over ten years. Authorization for major construction will be sought in a subsequent request.

The capital project is included in the 2024-2028 capital budget and plan of finance for \$3,200,000. Additional funding will be added into the plan of finance beginning in 2025. Recurring costs estimated at \$100,000 per year will be budgeted in the ICT operating budget beginning in 2025.

JUSTIFICATION

Replacing end-of-life hardware and leveraging automation supports the Century Agenda goal of being a highly effective public agency by maintaining and improving technology for Port operations.

- (1) Maritime security cameras and communication infrastructure are failing due to age. Some devices present a cyber-security vulnerability.
- (2) Maritime Security and Maritime Operations have identified key locations necessitating additional surveillance to improve security.
- (3) This project will reduce failure points, improve visibility and video management while increasing reliability for key devices.

Diversity in Contracting

Project staff will work with the Diversity in Contracting Department to identify WMBE opportunities from equipment purchases and construction contracts.

DETAILS

This project will replace almost 200 cameras and associated devices, install approximately 30 additional cameras, and improve technology infrastructure for eleven Maritime facilities including T91, Fishermen’s Terminal, Shilshole Bay Marina, P69, P66, two cruise terminals, and others.

Scope of Work

- (1) Utilize in-house Engineering Design Services to develop designs for the replacement of cameras and electrical and communication infrastructure and revamp infrastructure at where needed.
- (2) Leverage Port Crews to revise infrastructure at T91-Cruise and replace some cameras and communication equipment at various sites.
- (3) Utilize Waterfront Construction Management to revamp failing infrastructure at SBM, install additional cameras at SBM, T91, and FT, and hardwire key devices at T91.
- (4) Configure the cameras to leverage camera automation and optimize the video management system.

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- (5) Perform all work within the constraints of Maritime operations.

Schedule

Commission design authorization	2024 Quarter 2
Design start	2024 Quarter 3
Commission construction authorization	2026 Quarter 4
Major Construction start	2027 Quarter 1
In-use date	Rolling 2025-2028

Cost Breakdown	This Request	Total Project
Design	\$525,000	\$621,000
ICT and Port Labor	\$2,976,000	\$2,976,600
Construction	\$3,610,000	\$6,717,400
Total Capital	\$7,111,000	\$10,315,000
Expense for decommissioning cameras that will not be replaced	\$81,000	\$81,000
Total This Request	\$7,192,000	\$10,396,000

ALTERNATIVES AND IMPLICATIONS CONSIDERED

Alternative 1. Only replace aging equipment and failing infrastructure.

Cost Estimate: \$8,500,000

Pros:

- (1) This alternative is less expensive.

Cons:

- (2) This alternative does not add important surveillance cameras to areas not currently surveilled that are a high priority for Maritime Security and Operations.

This is not the recommended alternative.

Alternative 2 – Replace cameras and communications technology infrastructure at Maritime Facilities and install cameras in priority areas not currently surveilled.

Cost Implications: \$10,315,000.

Pros:

- (1) Outdated, at-risk of failure, and cyber-security risky technology will be decommissioned and replaced by modern equipment.
- (2) Maritime Security and Maritime Operations will have greater visibility at their facilities.
- (3) Key resources are assigned for the duration of the project assuring continuity.

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Cons:

- (1) This alternative only adds the highest priority cameras identified by Maritime Operations. It does not add all the additional cameras identified due to anticipated cost.

This is the recommended alternative.

FINANCIAL IMPLICATIONS

<i>Cost Estimate/Authorization Summary</i>	Capital	Expense	Total
COST ESTIMATE			
Original estimate	\$3,200,000	\$0	\$3,200,000
Current change	\$7,115,000	\$1,081,000	\$7,115,000
Revised estimate	\$10,315,000	0	\$10,315,000
AUTHORIZATION			
Previous authorizations	\$299,000	0	\$299,000
Current request for authorization	\$7,111,000	0	\$7,111,000
Total authorizations, including this request	\$7,410,000	0	\$7,410,000
Remaining amount to be authorized	\$2,905,000	0	\$2,905,000

Annual Budget Status and Source of Funds

The Maritime Camera and Infrastructure Project is included in the 2024- 2028 capital budget and plan of finance as a prospective project within CIP C801020 as a \$3.2M project. Additional capital funding will be added into the plan of finance beginning in 2025. \$81,000 for decommissioning equipment that will not be replaced, will be included in the Maritime Operating Expense Budget for 2025.

Financial Analysis and Summary (Maritime Finance Review)

Project cost for analysis	Total project
Business Unit (BU)	Maritime
Effect on business performance (NOI after depreciation)	NA
IRR/NPV (if relevant)	NA
CPE Impact	NA

Future Revenues and Expenses (Total cost of ownership)

Annual recurring license and maintenance fees, estimated at \$100,000 per year, will be budgeted in the ICT annual operating budget beginning in 2025 and is estimated to cost \$1,000,000 over 10 years.

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ADDITIONAL BACKGROUND

None

ATTACHMENTS TO THIS REQUEST

None

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

None

RETURN TO AGENDA



**COMMISSION
AGENDA MEMORANDUM**

Item No. 8f

ACTION ITEM

Date of Meeting June 25, 2024

DATE: May 24, 2024

TO: Stephen Metruck, Executive Director

FROM: Elizabeth Morrison, Director, Corporate Finance
Scott Bertram, Manager Corporate Financial Analysis

SUBJECT: Resolution No. 3826 – Issuance and Sale of Intermediate Lien Revenue and Refunding Bonds in the Aggregate Principal Amount of Not-to-Exceed \$850,000,000.

ACTION REQUESTED

Request adoption of Resolution No. 3826: A Resolution of the Commission of the Port of Seattle authorizing the issuance and sale of Intermediate Lien revenue and refunding bonds in one or more series (the “2024 Revenue Bonds”), in the aggregate principal amount of not to exceed \$850,000,000 for the purposes of financing capital improvements to aviation facilities and refunding certain outstanding revenue bonds of the Port; setting forth certain bond terms and covenants; and delegating authority to approve final terms and conditions and the sale of the bonds.

EXECUTIVE SUMMARY

The 2024 Revenue Bonds will be used to fund an estimated \$535 million of capital improvements at the Airport, and to refund up to \$85,065,000 of outstanding Intermediate Lien revenue refunding bonds, Series 2013 (the “2013 Bonds”) and \$187,275,000 of outstanding Intermediate Lien revenue refunding bonds, Series 2015AB (the “2015 Bonds”), for debt service savings.

JUSTIFICATION

As part of the Port’s debt management program, the Port monitors opportunities to reduce debt service. At this time, current interest rates provide for a potentially favorable refunding opportunity on several outstanding Port revenue bonds, including the 2013 Bonds and the 2015 Bonds, both of which funded or refunded Airport capital improvements. The 2013 bonds are currently callable, and the 2015 bonds will be callable in September and October, 2024. The current estimated present value savings of refunding the 2013 Bonds and 2015 Bonds is approximately \$1.7 million and \$7.5 million, respectively.

The 2024-2028 Plan of Finance estimated future revenue bond needs of \$3.6 billion to help pay for the Airport’s ~\$5.5 billion capital improvement plan over the next five years, and these 2024 Revenue Bonds will include funding for approximately \$535 million of those Airport project costs. Some of the major projects to be funded, in part, with this bond issuance include North Main

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Terminal Redevelopment, Baggage Optimization, C Concourse Expansion, S Concourse Evolution, and A Concourse Expansion along with various other Airport improvements; a list of projects currently identified for 2024 Bond funding is provided in Exhibit A. If project spending is delayed or if other funding sources are available, e.g., federal grants, the 2024 Revenue Bond proceeds may be redirected to other projects within the limits established by the federal tax code. No 2024 Revenue Bond proceeds or other funds can be spent on any project without the appropriate project authorization.

The 2024 Revenue bonds will also include proceeds sufficient to pay cost of issuance, fund the required debt service reserve and pay a portion of the interest (capitalized interest) on the Bonds during project construction (i.e. until the bond funded projects can be placed in service and included in the rate base).

DETAILS

The Bonds are being issued pursuant to the Intermediate Lien Master Resolution No. 3540 and this Resolution No. 3826. The Bonds will be issued in multiple series based on the tax status of the projects to be funded or the tax status of the 2013 Bonds or 2015 Bonds being refunded. Three series are anticipated.

- One series is expected to be issued as governmental bonds exempt from all federal income tax (Non-AMT). This series would be used to refund the outstanding 2015 bonds; it may also provide funding for airport capital projects eligible for governmental bond funding, if applicable.
- A second series is expected to be issued as private activity bonds exempt from regular income tax but subject to the Alternative Minimum Tax (AMT). This is the most common type of tax-exempt bond that the Port issues because it allows the Port to lease facilities to airport and seaport tenants. This series would be used to refund the 2013 Bonds, which were issued as AMT bonds, and provide funding for on-going airport capital investments.
- The third series of bonds *may* be issued as taxable debt and investors would be subject to federal income tax. This series would be used to fund airport capital investments that are not eligible for tax-exempt bond funding or would otherwise benefit from greater flexibility of not needing to comply with tax-exempt bond restrictions. Currently, Port staff does not expect the need for taxable bonds, but we have retained the option to include a taxable series if circumstances change.

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The table below summarizes the potential refunding candidates.

<u>Refunding Candidates</u>	<u>Total Principal (\$)</u>
2015A Intermediate Lien Revenue Bonds (Non-AMT)	57,740,000
2015B Intermediate Lien Revenue Refunding Bonds (Non-AMT)	129,535,000
2013 Intermediate Lien Revenue Refunding Bonds (AMT)	85,065,000
	<u>272,340,000</u>

Resolution No. 3826 is similar in all material respects to other Intermediate Lien Series Resolutions and provides for a contribution to the common debt service reserve fund that provides security for all Intermediate Lien bonds.

The Resolution delegates to the Port’s Executive Director the authority to approve interest rates, maturity dates, redemption rights, interest payment dates, and principal maturities for the Bonds (these are generally set at the time of pricing and dictated by market conditions at that time). Commission parameters that limit the delegation are a maximum bond size, maximum interest rate, and expiration date for the delegated authority. If the Bonds cannot be sold within these parameters, further Commission action would be required. The recommended delegation parameters are:

Maximum size:	\$850,000,000
Maximum interest rate on Tax-Exempt bonds:	6.0%
Maximum interest rate on Taxable bonds (if needed):	7.0%
Expiration of Delegation of Authority:	June 25, 2025

Upon adoption, Resolution No. 3826 will authorize the Designated Port Representative (the Port’s Executive Director, the Deputy Executive Director or the Port’s Chief Financial Officer or their respective delegates) to approve the Bond Purchase Contract, escrow agreement, if any, pay the costs of issuance, execute all documents including the preparation and dissemination of a preliminary official statement and final official statement, provide for continuing disclosure and take other action appropriate for the prompt execution and delivery of the Bonds.

The Bonds will be sold through negotiated sale to BofA Securities, Barclays Capital, Goldman Sachs & Co. LLC, Jefferies LLC, Morgan Stanley, Siebert Williams Shank & Co., LLC ⁽²⁾, Academy Securities, Inc. ⁽¹⁾, and Stern Brothers & Company ⁽²⁾. Piper Sandler & Co. is serving as Financial Advisor, K&L Gates LLP is serving as bond counsel and Pacifica Law Group is serving as disclosure counsel on the transaction.

(1) Disabled veteran owned firm

(2) Women or Minority owned firm

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ATTACHMENTS TO THIS REQUEST

- (1) Draft Resolution No. 3826
- (2) Presentation

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

June 11, 2024 – Resolution 3826, Intermediate Lien Revenue and Refunding Bonds, 2024, was introduced to the Commission.

October 24, 2023 – The Commission was briefed on the draft plan of finance.

EXHIBIT A

North Main Terminal Redevelopment (SEA Gateway Project)
C Concourse Expansion
S Concourse Evolution
Checked Baggage Optimization
Post IAF Airline Realignment
Main Terminal Low Voltage System Upgrade
A Concourse Expansion
Taxiway A Circuit Replacement
Upgrade Satellite Train System (STS) Control
Concourse Low Voltage System Upgrades
Passenger Loading Bridge Renewal and Replacement (2022)
N14WB and N15NB Common Use
Checkpoint 1 Relocation
Port Shared-Lounge Concourse A

INTERMEDIATE LIEN
SERIES RESOLUTION

PORT OF SEATTLE

RESOLUTION NO. 3826

A RESOLUTION of the Port of Seattle Commission authorizing the issuance and sale of intermediate lien revenue and refunding bonds in one or more series in the aggregate principal amount of not to exceed \$850,000,000, for the purpose of financing or refinancing costs of Port projects and for the purpose of refunding certain outstanding revenue bonds of the Port; setting forth certain bond terms and covenants; and delegating authority to approve final terms and conditions and the sale of the bonds.

ADOPTED: JUNE 25, 2024

Prepared by:

K&L GATES LLP

**PORT OF SEATTLE
Resolution No. 3826
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* This Table of Contents and the cover page are for convenience of reference and are not intended to be a part of this series resolution.

RESOLUTION NO. 3826

A RESOLUTION of the Port of Seattle Commission authorizing the issuance and sale of intermediate lien revenue and refunding bonds in one or more series in the aggregate principal amount of not to exceed \$850,000,000, for the purpose of financing or refinancing costs of Port projects and for the purpose of refunding certain outstanding revenue bonds of the Port; setting forth certain bond terms and covenants; and delegating authority to approve final terms and conditions and the sale of the bonds.

WHEREAS, the Port of Seattle (the “Port”), a municipal corporation of the State of Washington, owns and operates a system of marine terminals and properties and Seattle-Tacoma International Airport; and

WHEREAS, the Port is authorized by RCW ch. 53.40 and ch. 39.46 to issue revenue bonds; and

WHEREAS, the Port has authorized the issuance of revenue bonds in one or more series pursuant to Resolution No. 3059, as amended, of the Commission, adopted on February 2, 1990, as amended and restated by Resolution No. 3577 of the Commission adopted on February 27, 2007 (collectively, the “First Lien Master Resolution”), each series being payable from the Net Revenues (as such term is defined in the First Lien Master Resolution); and

WHEREAS, the Port currently has outstanding four series of first lien revenue bonds pursuant to the First Lien Master Resolution, as follows:

Authorizing Resolution Number	Date of Original Issue	Series	Original Principal Amount	Principal Amount Outstanding (Projected as of 07/02/2024)	Final Maturity Date
3619	07/16/2009	(B-2)	\$ 22,000,326 ⁽¹⁾	\$ 65,272,103 ⁽¹⁾	05/01/2031
3721	08/02/2016	(B)	124,380,000	92,930,000	10/01/2032
3721	08/02/2016	(C)	6,180,000	4,255,000	10/01/2032
3787	06/30/2021		43,015,000	27,280,000	09/01/2026

⁽¹⁾ Series 2009B-2 Bonds are capital appreciation bonds; total principal amount outstanding includes accreted interest of \$43,271,777 through July 2, 2024.

(the “Outstanding First Lien Parity Bonds”); and

WHEREAS, the Port has authorized the issuance of intermediate lien revenue bonds having a lien on Net Revenues subordinate to the lien thereon of the Outstanding First Lien Parity Bonds in one or more series pursuant to Resolution No. 3540, as amended, adopted on June 14, 2005 (the “Intermediate Lien Master Resolution”); and

WHEREAS, the Port currently has outstanding nineteen series of intermediate lien revenue bonds pursuant to the Intermediate Lien Master Resolution, as follows:

Authorizing Resolution Number	Date of Original Issue	Series	Original Principal Amount	Principal Amount Outstanding (Projected as of 07/02/2024)	Final Maturity Date
3684	12/17/2013		\$ 139,105,000 ⁽¹⁾	\$85,065,000 ⁽¹⁾	07/01/2029
3709	08/06/2015	(A)	72,010,000 ⁽¹⁾	57,740,000 ⁽¹⁾	04/01/2040
3709	08/06/2015	(B)	284,440,000 ⁽¹⁾	129,535,000 ⁽¹⁾	03/01/2035
3709	08/06/2015	(C)	226,275,000	174,570,000	04/01/2040
3722	08/02/2016		99,095,000	99,095,000	02/01/2030
3735	08/22/2017	(A)	16,705,000	16,705,000	05/01/2028
3735	08/22/2017	(B)	264,925,000	165,875,000	05/01/2036
3735	08/22/2017	(C)	313,305,000	271,190,000	05/01/2042
3735	08/22/2017	(D)	93,230,000	34,880,000	05/01/2027
3749	06/21/2018	(A)	470,495,000	418,545,000	05/01/2043
3749	06/21/2018	(B)	85,145,000	41,940,000	05/01/2028
3758	08/07/2019		457,390,000	418,745,000	04/01/2044
3786	06/30/2021	(A)	47,025,000	12,610,000	12/01/2030
3786	06/30/2021	(B)	148,765,000	133,435,000	06/01/2040
3786	06/30/2021	(C)	514,390,000	481,730,000	08/01/2046
3786	06/30/2021	(D)	41,395,000	41,395,000	08/01/2031
3801	08/11/2022	(A)	206,200,000	206,200,000	08/01/2033
3801	08/11/2022	(B)	585,930,000	569,140,000	08/01/2047
3801	08/11/2022	(C)	70,435,000	55,095,000	08/01/2032

⁽¹⁾ All or part of the Series 2013, Series 2015A Bonds and Series 2015B may be refunded pursuant to this resolution.

(the “Outstanding Intermediate Lien Parity Bonds”); and

WHEREAS, the First Lien Master Resolution and the Intermediate Lien Master Resolution permit the Port to issue its revenue bonds having a lien on Net Revenues and Available Intermediate Lien Revenues (as such terms are defined in the Intermediate Lien

Master Resolution) subordinate to the lien thereon of the Outstanding Intermediate Lien Parity Bonds; and

WHEREAS, the Port currently has outstanding two series of subordinate lien revenue bonds, as follows:

Authorizing Resolution Number	Date of Original Issue	Original Principal Amount	Principal Amount Outstanding (Projected as of 07/02/2024)	Final Maturity Date
3777	(CP)	\$ 400,000,000	\$ -	06/01/2051
3598	06/17/2008	200,715,000	136,395,000	07/01/2033

(the “Outstanding Subordinate Lien Bonds”); and

WHEREAS, the Port has certain Outstanding Intermediate Lien Parity Bonds described on Exhibit A attached hereto (the “Refunding Candidates”) that may be defeased and/or refunded, thereby saving on debt service, through the issuance of the Series 2024 Bonds (as hereinafter defined); and

WHEREAS, the Port wishes to finance or refinance certain capital improvements to aviation facilities (hereinafter defined as the “Projects”) through the issuance of the Series 2024 Bonds; and

WHEREAS, the Intermediate Lien Master Resolution permits the Port to issue its revenue bonds having a lien on Available Intermediate Lien Revenues (as such term is defined in the Intermediate Lien Master Resolution) on a parity with the lien thereon of the Outstanding Intermediate Lien Parity Bonds upon compliance with certain conditions; and

WHEREAS, the Port has determined that such conditions will be met; and

WHEREAS, pursuant to RCW 53.40.030, the Commission may delegate authority to the Executive Director of the Port to approve the designation of the bonds to be defeased and/or

refunded, the interest rates, maturity dates, redemption rights, interest payment dates, and principal maturities under such terms and conditions as are approved by resolution; and

WHEREAS, the Port has provided notice of and held a public hearing on the issuance of certain Series 2024 Bonds as required by Section 147(f) of the Internal Revenue Code, as amended; and

WHEREAS, it is deemed necessary and desirable that the Series 2024 Bonds be sold pursuant to one or more negotiated sale(s) as herein provided;

NOW, THEREFORE, BE IT RESOLVED BY THE PORT COMMISSION OF THE PORT OF SEATTLE, as follows:

Section 1. Definitions. Unless otherwise defined herein, the terms used in this series resolution, including the preamble hereto, that are defined in the Intermediate Lien Master Resolution shall have the meanings set forth in the Intermediate Lien Master Resolution. In addition, the following terms shall have the following meanings in this series resolution:

Acquired Obligations mean the noncallable Government Obligations acquired by the Port pursuant to Section 8(c) of this series resolution and the Escrow Agreement, if any, to effect the defeasance and refunding of all or a portion of the Refunded Bonds.

Beneficial Owner means any person that has or shares the power, directly or indirectly, to make investment decisions concerning ownership of any Series 2024 Bonds (including persons holding Series 2024 Bonds through nominees, depositories or other intermediaries).

Bond Counsel means a firm of lawyers nationally recognized and accepted as bond counsel and so employed by the Port for any purpose under this series resolution applicable to the use of that term.

Bond Insurance Commitment means the commitment(s) of the Bond Insurer, if any, to insure one or more series, or certain principal maturities thereof, all or a portion of the Series 2024 Bonds.

Bond Insurance Policy means the policy(ies) of municipal bond insurance, if any, delivered by the Bond Insurer at the time of issuance and delivery of Series 2024 Bonds to be insured pursuant to the Bond Insurance Commitment.

Bond Insurer means the municipal bond insurer(s), if any, that has committed to insure one or more series, or certain principal maturities thereof, of the Series 2024 Bonds, pursuant to the Bond Insurance Commitment.

Bond Purchase Contract means each of the Bond Purchase Contract(s) for the Series 2024 Bonds of one or more series, providing for the purchase of the Series 2024 Bonds of such series by the Underwriters and setting forth certain terms authorized to be approved by the Designated Port Representative as provided in Section 7 of this series resolution.

Bond Register means the registration books maintained by the Registrar containing the name and mailing address of the owner of each Series 2024 Bond or nominee of such owner and the principal amount and number of Series 2024 Bonds held by each owner or nominee.

Chief Financial Officer means the Chief Financial Officer of the Port, or any successor to the functions of his/her office.

Code means the Internal Revenue Code of 1986, as amended, and all applicable regulations and rulings relating thereto.

Continuing Disclosure Undertaking means each undertaking for ongoing disclosure executed by the Port pursuant to Section 15 of this series resolution.

Costs of Issuance Agreement means the agreement of that name, if any, to be entered into by the Port and the Escrow Agent, providing for the payment of certain costs of issuance with respect to the issuance of the Series 2024 Bonds.

Deputy Executive Director means the Deputy Executive Director of the Port, or any successor to the functions of his/her office.

Designated Port Representative, for purposes of this series resolution, means the Executive Director of the Port, the Deputy Executive Director or the Chief Financial Officer of the Port (or the successor in function to such person(s)) or such other person as may be directed by resolution of the Commission.

DTC means The Depository Trust Company, New York, New York, a limited purpose trust company organized under the laws of the State of New York, as depository for the Series 2024 Bonds pursuant to Section 5 of this series resolution.

Escrow Agent means U.S. Bank Trust Company, National Association or such other Escrow Agent for the Refunded Bonds appointed by the Designated Port Representative pursuant to this series resolution if the Designated Port Representative determines that an escrow will be necessary or required to carry out the plan of refunding.

Escrow Agreement means the Escrow Deposit Agreement, if any, dated as of the date of the closing and delivery of the Refunding Bonds between the Port and the Escrow Agent to be executed in connection with the defeasance and/or refunding of some or all of the Refunded Bonds.

Executive Director means the Executive Director of the Port, or any successor to the functions of his/her office.

Federal Tax Certificate means the certificate(s) of that name executed and delivered by the Designated Port Representative at the time of issuance and delivery of the Series 2024 Bonds issued on a federally tax-exempt basis.

First Lien Master Resolution means Resolution No. 3059, as amended, of the Commission adopted on February 2, 1990, as amended and restated by Resolution No. 3577 of the Commission adopted on February 27, 2007.

Government Obligations has the meaning given to such term in RCW Chapter 39.53, as amended from time to time.

Intermediate Lien Master Resolution means Resolution No. 3540, as amended, of the Commission adopted on June 14, 2005.

Letter of Representations means the blanket issuer letter of representations from the Port to DTC, dated August 28, 1995.

MSRB means the Municipal Securities Rulemaking Board or any successors to its functions. Until otherwise designated by the MSRB or the United States Securities and Exchange Commission, any information, reports or notices submitted to the MSRB in compliance with the Rule are to be submitted through the MSRB's Electronic Municipal Market Access system, currently located at www.emma.msrb.org.

Outstanding Intermediate Lien Parity Bonds mean the Port's outstanding intermediate lien revenue bonds identified in the recitals to this series resolution.

Outstanding Subordinate Lien Bonds mean the Port's outstanding subordinate lien revenue bonds identified in the recitals to this series resolution.

Project Bonds mean the Series 2024 Bonds issued for the purpose of funding all or part of the Projects, capitalizing interest, funding the Series 2024 Reserve Account Deposit and paying all or a portion of allocable costs of issuance.

Projects mean the capital projects listed in Exhibit B hereto.

Record Date means the close of business on the 15th day prior to each day on which a payment of interest on the Series 2024 Bonds is due and payable.

Refunded Bonds mean the Refunding Candidates that are designated by the Executive Director pursuant to authority delegated by Section 2 and Section 7 of this series resolution.

Refunding Bonds means the Series 2024 Bonds issued for the purpose of defeasing and/or refunding the Refunded Bonds.

Refunding Candidates mean the outstanding revenue bonds of the Port as described on Exhibit A.

Registered Owner means the person named as the registered owner of a Series 2024 Bond in the Bond Register.

Registrar means the fiscal agent of the State of Washington, appointed by the Designated Port Representative for the purposes of registering and authenticating the Series 2024 Bonds, maintaining the Bond Register and effecting transfer of ownership of the Series 2024 Bonds. The term **Registrar** shall include any successor to the fiscal agent, if any, hereinafter appointed by the Designated Port Representative.

Rule means Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended from time to time.

Series 2024 Bonds mean the Port of Seattle Intermediate Lien Revenue and Refunding Bonds, Series 2024, or with such other appropriate description and series designations as provided for by the Designated Port Representative, authorized to be issued by Section 2 of this series resolution.

Series 2024 Reserve Account Deposit means the amount, if any, that is required to be added to the reserve account balances in the Intermediate Lien Reserve Account to satisfy the

Intermediate Lien Reserve Requirement and that is identified in a closing certificate or certificates of the Port.

Subordinate Lien Bond Resolutions mean, collectively, Resolution No. 3238, as amended; Resolution No. 3456, as amended, as further amended by Resolution No. 3777; and Resolution No. 3598, as amended.

Surety Bond means the surety bond(s), if any, issued by the Surety Bond Issuer on the date of issuance of the Series 2024 Bonds for the purpose of satisfying the Series 2024 Reserve Account Deposit. There may be more than one Surety Bond.

Surety Bond Agreement means any Agreement(s) between the Port and the Surety Bond Issuer with respect to the Surety Bond(s).

Surety Bond Issuer means any issuer(s) of the Surety Bond(s).

Underwriters mean, collectively, BofA Securities, Inc, Barclays Capital Inc., Goldman Sachs & Co. LLC, Jefferies LLC, Morgan Stanley & Co. LLC, Siebert Williams Shank & Co., Academy Securities, Inc., and Stern Brothers & Co.

Rules of Interpretation. In this series resolution, unless the context otherwise requires:

(a) The terms “hereby,” “hereof,” “hereto,” “herein,” “hereunder” and any similar terms, as used in this series resolution, refer to this series resolution as a whole and not to any particular article, section, subdivision or clause hereof, and the term “hereafter” shall mean after, and the term “heretofore” shall mean before the date of this series resolution;

(b) Words of the masculine gender shall mean and include correlative words of the feminine and neuter genders and words importing the singular number shall mean and include the plural number and vice versa;

(c) Words importing persons shall include firms, associations, partnerships (including limited partnerships), trusts, corporations, limited liability companies and other legal entities, including public bodies, as well as natural persons;

(d) Any headings preceding the text of the several articles and sections of this series resolution, and any table of contents or marginal notes appended to copies hereof, shall be solely for convenience of reference and shall not constitute a part of this series resolution, nor shall they affect its meaning, construction or effect;

(e) All references herein to “articles,” “sections” and other subdivisions or clauses are to the corresponding articles, sections, subdivisions or clauses hereof; and

(f) Except as explicitly provided herein, whenever any consent or direction is required to be given by the Port, such consent or direction shall be deemed given when given by the Designated Port Representative.

Section 2. Plan of Finance; Authorization of Series 2024 Bonds.

(a) *Plan of Finance.* The Port intends to undertake improvements to its airport facilities at the locations described on Exhibit B (the “Projects”) attached hereto and incorporated by this reference herein. A portion of the costs of the Projects are expected to be paid, refinanced or reimbursed with the proceeds of the Project Bonds.

The Refunding Candidates may be defeased or are callable in whole or in part prior to their scheduled maturities and may be selected for defeasance and/or refunding depending on market conditions. The final selection of the Refunding Candidates to be designated as Refunded Bonds and to be defeased and/or refunded by the Refunding Bonds shall be made by the Executive Director pursuant to the authority granted in Section 7 of this series resolution.

(b) *Authorization of Series 2024 Bonds.* The Port shall issue bonds in one or more series (the “Series 2024 Bonds”) consisting of the Project Bonds and the Refunding Bonds, if

any. The proceeds of the Project Bonds shall be used for the purpose of providing part of the funds necessary to (i) pay or to reimburse the Port for all or a portion of the costs of the Projects; (ii) at the option of the Designated Port Representative, capitalize interest on all or a portion of the Series 2024 Bonds; (iii) make a Series 2024 Reserve Account Deposit or purchase a Surety Bond therefor, if required; and (iv) pay all or a portion of the costs incidental to the foregoing and to the issuance of the Project Bonds. The proceeds of the Refunding Bonds, if any, shall be used for the purpose of providing the funds necessary to (i) defease and/or refund the Refunded Bonds; and (ii) pay all or a portion of the costs incidental to the foregoing and to the issuance of the Refunding Bonds.

(c) *Maximum Principal Amount.* The aggregate principal amount of the Series 2024 Bonds to be issued under this series resolution shall not exceed \$850,000,000. The aggregate principal amount of the Project Bonds and the aggregate principal amount of Refunding Bonds shall be determined by the Executive Director, pursuant to the authority granted in Section 7 of this series resolution.

Section 3. Series 2024 Bond Details.

(a) *Series 2024 Bonds.* The Series 2024 Bonds shall be issued in one or more series, shall be designated as “Port of Seattle Intermediate Lien Revenue and Refunding Bonds, Series 2024,” with such description and additional designations for each series for identification purposes as may be approved by the Designated Port Representative, shall be registered as to both principal and interest, shall be issued in the aggregate principal amount set forth in the Bond Purchase Contract, shall be numbered separately in the manner and with any additional designation as the Registrar deems necessary for purposes of identification, shall be dated their date of delivery to the Underwriters, and shall be in the denomination of \$5,000 each or any integral multiple of \$5,000 within a series and maturity. The Series 2024 Bonds of each series

shall bear interest from their date of delivery to the Underwriters until the Series 2024 Bonds bearing such interest have been paid or their payment duly provided for, at the rates, payable on the dates, set forth in the Bond Purchase Contract for each series and shall mature on the dates and in the years and in the principal amounts set forth in the Bond Purchase Contract, all as approved by the Executive Director pursuant to Section 7 of this series resolution.

(b) *Limited Obligations.* The Series 2024 Bonds shall be obligations only of the Intermediate Lien Bond Fund and the Intermediate Lien Reserve Account created under the Intermediate Lien Master Resolution and shall be payable and secured as provided in the Intermediate Lien Master Resolution and this series resolution. The Series 2024 Bonds do not constitute an indebtedness of the Port within the meaning of the constitutional provisions and limitations of the State of Washington.

Section 4. Redemption and Purchase.

(a) *Optional Redemption.* The Series 2024 Bonds of one or more series and maturities may be subject to optional redemption on the dates, at the prices and under the terms relating to such series set forth in the Bond Purchase Contract, all as approved by the Executive Director pursuant to Section 7 of this series resolution.

(b) *Mandatory Redemption.* The Series 2024 Bonds of one or more series and maturities may be subject to mandatory redemption to the extent, if any, set forth in the Bond Purchase Contract relating to such series, all as approved by the Executive Director pursuant to Section 7 of this series resolution.

(c) *Purchase of Series 2024 Bonds.* The Port reserves the right to use at any time the proceeds of refunding bonds, any surplus Gross Revenue available after providing for the payments required by paragraphs First through Fifth of Section 2(a) of the First Lien Master Resolution, including the payments required by paragraphs First through Eleventh of the priority

for use of Gross Revenue set forth in the Intermediate Lien Master Resolution, and/or any other legally available funds to purchase any of the Series 2024 Bonds offered to the Port at any price deemed reasonable to the Designated Port Representative. Any Series 2024 Bonds so purchased shall be cancelled if delivered to the Registrar. If any Series 2024 Bonds so purchased are term bonds, the Port may allocate the principal amount of the purchased Series 2024 Bonds to the principal amortization schedule of those term bonds.

(d) *Selection of Series 2024 Bonds for Redemption or Purchase.* If Series 2024 Bonds are designated for optional redemption or purchase pursuant to Section 4(c), the series, maturities, and interest rates of such Series 2024 Bonds shall be selected by the Port. In the event that Series 2024 Bonds are designated for redemption or purchase pursuant to Section 4(c), the Port may designate which sinking fund installments or portions thereof, are to be reduced as allocated to such redemption or purchase. If any Series 2024 Bonds to be redeemed (optional, mandatory, or pursuant to Section 4(c) hereof) are then held in book-entry-only form, the selection of such Series 2024 Bonds within a series, maturity, and interest rate to be redeemed within a maturity and interest rate shall be made in accordance with the operational arrangements then in effect at DTC (or at a substitute depository, if applicable). If the Series 2024 Bonds to be redeemed are no longer held in book-entry-only form, the selection of such Series 2024 Bonds to be redeemed shall be made in the following manner. If the Port redeems at any one time fewer than all of the Series 2024 Bonds having the same maturity date and interest rate within a series, the particular Series 2024 Bonds or portions of Series 2024 Bonds to be redeemed within the series, maturity, and interest rate shall be selected by lot (or in such other random manner determined by the Registrar) in increments of \$5,000, provided that the Port may allocate the principal amount of the Series 2024 Bonds so redeemed to the principal amortization scheduled of those term bonds. In the case of a Series 2024 Bond within a series, maturity, and interest rate

of a denomination greater than \$5,000, the Port and Registrar shall treat each Series 2024 Bond of the applicable series, maturity and interest rate as representing such number of separate Series 2024 Bonds each of the denomination of \$5,000 as is obtained by dividing the actual principal amount of such Series 2024 Bonds of the applicable series, maturity, and interest rate by \$5,000. In the event that only a portion of the principal amount of a Series 2024 Bond is redeemed, upon surrender of such Series 2024 Bond at the principal office of the Registrar there shall be issued to the Registered Owner, without charge therefor, for the then-unredeemed balance of the principal amount thereof a Series 2024 Bond or, at the option of the Registered Owner, a Series 2024 Bond of like series, maturity, and interest rate in any of the denominations herein authorized. Notwithstanding the foregoing, the manner of selection of Series 2024 Bonds issued on a federally taxable basis for redemption may be set forth in the Bond Purchase Contract relating to such series and as approved by the Designated Port Representative.

(e) *Notice of Redemption.* Written notice of any redemption of Series 2024 Bonds prior to maturity shall be given by the Registrar on behalf of the Port by first class mail, postage prepaid, not less than 20 days nor more than 60 days before the date fixed for redemption to the Registered Owners of Series 2024 Bonds that are to be redeemed at their last addresses shown on the Bond Register. This requirement shall be deemed complied with when notice is mailed to the Registered Owners at their last addresses shown on the Bond Register, whether or not such notice is actually received by the Registered Owners.

So long as the Series 2024 Bonds are in book-entry only form, notice of redemption shall be given to Beneficial Owners of Series 2024 Bonds to be redeemed in accordance with the operational arrangements then in effect at DTC (or its successor or alternate depository), and neither the Port nor the Registrar shall be obligated or responsible to confirm that any notice of redemption is, in fact, provided to Beneficial Owners.

Each notice of redemption (which notice in the case of optional redemption may be conditional and/or may be rescinded at the option of the Port) prepared and given by the Registrar to Registered Owners of Series 2024 Bonds shall contain the following information: (1) the date fixed for redemption, (2) the redemption price, (3) if fewer than all outstanding Series 2024 Bonds of a series are to be redeemed, the identification by series, maturity, and interest rate (and, in the case of partial redemption, the principal amounts) of the Series 2024 Bonds to be redeemed, (4) whether, in the case of optional redemption, the notice of redemption is conditional and, if conditional, the conditions to redemption, (5) that (unless the conditions, if any, to redemption have not been satisfied or unless the notice of redemption shall have been rescinded) such Series 2024 Bonds will become due and payable and interest shall cease to accrue from the date fixed for redemption if and to the extent in each case funds have been provided to the Registrar for the redemption of such Series 2024 Bonds on the date fixed for redemption the redemption price will become due and payable upon each Series 2024 Bond or portion called for redemption, and that (unless the conditions, if any, to redemption have not been satisfied or unless the notice of redemption shall have been rescinded) interest shall cease to accrue from the date fixed for redemption if and to the extent that funds have been provided to the Registrar for the redemption of such Series 2024 Bonds, (6) that the Series 2024 Bonds are to be surrendered for payment at the principal office of the Registrar, (7) the CUSIP numbers of all Series 2024 Bonds being redeemed, (8) the dated date of the Series 2024 Bonds being redeemed, (9) the rate of interest for each Series 2024 Bond being redeemed, (10) the date of the notice, and (11) any other information deemed necessary by the Registrar to identify the Series 2024 Bonds being redeemed.

Upon the payment of the redemption price of Series 2024 Bonds being redeemed, each check or other transfer of funds issued for such purpose shall bear the CUSIP number

identifying, by issue, series and maturity, the Series 2024 Bonds being redeemed with the proceeds of such check or other transfer, or in the case of a payment to DTC shall be accompanied by an informational communication evidencing the CUSIP and related informational details with respect to each security being paid by wire transfer.

(f) *Effect of Redemption.* Unless the Port has rescinded a notice of optional redemption (or unless the Port provided a conditional notice of optional redemption and the conditions for the optional redemption set forth therein are not satisfied), the Series 2024 Bonds to be redeemed shall become due and payable on the date fixed for redemption, and the Port shall transfer to the Registrar amounts that, in addition to other money, if any, held by the Registrar for such purpose, will be sufficient to redeem, on the date fixed for redemption, all of the Series 2024 Bonds to be redeemed. If and to the extent that funds have been provided to the Registrar for the redemption of Series 2024 Bonds then from and after the date fixed for redemption for such Series 2024 Bond or portion thereof, interest on each such Series 2024 Bond shall cease to accrue and such Series 2024 Bond or portion thereof shall cease to be outstanding.

(g) *Amendment of Notice Provisions.* The foregoing notice provisions of this section, including but not limited to the information to be included in redemption notices and the persons designated to receive notices, may be amended by additions, deletions and changes to maintain compliance with duly promulgated regulations and recommendations regarding notices of redemption of municipal securities.

(h) *Exchange of Series 2024 Bonds.* Nothing herein shall prevent the Port from negotiating an exchange of a validly delivered Series 2024 Bond by the owner thereof for a different validly delivered Port bond. Any such exchange shall be described in a subsequent authorizing resolution.

Section 5. Registration, Exchange and Payments.

(a) *Registrar/Bond Register.* The Port hereby specifies and adopts the system of registration and transfer for the Series 2024 Bonds approved by the Washington State Finance Committee, which utilizes the fiscal agent of the State of Washington, for the purposes of registering and authenticating the Series 2024 Bonds, maintaining the Bond Register and effecting transfer of ownership of the Series 2024 Bonds (the “Registrar”). The Registrar shall keep, or cause to be kept, at its principal corporate trust office, sufficient records for the registration and transfer of the Series 2024 Bonds (the “Bond Register”), which shall be open to inspection by the Port. The Registrar may be removed at any time at the option of the Designated Port Representative upon prior notice to the Registrar, DTC (or its successor or alternate depository), each party entitled to receive notice pursuant to the Continuing Disclosure Undertaking and a successor Registrar appointed by the Designated Port Representative. No resignation or removal of the Registrar shall be effective until a successor shall have been appointed and until the successor Registrar shall have accepted the duties of the Registrar hereunder. The Registrar is authorized, on behalf of the Port, to authenticate and deliver Series 2024 Bonds transferred or exchanged in accordance with the provisions of such Series 2024 Bonds and this series resolution and to carry out all of the Registrar’s powers and duties under this series resolution. The Registrar shall be responsible for its representations contained in the Certificate of Authentication on the Series 2024 Bonds.

(b) *Registered Ownership.* Except as provided in the last sentence of Section 5(c) or the Continuing Disclosure Undertaking authorized pursuant to Section 15 of this series resolution, the Port and the Registrar may deem and treat the Registered Owner of each Series 2024 Bond as the absolute owner for all purposes, and neither the Port nor the Registrar shall be affected by any notice to the contrary. Payment of any such Series 2024 Bond shall be

made only as described in subsection (h) of this Section 5, but the transfer of such Series 2024 Bond may be registered as herein provided. All such payments made as described in subsection (h) of this Section 5 shall be valid and shall satisfy the liability of the Port upon such Series 2024 Bond to the extent of the amount or amounts so paid.

(c) *DTC Acceptance/Letter of Representations.* The Series 2024 Bonds shall initially be held in fully immobilized form by DTC acting as depository. To induce DTC to accept the Series 2024 Bonds as eligible for deposit at DTC, the Port has heretofore executed and delivered to DTC the Letter of Representations.

Neither the Port nor the Registrar will have any responsibility or obligation to DTC participants or the persons for whom they act as nominees with respect to the Series 2024 Bonds for the accuracy of any records maintained by DTC (or any successor or alternate depository) or any DTC participant, the payment by DTC (or any successor or alternate depository) or any DTC participant of any amount in respect of the principal of or interest on Series 2024 Bonds, any notice that is permitted or required to be given to Registered Owners under this series resolution (except such notices as shall be required to be given by the Port to the Registrar or, by the Registrar, to DTC or any successor or alternate depository), the selection by DTC or by any DTC participant of any person to receive payment in the event of a partial redemption of the Series 2024 Bonds, or any consent given or other action taken by DTC (or any successor or alternate depository) as the Registered Owner. So long as any Series 2024 Bonds are held in fully immobilized form, DTC or its successor depository shall be deemed to be the owner and Registered Owner for all purposes, and all references in this series resolution to the Registered Owners shall mean DTC (or any successor or alternate depository) or its nominee and shall not mean the owners of any beneficial interest in any Series 2024 Bonds. Notwithstanding the foregoing, if a Bond Insurance Policy is issued for any series or maturity of the

Series 2024 Bonds and so long as the Bond Insurer is not in default under its Policy, the Bond Insurer shall be deemed to be the owner, Registered Owner, and holder of all bonds of that series or maturity for the purpose of granting consents and exercising voting rights with respect thereto and for any other purpose identified and specified in the Bond Insurance Commitment accepted by the Port as a condition of issuance of the Bond Insurance Policy.

(d) *Use of Depository.*

(1) The Series 2024 Bonds shall be registered initially in the name of CEDE & Co., as nominee of DTC, with a single Series 2024 Bond for each series and maturity having the same interest rate in a denomination equal to the total principal amount of such series and maturity. Registered ownership of such immobilized Series 2024 Bonds, or any portions thereof, may not thereafter be transferred except (A) to any successor of DTC or its nominee, or to any other nominee requested by an authorized representative of DTC, provided that any such successor shall be qualified under any applicable laws to provide the service proposed to be provided by it; (B) to any substitute depository appointed by the Port pursuant to subsection (2) below or such substitute depository's successor or nominee; or (C) to any person as provided in subsection (4) below.

(2) Upon the resignation of DTC or its successor (or any substitute depository or its successor) from its functions as depository or a determination by the Port to discontinue the system of book entry transfers through DTC or its successor (or any substitute depository or its successor), the Port may appoint a substitute depository. Any such substitute depository shall be qualified under any applicable laws to provide the services proposed to be provided by it.

(3) In the case of any transfer pursuant to clause (A) or (B) of subsection (1) above, the Registrar shall, upon receipt of all outstanding Series 2024 Bonds, together with a written request on behalf of the Port, issue a single new Series 2024 Bond for each series and

maturity then outstanding, registered in the name of such successor or substitute depository, or its nominee, all as specified in such written request of the Port.

(4) In the event that (A) DTC or its successor (or substitute depository or its successor) resigns from its functions as depository, and no substitute depository can be obtained, or (B) the Port determines that it is in the best interest of the Beneficial Owners of the Series 2024 Bonds of any series that the Series 2024 Bonds of that series be provided in certificated form, the ownership of such Series 2024 Bonds may then be transferred to any person or entity as herein provided, and shall no longer be held in fully immobilized form. The Port shall deliver a written request to the Registrar, together with a supply of definitive Series 2024 Bonds (of the appropriate series and maturities) in certificated form, to issue Series 2024 Bonds in any authorized denominations. Upon receipt by the Registrar of all then outstanding Series 2024 Bonds (of the appropriate series), together with a written request on behalf of the Port to the Registrar, new Series 2024 Bonds of such series shall be issued in the appropriate denominations and registered in the names of such persons as are provided in such written request.

(e) *Registration of the Transfer of Ownership or the Exchange of Series 2024 Bonds; Change in Denominations.* The transfer of any Series 2024 Bond may be registered and any Series 2024 Bond may be exchanged, but no transfer of any Series 2024 Bond shall be valid unless the Series 2024 Bond is surrendered to the Registrar with the assignment form appearing on such Series 2024 Bond duly executed by the Registered Owner or such Registered Owner's duly authorized agent in a manner satisfactory to the Registrar. Upon such surrender, the Registrar shall cancel the surrendered Series 2024 Bond and shall authenticate and deliver, without charge to the Registered Owner or transferee, a new Series 2024 Bond (or Series 2024 Bonds at the option of the Registered Owner) of the same date, series, maturity and interest rate

and for the same aggregate principal amount in any authorized denomination, as and naming as Registered Owner the person or persons listed as the assignee on the assignment form appearing on the surrendered Series 2024 Bond, in exchange for such surrendered and canceled Series 2024 Bond. Any Series 2024 Bond may be surrendered to the Registrar, together with the assignment form appearing on such Series 2024 Bond duly executed, and exchanged, without charge, for an equal aggregate principal amount of Series 2024 Bonds of the same date, series, maturity and interest rate, in any authorized denomination. The Registrar shall not be obligated to register the transfer or exchange of any Series 2024 Bond during a period beginning at the opening of business on the Record Date with respect to an interest payment date and ending at the close of business on such interest payment date, or, in the case of any proposed redemption of the Series 2024 Bonds, after the mailing of notice of the call for redemption of such Series 2024 Bonds.

(f) *Registrar's Ownership of Series 2024 Bonds.* The Registrar may become the Registered Owner of any Series 2024 Bond with the same rights it would have if it were not the Registrar, and to the extent permitted by law, may act as depository for and permit any of its officers or directors to act as member of, or in any other capacity with respect to, any committee formed to protect the rights of the Registered Owners of the Series 2024 Bonds.

(g) *Registration Covenant.* The Port covenants that, until all Series 2024 Bonds issued on a federally tax-exempt basis have been surrendered and canceled, it will maintain a system for recording the ownership of each Series 2024 Bond that complies with the provisions of Section 149 of the Code.

(h) *Place and Medium of Payment.* The principal of, premium, if any, and interest on the Series 2024 Bonds shall be payable in lawful money of the United States of America. Interest on the Series 2024 Bonds shall be calculated on the basis of a 360-day year and twelve

30-day months. For so long as all Series 2024 Bonds are in fully immobilized form with DTC, payments of principal, premium, if any, and interest shall be made as provided to the parties entitled to receive payment as of each Record Date in accordance with the operational arrangements of DTC described in the Letter of Representations. In the event that the Series 2024 Bonds are no longer in fully immobilized form with DTC (or its successor or alternate depository), interest on the Series 2024 Bonds shall be paid by check mailed to the Registered Owners at the addresses for such Registered Owners appearing on the Bond Register as of the Record Date, and principal and premium, if any, of the Series 2024 Bonds shall be payable by check upon presentation and surrender of such Series 2024 Bonds by the Registered Owners at the principal office of the Registrar; provided, however, that if so requested in writing prior to the opening of business on the Record Date by the Registered Owner of at least \$1,000,000 aggregate principal amount of Series 2024 Bonds of a series, interest on such Series 2024 Bonds will be paid thereafter by wire transfer on the date due to an account with a bank located within the United States.

Section 6. Pledge of Available Intermediate Lien Revenues; Series 2024 Reserve Account Deposit.

(a) *Pledge of Available Intermediate Lien Revenue.* Pursuant to the Intermediate Lien Master Resolution, the Intermediate Lien Bond Fund and the Intermediate Lien Reserve Account have been created for the purpose of paying and securing the payment of the principal of, premium, if any, and interest on all Outstanding Intermediate Lien Parity Bonds. The Port hereby irrevocably obligates and binds itself for as long as any Series 2024 Bonds remain outstanding to set aside and pay into the Intermediate Lien Bond Fund from Available Intermediate Lien Revenues or money in the Revenue Fund, on or prior to the respective dates

the same become due (and if such payment is made on the due date, such payment shall be made in immediately available funds):

(1) Such amounts as are required to pay the interest scheduled to become due on Series 2024 Bonds; and

(2) Such amounts with respect to Series 2024 Bonds as are required (A) to pay maturing principal, (B) to make any required sinking fund payments, and (C) to redeem Series 2024 Bonds in accordance with any mandatory redemption provisions.

Said amounts so pledged to be paid into such special funds are hereby declared to be a prior lien and charge upon the Gross Revenue superior to all other liens and charges of any kind or nature whatsoever except for (i) Operating Expenses, (ii) liens and charges thereon of Permitted Prior Lien Bonds, and (iii) liens and charges equal in rank that have or may be made thereon to pay Net Payments due pursuant to any Parity Derivative Product and to pay and secure the payment of the principal of, premium, if any, and interest on Outstanding Intermediate Lien Parity Bonds and any Intermediate Lien Parity Bonds issued in the future under authority of a Series Resolution in accordance with the provisions of Sections 4 and 5 of the Intermediate Lien Master Resolution.

(b) *Reserve Account Deposit.* The Series 2024 Reserve Account Deposit shall be deposited in the Intermediate Lien Reserve Account (or shall be satisfied through the issuance of one or more Surety Bonds) on the date of issuance of the Series 2024 Bonds. Together with existing reserve account balances in the Intermediate Lien Reserve Account, the Series 2024 Reserve Account Deposit shall be at least sufficient to meet the Intermediate Lien Reserve Requirement.

The Designated Port Representative may decide to utilize one or more Surety Bonds to satisfy the Series 2024 Reserve Account Deposit; provided that each Surety Bond meets the

qualifications for Qualified Insurance. Upon such election, the Designated Port Representative is hereby authorized to execute and deliver one or more Surety Bond Agreements with one or more Surety Bond Issuers to effect the delivery of the Surety Bond(s).

Section 7. Designation of Refunded Bonds; Sale of Series 2024 Bonds.

(a) *Designation of Refunded Bonds.* As outlined in Section 2 and Section 9 of this series resolution, the Refunding Candidates may be called for redemption prior to their scheduled maturities. All or some of the Refunding Candidates may be defeased and/or refunded with the proceeds of the Series 2024 Bonds authorized by this series resolution. The Executive Director may select some or all of the Refunding Candidates and designate those Refunding Candidates as the “Refunded Bonds” in the Bond Purchase Contract if and to the extent that the criteria set forth in subsection (b) are met.

(b) *Series 2024 Bond Sale.* The Series 2024 Bonds shall be sold at one or more negotiated sale(s) to the Underwriters pursuant to the terms of the applicable Bond Purchase Contract. The Designated Port Representative is hereby authorized to negotiate terms for the purchase of the Series 2024 Bonds and to execute one or more Bond Purchase Contracts, with such terms (including the designation of the Refunded Bonds and the Series 2024 Reserve Account Deposit) as are approved by the Executive Director pursuant to this section and consistent with this series resolution and the Intermediate Lien Master Resolution. The Commission has been advised by the Port’s municipal advisor that market conditions are fluctuating and, as a result, the most favorable market conditions may occur on a day other than a regular meeting date of the Commission. The Commission has determined that it would be in the best interest of the Port to delegate to the Executive Director for a limited time the authority to approve the designation of the Refunded Bonds and to approve the number of series, final series designations, and with respect to each series, the date of sale, the tax status of each series,

interest rates, maturity dates, aggregate principal amount, principal amounts and prices of each maturity, redemption rights, and other terms and conditions of the Series 2024 Bonds. The Executive Director is hereby authorized to approve the designation of the Refunded Bonds and to approve the number of series, final series designations, and with respect to each series, the date of sale, the tax status of each series, interest rates, maturity dates, aggregate principal amount, principal amounts of each maturity and redemption rights for the Series 2024 Bonds in the manner provided hereafter (A) so long as the aggregate principal amount of the Series 2024 Bonds does not exceed the maximum principal amount set forth in Section 2, and (B) so long as the true interest cost for the Series 2024 Bonds of a series issued on a federally tax-exempt basis does not exceed 6.0% per annum, and so long as the true interest cost for the Series 2024 Bonds of a series issued on a federally taxable basis does not exceed 7.0% per annum.

In designating the Refunded Bonds, determining the number of series, final series designations, the date of sale, tax status of each series, interest rates, prices, maturity dates, aggregate principal amount, principal amount of each maturity, redemption rights or provisions of the Series 2024 Bonds for approval and the Series 2024 Reserve Account Deposit, the Designated Port Representative, in consultation with Port staff and the Port's municipal advisor, shall take into account those factors that, in his judgment, will result in the most favorable interest cost on the Series 2024 Bonds of a series, including, but not limited to, current financial market conditions and current interest rates for obligations comparable in tenor and quality to the Series 2024 Bonds. Subject to the terms and conditions set forth in this section, the Designated Port Representative is hereby authorized to execute the final form of the Bond Purchase Contract, upon the Executive Director's approval of the Refunded Bonds, the number of series, final series designations, the date of sale, tax status of each series, interest rates, maturity dates, aggregate principal amount, principal amount of each maturity and redemption rights set forth

therein. Following the execution of the Bond Purchase Contract, the Executive Director or Designated Port Representative shall provide a report to the Commission, describing the final terms of the Series 2024 Bonds approved pursuant to the authority delegated in this section. The authority granted to the Designated Port Representative and the Executive Director by this section shall expire on June 25, 2025. If a Bond Purchase Contract for the Series 2024 Bonds of a series has not been executed by June 25, 2025, the authorization for the issuance of the Series 2024 Bonds of that series shall be rescinded, and the Series 2024 Bonds shall not be issued nor their sale approved unless the Series 2024 Bonds shall have been re-authorized by resolution of the Commission. The resolution reauthorizing the issuance and sale of the Series 2024 Bonds may be in the form of a new series resolution repealing this series resolution in whole or in part (only with respect to the Series 2024 Bonds not issued) or may be in the form of an amendatory resolution approving a bond purchase contract or extending or establishing new terms and conditions for the authority delegated under this section.

Upon the adoption of this series resolution, the proper officials of the Port including the Designated Port Representative, are authorized and directed to undertake all other actions necessary for the prompt execution and delivery of the Series 2024 Bonds to the Underwriters thereof and further to execute all closing certificates and documents required to effect the closing and delivery of the Series 2024 Bonds in accordance with the terms of the Bond Purchase Contract.

The Designated Port Representative and other Port officials, agents and representatives are hereby authorized and directed to do everything necessary for the prompt issuance, execution and delivery of the Series 2024 Bonds to the Underwriters and for the proper application and use of the proceeds of sale of the Series 2024 Bonds. In furtherance of the foregoing, the Designated Port Representative is authorized to approve and enter into agreements for the payment of costs

of issuance, including Underwriters' discount, the fees and expenses specified in the Bond Purchase Contract, including fees and expenses of the Underwriters and other retained services, including Bond Counsel, disclosure counsel, rating agencies, fiscal agent, escrow agent verification agent, financial advisory services, independent consultant, and other expenses customarily incurred in connection with the issuance and sale of bonds.

The Designated Port Representative is authorized to ratify, execute, deliver and approve for purposes of the Rule, on behalf of the Port, the final official statement(s) (and to approve, deem final and deliver any preliminary official statement) and any supplement thereto relating to the issuance and sale of the Series 2024 Bonds and the distribution of the Series 2024 Bonds pursuant thereto with such changes, if any, as may be deemed by him/her to be appropriate.

Section 8. Application of Series 2024 Bond Proceeds.

(a) *Application of Project Bond Proceeds.* The proceeds of the Project Bonds (exclusive of the Underwriters' discount and any amounts that may be designated by the Designated Port Representative in a closing certificate to be allocated to pay costs of issuance or any Bond Insurance Policy premium and/or a Surety Bond premium) shall be applied as follows:

(1) An amount(s), if any, specified by the Designated Port Representative shall be deposited into one or more capitalized interest accounts (hereinafter authorized to be created);

(2) An amount specified by the Designated Port Representative as required to pay the Series 2024 Reserve Account Deposit shall be deposited into the Intermediate Lien Reserve Account; and

(3) An amount specified by the Designated Port Representative shall be deposited into one or more capital project accounts and used to pay costs of issuance and, together with other available moneys, to pay costs of the Projects.

If interest on the Project Bonds is to be capitalized, the Treasurer of the Port is hereby authorized and directed to create one or more capitalized interest accounts for the purpose of holding certain Project Bond proceeds and interest earnings thereon to be used and disbursed to pay interest on the Series 2024 Bonds through the date or dates specified by the Designated Port Representative.

The Treasurer shall invest the net proceeds of the Project Bonds in such obligations as may now or hereafter be permitted to port districts of the State of Washington by law and that will mature prior to the date on which such money shall be needed. Earnings on such investments, except as may be required to pay rebatable arbitrage pursuant to the Federal Tax Certificate, may be used for Port purposes or transferred to the Intermediate Lien Bond Fund for the uses and purposes therein provided.

The Port shall maintain books and records regarding the use and investment of proceeds of Series 2024 Bonds issued on a federally tax-exempt basis in order to maintain compliance with its obligations under its Federal Tax Certificate.

(b) *Application of Refunding Bond Proceeds.* The net proceeds of the Refunding Bonds (exclusive of the Underwriters' discount and any amounts that may be designated by the Designated Port Representative in a closing certificate to be allocated to pay costs of issuance or any Bond Insurance Policy premium and/or a Surety Bond premium, or to satisfy a portion of the Intermediate Lien Reserve Requirement), together with other available funds of the Port in the amount specified by the Designated Port Representative, shall be utilized immediately upon receipt thereof to pay and redeem the Refunded Bonds and/or shall be paid at the direction of the Treasurer to the Escrow Agent (if the Designated Port Representative has determined that an escrow is necessary or desirable to effect the defeasance of all or a portion of the Refunded Bonds).

(c) *Defeasance of Refunded Bonds.* Subject to and in accordance with the resolution authorizing the issuance of the Refunded Bonds, the net proceeds of the Refunding Bonds so deposited shall be utilized immediately upon receipt thereof to pay and redeem Refunded Bonds and/or to purchase the noncallable Government Obligations that are direct or indirect obligations of the United States or obligations unconditionally guaranteed by the United States specified by the Designated Port Representative (the “Acquired Obligations”) and to maintain such necessary beginning cash balance to defease the Refunded Bonds and to discharge the other obligations of the Port relating thereto under the resolution authorizing their issuance, by providing for the payment of the interest on the Refunded Bonds to the date fixed for redemption and the redemption price (the principal amount plus any premium required) on the date fixed for redemption of the Refunded Bonds. Subject to compliance with all conditions set forth in the resolution authorizing the issuance of the Refunded Bonds, when the final transfers have been made for the payment of such redemption price and interest on the Refunded Bonds, any balance then remaining shall be transferred to the account designated by the Port and used for the purposes specified by the Designated Port Representative.

(d) *Acquired Obligations.* The Acquired Obligations, if any, shall be payable in such amounts and at such times that, together with any necessary beginning cash balance, will be sufficient to provide for the payment of:

(1) the interest on the Refunded Bonds as such becomes due on and before the dates fixed for redemption of the Refunded Bonds; and

(2) the price of redemption of the Refunded Bonds on the date fixed for redemption of the Refunded Bonds.

(e) *Authorizing Appointment of Escrow Agent and Verification Agent.* The Commission hereby authorizes and directs the Designated Port Representative (if the Designated

Port Representative determines that an escrow would be necessary or desirable to effect the defeasance of all or a portion of the Refunded Bonds) to select a financial institution to act as the escrow agent for all or a portion of the Refunded Bonds and also to select a verification agent for some or all of the Refunded Bonds.

Section 9. Redemption of Refunded Bonds. The Commission hereby calls the callable Refunded Bonds for redemption on the redemption date specified by the Designated Port Representative in accordance with the provisions of the resolution authorizing the issuance, redemption and retirement of the Refunded Bonds, respectively, prior to their maturity dates.

The Designated Port Representative may cause to be disseminated a conditional notice of redemption prior to the closing and delivery of the Refunding Bonds and if a notice of redemption has been disseminated, such notice may be revoked at the option of the Designated Port Representative.

Said defeasance and call for redemption of the Refunded Bonds shall be irrevocable after the closing and delivery of the Refunding Bonds.

If so appointed, the Escrow Agent shall be authorized and directed to provide for the giving of irrevocable notice of the redemption of those Refunded Bonds designated in the Escrow Agreement in accordance with the terms of the resolution authorizing the issuance of such Refunded Bonds and as described in the Escrow Agreement. The Treasurer is authorized and directed to provide whatever assistance is necessary to accomplish such redemption and the giving of irrevocable notice therefor. The costs of mailing of such notice shall be an expense of the Port.

The Port or the Escrow Agent, if any, on behalf of the Port, shall be authorized and directed to pay to the fiscal agent of the State of Washington, sums sufficient to pay, when due, the payments specified in Section 8(d) of this series resolution. All such sums shall be paid from

the moneys and the Acquired Obligations pursuant to the previous section of this series resolution, and the income therefrom and proceeds thereof.

If an Escrow Agent is appointed, the Port will ascertain that all necessary and proper fees, compensation and expenses of the Escrow Agent for the Refunded Bonds shall be paid when due. If an Escrow Agent is appointed, the Designated Port Representative is authorized and directed to execute and deliver the Escrow Agreement to the Escrow Agent when the provisions thereof have been fixed and determined for closing and delivery of the Refunding Bonds. The Escrow Agreement, if any, shall be in form and substance satisfactory to the Designated Port Representative and the Escrow Agent, and may include a separate Costs of Issuance Agreement.

Section 10. Tax Covenants.

(a) *General.* The Port covenants that it will not take or permit to be taken on its behalf any action that would adversely affect the exclusion from gross income for federal income tax purposes of the interest on such Series 2024 Bonds issued on a federally tax-exempt basis, and will take or require to be taken such acts as may reasonably be within its ability and as may from time to time be required under applicable law to continue the exclusion from gross income for federal income tax purposes of the interest on such Series 2024 Bonds issued on a federally tax-exempt basis. The Port shall comply with its covenants set forth in the Federal Tax Certificate with respect to such Series 2024 Bonds issued on a federally tax-exempt basis.

(b) *No Bank Qualification.* The Series 2024 Bonds shall not be qualified tax-exempt obligations pursuant to Section 265(b) of the Code for investment by financial institutions.

Section 11. Lost, Stolen, Mutilated or Destroyed Series 2024 Bonds. In case any Series 2024 Bond shall be lost, stolen, mutilated or destroyed, the Registrar may execute and deliver a new Series 2024 Bond of like series, maturity, date, number and tenor to the Registered Owner thereof upon the owner's paying the expenses and charges of the Port in connection

therewith and upon his/her filing with the Port evidence satisfactory to the Port that such Series 2024 Bond was actually lost, stolen or destroyed (including the presentation of a mutilated Series 2024 Bond) and of his/her ownership thereof, and upon furnishing the Port and the Registrar with indemnity satisfactory to both.

Section 12. Form of Series 2024 Bonds and Registration Certificate. The Series 2024 Bonds shall be in substantially the following form:

[DTC HEADING]

NO. _____ UNITED STATES OF AMERICA \$ _____
STATE OF WASHINGTON
PORT OF SEATTLE
INTERMEDIATE LIEN REVENUE [AND] [REFUNDING] BOND,
SERIES 2024[A][B][C]
[(Non-AMT)][(Private Activity - AMT)][(Taxable)]

Maturity Date: _____, _____ CUSIP No. _____

Interest Rate:

Registered Owner: Cede & Co.

Principal Amount:

THE PORT OF SEATTLE, a municipal corporation organized and existing under and by virtue of the laws of the State of Washington (the "Port"), promises to pay to the Registered Owner identified above, or registered assigns, on the Maturity Date identified above, solely from the special fund of the Port known as the "Port of Seattle Revenue Intermediate Lien Bond Fund" (the "Intermediate Lien Bond Fund") created by Resolution No. 3540, as amended (the "Intermediate Lien Master Resolution" and together with Resolution No. 3826, hereinafter collectively referred to as the "Bond Resolution"), the Principal Amount indicated above and to pay interest thereon from the Intermediate Lien Bond Fund from the date of initial delivery, or the most recent date to which interest has been paid or duly provided for or until payment of this bond at the Interest Rate set forth above, payable semiannually on the first days of each _____ and _____ beginning on _____ 1, 20____. The principal of, premium, if any, and interest on this bond are payable in lawful money of the United States of America. Principal, premium, if any, and interest shall be paid as provided in the Blanket Issuer Letter of Representations (the "Letter of Representations") by the Port to The Depository Trust Company ("DTC") (or its successor or alternate depository) or other registered owner. Capitalized terms used in this bond which are not specifically defined have the meanings given such terms in the Bond Resolution. The Treasurer of the Port has appointed the fiscal agent for the State of Washington as the initial registrar, authenticating and paying agent for the bonds of this series.

This bond is one of a series of bonds of the Port in the aggregate principal amount of \$ _____, of like date, tenor and effect, except as to number, amount, rate of interest and date of maturity and is issued pursuant to the Bond Resolution to [pay costs of capital improvement projects][to defease and/or refund certain outstanding Port revenue bonds]. [Simultaneously herewith, the Port is issuing two other series of revenue bonds: its Intermediate Lien Revenue [and] [Refunding] Bonds, Series 2024[A][B][C] [(Non-AMT)] [(Private Activity - AMT)] [(Taxable)] in the principal amount of \$ _____], and Intermediate Lien Revenue [and] [Refunding] Bonds, Series 2024[A][B][C] [(Non-AMT)] [(Private Activity - AMT)] [(Taxable)], in the principal amount of \$[_____].

The bonds of this issue maturing on and after _____ 1, ____ shall be subject to optional redemption in advance of their scheduled maturity on and after _____ in whole or in part on any date at a price equal to 100% of the principal amount thereof plus accrued interest to the date fixed for redemption.

[The bonds of this issue maturing on _____ 1, ____ shall be redeemed by the Port on _____ 1 of the following years in the following principal amounts at a price equal to 100% of the principal amount thereof plus accrued interest to the date fixed for redemption:

Redemption Dates	Amounts
_____	\$ _____

* Final Maturity]

[The bonds of this series are [not] private activity bonds.] The bonds of this series are not “qualified tax-exempt obligations” eligible for investment by financial institutions within the meaning of Section 265(b) of the Internal Revenue Code of 1986, as amended. [The Port has taken no action to cause the interest on this bond to be exempt from general federal income taxation.]

The Port hereby covenants and agrees with the owner and holder of this bond that it will keep and perform all the covenants of this bond and the Bond Resolution.

The Port does hereby pledge and bind itself to set aside and pay into the Intermediate Lien Bond Fund and Intermediate Lien Reserve Account from Available Intermediate Lien Revenues or money in the Revenue Fund the various amounts required by the Bond Resolution to be paid into and maintained in said Fund and Account, all within the times provided by said Bond Resolution.

The amounts pledged to be paid out of Gross Revenue into the Intermediate Lien Bond Fund and Intermediate Lien Reserve Account are hereby declared to be a first and prior lien and charge upon the Gross Revenue, subject to the payment of Operating Expenses of the Port and subject further to the liens thereon of the Permitted Prior Lien Bonds and equal in rank to the lien and charge upon such Gross Revenue of the amounts required to pay and secure the payment of any Net Payments due pursuant to any Parity Derivative Product, any Outstanding Intermediate Lien Parity Bonds and any revenue bonds of the Port hereafter issued on a parity with the Outstanding Intermediate Lien Parity Bonds and the bonds of this issue.

The Port has further bound itself to establish, maintain and collect rentals, tariffs, rates, fees, and charges in the operation of all of its businesses for as long as any bonds of this issue are outstanding that will make available, for the payment of the principal thereof and interest thereon as the same shall become due, Available Intermediate Lien Revenues in an amount equal to or greater than the Rate Covenant defined in the Intermediate Lien Master Resolution.

This bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Bond Resolution until the Certificate of Authentication hereon shall have been manually signed by or on behalf of the Registrar.

It is hereby certified and declared that this bond and the bonds of this issue are issued pursuant to and in strict compliance with the Constitution and laws of the State of Washington and resolutions of the Port and that all acts, conditions and things required to be done precedent to and in the issuance of this bond have happened, been done and performed.

IN WITNESS WHEREOF, the Port of Seattle has caused this bond to be executed by the manual or facsimile signatures of the President and Secretary of the Port Commission, and the corporate seal of the Port to be impressed or a facsimile thereof imprinted hereon as of the ____ day of _____, 2024.

PORT OF SEATTLE

By _____ /s/
President, Port Commission

ATTEST:
_____/s/
Secretary, Port Commission

CERTIFICATE OF AUTHENTICATION

Date of Authentication: _____

This bond is one of the bonds described in the within mentioned Bond Resolution and is one of the Intermediate Lien Revenue [and] [Refunding] Bonds, Series 2024[A][B][C] [(Non-AMT)] [(Private Activity - AMT)][(Taxable)] of the Port of Seattle, dated _____, 2024.

WASHINGTON STATE FISCAL AGENT, as
Registrar

By _____
Authorized Signer

* * * * *

In the event any Series 2024 Bonds are no longer in fully immobilized form, the form of such Series 2024 Bonds may be modified to conform to printing requirements and the terms of this series resolution.

Section 13. Execution. The Series 2024 Bonds shall be executed on behalf of the Port with the manual or facsimile signature of the President of its Commission, shall be attested by the manual or facsimile signature of the Secretary thereof and shall have the seal of the Port impressed or a facsimile thereof imprinted thereon.

Only such Series 2024 Bonds as shall bear thereon a Certificate of Authentication in the form hereinbefore recited, manually executed by the Registrar, shall be valid or obligatory for any purpose or entitled to the benefits of this series resolution. Such Certificate of Authentication shall be conclusive evidence that the Series 2024 Bonds so authenticated have been duly executed, authenticated and delivered hereunder and are entitled to the benefits of this series resolution.

In case either of the officers of the Port who shall have executed the Series 2024 Bonds shall cease to be such officer or officers of the Port before the Series 2024 Bonds so signed shall have been authenticated or delivered by the Registrar, or issued by the Port, such Series 2024 Bonds may nevertheless be authenticated, delivered and issued and upon such authentication, delivery and issuance, shall be as binding upon the Port as though those who signed the same had continued to be such officers of the Port. Any Series 2024 Bond may also be signed and attested on behalf of the Port by such persons as on the actual date of execution of such Series 2024 Bond shall be the proper officers of the Port although on the original date of such Series 2024 Bond any such person shall not have been such officer.

Section 14. Defeasance. In the event that money and/or noncallable Government Obligations that are direct obligations of the United States or obligations unconditionally

guaranteed by the United States maturing or having guaranteed redemption prices at the option of the owner at such time or times and bearing interest to be earned thereon in amounts (together with such money, if any) sufficient to redeem and retire part or all of the Series 2024 Bonds in accordance with their terms, are hereafter irrevocably delivered to the Registrar for payment such Series 2024 Bonds or set aside in a special account and pledged to effect such redemption and retirement, and, if the Series 2024 Bonds are to be redeemed prior to maturity, irrevocable notice, or irrevocable instructions to give notice of such redemption has been delivered to the Registrar, then no further payments need be made into the Intermediate Lien Bond Fund or any account therein for the payment of the principal of, premium, if any, and interest on the Series 2024 Bonds so provided for and such Series 2024 Bonds shall then cease to be entitled to any lien, benefit or security of the Intermediate Lien Master Resolution or this series resolution, except the right to receive the funds so set aside and pledged and such notices of redemption, if any, and such Series 2024 Bonds shall no longer be deemed to be outstanding hereunder, under the Intermediate Lien Master Resolution or under any resolution authorizing the issuance of bonds or other indebtedness of the Port.

The Port shall provide notice of defeasance of any Series 2024 Bonds to the Registered Owners of the Series 2024 Bonds being defeased, to the Bond Insurer, if any, and to each party entitled to receive notice under the Continuing Disclosure Undertaking authorized pursuant to Section 15 of this series resolution.

Section 15. Undertaking to Provide Ongoing Disclosure. The Designated Port Representative is authorized to, in his or her discretion, execute and deliver a Continuing Disclosure Undertaking providing for an undertaking by the Port to assist the Underwriters in complying with the Rule.

Section 16. Bond Insurance. The payments of the principal of and interest on one or more series, or principal maturities within one or more series, of the Series 2024 Bonds may be insured by the issuance of the Bond Insurance Policy. The Designated Port Representative may solicit proposals from municipal bond insurance companies, and the Designated Port Representative, in consultation with the Port's financial advisor, is hereby authorized to select the proposal that is deemed to be the most cost effective and further to execute the Bond Insurance Commitment with the Bond Insurer, which may include such covenants and conditions as shall be approved by the Designated Port Representative.

Section 17. Compliance with Parity Conditions. The Commission hereby finds and determines as required by Section 5(b) of the Intermediate Lien Master Resolution, as follows:

First: The Port is not in default of its covenant under Section 5 of the Intermediate Lien Master Resolution; and

Second: The Commission has been assured that prior to the issuance and delivery of the Series 2024 Bonds, the Port will meet the conditions set forth in Section 5(c) of the Intermediate Lien Master Resolution and/or will deliver either:

(A) a certificate prepared as provided in the Intermediate Lien Master Resolution and executed by the Designated Port Representative stating that Available Intermediate Lien Revenues as First Adjusted during the Base Period were at least equal to 110 percent of Annual Debt Service in each year of the Certificate Period with respect to all Intermediate Lien Parity Bonds then outstanding and then proposed to be issued; or

(B) a Consultant's certificate, prepared as provided in the Intermediate Lien Master Resolution and stating that projected Available Intermediate Lien Revenues as First Adjusted will be at least equal to 110 percent of Annual Debt Service in each

year of the Certificate Period with respect to all Intermediate Lien Parity Bonds then outstanding and then proposed to be issued.

The limitations contained in the conditions provided in Section 5(b) of the Intermediate Lien Master Resolution having been complied with, the payments required herein to be made out of the Available Intermediate Lien Revenues to pay and secure the payment of the principal of, premium, if any, and interest on the Series 2024 Bonds shall constitute a lien and charge upon such a charge and lien upon the Available Intermediate Lien Revenues equal to the lien thereon of Outstanding Intermediate Lien Parity Bonds.

Section 18. Resolution and Laws a Contract with the Series 2024 Bond Owners. This series resolution is adopted under the authority of and in full compliance with the Constitution and laws of the State of Washington. In consideration of the purchase and ownership of the Series 2024 Bonds, the provisions of this series resolution and of said laws shall constitute a contract with the owners of the Series 2024 Bonds, and the obligations of the Port and its Commission under said laws and under this series resolution shall be enforceable by any court of competent jurisdiction; and the covenants and agreements herein and in the Series 2024 Bonds set forth shall be for the equal benefit of the owners of the Series 2024 Bonds.

Section 19. Severability. If any one or more of the covenants or agreements provided in this series resolution to be performed on the part of the Port shall be declared by any court of competent jurisdiction to be contrary to law, then such covenant or covenants, agreement or agreements, shall be null and void and shall be deemed separable from the remaining covenants and agreements in this series resolution and shall in no way affect the validity of the other provisions of this series resolution or of any Intermediate Lien Parity Bonds.

Section 20. Effective Date. This series resolution shall be effective immediately upon its adoption.

ADOPTED by the Port Commission of the Port of Seattle at duly noticed meeting thereof, held this ____ day of _____, 2024, and duly authenticated in open session by the signatures of the Commissioners voting in favor thereof.

PORT OF SEATTLE

Commissioners

EXHIBIT A

REFUNDING CANDIDATES

**Port of Seattle Intermediate Lien Revenue Bonds, Series 2015A
(Non-AMT)⁽¹⁾**

<u>Maturity Dates (April 1)</u>	<u>Principal Amounts</u>	<u>Interest Rates</u>
2025*	\$ 795,000	4.00%
2025*	1,630,000	5.00
2026*	355,000	3.00
2026*	2,185,000	5.00
2027	2,670,000	5.00
2028	2,805,000	5.00
2029	2,950,000	5.00
2030	3,100,000	5.00
2031	3,260,000	5.00
2032	3,425,000	5.00
2033	3,605,000	5.00
2034	3,790,000	5.00
2035	3,980,000	5.00
2040	23,190,000	5.00

* Bifurcated Maturity.

**Port of Seattle Intermediate Lien Revenue Refunding Bonds, Series 2015B
(Non-AMT)⁽²⁾**

<u>Maturity Dates (March 1)</u>	<u>Principal Amounts</u>	<u>Interest Rates</u>
2025	\$ 9,055,000	5.00%
2026	9,525,000	5.00
2027	10,005,000	5.00
2028	10,520,000	5.00
2029	11,060,000	5.00
2030	11,630,000	5.00
2031	12,230,000	5.00
2032	12,850,000	5.00
2033	13,515,000	5.00
2034	14,205,000	5.00
2035	14,940,000	5.00

Port of Seattle Intermediate Lien Revenue Refunding Bonds, Series 2013 (AMT) ⁽³⁾

Maturity Dates (July 1)	Principal Amounts	Interest Rates
2025	\$ 15,460,000	5.00%
2026	16,230,000	5.00
2027	17,045,000	5.00
2028*	5,000,000	4.50
2028*	12,895,000	5.00
2029	18,435,000	5.00

* Bifurcated maturity.

⁽¹⁾ Callable at any time on and after October 1, 2024, in whole or in part on any date, with maturities to be selected by the Port, at a redemption price equal to 100% of the principal amount thereof, plus interest accrued to the date fixed for redemption.

⁽²⁾ Callable at any time on and after September 1, 2024, in whole or in part on any date, with maturities to be selected by the Port, at a redemption price equal to 100% of the principal amount thereof, plus interest accrued to the date fixed for redemption.

⁽³⁾ Callable at any time on and after July 1, 2023, as a whole or in part on any date, with maturities to be selected by the Port, at a redemption price equal to 100% of the principal amount thereof, plus interest accrued to the date fixed for redemption.

EXHIBIT B
PROJECTS

Runway, apron and safety areas construction, repairs and improvements; airfield infrastructure construction, repairs and upgrades; noise mitigation; Airport Terminal and parking garage construction, modification, repairs, improvements including equipment acquisition; roadway and ground transportation improvements; airport support systems and services improvements; planning work relating to future facilities on or near the Airport; property acquisitions for Airport expansion adjacent or near to the Airport and other airport improvements that are functionally related to the airfield, air terminal and Airport property improvements described above at Seattle-Tacoma International Airport, 17801 Pacific Highway South, Seatac, WA 98158, which is owned and operated by the Port.

CERTIFICATE

I, the undersigned, Secretary of the Port Commission (the “Commission”) of the Port of Seattle (the “Port”), DO HEREBY CERTIFY:

1. That the attached resolution numbered 3826 (the “Resolution”), is a true and correct copy of a resolution of the Port, as finally adopted at a meeting of the Commission held on the ____ day of June, 2024, and duly recorded in my office.

2. That said meeting was duly convened and held in all respects in accordance with law, and to the extent required by law, due and proper notice of such meeting was given; that a quorum of the Commission was present throughout the meeting and a legally sufficient number of members of the Commission voted in the proper manner for the adoption of said Resolution; that all other requirements and proceedings incident to the proper adoption of said Resolution have been duly fulfilled, carried out and otherwise observed, and that I am authorized to execute this certificate.

IN WITNESS WHEREOF, I have hereunto set my hand this ____ day of June, 2024.

Secretary

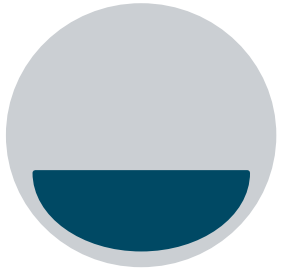
Intermediate Lien Revenue & Refunding Bonds Series 2024

June 25, 2024

Adoption of Resolution No. 3826

- Sale and Issuance of Intermediate Lien Revenue & Refunding Bonds
 - Fund Airport capital investments
 - Refund outstanding debt for savings
- Draft Plan of Finance anticipates the use of new revenue bonds to fund \$3.6 billion of Airport capital investments from 2024-2028
 - 2024 Revenue Bonds to provide partial funding
- 2024 bonds issued in multiple series based on federal tax status:
 - Governmental Bonds – no income tax for investors
 - Private Activity Bonds – no regular tax, but subject to Alternative Minimum Tax (AMT)
 - Taxable Bonds (if needed) – investors subject to regular federal income tax

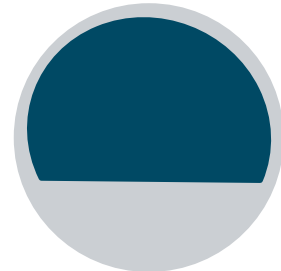
Purpose of the Bonds



Refund for Savings

~\$272 million ⁽¹⁾

- Refund outstanding revenue bonds issued in 2013 and 2015
- Current estimate of NPV savings on the refunding is ~\$9.2 million



Funding for Capital Projects

~\$535 million ⁽¹⁾

- Partial funding of Airport CIP, as outlined in the Draft Plan of Finance
- Revenue bonds are the primary funding source for Airport capital investments

(1) estimate

Fund Airport Capital Investments

Projects include:

- SEA Gateway Project
- C Concourse Expansion
- S Concourse Evolution
- Continuation of Baggage Handling System Optimization and Airfield Pavement Replacement
- A Concourse Expansion
- MT Low Voltage System Upgrade

Some flexibility to redirect bond proceeds to other Airport capital projects, subject to meeting project eligibility requirements (federal tax)

Actual spending on projects is subject to appropriate authorization



Resolution No. 3826

- Similar in all material respect to other Intermediate Lien resolutions
 - Pursuant to Intermediate Lien Master Resolution
 - Provides approval delegation to Executive Director, Deputy Executive Director or Chief Financial Officer
- Bonds will be sold by Port underwriting team led by Bank of America
- Delegation Limits:
 - Maximum Par Amount: \$850 million
 - Maximum Interest Rates:
 - 6.0% - Tax Exempt Bonds
 - 7.0% - Taxable Bonds (if needed)
 - Bond sale must occur by June 25, 2025
 - Exceeding limits requires further authorization
- Provides funding for
 - Bond issuance costs
 - Capitalized interest during construction
 - Contribution to the debt service reserve

Next Steps

- Meetings with credit rating agencies June 24-25th
- Bond sale scheduled for August 1st
- Bond closing scheduled for August 15th

[RETURN TO AGENDA](#)



**COMMISSION
AGENDA MEMORANDUM**

Item No. 8g

ACTION ITEM

Date of Meeting June 25, 2024

DATE: June 7, 2024

TO: Stephen P. Metruck, Executive Director

FROM: Cassie Fritz, Senior Manager, Waterfront Program Controls

SUBJECT: **Project Controls Services Indefinite Delivery, Indefinite Quantity Agreements**

Amount of this request: \$ 0.00

ACTION REQUESTED

Request Commission authorization for the Executive Director to execute up to four Project Control Services Indefinite Delivery, Indefinite Quantity (IDIQ) service agreements. Agreements will be for \$5,000,000 each and be executed for a five-year contract ordering period.

No funding is associated with this request.

SUMMARY

A critical factor in the successful delivery of projects is applying the appropriate level of project controls. These IDIQs will provide Port staff support in the development and validation of estimates, review, and updating of project and programmatic schedules, cost control/tracking including forecasting, cash flows, and reporting and other project controls tasks as needed.

For efficiency in process, these contracts will be procured cooperatively with Aviation Program Controls and the resulting contracts will be available for use port wide.

Scope of Work

Project controls services may include any or all, but not limited to, the following elements:

- Scheduling – development, updating, coordination and reporting, including integrated programmatic scheduling, and resource management.
- Estimating – development of all classes of estimate from initial planning through Engineer’s estimate. Validate estimates created by designers or other estimators. Provide professional advice on trends in the local construction market that could impact estimates.
- Cost engineering, including cost control, estimate-at-completion development, project risk analysis, cash flow development, asset booking, and project closeout.
- Reporting – maintain existing report cadence and provide ad hoc reports as needed.

Meeting Date: June 25, 2024

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.

FINANCIAL IMPLICATIONS Budget for work under this contract will come from individual projects, authorized separately through established procedures so there is no funding request associated with this authorization. No work is guaranteed to the consultant and the Port is not obligated to pay the consultant until a service directed is executed and work performed.

There are no attachments to this memo.

Previous related Commission actions:

- October 10, 2017
- November 15, 2015
- June 25, 2013

RETURN TO AGENDA



**COMMISSION
AGENDA MEMORANDUM**

Item No. 8h

ACTION ITEM

Date of Meeting June 25, 2024

DATE : June 7, 2024
TO: Stephen P. Metruck, Executive Director
FROM: Elizabeth Black, Deputy General Counsel

SUBJECT: Authorization to Execute Two Settlement Agreements for Recovery of Cleanups Costs at Terminal 91

Amount of this request: N/A
Total estimated project cost: N/A

ACTION REQUESTED

Request Commission authorization for the Executive Director to execute two settlement agreements to recover approximately \$5 million in costs associated with the Port’s cleanup of the Terminal 91 uplands.

EXECUTIVE SUMMARY

Over several decades, the Port has spent more than \$28.5 million on the environmental cleanup of Terminal 91. The Port is working to recover these costs, as well as estimated future costs, from other responsible parties who caused or contributed to contamination at the site.

Contamination at Terminal 91 resulted from a variety of sources. From the late 1800s through 1920, owners of the area included various railroads, land development companies, and private individuals. The Great Northern Railroad began to develop the area in the early 1900s by filling in the area between the Magnolia Bluff and Queen Anne Hill. Philip Services constructed a tank farm in the 1920s and operated it as a fuel storage facility in the late 1920s and 1930s. The U.S. Navy acquired the entire facility in 1942 and operated the tank farm primarily as a fuel and lubricating oil transfer station until 1972, when the Port leased back the consolidated facility and subleased the tank farm to Philip Services. Philip Services conducted waste oil recovery and wastewater treatment until 1995 when they ceased operation and performed above-ground closure activities. The tank farm was subsequently used for fuel storage and blending until 2003 and was demolished in 2005.

Under the proposed settlement agreements, Crowley Maritime will pay \$1.975 million and BP will pay \$3.15 million to the Port for their shares of cleanup costs associated with their contribution of contamination to the site. This matter was further discussed in privileged attorney-client communications. There are no attachments to this memo.

RETURN TO AGENDA

Agenda Item 8i
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RETURN TO AGENDA



**COMMISSION
AGENDAMEMORANDUM**

Item No. 10a

ACTION ITEM

Date of Meeting June 25, 2024

DATE: June 18, 2024

TO: Stephen P. Metruck, Executive Director

FROM: Randy J. Krause, Fire Chief
Reiter, Wendy, Director of Security

SUBJECT: Fire Apparatus Update - Increase Funding of CIP 801040

Amount of this request: \$10,169,500

Total estimated project cost: \$10,169,500

ACTION REQUESTED

Request Commission authorization for the Executive Director to authorize \$10,169,500 for CIP 801040 for renewal and replacement of fire department apparatus.

EXECUTIVE SUMMARY

The Fire Department received approval from the Aviation Investment Committee for \$10,169,500 for the renewal and replacement of apparatus to replace our aging fleet between 2019 to 2030. The reason we have put 2019 as the early date because we have deferred several years' worth of purchases in support of helping the Aviation Division address the cost impacts of COVID-19. As the financial environment improved, we are now requesting to get back on our buying cycle with this request. This request is intended to get commission approval, allowing us to work with the capital program team and CPO to purchase the equipment without coming back to commission for each apparatus purchase. In the fire department evaluation of current apparatus, we have determined current and future apparatus and vehicle needs. This will be explained visually in the presentation provided. The apparatus and vehicles being requested to be replaced are; (2) Aircraft Rescue Firefighter Apparatus (2006, 2010 mfg dates), (1) fire engine (2010 mfg date), (2) Aid Cars (mfg dates 2000, 2010), (1) Hazardous Materials Apparatus (mfg date 1989), a Technical Rescue Vehicle (New), (1) Stair Truck (New) and two Gators w/trailers (New). There is significant lead time to manufacture these apparatuses and vehicles. So, the dollars associated with this request will be spread over multiple years. A production time chart will be provided in the presentation, indicating expected delivery dates once the purchase is executed.

Meeting Date: June 25, 2024

JUSTIFICATION

The Fire Department has an apparatus/vehicle purchasing plan that is supported by industry best practices and identified in National Fire Protection Association (NFPA) standards. The intention is to purchase Engines and Aid cars every 7-10 years, Aircraft Rescue Firefighting Apparatus every 10 years, Hazardous Materials Apparatus every 12-15 years, and Technical Rescue Vehicles every 12-15 years. This replacement cycle deviates and fluctuates to support the Aviation Division financial position at the time of request and is often deferred if preventative maintenance is keeping the apparatus in good operational standing. As part of this request, we will be replacing a 2006 and 2010 ARFF Apparatus, a 2006 Fire Engine, two Aid Cars that were received in 2000 and 2010, a Hazardous Materials Apparatus received in 1889, a Stair Truck, and adding a new Technical Rescue Vehicle, and two new gators with trailers to support a major incident involving many patients, as we may see in a large aircraft incident. The request is to replace an aging fleet that is past its effective useful life and get the fire department back on track with our purchases after COVID 19.

Diversity in Contracting

All purchases will be coordinated through both CPO and the assigned buyer to ensure diversity in contracting is considered.

Scope of Work

Complete necessary acquisition, equipping of vehicles and Capital Improvement Project close-out activities before Q4 2030.

ALTERNATIVES AND IMPLICATIONS CONSIDERED

Alternative 1 – Do nothing and extend life of fleet. (NOT RECOMMENDED)

Choosing to delay these purchases jeopardizes our emergency response capabilities across all disciplines due to the lack of service availability of older vehicles in the fleet. Currently we experience long delays acquiring parts for our older equipment. We must be creative and coordinate with Boeing Fire Department or King County Airport if we were to lose an ARFF Vehicle. In addition, as we continue to get busier both on the airport and off, we continue to incur risk when our Technical Rescue and/or Hazardous Materials response is needed in the community. We need to separate the equipment in order to maintain a better response posture on and off the airport.

Pros:

- (1) No positives to our abilities by continuing to extend the life of our aging fleet.

Cons:

- (1) Impacts are ability to maintain our response profile in all disciplines.
- (2) Reduces cost and out of service time of our aging fleet.

Meeting Date: June 25, 2024

This is not the recommended alternative.

Alternative 2 –Extend the purchasing window out 5-10 Years (Not Recommended)

It may seem reasonable to extend the purchasing window, however, we have already delayed purchasing by 4-5 years due to COVID. We did this to support the economic downturn at the airport by deferring these purchases in our effort to help push costs out into future years. This delay has put our fleet at greater risk, but our mechanics have been able to keep the fleet operational to date. Doing this would continue to put our aging fleet at risk and could impact our ability to respond effectively.

Cost Implications:

Pros:

- (1) Defers costs.

Cons:

- (1) Could be costly as maintenance of the aging fleet continue to increase.
- (2) May affect our ability to respond effectively.

This is not the recommended alternative.

This is the recommended alternative.

Alternative 3 – Purchase all apparatus and vehicles as requested. (Preferred Option)

Approve the purchase as requested allowing the Port of Seattle Fire Department to get back on its apparatus purchasing cycle. This will ensure that the fire department will have access to dependable, reliable, and service ready equipment over the next decade.

Cost Implications:

Pros:

- (1) Replaces aging fleet.
- (2) Allows the separation of hazardous materials and technical rescue response.
- (3) Allows better capabilities in the clear zones and on the airfield for a major emergency.
- (4) The monies will be allocated over a 3–6-year window.

Cons:

- (1) No downside.

FINANCIAL IMPLICATIONS

This project was approved by the Aviation Investment Committee in 2018 plan of finance under CIP #C801040 in the amount of \$5,000,000 and we are seeking an increase to this CIP of 5,169,500. The current total project estimate is \$10,169,500.

Meeting Date: June 25, 2024

Cost Estimate/Authorization Summary

	Capital	Expense	Total
COST ESTIMATE			
Original estimate	\$5,000,000	\$0	\$5,000,000
Previous changes – net	0	0	0
Current change	\$5,169,500	0	\$5,169,500
Revised estimate	10,169,500	0	10,169,500
AUTHORIZATION			
Previous authorizations	0	0	0
Current request for authorization	0	0	0
Total authorizations, including this request	0	0	0
Remaining amount to be authorized	\$0	\$0	\$0

ADDITIONAL BACKGROUND

None

ATTACHMENTS TO THIS REQUEST

- (1) Presentation



Seattle-Tacoma
International
Airport

Item No. 10a supp

Meeting Date: June 25, 2024

Fire Apparatus Update (CIP:C801040)

Renewal & Replacement
Fire Department

June 2024

Overview

I. Status of Fire Department Vehicle Fleet

I. Approved CIP: C801040 (\$10,169,500)

(2019-2030)

II. Overview of Rationale

I. New Equipment/Apparatus needs

II. Central Procurement Ideas (Cooperative Agreements)

III. Next steps

IV. Questions

Apparatus Transition Status

CIP: 801040 Approved in 2018 \$5 million

- ARFF Apparatus (1)
- Structural Engine (1)
- Hazardous Materials Apparatus (1)
- Stair Truck (1)
- **Mass Casualty Incident (MCI) Trailer**
- Costs within budget authorization

CIP: 801040 Renewal/Replacement Fire Apparatus (2019-2030)

• ARFF Apparatus (2)	3,300,000	1,650,000 Per Unit	Receive 2028/2029
• Structural Engine (1)	1,540,000		Receive 2028/2029
• Hazardous Materials Apparatus (1)	1,650,000		Receive 2028
• Technical Rescue Apparatus (1) New	605,000		(Receive 2028
• Stair Truck	850,000		Receive 2028
• Ambulance (2) New	550,000 x (2)	1,100,000	Receive 2027
• Gators (2) New w/Trailers	200,000		Receive 2026
• Subtotal	9,245,000		
• Total Cost (Inflation +10%)	\$10,169,500	Total Authorization Request	

Picture of replacing vehicle with date of purchase Lifecycle



2010



46-48 months



1989



36-48 months



Picture of replacing vehicle with date of purchase Lifecycle



2000/2010



24-26 months



2006/2010



500+ days

Tech Rescue Vehicle



36 months

Ladder Truck (Apparatus Committee Reviewing)



Considerations to Share

- Expense dollars to outfit apparatus will be requested as part of annual budget cycle that apparatus will be received
- Explore cooperative agreement buying opportunities with CPO
- Disposition of replaced apparatus will be a collaborative effort to determine:
 - Sell at Auction
 - Donate locally
 - Donate internationally
- Depreciation Schedules and impacts to asset.

NOTE: We are one of the primary Haz/Mat & Technical Rescue Teams in the area and respond off site often to support community events.



Seattle-Tacoma
International
Airport

Questions/Discussion

[RETURN TO AGENDA](#)

June 2024



**COMMISSION
AGENDA MEMORANDUM**

Item No. 10b

ACTION ITEM

Date of Meeting June 25, 2024

DATE: June 14, 2024

TO: Stephen P. Metruck, Executive Director

FROM: Rick Duncan, Director, Aviation Business & Properties
Eileen Francisco, Director, Aviation Project Management Group

SUBJECT: Post IAF Airline Realignment Construction Authorization (CIP#801158)

Amount of this request: \$85,800,000

Total estimated project cost: \$154,500,000

ACTION REQUESTED

Request Commission authorization for the Executive Director to approve a total project budget of \$154,500,000 and to allocate \$85,800,000 of that budget for the Post IAF Airline Realignment Project at Seattle-Tacoma International Airport and to execute the Maximum Allowable Construction Cost Contract Amendment, any related project change orders, amendments, work authorizations, purchases, contracts, and to take any actions necessary to support and deliver the project within the approved budget. (CIP #C801158)

EXECUTIVE SUMMARY

At the September 2023 Commission briefing Port staff presented a budget range for this project between \$102M and \$140M. With the completion of design and the receipt of subcontractor bids, the MACC contract amendment can be completed. This step has solidified a project budget grown to \$154.5M to accommodate scope changes, market conditions, and schedule mitigations.

The project is facilitating the relocation of airline operations from Concourse A to Concourse B. This allows for airlines with international flights to use the vacated international capable gates on Concourse A. Associated office and support spaces to support airline relocations are being performed on Concourse A and Concourse B. Additionally, a ticket counter reconfiguration in the main terminal.

This request will provide construction authorization for the balance of airline realignment scope; (1) Concourse B mechanical system upgrades, (2) renovation and expansion of office and airline operations support space on Concourses A and B and (3) reconfigured and expanded common

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use ticket counters in the Main Terminal. Completion of this work will provide ramp level operational space for United Airlines by Quarter 3 of 2025.

The United Airlines’ Lounge will be delivered under a separate reimbursement agreement and will be the subject of a future authorization request.

JUSTIFICATION

In April 2024 construction activities for enabling work commenced, facilitating the consolidation of existing airline operations to make way for the balance of the airline realignment scope included within this authorization.

Should this request be approved, the Maximum Allowable Construction Costs (MACC) negotiated with the General Contractor Construction Manager (GCCM) would be executed in mid-July and construction activities for the balance of the airline relocations would begin shortly thereafter. Seeking this authorization now supports the project team’s efforts to advance the project expeditiously and support the earliest move of the airlines.

With the completion of the subcontractor construction bidding process, the project has greater cost certainty for the airline realignment scope included within this authorization. Competitive market costs were secured with subcontractor bids received throughout the month of May 2024. Market conditions with bids received reflected higher costs than estimated at 60% design development and can be attributed to increases in material and shipping costs, shortages in the labor market and the complexity of the phased work to deliver the airline realignment scope while maintaining 24/7 airport operations. Additional temporary provisions to maintain existing operations incorporated into the project have increased costs to mitigate schedule delays.

Diversity in Contracting

The project team has worked with the Diversity in Contracting team to establish the following women- and minority-owned business enterprise (WMBE) goals for the project’s contracts as outlined in the table below.

Contract	Goal	Commitment
Project Management	14%	98%
Construction Management	30%	30%
Design	15%	17%
Testing & Special Inspection	TBD	TBD
GCCM (Construction)	13%	TBD

DETAILS

Significant phasing and sequencing are required to deliver the airline realignment scope in a 24/7 operational airport. Initiating key infrastructure and existing systems relocations on Concourse B

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ramp through the enabling work in April allowed the GCCM to streamline construction durations to support the work outlined below beginning in July.

Scope of Work

- (1) Renovations to existing tenant-leased spaces on Concourse A to support final tenant relocations required for airline realignment.
- (2) Renovated and expanded tenant-leased spaces on Concourse B ramp to create new office support space for the relocated airline tenant.
- (3) Code upgrades to extend the new interior corridor initiated with the enabling work.
- (4) Cage storage provided with enabling work will be reconfigured to support final airline relocations.
- (5) Modifications and upgrades to existing Concourse B mechanical system to support the newly expanded and renovated ramp leasable space, including two new enclosed penthouses at the roof level.
- (6) Renovated ticket counter and tenant-leased space in the central main terminal to provide ten ticketing positions, an airline break room and leasable space for a future tenant.

Schedule

Activity

Enabling Work Construction Start	2024 Quarter 2
Airline Realignment Construction Authorization	2024 Quarter 2
Airline Realignment Construction Start	2024 Quarter 3
In-use date (Concourse B)	2025 Quarter 3
In-use date (Concourse A)	2026 Quarter 1

Note that the “in-use date” for Concourse B establishes the planned move date for United Airlines in 2025 Quarter 3, presuming no extra-ordinary steps taken to revise this date. United Airlines had earlier elected to self-complete their lounge. The schedule for completion of this work remains to be determined.

Cost Breakdown

	This Request	Total Project
Design	\$10,000,000	\$43,750,000
Construction	\$75,800,000	\$110,750,000
Total	\$85,800,000	\$154,500,000

Meeting Date: June 25, 2024

ALTERNATIVES AND IMPLICATIONS CONSIDERED

Alternative 1 – Delay MACC authorization until completion of negotiations to maximize project cost certainty.

Cost Implications: \$85,800,000 (same as Alternative 2)

Pros:

- (1) All subcontractor costs would be known prior to executing the MACC.
- (2) Project budget certainty would be increased when authorizing the MACC.

Cons:

- (1) Waiting for the completion of negotiations would delay the start of construction by several months while preparing the request.
- (2) Delays United Airlines Gate allocation on Concourse B to 2026
- (3) Delays the GCCM from beginning work in tenant lease spaces that are available for construction now.
- (4) Creates unforeseen schedule impacts from adjacent Port projects performing work in 2024.
- (5) Significantly reduces the advantages of the GCCM contracting method by delaying the work the mechanical and electrical subcontractors could negotiate and perform now.

This is not the recommended alternative.

Alternative 2 – Authorize MACC execution now as requested.

Cost Implications: \$85,800,000

Pros:

- (1) Aligns with the current scheduling coordination with adjacent Airport projects.
- (2) Supports phased delivery of airline realignment scope to deliver Concourse B gates in 2025.
- (3) Continues the renovation and consolidation delivered with the enabling work, mitigating the risk of schedule delays for Concourse B In-Use dates.
- (4) Leverages the advantages of the GCCM contracting method by starting work the mechanical and electrical subcontractors could negotiate and perform now.

Cons:

- (1) An increase to project budget is required to deliver the airline realignment scope.

This is the recommended alternative.

Meeting Date: June 25, 2024

FINANCIAL IMPLICATIONS

<i>Cost Estimate/Authorization Summary</i>	Capital	Expense	Total
COST ESTIMATE			
Original estimate	\$35,000,000	\$35,000,000	\$70,000,000
Previous changes – net	\$101,145,000	\$855,000	\$102,000,000
Current change	\$52,430,000	\$70,000	\$52,500,000
Revised estimate	\$153,575,000	\$925,000	\$154,500,000
AUTHORIZATION			
Previous authorizations	\$54,202,000	\$898,000	\$55,100,000
Current request for authorization	\$85,773,000	\$27,000	\$85,800,000
Total authorizations, including this request	\$139,975,000	\$925,000	\$140,900,000
Remaining amount to be authorized	\$13,600,000	\$0	\$13,600,000

Annual Budget Status and Source of Funds

This project, CIP C801158, was included in the 2024-2028 capital budget and plan of finance with a capital budget of \$69 million and an expense budget of \$33 million for a total cost of \$102 million. The expense components of the project in amount of \$32,145,000 were deemed as capital. The current budget increase of \$52,430,000 was transferred from the Aeronautical Allowance CIP C800753 resulting in no net change to the Airport capital budget. The funding sources will be Airport Development Fund and revenue bonds.

Financial Analysis and Summary

Project cost for analysis	\$154,500,000
Business Unit (BU)	Gates
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	\$0.52 in 2027

Future Revenues and Expenses (Total cost of ownership)

The project team is working with Aviation Maintenance and Facilities and Infrastructure groups to finalize the existing asset data and coordinate the phased delivery of in-use assets beginning in December 2024. Operating and maintenance costs for new infrastructure and systems will be determined when the MACC is executed in July 2024.

ADDITIONAL BACKGROUND

The project team is meeting with adjacent projects to coordinate project schedules, scope overlap and other necessary items to limit construction impacts to normal airport and tenant operations.

1. Baggage Optimization Program

Meeting Date: June 25, 2024

2. Main Terminal Low Voltage Upgrades
3. North Main Terminal Redevelopment
4. Concourse HVAC Infrastructure Renewal and Replacement Program (CHIRRP)
5. 2024 Airfield Improvement Project
6. 2026 Airfield Improvement Project

ATTACHMENTS TO THIS REQUEST

- (1) Presentation slides

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

January 9, 2024 – The Commission authorized \$7,500,000 to advance the project schedule for the Post IAF Airline Realignment project at Seattle-Tacoma International Airport.

September 26, 2023 – The Commission authorized \$14,400,000 to facilitate the following actions: (1) authorize enabling construction work for the Post IAF Airline Realignment project at Seattle-Tacoma International Airport, (2) procure long lead items, (3) increase the project authorization by \$14,400,000, and (4) execute a project labor agreement.

September 12, 2023 – The Commission was briefed on the program status and schedule for future authorization requests.

February 14, 2023 – The Commission authorized \$7,000,000 to facilitate the following actions: (1) amend a project-specific design contract, and (2) execute a Change Order to the General Contractor/Construction Manager Pre-Construction Services contract.

March 23, 2021 – The Commission authorized \$26,000,000 to facilitate the following actions: (1) execute project specific Service Agreements for project management, construction management, design services, and testing and special inspections; (2) to utilize a General Contractor/Construction Manager (GCCM) and execute a GCCM construction contract for pre-construction services; (3) to use port crews; and (4) to execute a Memorandum of Agreement (MOA) between the Port of Seattle (Port) and United Airlines.

Post IAF Airline Realignment Construction Authorization (CIP# 801158)

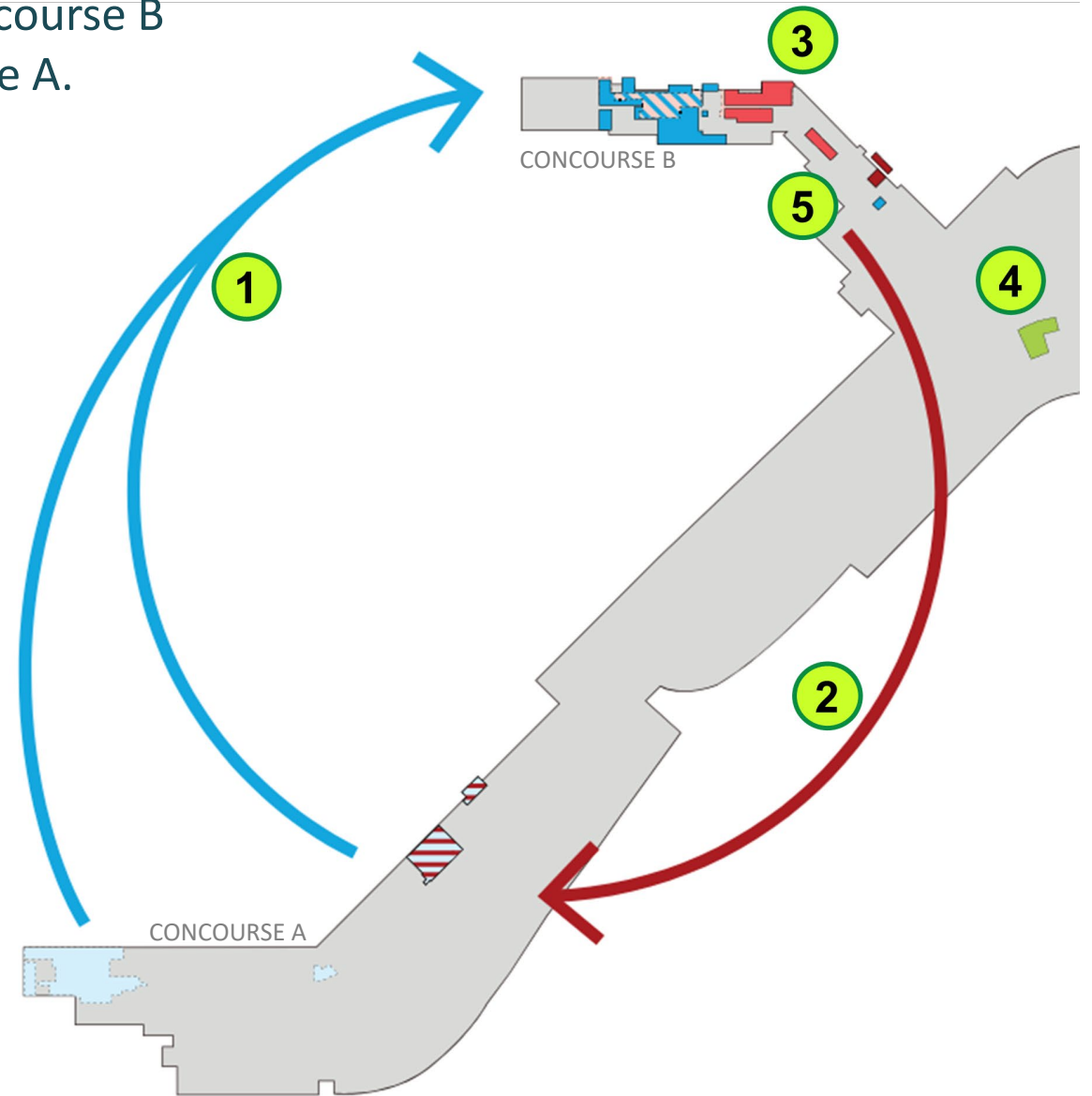
June 25, 2024

Project Purpose:

Relocate United Airlines' domestic only operations to Concourse B and thus increase international gate capacity on Concourse A.

Scope of Work:

- 1 Relocates United Airlines (UA) to renovated and expanded space on Concourse B.
- 2 Relocates Delta Air Lines into UA vacated gates on Concourse A.
- 3 Replaces two Air Handling Units in 2 new penthouses and upgrades mechanical system infrastructure on Concourse B.
- 4 Reconfigures Zone 4 leasable space to accommodate common use, flow-through ticket counters.
- 5 Relocates United Airlines to renovated lounge on Concourse B.

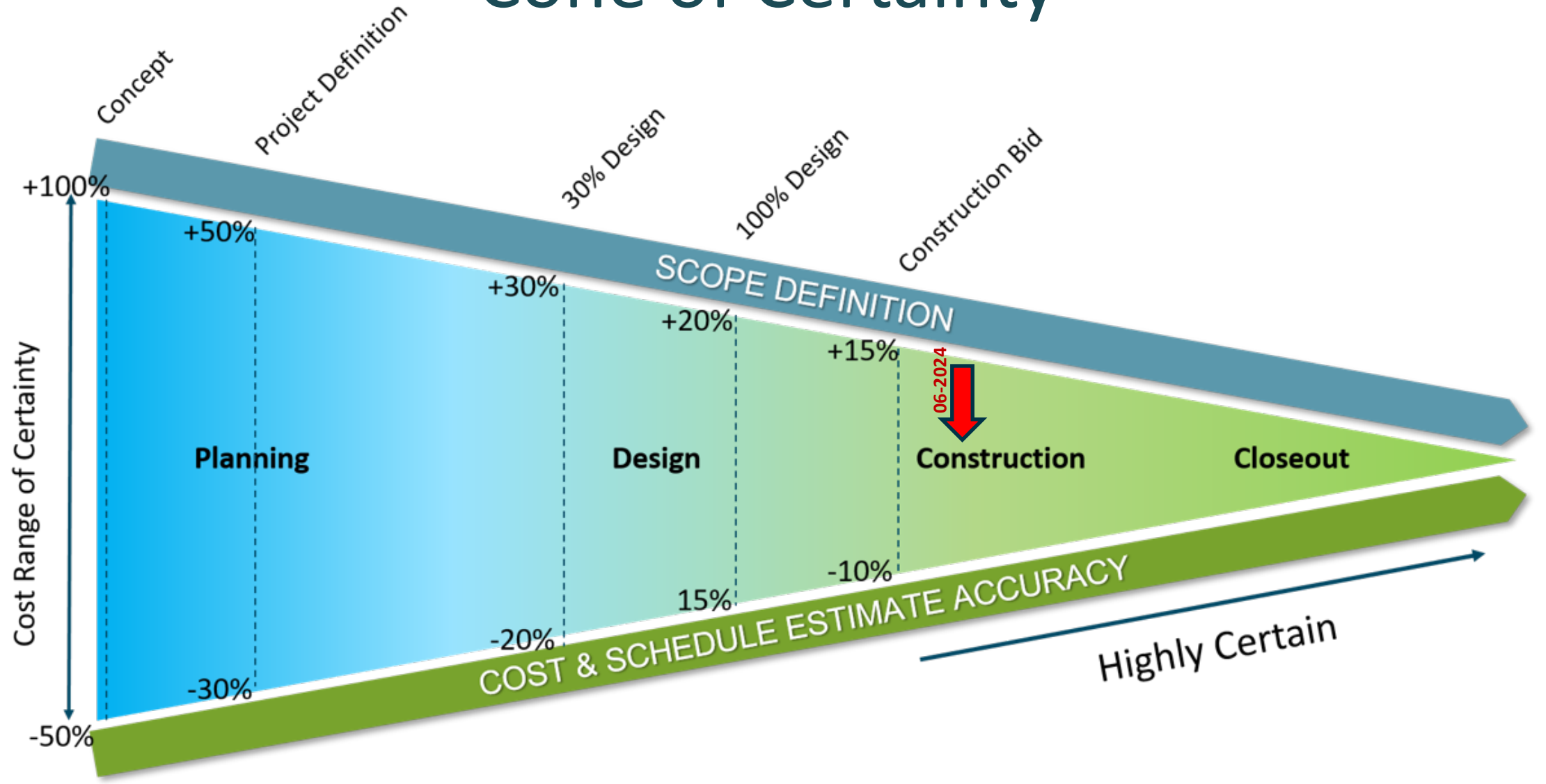


Requested Action

Request Commission authorization for the Executive Director to approve

- (1) a total project budget of \$154,500,000 and to allocate \$85,800,000 of that budget for the Post IAF Airline Realignment Project at Seattle-Tacoma International Airport and
- (2) to execute the Maximum Allowable Construction Cost Contract Amendment, any related project change orders, amendments, work authorizations, purchases, contracts, and to take any actions necessary to support and deliver the project within the approved budget.

Cone of Certainty



Cost Breakdown

Cost Estimate/Authorization Summary	
Current Budget	\$102,000,000
Budget Range per January 2024 Action	\$102M - \$140M
Revised Budget	\$154,500,000
Budget Increase	\$52,500,000
Previous authorizations	\$55,100,000
Current request for authorization	\$85,800,000
Total authorizations, including this request	\$140,900,000
Remaining amount to be authorized <i>(United Airlines Lounge remaining budget)</i>	\$13,600,000

Reasons for Budget Increase

Greater than anticipated Design budget

- Additional design packages to accelerate enabling work, incorporate building and accessibility code deficiencies, and decouple Concourse B mechanical upgrades from delivery of airline realignment scope.
- A/E Negotiated Level of Effort includes weekly on-site coordination during the RFI and Submittal process to mitigate schedule delays.

Greater than anticipated Construction budget

- Temporary provisions to maintain existing operations, uncovered since Project Notebook, have been identified through site investigation and design development.
- Market conditions with bids received reflected higher costs than estimated at 60% design development and can be attributed to increases in material and shipping costs, shortages in the labor market and the complexity of the phased work.

Reasons for Budget Increase

Greater than anticipated Construction costs (\$36M)

- Additional construction to address building and accessibility code deficiencies, aging infrastructure and current Port Standards.
- More temporary provisions to maintain existing operations
- Bids received indicate changed market conditions with higher costs due to increases in material and shipping, shortages in the labor market and the complexity of the phased work. Undesirable size of bid packages created less bidder interest.

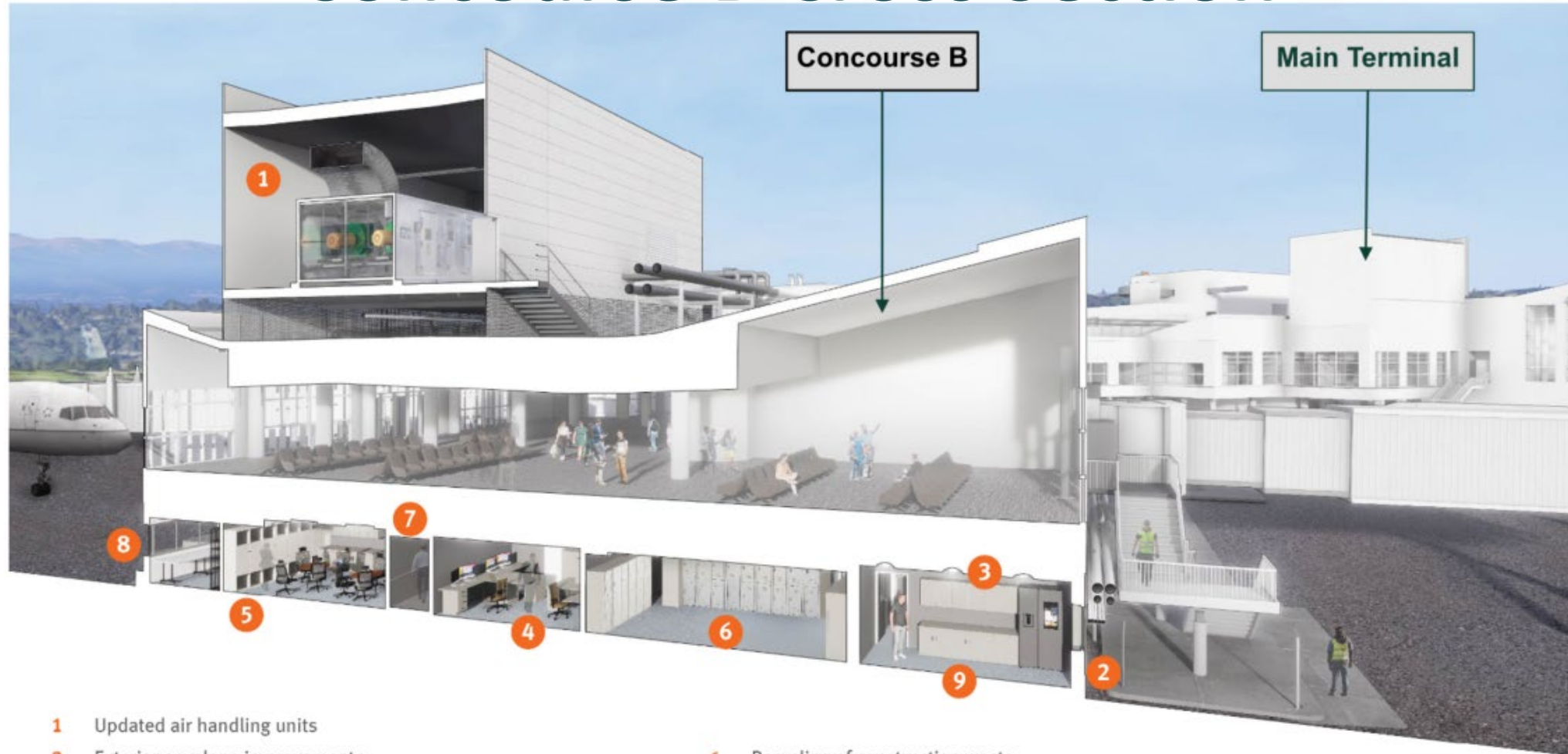
Greater than anticipated Design and other Soft costs (\$16M)

- Additional design packages to start enabling work sooner, address code deficiencies, and occupy Concourse B offices sooner using temporary air handlers.
- Additional on-site design staff to address early construction submittals and questions to mitigate schedule delay risk.
- Complexity of construction requiring additional resources

Phased Schedule Delivery

<i>Activity</i>	
Enabling Work Construction Start	2024 – April 18
Airline Realignment Construction Authorization	2024 – June 25
Airline Realignment Construction Start	2024 – September
In-use Date Concourse B offices and Concourses A&B gates	2025 – Quarter 3
In-use Date Concourse A offices	2026 – Quarter 1

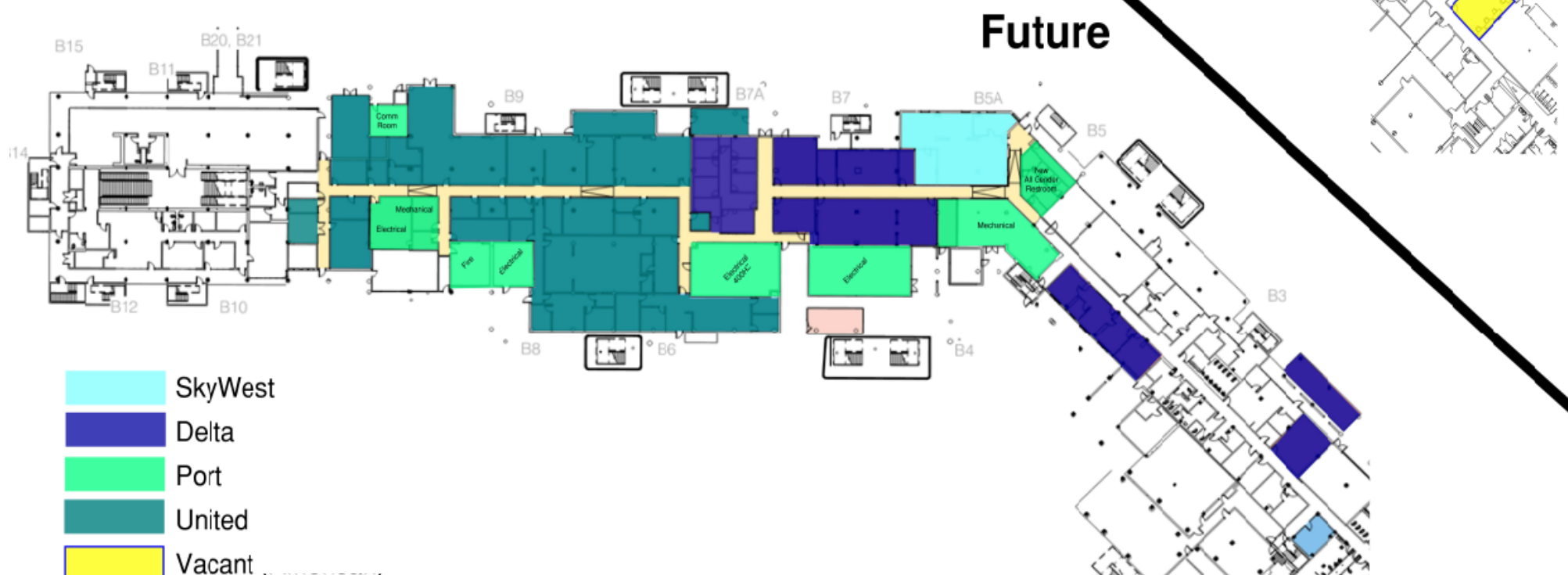
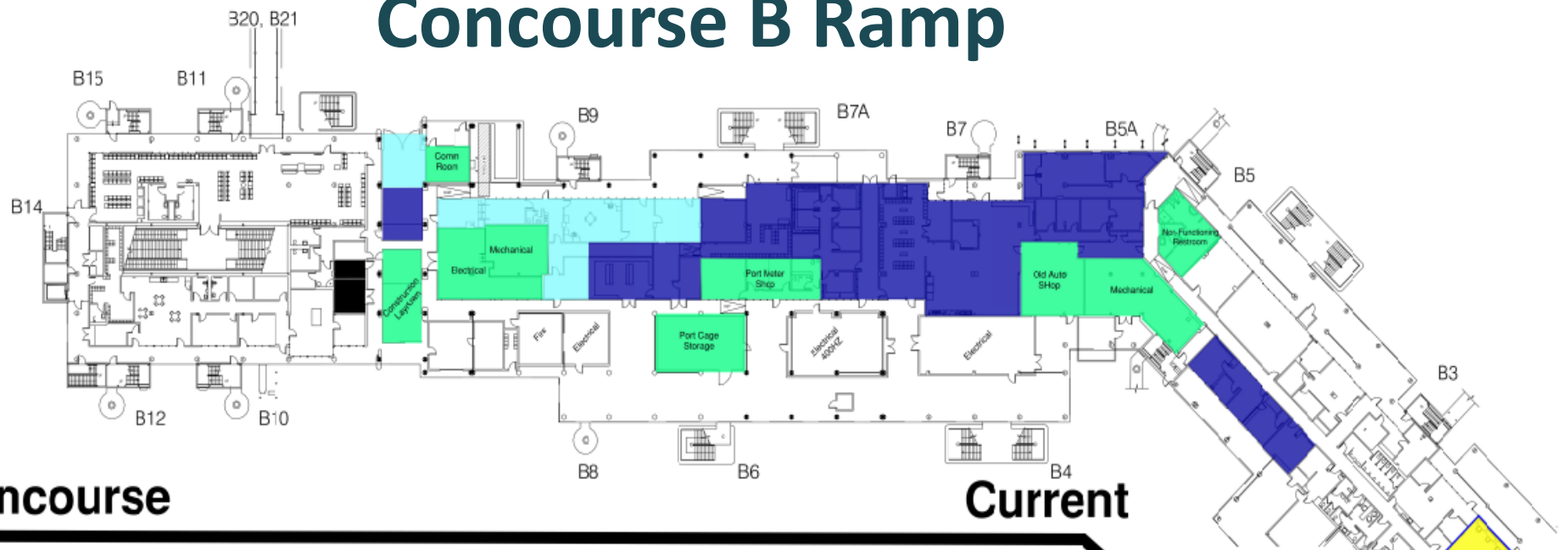
Concourse B Cross Section



- 1 Updated air handling units
- 2 Exterior envelope improvements
- 3 Reduced lighting power density
- 4 Reduction (near elimination) of vinyl building materials
- 5 Designed for future flexibility (reduced future reconfiguration waste)
- 6 Recycling of construction waste
- 7 Interior circulation throughout ramp level (air quality and accessibility)
- 8 Employee access to daylight and views
- 9 Conditioned employee spaces (formally not conditioned)

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Concourse B Ramp



- SkyWest
- Delta
- Port
- United
- Vacant

Sustainability Framework

- Environmental Regulatory Compliance **Tier 2 Project**
- Met with Sustainability, Environment, and Climate (SEAC) Committee on 05.08.24
- **Equity, Carbon/Energy** and **Materials** Strategies incorporated into design and included in construction costs.

EQUITY STRATEGIES

- Gender Neutral Restrooms (non-public facing)
- New safe & accessible interior corridor
- Improved employee access to daylight at ramp

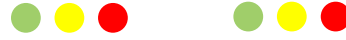
CARBON/ENERGY STRATEGIES

- Improved efficiency with updated controls
- Gas water heating replaced with electric
- Exterior envelope thermal improvements

MATERIALS STRATEGIES

- Polyvinyl chloride (PVC) material removed from specifications
- Emphasis on recycled materials that meet high standard of durability

Project Risks



RISK	DESCRIPTION	PROBABILITY	IMPACT	MITIGATION PLAN
Unforeseen Existing Conditions	Potential impacts to underground utilities and other existing systems.	M ●	H ●	Demolition activities for enabling scope have commenced in advance of the airline realignment scope to allow more time for resolution of impacts identified. Additionally, 3D modeling coordination is ongoing to resolve conflicts in Mechanical and Electrical scope.
Impact to Airport Operations	Construction activities take place in and adjacent to existing operations.	L ●	M ●	Detailed phasing and operations discussions with Port Facilities and Infrastructure, airlines and other stakeholders have informed the design and construction schedule to avoid impacts from project work.
Electrical Component Lead Times	Electrical and mechanical component lead times may be long and need to be ordered at an appropriate time to efficiently maintain schedule.	L ●	L ●	The project team has identified these components and accelerated design and procurement to facilitate delivery to meet current construction schedule.
Complex Phasing	Project in coordination with multiple projects including Airfield Improvement Program, Baggage Optimization Program, and CHIRRP	L ●	M ●	Cross project coordination will be on-going throughout construction. The GCCM has included float in the schedule to mitigate this risk.

QUESTIONS/DISCUSSION

[RETURN TO AGENDA](#)



**COMMISSION
AGENDA MEMORANDUM**

Item No. 10c

ACTION ITEM

Date of Meeting June 25, 2024

DATE: June 17, 2024

TO: Stephen P. Metruck, Executive Director

FROM: Levi Clark, Manager Fleet & Transportation, Marine Maintenance Fleet
Julie Yun, Capital Project Manager, Waterfront Project Management

SUBJECT: C801248 Phase 1 Waterfront Fleet EV Charging

Amount of this request: \$5,000,000

Total estimated project cost: \$5,300,000

ACTION REQUESTED

Request Commission authorization for the Executive Director to (1) approve funding to complete design and permitting; (2) advertise, award, and execute owner-furnished equipment contract; and (3) authorize use of Port of Seattle crews and small works contracts to support the design development and construction execution for the installation of Electric Vehicle (EV) charging stations for Waterfront fleet vehicles. This request is for \$5,000,000 of a total estimated cost of \$5,300,000.

EXECUTIVE SUMMARY

This program supports the installation of EV chargers at various Waterfront facilities that will fuel electrified Waterfront Fleet assets. Phase 1 of this program includes Waterfront facilities that are implementation-ready for EV charging installation, i.e. allow for EV charging installation within each facility’s existing electrical capacity. The seven project sites in Phase 1 include Marine Maintenance South (MMSO), Marine Maintenance North (MMNO), Pier 69 apron, Pier 66 apron, Pier 66 garage, Shilshole Bay Marina (SBM), and the Maritime Industrial Center (MIC). This effort will drive forward the Port’s Sustainable Fleet Plan, Fleet Goals within the Maritime Clean Air Action Plan (MCAAP), as well as the Port’s Century Agenda Goal to reduce greenhouse gas (GHG) emissions by 2040.

JUSTIFICATION

This project supports the following regional and Port-wide priorities:

- (1) Northwest Ports Clean Air Strategy:
 - a. Adopt zero-emission vehicles or use renewable fuels for passenger fleets by 2030;
 - b. Adopt zero-emissions vehicles, equipment, and vessel fleets by 2050.
- (2) Port Scope 1 & 2 Greenhouse Gas Reduction targets:

Meeting Date: June 25, 2024

- a. 50% reduction of 2005 by 2030
 - b. Net Zero by 2040
- (3) Maritime Climate and Action Plan (MCAAP)
 - (4) 2021 Sustainable Fleet Plan recommendation implementation
 - (5) RCW 70a.30.010 New Zero Emission Vehicle Requirements

To meet the long-term Fleet sustainability goals, the Port plans to transition as many Internal Combustion Engine (ICE) vehicles to Battery Electric Vehicles (BEV) as practicable by 2040. Reducing Port reliance on liquid fuels and carbon-based fuels will drastically reduce the Scope 1 emissions caused by Port fleet vehicles and equipment, and in turn reduce harmful greenhouse gas output (GHG) and emitted particulate matter (PM_{2.5}). According to analysis in the MCAAP, electrification of light duty assets in the Ports maritime fleet can reduce at least 250 metric tons of GHG per year. The transition to locally sourced renewable energy will also minimize the Port's susceptibility to the financial impacts of fluctuating liquefied petroleum fuel prices.

Phase 1 of the Waterfront Fleet EV Charging program will implement installation of up to (20) Level 2 (L2) and (2) Level 3 (L3) EV charging stations within each facility's existing electrical capacity. The L2 chargers will allow for full charging of light-duty fleet vehicles such as sedans, small SUV's, personnel lifts, and small forklifts. A small SUV can be fully charged in 3-7 hours using a L2 charger, depending on the power output of the charger installed. Level 3 chargers require more power than L2 chargers and will be used to charge medium- or heavy-duty vehicles and equipment such as Class 8 trucks and large forklifts, or for rapid charging of smaller assets.

Phase 2 of this program will include Fleet EV Charging installation at Terminal 91, Fishermen's Terminal, and remaining scope to meet Fleet EV charging needs at MMNO and MMSO. Electrical service upgrades at these Port properties will be required to implement Phase 2 and fully meet the Waterfront Fleet electrification goals. The modernization of waterfront electrical infrastructure is currently under Planning development and will be addressed as a capital project(s) independent and upstream of the Phase 2 Fleet EV Charging project.

Diversity in Contracting

This project will utilize Port Engineering Design services for design development of the 7 project locations. The project team will work with the Diversity in Contracting Department and Port Construction Services (performing the Construction Management role) to determine women-and-minority-owned business enterprise (WMBE) participation opportunities and appropriate aspirational goals for WMBE for the construction phase of the project.

DETAILS

This request authorization will allow for individual design and permitting to be completed for EV charging station installation at the following seven proposed Waterfront facilities:

- (1) N10372 Marine Maintenance South
- (2) N10372 Marine Maintenance North
- (3) N10373 Shilshole Bay Marina

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- (4) N10375 Pier 66 apron
- (5) N10376 Pier 69 Apron
- (6) N10374 Pier 66 Garage
- (7) N10377 Maritime Industrial Center

Scope of Work

Each project site will install EV charging stations to support electrification of Port Fleet vehicles. The program scope includes the following elements:

- (1) Demolition of existing non-EV charging parking stalls as appropriate and conduit trenching.
- (2) Electrical power and conduit installation from electrical panels to charging equipment.
- (3) Signage as required by code.
- (4) Striping for parking stalls and as appropriate for each facility.
- (5) Bollards or equivalent to protect the charging equipment.
- (6) Foundations for charging pedestals.
- (7) Charging equipment and software package; and
- (8) All other necessary work to ensure the charging stations work as intended.

Schedule

This program will be executed on a rolling schedule through the seven project sites in order of priority, starting with Marine Maintenance South. The project schedule is preliminary, based on assumptions for long-lead equipment delivery of the Level 3 Chargers, in-water work permit review for EV-related work, and coordination to minimize impacts to tenants, facility operations, and tribal fishery as applicable.

Activity

Design start	2023 Quarter 4
Commission design & construction authorization	2024 Quarter 2
Equipment contract advertisement	2024 Quarter 3
Construction Start	2025 Quarter 1
In-use date	2026 Quarter 2

Cost Breakdown

	This Request	Total Project
Design	\$300,000	\$600,000
EV Charging equipment procurement	\$1,200,000	\$1,200,000
Construction	\$3,500,000	\$3,500,000
Total	\$5,000,000	\$5,300,000

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ALTERNATIVES AND IMPLICATIONS CONSIDERED

Alternative 1 – Do nothing; no EV charging capability will be installed at any Waterfront facility.

Cost Implications: Expense \$300,000 seed money authorization to date.

Pros:

- (1) Preserve Port staff resources and capital funds for other priority projects and financial initiatives.
- (2) No construction impacts to facility operations or public use of facilities.

Cons:

- (1) Schedule delay in meeting Port goals and commitments toward GHG reduction.
- (2) No sustainable charging solution available for EV Fleet that will be delivered per Sustainable Fleet Plan.

This is not the recommended alternative.

Alternative 2 – Proceed with design and construction of 2 critical priority project sites only (Marine Maintenance South and Marine Maintenance North).

Cost Implications: Allocation of \$2,400,000 in the Capital Plan.

Pros:

- (1) Preserve capital funds for other priority projects and financial initiatives.
- (2) Limited construction impacts to facility operations at critical priority sites only.

Cons:

- (1) Schedule delay in meeting Port goals and commitments for GHG reduction.
- (2) No sustainable charging solution available for EV Fleet being delivered at remaining 5 project sites.
- (3) Lost efficiencies due to multiple piece-meal design, procurement, and construction efforts.

This is not the recommended alternative.

Alternative 3 – Proceed with design and construction of entire program scope as proposed.

Cost Implications: Allocation of \$5,300,000 in the Capital Plan.

Pros:

- (1) Follow-through on Port commitment and goals toward GHG reduction and Fleet electrification.
- (2) Schedule and cost efficiencies gained from coordinated design, procurement, and construction efforts.
- (3) Mitigate financial impacts of fluctuating liquefied petroleum fuel prices.

Cons:

- (1) Capital expenditure of \$5,300,000 for full program (7 projects).

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- (2) Temporary construction impacts to Waterfront facilities, to be mitigated through early engagement planning and appropriate phasing.

This is the recommended alternative.

FINANCIAL IMPLICATIONS

The original program scope presented at project initiation included five sites only. Since then, the program scope has increased to 1. absorb two additional facilities (MMSO absorbed from a previous small capital project; and MMNO driven by a grant opportunity to purchase 2 electric forklifts), and 2. include smart dynamic loading capacity to utilize existing electrical resources as efficiently as possible.

<i>Cost Estimate/Authorization Summary</i>	Capital	Expense	Total
COST ESTIMATE			
Original estimate	\$2,900,000	\$0	\$2,900,000
Current change	\$2,400,000	0	\$2,400,000
Revised estimate	\$5,300,000	0	\$5,300,000
AUTHORIZATION			
Previous authorizations	\$300,000	0	\$300,000
Current request for authorization	\$5,000,000	0	\$5,000,000
Total authorizations, including this request	\$5,300,000	0	\$5,300,000
Remaining amount to be authorized	\$0	\$0	\$0

Annual Budget Status and Source of Funds

This project was included in the 2024 Capital Plan under C801248 Waterfront EV Fleet Charging Phase I with a total estimated cost of \$4.8 million. Additional funding for this project will be covered by C80002 MD Management Reserve.

This project is funded by the General Fund.

Financial Analysis and Summary

Project cost for analysis	\$5,300,000
Business Unit (BU)	Marine Maintenance
Effect on business performance (NOI after depreciation)	This project will increase annual depreciation by approximately \$265K.
IRR/NPV (if relevant)	NA
CPE Impact	NA

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Future Revenues and Expenses (Total cost of ownership)

This project will allow for replacement of high-use fleet vehicles with electric vehicles and equipment. This will save approximately \$108,000 annually in fuel costs. The chargers will be supported by Waterfront Marine Maintenance.

ADDITIONAL BACKGROUND

This program will provide a sustainable charging solution as a condition of the Zero-Emission Vehicles grant awarded by the Washington State Department of Ecology. This grant has been awarded to the Port of Seattle Marine Maintenance Fleet for the electrification of 2 diesel forklifts at Terminal 91 (Marine Maintenance North). Installation of the charger(s) supporting this grant scope must be completed by 6/30/2026.

ATTACHMENTS TO THIS REQUEST

(1) Presentation slides

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

None.

Design & Construction Authorization Request:

Phase 1 Waterfront Fleet EV Charging (C801248)

Levi Clark, Manager, Marine Maintenance Fleet and Transportation

Julie Yun, Capital Project Manager

Ryann Child, Environmental Program Manager



Action Requested

Request Commission Authorization from the Executive Director to:

1. Authorize funding to complete design and permitting;
2. Advertise, award, and execute owner-furnished equipment contract;
3. Authorize use of Port of Seattle crews and small works contracts to support the design development and construction execution.

This request is for \$5,000,000 of a total estimated cost of \$5,300,000.

Project Drivers

- Northwest Ports Clean Air Strategy:
 - By 2030: Adopt zero-emission vehicles or use renewable fuels for passenger fleets
 - By 2050: adopt zero-emissions vehicles, equipment, and vessel fleets
- Achieve Port Scope 1&2 GHG Reduction targets: 50% below 2005 by 2030; Net Zero by 2040
 - Near-term action within Maritime Climate and Action Plan (MCAAP) & recommendation of 2021 Sustainable Fleet Plan
- RCW 70a.30.010 New Zero Emission Vehicle Requirements



Project Background

Current State of Maritime Fleet

- 200 vehicle and equipment assets in the maritime fleet
- Current fuel use (2023):
 - Gasoline: 54,535 gallons
 - Renewable diesel: 18,140 gallons
 - Regular Diesel: 1,342 gallons (only use when fuel purchased offsite)
 - 9 EVs in fleet

Assets planned for electrification:

- **By 2030:** 106 light-duty assets (class 1-4, e.g. sedans, SUVs, vans, light trucks); 16 heavy-duty assets (forklifts, boats, hoists, personnel lifts)
- **By 2040:** Additional 15 equipment assets
- Excluded assets without known EV replacement and smaller equipment



Project Scope

- Scope of Work: Design, permitting, construction (demolition, trenching, conduit run, paving, wiring), equipment procurement (Up to 20 Level 2 and 2 Level 3 chargers)
- Project locations:
 1. N10372 Marine Maintenance South
 2. N10371 Marine Maintenance North
 3. N10373 Shilshole Bay Marina
 4. N10375 P66 apron
 5. N10376 P69 apron
 6. N10374 P66 garage
 7. N10377 Maritime Industrial Center

Project Cost

Cost Breakdown	This Request	Total Project
Design	\$300,000	\$600,000
EV Charging equipment procurement	\$1,200,000	\$1,200,000
Construction	\$3,500,000	\$3,500,000
Total	\$5,000,000	\$5,300,000

Project Timeline

Activity	Date
Design start	2023 Quarter 4
Design & Construction Authorization	6/25/2024
Equipment contract advertisement	2024 Quarter 3
Design complete	2024 Quarter 4
Construction start	2025 Quarter 1
In-use date	2026 Quarter 2

Questions?

[RETURN TO AGENDA](#)



**COMMISSION
AGENDA MEMORANDUM**

Item No. 10d

ACTION ITEM

Date of Meeting June 25, 2024

DATE: June 18, 2024

TO: Stephen P. Metruck, Executive Director

FROM: Stephanie Jones Stebbins, Managing Director, Maritime
Linda Springmann, Director, Cruise Operations & Maritime Marketing

SUBJECT: Carnival Corporation Preferential Berthing Agreement and Cruise Dashboard

ACTION REQUESTED

Request for Commission Authorization for the Executive Director to enter a 10-Year Preferential Berthing Agreement with Carnival Corporation (Carnival), which includes Carnival, Princess Cruises, and Holland America Line brands. The Agreement includes environmental and community requirements in addition to business terms; and requires data sharing to support a new public Cruise Dashboard for transparency along with tracking and reporting on performance over the term of the agreement.

EXECUTIVE SUMMARY

The proposed 10-year agreement provides the Port of Seattle a long-term commitment from Carnival to deliver a minimum passenger guarantee, significant actions to drive decarbonization and air quality benefits, as well as other environmental, social and community commitments that align with the Port's goals, values, and commitment to social, environmental and economic sustainability.

Through this agreement, Carnival agrees to the following noteworthy terms:

- Provide a guaranteed minimum number of passengers to Seattle annually.
- Deploy 100% shore power capable vessels to the Port of Seattle by 2026
- Pilot test a non-fossil fuel in Seattle
- Commitment to developing potential decarbonization pathways and associated prerequisite assumptions regarding fuel supply and/or technology advancements and provide to the Port.
- Continue participation in the ECHO and Quiet Sound programs to reduce underwater noise.
- Develop a Responsible Sourcing pilot program for Seattle to promote use of small, diverse, disadvantaged, and local suppliers.
- Provide the Port with pre-season, weekly, and post-season reporting on specified environmental performance metrics.

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- Meet annually to review progress on commitments, decarbonization and environmental action, and overall performance. The Port will consider these factors in granting an extension following the initial 10-year term.

The agreement has a 10-year term, with a 5-year extension option through 2038. The total revenue generated over the term of the agreement is estimated to be \$185M, and \$273M if extended. It includes a revenue-passenger guarantee of 550,000 passengers annually, which is estimated to guarantee \$146M in revenue during the 10-year term and an additional \$68M if extended. The passenger fee and dockage rates start at 90% of tariff with an annual increase of 4.5%. The rate structure also includes five-year resets to 90% of tariff in 2029 and 2034, if the extension is granted and with continued 4.5% increases.

The data sharing terms in the agreement will allow the Port to develop and maintain a public-facing dashboard of cruise performance data to enhance transparency and build public awareness of cruise operations in Seattle and the Alaska market. The Port intends to make continuous improvements to the dashboard and eventually include vessel-specific details and other publicly relevant information. Additionally, the data sharing terms in this agreement will support development of annual maritime emissions inventories to track and communicate cruise lines' progress toward the Port's climate and air goals.

The agreement also commits Carnival to allow vessels from other cruise lines to plug into their shore power equipment at Pier 91. Carnival currently owns and operates the shore power connections at the pier. This term will remove a significant barrier which currently limits connections by non-Carnival vessels at Pier 91.

The shore power connection at Pier 66, scheduled for activation this summer, achieves the Northwest Ports Clean Air Strategy goal to electrify all three cruise berths by 2030, six years earlier than anticipated. This has laid the groundwork to achieve the Commission's shore power directive of 100% connection of homeport shore power vessels by 2027, three years ahead of the 2030 goal set in the Maritime Climate and Air Action Plan (MCAAP). It is the Port's intent to require all cruise vessels (from all brands) to plug into shore power in the future.

JUSTIFICATION

This agreement aligns with the Port's Waterfront Guiding Principles (Commission Motion 2019-02) to support the financial sustainability of the Port, to expand economic, cultural and community benefits, to incorporate leading edge environmental stewardship and sustainability practices; and to provide facilities that exceed existing regulations beyond maximizing the use of the Port's deep-water facilities and industrial lands to serve maritime industrial uses. It also aligns with our Century Agenda goals of providing positive economic impact to the region and supporting a thriving workforce. Furthermore, this agreement represents an ambitious and collaborative step forward with Carnival Corporation toward the Port's goal of being the greenest port in North America. The terms of this agreement specifically advance the following:

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- The Port’s Century Agenda goal two, to advance this region as a leading tourism destination and business gateway; and goal three, to responsibly invest in the economic growth of the region and all its communities; and goal four, to be the greenest and most energy-efficient port in North America.
- The Northwest Ports Clean Air Strategy goal for 2030:
 - To achieve 100% of major cruise and container berths with shore power installed
- The MCAAP goals for 2030:
 - To support domestic and international efforts to phase out emissions from ocean-going vessels.
 - To have shore power infrastructure installed at all cruise ship berths.
 - To achieve 100% of homeport cruise ship calls connected to shore power.
 - To support continual advancements in equipment efficiency and emission reduction from ocean-going vessels
 - To support continual advancements in equipment efficiency and emission reduction from cargo handling equipment

The climate benefits of shore power use are significant. Plugging into shore power can reduce diesel emissions from cruise ships at berth by 80 percent and GHG emissions at berth by 66 percent, on average, using Seattle City Light energy sourced primarily from hydropower. The terms in this agreement represent an essential component of the Port’s efforts to achieve environmental goals. Based on modelled scenarios, using the 2024 cruise season as an example, and assuming all ships are shore power capable and have access to a shoreside power connection per the future requirements in this agreement, the Port would see the following estimated emissions benefits:

- Avoids estimated 11,833 metric tons CO₂e
- Equivalent to 13% of total cruise emissions in the Airshed (based on airshed totals in 2022 Cruise Emissions scaled to 275 calls)
- Equivalent to 9% of total Port maritime Scope 3 emissions in the Airshed

In addition to economic and environmental leadership, the agreement commits Carnival to increased local economic impact through tourism and provisioning efforts that grow participation by local, small, and disadvantaged businesses. The agreement prioritizes social and workforce development efforts including internships, donations, and educational ship engagements.

Office of Equity, Diversity & Inclusion Collaboration

The Port’s Office of Equity Diversity and Inclusion informed the elements related to tracking and measuring improvement on local provisioning, specifically related to Women and Minority owned Businesses, donations to local non-profits, ship tours for workforce development purposes, and annual reporting of disaggregated organizational demographics by hierarchy for shipboard and land-based programs. In addition, the agreement includes a new Market Incentive

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for establishing a baseline of provisioning sourced from local, small and disadvantage businesses by the end of 2025 and tracking annual growth.

DETAILS

Collectively, the following three elements provide transparency, equity, and economic benefit from the Port's cruise business:

Cruise Dashboard

The Cruise Dashboard (version1) was created with the assistance of the Port's Business Intelligence Team. Multiple data sources were utilized to construct a visual representation of the 2023 cruise season which includes key elements for homeport ships, number of calls, number of passengers, passengers utilizing Port Valet, shore power connectivity and the resulting CO2 emissions avoided. Additionally, the agreement with Carnival allows the Port to collect additional data, which will be incorporated into the dashboard as the data becomes available. This will include cruise line fleet profile data such as shore power capability, and information on vessels' Advance Wastewater Treatment Systems, Exhaust Gas Cleaning Systems, and noise reduction technology.

Shore Power Requirement

To accelerate the Port's goal requiring cruise ships to utilize shore power connections and to maximize the investment in shore power infrastructure, the Port is accelerating its goal to have all homeport vessels plugging into shore power requirement by three years, from 2030 to 2027. Cruise lines have adequate time to redeploy their homeport fleets so that ships calling in Seattle by 2027 should be shore power capable and commissioned. Princess Cruises and Holland America brands installed the original shore power equipment at Terminal 30 in 2004 and then relocated the two connection points to Pier 91 in 2009 when the Port relocated the cruise facility. These were the 2nd and 3rd shore power installations in the world. Princess Cruises and Holland America remain owners of the shore power infrastructure at Pier 91.

Carnival Corporation Preferential Berthing Agreement

Carnival Corporation includes Carnival Cruise Line, Princess Cruises and Holland America Line brands homeporting in Seattle. Sister brand, Cunard Line's Queen Elizabeth will join in 2025.

Carnival has had preferential use agreements with the Port since 2009. These agreements provided certainty to the Port in terms of revenue, but also provided Carnival the ability to make capital investments in shore power—a significant benefit to the Port—and investments elsewhere in the region and the Alaska market. The most recent Carnival agreement dated March 4, 2019, included a three-year term with two, one-year extension options. During the pandemic and the loss of cruise operations for over a year, these two extensions were granted bringing the agreement through the 2023 season.

In 2023 Carnival Corporation brands brought 140 ship calls to Seattle representing 48% of the Port's cruise calls. Carnival brands represented 100% of the Shore Power connections in 2023

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with 102 ships plugging in achieving a 73% connectivity rate for their Seattle-based fleet. In 2024 Carnival brands will again have six of their brand's ships committed to the Seattle market with the number growing to seven ships in 2025.

This proposed agreement is a world-class example of how the Port can leverage business agreements to advance shared priorities. Examples of how this agreement is innovative include the following:

- It includes robust terms in length of agreement and rates,
- It advances the Port's environmental commitments,
- It establishes social and economic impact as priorities and requirements.

Terms: The agreement provides a 10-year term, from 2024-2033, with a mutually agreeable option to extend from 2034–2038. The Port explicitly states in the agreement that the approval of the extension will be based on decarbonization progress and the demonstrated achievement of other sustainability terms. It includes a revenue-passenger guarantee of 550,000 passengers per year and provides the cruise line with historical berthing rights for day-of-week used the prior year. To preserve the historical berthing rights for day-of week, the agreement adds a 12-call minimum per homeport vessel per season to ensure prime dates are utilized. The specified rate represents 90% of Tariff with an annual increase cap of 4.5%. This rate structure also includes a five-year reset to 90% of Tariff at each five-year mark of 2029 and 2034, if the extension is granted and with continued 4.5% increases.

The agreement also includes a security provision via a \$3M letter of credit or surety bond which matches previous agreements; typically, for leases, Port procedures require 6 Months of rent as a security bond. This security provision was modeled on previous agreements granted by the Port.

The environment: The new agreement upholds environmental compliance commitments, such as ongoing participation in the Memorandum of Understanding between Washington Department of Ecology (DOE), Port of Seattle and the cruise lines, and introduces new commitments. Through this agreement, Carnival also affirms their commitment to continue to partner with the DOE and others on public engagement and policy making around the use of exhaust gas cleaning systems, adherence to the Port's stormwater best management practices, and reporting on shore power connectivity. The agreement adds significant new provisions including piloting a non-fossil fuel in the 2024 or 2025 season and striving for a minimum of 5% non-fossil fuel use for the Seattle-based vessel fleet by 2030 and beyond. It commits Carnival Corporation to developing potential decarbonization pathways and associated prerequisite assumptions regarding fuel supply and/or technology advancements and sharing the results with the Port by December 31, 2026. Shoreside, the agreement requires Carnival to incentivize ground handlers and stevedores (if contracted directly) to use of low emission equipment with a goal to use zero emission shoreside equipment by 2030.

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Social and economic impact: The agreement includes a new market incentive opportunity for tracking and growing economic impact to the region via pre/post overnight stays and WMBE/local provisioning growth. This includes piloting a responsible sourcing program in Seattle including supplier assessment mapping and development of procedures that promote & train small, diverse, tribal and disadvantaged local suppliers. To support educational and workforce development Carnival will offer ship tours, two or more internships locally, and a commitment to explore opportunities to donate reusable goods to local non-profit organizations. The agreement also requires Carnival to partner with maritime-focused non-profit entities to assist in creating curriculum and experiential field-based learning opportunities and internships for students as part of Maritime-focused workforce development programs and to collaborate with the Port on Anti-human trafficking efforts, signing on to the Port Allies Against Human Trafficking Pledge.

Schedule

The new Cruise Dashboard is launched for the full 2023 season and be updated as the season progresses, and we receive new data. The dashboard will expand to include the new “Fleet Profile” detail. Each year within a month of the cruise season’s end the Port will publish the updated dashboard for that completed cruise season.

ALTERNATIVES AND IMPLICATIONS CONSIDERED

The Port’s options are to decline another agreement and have Carnival pay Tariff or enter into a Preferential Berthing Agreement with a 10-year term and a 5-year optional extension.

Alternative 1 – Decline to enter into a preferential berthing agreement with Carnival Corporation.

Cost Implications: no view of expected revenues or number of port calls further than one-year in advance. Losing one 2,500 passenger ship for 20 turns amounts to approximately \$3M dollars in revenue to the Port in addition to related jobs and economic impact to the community.

Pros:

- (1) Port has ultimate flexibility should another customer enter the market.

Cons:

- (1) No long-term commitment or visibility to ship calls, passengers, revenues.
- (2) Loss of collaboration on Environmental, Social, Community efforts as included in proposed new agreement.

This is not the recommended alternative.

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Alternative 2 – Enter into a 10-year agreement with a 5-year option at the Port’s discretion, with Carnival Corporation for berthing at Terminal 91.

Cost Implications: guaranteed passenger visits and revenue visibility for the next 15 years to allow for capital, expense budgeting, and employment planning. Related commitments to regional economic impact and jobs to support cruise calls and their customers.

Pros:

- (1) Provides certainty for Port of Seattle related to projected incomes.
- (2) 10-year window gives time for innovations in technology related to alternative fuels and other decarbonization efforts to evolve and be in place for the next possible agreement.
- (3) Continues a long-term relationship with our customer who has historically had similar term-lengths.
- (4) 5-year option is tied to decarbonization effort and achievements.

Cons:

- (1) Unpredictability over the next 10-years of environmental innovations and Carnival’s willingness to enter into amendments to take advantage of these mid-agreement.
- (2) Locking-in berthing guarantees gives no flexibility if new customer approaches the Port to enter into the market.

This is the recommended alternative.

FINANCIAL IMPLICATIONS

A preferential berthing agreement will provide certainty of future revenues that could not be guaranteed without an agreement. The 2024 passenger and dockage fee rates in this agreement are set at 90% of tariff rate as an incentive that commits Carnival Group to a minimum amount of long-term cruise sailings and revenue. The 550,000 minimum revenue passenger guarantee would secure present value revenues of approximately \$146M during the 10-year term and an additional \$68M during the 5-year extension period.

Financial Analysis and Summary

Project cost for analysis	N/A
Business Unit (BU)	Cruise Operations
Effect on business performance (NOI after depreciation)	10-Year Minimum Annual Guarantee Revenue (PV): \$146M 15-Year Minimum Annual Guarantee Revenue (PV): \$214M Estimated 10-Year Passenger Revenue (PV): \$185M Estimated 15-Year Passenger Revenue (PV): \$273M
IRR/NPV (if relevant)	N/A
CPE Impact	N/A

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ATTACHMENTS TO THIS REQUEST

- (1) Preferential Berthing Agreement
- (2) Presentation slides

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

June 14, and June 18, 2024 – Commissioners were briefed on final terms

February 2024 – Commissioners briefed on status of agreement

December 2022 – Briefed Commissioners on initial plan for negotiation and term inclusions

Item No. 10d attach

Meeting Date: June 25, 2024

Preferential Berthing Agreement

THIS PREFERENTIAL BERTHING AGREEMENT (the "**Agreement**") is made as of this ___ day of June 2024, by and among the Port of Seattle ("**Port**"), on the one hand, and Holland America Line N.V. in its capacity as general partner of Cruiseport Curacao C.V. ("**HAL**"), Princess Cruise Lines, Ltd., a Bermuda corporation ("**PCL**"), and Carnival Cruise Line, a division of Carnival Corporation, a Panama corporation ("**CCL**"), (HAL, PCL, and CCL collectively hereinafter referred to as the "**Carnival Lines**").

WHEREAS, the Port is the owner of a two-berth cruise facility located at its Terminal 91 (the "**Smith Cove Cruise Terminal**") and a single berth cruise facility located at its Terminal 66 (the "**Bell Street Cruise Terminal**"); and

WHEREAS, the Carnival Lines wish to secure, and the Port is willing to grant, the preferential right to operate from and berth their vessels at the Smith Cove Cruise Terminal for a period of up to ten years, with an additional five year option exercisable by the parties on the terms set forth in Section 1 below;

WHEREAS the Port of Seattle and the Carnival Lines share goals around decarbonization and creating economic benefit in the community and wish to formalize these shared goals.

WHEREAS, the Carnival Lines have made investments in shoreside infrastructure to allow vessels to plug in and the Port of Seattle and the Carnival Lines share the goal of allowing other cruise lines to utilize these facilities to further the shared decarbonization goals.

NOW THEREFORE, in consideration of the mutual premises set forth, the parties agree as follows:

1. Term. This Agreement shall, unless earlier terminated pursuant to any provision hereof, be effective for the 2024 through 2033 cruise seasons (the "**Term**"). References to "Term" in this Agreement shall include any extension thereof pursuant to the option referenced in this Section 1. For the Smith Cove Cruise Terminal, the typical cruise season runs from mid-April through mid-October. Subject to the Port's sole consent, if the Carnival Lines are in compliance with the terms and conditions of this Agreement, and achieve the commitments in Section 6.5 below, the Carnival Lines shall have the option to request a five (5) year extension of the Term through the 2038 cruise season. In the event the Carnival Lines wish to extend the Term through the 2038 cruise season, the Carnival Lines shall provide the Port with written notice of the Carnival Lines' request to exercise such option between July 1, 2030 and November 1, 2030. No later than ninety (90) days after receipt of such written notice, the Port, in its sole discretion, may provide the Carnival Lines with written confirmation of the Port's consent to the extension. The Port's failure to provide the Carnival Lines with such written notice within the stated ninety (90) day period shall constitute the Port's refusal to consent to the extension, and the Agreement shall terminate after the 2033 cruise season.

2. Preferential Berthing Rights.

2.1 Cruise Berth Days. The Smith Cove Cruise Terminal has two berths, a west berth of approximately 1200 linear feet, and an east berth of approximately 1300 linear feet. Each of those two berths is available for use Sunday through Saturday, mid-April through mid-October. Unless otherwise specifically agreed, only one cruise vessel may utilize each berth on any day. As used herein, each day of the week during the cruise season for each cruise berth at the Smith Cove Cruise Terminal is referred to as a "**Cruise Berth Day.**" (In other words, each Sunday during the cruise season for a particular berth is considered a Cruise Berth Day; each Monday during the cruise season for a particular berth is considered a Cruise Berth Day; etc.)

2.2 Guaranteed Berthing Preference. For each cruise season during the Term, the Carnival Lines shall have a guaranteed berthing preference for each Cruise Berth Day utilized by the Carnival Lines for a minimum of twelve (12) calls during the prior cruise season at the Smith Cove Cruise Terminal. For the avoidance of doubt, based on 2023 usage, during the 2024 Alaska Cruise Season, the Carnival Lines will have a berthing preference for two berths on Saturday and Sunday and for one berth on Tuesday and Thursday. The parties acknowledge that the berthing preferences are not brand-specific and any of the Carnival Lines may utilize any of the berthing preferences referenced herein.

2.3 Port of Call Vessels. The Port shall, without the necessity of providing the Carnival Lines the right of first refusal, have the ability to schedule individual port of call vessels on any calendar day not otherwise committed to the Carnival Lines under Section 2.2.

2.4 Bell Street Cruise Terminal. For the avoidance of doubt, the Carnival Lines shall have no preferential berthing rights at the Bell Street Cruise Terminal, or any other future terminal operated by the Port of Seattle, under this Agreement. Notwithstanding, the Carnival Lines or any Affiliated Lines may schedule vessel calls at the Bell Street Cruise Terminal by agreement with the terminal operator.

3. Port's Operation and Maintenance of Terminal.

3.1 General Standard. The Port shall throughout the Term, ensure that the Smith Cove Cruise Terminal and ancillary port facilities are maintained and operated consistent with good maritime practices and industry standards for a functional cruise ship terminal and otherwise as necessary to ensure that the Smith Cove Cruise Terminal is able to be utilized by the Carnival Lines for its intended purpose.

3.2 Parking and Busing. All costs for transporting people and baggage between the designated passenger vehicle parking area, Ride Share based hub location on terminal in support of the Smith Cove Cruise Terminal and the passenger terminal building at the Smith Cove Cruise Terminal and all operating costs and equipment related to the parking area and shuttle system including any additional or unforeseen labor expense shall be the responsibility of the cruise terminal operator at Smith Cove Cruise Terminal. The Port, or its contractors, tenants or agents, may collect a vehicle parking fee from the cruise passengers who use the secure

parking area which supports the Smith Cove Cruise Terminal based on a per day charge for the length of time they are away on their cruise.

3.3 The Port reserves the right of secondary use of all or any part of the Smith Cove Cruise Terminal for berthing of vessels operated by companies, other than the Carnival Lines, for loading and discharging cargoes of such vessels, for transporting cargo, and for cargo storage and operations incidental thereto, provided that such secondary use of the Smith Cove Cruise Terminal by the Port shall not unreasonably interfere with the Carnival Lines' operations as authorized in this Agreement. In the event of such secondary use by the Port, all applicable charges shall accrue to the benefit of and shall be billed and retained by the Port.

4. Port Fees.

4.1 Bundled Fees.

4.1.1 General Rule. For the Term, the Port agrees that it will continue to "bundle" its fees associated with the use of the Smith Cove Cruise Terminal and express them on a per-passenger basis as currently set forth in Port of Seattle Marine Terminals Tariff No. 5. The bundled per-passenger fee consists solely of the: (i) Passenger Fee (as defined below), (ii) Dockage Fee (as defined below), (iii) baseline security fees, (iv) fresh water connection fee, and (v) fire department fee for bunkering permit. As in previous cruise seasons, variable fees dependent on use (for example, water use or extra security) or delay are excluded from the bundled fee and will be billed separately based on actual quantity/time used and rates then in effect.

4.1.2 No New Fees. Except as may otherwise be agreed by the parties, the Port agrees that, for the Term of the Agreement, neither it nor its cruise terminal operator at Smith Cove Cruise terminal will charge any new port fees or assessments other than: (i) those described in Section 4.2 below; (ii) those mandated by federal, state, or other local governmental entities; and (iii) reimbursable costs associated with new or additional services requested by the Carnival Lines. Notwithstanding the foregoing, the Port may at any time (and without the consent of the Carnival Lines) elect to discontinue its assessment and/or collection of any of the fees otherwise eligible for inclusion in the bundled fee.

4.2 Future Capital Investment. Notwithstanding Section 4.1.2, the Port shall be entitled to impose reasonable additional surcharges on the Carnival Lines associated with the cost of any fixtures, improvements, equipment or other capital items that are made or added to the Smith Cove Cruise Terminal during the Term of the Agreement. The Carnival Lines may provide recommendations or suggestions regarding future capital improvement projects.

4.3 Limitations on Cost Escalation.

4.3.1 Passenger Fee; Dockage Fee

4.3.1.1 If ninety percent (90%) of the calls by vessels operated by Affiliated Lines in the 2024 cruise season are shore-power enabled, the

passenger fee component of the bundled fee (the “**Passenger Fee**”), and the dockage fee component of the bundled fee (“**Dockage Fee**”) shall be 90% of the Passenger Fee and Dockage Fee described in the published tariff for the 2024 cruise season;

4.3.1.2 For the 2025 through 2028 cruise seasons the Passenger Fee and Dockage Fee shall be increased by four and a half percent (4.5%) annually, or the rate of increase in the published tariff for such cruise season, whichever is lower;

4.3.1.3 For the 2029 cruise season, the Passenger Fee and Dockage Fee will be ninety percent (90%) of the Passenger Fee and Dockage Fee described in the published tariff for the 2029 cruise season;

4.3.1.4 For the 2030 through 2033 cruise seasons, the Passenger Fee and Dockage Fee shall be increased by four and a half percent (4.5%) annually, or the rate of increase in the published tariff for such cruise season, whichever is lower; and

4.3.1.5 Should the Port consent to a Carnival Lines request to exercise the option described in Section 1 above, the Passenger Fee and Dockage Fee that shall apply during the 2034 cruise season shall be ninety percent (90%) of the Passenger Fee and Dockage Fee described in the published tariff for the 2034 cruise season, and for the 2035 through 2038 cruise seasons, the Passenger Fee and Dockage Fee shall be increased by four and a half percent (4.5%) annually, or the rate of increase in the published tariff for such cruise season, whichever is lower.

4.4 Other Components in the Bundled Fee.

4.4.1 Baseline Security Fee. Any increases in this fee will be limited to actual documented increases in the third-party cost of providing this service. To the extent that there is any current markup imposed on this fee, the Port and/or its cruise terminal operator may continue to charge and collect such markup (specifically including on any allowable increase) but will not increase or otherwise change the methodology for calculating such markup.

4.4.3 DOE Memorandum of Understanding Program Fee. Any increases in this fee will be limited to those assessed by the Department of Ecology. The Port has advised the Carnival Lines that the Department of Ecology may elect to bill this fee directly to the Carnival Lines, in which event it would no longer be assessed by the Port as part of the Tariff.

4.4.4 Fire Department Fee for Bunkering Permit. Any increases in this fee will be limited to those assessed by the Seattle Fire Department.

4.5 Other Items. Reimbursable items not included in the bundled fee under

Section 4.1.1 will continue to be charged in a manner consistent with the 2023 cruise season for the Term of the Agreement but at rates then in effect for such items.

5. Minimum Passenger Guarantees.

5.1 Basic Guarantee. The Carnival Lines agree that in each cruise season for the Term of the Agreement they will guarantee a combined minimum of 550,000 revenue passengers (275,000 unique passengers) per year across the Smith Cove Cruise Terminal, the Bell Street Cruise Terminal, and any future Port of Seattle cruise terminal (the "**Basic Guarantee**"). For purposes of meeting the Basic Guarantee, (i) revenue passengers from both home port and port of call vessels will be counted and each revenue passenger will be counted; and (ii) revenue passengers from calls by vessels operated by Affiliated Lines will be counted, each time the bundled per-passenger fee is paid for such revenue passenger. For purposes of the Agreement, port of call vessels include both vessels making an in-transit call at the Smith Cove Cruise Terminal, the Bell Street Cruise Terminal, or any future Port of Seattle cruise terminal, and those vessels which, although not home ported in Seattle, make one or more turnaround calls at the Smith Cove Cruise Terminal, the Bell Street Cruise Terminal, or any future Port of Seattle cruise terminal. The reconciled number of revenue passengers for whom the bundled per-passenger fee is paid will be used for purposes of determining whether the Basic Guarantee has been met.

5.2 Shortfall in Revenue Passengers Under the Basic Guarantee. In the event that the Carnival Lines (together with the Affiliated Lines) fail to bring a combined minimum of 550,000 revenue passengers (275,000 unique passengers) for any cruise season, the Carnival Lines shall make good on the shortfall at a rate equal to the bundled fee payable under this Agreement for the calendar year in which it was to be paid. The shortfall amount, if any, is due no later than December 31 of the year the shortfall occurs.

5.3 Use of Excess Revenue Passengers. In the event that the Carnival Lines fail to bring a minimum of 550,000 revenue passengers (275,000 unique passengers), for any cruise season, they may designate up to 10,000 revenue passengers (5,000 unique passengers) in excess of the minimum from the immediately preceding cruise season within the Term of this Agreement to satisfy the Basic Guarantee.

5.4 Market Incentive Credit. Starting in the 2025 cruise season, if the Carnival Lines have satisfied the Basic Guarantee for any given year, they shall be entitled, in addition to the benefits set forth above in Section 4, to a Market Incentive Credit up to a maximum of \$600,000 per cruise season. Prior to the beginning of the 2025 cruise season, the parties will agree to a baseline number in two categories, 1) Increases in the number of days of pre/post stays by cruise guests, as determined by Intercept surveys from the Port of Seattle, and 2) contracting dollars spent by Carnival Lines to local, small, tribal and disadvantaged businesses in provisioning sourcing. Annual increases in growth will be eligible for the following incentives for each of the two categories:

Less than 1.00% = \$0

Between 1.00-1.99% = \$100,000

Between 2.00-2.99% = \$150,000

Between 3.00-3.99% = \$200,000

Between 4.00-4.99% = \$250,000

5.00% and above = \$300,000

The baseline will reset prior to the 2029 cruise season to the highest year's achievement between 2025-2028, or the baseline for the 2025 cruise season, whichever is higher. If the term is extended in accordance with the option referenced in Section 1, the baseline will reset prior to the 2034 cruise season to the highest year's achievement between 2025-2033, or the baseline for the 2025 cruise season, whichever is higher.

The Carnival Lines will be entitled to a credit in accordance with the thresholds identified above to be applied against the bundled fees for the subsequent cruise season.

5.5 Audit. The Carnival Lines shall maintain during the term of this Agreement true and accurate records, books and data to the extent relevant or necessary to reasonably determine the Carnival Lines compliance with Section 5.4, and that support the number of revenue passengers (both on Affiliated Lines and otherwise) passing through Terminal 91 for a minimum of three (3) years following each cruise season, and as may from time to time be requested by the Port, in accordance with generally accepted accounting principles. The Port shall be permitted to audit and examine all such records and books of account relating to this Agreement, upon reasonable notice. The records, books and data shall be made available for inspection by authorized representatives of the Port at upon reasonable notice during business hours; provided, however, the Port shall only have the right to inspect the Carnival Lines records to the extent reasonably necessary to verify the number of revenue passengers reported by the Cruise Lines and entitlement to credits under Section 5.4. The cost of any audit of these records shall be borne by the Port unless the result of such audit reveals an understatement of the number of revenue passengers of more than one-half of one percent (0.5%), or an overstatement of entitlement to a credit under Section 5.4, in which event the full cost of the audit will be paid by the Carnival Lines.

6. Environmental Stewardship. The Carnival Lines have worked closely with the Port of Seattle, and partners like Washington Department of Ecology, and Puget Sound Clean Air Agency to reduce environmental impacts of cruise ship operations, including installation of shore-side electrical power, equipping of ships for shore-side electrical power, and installation and operation of advanced wastewater treatment systems. With this collaborative effort a strong partnership has evolved as the cruise industry has grown in Seattle. The Port and Carnival Lines will work together to resolve environmental issues as they arise; this will further grow the business relationship. Through this continued partnership and as part of this Agreement, the Carnival Lines will provide the Port with necessary data, during the cruise season, as requested as well as providing a summary following each cruise season over the term of this Agreement, for tracking, reporting and communicating environmental progress. Additionally the Carnival Lines will support the elements listed in the attached Exhibit A and Exhibit B and the items below:

6.1 Cruise MOU. The Carnival Lines will continue to comply with agreements with Washington Department of Ecology concerning water quality, and vessel discharge management practices. Carnival Lines will continue to provide information for and participate in annual reviews of such agreements and seek consensus on modifications needed to any agreements during this process.

6.2 Shore Power. All homeported vessels will be shore power capable by the 2026 Cruise Season. The Carnival Lines will connect all home-ported ships unless shore power is unavailable for connection due to actions of the Port of Seattle or Seattle City Light (such as maintenance or outages). On an annual basis the Carnival Lines will meet with the Port of Seattle staff to evaluate home-porting operations and strategies to increase the use of shore power toward a goal of achieving 100-percent use. These requirements are subject to reasonable modification in the future.

The Port may, at its option, for purposes of internal and external air quality and emission program planning, tracking, and communications, obtain from the vessel captain, owners or its representatives information about the methods by which ships achieve ECA compliance, (compliance as managed by USCG) about exhaust gas cleaning system operations and fuel use while inside ECA, and about the use of shore power at berth. Information provided will help inform the Northwest Ports Clean Air Strategy, regional and Port emission inventory updates, and implementation of Port of Seattle's Century Agenda and greenhouse gas emission reduction goals.

6.3 Air Quality and Greenhouse Gas Emissions Inventory. On at least an annual basis, the Carnival Lines will participate, with Port of Seattle and partners, in evaluating, planning and/or developing strategies to reduce emissions from ocean going vessels in accordance with the Northwest Ports Clean Air Strategy and in support of Port of Seattle's Century Agenda and greenhouse gas emission reduction goals. This will include participation in Emission Inventories conducted by the Port of Seattle, on an annual basis.

6.4 Sustainability Partnerships. In support of shared sustainability goals and strategies (e.g. air quality, water quality, waste management, energy efficiency, and items described in Exhibit A) for on-terminal transportation (e.g., shuttle buses), equipment (e.g., cargo handling equipment), regional ground transportation (e.g., motor coach operations and Transportation Network Companies), and as part of the annual planning for shore-side transportation operations, the Carnival Lines will strive to minimize air emissions. This includes demonstrated efforts to employ options such as preferred contracting, incentives, use of newer and/or low and zero-emission buses and engines, low and zero-emission fuels in vehicles and equipment, building efficiency measures, advanced pollution control device retrofits and anti-idling programs. The Carnival Lines will work with Port of Seattle and partners, on at least an annual basis, to identify joint sustainability opportunities, projects, and programs. Where feasible and when agreed upon, the Carnival Lines will work with Ports and partners to develop implementation plans, schedules, and joint communication strategies which may include an option for partnership-funding mechanisms.

6.5 GHG reductions. Carnival Corporation's GHG reduction goals are generally aligned with the Port of Seattle's. The Northwest Ports Clean Air Strategy (the NWPCAS) sets a vision to phase out emissions from seaport-related activities by 2050, supporting cleaner air for our local communities and fulfilling our shared responsibility to help limit global temperature rise to 1.5°C. The Port of Seattle GHG reduction goals include scope 1 and 2 targets to achieve an absolute reduction of 50% by 2030 from a 2005 baseline and net zero by 2040, and scope 3 targets to achieve

an absolute reduction of 50% by 2030 from a 2007 baseline and carbon neutral by 2050. Carnival Corporation's goals are to reduce scope 1 GHG emissions intensity by 20% by 2026 from a 2019 baseline and to pursue net zero by 2050. In pursuit of these goals, the Carnival Lines agree to the following:

6.5.1 The Carnival Lines agree to bunker non-fossil fuel as a demonstration project in Seattle during the 2024 cruise season, subject to availability. The Carnival Lines will collaborate with the Port on the scope of the demonstration project, the total cost of which will be at least \$500,000, but not to exceed \$600,000. As part of the project, a detailed report summarizing the demonstration project will be compiled and shared with the Port of Seattle. The report will include a description of key learnings and recommendations for employing use of similar fuels at scale. Upon receipt, review and approval of the detailed report of the demonstration project by the Port, Carnival Lines will be entitled to a \$300,000 credit against the bundled fees for the 2024 season, if the report is received prior to September 15, 2024, or otherwise for the 2025 cruise season if received prior to September 15, 2025.

If the parties agree that a minimum amount of suitable fuel is not available in 2024, the parties will attempt this demonstration project again during the 2025 season subject to the same availability constraints as above, and the \$300,000 credit associated with the receipt, review and approval of the detailed report of the demonstration project would be applied against the bundled fees for the 2025 cruise season if the report is received by September 15, 2025, or 2026 cruise season if received by December 31, 2025.

The Port and Carnival Lines will jointly work on a campaign to ensure the non-fossil fuel pilot test is leveraged to draw broad awareness among Government stakeholders, fuel supply chain and regulators to support economic transition of maritime alternative fuels.

6.5.2 Carnival Corporation supports the 2023 International Maritime Organization (IMO) Strategy on Reduction of GHG Emissions from Ships and will support the associated short-, mid- and long-term GHG reduction measures to be put in place by the IMO in the coming years, which are intended to create the incentives required to achieve its levels of ambition. As an example, the Carnival Lines fully support the development of economic measures to support the availability and cost-competitiveness of non-fossil fuel in Seattle and will strive for a minimum of 5% non-fossil fuel by 2030 across all homeport ships in Seattle.

6.5.3 Carnival Corporation's GHG reduction goals are generally aligned with the Port of Seattle's Northwest Ports Clean Air Strategy (NWPCAS). Carnival Corporation commits to a reduction of annual greenhouse gas emissions per Available Lower Berth Day of at least 20% by 2030 compared to a 2019 baseline. Both parties acknowledge that IMO GHG intensity measures for cruise are likely to change.

6.5.4 Carnival Corporation will strive to demonstrate a reduction in total (absolute) GHG emissions across its global fleet compared to a 2008 baseline by 2030. Carnival Lines will give due consideration to the Port's goal of reducing absolute GHG emissions by 50% by 2030. Carnival Corporation also commits to developing potential decarbonization pathways

and associated prerequisite assumptions regarding fuel supply and/or technology advancements and will share the results with the Port by December 31, 2026.

6.5.5 The Carnival Lines and the Port will meet annually to review progress on commitments, decarbonization and environmental action, and overall performance. This annual review may be combined with other annual meetings and reviews described elsewhere in this Agreement. The Port will consider these factors in determining whether to consent to a request to extend the term as described in Section 1. The GHG emissions accounting methodology, including well to wake accounting and boundary of measurement will utilize the methodologies developed through the Pacific Northwest to Alaska Green Corridor (PNW2AK) to the extent possible. Any portions of a required methodology not determined through the PNW2AK collaboration will be developed and mutually agreed to by the Parties within 6 months of the PNW2AK Emissions Methodology being developed, but not later than December 31, 2026.

7. Force Majeure.

7.1 Performance Excused. Notwithstanding any language that may be construed to the contrary herein, the Carnival Lines will not have to satisfy the Basic Guarantee or any of its other obligations if an event of Force Majeure (as defined below) occurs. Likewise, the Port will not have to satisfy its obligations under this Agreement if an event of Force Majeure (as defined below) occurs. The party claiming Force Majeure must promptly give the other party notice of such event of Force Majeure.

7.2 Definition. As used in this Agreement, the term “Force Majeure” means events beyond the reasonable control of a party the consequence of which is that the party is unable to satisfy its obligations under the Agreement, which events include, but are not limited to, the following: acts of God including, without limitation, fire, a severe storm or an earthquake; labor unrest; changes in governmental laws, rules, policies or regulations that significantly interfere with vessel or terminal operations including the Passenger Vessel Services Act or similar or successor legislation; outbreak of disease or pandemic; damage to a vessel or other circumstances that preclude a vessel from operating in the normal course; damage to the Smith Cove Cruise Terminal or other circumstances that preclude the Smith Cove Cruise Terminal from operating in the normal course; embargo on passengers by Canada; blockade of U.S. vessels impeding the ability to operate in the Alaska market; or an order, act, or restriction imposed by any civil or military authority affecting operations at the Port, of the vessels, or in the Alaska market. Force Majeure also includes acts of war or acts of terrorism that affect the ability to operate at the Smith Cove Cruise Terminal or in the Alaska market and riots or insurrections at or near the Smith Cove Cruise Terminal or the Carnival Lines’ Alaska terminals.

7.3 Reduction in Basic Guarantee. Notwithstanding the foregoing, the Basic Guarantee for the period during which the event of Force Majeure is continuing shall be reduced in a fair and equitable manner taking into account the extent of the impact of the event of Force Majeure on the Carnival Lines’ operations at the Smith Cove Cruise Terminal, the Bell Street

Cruise Terminal, or any future Port of Seattle cruise terminal. The Carnival Lines shall not be entitled to any Market Incentive Credit during any period of time for which it is excused from meeting the Basic Guarantee (unless, notwithstanding the event of Force Majeure, the Carnival Lines meet the Basic Guarantee).

7.4 Recognition of Long-Term Planning. The parties acknowledge that the Carnival Lines' itineraries need to be published sufficiently in advance of the actual cruise season (generally more than one year) to enable the Carnival Lines to market the cruises and otherwise make appropriate arrangements with ports-of-call and otherwise. Accordingly, if an event of Force Majeure occurs and is continuing and may have a duration that extends into a subsequent cruise season, the Carnival Lines may, at such time as they must finalize itineraries for the subsequent cruise season, notify the Port that they will need to cancel all or part of the calls for that season, in which event the Basic Guarantee will not be applicable to that season.

8. Damage, Destruction or Condemnation. Should any part of the Smith Cove Cruise Terminal necessary for the operation of the Smith Cove Cruise Terminal be either (i) damaged or destroyed by fire or other casualty such that it cannot, with due diligence, be repaired within one sixty (60) days of the occurrence to an extent necessary to enable the Carnival Lines to utilize the Smith Cove Cruise Terminal for its intended purpose, or (ii) taken by condemnation by any federal, state or other local governmental entity such that the remainder of the Smith Cove Cruise Terminal cannot, with due diligence, be modified within sixty (60) days after the effective date of the condemnation so as to enable the Carnival Lines to utilize the Smith Cove Cruise Terminal for its intended purpose, the Port shall have the option to terminate this Agreement and, in that event, neither party shall be obligated to pay any amount for termination. The Port shall provide its written notice of termination not more than ninety (90) days after the occurrence giving rise to the right to terminate. If the Port elects to continue this Agreement notwithstanding such occurrence, it shall proceed with due diligence to complete any work necessary to restore or repair the Smith Cove Cruise Terminal to meet its obligations under this Agreement, but both parties shall be excused, as an event of Force Majeure, from satisfying their obligations, including, in the case of the Carnival Lines, their obligation to satisfy the Basic Guarantee, for the period from the date of the damage, destruction or condemnation until the completion of the restoration and repair.

9. Termination for Default. If a party shall default in its obligations under this Agreement and shall fail to cure the default within fifteen (15) days after notice from the non-defaulting party (unless the default is not curable, in which event there shall be no requirement of notice or cure period), the non-defaulting party may, by notice to the defaulting party, terminate this Agreement. The termination of this Agreement shall not terminate the liabilities and obligations of the parties already accrued as at termination.

10. Defaults. Except as otherwise expressly provided above, in the event a party shall default in its obligations under the Agreement, the other party shall have all rights and remedies available to it at law or in equity.

11. Other Benefited Parties.

11.1 Affiliated Lines. The Carnival Lines are owned by, or under the direct control of, Carnival Corporation and/or Carnival plc. The parties specifically agree that the Carnival Lines may satisfy their obligations under this Agreement through vessels owned by: (i) CCL, PCL or HAL, and/or (ii) any other operating line(s) owned by Carnival Corporation and/or Carnival plc (the "**Affiliated Lines**"). Likewise, the Affiliated Lines shall, when making use of the Smith Cove Cruise Terminal, be entitled to any benefits hereunder, and any revenue passengers provided by such Affiliated Lines shall specifically apply, as designated by the Carnival Lines under the terms of this Agreement, towards the satisfaction of the Carnival Lines' obligations hereunder, including but not limited to the Carnival Lines' obligations pursuant to the Basic Guarantee.

11.2 No Other Assignment. Except as expressly set forth in Section 11.1, the benefits provided under this Agreement are personal to the Carnival Lines and shall not, in whole or in part, be assigned, licensed or otherwise transferred to any party other than the Carnival Lines. The prohibition against assignment, license or transfer specifically includes a prohibition against any assignment, license or transfer by operation of law.

12. Other Terms.

12.1 Notice. All notices hereunder shall be in writing and shall be delivered personally, by certified or registered mail or by recognized overnight courier addressed as follows:

To the Port:

Port of Seattle
Attention: Cruise Operations
and Business Development Manager
P.O. Box 1209
2711 Alaskan Way
Seattle, WA 98111

With a Copy to:

Port of Seattle
Attention: General Counsel
P.O. Box 1209
2711 Alaskan Way
Seattle, WA 98111

To the Carnival Lines:

Holland America Line N.V.
Princess Cruise Lines, Ltd

Carnival Cruise Lines, a division of
Carnival Corporation
450 Third Avenue West, Seattle, WA 98119
Attn: Robert Morgenstern, Senior Vice
President, Alaska Operations

and

With a Copy to:

Carnival Corporation Legal Department
24305 Town Center Drive
Santa Clarita, CA 91355
Attn: Daniel Howard
Deputy General Counsel

or to such other respective addresses as either party hereto may hereafter from time to time

designate in writing. Notices shall be deemed delivered (i) when personally delivered; (ii) on the third day after mailing when sent by certified or registered mail and the postmark affixed by the United States Postal Service shall be conclusive evidence of the date of mailing; (iii) on the first business day after deposit with a recognized overnight courier if deposited in time to permit overnight delivery by such courier as determined by its posted cutoff times for receipt of items for overnight delivery to the recipient.

12.2 Joint and Several Liability. The Carnival Lines shall be jointly and severally liable under this Agreement with respect to any amounts payable under this Agreement. It is understood and agreed that for convenience the term "Carnival Lines" and associated verbs are plural, but each of the companies constituting the Carnival Lines shall have all of the benefits hereunder and shall be entitled to exercise any of the rights hereunder.

12.3 Insurance. The Carnival Lines shall provide the Port evidence of commercial general liability insurance against claims for bodily injury, personal injury and property damage arising out of the tenancy, use, occupancy or maintenance of the Smith Cove Cruise Terminal and all areas appurtenant thereto as defined in this Agreement. The policy shall include the Port as an additional insured and Carnival Lines insurance shall be primary and non-contributory to any insurance the Port carries. The policy shall also contain a waiver of subrogation in favor of the Port. The limits of coverage shall be no less than \$5 million per occurrence and \$5 million in the annual aggregate, such limits permitted to be obtained through a combination of primary and excess liability/umbrella cover. The policy shall not have specific exclusions for claims arising on docks, piers or wharves, nor any exclusions for bodily injury or property damage that incur on or due to gangways, bridges, or passenger loading bridges that are used to load and unload passengers between the cruise ships and landside on Smith Cove Terminal. . The Carnival Lines shall provide the Port evidence of automobile liability insurance on a combined single limit basis for bodily injury and property damage for all owned, non-owned, rented or leased automobiles brought onto the Smith Cove Cruise Terminal and all areas appurtenant thereto as defined in this Agreement.

12.3.1 The Carnival Lines shall provide the Port evidence of insurance coverage as follows:

- a. Protection and indemnity coverage for each cruise ship that will dock and operate out of Smith Cover Terminal and all areas appurtenant thereto as defined in this Agreement. The protection and indemnity policy shall provide coverage against third party claims for loss of life, injury, illness, and property damage, and coverage for wreck removal and oil pollution for occurrences in which Carnival Cruise is the liable party to the incident that caused the damages. Coverage limits per occurrence shall be no less than \$10 million per occurrence.
- b. First party coverage that shows coverage for the hull and vessel itself,
- c. Coverage for protection and indemnity as offered by Carnival Cruise's entry into one or more International Group P&I Clubs is acceptable to the Port.

d. The Port shall be provided with evidence of the above required insurance when the Agreement commences and annually thereafter no later than ten (10) days from the date of when the expiring insurance expired.

12.3.2 The Carnival Lines are responsible for ensuring that it meets any and all insurance requirements relative to Revised Code of Washington Title 51 Industrial Insurance, and, if applicable, the insurance requirements that pertain to the United States Longshore and Harbor Worker's Compensation Act and the Jones Act.

12.3.3 The Carnival Lines shall notify the Port of any mid-term insurance cancellation.

12.3.4 Indemnification. The Port, its employees and agents shall not be liable for any injury (including death) to any persons or for damage to any property regardless of how such injury or damage be caused, sustained, or alleged to have been sustained by the Carnival Lines or by others including, but not limited to, all persons directly or indirectly employed by the Carnival Lines or any agents, contractors, or subcontractors of the Carnival Lines, as a result of any condition (including existing or future defects in the Smith Cove Cruise Terminal) or occurrence (including failure or interruption of utility service) whatsoever related in any way to the Smith Cove Cruise Terminal and the areas adjacent thereto, or related in any way to the Carnival Lines' use or occupancy of the Smith Cove Cruise Terminal and of areas adjacent thereto. The Carnival Lines agree to defend, indemnify and to hold and save the Port harmless from all liability or expenses (including attorneys' fees, costs, and all expenses of litigation) in connection with any such items of actual or alleged injury or damage, except to the extent such injury or damage is caused by the negligence or intentional conduct of the Port. The Carnival Lines expressly agree that their duty to defend and indemnify the Port includes negligent acts which are concurrent, contributory, or both by the Port, resulting in said damage or injury. However to the extent this Agreement is construed to be subject to RCW 4.24.115, and where the injury or damage arises from the concurrent negligence of the Port and the Carnival Lines, the Carnival Lines' indemnity will only extend to its negligence.

12.4 Captions. The captions in this Agreement are for convenience only and do not in any way limit or amplify the provisions of this Agreement.

12.5 Governing Law: Venue. This Agreement shall be construed under the laws of Washington. Exclusive jurisdiction and venue for any action relating hereto shall be in the state or federal courts located in King County, Washington.

12.6 Attorneys' Fees. In the event that either party shall be required to bring any action to enforce any of the provisions of this Agreement, or shall be required to defend any action brought by the other party with respect to this Agreement, and in the further event that one party shall substantially prevail in such action, the losing party shall, in addition to all other payments required therein, pay all of the prevailing party's actual costs in connection with such action, including such sums as the court or courts may adjudge reasonable as attorneys' fees in

the trial court and in any appellate courts.

12.7 Invalidity of Particular Provisions. If any term or provision of this Agreement or the application thereof to any person or circumstance shall, to any extent, be invalid or enforceable, the remainder of this Agreement or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable shall not be affected thereby and shall continue in full force and effect.

12.8 Amendments. No modification or amendment of this Agreement shall be valid or effective unless evidenced by an agreement in writing signed by both parties.

12.9 Conflicts or Inconsistencies. In the event the provisions of this Agreement conflict with or are inconsistent with any other Port agreement or Port requirement regarding use of the Smith Cove Cruise Terminal, the provisions of this Agreement shall control.

12.10 Port Management Agreement. With respect to any portion of this Agreement that pertains to Washington State-owned aquatic lands under the Port's management, this Agreement is specifically subject and subordinate to the terms and conditions of the Port Management Agreement dated November 1, 1997 between the Washington State Department of Natural Resources (DNR) and the Port of Seattle, which Port Management Agreement is hereby incorporated by this reference, any future Port Management Agreement between the Port and DNR that is executed during the Term of the Agreement, which will be provided to the Carnival Lines upon request.

12.11 Security. Carnival Lines shall, upon execution of this Agreement, obtain and deliver to the Port a good and sufficient corporate surety company bond, irrevocable stand-by letter of credit, or other security equal to THREE MILLION AND NO/100 DOLLARS (\$3,000,000.00) (hereinafter referred to as "Security"), to secure the full performance under this Agreement, including the payment of all fees and other amounts now or hereafter payable to the Port hereunder. The amount, form, provisions and nature of the Security, and the identity of the surety or other obligor thereunder, shall at all times be subject to the Port's approval. The Security shall remain in place at all times throughout the full term of this Agreement. If the Security is in a form that periodically requires renewal, the Carnival Lines must renew the Security not less than 45 days before the Security is scheduled to expire. No interest shall be paid on the Security and the Port shall not be required to keep the Security separate from its other accounts. No trust relationship is created with respect to the Security. The Port may apply all or part of the Security to any unpaid sum due hereunder, or to cure other defaults of Carnival Lines. If the Port uses any part of the Security, the Carnival Lines shall restore the Security to its then-currently required amount within fifteen (15) days after the receipt of the Port's written request to do so. The retention or application of such Security by the Port pursuant to this Section does not constitute a limitation on or waiver of the Port's right to seek further remedy under law or equity. The Security is a part of the consideration for the execution of this Agreement.

12.12 COMPLIANCE WITH ALL LAWS, ETHICAL STANDARDS AND ANTI-CORRUPTION. The parties agree to abide by their respective ethical standards, practices and internal policies. Each party will comply with all local, state, federal, and other laws, rules, regulations, or other requirements applicable to its operations, including those relating to environmental compliance, worker safety, anti-corruption, economic sanctions, trade restrictions, labor and human trafficking.

PORT OF SEATTLE

HOLLAND AMERICA LINE N.V.

By: _____

By:

Its: _____

Its:

PRINCESS CRUISE LINES, LTD

CARNIVAL CORPORATION

By: _____

By: _____

Jan Swartz

Its: _____

Its: EVP, Strategic Operations

EXHIBIT A

The Carnival Lines makes the following sustainability, equity, and workforce development commitments:

- The Carnival Lines will continue to provide ongoing leadership and engagement in the Green Corridor.
- The Carnival Lines will use reasonable commercial efforts to enter into multi-party shore power agreements with all other cruise lines at Terminal 91, allowing access to any proprietary equipment by December 31, 2024 with entities who have made requests, or within one hundred twenty (120) days of any future requests. Charges relating to access to such shore power equipment will be on a cost-recovery basis as outlined in a Shore Power Use Agreement between Carnival and any other operating line and must be made available in a non-discriminatory manner. The Shore Power Use Agreement is inclusive of use, repair and maintenance costs to be proportionally shared among users based on call volume. Third party cruise lines are directly responsible for their own equipment costs, user personnel costs and modifications needed for use where not required by Carnival. Third Party users will also contract with an Authorized Contractor for shoreside services necessary to connect/disconnect cruise ships and ongoing monitoring of shore power equipment. The Carnival Lines will negotiate in good faith with the Port regarding a potential sale of the Carnival owned shore power equipment at Terminal 91 at fair market value prior to the easements relating to such shore power equipment expiring in 2029.
- Additionally, it is the intent of the Port of Seattle to require all cruise vessels (from all brands) to plug in to shore power in the future.
- The Carnival Lines will continue to partner with the Department of Ecology and others on public engagement and policy making regarding EGCS operations and wash water.
- The Carnival Lines will continue to participate in the ECHO and Quiet Sound programs.
- The Carnival Lines will continue to participate in and adhere to the Port's Stormwater Best Management Practices.
- The Carnival Lines will communicate to booked cruise guests through pre-cruise travel communications how to choose lower GHG alternatives for transport to and from the cruise terminals, and will coordinate with the Port on standards relating to taxis, TNCs, and other transportation options.
- The Carnival Lines will provide incentives for ground handlers who use lower GHG alternative forms of transportation, and require that all motorcoaches in Seattle have a 2007 model year engine or newer, or with emission controls that achieve the equivalent level of air quality.

- If Carnival Lines contracts directly with stevedores at Smith Cove Terminals, the Carnival Lines will encourage stevedores use of low emission equipment with a zero emission shoreside goal by 2030. Carnival lines will partner with the Port, Stevedore and other parties to achieve this 2030 goal.
- The Carnival Lines will work with local non-profits on donations of reusable goods.
- Twice per cruise season on mutually convenient dates and times, the Carnival Lines will provide ship tours for education and workforce development purposes.
- The Carnival Lines will develop a Responsible Sourcing pilot program for Seattle that promotes small, diverse, disadvantaged, tribal and local suppliers, and focuses on capability building with key suppliers.
- The Carnival Lines will use reasonable efforts to partner with Maritime focused non-profit entities to assist in creating curriculum and experiential field-based learning opportunities and internships for students as part of Maritime-focused workforce development programs.
- Carnival Lines will collaborate with the Port on Anti-human trafficking efforts and will sign on to the Port Allies Against Human Trafficking Pledge.
- The Carnival Lines will participate in an annual review of their efforts with respect to diversity with ground handlers, and participate to a reasonable extent in programs related to equity.

EXHIBIT B

Carnival Lines Reporting Requirements

Prior to the beginning of the Season, the Carnival Lines will submit the following information for each vessel scheduled to call at the Port of Seattle:

- Shore power capability status per ship
- Advance Wastewater Treatment system type
- Exhaust Gas Cleaning System by type and usage
- Other emission reduction technology and/or innovations on board each vessel
- the Carnival Lines will identify which of their vessels currently have ALS or other noise reduction technology, as well as planned retrofits

Weekly during the season, The Carnival Lines will submit the following information for the previous week for each vessel calling at the Port of Seattle.

- Shore power connection per call, including whether a ship connected, start time of connection, any times of disconnection, duration of connection, power (kw), and energy (kWh) consumed during connection and the total utility costs per shore power connection. If Connection failed, include documentation and explanation of reasons for failure to assist in problem solving.
- Fuel type(s) used onboard, per vessel, and fuel specifications (e.g., origin, sulfur content, and other criteria).
- Fuel consumption quantity by fuel type and use (e.g. main, auxiliary, boiler operating engines, pilot fuel, etc.), including fuel type switching activity.

ANNUAL REPORTS: In addition to the information above, annually, the Carnival Lines will submit an annual report with the following information, by December 1st of each cruise season. Such annual report will include:

1. Quiet Sound participation as further described in Exhibit A
2. Other emission reduction technology and/or innovations on board each vessel
3. Provisions sourcing via local, small, diverse, WMBE and disadvantaged businesses, as further described in Exhibit A.
4. Disaggregated organizational demographics by hierarchy, shipboard and land based
5. Any additional metrics requested as mutually agreed. .
6. The Carnival Lines will report progress on food waste and single use plastics reduction efforts via annual sustainability reporting, and regionally communicate such efforts.
7. To measure GHG emissions and progress toward GHG reduction targets, the Carnival Lines agrees to share data on total GHG emissions and GHG emissions intensity (GHG emission per-available-lower-bed capacity) as needed to contribute to emissions inventories (including Port of Seattle GHG inventories) that may occur on an annual basis.

8. On an annual basis the Carnival Lines will meet with the Port of Seattle staff to evaluate home-porting operations and strategies to increase the use of shore power toward a goal of achieving 100-percent use per shore-power capable call.
9. On at least an annual basis, the Carnival Lines will participate, with Port of Seattle and partners, in evaluating, planning and/or developing strategies to reduce emissions from ocean going vessels in accordance with the Northwest Ports Clean Air Strategy and in support of Port of Seattle's Century Agenda and greenhouse gas emission reduction goals.
10. On at least an annual basis, Carnival Lines will work with Port of Seattle and partners to identify joint sustainability opportunities, projects, and programs.



Cruise Updates and Authorization to Enter into a Long-Term Agreement

6/25/2024

Century Agenda Goals



Goal 3: Responsibly Invest in the Economic Growth of the Region and all its Communities



Goal 4: Be the greenest and most energy-efficient port in North America

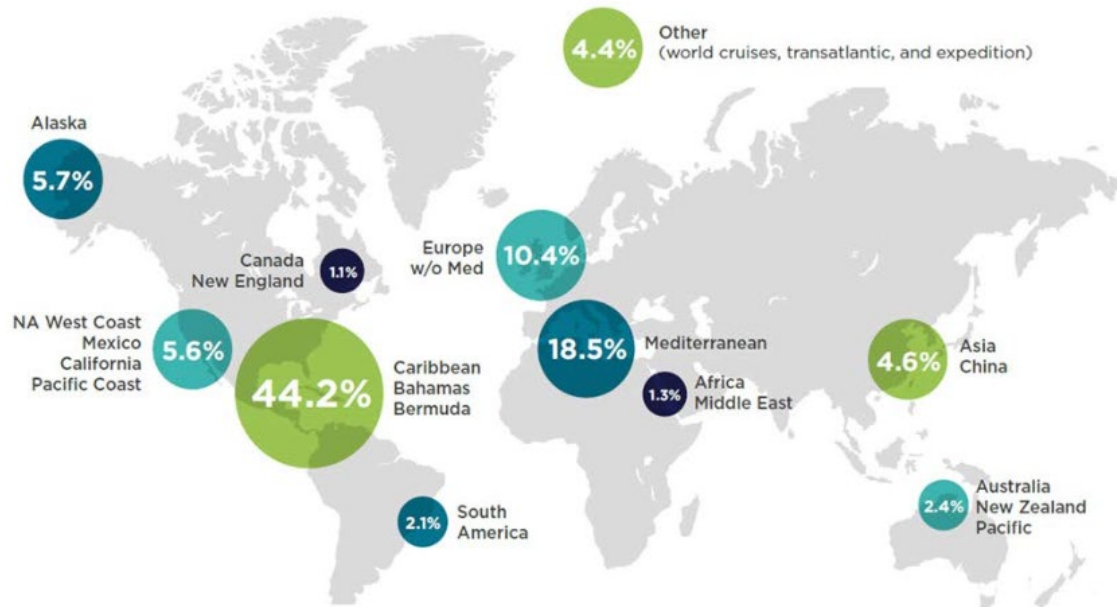


Goal 5: Become a Model for Equity, Diversity and Inclusion

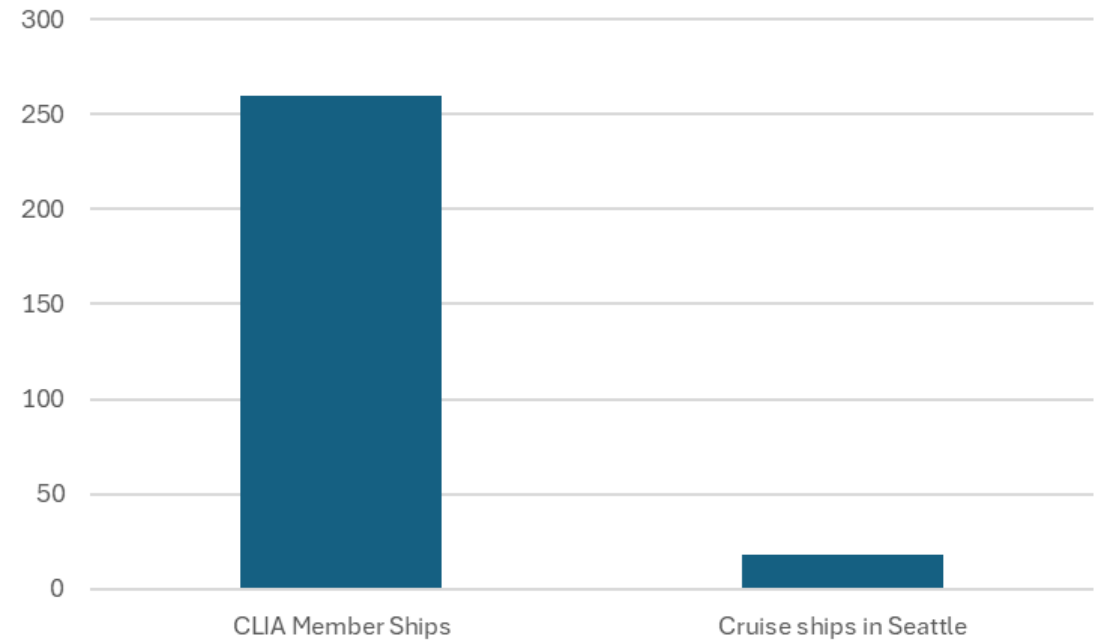


Goal 6: Be a Highly Effective Public Agency

Global Cruise Context



Source: CLIA data; percentage of cruise passengers traveling to major destinations (2022)

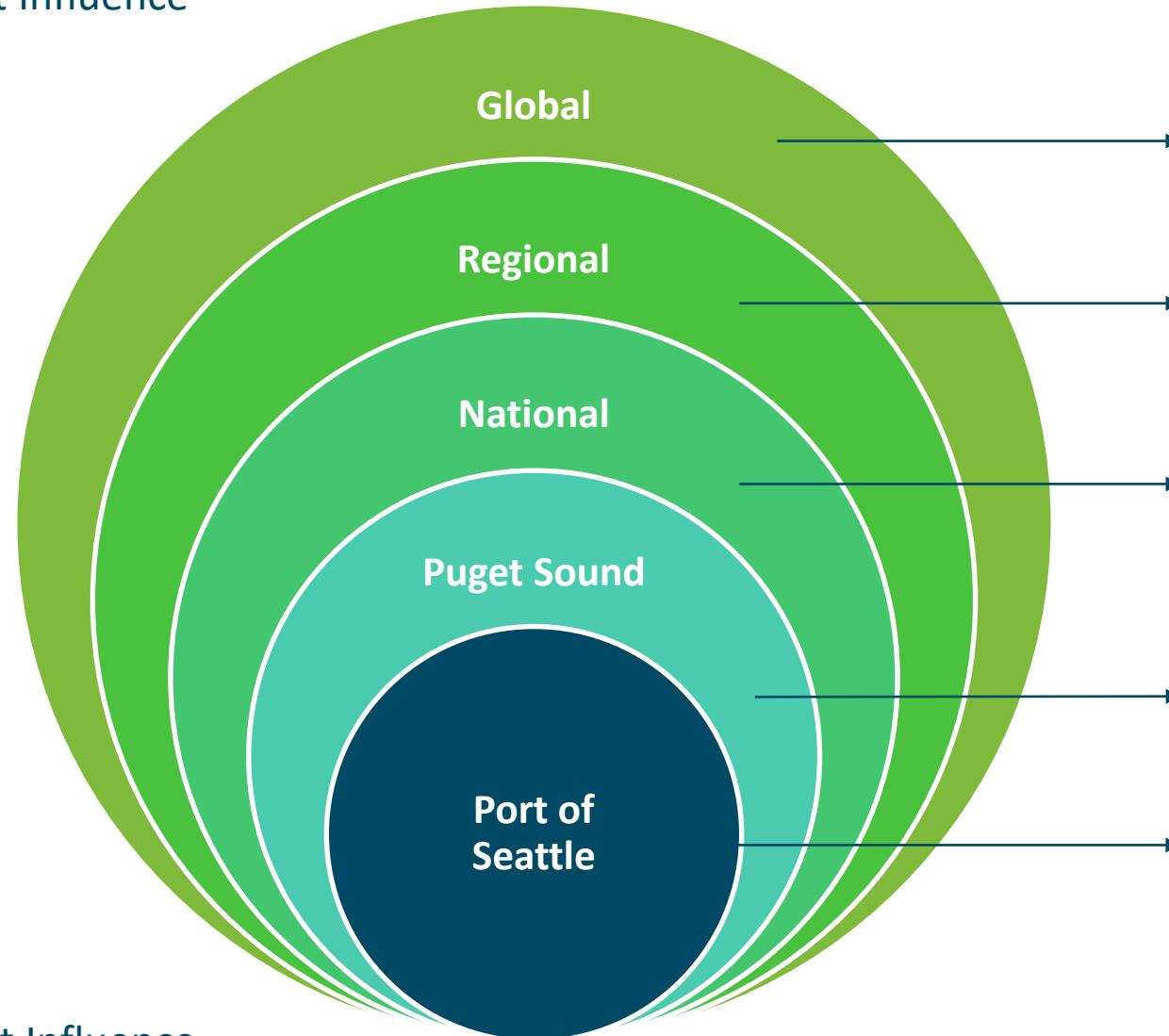
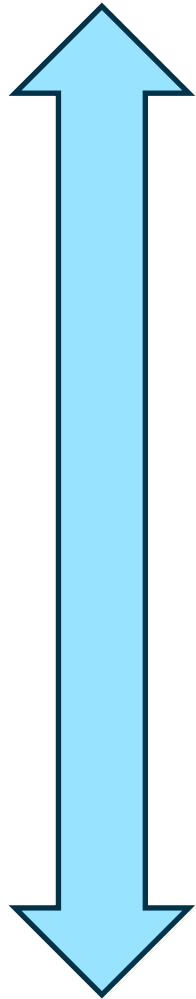


Source: CLIA data

Locally cruise supports 5,500 jobs and approximately \$900 million in business activity annually.

Port of Seattle's Environmental Influence and Impact

High Global Impact & Low Port Influence



- IMO Engagement
- Clydebank Declaration
- Maritime Fuels Collaborative
- Green Corridors
- Northwest Ports Clean Air Strategy
- Federal Policy
- Federal Agency Collaboration
- Cruise MOU
- Emissions Inventories
- Century Agenda
- Leases, Agreements, Tariffs
- Maritime Climate and Air Action Plan

Low Global Impact & High Port Influence

The Port's Tools for Transformation

PORT OF SEATTLE



Leases,
Agreements,
Tariffs



Incentives &
Recognition



Direct
Investment



Emissions
Accounting,
Reporting



Community
Engagement

MARITIME INDUSTRY



Innovation



Partnerships



Direct Investment

POLICY & REGULATIONS

International • National • State



Advocacy



Partnerships

2024 Cruise Season Update

- **2024 Highlights – 275 cruise ship calls**
 - New homeport in 2024: Celebrity Edge
 - Commission order accelerated shore power utilization
 - Green Corridor Feasibility Study Advancing
 - Launching new KPI dashboard
 - Maintaining at-berth ban on exhaust gas cleaning system washwater discharge
- **Shore Power: 68% of homeport calls equipped with shore power**
 - Terminal 91: 124 shore power calls
 - Pier 66 (connection expected late summer): 64 shore power calls



Capital Projects

New Capital Projects will expand shore power access for ships at Pier 66 and Terminal 91.

P66 Shore Power project:

- Will make third Port cruise berth shore power capable by installing a submarine cable from Terminal 46 to Pier 66
- Includes Mobile Cable Positioning Device to maximize berthing flexibility

At Terminal 91:

- New mobile Cable Positioning Devices (CPDs) expected to be installed late summer 2024
- Addition of a second shore power connection to allow for a greater array of ship configurations



Update: Pacific Northwest to Alaska Green Corridor

2024 PRIORITIES:

- Mærsk Mc-Kinney Møller Center for Zero Carbon Shipping (MMM) Green Methanol Feasibility Study :
 - Feasibility of 4 cruise ships on green methanol in the Alaska market by 2030s
 - Complete by early 2025
- Developing approach to measure greenhouse gas emissions across the corridor
- Exploring future feasibility assessment of biofuels
- June 27th public webinar



Dashboard

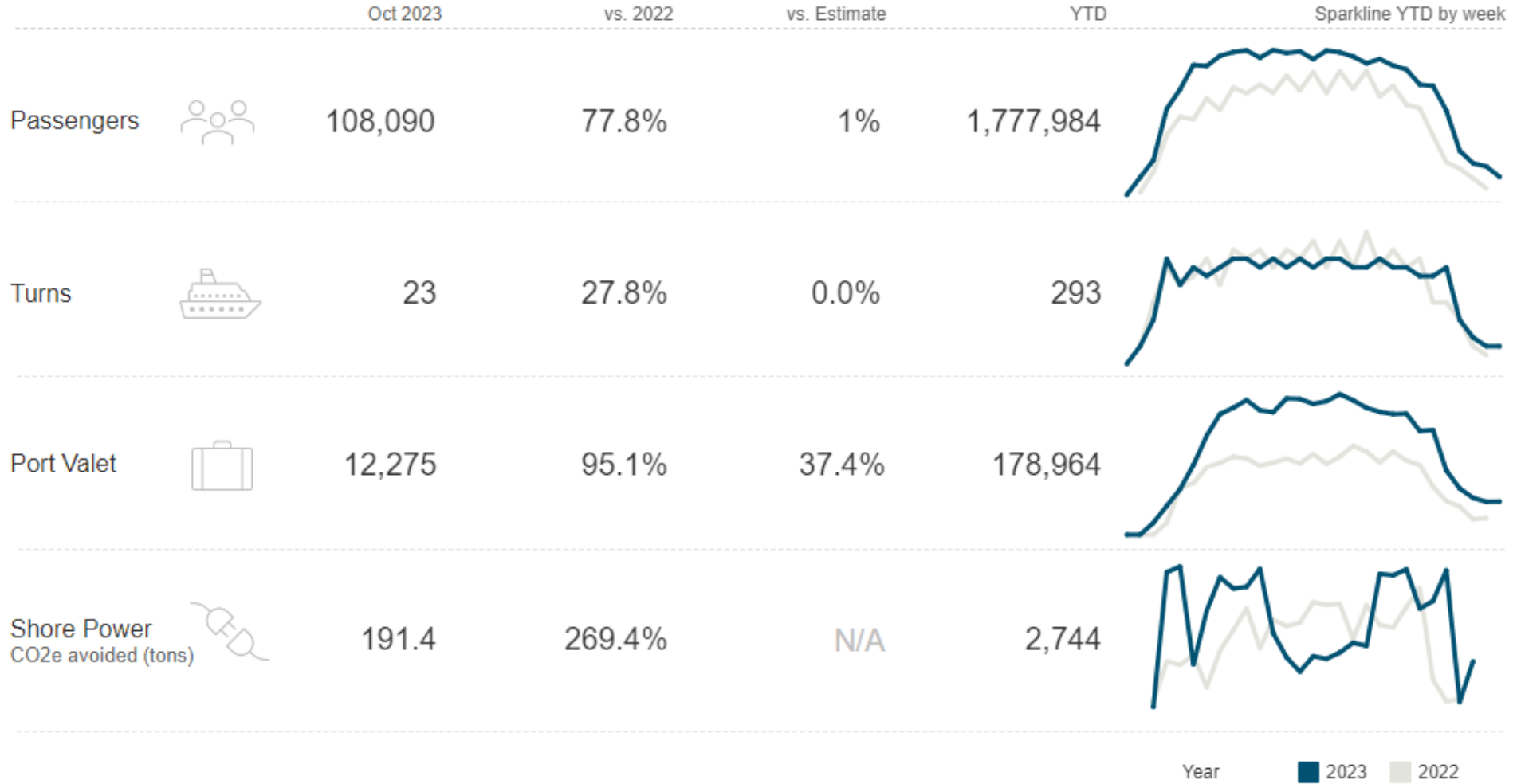
- Wide variety of cruise data available
- Data lies in various places but together tells a story
- Launching with data available today
- Dashboard will evolve as data becomes available

Example of Seattle Fleet Profile to be added with long-term agreement:

- Ship statistics: gross registered tons/length/passengers/age
- Shore Power capability by ship
- Advance Wastewater Treatment system type
- Exhaust Gas Cleaning System type
- ALS or other noise reduction technology
- Other emission reduction technology and or innovations onboard each vessel



Executive Summary



Accelerating Shore Power Connectivity

- Commission Order requiring all homeported Cruise Vessels to plug into shore power by 2027
- Preview: The following agreement is a critical implementation tool:
 - Requires all Carnival vessels be shore power capable by 2026
 - Carnival Agrees to enter into agreements to allow other lines to use their equipment



Business Agreement Definitions

- **Tariff:** Terminal Tariff No. 5
 - Port rates, charges, rules and regulations governing dockage, passenger fees and other port directed fees.
- **Preferential Berthing Agreement:**
 - Multi year agreements
 - Preferential berthing rights in exchange for Minimum Annual Guarantee
 - Ability to add other stipulations and reporting requirements.
- **Lease:**
 - Can include unique terms, including upkeep of the property and equipment.
 - Preferential Berthing rights and a minimum Annual Guarantee.

Long Term Agreements Strategy

- Use Long term Agreements to:
 - Partner on path to Zero Carbon Emissions
 - Support broadening economic impact
 - Incorporate DEI/Community Engagement elements into agreements
 - Establish goals toward broader environment issues such as Underwater Noise, Water Quality, etc.
 - Set the stage for post-2030 Long-Term Agreement Negotiations toward 2050 goals; giving time for innovations to evolve
 - Provide financial certainty: important to support investments

Carnival Agreement Benefits Summary

- Strong financial certainty and economic predictability
- Requirements to support shore power order
 - Commitment to 100 percent shore power capable vessels by 2026
 - Commitment to share shore power equipment
- Additional GHG commitments
 - Non-Fossil Fuel Pilot Program
 - Commitment to share decarbonization pathways
- Real-time data to support transparency and emissions accounting
- Incentives to expand economic opportunity with equity focus
- Support for anti-human trafficking programs
- Terms aligned with projected timeline for industry transformation

2024 Agreement Terms

- 10 years; 2024 – 2033
- + 5-year option to extend 2034-2038: Mutual: Port's discretion
- Minimum Annual Guarantee of 550,000 revenue passengers/year
- Historical berthing rights for day-of-week used prior year (added a 12-call minimum/day of week)
- Passenger/Dockage fee of with a capped increase, reset to 90% of Tariff at 5 years
- Security provided via a \$3m letter of credit or surety bond: Port procedures require 6 Months of rent as a security bond, used past practice to determine.



CARNIVAL
CORPORATION & PLC.

Financial Return to the Port

- Estimated \$185M in revenue to the Port over the 10-year life of the agreement. Guaranteed revenue is \$146M
- Estimated \$273M in revenue to the Port if 5-year option is exercised. Guaranteed revenue is \$215M
- 2.5% of revenue subject to rebates
- 5-year option is at the Port's discretion
 - Agreement is explicit that Sustainability and GHG performance will be a key consideration.

Greenhouse Gas Emission Reductions

- Shore power
 - 100 percent of Carnival Vessels equipped, will plug in
 - Make equipment available to others
- Annual participation in Port Emissions Inventory, commitment to well to wake accounting
- Providing Data regarding Fuel Use



More Greenhouse Gas Emissions Reductions

- Pilot non-fossil fuel in the 2024 or 2025 cruise season
- Striving to achieve 5% non-fossil fuel use for Seattle fleet by 2030
- Commitment to developing potential decarbonization pathways and providing to the Port



Environmental Elements Continued

- Continued participation in Ecology MOU
- Continued Implementation of Stormwater BMP's
- Continued participation in Quiet Sound
- Incentivize use of low-emission shoreside equipment



Broadening Economic Benefit

- Market Incentive Opportunity for increasing Economic impact
 - Pre and post stays
 - small and WMBE provisioning growth
- Pilot a Responsible Sourcing program in Seattle
- Provide ship tours for educational/workforce development purposes
- Provide local internships
- Provide donations to local non -profits



Reporting: Supporting Dashboard

- By-call and/or Annual reporting of:
 - Shore power capability,
 - Shore power connection details,
 - Exhaust Gas Cleaning System,
 - Fuel type,
 - Quiet Sound participation,
 - Emission reduction technology/innovations by vessel,
 - Provisions sourcing via local, small, diverse, WMBE, disadvantaged businesses,
 - Disaggregated org. demographics by hierarchy, shipboard and land based,
 - Other items as mutually agreed



Today's Action Requested

- Request for Authorization for the Executive Director to enter in a Preferential Berthing Agreement, as outlined, with Carnival Corporation.

Questions?



[RETURN TO AGENDA](#)



**COMMISSION
AGENDA MEMORANDUM**

Item No. 11a

BRIEFING ITEM

Date of Meeting June 25, 2024

DATE: June 17, 2024

TO: Stephen P. Metruck, Executive Director

FROM: Pearse Edwards, Sr. Director, External Relations
Rosie Courtney, Sr. Manager, External Relations

SUBJECT: Seattle Waterfront Update on Projects and Partnerships

EXECUTIVE SUMMARY

Today’s briefing provides an update on several downtown waterfront projects that will transform Seattle’s central shoreline. Partner organizations will share final milestones to implement a community vision to reconnect the waterfront to downtown. The decades-long effort made possible with the demolition of the Alaskan Way Viaduct includes the park promenade along the water with a new roadway, east-west connections and dramatic new public spaces including the new Overlook Walk. The Seattle Aquarium’s new Ocean Pavilion and the privately funded Elliott Bay Connections project contribute to the new waterfront experience with a focus on our ocean, and Puget Sound vistas, pedestrian and bicycle greenways and enhancements to Centennial and Myrtle Edwards parks at the north end of the waterfront.

In addition to those investments along the Seattle waterfront, Seattle Department of Transportation (SDOT) is working with the waterfront business community, including the Port of Seattle, and bike enthusiasts to construct a protected bike lane along Alaskan Way from Broad Street to the Seattle Aquarium. There the protected bike lane will merge with an existing bike lane along Elliott Way. The project begins construction later this year. We intend to invite SDOT staff to brief the Commission on this project and the transportation levy in September.

BACKGROUND

The Port has invested in Seattle’s central waterfront for decades. In the late 1990s, as part of its economic development strategy and mission to foster maritime uses, the Port’s waterfront plan included moving its headquarters from its original address at Pier 66 to a recycled cannery at Pier 69 in 1994. Pier 66 then became the focus of an 11-acre mixed-use development that spanned the waterside and uplands. The waterside complex opened in 1996 with a recreational marina, international conference center, museum, restaurants, cruise terminal, public plaza and rooftop viewpoint. The development was named Bell Street Pier in tribute to the Port’s first wharf. The Port-developed uplands included office and retail space with the World Trade Center Seattle as its anchor and two parking garages. To spur private development in the corridor, the Port offered

Meeting Date: June 25, 2024

additional uplands parcels which resulted in the Waterfront Landings residential units and the Seattle Waterfront Marriott Hotel.

The Port’s leadership to create a thriving waterfront continued as the community rallied to remove the Alaskan Way Viaduct and create a world-class shoreline connected to the Port’s development at the north end. In August 2013, the Port and the Washington State Department of Transportation (WSDOT) entered into an agreement for a Port contribution of \$281 million to the Viaduct Replacement Program to achieve the best balance of retaining and creating jobs, sustaining regional economic vitality, and benefiting the environment. Other direct funding to the waterfront redevelopment included a \$755k contribution as part of the Local Improvement District levy for the new park in 2022. Additional Port investments in the central waterfront include:

\$281 million	Viaduct Replacement Program (2013)
\$755k	Local Improvement District levy for waterfront park (2022).
\$100k annually	Metropolitan Improvement District (MID) administered by the Downtown Seattle Association for since 2002.
\$5 million	Seattle Aquarium Ocean Pavilion with Port exhibit (2022)
\$270k	Flaggers at the City’s delayed Pine Street Connector to support Pier 66 cruise operations for 8 weeks (2024)

In addition, the Port continues to negotiate a partnership agreement with the City of Seattle’s Office of the Waterfront and Friends of the Waterfront. We hope to conclude that agreement in the coming weeks.

In August 2023 a private donation of \$45 million driven by Melinda French Gates and MacKenzie Scott established the Elliott Bay Connections project to connect, restore and revitalize public parks along the Elliott Bay waterfront from Pier 62 (just north of the Seattle Aquarium) to The Beach at Expedia Group.

ATTACHMENTS TO THIS BRIEFING

- (1) Presentation slides –Office of the Waterfront and Civic Project – City of Seattle, Friends of Waterfront Seattle, Seattle Aquarium, and Elliott Bay Connections

Meeting Date: June 25, 2024

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

July 25, 2023 – The Commission was briefed Joy Shigaki, Executive Director, Friends of Waterfront Seattle and Angela Brady, Director, Office of the Waterfront and Civic Projects – City of Seattle on status of the Seattle’s downtown waterfront park and the City’s Waterfront program.



Waterfront Projects and Partnerships

Pearse Edwards, Sr. Director, External Relations

Rosie Courtney, Sr. Manager, External Relations



Overview

Partners highlight final milestones to implement a community vision to connect the waterfront to downtown and transform Seattle's central shoreline.

Elliott Bay Connections
Pier 62 – Expedia Campus

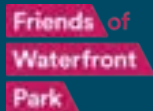
Seattle Aquarium
Ocean Pavilion



Removal of the
Alaskan Way
Viaduct



New roadway, waterfront promenade and new
East-West connections



Seattle

Port Inspired Waterfront Change

1994 | Pier 69

Port Headquarters moved from P-66 to P-69 after restoring a former cannery.



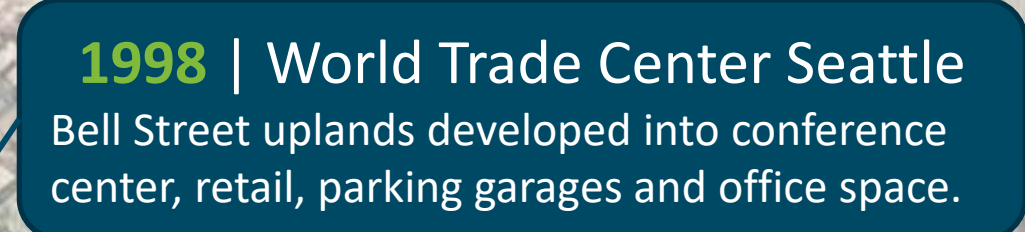
1996 | Bell Street Pier

Former Port HQ since 1915, Port opened a new 11-acre mixed use development.



1998 | World Trade Center Seattle

Bell Street uplands developed into conference center, retail, parking garages and office space.



2001 | Hotel & Residential

Port offers upland parcels for Waterfront Landing residences and Marriott hotel.



Bell Street Pier & Uplands Today



Port Supports Waterfront Partnerships



\$281 MILLION

Viaduct Replacement Program (2013)



\$5 MILLION

Seattle Aquarium includes a Port exhibit within Ocean Pavilion (2022)



PRIVATE DONATION

\$45 MILLION

Elliott Bay Connections project (2023)



\$755 K

Local Improvement District levy for waterfront park (2022)



\$100 K

annual payments to the Metropolitan Improvement District (MID) 2002



\$270 K

Pine Street Connector flaggers (2024)





WATERFRONT SEATTLE CONSTRUCTION UPDATE

Angela Brady, PE – Director, Office of the Waterfront and Civic Projects

June 2024



HISTORY



2001: Nisqually Earthquake – damaged Alaskan Way Viaduct and Elliott Bay Seawall

2001 - 2009 – Multi-agency Viaduct/Seawall replacement planning, design and environmental process (WSDOT, City, County, Port) – parallel City waterfront planning efforts

2009 – 2010:

- City/County/State decision on deep-bore tunnel replacement for SR99 viaduct structure
- Waterfront Committee and Team selection

2010 – 2012

- Broad community engagement
- Concept Design, Framework Plan, Strategic Plan adopted
- Seawall design and ballot measure

2013 – 2018

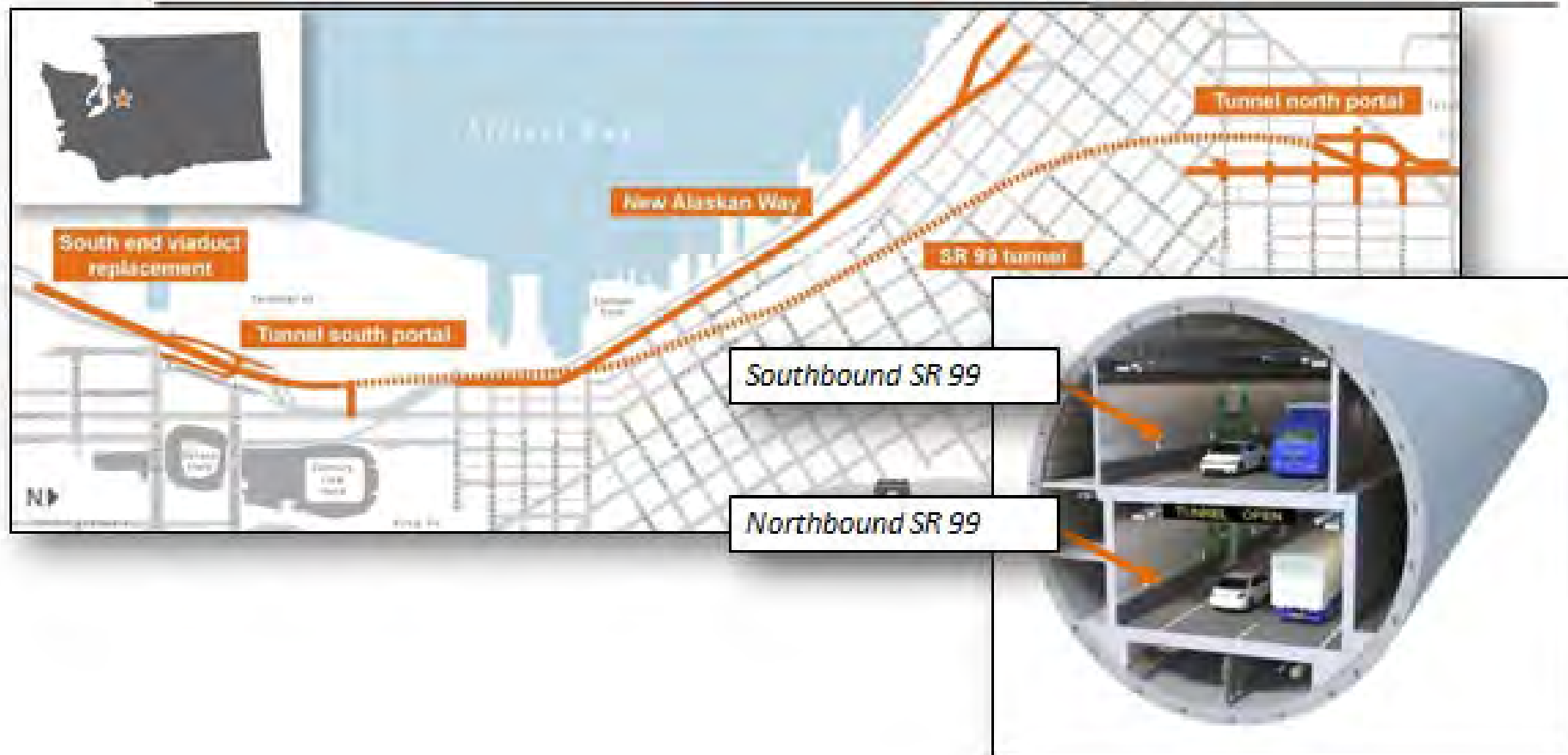
- OWCP created, detailed design and permitting begins
- Seawall reconstructed
- City, State funding secured
- Philanthropy, Waterfront LID advance to final agreements

2019 – 2025: Waterfront Construction

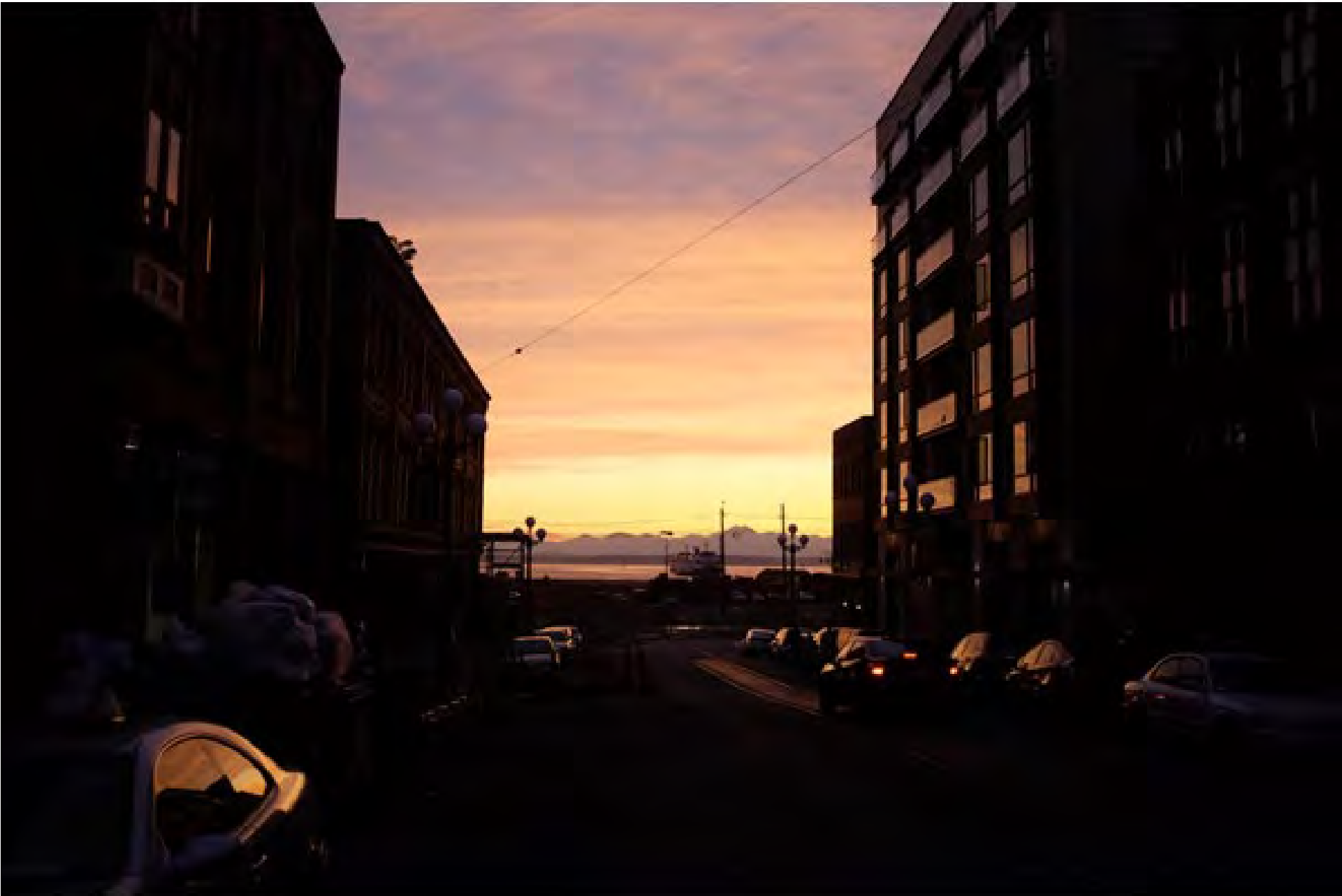


Configuration for the

BORED TUNNEL



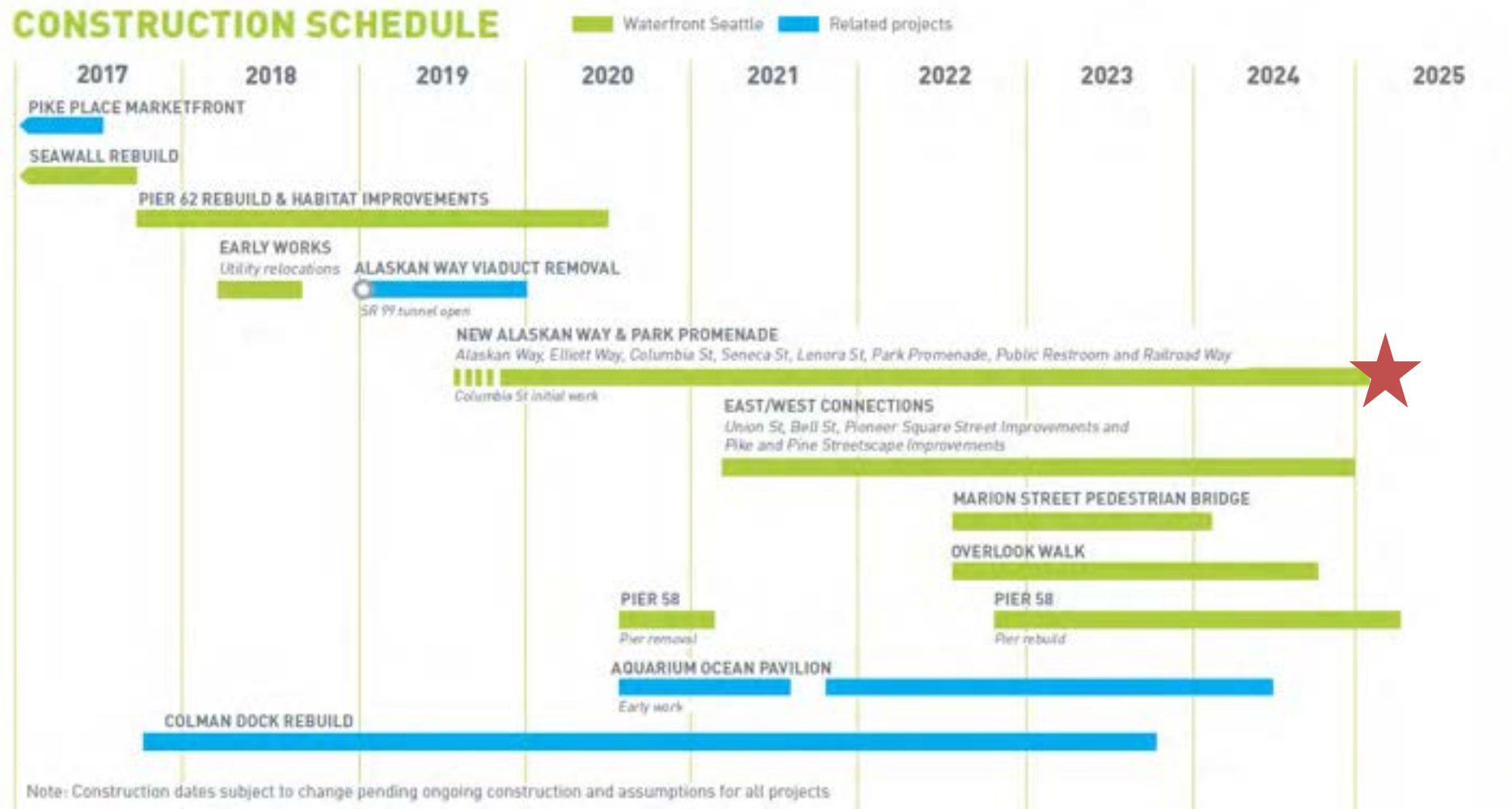




WATERFRONT PROGRAM PROJECT MAP



CONSTRUCTION SCHEDULE



ELLIOTT BAY SEAWALL

Completed in 2017



PIER 62

Opened in September 2020



UNION STREET PEDESTRIAN BRIDGE

Opened in December 2022



ELLIOTT WAY + LENORA BRIDGE

Opened April 2023



PIONEER SQUARE HABITAT BEACH

Opened in July 2023



MARION STREET PEDESTRIAN BRIDGE

Opened in December 2023



ALASKAN WAY CONNECTOR

Opened in May 2024



OVERLOOK WALK & SEATTLE AQUARIUM OCEAN PAVILLION



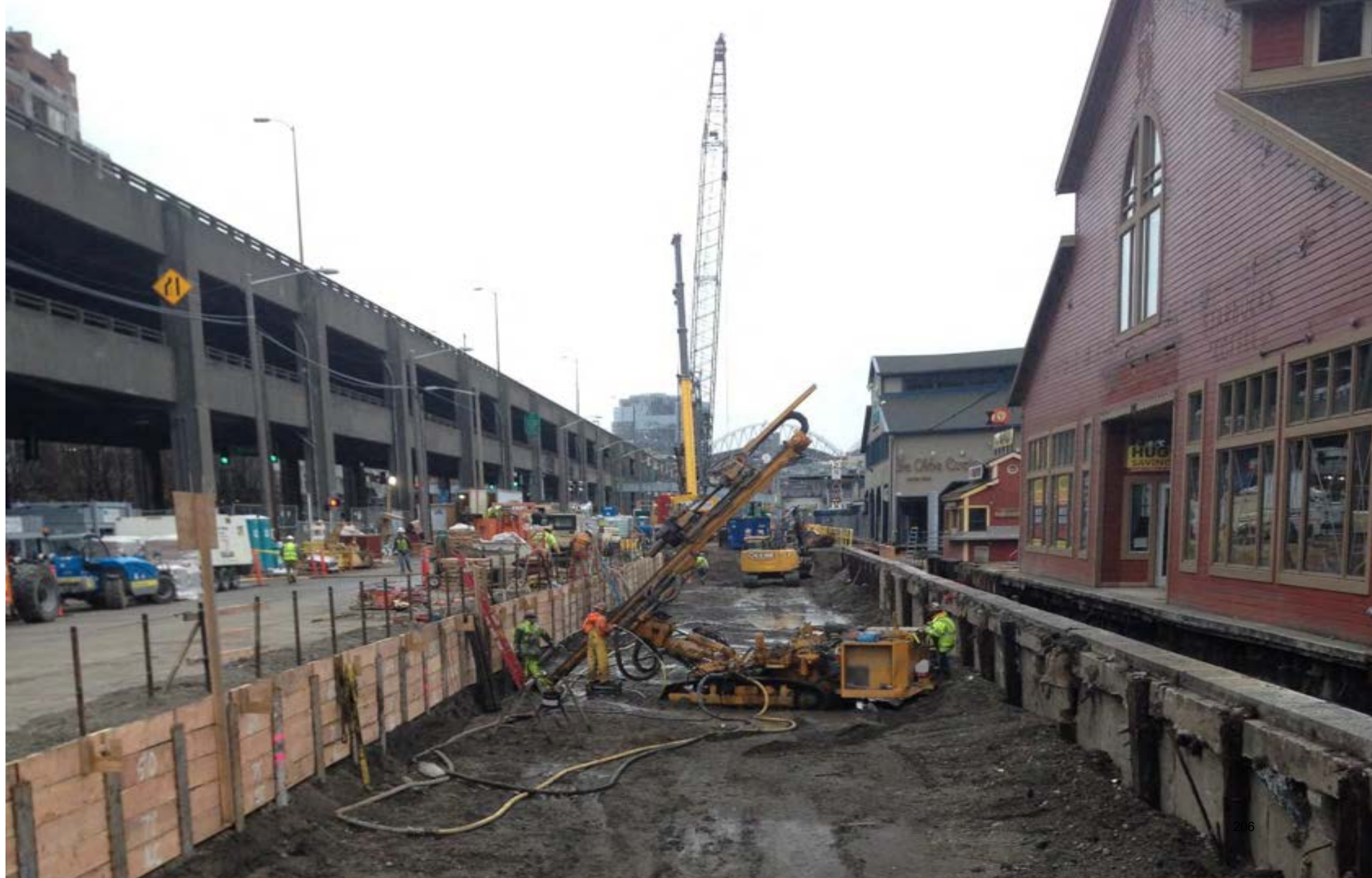
April 2024



OVERLOOK WALK







PARK PROMENADE







3 MILES OF BIKE FACILITIES



PIER 58





PIONEER SQUARE IMPROVEMENTS

Opens in December 2024



View at S Washington St and 1st Ave S, facing west



Rendering of improvements on S Washington St and 1st Ave S, facing west

PIKE & PINE IMPROVEMENTS

Opens in Fall 2024



RAILROAD WAY



BELL STREET



NEXT UP – CONTINUED PROJECT OPENINGS IN 2024 AND A GRAND CELEBRATION IN SPRING 2025!

- Habitat Beach (June 2024)
- Seattle Aquarium Ocean Pavilion (Fall 2024)
- Overlook Walk (Fall 2024)
- Park Promenade and Bike Facilities (EO 2024)
- Pike & Pine Streetscapes (August/September 2024)
- Pioneer Square Improvements (EO 2024)
- Art & Wayfinding (EO 2024)
- Restroom (EO 2024)
- Pier 58 (Early 2025)
- Bell Street Improvements(Spring 2025)



Waterfront Park: A World Class Civic Space for Seattle

Port of Seattle
June 25, 2024

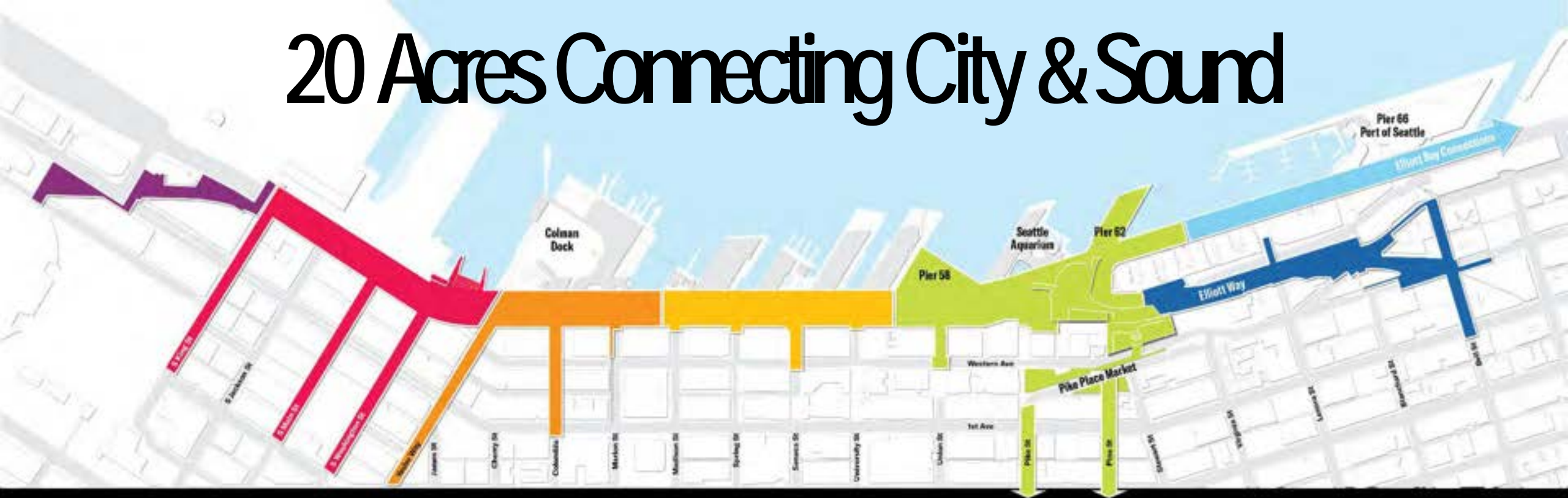


A Coast Salish Waterfront

Waterfront Park is situated on the land of the Coast Salish Peoples, who have resided here since time immemorial and continue to thrive.



20 Acres Connecting City & Sound



Railroad Way

A tree-lined pathway connecting the waterfront to the stadiums.

Pioneer Square

Lush, green east-west connections to a historic neighborhood and peaceful Habitat Beach where visitors can touch the water.

Transit Piers

A link from the downtown core to ferries, water taxis, and Puget Sound.

Historic Piers

Featuring the Seattle Great Wheel, restaurants and shops, the historic piers offer year-round opportunities to eat, drink and play.

Central Public Space

The cultural hub of the waterfront ties together two iconic waterfront destinations, Pike Place Market and the Seattle Aquarium, with added space for activities and sweeping views.

Belltown

Connecting the waterfront to Olympic Sculpture Park, Bell Street Park, and an active neighborhood brimming with shopping, food, and nightlife.

About Friends of Waterfront Park

Friends is a non-profit started in 2013

Through a dynamic private public partnership, Friends is the organizational leader managing programming and activation, fundraising, stewardship, and park operations at Waterfront Park now and for generations to come.

Our Approach: Working in partnership with the city, individuals, businesses, community organizations, donors, and institutions. Leverage strengths and assets.





The First Decade of Friends

New model of transformative placemaking, innovation, and piloting centered in equity

Prioritized:

- Programming, operations, and community engagement
- Advocacy and public awareness
- Public safety models
- Campaign for Waterfront Park
- Convenor
- Diversity, Equity, Inclusion and Accessibility in our work

Equity in Placemaking

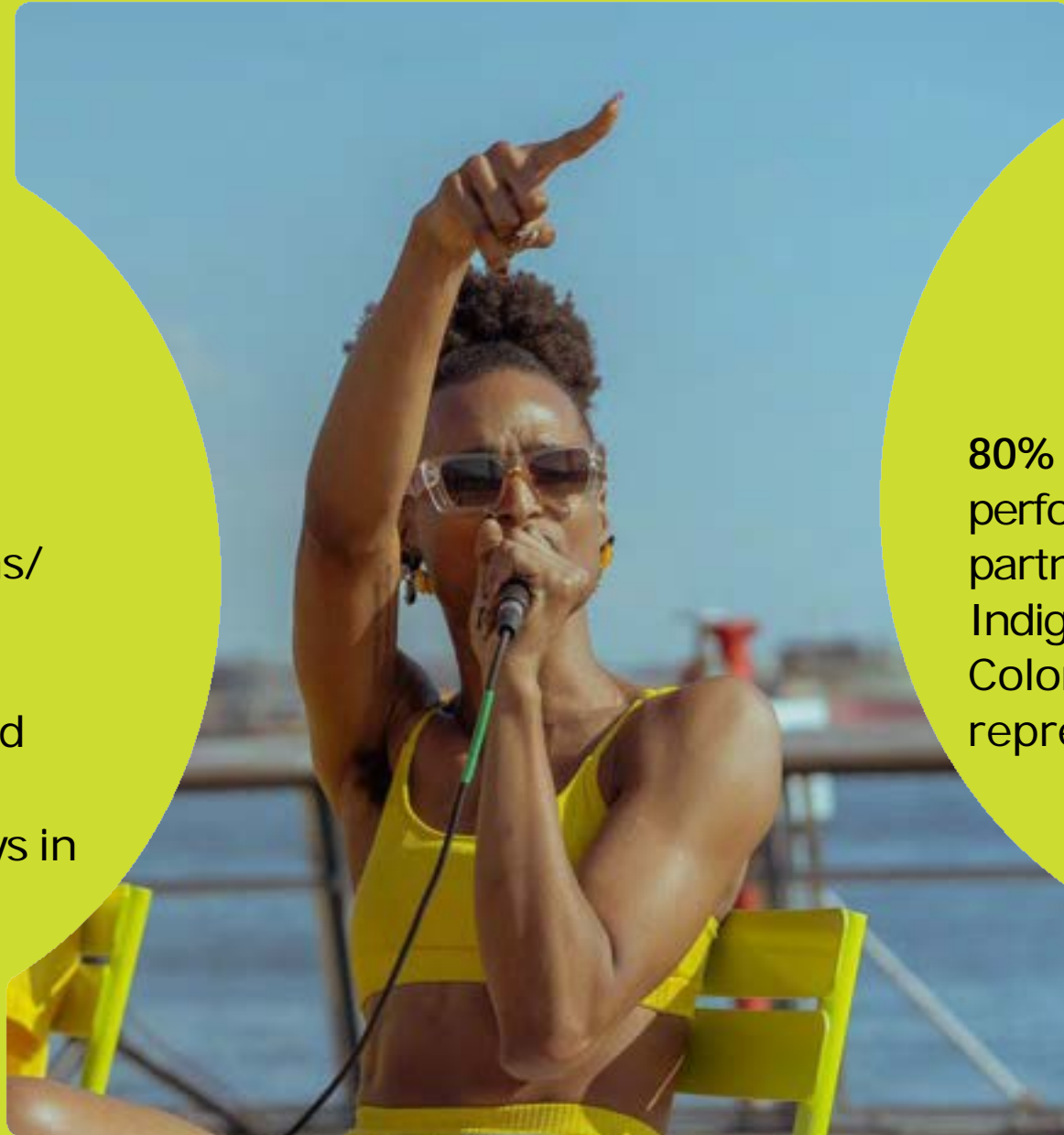
- Who feels a sense of belonging, safety, and welcome in public space?
- Co-designing and curating public programs and activations alongside community for relevance and belonging
- Centering Indigeneity and BIPOC voices
- Moving at the speed of trust
- Community Committees
 - Pulling Together Committee
 - Community Connections Committee
 - Accessibility Committee

This will make it a park for ALL



Programs & Impact

- 176,000 in-person program attendance
- 1.2 million visitors since 2020
- 531 total events and activations/
287 artists, performers, &
organizations
- 200 vendors (>65% women and
minority owned)
- 1,298 visitor experience surveys in
2023/ 94% guests satisfied
- **New Cultural Masterplan for
Waterfront Park**



80% of artists,
performers, and program
partners had Black,
Indigenous, People of
Color (BIPOC)
representation

2024 Programming



A Partnership with Seattle Center

Seattle Center took on Waterfront Park public safety and maintenance on July 1 bringing expertise in complex urban public space management and aligned vision and goals of a safe, welcoming place for everyone. A strong operational partnership with Friends of Waterfront Park.

Friends is contributing \$5.2 million towards this operational partnership for public safety.

seattlecenter
— AT WATERFRONT PARK





**Friends of
Waterfront
Park**

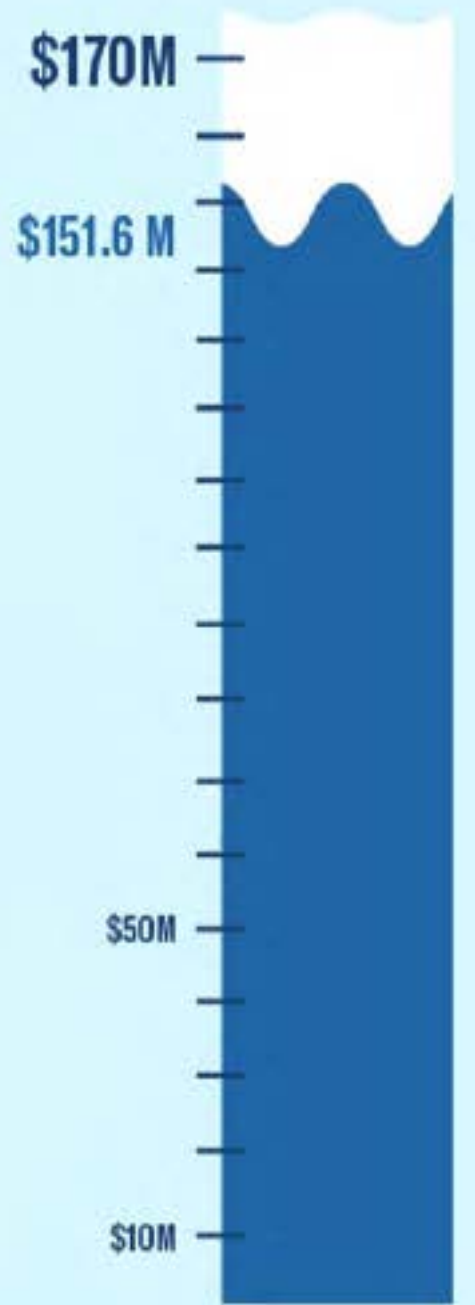
\$170 MILLION CAMPAIGN FOR WATERFRONT PARK

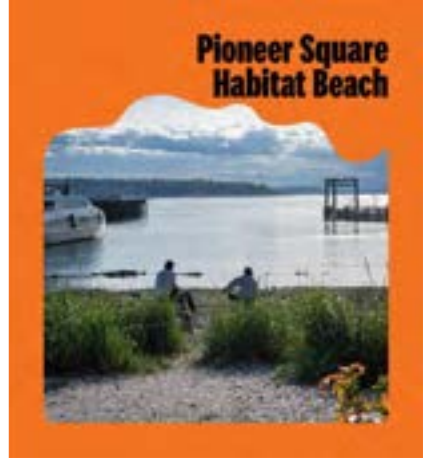
**\$110 MILLION
TO BUILD THE PARK**

**\$60 MILLION
FOR PROGRAMMING + OPERATIONS +
STEWARDSHIP**

BY 2025

UPDATED MAY 2024





Friends

**New look. New name,
Same Friends.**

**Preparing for the next chapter of
organization from campaign to
full park operations**



Waterfront Park Cultural Master Plan

A vision for reflecting and
shaping Seattle

Friends of
Waterfront
Park



PHOTO: ERIK HOLSATHER, WATERFRONT BLOCK PARTY, 2023

Who have we been?

Who are we becoming?

The story of Seattle unfolds along its waterfront. From the long-ago geological events that shaped the land itself to the modern feats of design and engineering that dot today's shoreline, the waterfront traces our history. It connects us to the ancient forests, rivers and sea that defined the lives and legends of the Coast Salish people. Through its landmarks and indelible views, it recalls the pains and triumphs of change, holding both the memory of who we've been and the dreams of who we want to be.

Seattle's complex history gives it a complex identity. The city is simultaneously a place with deep Indigenous roots and a place where Indigenous people were once outlawed

from their own lands; a place built by immigrants working in sawmills, mines, canneries and railroads, and a place that later expelled and incarcerated them; a home to both cultural and technological innovation and racial inequities; a colonial outpost and a beacon of progress.

As Seattle emerges from the COVID-19 pandemic and reckons with injustices new and old, it continues to be among the country's fastest growing cities. Our prosperity today presents an unprecedented opportunity to embrace bold hopes for the future and usher in a new era that uplifts everyone.

Waterfront Park is both a steward of Seattle's legacy and a catalyst



PHOTO: CHUCK REISINGER, PIXABAY

for its future: 20 acres of open space for communities to gather, for ecosystems teeming with native flora and fauna, for

elevated Overlook Walk, an expanded Seattle Aquarium, a transit hub, a restored beach, miles of pedestrian and bike paths, and a

direct link to downtown's many amenities. It is a living, breathing extension of people who call this place home. So what should happen here? What kinds of experiences will make Waterfront Park a welcoming reflection of who we are? What histories need to be remembered? What stories have yet to be written? Who will we become?

What histories need to be remembered?

rest and play, imagination and healing. A once-in-a-lifetime civic project, the park is the culmination of many years of listening and planning—and it's coming to fruition as the city stands on the verge of its latest reinvention. Like the 1962 World's Fair, the opening of Waterfront Park is a chance to amplify Seattle culture and set the city's trajectory for the next 50 years.

Organized around five core values, this Cultural Master Plan offers a roadmap and a framework for the ways millions of people will experience the park for generations.

Waterfront Park is more than its physical footprint and Seattle's front porch—more than a new Pier 58 and a revived Pier 62, an

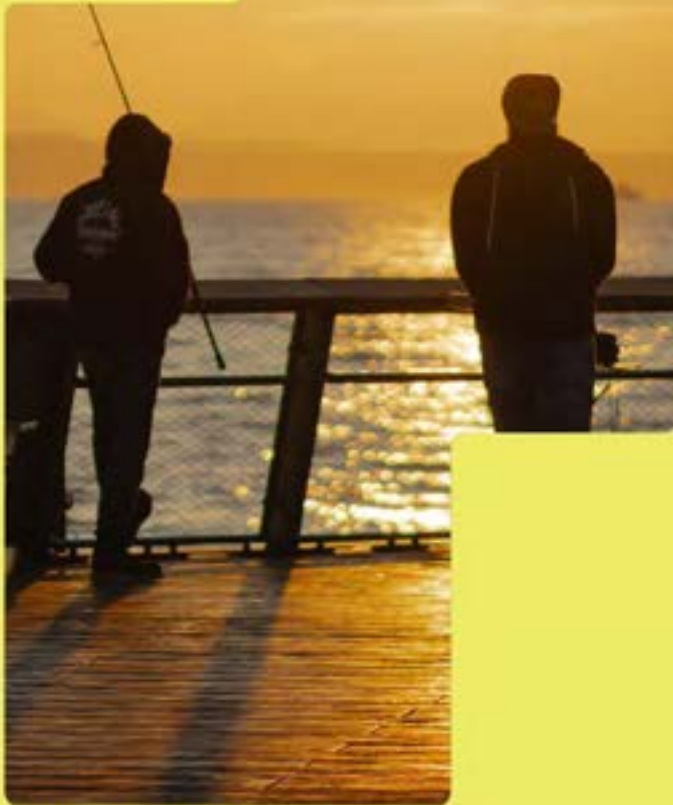


PHOTO: JO COSME,
LANGSTON BEATS ON THE PIER, 2023

What Community Voices Had to Say



RENDERING: FIELD OPERATIONS, OVERLOOK WALK

We need...

Places to check out boats, bikes and equipment

Pedicabs

A place that locals go and tourists

A balance of nature and city

Transportation shuttles

Bring the streetcar!

Tables with and without umbrellas

To Highlight different neighborhoods

We have

All kinds of life,

Plants, animals, and all kinds of humans.

A place that gives as much as it receives.

We See

A place that looks like a pre-colonial history, without the trauma and harm.

Community Murals

Natural and clean

trees and birds.

Lots of ferries and boats

Bring the maritime back

Conclusion

Waterfront Park should be welcoming spaces for all who call Seattle home.

Recognizing Seattle's history, Friends of Waterfront Seattle is leveraging public park programming to intentionally foster community healing, belonging and shared prosperity.



Promenade Pop-Ups

Pilot this summer - 4 stalls

Our focus is to create program in Waterfront Park that aligns with the following goals:

- 1. Economic Empowerment
- 2. Celebrating Diversity
- 3. Accessibility and Affordability
- 4. Environmental Responsibility

Friends of
Waterfront
Park

Objectives:
Economic Empowerment.
Celebrating Diversity.
Accessibility and Affordability.
Environmental Responsibility.



Promenade Pop-Ups

Pilot Deliverables

- Collect data (foot traffic, sales, park experience, etc.)
- Iterate w/ feedback from vendors and Seattle Historic Waterfront Association businesses
- Foot Traffic Potential to activate year-round and increase foot traffic of local residents during off season and across entire park
- Activate underutilized spaces
- Support small local businesses who don't have brick and mortar



Friends of

Waterfront

Park



Friends of
Waterfront
Park

Waterfront Park Grand Opening + Season of Welcome

- Creating drum beat to raise awareness and deepen community engagement
- Alongside partners, Friends leading the Waterfront Park Grand Opening Steering Committee and Grand Opening planning + sponsorship efforts

Upcoming

- ❖ Waterfront Park Grand Opening Kick Off (July 16 at Bell Harbor International Conference Center)
- ❖ Friends Programs and Activations (June to September 2024)
- ❖ Ocean Pavilion Opening (summer 2024)
- ❖ Friends Pier Party on Pier 62 (July 26)
- ❖ Pike Pine Extension Improvements Opening (late summer 2024)
- ❖ Overlook Walk Opening (Fall 2024)
- ❖ Grand Opening Weekend of Waterfront Park (early 2025)
- ❖ Season of Welcome led by Friends alongside community (May to October 2025)



Port of Seattle

Seattle Aquarium's Ocean Pavilion

Reconnecting Seattle to the ocean

June 25, 2024



Inspiring Conservation of Our Marine Environment



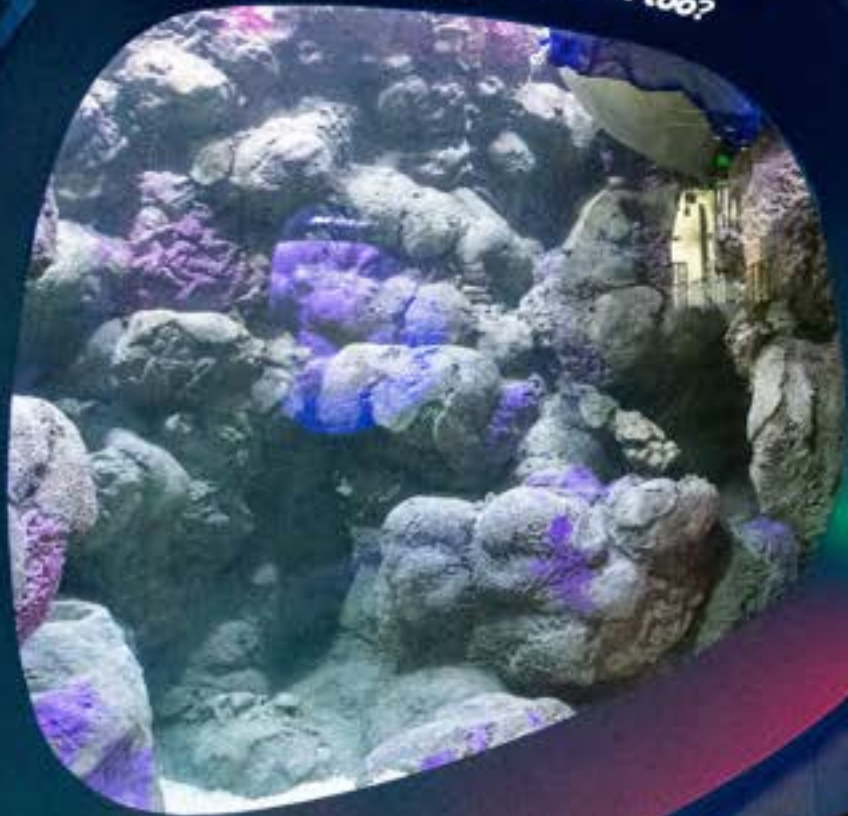






ONE OCEAN HALL

Are you a night owl too?





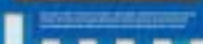


Port Sound Walk

The world is blue at its edges and in its depths.
REBECCA SOLNIT

Port sound walk

Port Sound is a unique and diverse ecosystem. It is a natural laboratory for studying the effects of climate change, ocean acidification, and other environmental stressors. The Port Sound Walk is a guided tour that explores the history, science, and conservation of this important area.



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Elliott BayConnections

June 25, 2024



PROJECT AREAS



NEW GREENWAY

2 acres
9 city blocks on the east side of Alaskan Way

RESTORED & REVITALIZED PARKS

MYRTLE EDWARDS PARK & CENTENNIAL PARK
16 acres
2 beach coves
 Restroom + concessions building

A new protected greenway for people walking, biking, and rolling



CURRENT



IMPROVED

PARK IMPROVEMENTS



0' 80' 320' N

OLYMPIC SCULPTURE PARK POCKET BEACH

EXPANDED SOUTH BEACH

EXPANDED NORTH BEACH

IMPROVED BIKE TRAIL WITH LIGHTING

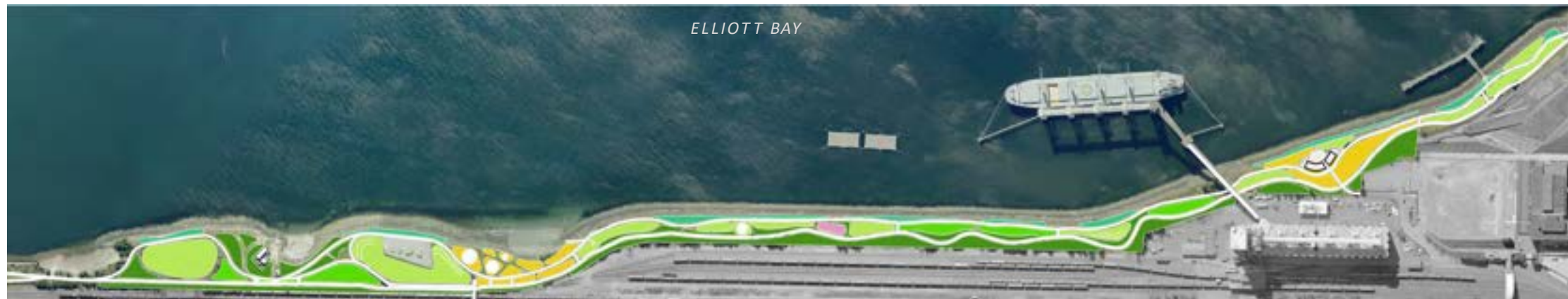
IMPROVED PEDESTRIAN PATH

NEW CONCESSIONS & RESTROOM BUILDING

LEGEND

- EXPLORATION SPACES
- VIEWPOINTS WITH SEATING
- PEDESTRIAN PATH
- FOOT PATH
- BIKE TRAIL
- RE-GRADED LAWN OR POLLINATOR LAWN
- MEADOW
- NEW PLANTING
- NEW TREES

LANDSCAPE TYPES



LAWN (RESTORED AS NEEDED)



POLLINATOR LAWN



MEADOW - NATIVE BEACH GRASS



MEADOW - NATIVE + CULTURALLY SIGNIFICANT SPECIES



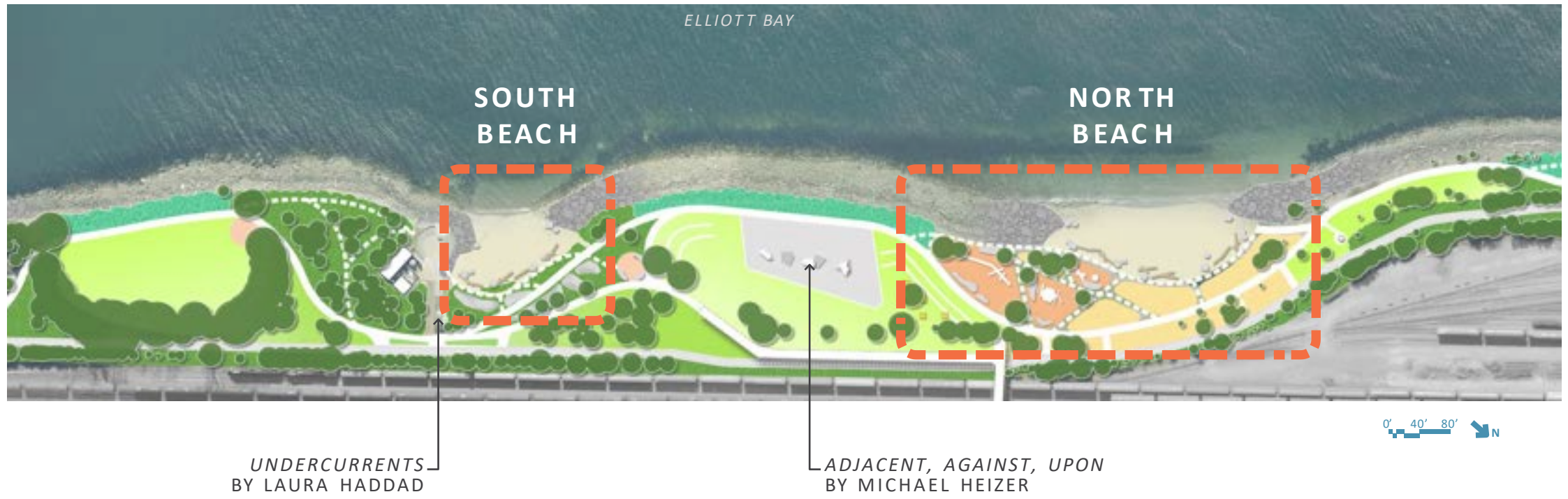
SHORELINE PLANTING



UNDERSTORY SHRUBS + BUFFER PLANTING



BEACH COVES



NATURE EXPLORATION AREA FOR CHILDREN



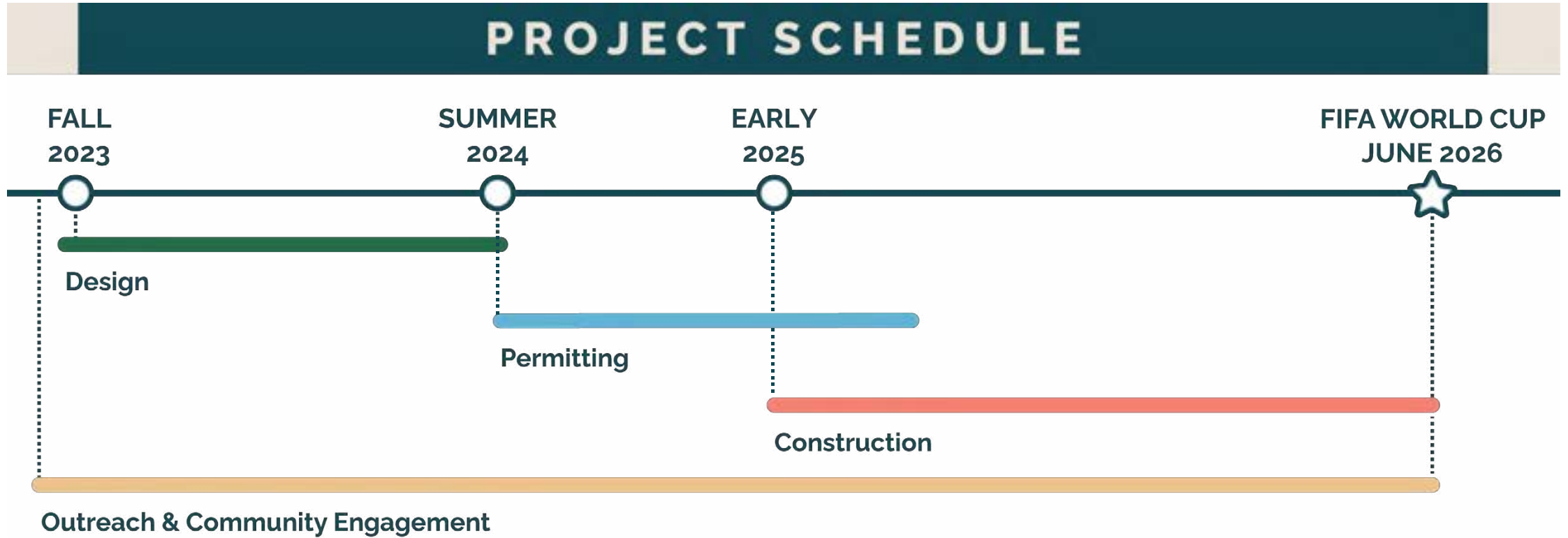
PRECEDENT IMAGES OF EXPLORATION SPACES



27 CONCESSIONS & RESTROOMS BUILDING



PROJECT SCHEDULE



[RETURN TO AGENDA](#)