



Port of Seattle Regular Commission Meeting

October 14, 2025



COMMISSION REGULAR MEETING AGENDA

October 14, 2025

To be held virtually via MS Teams and in person at Port of Seattle Headquarters Building, Commission Chambers, located at 2711 Alaskan Way, Seattle Washington. You may view the full meeting live at meetings.portseattle.org. To listen live, call in at +1 (206) 800-4046 or (833) 209-2690 and Conference ID 547 297 611#

ORDER OF BUSINESS

10:30 a.m.

1. CALL TO ORDER

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

► 12:00 p.m. – 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. Written comments are accepted three days prior to the meeting and before 9 a.m. on the day of the meeting. Late written comments received after the meeting, but no later than the day following the meeting, will be included as part of the meeting record.

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, October 14, 2025. **(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 the Regular Meeting Minutes of September 23, 2025. **(no enclosure)**

8b. Monthly Notification of Prior Executive Director Delegation Actions September 2025. **(memo enclosed)** – For Information Only.

8c. Authorization for the Executive Director to Execute a New Collective Bargaining Agreement Between the Port of Seattle and the International Brotherhood of Teamsters, Local 117, representing Credential Specialists in Aviation Security Covering the Period from July 1, 2025, through June 30, 2028. **(memo and agreement enclosed)**

8d. Authorization for the Executive Director to Execute an Airport Term Lease Agreement with Amazon.com Services, LLC. for Cargo Building and Related Facilities at Seattle-Tacoma International Airport for a Ten-Year Term Lease. **(memo, lease, and presentation enclosed)**

8e. Authorization for the Executive Director to Execute an Amendment to the August 2020 Settlement Agreement and Release Between the Port and its Primary Insurer, Great American Insurance Company. **(memo enclosed)**

8f. Authorization for the Executive Director to Increase the Total Costs Not-to-Exceed from \$1,000,000 to \$2,000,000 for Additional Environmental Remediation Liability Funding for Upland Disposal of Additional Contaminated Sediment from the T18 Maintenance Dredging Project, Master Identification No. N10746. **(memo and presentation enclosed)**

8g. Authorization for the Executive Director to Execute Up to Three Professional Services Indefinite Delivery, Indefinite Quantity Contracts to Provide Planning and Project Management Services in Support of Capital Programs, Tenant Improvement, and Expense Projects, with a Total Value of \$12,000,000 and a Contract Ordering Period of Five Years. **(memo enclosed)**

8h. Authorization for the Executive Director to Execute Up to Two Indefinite Delivery, Indefinite Quantity Professional Services Agreements for Roofing Related Consulting Services with a Cumulative Total Amount Not-to-Exceed \$6,000,000 and a Contract Ordering Period of Five Years. **(memo enclosed)**

8i. Authorization for the Executive Director to Execute a Ten-Year Term Lease with Trowbridge, LLC, at Fishermen's Terminal. **(memo, lease, and presentation enclosed)**

- 8j. Authorization for the Executive Director to Complete the Remedial Design, with Funding in the Estimated Amount of \$30,000,000 Previously Authorized, Including the Procurement of a Consultant Designer and Preparation of Construction Documents, for the East Waterway Cleanup Project. **(memo and presentation enclosed)**

10. NEW BUSINESS

11. PRESENTATIONS AND STAFF REPORTS

- 11a. Sustainable Airport Master Plan Near-Term Projects Final National Environmental Policy Act Environmental Assessment, Federal Aviation Administration Finding of No Significant Impact, Record of Decision, and State Environmental Policy Act Next Steps Briefing. **(memo and presentation enclosed)**
- 11b. 2026 Maritime and EDD Operating and CIP Budgets Briefing. **(memo and presentation enclosed)**

12. QUESTIONS on REFERRAL to COMMITTEE and CLOSING COMMENTS

13. ADJOURNMENT



P.O. Box 1209
Seattle, Washington 98111
www.portseattle.org
206.787.3000

APPROVED MINUTES COMMISSION REGULAR MEETING

September 23, 2025

The Port of Seattle Commission met in a regular meeting Tuesday, September 23, 2025. The meeting was held at the Seattle-Tacoma International Airport Conference Center, located at 17801 International Blvd, Seattle Washington, and virtually on Microsoft Teams. Commissioners Calkins and Cho were excused from attendance at the meeting.

1. CALL to ORDER

The meeting was convened at 10:32 a.m. by Commission President Toshiko Hasegawa.

2. EXECUTIVE SESSION pursuant to RCW 42.30.110

The public meeting recessed into executive session to discuss one item regarding Litigation/Potential Litigation/Legal Risk per RCW 42.30.110(1)(i) for approximately 50 minutes, with the intention of reconvening the public session at 12:00 p.m. Following the executive session, the public meeting reconvened at 12:06 p.m. Commission President Toshiko Hasegawa led the flag salute.

3. APPROVAL of the AGENDA

The agenda was approved, as presented, without objection.

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

Audit Committee

Commissioners Calkins convened the September 16, 2025 Audit Committee meeting with Commissioner Mohamed and Public Member Sarah Holmstrom in attendance. The Committee received an entrance conference report from the Office of the State Auditor for the 2024 Accountability Audit. The Committee further received an overview of the Internal Audit Department,

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

and approved the proposed 2026 department budget, as well as a 2025 Audit Plan Update. Performance Audit reports for Port Management Governance Committees including review of the TBCD programs, and the Widen Arrivals Roadway Project were presented. The Committee concluded with information regarding the LaTrelle's Flight Kitchen limited contract compliance audit, then recessed to non-public session to hear the Information Technology Audit report regarding Access Control Management.

Waterfront and Industrial Lands Committee

The Waterfront and Industrial Lands Committee met on September 16, 2025, with one briefing item, an update on plans for redevelopment in SODO/BINMC. Commissioners Felleman and Calkins were in attendance.

7. PUBLIC COMMENT

- The following people spoke regarding the proposed Salmon Bay Marina covered moorage shutdown and relocation and requested the Port open Dock D and relocate Salmon Bay Marina residents to that dock while Docks A, B, and C are repaired, or else relocation to Fisherman's Terminal, speaking to hardships that would be realized without relocation to covered moorage: Susie Schulmeyer (*written comments submitted*); Jerry Effenberger (*written comments submitted*); Michelle Giarmarco (*written comments submitted*); Scott Jennings; Mike Manning; John Chaney (*written comments submitted*); Mauri Shuler; Robert Paculan; Will Wasson (*written comments submitted*); and Robert Bowey.
- The following person spoke regarding the ILWU Local 19's opposition to removal of cranes at Terminal 30 and inquired regarding the proposed plan for the terminal: Matt Ventoza, ILWU Local 19.
- The following person spoke regarding the South King and Port Communities Fund, stating that Port grants are onerous and there is no state requirement of matching funds transferred through to cities, with cities being the most efficient way to get things done: JC Harris, SEA-Tac Noise Information (*written comments submitted*).

[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 the Regular Meeting Minutes of September 9, 2025.

8b. Approval of the Claims and Obligations for the Period of August 1, 2025, through August 31, 2025, Including Accounts Payable Check Nos. 959300 through 959756 in the Amount of \$6,383,800.39; Accounts Payable ACH Nos. 076542 through 077289 in the Amount of \$87,828,231.72; Electronic Fund Transfer Nos. 069496 through 069516 in the Amount of \$18,166,465.48; Payroll Check Nos. 229348 through 229548 in the Amount of \$182,244.20; and Payroll ACH Nos. 1264792 through 1272511 in the Amount of \$28,738,634.86, for Total Payments of \$141,299,376.65.

Request document(s) included an agenda memorandum.

- 8c. Commission Authorization to Extend Approval for Aviation Security Training Previously Approved May 27, 2025, for an Additional Three Years and the Requested Amount of \$208,500 for the Executive Director to Approve the Office of Equity Diversity and Inclusion to Invest the Funds in the Program, for a Total Project Cost of \$417,000 in Aviation Security Training for Six Years (2026 – 2031).**

Request document(s) included an agenda memorandum.

- 8d. Authorization for the Executive Director to Enter into an MOU with Teamsters Local 174, Representing Truck Drivers at Marine Maintenance and Port Construction Services, Amending Terms of the Collective Bargaining Agreement Applicable to Leave Provisions to Comport with the Western Conference Teamsters Pension Trust Requirements.**

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

9. UNFINISHED BUSINESS

There was no unfinished business presented.

10. NEW BUSINESS

- 10a. Authorization for the Executive Director to Execute the Renewal of the Bonneville Power Administration Contract Serving the SEA Airport for Electrical Power Deliveries Beginning October 1, 2028, and Ending September 30, 2044, in the Estimated Amount of \$150,000,000 Over the Period of 16 Years.**

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

Presenter(s):

Dan Liska, Aviation F&I Utilities Program Manager, Aviation Utilities
Keith Warner, Aviation Facilities Discipline Manager, Aviation Utilities

Clerk Hart read Item 10a into the record and Executive Director Metruck introduced the item.

The presentation addressed:

- renewal of the airport's electrical power contract with the Bonneville Power Administration for power deliveries beginning October 1, 2028, and ending September 30, 2044;
- how rates were estimated;
- scope of power services for the SEA terminal and cargo area, among other airfield facilities; and
- the existing contract expiring in 2028.

Discussion ensued regarding:

- rate projections and how they are ascertained; and
- how funds are budgeted from year to year with respect to the contract and department divisions.

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

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

Opposed: (0)

11. PRESENTATIONS AND STAFF REPORTS

11a. 2026 Central Services Preliminary Budget and Portwide Rollup Briefing.

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

Presenter(s):

Elizabeth Morrison, Interim CFO, Finance and Budget

Michael Tong, Director of Corporate Budget, Finance and Budget

Clerk Hart read Item 11a into the record and Executive Director Metruck introduced the item.

The presentation addressed:

- 2026 budget timeline;
- the Strategy to Budget process;
- budget guiding principles;
- key budget drivers and considerations;
- the portwide budget summary;
- Central Services Operating budget;
- equity in budgeting;
- Central Services Capital Improvement Program; and
- the remaining budget schedule.

Discussion ensued regarding:

- added expense to reduction in capital capacity ratio;
- the budget process for one-time funds allocated, but not expended in a budget year – these funds must be re-budgeted for a new budget cycle;
- technology budgeted in public safety improvements;
- monies budgeted for computers;
- if the Port will see any revenue generated from the FIFA World Cup;
- funding possibly available for anti-human trafficking through the drug interdiction fund;
- use of the Port's equity tracking tool in the budget process;
- taxi driver employment navigator funds;
- better understanding the taxi driver navigator program to see if it applies to maritime, as it does to the airport; and
- Commission budget priorities incorporated in the budget.

12. QUESTIONS on REFERRAL to COMMITTEE and CLOSING COMMENTS

Commissioner Felleman closed by saying he was encouraged to see progress being made with respect to North Seatac Park; acknowledged disruptions occurring at Salmon Bay Marina; and wished everyone a happy Rosh Hashanah.

Commission President Hasegawa thanked Commissioners Felleman and Mohamed for their efforts for a solution to North Seatac Park and concluded that she will be attending the IAPH ports conference in Kobe, Japan.

13. ADJOURNMENT

The meeting adjourned at 2:11 p.m.

Prepared:

Attest:

Michelle M. Hart, Commission Clerk

Sam Cho, Commission Secretary

Minutes approved: October 14, 2025

**COMMISSION
AGENDA MEMORANDUM
FOR INFORMATION ONLY**

Item No. 8b
Date of Meeting October 14, 2025

DATE: October 7, 2025
TO: Stephen P. Metruck, Executive Director
FROM: Karen R. Goon, Deputy Executive Director

SUBJECT: Monthly Notification of Prior Executive Director Delegation Actions September 2025

APPROVAL SUMMARY

Notification of the following Executive Director delegated approvals that occurred in September 2025.

Category of Approval	Request#	Description of Approvals September 2025	Category Amount
Projects & Associated Contracts	2290-2025	DHS Content Licensing Agreement	\$0.00
Projects & Associated Contracts	2277-2025	Variable Frequency Drives Phase 3 - 30% Design	\$900,000.00
Projects & Associated Contracts	2274-2025	T91 West Cruise Maintenance Dredge	\$750,000.00
Projects & Associated Contracts	2243-2025	EV Charging - 30% Design	\$1,600,000.00
Non-Project Procurement of Goods & Purchased Service Contracts, Other Contracts, & Tenant Reimbursement	2296-2025	MOA Between Port and City of Seattle dept of neighborhoods	\$400,000.00
Non-Project Procurement of Goods & Purchased Service Contracts, Other Contracts, & Tenant Reimbursement	2255-2025	Acutity Brands Map Contract Amendment	\$400,000.00

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Non-Project Procurement of Goods & Purchased Service Contracts, Other Contracts, & Tenant Reimbursement	2279-2025	Exagrid Backup Storage Contract Authorization	\$1,200,000.00
Non-Project Procurement of Goods & Purchased Service Contracts, Other Contracts, & Tenant Reimbursement	2263-2025	Hubspot Contract Authorization	\$400,000.00
Non-Project Procurement of Goods & Purchased Service Contracts, Other Contracts, & Tenant Reimbursement	2265-2025	SEA with FAA Continuous Power Airport Agreement	\$0.00
Non-Project Procurement of Goods & Purchased Service Contracts, Other Contracts, & Tenant Reimbursement	1715-2025	Agreement with National Renewable Energy Laboratory (NREL) for EPA Clean Ports Planning Grant Analysis	\$750,000.00
Real Property Agreements	N/A	No Approvals in September	
Utilization of Port Crews	N/A	No Approvals in September	
Sale of Surplus Port Property	N/A	No Approvals in September	
Total Value of Executive Director Approvals			\$6,400,000.00

TRANSPARENCY:

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

BACKGROUND:

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

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

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

**COMMISSION
AGENDA MEMORANDUM**

Item No. 8c

ACTION ITEM

Date of Meeting October 14, 2025

DATE: September 26, 2025

TO: Stephen P. Metruck, Executive Director

FROM: Milton Ellis, Assistant Director of Labor Relations

SUBJECT: New Collective Bargaining Agreement Between the Port of Seattle and the International Brotherhood of Teamsters, Local 117, Teamsters, Representing Credential Specialists

Total Port Cost Increase for the Duration of the Agreement: \$414,811

ACTION REQUESTED

Request Commission authorization for the Executive Director to execute a new collective bargaining agreement between the Port of Seattle and the International Brotherhood of Teamsters, Local 117, representing Credential Specialists in Aviation Security covering the period from July 1, 2025, through June 30, 2028.

EXECUTIVE SUMMARY

Good faith bargaining between the International Brotherhood of Teamsters, Local 117, representing Credential Specialists and the Port of Seattle resulted in a fair collective bargaining agreement consistent with the Port's priorities.

There are currently eleven (11) Credential Specialists and one (1) Receptionist employed at the Port of Seattle who are assigned to the Credential Center in the Port of Seattle Aviation Security Department.

The Credential Specialists are TSA regulated Trusted Agents responsible for validating the identity of companies and their employees with a consistent business need to access the STERILE and Restricted Areas of the airport. The Credential Specialists' primary function is to verify and process applicants for the purposes of issuing a security badge in compliance with CFR 1542.209.

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The agreement is for three years, covering the period from July 1, 2025, through June 30, 2028. The estimated total cumulative cost for wages and benefit increases is \$414,811. The estimated cumulative cost per year of the contract is: year one (2025-2026) \$60,967 year two (2026-2027) \$137,741 and year 3 (2027-2028) \$414,811.

The cost is based upon a four percent (4.0%) wage increase in year one of the agreement effective July 1, 2025, a four percent (4.0%) wage increase in year two effective July 1, 2026, and a four percent (4.0%) increase in year three effective July 1, 2027.

The cost also consists of an eight percent (8.0%) increase in health insurance in year one of the agreement and an estimated eight percent (8.0%) increase in health insurance in year two and year three of the agreement.

Other additions to the agreement consist of an increase in the number of days to notify the Union of new hires into the bargaining unit from ten to twenty-one days; converting bereavement leave from days to hours; all cash out and lump sum payments pension and benefits contributions shall be addressed in accordance with law; update jury duty provision to allow employees to keep any remuneration from the court; allowing employees to cash out paid time off up to a limit of 480 hours; for holidays, the day after Thanksgiving changed to Native American Heritage Day; discuss the applicability of Long Term Care program to members of the bargaining group if the Port adopts a Long Term Care Program; the Port payroll calendar will be used as an indicator of when an employee become eligible for health insurance; employee medical premium share will increase from one hundred fifty dollars (\$150) per month to one hundred sixty dollars (\$160) per month effective in the third year agreement, on May 1, 2028.

Other additions to the contract include a provision in the grievance procedure under the Arbitration section that allows the parties to select an Arbitrator from an Agency other than the Federal Mediation Conciliation Service (FMCS) by mutual agreement in those instances where FMCS is unresponsive to an Arbitration request.

JUSTIFICATION

RCW Chapter 41.56 requires the Port of Seattle to collectively bargain wages, hours and conditions of employment with the exclusive bargaining representative designated by the employees.

DETAILS

Term of the Agreement

Retroactive to July 1, 2025, through June 30, 2028.

Meeting Date: October 14, 2025

FINANCIAL IMPLICATIONS**Wages**

Classification	<u>Service Time</u>	Current Rate – An Eight Step, Sixteen Year, Salary Progression	Effective 7/1/25 Base Hourly Rate (4.0%)	Effective 7/1/26 Base Hourly Rate (4.0%)	Effective 7/1/27 Base Hourly Rate (4.0%)
Credential Specialists	Entry Level	\$31.02	\$32.26	\$33.55	\$34.89
	12 months	\$33.56	\$34.90	\$36.30	\$37.75
	24 months	\$36.84	\$38.31	\$39.84	\$41.43
	36 months	\$39.43	\$41.01	\$42.65	\$44.36
	5 years	\$40.56	\$42.21	\$43.90	\$45.66
	8 years	\$41.77	\$43.44	\$45.18	\$46.99
	12 years	\$43.00	\$44.72	\$46.51	\$48.37
	16 years	\$44.28	\$46.05	\$47.89	\$49.81
Credential Center Receptionists	Entry Level	\$26.93	\$28.01	\$29.13	\$30.30
	12 months	\$29.21	\$30.38	\$31.60	\$32.86
	24 months	\$30.63	\$31.86	\$33.13	\$34.46
	36 months	\$32.26	\$33.55	\$34.89	\$36.29
	5 years	\$33.70	\$35.05	\$36.45	\$37.91
	8 years	\$35.36	\$36.77	\$38.24	\$39.77
	12 years	\$38.13	\$39.66	\$41.25	\$42.90
	16 years	\$39.86	\$41.45	\$43.11	\$44.83

Employees in the bargaining unit were provided with a four percent (4.0%) increase in wages effective July 1, 2025, in the first year of the agreement. Employees were also provided with a four percent (4.0%) increase effective the second year of the agreement, July 1, 2026, and a four percent (4.0%) increase effective the third year of the agreement, July 1, 2027.

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Health and Welfare

Members of the bargaining group are currently enrolled Teamsters Medical Plan A. Employees are currently paying one hundred and fifty (\$150) dollars per month for premium share. Effective May 1, 2028, this premium share amount will increase by ten dollars (\$10) for a total of one hundred sixty dollars (\$160) per month.

Other Changes/Additions include:

- Converting Bereavement Leave to an hourly deduction
- Updating the Jury leave provision to reflect current practice
- For holidays, the day after Thanksgiving changed to Native American Heritage Day.
- Specifying limit of 480 hours of paid time leave cash out

Cost Impact:

Cost Impact \$	Year 1	Year 2	Year 3
Pay	\$ 19,495	\$48,183	\$77,324
Benefits	\$41,472	\$89, 559	\$138,778
Total New Money	\$60,967	\$137,742	\$216,102
Total Cumulative Cost	\$60,967	\$198,709	\$414,811

The estimated total cumulative cost to the Port of Seattle for the duration of the contract is \$414,811.

ATTACHMENTS TO THIS REQUEST

- (1) Collective Bargaining Agreement

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

None

**PORT OF SEATTLE AND LOCAL 117, CREDENTIAL SPECIALISTS
CONTRACT SETTLEMENT**

**August 12, 2025
A G R E E M E N T**

**By and Between
PORT OF SEATTLE**

**And
TEAMSTERS LOCAL UNION NO. 117**

**Affiliated With The
International Teamsters Union**



**REPRESENTING CREDENTIAL SPECIALISTS
Term of Agreement**

July 1, 2025– June 30, 2028

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AGREEMENT

ARTICLE 1 - PURPOSE OF AGREEMENT

This Mutual Agreement has been entered into by the International Brotherhood of Teamsters, Local Union No. 117 (hereinafter referred to as the Union), and the Port of Seattle (hereinafter referred to as the Port). The purpose of this Agreement is the promotion of harmonious relations between the Port and the Union; the establishment of equitable and peaceful procedures for the resolution of differences; and the establishment of rates of pay, hours of work, benefits, and other terms and conditions of employment.

ARTICLE 2 - UNION RECOGNITION

2.01 The Port recognizes the Union as the sole and exclusive bargaining agent for Port of Seattle employees working in the classifications set forth in this Agreement excluding the department head, supervisors, confidential employees, and all other employees of the Employer.

2.02 In accordance with RCW 41.56.037, the Union will be given thirty (30) minutes to meet with new employees of the bargaining unit within ninety (90) days of employment at a mutually agreeable time to discuss matters concerning the rights of employees, responsibilities of the Union, and services available to the membership. A Union Representative, Shop Steward, and/or Local Union member will be responsible for the presentation. Only the new employee will be released from duty with pay.

ARTICLE 3 - UNION SECURITY

3.01 The Port shall notify the Union as soon as possible of any deduction authorization received by the Port. Upon receiving notice from the Union, the Port agrees to deduct from the paycheck of each Union member, or each non-member voluntary financial supporter covered by this Agreement who has voluntarily so authorized it, the initiation fee, and regular monthly dues, assessments, or voluntary non-member financial supporter fee. Such authorization for deductions may be made in writing, electronically or through recorded voice. The Port shall transmit fees and dues to the Union once each month on behalf of the employees involved. If a deduction error is identified, the error will be addressed as soon as practicable.

3.02 The Port agrees to notify the Union of any new employees employed in classifications covered by this Agreement within twenty-one (21) business days from date of hire. (TA)

3.03 A Union member or voluntary financial supporter of the Union may cancel their payroll deduction authorization in accordance with the terms of the Union's payroll deduction authorization form by giving written notification to the Union. If the Union receives such written notification, confirmation will promptly be sent to the Port by the Union when the terms of the employee's signed payroll deduction authorization form regarding cancellation have been met.

The Port will make an effort to end the automatic dues deduction effective the first pay period but no later than the second pay period after receipt of the written cancellation notice.

3.04 The Union agrees to indemnify and hold harmless the Port for any actions taken pursuant to this Article. The Union agrees to refund to the Port any amounts paid to it in error upon presentation of proper evidence thereof.

ARTICLE 4 - PAYROLL DEDUCTION

4.01 The Port agrees to deduct from the paycheck of each member covered by this Agreement who has so authorized it by signed notice submitted to the Port, the initiation fee, and monthly dues. The Port shall transmit such fees to the Union once each month on behalf of the members involved. If a dues deduction error is identified, following notice to the Port, the error will be addressed on the next pay period or as soon as administratively practical.

4.02 As a condition of continued employment, all employees are required to participate in the Port's direct deposit program for payroll purposes.

4.03 Democrat, Republican, Independent Voter Education (DRIVE):

Effective upon ratification and execution of the agreement between the parties, in the event a minimum of fifty (50) current Port of Seattle employees elect to contribute to the Democrat, Republican, Independent Voter Education (DRIVE), the Port agrees to deduct from the paycheck of employees covered by this Agreement voluntary contributions to DRIVE. Deductions must be a minimum of five dollars (\$5.00) per month per contributing employee. Both DRIVE and the employee shall notify the Port of the amount to be deducted on a monthly basis from the employee's paycheck. The Port shall transmit (electronically via ACH) to DRIVE National Headquarters on a monthly basis, in one (1) check the total amount deducted along with the name of each employee on whose behalf a deduction is made, the last four (4) numbers of the employee's social security number and the amount deducted from the employee's paycheck. The Port shall be obligated to honor only an authorization to deduct the amount specified, in writing by the employee. The Port shall have no obligation or responsibility for calculating, computing, or verifying the amount to be deducted.

The International Brotherhood of Teamsters (IBT) shall reimburse the Employer annually for the Employer's actual cost for the expenses incurred in administering the bi-weekly payroll deduction plan. The IBT Local 117 further agrees to facilitate timely recoupment or to reimburse the Port for any contributions made to DRIVE in error.

Upon issuance and transmission of a check to DRIVE, the Port's responsibility shall cease with respect to such deductions. The Union shall indemnify and hold the Port harmless from all claims, demands, suits, or other forms of liability that may arise against the Port for or on account of any deduction made from the wages of such employees.

The Port reserves the right to discontinue DRIVE deductions in the event participation drops below the minimum fifty (50) Port employees.

Both the Port and Local 117 agree to reopen the contract on DRIVE if any other Local 117 bargaining group negotiate contract language with lower minimums on the number of employees required to contribute or the total monthly contribution amount in their respective contract at any time during the term of this Agreement.

ARTICLE 5 - UNION REPRESENTATIVE ACCESS

5.01 The Port agrees to allow reasonable access to Port facilities for business representatives who have been properly authorized by the Union. Such access shall be permitted in a manner as not to interfere with the functions of the department or the Port. This Article shall apply within the constraints of federal or state regulations and statutes and the Airport Security Plan.

5.02 A duly authorized Union representative shall be given an opportunity to meet with new employees in the bargaining unit. The Union shall be notified of the date of the orientation meeting and, upon request, shall be provided with thirty (30) minutes to meet with the employees.

ARTICLE 6 - BULLETIN BOARD AND USE OF PORT RESOURCES

A bulletin board found to be acceptable and in compliance with the needs of limited use by the Union shall be provided by the Port. It is understood and agreed that the Union shall maintain the bulletin boards and that no material shall be posted which is obscene, defamatory, endorses or opposes candidates for public office or which would impair Port operations.

Union Stewards may make limited use of the Employer's telephones, FAX machines, copiers, and similar equipment for purposes of contract administration in compliance with the Port's policies governing use of public resources. In addition, Stewards and Union staff may use the Employer's electronic mail system for communications related to contract administration and sending notices, provided they comply with the Port's policies governing electronic mail and internet use. In no circumstances shall use of the Employer's equipment interfere with operations and/or service to the public.

ARTICLE 7 - EQUAL EMPLOYMENT OPPORTUNITY AND NON-DISCRIMINATION

The Port and the Union will not tolerate Discrimination against any persons on the grounds of age, race, color, national origin/ancestry, ethnicity, religion, disability, Family Medical Leave Act (FMLA) use, pregnancy, sex/gender, sexual orientation, whistleblower status, military affiliation, marital status, worker's compensation use, transgender status, political beliefs, or any other protected status as guaranteed by local, state, and federal laws.

The Port and the Union are committed to promoting equity, diversity, and inclusion in the workplace. The Port refers to equity as the fair treatment, access, opportunities, and advancement for all people while striving to identify and eliminate barriers that have prevented the full participation of historically oppressed communities.

No employee shall be discriminated against for upholding Union principles, and any employee who serves on a committee shall not lose their job or be discriminated against for this reason.

ARTICLE 8 - JOB RELATED TRAINING AND PORT INTERNSHIP PROGRAMS

Union and management will work together to identify, prioritize and deliver job related training within Division budget constraints through established labor/management and workplace forums such as the contractual labor/management committee, staff meetings and safety committee forums.

To provide career development opportunities to bargaining unit employees the Union and management will continue to support employee participation in the Port's internship programs. Successful applicants to internship programs shall remain members of the bargaining unit and retain all rights and benefits under the Collective Bargaining Agreement, except that temporary schedule adjustments and/or alternate work schedules to accommodate internship activities shall be allowed as agreed between the participating departments and the intern.

ARTICLE 9 - MANAGEMENT RIGHTS

9.01 The Union recognizes the prerogatives of the Port to operate and manage its affairs in all respects in accordance with its responsibilities and powers of authority.

The Port reserves any and all exclusive rights concerning the Management and operation of the Department, except as specifically limited in this Agreement. In exercise of such exclusive management rights, it is not intended that any other provision of this Agreement providing a specific benefit or perquisite to covered employees shall be changed, modified, or otherwise affected, without concurrence of the Union.

9.02 Subject to the provisions of this Agreement, the Port reserves the following specific and exclusive management rights:

- (a) To recruit, assign, transfer, or promote members to positions within the Department, including the assignment of employees to specific jobs;
- (b) To suspend, demote, discharge, or take other disciplinary action against members for just cause;
- (c) To determine the keeping of records;
- (d) To establish employment qualifications for new employee applicants, to determine the job content and/or job duties of employees, and to execute the combination or consolidation of jobs;
- (e) To determine the mission, methods, processes, means, policies, and personnel necessary for providing service and Department operations, including, but not limited to: determining the increase, diminution, or change of operations, in whole

or in part, including the introduction of any and all new, improved, automated methods of equipment; and making facility changes;

- (f) To control the Departmental budget, and if deemed appropriate by the Port, to implement a reduction in force;
- (g) To schedule training, work, and overtime as required in a manner most advantageous to the Department and consistent with requirements of municipal employment and public safety, subject to the provisions of this Agreement;
- (h) To establish reasonable work rules, and to modify training;
- (i) To approve all employees' PTO and other leaves;
- (j) To take whatever actions are necessary in emergencies in order to assure the proper functioning of the Department; and
- (k) To manage and operate its departments, except as may be limited by provisions of this Agreement.

9.03 It is understood by the parties that every incidental duty connected with operations enumerated in job descriptions is not always specifically described.

ARTICLE 10 - SENIORITY

10.01 Employees' seniority date shall be the most recent date of hire in the bargaining unit. The employees shall be subject to a six (6) month probationary period. With mutual agreement between the employee, the Union, and the Employer, the six (6) month probationary period may be extended up to three (3) additional months. Employees that are separated from employment before the completion of their probationary period shall not be subject to recall rights as outlined in Section 10.02 of this Article.

Probationary employees can be disciplined or terminated for any reason that is not discriminatory or illegal and shall not have access to the grievance process outlined in Article 25.

10.02 Seniority shall prevail in the event of a layoff, the last employee hired shall be the first laid off. Employees laid off in accordance with the provisions of this Article will be eligible for rehire in the inverse order of layoff for a period of one (1) year following layoff. Employees that are laid-off shall have the right to bump into a lower classification.

In the event of an imminent reduction in force, written notice shall be provided to each employee scheduled for layoff at least two (2) weeks prior to termination.

10.03 Seniority shall be a primary consideration when making job assignments. However, based on the skills and qualifications of the employee, management may require the

retention of a particular employee in a specific job assignment. Shift preference, and PTO scheduling shall be done so that seniority is the primary consideration.

10.04 Loss of Seniority: Seniority shall be broken for the following reasons:

- (a) Justifiable discharge;
- (b) Voluntary quit;
- (c) Retirement;
- (d) Layoffs of twelve (12) months or more;
- (e) Absence from work because of a non-occupational illness or injury of twelve (12) months or more;
- (f) Absence because of an occupational illness or injury of twenty-four (24) months or more;
- (g) Failure to return from approved leave of absence;
- (h) Transfer to another position in the Port of Seattle, which is outside this bargaining unit, if such transfer extends for a period in excess of ninety (90) calendar days.

Time Limit Extension: The time limits specified in Sections e, f, g, and h above, may be extended by mutual agreement between the Employer and the Union.

10.05 Seniority List: A list of employees arranged in order of their seniority shall be posted in a conspicuous location at their place of employment and a copy shall be sent to the Union on an annual basis or as requested by the Union.

10.06 For the purpose of shift, overtime and PTO bidding, separate seniority lists shall be established for each classification. The seniority date for these purposes shall be the most recent date of hire into the bargaining unit.

10.07 Vacancies within the Bargaining Unit shall be filled by employees within the bargaining unit unless no internal candidate, who meets the minimum qualifications, has expressed a desire for the vacancy.

An Employee promoted under the terms of this Article shall work subject to a six (6) calendar month probationary period in the new position. If the employee fails to pass the probationary period, that employee retains the right to return to their prior position with seniority in that classification restored to the same level accrued prior to leaving.

ARTICLE 11 - JURY DUTY/COURT APPEARANCES

When an employee is called for and serves as a subpoenaed witness, on a Port related case, or is called for and serve on jury duty, that employee shall, during such service period, receive full regular compensation from the Port. **(TA)**

For service on a Port related case as a subpoenaed witness, Port compensation outside of regularly scheduled work hours is payable at the overtime rate if such service is in excess of the normal daily or normal weekly working hours' schedules.

This Article shall not be construed to include either grievances or arbitrations as defined in Article 24 of this Agreement.

ARTICLE 12 - BEREAVEMENT LEAVE

An employee who suffers a death in their immediate family shall be eligible for up to forty (40) hours of bereavement leave, which shall be granted by the Port subject to the following conditions:

At the discretion of management, employees may receive up to forty (40) hours of leave per bereavement. Such leave shall not result in compensation for more than the number of days in any normal work week. Employees must have been employed for thirty (30) or more days of uninterrupted service and have suffered the loss by death of a member of their immediate family as defined below.

Immediate family shall be defined as spouse or domestic partner and the parents or children of the employee, spouse or domestic partner. Bereavement leave may also be granted in the case of the death of an employee's sibling, grandparent or grandchild; the spouse or domestic partner's sibling, grandparent or grandchild; or a sibling's spouse or domestic partner.

In special circumstances, management may include others not included in the above definition. Individual circumstances such as the distance to the funeral and the extent of employee involvement with the arrangements for the deceased shall be considered in determining the number of hours to be granted an employee and whether the leave is taken consecutively. **(TA)**

ARTICLE 13 - HOURS OF WORK AND OVERTIME

13.01 Hours of Duty: The normally scheduled workweek for members affected by this Contract shall be five (5) consecutive days of eight (8) consecutive hours, with two (2) consecutive days off, not including an unpaid period allowed for lunch. Such period to be either one-half (½) hour or one (1) hour by employee's option. Employees may work alternative work schedules with the mutual consent of the Union and the Employer. Otherwise the basic work schedules and practices, including flex time, shall remain in effect except as mutually agreed between the Employer and the Union.

13.02 Workplace Disruption: In the event that an employee who reports to work on a regularly scheduled work day is released early on a mandatory basis, that employee will be paid for the remainder of their normal daily schedule.

In the event the Port allows early voluntary release the employee may choose to leave early and use accrued leave exclusive of Extended Illness, or Leave Without Pay (LWOP), at the employee's discretion.

When employees are notified that work is unavailable at the worksite due to workplace disruptions such as heavy snowfall or icing, flooding, earthquakes, volcanic activity, natural disasters, utility disruption, civil disturbances, diseases, bombs, fires, biological agents or toxic substances, employees, at their discretion, may request Accrued Paid Time Off (PTO), or Leave Without Pay (LWOP) for hours missed under such circumstances.

13.03 Scheduled and Unscheduled Overtime Notification: Scheduled overtime is overtime that can be scheduled one workday prior to the day the overtime is needed. All employees will be notified of scheduled overtime via email. Unscheduled overtime is overtime that must be scheduled with less than one workdays' notice. Management will notify employees of unscheduled overtime opportunities through email. Management shall then assign unscheduled overtime by classification of those who have responded and are willing to work, when possible, seniority will be taken into consideration when assigning unscheduled overtime.

Scheduled overtime will be assigned as follows by classification:

Overtime Rotation:

- (a) Employees will be offered overtime opportunities on a rotating basis by seniority for hours outside of the employee's regular work hours.
- (b) When overtime is available the manager or designee will ask for volunteers in numerical order from a seniority list. Employees with the least number of opportunities offered (accepted or declined) will be offered first, to insure equitable distribution of overtime opportunity offers.
- (c) The number of overtime opportunities offered (accepted and declined) will be tracked on the seniority list. Employees unavailable for overtime due to approved leave will not be noted as offered or declined. The list will be updated and posted on a weekly basis.
- (d) Absent volunteers, overtime will be assigned in inverse seniority order.

13.04 Overtime Pay and Exceptions: All work in excess of eight (8) hours per day or forty (40) hours per week, outside of an employee's regular shift and/or on an employee's schedule day off, shall be paid at the rate of time and one-half (1½). Paid time off, such as sick

leave, scheduled PTO, etc., will be counted toward the forty (40) hour qualification for overtime. It is the intent of the Employer to provide full-time work (i.e., forty (40) hours per week). However, this is not to be interpreted as a forty (40) hour guarantee.

Where alternative work schedules are implemented that include ten (10) hour workdays, all hours worked in excess of ten (10) hours in an employee's work shift or in excess of forty (40) hours in any workweek shall constitute overtime work and shall be paid at the rate of time and one-half (1½) the employee's regular rate of pay.

13.05 Shift Premiums: When an employee who normally is scheduled on night shift fills in for a day shift assignment, such employee shall continue to receive shift premium.

Shifts shall be defined by starting times as follows:

Day Shift	From: 4:00 a.m.	To: 11:59 a.m.
Swing Shift	From: 12:00 p.m.	To: 7:59 p.m.
Graveyard Shift	From: 8:00 p.m.	To: 3:59 a.m.

The Port shall provide the Union with at least thirty (30) days written advance notice prior to assigning any shift which starts prior to 5:30 a.m. or ends after 7:30 p.m. The Port will fill such shifts by seniority.

13.06 Wage Reduction: No employee who, prior to the date of this Agreement, was receiving more than the rate of wages designated in this Agreement, for the class of work in which they are engaged, shall suffer a reduction in the rate of wages because of the adoption and application of this Contract.

13.07 Mealtime: In the event that an employee is called back to work from mealtime and is not provided a meal period between the second (2nd) and fifth (5th) hour, that employee shall receive overtime pay for the mealtime not taken.

13.08 Notice of Shift Change: Except in emergencies, employees shall be provided with ten (10) days' advance notice in the event of shift change.

13.09 Approval for Overtime Work: Authority for approval of any overtime work shall be limited to departmental management or its designees. Approval shall be in writing.

13.10 Call Back: In the event that overtime which has been specifically authorized by supervisory or command personnel is not an extension at the beginning or end of a normal shift, the employee shall be paid for a minimum of four (4) hours at the overtime rate for the employee's classification or for the actual hours worked at the overtime rate if in excess of four (4) hours. When an employee is called at home and asked to perform a service directly related to their work activity, such employee will be compensated one (1) hour's pay.

ARTICLE 14 - PERSONAL-TIME-OFF (PTO) / SICK LEAVE

Annual PTO shall be granted to all employees on the following basis:

14.01 Scheduling of PTO: At any time after the successful completion of six (6) months of employment, regular permanent employees (any employee hired from a Port posting) may request and use PTO of up to the number of hours accrued at the time of the desired PTO date, subject to the approval of the Department Head. Seniority shall be considered in accordance with departmental procedures when scheduling PTO. Special consideration may be given for extenuating circumstances, in management's discretion. In addition, management will balance the number of employees needed for operations with the number of employees requesting PTO at a given time.

The following procedure shall apply for PTO Bidding:

- Employees shall have an opportunity to bid for the following year's PTO sometime during the last three (3) months of the preceding year.
- When bidding during this time, employees shall bid during the first round of bidding one block of five (5) or ten (10) consecutive working days of PTO time.
- After the first round of bidding, employees will be allowed to bid daily vacation day(s) based on the employee's seniority up to five (5) days each round.
- Employees shall be limited to one (1) "premium" PTO week per round of bidding. A "premium week is any calendar week (Sunday – Saturday) that includes a holiday as defined in Article 14 of this Agreement.
- When employees bid daily vacation day(s) employees will only be allowed one (1) vacation day in conjunction with a holiday per bid round.

Employees who have been granted requested time off are expected to take the requested time off; however, employees may request cancellation of approved PTO with five (5) work days advance notice. Requests for cancellation with less than five (5) work days' notice shall be granted at management's discretion.

Other requests for approval of PTO shall be made to the Department Head on a PTO request form five (5) days or more in advance; more notice may be required by the Department Head when necessary to provide for proper scheduling of personnel. The Department Head or Management Designee will respond to the PTO request within two (2) working days after receipt of the request. It is the employee's responsibility to ensure that the request has been received by the Department Head or Management Designee.

14.02 Limits on Accumulating PTO: PTO accumulation shall be limited to 480 hours. Any portion above 480 hours of unused PTO shall be forfeited, unless the reason for not taking such PTO leave is at management's direction, as under emergency conditions. In such event unused PTO shall not be forfeited. Departmental management shall be responsible for encouraging and allowing proper scheduling for employees taking PTO in order to avoid any forfeiture of PTO leave.

Balances over the limit will be cashed out at the employee's current hourly rate of pay during the first pay period of the payroll year. Subsequent accruals over the limit will be cashed out quarterly at the employee's current hourly rate of pay. Employees may request that the cash-out be postponed by up to two (2) pay periods to accommodate a pre-scheduled PTO. Pension and benefit contributions associated with this cash out of PTO hours shall be addressed in accordance with law. (TA)

For employees hired on or after 12/20/98, the maximum accumulation is four hundred and eighty (480) hours. Accruals will cease when the limit is reached and will resume only when the balance is below four hundred and eighty (480) hours. Accruals over the limit are not cashed out.

14.03 Rates of Accrual: PTO accruals are based on the employee's date of hire with the Port. Based upon a pro rata share of a full-time work schedule, PTO is earned as follows:

- (a) 0-3 Years – 156.8 PTO Hours: Based on the first day of employment, from the first full month to and including the thirty-sixth (36th) full month of continuous employment, employees shall accrue PTO at the rate of 0.07538 hours per straight-time hour compensated (0.07538×2080 annual hours = 156.8 PTO hours per year).
- (b) 4-7 Years – 196.8 PTO Hours: From the thirty-seventh (37th) full month to and including the eighty-fourth (84th) full month of continuous employment, employees shall accrue PTO at the rate of 0.09462 hours per straight-time hour compensated (0.09462×2080 annual hours = 196.8 PTO hours).
- (c) 8-11 Years – 216.8 PTO Hours: From the eighty-fifth (85th) full month to and including the one hundred thirty-second (132nd) full month of continuous employment, employees shall accrue PTO at the rate of 0.10423 hours per straight-time hour compensated (0.10423×2080 annual hours = 216.8 PTO hours).
- (d) 12 Years to End of Employment: From the one hundred thirty-third (133rd) month to the end of employment, employees shall accrue PTO at the rate of 0.11385 hours per straight-time hour compensated (0.11385×2080 annual hours = 236.8 PTO hours).

14.04 Payment for PTO at Termination: An employee who has successfully completed their first six (6) months of continuous Port of Seattle employment will receive one hundred percent (100%) of their accrued Paid Time Off balance at the employee's hourly rate at termination. Employees who have not been terminated for cause have the option of receiving their Paid Time Off hours:

- (a) as a lump sum (all rights to insurance benefits, pension benefits [except for PERS1], and leave accruals during the period in which the PTO leave would have been used as service time are waived).
- (b) as service time after their last day worked (this generally includes healthcare benefits, continuation of PTO and Sick Leave accruals, and service credit time).
- (c) as a combination of cash and service time.

Pension and benefit contributions associated with this lump sum payment shall be addressed in accordance with law.(TA)

NOTE: PTO cannot be used as service time in the year following the employees last Port of Seattle workday.

Section 14.04 may be subject to modification to meet legal requirements in the event of further changes in State Law.

Section 14..05 Cash Out Option: Employees may cash-out PTO up to the 480 hour maximum accumulation limit according to the limits and procedures for the cash out of paid time off (PTO) as applied to non-represented employees. The Union shall be notified of changes to the limits and procedures affecting PTO cash out.

Pension and benefit contributions associated with this cash out of PTO hours shall be addressed in accordance with law. (TA)

14.06 Sick Leave:

14.05.1 Eligible employees shall accrue sick leave at the rate of .025 hours accrued per hours compensated (.025 X 2080 hours = 6.5 days). Sick leave will accrue in two (2) banks.

Bank 1) Protected Sick Leave: .025 per hour worked will accrue as Washington Protected Sick Leave. Employees may utilize this leave in accordance with the minimum requirements of the Washington State Sick Leave Law, RCW 49.46.210. Employees shall be notified on each paystub of the amount of Protected Sick Leave they are entitled to use for authorized purposes as defined by the law (Appendix B). Employees shall be entitled to carry over up to a maximum of forty (40) hours of accumulated Protected Sick Leave into the following calendar year.

Bank 2) Paid Sick Leave: .025 will accrue as Paid Sick Leave per hour compensated, but not worked.

On January 1st of every calendar year, Protected Sick Leave in excess of forty (40) hours will be transferred to Bank 2.

14.06.2 In the event of illness, sick leave up to the amount accrued may be used after employment of at least thirty (30) days in a regular position.

14.06.3 Sick leave may accumulate with no maximum limit. Upon termination or retirement immediately following five (5) complete years of active employment in a continuous period of employment with the Port, eligible employees shall be compensated for fifty percent (50%) of their unused sick leave at the scheduled hourly rate of pay at termination, as recorded in the payroll system.

Pension and benefit contributions associated with this lump sum payment shall be addressed in accordance with law. (TA)

14.06.4 Sick leave will be used as provided by law. For absences exceeding three (3) days, management may require verification that an employee's use of paid sick leave is for an authorized purpose.

14.06.5 In the instance of immediate family member illness, injury, or disability, and consistent with the Family Care Act (FCA), employees may use accrued sick leave or any other accrued PTO in the following situations:

- (a) To care for a child under eighteen (18) years of age (or over 18 but incapable of self-care due to a disability) with a health condition that requires treatment or medication the child cannot self-administer, or where the safety or recovery is endangered without parental presence, or where treatment or preventive measures require parental authorization; and
- (b) To care for a spouse, domestic partner, parent, parent-in-law, or grandparent with a serious health condition (similar to FMLA definitions as outlined in the Port's Leave Addendum), or who has experienced an emergency condition (a sudden, unexpected health occurrence or condition demanding immediate action, typically short-term in nature).

14.06.6 Immediate family shall be defined as in RCW 49.26.210(2), except that domestic partners do not need to be registered. For the purposes of this Article, an employee and a domestic partner must be willing to declare that they:

- (a) Share the same regular and permanent residence;
- (b) Have a close personal relationship;

- (c) Are jointly responsible for basic living expenses;
- (d) Are not married to anyone;
- (e) Are each 18 years of age or older;
- (f) Are not related by blood closer than would bar marriage in the State of Washington;
- (g) Were mentally competent to consent to contract when the domestic partnership began; and
- (h) Are each other's sole life partner and are responsible for each other's common welfare.

14.06.7 Abuse of Sick Leave: Both parties are committed to work to minimize or eliminate any abuse of sick leave.

14.06.8 Shared Leave: The parties agree to adopt a Shared Leave Program under the terms and conditions set forth below in applicable Port policies covering shared leave of non-represented employees.

14.06.9 The Port shall comply with the requirements of the Washington Paid Family and Medical Leave Act and shall have full discretion on meeting those requirements (e.g., Voluntary Plan), which shall not be subject to the grievance procedure or to any other provision of this Agreement or to negotiation by the Union. However, the Port agrees that, for the term of this Agreement, the Port shall make contributions to the chosen plan (i.e., State, Approved Voluntary) on the employee's behalf.

Employees may use sick leave and/or vacation leave to supplement wages while using paid family medical leave.(TA)

ARTICLE 15 - HOLIDAYS

15.01 Effective at the signing of this Agreement, ten (10) paid holidays shall be recognized and observed, as follows:

New Year's Day	January 1
Martin Luther King's Birthday	Third Monday in January
President's Day	Third Monday in February
Memorial Day	Last Monday in May
Juneteenth	Date to be Designated by Port
Independence Day	July 4
Labor Day	First Monday in September
Thanksgiving Day	Fourth Thursday in November
	Fourth Friday in November
Native American Heritage Day	
Christmas Day	December 25
One "Floating" Holiday	Designated by Port each year
One "Floating" Holiday	Designated by employee each year* (TA)

*The one "Floating" Holiday designated by employee each year will go into effect January 1, 2023 and will be recognized and observed each year thereafter. Any Floating Holiday not taken in a year shall not be carried over to the following year.

Any date commonly observed, as designated by State, national authority, or the Port of Seattle may be observed as a holiday and paid for as such in lieu of the date designated above for the paid holidays listed.

15.02 Holiday pay shall be eight (8) hours at the straight-time rate subject to the following conditions:

Another paid day off shall be provided to the employee at the straight-time rate for eight (8) hours when the holiday falls on the employee's normal day off, or when the employee works on the holiday, except that the following options shall be available to the employee as alternatives to taking another day off in lieu of the holiday:

- (a) The employee may elect not to take an "in lieu of" day off if the holiday falls on their normal day off. In such event, the employee shall receive eight (8) hours' holiday pay.
- (b) If the employee works on the holiday, the employee may elect not to take an "in lieu of" day off. Such employee shall receive eight (8) hours' holiday pay in addition to pay at the overtime rate for all hours worked on the holiday.

15.03 When an employee takes another day off after working the holiday, such day off shall be taken within sixty (60) days of the holiday upon the request of the employee at the discretion of and with the approval of the Department Head.

15.04 Holiday pay shall be prorated for all employees who work less than a full-time schedule. Proration shall be based on the two (2) pay periods preceding the holiday.

15.05 For employees working an alternative workweek, holiday pay shall equal the number of hours the employee was scheduled to work on the day of the holiday.

15.06 Employees working an alternative workweek who work on the holiday shall receive holiday pay for the number of hours worked on that day in addition to pay at the overtime rate for all hours worked on the holiday.

ARTICLE 16 - BENEFITS

The Port agrees to provide the following benefits requested by the Union:

- (a) Unemployment compensation benefits under the Washington State Employment Security Act.
- (b) Social security insurance (FICA) as covered by the Federal Insurance Contribution Act. (Contingent on retention of the program for all Port employees.)
- (c) Free parking limited to employees on duty status.
- (d) The One Regional Card for All ("ORCA Card") Program: The Port offers ORCA cards to eligible employees at a substantially reduced cost for transportation on multiple regional transit systems. Employees who participate in the ORCA card program may also be eligible for additional subsidized transportation services. The availability of the ORCA program, annual cost, potential tax consequences for employees, and other provisions are subject to change based on guidelines provided by agencies with whom the Port contracts for the ORCA program benefits, IRS requirements, as well as the Port's discretion. The Port shall maintain full discretion to modify, change, amend, and/or discontinue the ORCA program benefit;

Prior to modifying, changing, amending, and/or discontinuing the ORCA program, the Port agrees to provide advance notice to the Union.

- (e) Ferry Reimbursement: Employees who use the Washington State Ferry System for all or part of their work commute are eligible for reimbursement of ferry commuting costs up to a monthly maximum. This monthly maximum reimbursement amount is determined by the Port. Amounts and procedures can be found on the Total Rewards Compass Page and may be subject to tax.

The Port shall maintain full discretion to modify, change, amend, and/or discontinue the Ferry Reimbursement benefit;

Prior to modifying, changing, amending, and/or discontinuing the Ferry Reimbursement benefit, the Port agrees to provide advance notice to the Union.

- (f) Assigned Locker and shared lunch facilities.
- (g) Washington State Workers' Compensation.
- (h) Educational assistance for employees shall be subject to approval of the Department Head. It is agreed that if funds are not available from other sources, such as special Federal or State programs, with the advance approval of the Department Head, the Port shall provide reimbursement limited to job related educational curricula.

The Port is committed to providing employees learning and development opportunities where possible. Employees interested in pursuing development outside of training specified and directed by management shall work with management to draft an agreed upon development plan.

To provide career development opportunities to bargaining unit employees, the Union and management will continue to support employee participation in the Port's internship programs. Successful applicants to internship programs shall remain members of the bargaining unit and retain all rights and benefits under the collective bargaining agreement, except that temporary schedule adjustments and/or alternate work schedules to accommodate internship activities shall be allowed as agreed between the participating departments and the intern. It is understood that overtime will not normally be approved while employees are participating in internships.

Educational assistance for employees shall be subject to the approval of the Manager. Employees are eligible to apply for College Degree Tuition reimbursement support under the terms of HR-12.

The Parties understand that the Learning and Development identified in HR-12 shall not be subject to bargaining and is subject to revision by the Port with advance notice to the Union.

- (i) As provided below in this paragraph, employees shall be eligible for participation in the Port of Seattle's Deferred Compensation Plan. Eligibility and participation of employees shall be subject to the terms and conditions of such plan including any plan amendments, revisions, or possible cancellation. It is further agreed that content of the plan itself, plan administration, and any determinations made under the plan shall not be subject to the Grievance Procedure (Article 25) or to any other provisions of this Labor Agreement or to negotiation by the Union.

- (j) Life Insurance: Employees are eligible for coverage the first of the month following date of hire or coincident with the date of hire if hired on the first. Eligible employees shall receive life insurance benefits in the amount of two (2) times their annual base rate rounded up to the next one hundred dollars (\$100.00). Eligible dependents shall receive life insurance benefits in such amount and in such manner as are provided in contracts by the Port to provide such benefits. Employees shall also be covered by the AD & D policy provided by the Port.
- (k) Long-term Disability Insurance: Eligible employees shall be covered for long-term disability insurance in such amounts and in such manner as the Port has established with insurance companies or agencies providing such benefits.
- (l) Paid Parental Leave: The Port agrees to provide Paid Parental Leave to regular, non- probationary employees for the term of this Agreement. Eligibility, participation, and terms of the Paid Parental Leave shall be as provided to non-represented employees as outlined in Port Policy HR-5. Changes and/or modifications to Paid Parental Leave shall not be a bargainable issue. However, the Port agrees to provide advance notice of any changes to Paid Parental Leave to the Union.
- (m) Mileage Reimbursement: Employees who use their personal vehicles for Port business will be reimbursed provided such use is approved by the supervisor. Such travel shall be reimbursed in accordance with the IRS approved mileage rate. Requests for mileage reimbursement must be submitted on approved Port expense forms.
- (n) Port of Seattle Long Term Care Insurance. If the Port adopts a Long Term Care Insurance Program, the parties will discuss the availability of such Long Term Program, if applicable, to Credential Specialists.**(TA)**

ARTICLE 17 - LEAVE WITHOUT PAY

17.01 After one (1) years' service, an employee shall be eligible for a leave of absence without pay not to exceed six (6) weeks. Requests for such leaves shall be submitted in writing to the Department Head for approval one (1) month in advance of the leave time period. In emergency situations, the notification may be waived at the option of the Department Head.

17.02 Leave approval considerations shall include:

- (a) The purpose and length of requested leave;
- (b) The employee's length of service;

- (c) The effect of such an extended absence on departmental operational efficiency;
- (d) Employee past performance and attendance; and
- (e) In establishing the priority for such leaves, mutual benefit to the Port shall also be a consideration. For example, leaves of absence for educational purposes shall receive greater priority than leaves for the purpose of travel.

17.03 In the event of special conditions, such as family emergencies or educational programs, leaves of absence may be extended beyond six (6) weeks with the approval of the Port's executive department. An employee shall suffer no loss of seniority for time spent on approved leave of absence of six (6) weeks or less.

17.04 Under normal conditions, leaves of absence shall not be granted for the purpose of seeking or engaging in other employment, with the exception of attending to Union business. Any exception to this shall be at the sole discretion of the Department Head.

17.05 Leaves of absence greater than eighteen (18) months shall be cause to terminate seniority within the bargaining unit.

ARTICLE 18 - HEALTH AND WELFARE PROGRAMS

18.01 Effective July 1, 2025 (based on June 2025 hours for August 2025 coverage), and each month thereafter during the period this Collective Bargaining Agreement is in effect, the Employer agrees to pay to the Washington Teamsters Welfare Trust c/o NORTHWEST ADMINISTRATORS, INC., for each employee who received compensation for eighty (80) hours or more in the previous Port payroll calendar month the following:

- (a) **Health & Welfare** - Contribute the sum of \$ 1,701.50 per month for benefits under the "Medical Plan A." This Plan includes the following:

Medical "Plan A" (price includes domestic partner coverage at \$18.00 cost per month)	\$ 1,695.50
Time Loss "Plan C" (\$200/week)	\$ 6.00
<i>Total</i>	\$ 1,701.50

- (b) **Dental** - Contribute the sum of \$122.70 per month for continued benefits under the "**PLAN A**" (price includes domestic partner coverage at \$2.20 per month).
- (c) **Vision** - Contribute the sum of \$17.30 per month for continued benefits under the "**EXTENDED BENEFITS**" (price includes domestic partner coverage at \$0.20 per month).

Effective January 1, 2025, each employee eligible for benefits in any month shall contribute one hundred and fifty dollars (\$150.00) toward the cost of the Health & Welfare monthly premium.

Effective May 1, 2028, each employee eligible for benefits in any month shall contribute one hundred and sixty dollars (\$160.00) toward the cost of the Health & Welfare monthly premium.

The Port will continue to cover at one hundred percent (100%) employee Dental and Vision benefits during the life of the Agreement.

18.02 **Maintenance of Plans/ACA Plan Compliance:** The Trustees may modify benefits or eligibility of any plan, in Section 18.01 above, for the purposes of cost containment, cost management, changes in medical technology and treatment, and to maintain compliance with the Affordable Care Act. If increases are necessary to maintain the current benefits or eligibility, or benefits or eligibility as may be modified by the Trustees during the life of this Agreement, the Port shall pay such premium increases as determined by the Trustees. The Union will assist the Port in acquiring information from the medical benefits trust to insure that the Port is in compliance with the Affordable Care Act. At any time during the term of this agreement, if the benefits provided by Washington Teamsters Welfare Trust become subject to an excise penalty, the parties agree to meet and discuss the impact.

18.03 The Union may establish supplemental insurance programs for the employees under this Agreement. All of the premiums for such plans, if established, shall be paid for by the employees covered. If the Port is to process payroll deductions from employees to pay the insurance carrier on the employees' behalf, the Plan shall be subject to approval by the Port in regard to the responsibility of ongoing administration and related details.

18.04 Employees are eligible for coverage the first of the month following date of hire or coincident with the date of hire if hired on the first.

18.05 The Port agrees to provide and maintain Group Health or Alternative HMO's as provided in Trust as a covered plan for employees and their dependents.

18.06 **Retirees' Welfare Trust** – Effective July 1, 2025, The Port shall contribute \$94.85 per month per eligible employee for continued benefits under the Retirees Welfare Trust "RWT-PLUS-PLAN", and the Port shall reduce each member of the Bargaining Unit's wages by an amount equal to one half (½) of the monthly premium per member.

Effective January 1, 2025	\$94.85
Effective January 1, 2026	\$TBD
Effective January 1, 2027	\$TBD

ARTICLE 19 - PENSIONS

19.01 PERS: The Port shall continue coverage for employees covered by this Agreement under the Washington State Public Employees Retirement System.

19.02 Western Conference of Teamsters Pension Trust:

Effective July 1, 2018, the Port shall pay the basic rate of \$1.42 to the Western Conference of Teamsters Pension Trust Fund on account of each of its employees who perform the work listed under the classifications and wage section of this Agreement for every straight time hour for which compensation is paid, said amount to be computed monthly, provided that the maximum annual contribution shall be limited to 2,080 hours.

The contributions shall be due and payable to the area administrative office no later than twenty (20) days after the end of each month. In the event the Employer fails to make the monetary contribution in conformity with this Article of the Agreement, the Trustees shall be free to take any action which is necessary to effect collections, and the Employer shall pay all costs of collections, including reasonable attorney fees.

For the purposes of this Article covered hours shall include the following compensable hours: Paid Time Off (PTO), sick leave, holidays, compensatory time taken, and bereavement leave shall all be considered compensable time paid. If an employee covered by this Agreement participates in the Port's internal internship program as outlined in Article 8 of this Agreement, hours worked as an intern will be considered compensatory for calculation of pension contributions.

ARTICLE 20 - PERFORMANCE OF DUTY, STRIKES, AND LOCKOUTS

20.01 Nothing in this Agreement shall be construed to give an employee the right to strike, and no employee shall strike or refuse to perform assigned duties to the best of their ability. The Union agrees that it will not condone or cause any strike, slowdown, mass sick call, or any other form of work stoppage or interference with the normal operation of the Credential Center or of the Port.

20.02 The Port agrees that there shall be no lockouts.

ARTICLE 21 - SAVINGS CLAUSE

If any Article of this Agreement or any Appendix hereto should be held invalid by operation of law or by any tribunal of competent jurisdiction, or if compliance with or enforcement of any Article or Appendix should be restrained by such tribunal, the remainder of this Agreement and Appendices shall not be affected thereby, and the parties shall enter into immediate collective bargaining negotiations for the purpose of arriving at a mutually satisfactory replacement of such Article.

ARTICLE 22 - ENTIRE AGREEMENT

22.01 The Agreement expressed herein in writing constitutes the entire agreement between the parties and no oral statement shall add to or supersede any of its provisions.

22.02 The parties acknowledge that each has had the unlimited right and opportunity to make demands and proposals with respect to any matter deemed a proper subject for collective bargaining. The results of the exercise of that right are set forth in this Agreement.

ARTICLE 23 - APPENDICES INCORPORATED INTO AGREEMENT

Pay Rates, Appendix A, and Drug Testing are conditions agreed to and are hereby incorporated into the Agreement by this Article.

ARTICLE 24 - CORRECTIVE ACTION AND DISCIPLINE

24.01 Overview: The Port shall not discipline, suspend or discharge an employee without just cause. As a general rule, a progressive approach to corrective action and discipline will apply when performance falls below a satisfactory level. Gross misconduct; however, may result in suspension or termination without prior warning provided the appropriate elements of just cause have been met. Employees are required to sign documented verbal and written warnings as an acknowledgement of receipt. Such signature does not constitute acceptance of the corrective action. A copy of disciplinary letters will be provided to the Union.

24.02 Coach/Counseling: The Port and Union agree that there is a benefit to coaching and counseling sessions between the employee and a supervisor. Coaching and counseling shall not be considered discipline and documentation of coaching and counseling shall not be placed in an employee's personnel file.

24.03 Progressive Discipline: Consistent with 24.01 above, the typical progressive approach to corrective action and discipline includes, in successive order, a verbal warning, that is reduced to writing and excluded from the employee's official personnel file; written warning; suspension or demotion; and discharge.

24.04 Written Warning Notices: If a written warning notice involves a specific incident or violation, such notice, to be considered valid, must be issued within fourteen (14) calendar days after the Port became aware of the occurrence of such incident or violation claimed by the Port. The timeline to issue written warning notices may be occasionally extended in order for the Employer to perform a fair and complete investigation with notification to the Union, including the reason for the delay.

24.05 Discharge and Suspension Notices: The Employer shall recognize the right of an employee to due process prior to disciplinary suspension or discharge from employment. Notice of recommended disciplinary suspension or discharge shall be timely made following the investigation of the circumstances resulting in the recommendation, normally within thirty (30) calendar days after the Port became aware of the incident. The notice of proposed discipline shall include the facts upon which the charges are made and a scheduled opportunity

to respond to the charges. Notification of a final decision following the response opportunity shall normally be within seven (7) days.

24.06 Administrative Leave: The Port reserves the right to place an employee on paid administrative leave pending the outcome of a workplace investigation of serious misconduct or pending due process steps, in disciplinary processes when the Loudermill Right applies. The Port shall use its best effort to expedite the investigation/administrative proceedings for all employees on paid administrative leave.

24.07 Investigation Meetings: The Port acknowledges the right of an employee to Union representation during a fact finding and/or investigation meeting that could lead to discipline, consistent with the Weingarten Right.

24.08 Records Retention: The Port retains the right to maintain employee records in accordance with its statutory authority and obligation. In the event an employee in the bargaining unit applies for a transfer or promotion to another Port department, discipline records older than twenty-four (24) months will not be shared across department lines as part of the hiring process, absent a waiver signed by the employee.

ARTICLE 25 - GRIEVANCE PROCEDURE

25.01 Grievance Defined: Any dispute regarding the interpretation or application of this Agreement shall be regarded as a grievance and shall be subject to the terms of this grievance procedure.

25.02 Time Limits: All grievances shall be presented within twenty (20) days of the occurrence or the date the employee actually knew or reasonably should have known of the occurrence, whichever is later. This time limit and the other time limits set forth in this Article may be extended by mutual agreement of the Employer and the Union. All references to time in this Article shall be to calendar days.

25.03 Grievance Procedure:

STEP 1

The affected employee shall present the grievance in writing to their Supervisor. If the Supervisor or the Supervisor's designee and the grievant are unable to arrive at a satisfactory settlement, the Supervisor (or designee) will issue a written response to the employee, with a copy to the Union's Business Representative. The response shall be issued no later than ten (10) days after the date the grievance was initially filed. The Union may refer the grievance to Step 2 within ten (10) days of receipt of the Supervisor's response, or if the Supervisor's response is untimely, within ten (10) days of when the Supervisor's response was due.

STEP 2

Initiation of Step 2: The Union's Business Representative shall present the grievance in writing to the Chief of Airport Security (or designee). The written grievance shall contain a statement of the relevant facts, the section(s) of the Agreement allegedly violated, and the remedy that is sought.

Class Grievances: With respect to issues affecting more than one bargaining unit employee, the Union may elect to file a grievance at Step 2 without the need for the individual employee(s) to file the grievance at Step 1. The twenty (20) day time limit referenced in Section 2, as well as the other requirements of this Article, shall be applicable to such filing.

Step 2 Meeting: Within fourteen (14) days after the initiation of Step 2, the Union's Business Representative and Director of Aviation Security (or designee) shall meet to discuss possible resolution of the grievance. If the parties are unable to arrive at a satisfactory settlement, the Union may refer the grievance to Step 3 within ten (10) days of the meeting.

STEP 3

Initiation of Step 3: The Union shall notify the Chief of Airport Security and the Port's Labor Relations Representative, in writing, of its desire to move the matter to a Board of Adjustment.

Board of Adjustment: The parties shall schedule a Board of Adjustment hearing which shall be heard no later than twenty (20) days after the initiation of Step 3. The purpose of the hearing is to evaluate all known facts relating to the grievance in order to determine an appropriate resolution. Two (2) Port Representatives, and two (2) Union Representatives shall constitute the Board, and both sides shall have an opportunity to present relevant information to the Board relating to the grievance. If the parties are unable to arrive at a settlement within seven (7) days after the Board hearing, or if the Board of Adjustment hearing is not held within twenty (20) days after initiation of Step 3, the Union or the Port may refer the matter to Step 4. The parties may mutually agree to waive the Step 3 process.

STEP 4 – ARBITRATION

Initiation of Step 4: The Parties initiate Step 4 by filing a written request, specifying the issue to be arbitrated. The request must be submitted within ten (10) days of completion of the Board of Adjustment, or if no Board of Adjustment is scheduled within twenty (20) days after the initiation of Step 3, then within twenty-seven (27) days after the initiation of Step 3.

Selecting an Arbitrator: The Port and the Union mutually agree that either Party to this Agreement may apply to the Federal Mediation and Conciliation Service (FMCS) for a list of seven (7) persons who are qualified and available to serve as arbitrators for the dispute involved. The Parties agree to equally split any costs associated with obtaining a list of arbitrators from FMCS. Within ten (10) days of receipt of the FMCS list, the Parties will jointly select an arbitrator from the list by alternately striking one (1) arbitrator on the list until the final remaining arbitrator is selected as the arbitrator for the particular hearing. The Parties shall determine first initiative through a coin flip.

In the event that FMCS is unresponsive to the parties' request for a panel of arbitrators, the parties may, by mutual agreement, request the services of another Agency that maintains a roster of labor arbitrators or mutually agreed upon proposed individual arbitrators. **(TA)**

The Hearing: The hearing on the grievance shall be informal and the rules of evidence shall not apply. The arbitrator shall not have the power to add to, subtract from, or modify the provisions of this Agreement in arriving at a decision of the issue or issues presented; and shall confine their decision solely to the interpretation, application, or enforcement of this Agreement. The arbitrator shall confine themselves to the precise issue submitted to them for arbitration and shall not have the authority to determine any other issues not so submitted to them. The decision of the arbitrator shall be final and binding upon the aggrieved employee, the Union, and the Port. The fees and expenses of the arbitrator shall be equally split between the parties; each party shall otherwise pay its own fees, expenses and costs, including attorney fees.

ARTICLE 26 – CONFERENCE BOARD

Statement of Intent: The Conference Board is intended to serve as a communication support and perform like a Business Partnership Committee.

There shall be a Department Conference Board consisting of up to three (3) employees named by the Union (one of whom may be the Business Representative) and up to three (3) representatives from Management (one of whom may be a representative from Labor Relations). The Chief of Security, or their representatives, shall be present to the maximum extent practicable, but any of the up to six (6) members may be replaced with an alternate from time to time. It is also agreed that either party may add additional members to its conference board committee whenever deemed appropriate. The Conference Board shall only consist of members of the bargaining unit and Department(s) affected by the issue(s) being discussed.

The Conference Board shall meet at the request of the Union or the Port and shall consider and discuss matters of mutual concern pertaining to the improvement of the Department and the safety and welfare of the employees. These matters may include issues of development, committee membership, special team/unit assignments, testing, etc.

The purpose of the Conference Board is to deal with matters of general concern to members of the Department as opposed to individual complaints of employees; provided, however, it is understood that the Conference Board shall function in a communications and consultative capacity to the Chief of Security. Accordingly, the Conference Board will not discuss grievances properly the subject of the grievance procedure, except to the extent that such discussion may be useful in suggesting improved Departmental policies. Either the Union representatives or the Port representatives may initiate discussion of any subject of a general nature affecting the operations of the Department or its employees.

An agenda describing the issue(s) to be discussed shall be prepared by the initiating party and distributed at least three (3) days in advance of each meeting, and minutes may be kept and made available to members. Nothing in this section shall be construed to limit, restrict, or reduce the management prerogatives outlined in this Agreement.

The Conference Board shall provide an answer to those issues/questions brought before it within a mutually agreed upon time.

ARTICLE 27 – DISCLOSURE OF PERSONNEL FILE INFORMATION

The Port will comply with RCW 42.56.250 (12) when information contained in a member of the bargaining unit's personnel file is subject to a public records request.

ARTICLE 28 - TERM OF AGREEMENT: JULY 1, 2025 TO JUNE 30, 2028

Wage rate effective dates shall be as provided for in Appendix A.I. - Pay Schedules. Differentials as provided in Appendix A.II.B.

All other conditions shall be effective on the date the Agreement is signed or as otherwise identified in this Agreement. All provisions of this Agreement shall extend from effective date to June 30, 2025.

PORT OF SEATTLE

**TEAMSTERS LOCAL UNION
NO. 117/IBT**

STEPHEN P. METRUCK
Executive Director

JOHN SCEARCY
Secretary-Treasurer

Date

Date

APPENDIX “A”**I. PAY RATES**

		Effective 07/01/ 25
Classification	Service Time	Hourly Rate
Credential Specialist*	Entry Level	\$ 32.26
	12 months	\$ 34.90
	24 months	\$ 38.31
	36 months	\$ 41.01
	5 years	\$ 42.21
	8 years	\$ 43.44
	12 years	\$ 44.72
	16 years	\$ 46.05
Credential Center Receptionist	Entry Level	\$ 28.01
	12 months	\$ 30.38
	24 months	\$ 31.86
	36 months	\$ 33.55
	5 years	\$ 35.05
	8 years	\$ 36.77
	12 years	\$ 39.66
	16 years	\$ 41.45

*Credential Specialist Lead – five percent (5%) premium over base rate of Credential Specialist per years of service.

The parties recognize that they have historically based the annual cost of living increases on one hundred percent (100%) of the Seattle/Tacoma/Bellevue CPI-U (All Urban Consumers), annual average, with a zero percent (0%) minimum and a six percent (6%) maximum. Notwithstanding that past practice, the parties agree to the following wage increases for their 2025 to 2028 CBA.

- (1) Effective July 1, 2025, base hourly wage rates will be increased by four percent (4.0%).

- (2) Effective July 1, 2026, base hourly wage rates will be increased by four percent (4%).
- (3) Effective July 1, 2027, base hourly wage rates will be increased by four percent (4%).

II. **DIFFERENTIALS AND OTHER PAY CONSIDERATIONS**

- A. Shift Differential: Employees shall receive a shift differential of seven and one-half percent (7.5%) over their regular rate when required to work second shift and ten percent (10%) over their regular rate when required to work the midnight (third) shift.
- B. Overtime Rate: Overtime shall be paid at one and one-half (1½) times the rate of pay for the work performed. There shall be no compounding or "pyramiding" of overtime pay. "Hours of Work and Overtime" are covered in Article 13 (See also Article 15, "Holidays").
- C. Severance: Should the need arise for a permanent reduction in force in a classification covered by this Agreement, the Port agrees to meet with the Union for the purpose of negotiating the effects of such decision. Such impact negotiations will include severance payments, if any, and timing and notice period for said reduction.

APPENDIX "B"
DRUG TESTING
SUBSTANCE TESTS

PREAMBLE

While abuse of alcohol and drugs among our members is the exception rather than the rule, the Teamsters Local Union No. 117 ID Access Employee's Negotiating Committee shares the concern expressed by many over the growth of substance abuse in American society.

The drug testing procedure, agreed to by labor/management, incorporates state-of-the-art employee protections during specimen collection and laboratory testing to protect the innocent.

In order to eliminate the safety risks which result from alcohol or drugs, the parties have agreed to the following procedures.

As referred to herein, testing shall be applicable to all entry level probationary employees and to any other employee for whom the Port has a reasonable suspicion that the employee is working while under the influence of alcohol or drugs.

- A. Illicit substance or drug abuse by members of the Department is unacceptable and censurable conduct worthy of strong administrative action.
- B. Preconditions to Drug Testing: Before an employee may be tested for drugs or alcohol based upon reasonable suspicion, the Port must meet the following prerequisites:
 - 1. The Port shall inform employees in the bargaining unit what drugs or substances are prohibited.
 - 2. The Port shall provide in-service training containing an educational program aimed at heightening the awareness of drug and alcohol related problems.
 - 3. The Port and the Union shall jointly select the laboratory or laboratories which will perform the testing.
 - 4. Managers shall be the department representative to authorize or approve a drug/alcohol test.
 - 5. The manager authorizing or approving a drug or alcohol test under this Appendix B shall provide a written report to the Department Director and to the employee, if requested, that documents the basis for ordering the test under the reasonable suspicion standard. The report shall be completed no later than the end of the shift on which the test was ordered.

6. The Port shall not use the drug testing program to harass any employee.
- C. The Department shall also have the discretion to order any entry level probationary employee to submit to a blood, breath, or urine test for the purposes of determining the presence of a narcotic, drug, or alcohol a minimum of two (2) times during such employee's entry level probationary period. These tests will be conducted in the following manner:
1. Tests will be administered to each entry level probationary employee a minimum of two (2) times, at various intervals, during the probationary period.
 2. Entry level probationary employees shall only be tested while on duty.
 3. The providing of a urine sample will be done in private.
 4. Obtaining of urine samples shall be conducted in a professional and dignified manner.
 5. A portion of urine samples shall be preserved to permit the following:
 - a. Positive samples shall be tested by a GC/MS test.
 - b. A third test for positive samples shall be conducted if requested by the employee, at Port expense, by a reputable laboratory of mutual choice.

The exercise of this discretion by the Department shall be deemed a term and condition of such employee's period of entry level probation and need not be supported by any showing of cause.

If any employee is ordered to submit to these tests involuntarily, the evidence obtained shall be used for administrative purposes only.

- D. Testing Mechanisms: The following testing mechanisms shall be used for any drug or alcohol tests performed pursuant to the testing procedure:
1. It is recognized that the Employer has the right to request the laboratory personnel administering a urine test to take such steps as checking the color and temperature of the urine samples to detect tampering or substitution, provided that the employee's right of privacy is guaranteed, and in no circumstances may observation take place while the employee is producing the urine sample. If it is established that the employee's specimen has been intentionally tampered with or substituted by the employee, the employee is subject to discipline as if the sample tested positive. In order to deter adulteration of the urine sample during the

collection process, physiologic determinations such as creatinine and/or chloride measurements may be performed by the laboratory.

2. The parties recognize that the key to chain of possession integrity is the immediate labeling and initialing of the sample in the presence of the tested employee. If each container is received at the laboratory in an undamaged condition with properly sealed, labeled and initialed specimens, as certified by the laboratory, the Employer may take disciplinary action based upon properly obtained laboratory results.
 3. Any screening test shall be performed using the enzyme immunoassay, (EMIT) method.
 4. Any positive results on the initial screening test shall be confirmed through the use of the high-performance thin-layer chromatography (HPTLC), gas chromatography (GC) and gas chromatography/mass spectrometry (GC/MS). If at any time there exists a test with a higher rate of reliability than the GC/MS test, and if such test is reasonably accessible at a reasonable cost, such test shall be used in place of the GC/MS test if requested by the Union.
 5. All samples which test negative on either the initial test or the GC/MS confirmation test shall be reported only as negative. Only samples which test positive on both the initial test and the GC/MS confirmation test shall be reported as positive.
 6. In reporting a positive test result, the laboratory shall state the specific substance(s) for which the test is positive and shall provide the quantitative results of both the screening and the GC/MS confirmation tests, in terms of nanograms per milliliter. All positive test results must be reviewed by the certifying scientist or laboratory director and certified as accurate.
 7. Employees tested for alcohol shall be subject to the collection of a breath sample(s), conducted as defined in E (9), to determine if current consumption of alcohol is present.
- E. Procedures to be used when the sample is given: The following procedures shall be used whenever an employee is requested to give a blood or urine sample. Normally, the sample will be taken at the laboratory. If taken at another location, transportation procedures as identified shall be followed. All sample taking will be done under laboratory conditions and standards as provided by the selected laboratory:
1. Prior to testing, or if incapacitated as soon as possible afterwards, the employee will be required to list all drugs currently being used by the employee on a form to be supplied by the Port. The Employer may require

the employee to provide evidence that a prescription medication has been lawfully prescribed by a physician. If an employee is taking a prescription or non-prescription medication in the appropriate described manner and has noted such use, as provided above, they will not be disciplined. Medications prescribed for another individual, not the employee, shall be considered to be illegally used and subject the employee to discipline.

2. When a blood test is required, the blood sample shall be taken promptly with as little delay as possible. Immediately after the samples are drawn, the individual test tubes shall, in the presence of the employee, be sealed, labeled, and then initialed by the employee. The employee has an obligation to identify each sample and initial same. If the sample is taken at a location other than the testing laboratory, it shall be placed in a transportation container after being drawn. The sample shall be sealed in the employee's presence and the employee given an opportunity to initial or sign the container. The container shall be stored in a secure and refrigerated atmosphere and shall be delivered to the laboratory that day or the soonest normal business day by the fastest available method.
3. In testing blood samples, the testing laboratory will analyze blood/serum by using gas chromatography/mass spectrometry as appropriate. Where Schedule I and II drugs in blood are detected, the laboratory is to report a positive test based on a forensically acceptable positive quantum of proof. All positive test results must be reviewed by the certifying scientist or laboratory director and certified as accurate.
4. When a urine sample will be given by the employee, the employee shall be entitled, upon request, to give the sample in privacy. In most cases, this process will take place at laboratory. The sample container shall remain in full view of the employee until transferred to, and sealed and initialed in the two (2) tamper resistant containers and transportation pouch.
5. Immediately after the sample has been given, it will be divided into two (2) equal parts. Each of the two (2) portions of the sample will be separately sealed and labeled. If the sample is taken at a location other than the laboratory, it shall be stored in a secure and refrigerated atmosphere. One (1) of the samples will then be delivered to a testing laboratory that day or the soonest normal business day by the fastest available method.
6. The sample will first be tested using the screening procedure set forth in Section (D) (3) of this Appendix. If the sample tests are positive for any prohibited drug, the confirmatory test specified in Section (D) (4) of the Appendix will be employed.

7. If the confirmatory test is positive for the presence of an illegal drug, the employee will be notified of the positive results within twenty-four (24) hours after the Port learns of the results and will be provided with copies of all documents pertinent to the test sent to or from the Port by the laboratory. The employee will then have the option of submitting the untested sample to a laboratory of mutual choice, at the Port's expense.
8. Each step in the collecting and processing of the urine samples shall be documented to establish procedural integrity and a chain of evidence. All samples deemed "positive" by the laboratory, according to the prescribed guidelines, must be retained, for identification purposes, at the laboratory for a period of six (6) months.
9. All screening and confirmatory breath alcohol tests shall be conducted by certified breath alcohol technicians and in accordance with the procedures set forth in WAC 448.

F. Consequences of positive test results:

1. An employee who tests positive shall have the right to challenge the accuracy of the test results before any disciplinary procedures are invoked as specified in Section (E) (7) and the Departmental Grievance Procedure.
2. Consistent with the conditions of the Appendix, the Employer may take disciplinary action based on the test results as follows:

Confirmed positive test - Employee is subject to discharge.

G. Employee rights:

1. The employee shall have the right to a Union representative during any part of the drug testing process.
2. If at any point the results of the testing procedures specified in the Appendix are negative, all further testing shall be discontinued. The employee will be provided a copy of the results, and all other copies of the results (including the original) shall be destroyed within twenty-four (24) hours after the test results have been received by the Employer. All positive test results will be kept confidential, and will be available only to the Chief, one (1) designated representative of the Chief, and the employee.
3. Any employee who tests positive shall be given access to all written documentation available from the testing laboratory which verifies the accuracy of the equipment used in the testing process, the qualifications of the laboratory personnel, the chain of custody of the specimen, and the accuracy rate of the laboratory.

**COMMISSION
AGENDA MEMORANDUM**

Item No.

8d

ACTION ITEM

Date of Meeting

October 14, 2025

DATE: September 18, 2025

TO: Stephen P. Metruck, Executive Director

FROM: Blaine Burk, Aviation Real Estate Portfolio Manager III
Jason Johnson, Assistant Director Airline Affairs & Aviation Properties

SUBJECT: **Building 156A Air Cargo Term Lease**

ACTION REQUESTED

Request Commission authorization for the Executive Director to execute an Airport Term Lease Agreement with Amazon.com Services, LLC. (Amazon) for cargo building and related facilities at Seattle-Tacoma International Airport (Airport). The proposed lease term is for ten (10) years.

EXECUTIVE SUMMARY

Amazon has operated a portion of their air cargo operations through their contractor (WFS-Express) from a cargo building complex, comprised of warehouse space, office space and yard space commonly known as Building 156A since 2021, as well as warehouse and yard space in the cargo building area commonly known as Building 166B. Building 156A reverted to the Port on December 1, 2024 at the expiration of a ground lease. Since the reversion of Building 156A, WFS-Express has continued to lease half of that building, as well as space in Building 166B, on a month-to-month basis from the Port. The Port has negotiated a direct lease with Amazon where Amazon would take over the entirety of Building 156A and associated yard/parking areas and consolidate their operations, vacating WFS-Express' occupancy of Building 166B. The proposed term of the lease is 10 years, commencing on 11/1/2025 at the fair market appraisal rate. The lease will be on the Port's standard lease form which has been approved by Port Legal.

JUSTIFICATION

Amazon Air, the largest e-commerce air cargo operation in the U.S., flies air cargo into and out of SEA using their contractor freighter operator Air Transport International (ATI). In 2024, ATI was the top freighter operator at SEA as measured by both overall cargo tonnage and by their number of flight operations. ATI moved in excess of 142,500 metric tons of air cargo in 2024, with a total market share of 31%, compared to the next largest freighter airline at SEA with a 23.4% market share. ATI cargo volume in 2024 grew 35.5% over the prior year, however tonnage is currently down 10.4% through August 2025. ATI operates several versions of the Boeing 767F freighter, and in 2024 had a total of 2,207 revenue flights, with more than one of every four

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freighter flights at SEA being an ATI 767F. In 2024, this activity level represented an average of approximately 6 flights per day.

By consolidating operations into Building 156A, Amazon will be able to streamline its air cargo operations and better meet the growing e-commerce demand in the region. This consolidation also supports the Port's broader space management strategy for the cargo area, as it enables Amazon to vacate Building 166B.

LEASE TERM DETAILS

Building 156A Term Lease Terms	
Tenant Name	Amazon.com Services LLC
Term	10 years
Termination Option	Amazon will have a termination option at month 66 of the lease
Monthly Base Rent	\$143,418.39 for the first year
Rental Rate Adjustments	Monthly Base Rent will increase 3% annually. At year 5 of the lease, Base Rent will increase based on a Fair Market Rent Appraisal
Permitted Use	Amazon shall use the Premises for aircraft cargo processing, ground support/maintenance and related handling services performed by Amazon and its affiliates, cargo handling, ground handling, equipment maintenance and general offices in support of Amazon's operations.
Security Requirement	6 months' base rent
Insurance Requirement	General Liability Coverage: \$5 million per occurrence Auto Liability Coverage: \$5 million per occurrence for vehicles on AOA, \$1 million per occurrence for vehicles off of AOA

ALTERNATIVES AND IMPLICATIONS CONSIDERED

Alternative 1 – Do not lease the property to Amazon

Cost Implications: \$71,073 lease revenue per month.

Pros:

- (1) The Port could RFP the entire building to other viable users
- (2) The Port could keep Building 156A as a multi-tenant facility
- (3) The Port would maintain flexibility in space management

Cons:

- (1) Amazon would be impacted in their ability to accommodate its significant SEA cargo business growth
- (2) The Port would be forgoing \$71,073 in monthly lease revenue until a replacement lessee is identified for the vacant portion of the building

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- (3) The Port would need to maintain the vacant space until a replacement lessee is identified

This is not the recommended alternative.

Alternative 2 – Enter into a lease with Amazon

Cost Implications: \$143,418 lease revenue per month

Pros:

- (1) Amazon plans to complete building alterations to improve the facility, at their cost
- (2) The Port would have total rental income of approximately \$18,008,551 over the 10-year term
- (3) This lease would establish a direct lease relationship with Amazon.

Cons:

- (1) Eliminates any other potential use of the building
- (2) The property would be off the market for other potential users

This is the recommended alternative.

FINANCIAL IMPLICATIONS

The lease will produce approximately \$18,008,551 in rental income for the 10-year term of the lease.

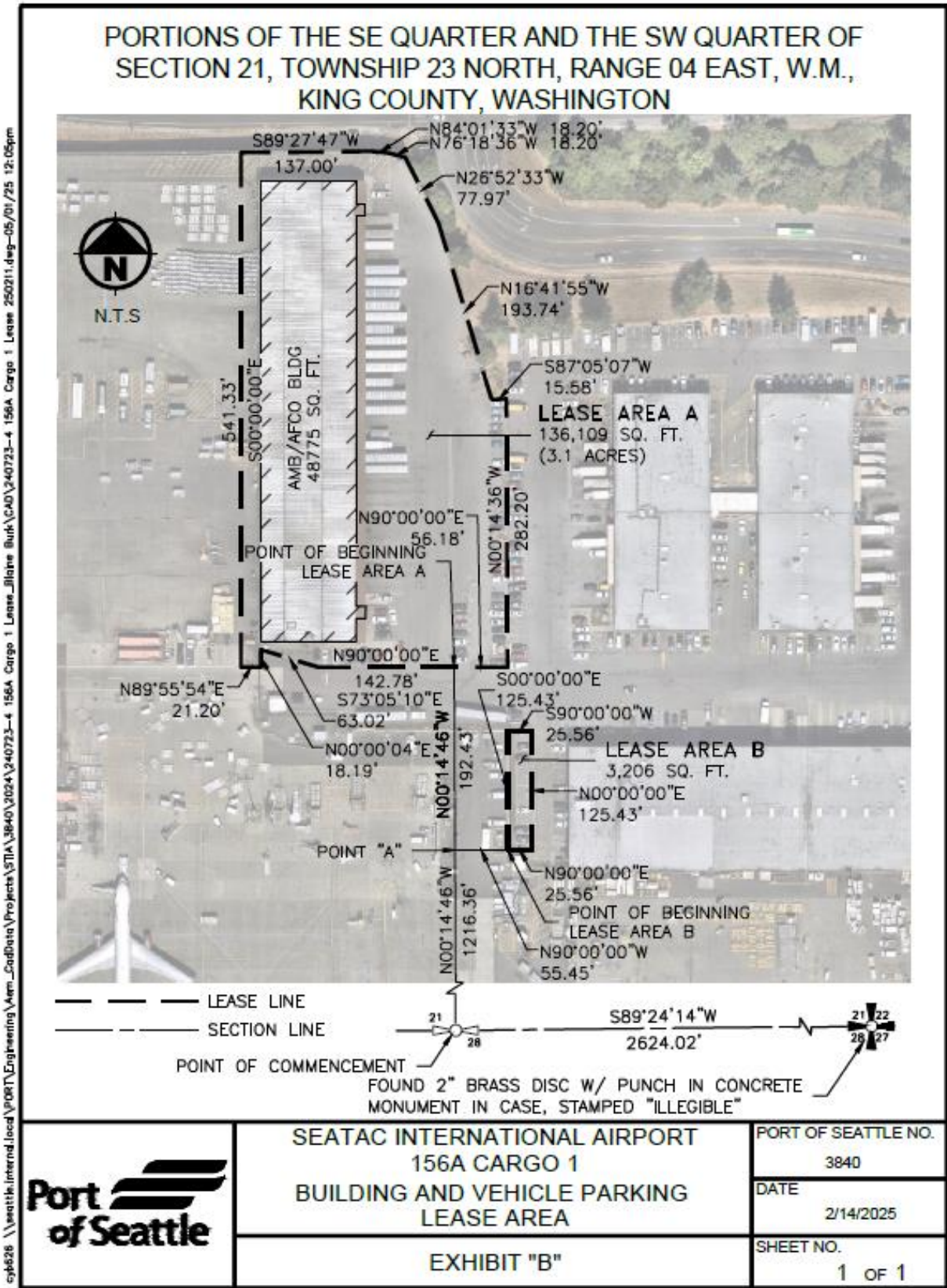
ATTACHMENTS TO THIS REQUEST

- (1) Lease Exhibit – Premises
- (2) Presentation slides

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

NONE

Building 156A Lease Premises Exhibit



Building 156A Air Cargo Term Lease



Actions Requested

Request Commission authorization for the Executive Director to execute an Airport Term Lease Agreement with Amazon.com Services, LLC. (Amazon) for cargo building and related facilities at Seattle-Tacoma International Airport (Airport). The proposed lease term is for ten (10) years.

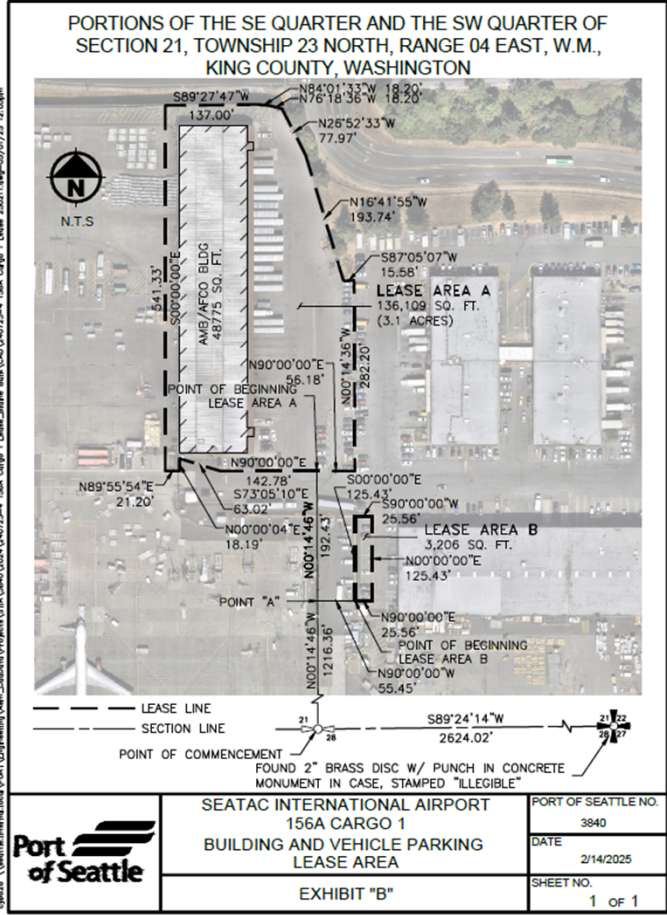
Lease Overview

- Amazon has operated a portion of their air cargo operations through their contractor (WFS-Express) within Building 156A since 2021
- The Port has negotiated a direct lease with Amazon where Amazon would take over the entirety of Building 156A and associated yard/parking areas
- This lease will allow Amazon to consolidate their air cargo operations from multiple SEA buildings into one, which aligns with the Port's broader space management plans.
- Over the 10-year term of this lease, the Port would collect approximately \$18,008,551 in rent revenue



Term Lease Details

Building 156A Term Lease Terms	
Tenant Name	Amazon.com Services LLC
Term	10 years
Termination Option	Amazon will have a termination option at month 66 of the lease
Monthly Base Rent	\$143,418.39 for the first year
Rental Rate Adjustments	Monthly Base Rent will increase 3% annually. At year 5 of the lease, Base Rent will increase based on a Fair Market Rent Appraisal
Permitted Use	Amazon shall use the Premises for aircraft cargo processing, ground support/maintenance and related handling services performed by Amazon and its affiliates, cargo handling, ground handling, equipment maintenance and general offices in support of Amazon's operations.
Security Requirement	6 months' base rent
Insurance Requirement	General Liability Coverage: \$5 million per occurrence Auto Liability Coverage: \$5 million per occurrence for vehicles on AOA, \$1 million per occurrence for vehicles off of AOA



**COMMISSION
AGENDA MEMORANDUM**

Item No. 8e

ACTION ITEM

Date of Meeting October 14, 2025

DATE : September 12, 2025

TO: Stephen P. Metruck, Executive Director

FROM: Elizabeth Black, Deputy General Counsel

SUBJECT: Settlement with Great American Insurance Company

Amount of this request: \$ 10,200,000 paid by Port
 \$ 10,188,969 paid to Port
 Net \$ 11,301

ACTION REQUESTED

Authorization for the Executive Director to execute an amendment to the August 2020 Settlement Agreement and Release between the Port and its primary insurer, Great American Insurance Company (GAIC).

EXECUTIVE SUMMARY

The Port has an opportunity to finalize the last remaining details of its 2020 settlement agreement with the Port's primary insurance carrier regarding the insurer's scope of coverage for historic environmental contamination. With this amendment to the prior settlement, the Port will make a payment to GAIC in the amount of \$10,200,000, reflecting the Port's obligation to reimburse costs GAIC spent on the Port's behalf, and GAIC will make a payment to the Port in the amount of \$10,188,969, reflecting GAIC's remaining obligation to the Port under the parties' 2020 settlement agreement.

DETAILS AND JUSTIFICATION

From 1963-1985, the Port had primary insurance coverage through predecessors to Great American Insurance Company (GAIC). Under those policies and subject to a reservation of its rights to deny coverage, GAIC provided defense and indemnity coverage to the Port for certain environmental investigation and cleanup costs associated with the Lower Duwamish Waterway, Harbor Island/East Waterway, and Terminal 91 (the "Contaminated Sites") and has paid over \$80 million to the Port to date. The Port and GAIC share a mutual interest in resolving their dispute regarding the scope of GAIC's coverage obligation without litigation. The parties reached a settlement agreement in 2020 that resolved all issues except the two addressed in the proposed

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amendment; the amendment would resolve the remaining disputes regarding GAIC's obligations to the Port for the Contaminated Sites.

The amendment includes the following key terms: GAIC will make immediate payment to the Port in the amount of \$10,188,969, reflecting GAIC's remaining obligation to the Port under the parties' 2020 settlement agreement for cleanup costs at Terminal 91. In addition, 30 days after receipt of GAIC's T-91 payment, the Port will pay \$10,200,000, to GAIC as reimbursement for costs that GAIC paid on the Port's behalf to successfully recover contribution from other responsible parties. The amendment will resolve all claims with respect to the Contaminated Sites, and both parties will reserve all of their rights regarding other potential claims.

ALTERNATIVES AND IMPLICATIONS CONSIDERED

Alternatives and implications have been considered and discussed in attorney-client privileged communications. Counsel for the Port recommends that the proposed settlement be approved.

FINANCIAL IMPLICATIONS

The amounts the Port and GAIC will transmit to each other are similar. Separate payments are necessary for recordkeeping purposes and for documenting the Port's exhaustion of certain insurance policies. The Port will pay slightly more than GAIC, a net amount of \$11,301.

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

August 11, 2020 – Commission approved a settlement agreement with GAIC.

April 23, 2019 – The Commission authorized a settlement agreement with Lamorak Insurance Company and Bedivere Insurance Company, both formerly known as OneBeacon Insurance Company.

May 22, 2018 – The Commission authorized a proposed settlement agreement with Great American Insurance Company to resolve remaining claims relating to defense costs for environmental investigation and cleanup incurred through December 31, 2014.

October 27, 2015 – The Commission authorized the proposed 2015 Addendum Agreement to the 2014 Duty to Defend Settlement Agreement and Partial Release between the Port of Seattle and GAIC.

August 19, 2014 – The Commission authorized the proposed 2014 Duty to Defend Settlement Agreement and Partial Release between the Port of Seattle and Great American Insurance Company and Great American Insurance Company of New York.

**COMMISSION
AGENDA MEMORANDUM**

Item No.

8f

ACTION ITEM

Date of Meeting

October 14, 2025

DATE: October 3, 2025

TO: Stephen P. Metruck, Executive Director

FROM: Arthur Kim, Capital Project Manager III, Waterfront Project Management
Stephanie Jones Stebbins, Managing Director, Maritime

SUBJECT: T18 Maintenance Dredging Additional ERL Funding

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

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

ACTION REQUESTED

Request Commission authorization for the Executive Director to increase the total costs not to exceed from \$1,000,000 to \$2,000,000 for additional environmental remediation liability (ERL) funding for upland disposal of additional contaminated sediment from the T18 Maintenance Dredging Project, Master Identification No. N10746.

EXECUTIVE SUMMARY

Project budget authorization increase is requested to dispose of an additional 2,400 cubic yards (CY) of contaminated sediment that is not suitable for open water disposal at an authorized upland disposal facility. Regulatory agencies also require a 9" layer of clean sand over the dredged areas.

JUSTIFICATION

Sediment testing conducted in 2025 determined that all dredged material for the NWSA T18 Maintenance Dredging Project was not suitable for open water disposal and must be disposed of at an approved upland facility. Material unsuitable for open water disposal is classified as legacy contamination and remains the responsibility of the homeport. At the time of initial construction authorization, the project anticipated approximately 3,600 cubic yards of material requiring upland disposal.

During the quality assurance and quality control (QA/QC) phase of final design, a miscalculation of estimated dredge volume was identified by the consultant resulting in an increase of unsuitable material to 6,000 total cubic yards. As a result of this increase of 2,400 cubic yards, additional funding is required to complete the project. After all unsuitable material is removed, regulatory agencies require the placement of a 9-inch clean sand layer over dredged areas.

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Due to the change in volume, we are requesting an additional \$1,000,000 from the Environmental Legacy Fund to fully fund the construction of the NWSA T18 Maintenance Dredging Project (ELF).

Diversity in Contracting

Design is being developed by utilizing consultants on an existing IDIQ. Diversity in Contracting Department will determine participation opportunities and appropriate aspirational goals for WMBE in the construction phase of the project.

DETAILS

This is associated with the T18 Maintenance Dredging Project under the NWSA (N10204 with a total NWSA authorization of \$3,000,000). Because costs associated with legacy contaminated soil are considered a Homeport responsibility per section 3.2(a) of the NWSA Charter, a separate work project (N10746) was created for upland disposal work and is separate from the Northwest Seaport Alliance T18 Maintenance Dredging Project. The costs of upland disposal will be booked as operating expense to Port of Seattle Joint Venture as it is separate from the NWSA T18 Maintenance Dredging Expense Project.

Scope of Work

Additional construction funding is required to perform the following:

- Take approximately an additional 2,400 CY of contaminated sediment that is not suitable for open water disposal and dispose of it upland at an approved facility.
- Place 9" of clean sand cover over the dredged areas as required by the regulatory agencies.

Schedule

Commission construction authorization	August 5, 2025
Construction start	January 2025
In-use date	February 15, 2025

Cost Breakdown

	This Request	Total Project
Design	\$0	\$0,000
Construction	\$1,000,000	\$2,000,000
Total	\$1,000,000	\$2,000,000

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ALTERNATIVES AND IMPLICATIONS CONSIDERED**Alternative 1** – Do nothing.Cost Implications: No additional funds committed.Pros:

- (1) Reduced cost to the Port.

Cons:

- (1) T18 Maintenance Dredging Project will not be fully completed and the lease obligations to the Tenant cannot be fulfilled.

This is not the recommended alternative.

Alternative 2 – Fully fund the ERL portion of the T18 Maintenance Dredging Project.Cost Implications: Additional funding of \$1,000,000 to the project.Pros:

- (1) Complete the project according to the full committed scope of the T18 Maintenance Dredging Project.
- (2) Protects the environment from potential contamination at T18.

Cons:

- (1) Additional funding of \$1,000,000 is required.

This is the recommended alternative.**FINANCIAL IMPLICATIONS*****Project Cost Details - NWSA***

	This Request	Total Project Cost	Cost to Date	Remaining Cost
Procurement	\$0	\$0	\$0	\$0
Pre-Design	\$0	\$100,000	\$100,000	\$0
Design	\$0	\$900,000	\$450,000	\$450,000
Construction	\$0	\$2,000,000	\$0	\$2,000,000
Total	\$0	\$3,000,000	\$550,000	\$2,450,000

Project Cost Details – POS ERL

	This Request	Total Project Cost	Cost to Date	Remaining Cost
Procurement	\$0	\$0	\$0	\$0
Pre-Design	\$0	\$0	\$0	\$0
Design	\$0	\$0	\$0	\$0
Construction	\$1,000,000	\$2,000,000	\$0	\$2,000,000
Total	\$1,000,000	\$2,000,000	\$0	\$2,000,000

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Annual Budget Status and Source of Funds

The Port of Seattle’s Environmental Legacy Fund (ELF) will fund the project Fund.

Financial Analysis and Summary

Project cost for analysis	\$2,000,000
Business Unit (BU)	Joint Venture
Effect on business performance (NOI after depreciation)	N/A
IRR/NPV (if relevant)	N/A
CPE Impact	N/A

ATTACHMENTS TO THIS REQUEST

- (1) Presentation slides

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

- August 5, 2025 – The Managing Members (POS only vote) authorized \$1,000,000 in ERL for construction.
- August 5, 2025 – The Managing Members authorized \$2,000,000 of NWSA funds for construction.
- April 21, 2023 – The Managing Members authorized \$900,000 of NWSA funds for design.
- February 2, 2023 – NWSA Executive Authorization of \$100,000 approved for pre-design.

T18 Maintenance Dredging Additional ERL Funding

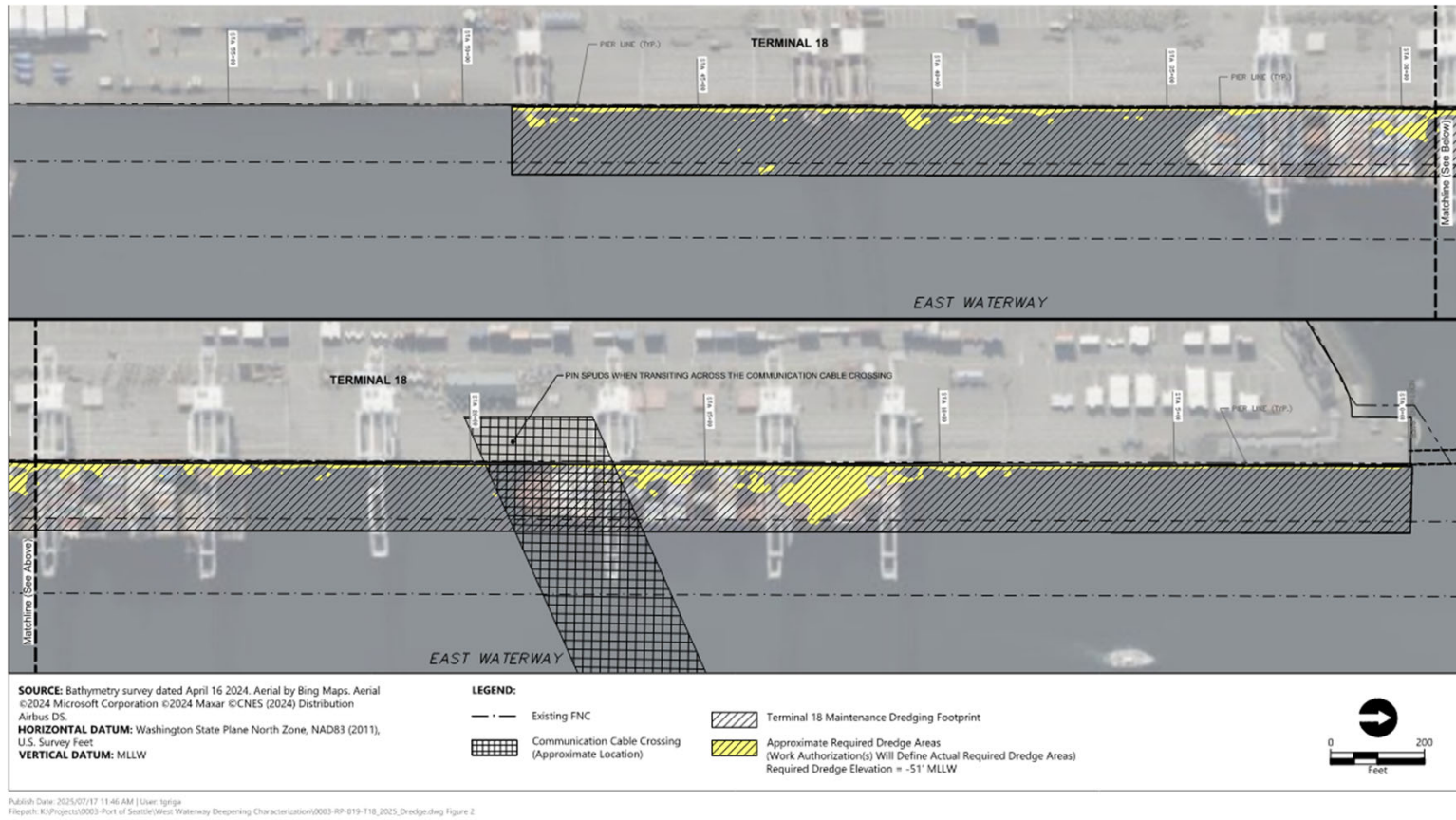
Arthur Kim – Capital Project Manager, Waterfront Project Management
Stephanie Jones Stebbins – Managing Director, Maritime



Action Request

Request Commission authorization for the Executive Director to increase the total costs not to exceed from \$1,000,000 to \$2,000,000 for additional environmental remediation liability (ERL) funding for upland disposal of additional contaminated sediment from the T18 Maintenance Dredging Project, Master Identification No. N10746.

T18 Bathymetric Survey



Publish Date: 2025/07/17 11:46 AM | User: tgriga
 Filepath: K:\Projects\0003-Port of Seattle\West Waterway Deepening Characterization\0003-RP-019-T18_2025_Dredging Figure 2.

Background

- Sediment testing in 2025 showed all dredged material for the project as unsuitable for open water disposal and must be disposed at an approved upland facility.
- Initial construction estimates anticipated 3,600 CY of material.
- Final design revised the volume to 6,000 CY.
- Additional ERL funding is required for the additional 2,400 CY of material.

Project Objectives

- Dredge an additional 2,600 CY of material unsuitable material for open water disposal.
- Dispose of all material at an approved upland facility.
- Place 9” of clean sand cover over the dredged areas as required by regulatory agencies.

Project Cost Details - NWA

	This Request	Total Project Cost	Cost to Date	Remaining Cost
Procurement	\$0	\$0	\$0	\$0
Pre-Design	\$0	\$100,000	\$100,000	\$0
Design	\$0	\$900,000	\$450,000	\$450,000
Construction	\$0	\$2,000,000	\$0	\$2,000,000
Total	\$0	\$3,000,000	\$550,000	\$2,450,000

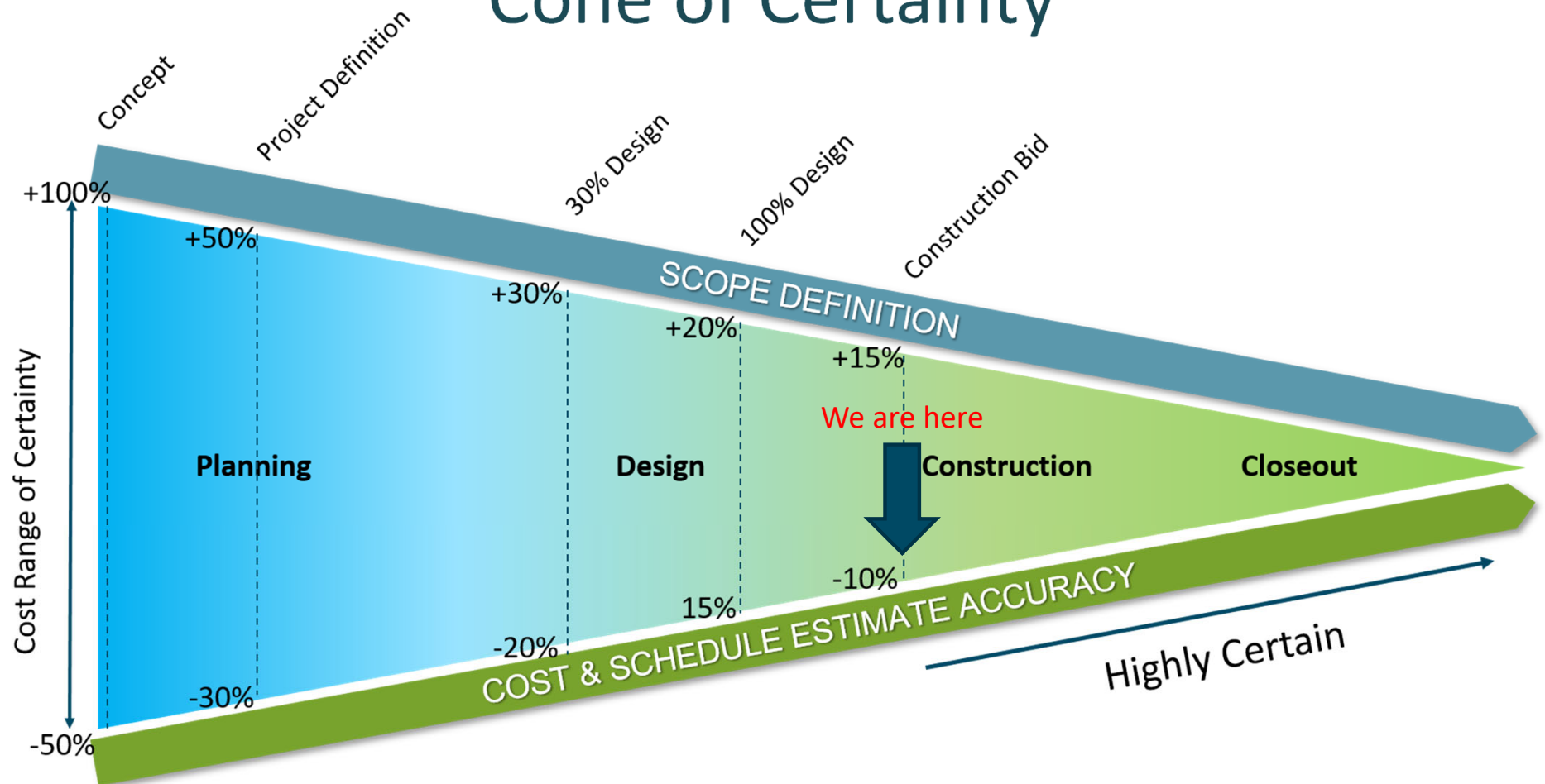
Project Cost Details – POS ERL

	This Request	Total Project Cost	Cost to Date	Remaining Cost
Procurement	\$0	\$0	\$0	\$0
Pre-Design	\$0	\$0	\$0	\$0
Design	\$0	\$0	\$0	\$0
Construction	\$1,000,000	\$2,000,000	\$0	\$2,000,000
Total	\$1,000,000	\$2,000,000	\$0	\$2,000,000

Project Schedule

Item	Anticipated Date
Commission – Construction Authorization	Q3 2025
Construction start	Q1 2026
Substantial Completion	Q1 2026
Final Completion	Q3 2026

Cone of Certainty



Questions?



**COMMISSION
AGENDA
MEMORANDUM**

ACTION ITEM

Item No.

8g

Date of Meeting

October 14, 2025

DATE: September 10, 2025

TO: Stephen P. Metruck, Executive Director

FROM: Cassie Fritz, Assistant Director Waterfront Project Management Program Controls

SUBJECT: Planning and Project Management Services Indefinite Delivery, Indefinite Quantity (IDIQ) Contracts

Amount of this request: \$0.00

ACTION REQUESTED

Request Commission authorization for the Executive Director to execute up to three (3) professional services Indefinite Delivery, Indefinite Quantity (IDIQ) contracts to provide planning and project management services in support of capital programs, tenant improvement, and expense projects, with a total value of \$12,000,000 and a contract ordering period of five (5) years.

EXECUTIVE SUMMARY

The long-range capital plans for the Port of Seattle Maritime Division and the Northwest Seaport Alliance (NWSA) North Harbor include substantial investment in capital and major expense construction projects. Executing these contracts will allow flexibility in staffing to meet the challenges of delivering a varied capital program. No funding authorization is included with this request as the funding for this work will come from separately authorized project budgets.

JUSTIFICATION

These contracts will allow the Port to manage finances by providing a flexible means of managing projects based on changing business needs.

The contract duration and value will ensure the Port has continuity and capacity throughout the capital improvement program horizon to support permitting, design, and construction for individual projects and programs.

Meeting Date: October 14, 2025

Diversity in Contracting

The project team is working with the Diversity in Contracting office to identify an appropriate WMBE aspirational goal for the IDIQs. Historically IDIQ goals fall between 15-20% of the not to exceed total.

DETAILS

The IDIQ contracts will be procured according to Port policies and procedures in accordance with Delegation of Authority and Procurement policies. The contracts will be written with specific not-to-exceed amounts and identify the services required. Each contract will have a contract ordering period (during which the services may be separately authorized) of five years. The actual contract duration may extend beyond five years to complete work identified in service directives. Service directives may only be issued during the contract ordering period and within the total original contract value.

Individual service directives consisting of a scope, level of effort, and schedule will be negotiated and executed as needed. Funds will be derived from separate project authorization requests so there is no funding request associated with this memo.

Scope of Work

Scope of work for these IDIQ contracts includes all services necessary to support planning and project management, including but not limited to:

Master, strategic, and capital planning	Shoreline and environmental planning
Financial and business assessment	Forecasts and trends for Maritime lines of business
Land use planning and review of zoning and regulatory requirements	Project definition development
Feasibility and alternatives analysis	Facility demand / capacity analysis
Decarbonization assessments/implementation planning	Water conservation assessment
Waste reduction assessment	Equity analysis
Climate resilience planning	Operational efficiency planning
Project initiation and definition	Design reviews
Construction project meetings	Scope development
Risk management	Schedule development
Report creation	Budget management

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Project meeting attendance	Project report updates
Estimate creation	Commission and Managing Members Memo creation
Technology Infrastructure Planning	Group and Stakeholder Facilitation

ALTERNATIVES AND IMPLICATIONS CONSIDERED**Alternative 1 – Execute project-specific contracts to support capital and operational activities****Pros:**

- (1) Expands opportunities for firms to participate.

Cons:

- (1) Doesn't allow for preliminary work to support capital projects or operational activities.
- (2) Does not allow for time-sensitive tasks, leading to delays and increased costs.
- (3) Inhibits continuity and development of institutional knowledge.
- (4) Staffing costs significantly increase to support contract procurement and administration.

This is not the recommended alternative.

Alternative 2 – Hire staff to respond to increases in workload and layoff for decreases**Pros:**

- (1) Retains subject matter expertise and institutional knowledge in house

Cons:

- (1) Hiring and training FTE staff is expensive
- (2) Hiring processes can take a great deal of time, so response time will be impacted
- (3) Opens the possibility of layoffs if workload fluctuates

This is not the recommended alternative.

Alternative 3 – Execute 3 IDIQ contracts for planning and project management services**Pros:**

- (1) Enables time-sensitive projects.
- (2) Enables high-capacity projects.
- (3) Aligns staff and technical expertise to varying workloads.
- (4) Improves continuity and institutional knowledge.
- (5) Reduces contract procurement and administration as well as technical staffing costs.

Cons: Possibility of fewer firms participating in procurement

This is the recommended alternative.

Meeting Date: October 14, 2025

FINANCIAL IMPLICATIONS

Annual Budget Status and Source of Funds

There is no funding associated with this request for authorization. Funding for Service Directives under this contract will be for work authorized by future capital projects.

ATTACHMENTS TO THIS REQUEST

None

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

On December 14, 2021, Commission meeting authorized last round of Project Management Services

**COMMISSION
AGENDA MEMORANDUM**

Item No. 8h

ACTION ITEM

Date of Meeting October 14, 2025

DATE : September 10, 2025

TO: Stephen P. Metruck, Executive Director

FROM: Cassie Fritz, Assistant Director Waterfront Project Management Program Controls

SUBJECT: Roofing Inspection and Design Support Indefinite Delivery, Indefinite Quantity (IDIQ) Professional Service Agreement

Amount of this request: \$0.00

ACTION REQUESTED

Request Commission authorization for the Executive Director to execute up to two (2) Indefinite Delivery, Indefinite Quantity (IDIQ) professional services agreements for roofing-related consulting services with a cumulative total amount not to exceed \$6,000,000 and a contract ordering period of five years. No funding is associated with this request.

EXECUTIVE SUMMARY

The service agreements resulting from this request will allow the Port to respond to a range of needs, including, but not limited to, roof inspections, roof surveys, and design for roof repair, replacement, or solar panel installation at Port of Seattle properties. The proposed consulting contracts will allow the Port to respond to future service needs efficiently and cost effectively.

JUSTIFICATION

The Port of Seattle owns and maintains a large variety of facilities of varying age and condition. These service agreements will provide the Port of Seattle with subject matter expertise to support Roofing related maintenance, repair, and replacement projects as needed to ensure ongoing operation of port facilities.

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

The contract duration and value will ensure the Port has continuity and capacity throughout the capital improvement program horizon to support permitting, alternative analysis, design, and construction for individual projects and programs.

Diversity in Contracting

Meeting Date: October 14, 2025

The project team is working with the Diversity in Contracting office to identify an appropriate WMBE aspirational goal for the IDIQs. Historically IDIQ goals fall between 15-20% of the not to exceed total.

DETAILS

The IDIQ contracts will be procured according to Port policies and procedures in accordance with Delegation of Authority and Procurement policies. The contracts will be written with specific not-to-exceed amounts and identify the services required. Each contract will have a contract ordering period (during which the services may be separately authorized) of five years. The actual contract duration may extend beyond five years to complete work identified in service directives. Service directives may only be issued during the contract ordering period and within the total original contract value.

Individual service directives consisting of a scope, level of effort, and schedule will be negotiated and executed as needed. Funds will be derived from separate project authorization requests so there is no funding request associated with this memo.

Scope of Work

General scope of work will cover planning, design, permitting and construction support pertaining to surveys, repairs, or replacement of roofing structures at Port of Seattle properties.

ALTERNATIVES AND IMPLICATIONS CONSIDERED

Alternative 1 – Execute project-specific contracts to support capital and operational activities

Pros:

- (1) Expands opportunities for firms to participate.

Cons:

- (1) Doesn't allow for preliminary work to support capital projects or operational activities.
- (2) Does not allow for time-sensitive tasks, leading to delays and increased costs.
- (3) Inhibits continuity and development of institutional knowledge.
- (4) Staffing costs significantly increase to support contract procurement and administration.

This is not the recommended alternative.

Alternative 2 – Execute 2 IDIQ contracts for related design work

Pros:

- (1) Enables time-sensitive projects.
- (2) Enables high-capacity projects.
- (3) Aligns staff and technical expertise to varying workloads.
- (4) Improves continuity and institutional knowledge.
- (5) Reduces contract procurement and administration as well as technical staffing costs.

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Cons: Possibility of fewer firms participating in procurement

This is the recommended alternative.

FINANCIAL IMPLICATIONS

Annual Budget Status and Source of Funds

There is no funding associated with this request for authorization. Funding for Service Directives under this contract will be for work authorized by future capital projects.

ATTACHMENTS TO THIS REQUEST

None

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

March 23, 2021 - Commission meeting authorized last round of Roofing design Services IDIQs

**COMMISSION
AGENDA MEMORANDUM**

Item No.

8i

ACTION ITEM

Date of Meeting

October 14, 2025

DATE: September 23, 2025

TO: Stephen P. Metruck, Executive Director

FROM: Jennifer Maietta, Director, Real Estate Asset Management
Jessica Carlson, Senior Real Estate Manager

SUBJECT: Fishermen's Terminal Trowbridge LLC Term Lease

ACTION REQUESTED

Request Commission authorization for the Executive Director to execute a ten (10) year term lease, with Trowbridge, LLC at Fishermen's Terminal in its substantive form as presented.

EXECUTIVE SUMMARY

This is a term lease with Trowbridge, LLC ("Trowbridge") for the former Fishing Vessel Owner's site at Fishermen's Terminal which has been vacant since 2021. Trowbridge Innovations is a West Coast contractor, marine service provider, and product supplier in the maritime sector. They will be investing approximately \$2M to bring the warehouse/office space back to a functional state. The improvements will include additional upgrades to the floating docks, marine ways and yard area.

JUSTIFICATION

Trowbridge is a financially strong, maritime small business, that has been in operation for 10+ years with over 30 years of experience. Trowbridge is a West Coast contractor, marine service provider, and product supplier in the maritime sector. This tenant will continue to provide services and jobs within the maritime industry, bringing 35-50 jobs through this lease. They also intend to sublease a portion of the warehouse to Walrus Boat Recycling, a non-profit organization dedicated to saving and upcycling boats while tackling a variety of socioeconomic and environmental challenges.

The former Fishing Vessel Owner's (FVO) site at Fishermen's Terminal has been vacant since 2021. FVO declared bankruptcy which resulted in receivership. Ultimately the parties agreed upon a settlement amount. During the receivership the Port did not have access to the Premises and vandalism occurred during this time. The current warehouse/office is effectively unusable in its current condition due to FVO deferred maintenance and being stripped of interior equipment and improvements over time requiring significant investment by the Port. Other portions of the property are at the end of their useful life such as the electrical and utility infrastructure, floating

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docks and marine ways. The benefit of this site is its access to the waterway and large yard area. Trowbridge will be investing approximately two million dollars (\$2,000,000) into the warehouse/office space. The improvements will include additional upgrades to the floating docks, marine-ways and concrete pier. The 18,483sf warehouse requires electrical, plumbing, HVAC, building envelope restoration. Additionally, Trowbridge will secure the property with their own security personnel.

Summary of Lease Terms:

Premises	Total Premises is 182,804/sf inclusive of 136,138/sf submerged lands, 28,183/sf yard area, and 18,483/sf warehouse/office space located within Fishermen's Terminal.
Term	Ten (10) Years
Commencement	November 1, 2025
Due diligence period	Thirty (30) days period following the Commencement Date, Lessee shall have the right to review the environmental conditions of the Premises. - One-time right to terminate by written notice to Lessor prior to end of 30-day Due Diligence Period. - Otherwise, upon the expiration of the Due Diligence Period, the Lessee fully accepts the Premises in its present condition.
Rent Commencement	Rent shall commence May 1, 2026; upon conclusion of due diligence period and Lessee shall accept Premises in an as is condition.
Base Rent	\$11,225.43/Month plus 3% annual escalation, and 12.84% Leasehold Excise Tax - The base rent is market rate for the yard and submerged lands. - The warehouse/office rent is abated during the term of the lease as the buildings are in a non-functional state.
Security Deposit	Security deposit is \$35,757
Tenant Improvement Allowance	Tenant Improvement Allowance in an amount not to exceed \$500,000. TI to include, but not limited to, electrical, mechanical (HVAC), plumbing, lighting, fire system, and interior office shell repairs to flooring, drop ceiling, insulation and floating dock repairs December 1, 2026, which may be extended at Port's sole discretion.

Meeting Date: October 14, 2025

Insurance	General Liability: \$5M/per occurrence and \$10M aggregate Automobile Liability Insurance: \$1M/per occurrence Protection & Indemnity Liability Insurance: \$1M/per occurrence
Maintenance & Repair	Tenant responsibility. Port shall have no responsibility to maintain.
Utilities	Tenant responsible for all utilities costs associated with Premises.

ALTERNATIVES AND IMPLICATIONS CONSIDERED**Alternative 1 – Reject the Lease proposal.**

Cost Implications: This alternative would have the Port continuing to be financially responsible for improvements, maintenance and security of the premises

Pros:

- (1) None

Cons:

- (1) The Port would not see the substantial increase in revenue from rent.
- (2) We would not be supporting a Maritime Industry business and employment.
- (3) The Port would continue to pay for vacancy and buildings would continue to deteriorate– including security, safety, and maintenance of the premises.

This is not the recommended alternative.

Alternative 2 – Agree to the Terms of the Agreement

Cost Implications: \$500,000 in Tenant Improvement Reimbursement.

Pros:

- (1) Increase to Port revenue.
- (2) More Maritime jobs and customers.
- (3) Long term well established maritime business activating the premises, which has been vacant since 2021.
- (4) Financial responsibility for improvements as well as maintenance and security of the space are borne by the Tenant.

Cons:

- (1) None

This is the recommended alternative

Meeting Date: October 14, 2025

FINANCIAL IMPLICATIONS

The tenant improvement allowance will be recovered within the first 4.03 years of the term.

Financial Analysis and Summary

Project cost for analysis	Tenant Improvement Allowance: \$500,000
Business Unit (BU)	Portfolio Management
Effect on business performance (NOI after depreciation)	The lease generates approximately \$1.5M over the course of the primary term (10 years)
IRR/NPV (if relevant)	NPV= \$585K TI Allowance Payback=4.03 years

ATTACHMENTS TO THIS REQUEST

- (1) Draft Term Lease
- (2) Presentation slides

LEASE AGREEMENT

Between

PORT OF SEATTLE

And

TROWBRIDGE LLC

DRAFT

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LEASE AGREEMENT

THIS LEASE AGREEMENT (the "Lease") is made as of this _____ day of _____ 20____ by and between the PORT OF SEATTLE, a Washington municipal corporation (the "Port"), and TROWBRIDGE LLC, a Washington limited liability company (the "Lessee").

For and in consideration of the mutual promises, covenants and conditions hereinafter set forth, the parties agree as follows:

SECTION 1: LEASED PREMISES

1.1. Premises. The Port hereby leases to Lessee, and Lessee hereby leases from the Port, the following described premises (the "Premises") located at the Port property commonly known as Fishermen's Terminal, a legal description of which is attached hereto as Exhibit A.

Approximately Eighteen thousand four hundred eighty-three (18,483) square feet of office space and warehouse space together with one hundred thirty six thousand one hundred thirty eight (136,138) square feet of submerged land with exclusive use of Floats 1&2, and 340 linear feet of moorage on the eastern side of Dock 3 within the submerged land and twenty eight thousand one hundred eighty three (28,183) square feet of improved land, subject to Port access in the area shown crosshatched for unobstructed access to fire hydrant, water valves and faucets, located at 1511 West Thurman, Seattle, WA 98119, all as shown on the attached Exhibit B ("Easement Area").

Subject to the rights reserved to the Port in this Lease, the Premises extend to the centerline of party/demising walls and to the exterior faces of any exterior walls and from the structural flooring to ceiling, specifically including any plenum above a drop/suspended ceiling. The Port and Lessee agree that the Premises are, and shall be deemed for all purposes to be, 182,804 square feet as set forth above.

1.2. Acceptance of the Premises. Lessee has examined the Premises, accepts them in their present condition, and agrees to make any changes in the Premises necessary to conform to federal, state and local law applicable to Lessee's use of the Premises, subject to the Due Diligence Period defined below in Section 2.3.

1.3. Quiet Enjoyment. So long as Lessee is not in default under this Lease and subject to the specific provisions, covenants and agreements contained in this Lease, the Port covenants and agrees that the quiet and peaceful possession and enjoyment of the Premises by Lessee shall not be disturbed or interfered with by the Port or by any other party claiming by or through the Port.

SECTION 2: TERM

2.1. Lease Term. This Lease shall be for a term of ten (10) years, beginning November 1, 2025, (the "Commencement Date") and ending October 31, 2035.

2.2. Option to Extend. Lessee shall have no option to extend the term.

2.3. Due Diligence Period. For a period of thirty (30) days following the Commencement Date, Lessee shall have the right to review the condition of the Premises for the sole purpose of evaluating the environmental conditions of the Premises ("Due Diligence Period"). The Port shall provide Lessee with the existing Phase I and Phase II studies and general known environmental conditions of the Premises no later than the 5th (fifth) day of the Due Diligence Period. Lessee shall have a one-time right to terminate this Agreement by written notice to Lessor prior to midnight of the last day of the Due Diligence Period, otherwise, upon the expiration of the Due Diligence Period, the Lessee fully accepts the Premises in its present condition in accordance with Section 1.2, and the Agreement shall remain in full force and effect. If Lessee elects to terminate this Agreement during the Due Diligence Period, neither the Port nor Lessee shall have any further rights or obligations under this Agreement other than those terms that expressly survive expiration or termination.

2.4. Possession. If the Port shall be unable for any reason to deliver possession of the Premises, or any portion thereof, at the time of the commencement of the term of this Lease, the Port shall not be liable for any damage caused thereby to Lessee, nor shall this Lease thereby become void or voidable, nor shall the term specified herein be in any way extended, but in such event Lessee shall not be liable for any Rent until such time as the Port can deliver possession. If Lessee shall, in the interim, take possession of any portion of the Premises, Lessee shall pay as Rent the full rent specified herein reduced pro rata for the portion of the Premises not available for possession by Lessee. If the Port shall be unable to deliver possession of the Premises at the commencement of the term of this Lease, Lessee shall have the option to terminate this Lease by at least thirty (30) days' written notice, unless the Port shall deliver possession of the Premises prior to the effective date of termination specified in such notice. If Lessee shall, with the Port's consent, take possession of all or any part of the Premises prior to the commencement of the term of this Lease, all of the terms and conditions of this Lease shall immediately become applicable, with the exception that Lessee shall not be obligated to pay any Rent for the period prior to the commencement of the term of this Lease unless otherwise mutually agreed.

SECTION 3: RENT

3.1. Base Rent. Base Rent shall Commence on May 1, 2026, (the "Rent Commencement Date"), Lessee agrees to pay as rent (the "Base Rent") for the Premises the sum of ELEVEN THOUSAND TWO HUNDRED TWENTY-FIVE AND 43/100 DOLLARS (\$11,225.43) per month, plus applicable taxes.

Base Rent is generally computed as follows:

Warehouse/Office rent will be abated for the duration of the Lease Term in consideration of the building condition and the need for Lessee Tenant Improvements to complete major envelope, mechanical, plumbing, electric, interior repairs, and build outs to the office and warehouses.

$28,183 \text{ sf of Improved Land} \times \$4.20/\text{sf/yr} = \$118,368.60/12 \text{ Months} = \$9,864.05/\text{Month}^*$

$136,138 \text{ linear feet of submerged land} \times 0.12/\text{lf/yr} = \$16,336.56/12 \text{ Months}$
 $= \$1,361.38/\text{Month}^*$

Total Monthly Base Rent = \$11,225.43

*plus applicable taxes. The Base Rent shall constitute the contract rent for purposes of determining taxable rent for assessment of leasehold excise tax.

The Base Rent shall be paid to the Port in advance on or before the Rent Commencement Date and, thereafter, on or before the first day of each and every month during the term, at such place as the Port may designate, without any prior demand, and without any abatement, deduction or setoff whatsoever. If the term commences on any day other than the first day of a calendar month, Base Rent for any fractional month shall be prorated based upon the actual number of days in such fractional month.

3.2. Adjustments to Base Rent.

3.2.1. Percentage Increases to Rent. The Base Rent stated in Section 3.1 shall be increased by three percent (3%) effective on the anniversary of the Commencement Date if the first of the month, otherwise, the anniversary of the first day of the first full month following the Commencement Date, and every twelfth (12th) month thereafter through the term of this Lease, including any extension term (if any).

3.3. Use of Term Rent. The Port and Lessee agree that the term "Rent" shall mean and refer collectively to sums denominated as either Base Rent, percentage rent (if any), Additional Rent (if any) or any such other sums or charges otherwise payable by Lessee under the terms of this Lease. Failure by Lessee to pay any sum denominated as Rent shall entitle the Port to pursue any or all remedies specified in this Lease as well as remedies specified in R.C.W. Chapter 59.12 or otherwise allowed by law.

3.4. Late Charges.

3.4.1. Lessee hereby acknowledges that late payment by Lessee to the Port of Rent, or any portion thereof, or any other sums due hereunder will cause the Port to incur costs not otherwise contemplated by this Lease. Accordingly, if any installment of Rent, or any portion thereof, or any other sum due from Lessee shall not be received by the Port within ten (10) days after such amount shall be due, then, without any requirement for notice to Lessee, Lessee shall pay the Port a late charge equal to the greater of five dollars (\$5.00) or 5% of such overdue amount. The parties agree that such late charge represents a fair and reasonable estimate of the costs the Port will incur by reason of late payment by Lessee. Acceptance of such late charge by the Port shall in no event constitute a waiver of Lessee's default with respect to such overdue amount, nor prevent the Port from exercising any of the other rights and remedies granted hereunder.

3.4.2. In the event that a late charge is payable in this Lease or otherwise, whether or not collected, for three (3) installments of Rent and/or other remuneration in any 12-month period, then the Port reserves the right to require that Rent and/or other remuneration become due and payable quarterly in advance, rather than monthly, notwithstanding Section 3.1 or any other provision of this Lease to the contrary.

3.4.3. In addition to the late charges provided for in this Section, interest shall accrue on any unpaid Rent and/or other remuneration, or any other sums due hereunder, at the rate of 18% per annum or the maximum rate provided by law, whichever is less, ("the Default Rate") from the date due until paid, provided, however, the minimum charge of interest shall be five dollars (\$5.00).

SECTION 4: SECURITY

4.1. Security. Lessee shall, upon execution of this Lease, obtain and deliver to the Port a good and sufficient corporate surety company bond, irrevocable stand-by letter of credit, cash deposit or other security in an amount equal to THIRTY-FIVE THOUSAND SEVEN HUNDRED FIFTY-SEVEN AND NO/100 DOLLARS (\$35,757.00) (hereinafter referred to as "Security"), to secure Lessee's full performance of this Lease, 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 Lease and throughout any holdover period. If the Security is in a form that periodically requires renewal, Lessee 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.

4.2. Return of Security. The Security is a part of the consideration for execution of this Lease. If Lessee shall have fully performed all terms and conditions of this Lease, any cash deposit security shall be paid to Lessee within sixty (60) days following the termination (or expiration) date without interest; otherwise, the Port shall, in addition to any and all other rights and remedies available under this Lease or at law or equity, retain title thereto.

4.3. Application of Security. The Port may apply all or part of the Security to unpaid Rent or any other unpaid sum due hereunder, or to cure other defaults of Lessee. If the Port uses any part of the Security, Lessee 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.

SECTION 5: USE OF PREMISES

5.1. Use of Premises. Lessee shall use the Premises for: staging and storage associated with: marine construction services, including, but not limited, to marine construction, shoreline restoration, piling repair, floating docks; and salvage and vessel decommissioning and shall not use them for any other purpose without the written consent of

the Port. Lessee shall have exclusive use of Floats 1&2, and 340 linear feet of moorage on the eastern side of Dock 3 within the submerged land. .

5.2. Vehicle Maintenance and Equipment Cleaning Prohibition. Vehicle maintenance and equipment cleaning are prohibited on the premises except with prior written consent from the Port. Vehicle maintenance includes, but is not limited to, rehabilitation, mechanical repairing, painting, fueling, and/or lubricating of a motor-driven conveyance. Equipment cleaning includes wet cleaning of industrial equipment or dry cleaning with potential to discharge pollutants.

5.3. General Standards Regarding Use.

5.3.1. Lessee shall occupy and use the entire Premises for the purpose set forth in Section 5.1 in a first-class manner continuously during the entire term of this Lease, with the exception of temporary closures for such periods as may reasonably be necessary for repairs or refurbishing or for reasons beyond Lessee's reasonable control.

5.3.2. Lessee shall not use or occupy or permit the Premises or any part thereof to be used or occupied, in whole or in part, in a manner which would in any way: (i) violate any present or future Legal Requirements; (ii) violate any of the covenants, agreements, provisions and conditions of this Lease; (iii) violate the certificate of occupancy then in force with respect thereto; (iv) constitute a public or private nuisance; (v) impair or interfere with, in the Port's reasonable judgment, the character, reputation or appearance of the Port; or (vi) occasion discomfort, inconvenience or annoyance to either the Port or its adjoining tenants. For purposes of this Lease, the term "Legal Requirements" shall mean and refer to all laws, statutes and ordinances including building codes and zoning regulations and ordinances and the orders, rules, regulations and requirements of all federal, state, county, city or other local jurisdiction departments, agencies, bureaus, offices and other subdivisions thereof, or any official thereof, or of any other governmental, public or quasi-public authority, which may be applicable to or have jurisdiction over the Premises, or the sidewalks or streets adjacent thereto and all requirements, obligations and conditions of all instruments of record at any time during the term of this Lease.

5.3.3. Lessee shall not conduct or permit to be conducted without the prior written consent of the Port, any auction, fire, bankruptcy, "going out of business" or other distress sales of any nature upon or from the Premises, whether voluntary, involuntary, pursuant to any assignment for the payment of creditors, or pursuant to any bankruptcy or other insolvency proceeding, unless ordered by a court of competent jurisdiction.

5.4. Continuing Compliance. Throughout the term of this Lease, Lessee shall, at its own cost and expense, promptly and diligently observe and comply with: (i) all Legal Requirements (including, without limitation, those relating to environmental matters) and the requirements of any fire insurance rating organization and all insurance companies writing policies covering the Premises or any part or parts thereof; (ii) all applicable rules and regulations of the Port pertaining to the building or other realty of which the Premises are a part now in existence or hereafter promulgated for the general safety and convenience of the Port, its various tenants, invitees, licensees and the general public; and (iii) all permits, licenses, franchises and other authorizations required for Lessee's use of the Premises or any part thereof. Lessee shall comply with each of these whether or not they are now in force or at any time in the future may be passed, enacted, or directed.

5.5. Terminal Security.

5.5.1. Without limiting the generality of either Section 5.2 or 5.4, Lessee shall comply at all times with all local, state and federal laws, rules and regulations relating to homeland security ("Security Laws") applicable to the Premises or any larger facility of which the Premises are a part. If the Premises, either directly or as a result of their location within a larger Port facility, are subject to a government-required security plan ("Security Plan"), Lessee will fully and promptly comply with the Security Plan. Lessee shall be solely responsible for all of its costs of complying with any applicable Security Laws or Security Plan as well as any fines or penalties incurred (whether by Lessee or the Port) as result of its failure to comply with such Security Laws or Security Plan.

5.5.2. Lessee shall not, without the Port's separate, express written agreement, undertake any activities or handle any cargo that would either: (i) subject the Premises, or any larger facility of which the Premises are a part, to any Security Laws to which it is not already then-subject; or (ii) require the adoption of, or any material modification to, a Security Plan applicable to the Premises, or any larger facility of which the Premises are a part (together, "Additional Security Requirement"). In addition to its own costs of complying with any Additional Security Requirement, Lessee shall further be responsible to the Port for any costs the Port incurs in complying with any Additional Security Requirement or any fines or penalties incurred as a result of its failure to implement, or comply with, such Additional Security Requirement.

5.6. No Liens. Lessee will not directly or indirectly create or permit to be created and/or to remain, a Lien upon the Premises, including any Alterations (as defined below in Section 7.1), fixtures, improvements or appurtenances thereto, except those Liens expressly permitted in writing by the Port. In the event any such Lien(s) have been created by or permitted by Lessee in violation of this provision, Lessee shall immediately discharge as of record, by bond or as otherwise allowed by law, any such Lien(s). Lessee shall also defend (with counsel approved by the Port), fully indemnify, and hold entirely free and harmless the Port from any action, suit or proceeding brought on or for the enforcement of such Lien(s). As used in this Section, "Lien" shall mean and refer to any mortgage, lien, security interest, encumbrance, charge on, pledge of, conditional sale or other encumbrance on the Premises, any Alteration, fixture, improvement or appurtenance thereto, or any larger building and/or property of which the Premises may be a part.

5.7. Signs. No signs, symbols, canopies or other advertising matter shall be attached to or painted on or within the Premises, including windows and doors thereof, without the prior written approval of the Port. At the expiration or sooner termination of this Lease, all signs, symbols, advertising matter or canopies placed on or in the Premises by Lessee shall be removed by Lessee at its expense, and Lessee shall repair any damage or injury to the Premises and correct any unsightly condition caused by the maintenance or removal of said signs, symbols, canopies or other advertising matter.

SECTION 6: UTILITIES

6.1. Utilities. Lessee shall be liable for and shall pay throughout the term of this Lease, all charges for all utility services furnished or attributable to the Premises, including, but not limited to, light, heat, electricity, fire alarm monitoring, gas, water, sewerage and drainage (which includes removal and disposal of sewerage and surface water), recycling, garbage disposal, and janitorial services, specifically including reasonable costs and charges associated with the management of such utility services. In the event that the Premises are part of a building or part of any larger premises to which any utility services are furnished on a consolidated or joint basis, Lessee agrees to pay to the Port Lessee's pro rata share of the cost of any such utility services. Lessee's pro rata share of any such services may be computed by the Port on any reasonable basis, and separate metering or other exact segregation of cost shall not be required. The Port shall reserve the right to change utility providers and/or purchase green or renewable energy, even if such change results in higher costs to Lessee.

6.2. Waste Management. Lessee shall adopt waste management strategies aligned with City of Seattle and Port of Seattle objectives, which include maximizing diversion of recyclable materials, food, and organic wastes from landfills, responsible disposal of construction and industrial materials and minimizing waste generation.

6.3. Stormwater/Drainage. Surface water, or drainage, is managed by the Port of Seattle Marine Stormwater Utility ("Utility"), which is also responsible for billing of stormwater utility charges. Tenant charges are subject to rates established by the Utility and are adjusted each January. Drainage charges are itemized separately from Base Rent on billing invoices/statements and are subject to the same late charges set forth in Section 3.4.

6.4. Utility Interruptions. With respect to any utility service provided to the Premises as a part of a building or any larger premises of which the Premises are a part, the Port shall have the right to shut down electrical or other utility services to the Premises when necessitated by safety, repairs, alterations, connections, upgrades, relocations, reconnections, or for any other reason, with respect to any such utility system (singularly or collectively,

“Utility Work”), regardless of whether the need for such Utility Work arises in respect of the Premises, any other part of the building or larger premises. Whenever possible, the Port shall give Lessee no less than two (2) days prior notice for such utility shutdown. The Port shall not be liable to Lessee for any losses, including loss of income or business interruption, resulting from any interruptions or failure in the supply of any utility to the Premises, except when such losses result from the Port’s gross negligence.

6.5. Utility Access and Data Reporting. Upon request, Lessee shall submit to the Port utility consumption and usage data, including total usage and charges as they appear on Lessee’s electric, gas, water, waste removal, and other utility bills, in a format deemed reasonably acceptable by the Port, or original copies as may be required by local benchmarking/disclosure regulations. The Port may also require Lessee to authorize direct data retrieval from utility providers. If Lessee provides their own utility data monitoring platform, it must be compatible with Port energy management system and shall require prior review and approval by the Port. Lessee shall provide Port access to data, settings, and graphic user interface of its Building Control System, Building Management System, or Building Automation System.

6.6. Separate Metering. The Port may, at any time, install and connect to Lessee’s communication system (secure cloud via ethernet, Wi-Fi or LTE) providing separate metering for the Premises or for any specific use within the Premises (including, without limitation, Lessee’s datacenter, server rooms, or other information technology equipment) for electricity, water, gas, steam, or other utility usage. The Port shall have access to the Premises and utility as is reasonably necessary to accomplish the installation set forth in Section 6. These meters may include, but are not limited to, a direct meter, a submeter, or a check meter, all of which shall be calibrated, maintained, and/or replaced according to industry standards by the Port. Lessee shall report to the Port Lessee’s usage as measured by the meter.

6.7. Fossil Natural Gas and Fossil Fuel Restriction. In line with Port of Seattle greenhouse gas emission reduction goals, the Port reserves the right to acquire all or part of the energy for the Premises from sources with low greenhouse gas emissions. Any incremental cost in so doing above the cost of obtaining conventionally generated electricity and/or fossil natural gas may be included in Operating Expenses at the Port’s discretion. Notwithstanding the foregoing, Lessee shall meet the Port’s Fossil Natural Gas (“FNG”) Objective and shall not use FNG or fossil fuel for any operation or maintenance purpose on the Premises, except upon Port’s written approval.

6.8. Energy Credits, Certificates and Rebates. Any carbon offset credits, renewable energy credits, tradable renewable credits, energy saving certificates, rebates, incentives, offsets, allowances, and other similar entitlements, now or hereafter existing (“Renewable Credits”), received by the Premises or by the Port, and applicable to the Premises shall belong to the Port except to the extent, if any, to which: (i) Lessee may be entitled to them under applicable law, in which event Lessee shall be entitled to the Renewable Credits to the extent required by law; (ii) the same arise directly from any action or activity undertaken by Lessee itself in the Premises that result in decreased consumption of natural resources by the Building or the avoidance of environmental impacts on air, soil, or water; or (iii) Lessee may have paid as an Operating Expense or contributed to a cost or program that obtained the Renewable Credits and Lessee is not compensated under preceding clause of this subsection in which event Lessee shall be entitled to an equitable share, as determined by Port in its reasonable discretion, after first netting out the costs of participating in the carbon reduction program and/or of obtaining the credit.

SECTION 7: ALTERATIONS; OWNERSHIP OF CERTAIN INSTALLATIONS

7.1. Limitation on Alterations. Other than The Tenant Improvements, as defined in Exhibit C, Lessee shall make no changes, alterations, additions, substitutions or improvements (collectively referred to as “Alterations”) to the Premises, unless Lessee shall first deliver to the Port plans and specifications for, and obtain the Port’s prior written approval of, such Alterations. The Port shall not unreasonably withhold, condition, or delay its approval of any Alterations. All such Alterations shall be done at Lessee’s sole cost and expense and at such times and subject to such reasonable conditions as the Port may from time to time designate. Notwithstanding the foregoing, Lessee shall be permitted to perform The Work in the Work

Agreement attached hereto as Exhibit C in accordance with the terms of this Section 7 and the Work Agreement.

7.2. Requirements for All Alterations. In addition to, and not in lieu of, conditions imposed by the Port pursuant to Section 7.1, any alterations or improvements, and Tenant Improvements permitted by the Port shall be performed: (i) in a good and workmanlike manner; (ii) in compliance with all Legal Requirements; and (iii) in a manner which will not unreasonably interfere with or disturb other tenants of the Port. In addition, prior to commencement of any Alterations, Lessee shall furnish to the Port proof of insurance for any and all contractors working on behalf of Lessee in the minimum form and limits as set forth in Sections 11.2.1.1 and 11.2.1.2.

7.3. Trade Fixtures. Lessee shall retain ownership of all trade fixtures and business equipment and furnishings from time to time installed by Lessee at its expense. Lessee may remove any of such fixtures, equipment or furnishings at any time during the term and shall remove all thereof prior to the expiration of the term. Any such property not removed at the expiration of the term shall, at the election of the Port, become the property of the Port without payment to Lessee, or be deemed abandoned and removed by the Port, at Lessee's expense. Upon any removal of such property, Lessee shall promptly repair any and all damage to the Premises caused thereby and reimburse the Port for its costs and expenses in removing any such property not removed by Lessee and repairing any such damage not repaired by Lessee; this covenant shall survive the termination of this Lease.

7.4. Prevailing Wage. Lessee shall, in connection with the labor associated with any Tenant Improvements or Alterations under this Lease, comply with all prevailing wage laws in the State of Washington, as set forth in R.C.W. 39.12 as amended, and the rules and regulations of the Department of Labor and Industries and provide documentation to the Port upon request. The wage rates to be paid all laborers, workers and mechanics that perform any part of the work on any Tenant Improvements or Alterations shall meet or exceed the prevailing wage rates as required by Chapter 39.12 of the R.C.W., as amended. This requirement applies to laborers, workers and mechanics whether they are employed by Lessee, Contractors, Subcontractors, Sub-subcontractors, or any other person who performs a portion of the work on any tenant improvements or Alterations.

7.4.1. The rules and regulations of the Department of Labor and Industries and the schedule of prevailing wage rates for the locality or localities where any work under this Lease will be performed as determined by the Industrial Statistician of the Department of Labor and Industries, are by this reference made a part of this Lease as though fully set forth herein. The W.A.C. Chapter 296-127 relating to prevailing wage can be found at: <http://apps.leg.wa.gov/wac/default.aspx?cite=296-127>. In any contracts for Tenant Improvements or Alterations approved by the Port, Lessee's contract with any general contractor and/or sub-contractor shall require the payment of the local prevailing wage.

7.4.2. In connection with this Lease, Lessee will be required to submit to the Port "Statements of Intent to Pay Prevailing Wages" for its employees, contractors and subcontractors at all tiers prior to commencing work. The Statements of Intent require the approval of the industrial statistician of the Department of Labor and Industries — which shall include the contractor's registration certificate number; the prevailing rate of wage for each classification of workers entitled to prevailing wages under R.C.W. 39.12.020; and the estimated number of workers in each classification. Lessee shall ensure that each Statement of Intent to Pay Prevailing Wages that is submitted to the Port has been approved by the industrial statistician of the Department of Labor and Industries before said statement is submitted to the Port. Such Statements of Intent shall be filed in accordance with the practices and procedures required by the Department of Labor and Industries.

7.4.3. Lessee will further be required to submit to the Port "Affidavits of Wages Paid" for its employees, contractors and subcontractors at all tiers. The Affidavits of Wages Paid require the certification of the industrial statistician of the Department of Labor and Industries — which shall include the contractor's registration certificate number; the prevailing rate of wage for each classification of workers entitled to prevailing wages under R.C.W. 39.12.020; and the estimated number of workers in each classification. Lessee shall ensure that each Affidavit of Wages Paid that is submitted to the Port has been certified by the industrial statistician of the Department of Labor and Industries before said Affidavit is submitted to the Port. Such

Affidavits of Wages Paid shall be filed in accordance with the practices and procedures required by the Department of Labor and Industries.

7.4.4. Pursuant to W.A.C. 296-127-040 and W.A.C. 296-127-045, Lessee shall be responsible for payment to the Department of Labor and Industries the applicable processing fee(s) set forth in R.C.W. 39.12.070 due with the submittal of each "Statement of Intent to Pay Prevailing Wages" and "Affidavit of Wages Paid." Lessee shall monitor contractors' and subcontractors' compliance with the requirements of this Section 7.4; any failure by Lessee or contractor or subcontractor at any tier to meet the requirements of this Section 7.4 or violation of prevailing wage laws or regulations shall be a material breach of this Lease.

7.4.5. Although not required, the Port encourages Lessee to examine the applicability of a Project Labor Agreement ("PLA") in light of any: (i) project needs for labor continuity and stability, including analysis of labor needs by trade; (ii) project complexity, including cost and duration; (iii) value of having uniform working conditions; (iv) potential impact of PLA on small business opportunities; (v) past labor disputes or issues indicating risk of delay; (vi) potential PLA impact on project cost; (vii) project presents specific safety concerns to the public; (viii) value of an established PLA grievance process to resolve labor-management or jurisdictional disputes; and (ix) any other considerations particular to the project.

7.5. Building Compliance. Only to the extent of Lessee's Alterations and Tenant Improvements installed pursuant to Section 7 and any applicable maintenance and repair obligations pursuant to Section 8, below, Lessee shall comply with all applicable state and local building performance standards, reporting, and auditing requirements, including: (i) Washington State Clean Building Standard; (ii) City of Seattle's Benchmarking Program; (iii) City of Seattle's Building Tune-Ups Program; (iv) City of Seattle's Building Emissions Performance Standard; and (v) other energy code requirements required of and by the Port and/or Port property. The Lessee shall provide building access, required information, and all necessary documentation and shall address all corrective measures (as appropriate) in a timely manner to support or verify compliance pursuant to the terms of this lease. The Port, at its option, and with adequate advance notice, reserves the right to require Lessee to complete all required compliance actions, per City code or State law, at Lessee's cost and expense.

SECTION 8: MAINTENANCE AND REPAIR

8.1. Maintenance and Repair by Lessee.

8.1.1. Lessee shall, at its sole cost and expense, keep the Premises – both outside and inside, together with all Alterations, equipment and installations – in good order, condition and repair at all times. Lessee shall make all repairs and replacements (ordinary as well as extraordinary, foreseen and unforeseen) which may be necessary or required so that at all times the Premises are in good order, condition and repair. Without limiting the generality of the foregoing, Lessee shall keep the glass of all windows and doors on the Premises clean and presentable, shall replace all cracked or broken glass in the Premises, shall keep the mechanical and electrical systems and all drains clean and in a good state of repair, shall protect the sprinkler system and all pipes and drains so that they will not freeze or become clogged, and shall not permit or suffer any waste, damages, or disfigurement to or upon the Premises or any part thereof.

8.1.2. Lessee shall also keep the Premises and entryways neat, clean and in sanitary condition, free from infestation of pests and conditions which might result in harborage for, or infestation of pests. As used in this Section, the word "pests," as used herein, shall include without limitation, rodents, insects, and birds in numbers to the extent that a nuisance is created. Lessee shall also specifically remove all snow and ice from the walkways and sidewalks in front of the Premises.

8.1.3. Lessee shall keep the stormwater and surface water drainage systems free of any substances that could contaminate stormwater. The stormwater drainage system includes catch basins, manholes, trenches, drain lines, and other related infrastructures that convey stormwater directly to other stormwater systems or to surface waters.

8.1.4. Lessee shall provide documentation of repair and maintenance items required by Section 8 herein upon request, including verification of proper management and

disposal of regulated materials including but not limited to refrigerants, paint and solvents. If Lessee is not adequately maintaining building systems Port's rights under Section 17 shall be triggered in the Port's discretion.

8.2. Maintenance and Repair by Port. The Port shall have no responsibility to maintain or repair the Premises whatsoever.

SECTION 9: TAXES

9.1. Payment of Taxes. Lessee shall be liable for, and shall pay throughout the term of this Lease, all license fees and all taxes payable for, or on account of, the activities conducted on the Premises and all taxes on the property of Lessee on the Premises and any taxes on the Premises and/or on the leasehold interest created by this Lease and/or any taxes levied in lieu of a tax on said leasehold interest and/or any taxes levied on, or measured by, the rentals payable hereunder, whether imposed on Lessee or on the Port. With respect to any such taxes payable by the Port which are based on or measured by the Base Rent payments hereunder, Lessee shall pay to the Port with each Base Rent payment an amount equal to the tax on, or measured by, that particular payment. All other tax amounts for which the Port is or will be entitled to reimbursement from Lessee shall be payable by Lessee to the Port at least fifteen (15) days prior to the due dates of the respective tax amounts involved; provided, that Lessee shall be entitled to a minimum of ten (10) days' written notice of the amounts payable by it.

9.2. Personal Property Taxes. Lessee shall pay or cause to be paid, prior to delinquency, any and all taxes and assessments levied upon all trade fixtures, inventories and other real or personal property placed or installed in and upon the Premises by Lessee. If any such taxes on Lessee's personal property or trade fixtures are levied against the Port or the Port's property, and if the Port pays the taxes based upon such increased assessment, Lessee shall, upon demand, repay to the Port the taxes so levied.

SECTION 10: COMMON AREAS

10.1. Control of Common Areas by Port. The Port shall at all times have the exclusive control and management of all parking areas, access roads, driveways, sidewalks, entrances, exits, loading docks, signs, drainage facilities, landscaped areas, washrooms, stairways, hallways and other areas, improvements, facilities and/or special services provided by the Port for the general use, in common, of tenants of any larger property of which the Premises are a part ("Common Areas and Facilities"). Without creating a duty to do so or limiting the Port's right of control and management, the Port specifically reserves the right to: (i) establish, modify from time to time, and enforce reasonable rules and regulations governing the use of the Common Areas and Facilities; (ii) police the Common Areas and Facilities; (iii) change the area, level, location and arrangement of parking and other areas or facilities within Common Areas and Facilities; (iv) provided Lessee is not deprived of reasonable access to its Premises, close all or any portion of the Common Areas and Facilities; and (v) do and perform such other acts in and to the Common Areas and Facilities as, in the use of good business judgment, the Port shall determine to be advisable with a view to the improvement of the convenience and use thereof by the Port and tenants of any larger property of which the Premises are a part.

10.2. License. All Common Areas and Facilities which Lessee is permitted to use and occupy are used and occupied under a revocable license. If the amount of such areas or facilities is revised or diminished, such revision or diminution shall not be deemed a constructive or actual eviction, and the Port shall not be subject to any liability, nor shall Lessee be entitled to any compensation or reduction or abatement of Rent.

SECTION 11: INSURANCE AND INDEMNITY

11.1. Indemnity.

11.1.1. The Port, its officers, 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 Lessee or by others, including but not limited to all persons directly or indirectly employed by Lessee, or any agents,

contractors, subcontractors, licensees or invitees of Lessee, as a result of any condition (including existing or future defects in the Premises) or occurrence (including failure or interruption of utility service) whatsoever related in any way to Lessee's use or occupancy of the Premises and of areas adjacent thereto.

11.1.2. Lessee shall defend (with counsel approved by the Port), fully indemnify, and hold entirely free and harmless the Port and its Commissioners, officers, agents and employees from any and all loss, damages, expenses, attorneys' fees, consultants' fees, court costs and other costs for or from: (i) anything and everything whatsoever arising from the condition of the Premises or out of the occupancy by the Lessee or any sublessee, licensee, invitee or concessionaire of Lessee; and (ii) any accident, injury, death or damage to any party however caused in or about the Premises or upon the sidewalks adjacent to the Premises, whether or not caused by the negligence of Lessee or any third party; and (iii) any fault or negligence by Lessee or any sublessee, licensee, invitee or concessionaire of the Lessee or of any officer, agent, employee, guest or invitee of any such person; and (iv) any failure on Lessee's part to comply with any of the covenants, terms and conditions contained in this Lease; provided, however, nothing herein shall require Lessee to indemnify the Port from any accident, injury, death or damage arising out of the sole negligence of the Port or its Commissioners, officers, agents and employees. Lessee agrees that the foregoing indemnity specifically covers actions brought by its own employees, and thus Lessee expressly waives its immunity under industrial insurance, Title 51, as necessary to effectuate this indemnity.

11.1.3. Notwithstanding anything to the contrary in Section 11.1.2, in the event of the concurrent negligence of Lessee, any of its sublessees, licensees, assignees, concessionaires, agents, employees, or contractors on the one hand and the negligence of the Port, its agents, employees or contractors on the other hand, which concurrent negligence results in injury or damage to persons or property of any nature and howsoever caused, and relates to the construction, alteration, repair, addition to, subtraction from, improvement to or maintenance of the Premises such that R.C.W. 4.24.115 is applicable, Lessee's obligation to indemnify the Port as set forth in this Section shall be limited to the extent of Lessee's negligence and that of any of Lessee's officers, sublessees, assignees, agents, employees, contractors or licensees, including Lessee's proportional share of costs, court costs, attorneys' fees, consultants' fees and expenses incurred in connection with any claim, action or proceeding brought with respect to such injury or damage.

11.1.4. Lessee and Port agree and acknowledge that this provision is the product of mutual negotiation. Lessee's obligations under this Section shall survive the expiration or earlier termination of this Lease.

11.2. Insurance.

11.2.1. Required Policies. Lessee shall obtain and keep in force, at its sole cost and expense the following types of insurance, in the amounts specified and in the form hereinafter provided for:

11.2.1.1. *General Liability Insurance.* Lessee shall obtain and keep in force a commercial general liability policy of insurance, written on ISO Form CG 00 01 10 01 (or equivalent), that protects Lessee and the Port, as an additional insured against claims for bodily injury, personal injury and property damage based upon, involving or arising out of the tenancy, use, occupancy or maintenance of the Premises and all areas appurtenant thereto, and specifically including the action/inaction of any subtenant, licensee or concessionaire. Such insurance shall be on an occurrence basis providing single limit coverage in an amount not less than five million dollars (\$5,000,000) per occurrence and ten million dollars (\$10,000,000) annual aggregate. A copy of the additional insured endorsement shall be submitted to the Port at the inception of the Lease and annually thereafter. The policy shall contain a minimum \$50,000 sub-limit that covers damage to premises rented or leased to Lessee, including fire damage. The policy shall not have any exclusions for work on piers, docks, or wharves and shall extended coverage for loading and unloading vessels. The policy shall be primary and non-contributory to any insurance the Port carries and shall contain a waiver of subrogation in favor of the Port. A certificate of insurance shall be submitted to the Port at the inception of the Lease and annually thereafter. The certificate shall name the Port as an additional insured and be accompanied by the following endorsements: i) Additional Insured Endorsement; ii) Primary Non-Contributory Endorsement; and iii) Waiver of Subrogation Endorsement.

11.2.1.2. *Automobile Liability Insurance.* Lessee shall obtain and keep in force a commercial automobile liability policy of insurance, written on ISO Form CA 00 01 07 97 (or equivalent), that protects Lessee and the Port against claims for bodily injury and property damage based upon, involving or arising out of motor vehicle operations on or about the Premises and all areas appurtenant thereto. Lessee shall provide a Waiver of Subrogation on this policy in favor of the Port. Such insurance shall cover any "Auto" (i.e. owned, hired and non-owned) and shall be on an occurrence basis providing single limit coverage in an amount not less than one million dollars (\$1,000,000) per occurrence. The policy shall not contain any intra-insured exclusions as between insured persons or organizations.

11.2.1.3. *Property Insurance.* Lessee shall obtain and keep in force property insurance using an ISO CP 1020 Cause of Loss Broad Form (or an equivalent manuscript form) insuring Lessee's personal property and Alterations (specifically including "betterments" and "improvements") made by or for Lessee against physical damage, including loss of use, to the Premises. The policy shall include coverage for any additional costs resulting from debris removal and reasonable amounts of coverage for the enforcement of any ordinance or law regulating the reconstruction or replacement of the damaged property including any undamaged sections of the Premises required to be demolished or removed by reason of the enforcement of any Legal Requirement as the result of a covered cause of loss. The amount of such insurance shall be procured on a replacement cost basis. The Port of Seattle shall be included as an Additional Insured and Loss Payee on Lessee's property insurance policy with respect to the Port's interest in Alterations.

11.2.1.4. *Protection and Indemnity Liability Insurance.* Lessee shall obtain and keep in force protection and indemnity liability insurance, written on a form acceptable to the Port, protecting Lessee and the Port, as an Additional Insured, against claims involving or arising out of operations in which owned or non-owned vessels, boats, work skiffs, or floating platforms, are used on or about the Premises. Such insurance shall be on an occurrence basis providing single limit coverage in an amount not less than one million dollars (\$1,000,000) per occurrence. The policy shall not contain any intra-insured exclusions as between insured persons or organizations.

11.2.1.5. *Other Insurance.* Lessee shall further obtain and keep in force such other and further insurance as the Port may from time to time reasonably request for the protection by insurance of its interest in the Premises.

The limits of insurance specified in this Section shall be subject to periodic adjustment to reflect changes in insuring practices for similar properties in the same geographic area and changes in insurance products.

11.2.2. Insurance Policies.

11.2.2.1. *Insurance Companies.* Insurance required hereunder shall be in companies duly licensed to transact business in the State of Washington, and maintaining during the policy term a General Policyholders Rating of 'A-' or better and a financial rating of 'IX' or better, as set forth in the most current issue of "Best's Insurance Guide."

11.2.2.2. *Deductibles and Retentions.* No insurance required herein shall contain a deductible or self-insured retention in excess of \$100,000 without the prior written consent of the Port.

11.2.2.3. *Termination; Renewal.* Insurance is to remain current throughout the term of the Lease. The Port shall receive documentation annually to include a certificate of insurance and any applicable endorsements to validate the insurance required herein has been purchased and is compliant with the Lease requirements within ten (10) days of each insurance renewal. Should any insurance required herein be terminated, cancelled, or not renewed, the Lessee will have five (5) days to obtain replacement insurance from the date of the termination, cancellation or non-renewal notice Lessee receives from their insurer(s). In the event the insurance is not replaced within five (5) days, the Lease will be considered under Default in accordance with Section 14.

11.2.2.4. *Evidence of Insurance.* Lessee shall deliver, or cause to be delivered, to the Port, certificates of insurance, additional insured endorsements, loss payee

endorsements for property insurance, waivers of subrogation and any other documentation or endorsement that provides evidence of the existence and amounts of such insurance, the inclusion of the Port as an insured as required by this Lease, and the amounts of all deductibles and/or self-insured retentions. Upon request by the Port, Lessee shall deliver or cause to be delivered to the Port, certified copies of the policies of insurance that Lessee has purchased in order for the Port to verify insurance coverage, limits, and endorsements or view any exclusions to the Lessee's insurance policies.

11.2.2.5. *No Limitation of Liability.* The limits of insurance required by this Lease or as carried by Lessee shall not limit the liability of Lessee nor relieve Lessee of any obligation hereunder.

11.3. Waiver of Subrogation. Without affecting any other rights or remedies, Lessee (for itself and on behalf of anyone claiming through or under it by way of subrogation or otherwise) hereby waives any rights it may have against the Port, its officers, agents and employees (whether in contract or in tort) on account of any loss or damage occasioned to Lessee arising out of or incident to the perils required to be insured against under this Lease. Accordingly, Lessee shall cause each insurance policy required by Section 11.2 to further contain a waiver of subrogation clause. The effect of such release and waiver of the right to recover damages shall not be limited by the amount of insurance carried or required, or by any deductibles applicable thereto.

11.4. Increase in Port's Cost of Insurance. Lessee shall not use the Premises in such a manner as to increase the existing rates of insurance applicable to the buildings or structures of which the Premises are a part. If it nevertheless does so, then, at the option of the Port, the full amount of any resulting increase in premiums paid by the Port with respect to the buildings or structures of which the Premises are a part, and to the extent allocable to the term of this Lease, may be added to the amount of Rent and shall be paid by Lessee to the Port upon the monthly rental day next thereafter occurring.

SECTION 12: DAMAGE OR DESTRUCTION

12.1. Duty to Repair. If the Premises or any buildings or structures of which the Premises are a part are damaged by fire, the elements, earthquake, accident or other casualty (collectively, "Casualty"), Lessee shall give immediate written notice thereof to the Port. The Port may, except to the extent the Port has the right to terminate this Lease under Section 12.2, use reasonable efforts to repair and restore the Premises and/or the buildings or structures of which the Premises are a part to substantially their former condition to the extent permitted by then-applicable Legal Requirements; provided, however, the Port shall have no obligation to repair and restore any Alterations or any of Lessee's personal property, specifically including that which Lessee retains ownership of under Section 7.3.

12.2. Right to Terminate. The Port may elect to terminate this Lease in the event that the Port, in its sole judgment, concludes that the damage to the Premises or any buildings or structures of which the Premises are a part cannot be repaired within thirty (30) days of the Casualty (with the repair work and the preparations therefor to be done during regular working hours on regular work days). In the event that the Port elects to terminate this Lease, the Port shall advise Lessee of that fact within thirty (30) days of the date the Port is notified of the Casualty and notify Lessee of the date, not more than ninety (90) days after the Casualty, on which the Lease will terminate.

12.3. Lessee's Fault. Notwithstanding anything herein to the contrary, if the damages by Casualty to the Premises or any buildings or structures of which the Premises are a part results from Lessee's fault, negligence, or breach of the terms of this Lease, Lessee shall be liable to the Port for the cost and expense of any repair and restoration of the Premises or any buildings or structures of which the Premises are a part.

12.4. Abatement of Rent. Unless the damages by Casualty result from Lessee's fault, negligence or breach of the terms of this Lease, the Base Rent and Additional Rent, if any, shall be abated for any portion of the Premises that is rendered untenantable or inaccessible from the period from the date the Port is notified of the Casualty through the date of substantial completion of the repairs to the Premises (or to the date of termination of the Lease). The Port shall not otherwise be liable to Lessee for any loss in the use in the whole or

any part of the Premises (including loss of business) and/or any inconvenience or annoyance occasioned by the Casualty, by any damage resulting from the Casualty, or by any repair, reconstruction or restoration.

12.5. Waiver. Except as specifically set forth in this Lease, Lessee hereby waives any right that Lessee may have, under any applicable existing or future law, to terminate this Lease in the event of any damage to, or destruction of, the Premises or any buildings or structures of which the Premises are a part.

SECTION 13: ASSIGNMENT AND SUBLEASE

13.1. Prohibition. Lessee shall not, in whole or in part, assign, sublet, license or permit occupancy by any party other than Lessee of all or any part of the Premises, without the prior written consent of the Port in each instance. As used in this Section, "Sublease" and "Sublessee" shall mean and refer to any subleasing under the Lease at any level and between any parties. Lessee shall at the time the Lessee requests the consent of the Port, deliver to the Port such information in writing as the Port may reasonably require respecting the proposed assignee, Sublessee or licensee including, without limitation, the name, address, nature of business, ownership, financial responsibility and standing of such proposed assignee, Sublessee or licensee. Within twenty (20) business days after receipt of all required information, the Port may, in its sole discretion, consent to such proposed assignment, Sublease or license. The Port's failure to provide Lessee with such written consent within the stated twenty (20) day period shall constitute the Port's refusal to consent to the proposed assignment, Sublease or license.

13.1.1. As a condition for the Port's consent to any assignment, Sublease or license, the Port may require that the assignee, Sublessee or licensee remit directly to the Port on a monthly basis, all monies due to Lessee by said assignee, Sublessee or licensee (except with respect to excess rentals otherwise due Lessee pursuant to Section 13.2). In addition, a condition to the Port's consent to any assignment, Sublease or license of this Lease or the Premises shall be the delivery to the Port of a true copy of the fully executed instrument of assignment, Sublease or license and an agreement executed by the assignee, Sublessee or licensee in form and substance satisfactory to the Port and expressly enforceable by the Port, whereby the assignee, Sublessee or licensee assumes and agrees to be bound by the terms and provisions of this Lease and perform all the obligations of Lessee hereunder.

13.1.2. In the event of any assignment, Lessee and each respective assignor, waives notice of default by the tenant in possession in the payment and performance of the Rent, covenants and conditions of this Lease and consents that the Port may in each and every instance deal with the tenant in possession, grant extensions of time, waive performance of any of the terms, covenants and conditions of this Lease and modify the same, and in general deal with the tenant then in possession without notice to or consent of any assignor, including Lessee; and any and all extensions of time, indulgences, dealings, modifications or waivers shall be deemed to be made with the consent of Lessee and of each respective assignor.

13.1.3. Lessee agrees that any Sublease or license will contain a provision in substance that if there be any termination whatsoever of this Lease then the Sublessee or licensee, at the request of the Port, will attorn to the Port and the Sublease or license, if the Port so requests, shall continue in effect with the Port, but the Port shall be bound to the Sublessee or licensee in such circumstances only by privity of estate. Nothing herein shall be deemed to require the Port to accept such attornment.

13.1.4. No assignment, Sublease or license by Lessee shall relieve Lessee of any obligation under this Lease, including Lessee's obligation to pay Rent or any other sum hereunder. Any purported assignment, Sublease or license contrary to the provisions hereof without consent shall be void. The consent by the Port to any assignment, Sublease or license shall not constitute a waiver of the necessity for such consent to any subsequent assignment, Sublease or license.

13.1.5. Lessee shall reimburse the Port in the sum of FIVE HUNDRED DOLLARS (\$500.00) plus any reasonable professionals' fees and expenses incurred by the Port in connection with any request by Lessee for consent to an assignment, subletting or license.

13.2. Excess Rental. If in connection with any assignment, Sublease or license, Lessee receives rent or other monetary consideration, either initially or over the term of the assignment or Sublease, in excess of the Rent called for hereunder, or in case of the Sublease of a portion of the Premises, in excess of such Rent fairly allocable to such portion, after appropriate adjustments to assure that all other payments called for hereunder and out-of-pocket expenditures, operating costs or concessions incurred by Lessee in connection with such assignment, Sublease or license, are appropriately taken into account, Lessee shall pay to the Port, as Additional Rent hereunder, seventy-five percent (75%) of the excess of each such payment of rent or other consideration received by Lessee after its receipt.

13.3. Scope. The prohibition against assigning, subleasing or licensing contained in this Section 13 shall be construed to include a prohibition against any assignment, subleasing or licensing by operation of law. Furthermore, for purposes of this Section 13, any sale, transfer or other disposition in the aggregate of fifty percent (50%) or more of the equity ownership in Lessee (i.e. stock with respect to tenant corporation, partnership interests with respect to a tenant partnership, etc.) shall be deemed an assignment. If this Lease be assigned, or if the underlying beneficial interest of Lessee is transferred, or if the Premises or any part thereof be sublet or occupied by anybody other than Lessee, the Port may collect Rent from the assignee, Sublessee, licensee or occupant and apply the net amount collected to the Rent herein reserved and apportion any excess Rent so collected in accordance with the terms of Section 13.2, but no such assignment, Sublease, license, occupancy or collection shall be deemed a waiver of this covenant, or the acceptance of the assignee, Sublessee, licensee or occupant as tenant, or a release of Lessee from the further performance by Lessee of covenants on the part of Lessee herein contained. No assignment or subletting shall affect the continuing primary liability of Lessee (which, following assignment, shall be joint and several with the assignee), and Lessee shall not be released from performing any of the terms, covenants and conditions of this Lease.

SECTION 14: DEFAULT

14.1. Defaults. Time is of the essence of this Lease. The occurrence of any one or more of the following events constitutes a default of this Lease by Lessee with or without notice from the Port:

14.1.1. The vacating or abandonment of the Premises by Lessee.

14.1.2. The failure by Lessee to make any payment of Rent, or any other payment required by this Lease, when due.

14.1.3. The failure by Lessee to observe or perform any covenant, condition, or agreement to be observed or performed by Lessee in this Lease.

14.1.4. The discovery by the Port that any required report, financial statement or background statement provided to the Port by Lessee, any successor, grantee, or assign was materially false.

14.1.5. The filing by Lessee of a petition in bankruptcy, Lessee being adjudged bankrupt or insolvent by any court, a receiver of the property of Lessee being appointed in any proceeding brought by or against Lessee, Lessee making an assignment for the benefit of creditors, or any proceeding being commenced to foreclose any mortgage or other lien on Lessee's interest in the Premises or on any personal property kept or maintained on the Premises by Lessee.

14.2. Remedies.

14.2.1. Whenever any default (other than a default under Section 14.1.5 above, upon which termination of this Lease shall, at the Port's option, be effective immediately without further notice) continues unremedied in whole or in part for thirty (30) days after written notice is provided by the Port to Lessee (or for ten (10) days after written notice in the case of default for failure to pay any Rent, or other required payment when due), this Lease and all of Lessee's rights under it will automatically terminate if the written notice of default so provides. Upon termination, the Port may reenter the Premises using such force as may be necessary and remove all persons and property from the Premises. The Port will be entitled to recover from Lessee all

unpaid Rent or other payments and damages incurred because of Lessee's default including, but not limited to, the costs of re-letting, including tenant improvements, necessary renovations or repairs, advertising, leasing commissions, and attorney's fees and costs ("Termination Damages"), together with interest on all Termination Damages at the Default Rates from the date such Termination Damages are incurred by the Port until paid.

14.2.2. In addition to Termination Damages, and notwithstanding termination and reentry, Lessee's liability for all Rent or other charges which, but for termination of the Lease, would have become due over the remainder of the Lease term ("Future Charges") will not be extinguished and Lessee agrees that the Port will be entitled, upon termination for default, to collect as additional damages, a Rental Deficiency. "Rental Deficiency" means, at the Port's election, either:

14.2.2.1. An amount equal to Future Charges, less the amount of actual rent, if any, which the Port receives during the remainder of the Lease term from others to whom the Premises may be rented, in which case such Rental Deficiency will be computed and payable at the Port's option either:

14.2.2.1.1. In an accelerated lump-sum payment; or

14.2.2.1.2. In monthly installments, in advance, on the first day of each calendar month following termination of the Lease and continuing until the date on which the Lease term would have expired but for such termination, and any suit or action brought to collect any portion of Rental Deficiency attributable to any particular month or months, shall not in any manner prejudice the Port's right to collect any portion of Rental Deficiency by a similar proceeding; or

14.2.2.2. An amount equal to Future Charges less the aggregate fair rental value of the Premises over the remaining Lease term, reduced to present worth. In this case, the Rental Deficiency must be paid to the Port in one lump sum, on demand, and will bear interest at the Default Rate until paid. For purposes of this subparagraph, "present worth" is computed by applying a discount rate equal to one percentage point above the discount rate then in effect at the Federal Reserve Bank in, or closest to, Seattle, Washington.

14.2.3. If this Lease is terminated for default as provided in this Lease, the Port shall use reasonable efforts to re-let the Premises in whole or in part, alone or together with other premises, for such term or terms (which may be greater or less than the period which otherwise would have constituted the balance of the Lease term), for such use or uses and, otherwise on such terms and conditions as the Port, in its sole discretion, may determine, but the Port will not be liable for, nor will Lessee's obligations under this Lease be diminished by reason for any failure by the Port to re-let the Premises or any failures by the Port to collect any rent due upon such re-letting.

14.2.4. In addition to the rights granted by Section 7.3, if upon any reentry permitted under this Lease, there remains any personal property upon the Premises, the Port, in its sole discretion, may remove and store the personal property for the account and at the expense of Lessee. In the event the Port chooses to remove and store such property, it shall take reasonable steps to notify Lessee of the Port's action. All risks associated with removal and storage shall be on Lessee. Lessee shall reimburse the Port for all expenses incurred in connection with removal and storage as a condition to regaining possession of the personal property. The Port has the right to sell any property which has been stored for a period of 30 days or more, unless Lessee has tendered reimbursement to the Port for all expenses incurred in removal and storage. The proceeds of sale will be applied first to the costs of sale (including reasonable attorney's fees), second to the payment of storage charges, and third to the payment of any other amounts which may then be due and owing from Lessee to the Port. The balance of sale proceeds, if any, will then be paid to Lessee.

14.3. Remedies Cumulative. All rights, options and remedies of the Port contained in this Lease shall be construed and held to be distinct, separate and cumulative, and no one of them shall be exclusive of the other, and the Port shall have the right to pursue any one or all of such remedies or any other remedy or relief which may be provided by law or in equity, whether or not stated in this Lease.

SECTION 15: TERMINATION OTHER THAN FOR DEFAULT

15.1. Major Capital Improvement. In the event that the Port, at its sole discretion, shall require the use of the Premises for a major capital improvement for public or private use in connection with the operation of the business of the Port, then this Lease may be terminated by the Port by written notice delivered or mailed by the Port to Lessee not less than one hundred eighty (180) days before the termination date specified in the notice. If Lessee is not in default under any of the provisions of this Lease on the effective date of such termination, any Rent prepaid by Lessee shall, to the extent allocable to any period subsequent to the effective date of the termination, be promptly refunded to Lessee. Lessee shall not be entitled to any compensation at termination for the bargain value of the leasehold or any relocation expenses.

15.2. Condemnation.

15.2.1. Total Taking. In the case of a taking by eminent domain of either all of the Premises or such portion of either the Premises or any buildings or structures of which the Premises are a part as shall, in the Port's sole judgment, be required for reasonable use of the Premises, this Lease shall terminate as of the date of such taking. If Lessee is not in default under any of the provisions of this Lease on said date, any Rent prepaid by Lessee shall, to the extent allocable to any period subsequent to the effective date of the termination, be promptly refunded to Lessee.

15.2.2. Partial Taking. In the case of a taking of a portion of the Premises or any buildings or structures of which the Premises are a part, which are not, in the Port's sole judgment, required for reasonable use of the Premises, this Lease shall continue in full force and effect, and the Base Rent shall, as of the date of such taking, be equitably reduced based on the proportion by which the Premises (but not the buildings or structures of which the Premises are a part) is reduced.

15.2.3. Damages. The Port reserves all right to the entire damage award or payment for taking by eminent domain, and Lessee waives all claim whatsoever against the Port and/or the authority exercising eminent domain for damages for termination of its leasehold or for interference with its business. The Port and Lessee further agree that all decisions regarding how the eminent domain proceeding should be handled shall be made in the sole discretion of the Port (specifically including any response to a motion for order adjudicating public use and necessity or any request for immediate possession), and Lessee shall take no actions or steps which interfere with the Port's ability to control the handling of the eminent domain proceeding. Notwithstanding the foregoing, nothing in this Section shall be considered to be a waiver or assignment by Lessee of any right to relocation assistance payments or relocation advisory services which may be available in connection with the eminent domain proceeding.

15.2.4. Eminent Domain. The term "eminent domain" as used in this Section 15.2 shall include taking or damaging of property by, through or under any governmental or quasi-governmental authority and the purchase or acquisition in lieu thereof.

15.3. Court Decree. In the event that any court having jurisdiction in the matter shall render a decision which has become final and which will prevent the performance by the Port of any of its obligations under this Lease, then either party hereto may terminate this Lease by written notice, and all rights and obligations hereunder (with the exception of any undischarged rights and obligations that accrued prior to the effective date of termination) shall thereupon terminate. If Lessee is not in default under any of the provisions of this Lease on the effective date of such termination, any Rent prepaid by Lessee shall, to the extent allocable to any period subsequent to the effective date of the termination, be promptly refunded to Lessee. Lessee is not entitled to any compensation at termination for the bargain value of the leasehold.

SECTION 16: ACCESS; EASEMENTS

16.1. Access to Premises. The Port shall have the right to show the Premises at all reasonable times during business hours of Lessee to any prospective purchasers, tenants or mortgagees of the same, and may at any time enter upon the Premises, or any part thereof, for the purpose of ascertaining the condition of the Premises or whether Lessee is observing and

performing the obligations assumed by it under this Lease, all without hindrance or molestation from the Lessee. The Port shall also have the right to enter upon the Premises for the purpose of making any necessary repairs and performing any work that may be necessary by reason of Lessee's failure to make any such repairs or perform any such work. The above-mentioned rights of entry shall be exercisable upon request made on reasonable advance notice to Lessee (except that no notice shall be required in the event of an emergency) or an authorized employee of Lessee at the Premises, which notice may be given orally.

16.2. Easements.

16.2.1. The Parties recognize that the Port facilities are continuously being modified to improve the utilities, services and premises used and provided by the Port. The Port and its authorized utility service providers are hereby granted a continuous easement or easements that the Port believes is necessary within the Premises of Lessee, without any additional cost to the Port for the purposes expressed hereinabove. The Port, its authorized utility service providers, and their respective agents, shall have the right to enter the Premises of Lessee, and to cross over, construct, move, reconstruct, rearrange, alter, maintain, repair and operate the sewer, water, and drainage lines, the electrical service, the roadways (specifically including routes of ingress and egress) and all other services and facilities required by the Port for its own use. Provided, however, that the Port by virtue of such use, does not substantially deprive Lessee from its beneficial use or occupancy of its leased area for an unreasonable period of time, not to exceed thirty (30) working days, without consent of Lessee.

16.2.2. In the event that the Port permanently deprives Lessee from such beneficial use or occupancy, then an equitable adjustment in Rent, or in the cost required to modify its Premises to allow the Lessee to operate its business, will be negotiated and paid by the Port to Lessee. In the event that such entry by the Port is temporary in nature, then the Port shall reimburse Lessee for the cost required to modify its Premises for the temporary period that Lessee is inconvenienced by such Port entry. The Port will not be responsible to Lessee for any reduced efficiency or loss of business occasioned by such entry.

SECTION 17: NONWAIVER; RIGHT TO PERFORM

17.1. Receipt of Monies Following Termination. No receipt of monies by the Port from Lessee after the termination or cancellation of this Lease in any lawful manner shall: (i) reinstate, continue or extend the term of this Lease; (ii) affect any notice theretofore given to Lessee; (iii) operate as a waiver of the rights of the Port to enforce the payment of any Rent and fees then due or thereafter falling due; or (iv) operate as a waiver of the right of the Port to recover possession of the Premises by proper suit, action, proceeding or remedy; it being agreed that after the service of notice to terminate or cancel this Lease, or after the commencement of suit, action or summary proceedings, or any other remedy, or after a final order or judgment for the possession of the Premises, the Port may demand, receive and collect any monies due, or thereafter falling due, without in any manner affecting such notice, proceeding, suit, action or judgment; and any and all such monies collected shall be deemed to be payments on account of the use and occupation and/or Lessee's liability hereunder.

17.2. No Waiver of Breach. The failure of the Port to insist in any one or more instances, upon a strict performance of any of the covenants of this Lease, or to exercise any option herein contained, shall not be construed as a waiver of or relinquishment for the future of the performance of such covenant, or the right to exercise such option, but the same shall continue and remain in full force and effect. The receipt by the Port of the Rent or fees, with knowledge of the breach of any covenant hereof, shall not be deemed a waiver of such breach, and no waiver by the Port of any provision hereof shall be deemed to have been made unless expressed in writing and signed by the Port. The consent or approval of the Port to or of any act by Lessee requiring the Port's consent or approval shall not be deemed to waive or render unnecessary the Port's consent or approval to or of any subsequent similar acts by Lessee.

17.3. No Waiver of Rent. The receipt by the Port of any installment of Rent or of any amount shall not be a waiver of any Rent or other amount then due.

17.4. Application of Payments. The Port shall have the right to apply any payments made by Lessee to the satisfaction of any debt or obligation of Lessee to the Port, in the Port's sole discretion and regardless of the instructions of Lessee as to application of any such sum,

whether such instructions be endorsed upon Lessee's check or otherwise, unless otherwise agreed upon by both parties in writing. The acceptance by the Port of a check or checks drawn by others than Lessee shall in no way affect Lessee's liability hereunder nor shall it be deemed an approval of any assignment of this Lease or any subletting by Lessee.

17.5. Port's Right to Perform. Upon Lessee's failure to perform any obligation or make any payment required of Lessee hereunder, the Port shall have the right (but not the obligation) to perform such obligation of Lessee on behalf of Lessee and/or to make payment on behalf of Lessee to such parties. Lessee shall reimburse the Port the reasonable cost of the Port's performing such obligation on Lessee's behalf, including reimbursement of any amounts that may be expended by the Port, plus interest at the Default Rate.

SECTION 18: SURRENDER AND HOLDING OVER

18.1. Surrender. At the expiration or sooner termination of this Lease, Lessee shall promptly: (i) surrender possession of the Premises to the Port in the same condition in which received (or, if altered, then the Premises shall be returned in such altered condition unless otherwise directed), reasonable wear and tear excepted; and (ii) deliver to the Port all keys that it may have to any and all parts of the Premises. At the expiration or earlier termination of this Lease, the Port shall have the option to either: 1) cause Lessee to remove any Tenant Improvements and/or Alterations installed or constructed during the Term of the Lease; or alternately, 2) elect to have said Tenant Improvements and/or Alterations remain in place, at which point the remaining Tenant Improvements and Alterations shall become the property of the Port. If the Premises are not surrendered as provided in this Section, Lessee shall indemnify and hold the Port harmless against loss or liability resulting from the delay by Lessee in so surrendering the Premises, including, without limitation, any claims made by any succeeding occupant founded on such delay.

18.2. Removal of Wires. Within ten (10) days following the expiration or earlier termination of this Lease, the Port may elect by written notice to Lessee to either:

18.2.1. Retain, without necessity of payment, any or all wiring, cables, conduit, risers and similar installations installed by Lessee ("Wiring") in either the Premises or any larger property (including buildings or structures) of which the Premises are a part. In the event that the Port elects to retain the wiring, Lessee covenants that: (i) it is the sole owner of the assets transferred or passing to the Port; (ii) it shall have right to surrender the assets transferred or passing to the Port; (iii) the Wiring transferred or passing to the Port are free from all liens and encumbrances; (iv) the Wiring transferred or passing to the Port is in good condition, working order, in safe condition and comply with the requirements of this Lease; and (v) that all wiring or cables included within the Wiring transferred or passing to the Port is properly labeled at each end, in each telecommunications/electrical closet and junction box, and otherwise as may be required by Port regulations. OR

18.2.2. Remove, or require Lessee to remove, all such Wiring and restore the Premises and any larger property of which the Premises are a part to their condition existing prior to the installation of the Wiring, all at Lessee's sole cost and expense.

This Section shall survive the expiration or earlier termination of this Lease.

18.3. Holding Over. If Lessee, with the consent of the Port, holds over after the expiration or sooner termination of this Lease, the resulting tenancy will, unless otherwise mutually agreed, be for an indefinite period of time on a month-to-month basis. During such month-to-month tenancy, Lessee shall pay to the Port, at the Port's sole discretion, the same rental rate that was in effect immediately prior to the month-to-month tenancy times 150%. Lessee will continue to be bound by all of the provisions of this Lease.

18.4. For Rent Signs. The Port shall have the right to place and maintain "For Rent" signs in conspicuous places on the Premises for ninety (90) days prior to the expiration or sooner termination of this Lease.

SECTION 19: ENVIRONMENTAL STANDARDS

19.1. Definitions. "Law or Regulation" as used herein shall mean any environmentally related local, state or federal law, regulation, ordinance or order (including

without limitation any final order of any court of competent jurisdiction), now or hereafter in effect. "Hazardous Substances" as used herein shall mean any substance or material defined or designated as a hazardous waste, toxic substance, or other pollutant or contaminant, by any Law or Regulation.

19.2. Hazardous Substances. Lessee shall not allow the presence in or about the Premises of any Hazardous Substance in any manner that could be a detriment to the Premises or in violation of any Law or Regulation. Lessee shall not allow any Hazardous Substances to migrate off the Premises, or the release of any Hazardous Substances into adjacent surface waters, soils, underground waters or air. Lessee shall provide the Port with Lessee's USEPA Waste Generator Number, and with copies of all Safety Data Sheets (SDS), Generator Annual Dangerous Waste Reports, environmentally related regulatory permits or approvals (including revisions or renewals) and any correspondence Lessee receives from, or provides to, any governmental unit or agency in connection with Lessee's handling of Hazardous Substances or the presence, or possible presence, of any Hazardous Substance on the Premises.

19.3. Violation of Environmental Law. If Lessee, or the Premises, is in violation of any Law or Regulation concerning the presence or use of Hazardous Substances or the handling or storing of hazardous wastes, Lessee shall promptly take such action as is necessary to mitigate and correct the violation. If Lessee does not act in a prudent and prompt manner, the Port reserves the right, but not the obligation, to come onto the Premises, to act in place of the Lessee (Lessee hereby appoints the Port as its agent for such purposes) and to take such action as the Port deems necessary to ensure compliance or to mitigate the violation. If the Port has a reasonable belief that Lessee is in violation of any Law or Regulation, or that Lessee's actions or inactions present a threat of violation or a threat of damage to the Premises, the Port reserves the right to enter onto the Premises and take such corrective or mitigating action as the Port deems necessary. All costs and expenses incurred by the Port in connection with any such actions shall become immediately due and payable by Lessee upon presentation of an invoice therefor.

19.4. Inspection; Test Results. The Port shall have access to the Premises to conduct an annual environmental inspection. In addition, Lessee shall permit the Port access to the Premises at any time upon reasonable notice for the purpose of conducting environmental testing at the Port's expense. Lessee shall not conduct or permit others to conduct environmental testing on the Premises without first obtaining the Port's written consent. Lessee shall promptly inform the Port of the existence of any environmental study, evaluation, investigation or results of any environmental testing conducted on the Premises whenever the same becomes known to Lessee, and Lessee shall provide copies to the Port.

19.5. Removal of Hazardous Substances. Prior to vacation of the Premises, in addition to all other requirements under this Lease, Lessee shall remove any Hazardous Substances placed on the Premises during the term of this Lease or Lessee's possession of the Premises, and shall demonstrate such removal to the Port's satisfaction. This removal and demonstration shall be a condition precedent to the Port's payment of any Security to Lessee upon termination or expiration of this Lease.

19.6. Remedies Not Exclusive. No remedy provided herein shall be deemed exclusive. In addition to any remedy provided above, the Port shall be entitled to full reimbursement from Lessee whenever the Port incurs any costs resulting from Lessee's use or management of Hazardous Substances on the Premises, including but not limited to, costs of clean-up or other remedial activities, fines or penalties assessed directly against the Port, injuries to third persons or other properties, and loss of revenues resulting from an inability to re-lease or market the property due to its environmental condition (even if such loss of revenue occurs after the expiration or earlier termination of this Lease).

19.7. Stormwater Management. Lessee acknowledges that the Premises are subject to the requirements of the City of Seattle ("City") ordinance regarding stormwater drainage, source control, and other applicable City requirements, as well as the federal Clean Water Act and Washington State Department of Ecology ("Ecology") stormwater regulations and permits, which may include the Industrial Stormwater General Permit ("ISGP"), Boatyard General Permit, Construction General Permit, individual permits, and the Phase I Municipal Separate Storm Sewer System Permit ("MS4 Permit") (collectively, the "Stormwater Regulations"). Lessee will comply with all applicable requirements of the Stormwater

Regulations, including at minimum Ecology's MS4 Permit, and shall apply for and hold as permittee any other applicable stormwater permit. It shall be Lessee's sole responsibility to determine which requirements and permit(s) are applicable. Lessee shall implement and perform all best management practices ("BMPs") necessary to meet the requirements of the Stormwater Regulations. Lessee shall keep onsite a spill kit capable of handling minor spills and/or leaks from parked vehicles or other sources of potential pollution. In the event of a spill or leak to a drainage structure, Lessee shall notify the Port's 24-hour Port Dispatch Line at (206) 787-3350. If any regulatory authority (including but not limited to Ecology) or citizen cites or alleges the Port has violated any Stormwater Regulation, Lessee will fully defend and indemnify the Port for any damages, penalties, or other assessments made against the Port for the violations. Lessee will pay the Port's attorneys' fees in connection with such claims, notices, citations, and/or enforcement actions.

19.8. Environmental Indemnity. In addition to all other indemnities provided in this Lease, Lessee agrees to defend, indemnify and hold the Port free and harmless from any and all claims, causes of action, regulatory demands, liabilities, fines, penalties, losses, and expenses, including without limitation cleanup or other remedial costs (and including attorneys' fees, costs and all other reasonable litigation expenses when incurred and whether incurred in defense of actual litigation or in reasonable anticipation of litigation), arising from the existence or discovery of any Hazardous Substance on the Premises, or the migration of any Hazardous Substance from the Premises to other properties or into the surrounding environment, whether: (i) made, commenced or incurred during the term of this Lease; or (ii) made, commenced or incurred after the expiration or termination of this Lease if arising out of events occurring during the term of this Lease.

SECTION 20: SUSTAINABILITY

20.1. Vehicle Fleet and Equipment Electrification. Lessee is strongly encouraged to electrify company's fleet vehicles and equipment that operate on or from the Premises, and to consider right sizing the fleet using the cleanest available technology to minimize greenhouse gas emissions and optimize energy efficiency opportunities.

20.2. Efficient Parking Management. Lessee shall use parking reduction management strategies to prioritize necessary parking needs and encourage employees to choose commute modes that reduce single-occupancy vehicle trips to Port property, such as carpooling, transit, biking, or walking. Lessee shall cooperate with Landlord in implementing any survey or analysis of the commuting patterns of personnel working at the Premises.

20.3. Sustainable Transportation Support Program. Lessee is strongly encouraged to provide access to public transportation and/or benefit programs such as free transit cards, subsidized bike/scooter share program, or incentives to walk or bike to work to encourage employees to choose a more sustainable commute option than single occupancy vehicle. When possible, Lessee is encouraged to provide necessary facilities for active transportation users. These facilities include, but are not limited to, secured and/or weather-protected bike/scooter storage spaces, showers, lockers, and restrooms. Lessee shall also maintain its on-Premises bike/scooter storage area and other facilities on a regular basis.

20.4. Sustainable Cleaning. Lessee shall use cleaning supplies with sustainable cleaning chemicals that are environmentally friendly as defined by the U.S. EPA's Environment Standards, defined as non-toxic and biodegradable. Lessee, upon written request by the Port, shall provide documentation showing specifications for chemicals used, dates and activities associated with cleaning maintenance.

20.5. Conservation Requirements. Lessee agrees to comply with all applicable mandatory and voluntary energy, water, greenhouse gas, recycling or other conservation controls or requirements issued by the Port, federal, state, county, municipal or other applicable governments, or any public utility or insurance carrier including, without limitation, controls on the permitted range of temperature settings or requirements necessitating curtailment of the volume of energy consumption or the hours of operation. Existing energy systems, vehicles or other fixed equipment asset replacements are encouraged to meet the Port's commitments to phase out fossil fuels use or show viable conservation where fossil fuels cannot be abandoned. Any terms or conditions of this Lease that conflict or interfere with compliance by the Port with such controls or requirements shall be suspended

for the duration of such controls or requirements. It is further agreed that compliance with such controls or requirements shall not be considered an eviction, actual or constructive, of Lessee from the Premises and shall not entitle Lessee to terminate this Lease or to an abatement or reduction of any rent payable hereunder. The Port shall have the right to institute such reasonable policies, programs, and measures as may be necessary or desirable, in the Port's discretion, for the conservation and/or preservation of energy or energy-related services, or as may be required to comply with any applicable codes, rules and regulations, or targets, whether mandatory or voluntary.

20.6. Energy, Sustainability Audits, Commissioning, and Investigations. Lessee shall allow the Port access to the Premises after 48-hour advance notice to Lessee to conduct energy audits, commissioning, retro commissioning, recommissioning and/or general sustainability audits routinely or upon request. The Lessee shall share or grant the Port access to all required building spaces, information, and resource consumption data in a timely manner. With agreement and/or direction from the Port, the Lessee may complete their own ASHRAE Level II audits but shall provide the Port with all audit information and findings. Where Lessee is required to self-audit, Lessee must provide evidence that these are performed by a Qualified Auditor as defined in the WA Clean Buildings Performance Standard at a minimum of every 3 years.

20.7. Lighting Controls. Lessee shall agree to grant Port the permission to install, replace, or upgrade the lighting control systems in the Premises at Port's sole discretion and Lessee's sole expense. This includes but is not limited to daylight sensors, occupancy sensors, vacancy sensors or other best available technology to optimize energy efficiency opportunities and minimize unnecessary use of electricity.

20.8. High-Efficiency Lighting. Lessee shall install and maintain high-efficiency lighting technology (or the latest approved lighting technology per Seattle City Light and City of Seattle Energy Code Section C405) for all new lighting projects and replacements, while utilizing lighting in the most efficient way. Lessee shall have first priority to the benefits associated with any rebates or incentives that Lessee's lighting projects or replacements may qualify for.

20.9. Indoor Air Quality. Lessee is encouraged to ensure that ventilation systems that they are responsible for are routinely checked and kept in good working condition to ensure interior air quality.

20.10. Efficiency Upgrades. Whether or not Port shares in costs of improvement, Lessee shall provide the Port with documented evidence of all efficiency upgrades, following the completion of any upgrades, such as those related to premises alterations, on site equipment and building operation improvements.

20.11. Paint. Lessee shall use non-toxic and zero VOC paints for any interior painting. Lessee shall first consider paints with natural or recycled contents and shall choose water-based paints over oil-based paints. Preferred suppliers are those offering products certified by environmental organizations such as Green Seal or UL Environment.

20.12. Third-Party Green Certification. Lessee is strongly encouraged to pursue third-party certification or other incentive program (such as, LEED, WELL, Envision, WEDG, ENERGY STAR Tenant Space). Lessee shall have the first priority to the benefits associated with any rebates or incentives that Lessee's projects, replacements or occupied spaces may qualify for. The Port may be required to comply with code and/or, from time to time, decide to develop, maintain and/or operate the infrastructure in accordance with third-party accreditations, ratings or certifications that relate to sustainability issues, energy efficiency or other comparable goals, including (without limitation) "Third-Party Sustainability Standards." Should the Port make such a decision or applicable code requires the Port to develop, maintain and/or operate the infrastructure accordingly, Lessee shall cooperate with the Port's efforts in that regard. Such cooperation shall include, without limitation, providing the Port with information within fourteen (14) days after a request is made about Lessee's occupancy as may be required by any such third-party agency, such as staffing levels, hours of operation, utility usage, commuting patterns (to the extent reasonably determinable), cleaning methods, build-out materials and techniques, furniture, fixtures and equipment inventories, and other purchasing information. The foregoing provisions shall

apply whether the Port affirmatively seeks an accreditation, rating or certification under a Third-Party Sustainability Standard and to thereafter maintain the accreditation, rating or certification, or to operate voluntarily in accordance with some or all of such Third-Party Sustainability Standards but without formally obtaining the accreditation, rating or certification.

SECTION 21: MISCELLANEOUS

21.1. 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 Lessor:

Port of Seattle
Attn: Lease Administration
2711 Alaskan Way
Seattle, WA 98121

For payments only, the following mailing address should be used:

Port of Seattle
P. O. Box 24507
Seattle, WA 98124-0507

To Lessee:

Trowbridge LLC
4601 Shilshole Ave NW
Suite T
Seattle WA 98107

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; or (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.

Payments may be made in the manner provided for notice or may be delivered by regular mail (postage prepaid); provided, payments made by regular mail (postage prepaid) shall be deemed delivered when actually received by the Port.

21.2. Brokers. The Port and Lessee each warrant to the other that it has had no discussions, negotiations and/or other dealings with any real estate broker or agent in connection with the negotiation of this Lease, and that it knows of no real estate broker or agent who is or may be entitled to any commission or finder's fee in connection with this Lease. The Port and Lessee each agree to indemnify and hold the other harmless from and against any and all claims, demands, losses, liabilities, lawsuits, judgments, costs and expenses (including without limitation, attorneys' fees and costs) with respect to any leasing commission or equivalent compensation alleged to be owing on account of such party's discussions, negotiations and/or dealings with any real estate broker or agent. This Section is not intended to benefit any third parties and shall not be deemed to give any rights to brokers or finders. No commission(s) or finder's fee(s) shall be paid to Lessee, employee(s) of Lessee or any unlicensed representative of Lessee.

21.3. Consent. Whenever the Port's prior consent or approval is required by this Lease, the same shall not be unreasonably delayed but may, unless otherwise specifically provided by this Lease, be granted or denied in the Port's sole and absolute discretion.

21.4. Wireless Devices. Lessee shall not install any wireless devices and/or transmitters on or about the Premises without the prior written consent of the Port and subject

to any and all conditions in such consent. Lessee specifically grants to the Port the power to regulate and control the use of unlicensed frequency bands (including, but not limited to, FCC Part 15 Subpart C, FCC Part 15 Subpart D (both asynchronous and Isochronous), IEEE 802.11 and Bluetooth (ISM), and FCC UNII 1 and UNII 2 (IEEE 802.11a)) on or about the Premises.

21.5. Relationship to the Port and Lessee. Nothing contained herein shall be deemed or construed as creating the relationship of principal and agent, partnership, or joint venture partners, and no provision contained in this Lease nor any acts of Lessee and the Port shall be deemed to create any relationship other than that of Lessee and the Port.

21.6. Time. Time is of the essence of each and every one of Lessee's obligations, responsibilities and covenants under this Lease.

21.7. Recording. Lessee shall not record this Lease or any memorandum thereof without the Port's prior written consent.

21.8. Subordination, Attornment. Unless otherwise designated by the Port, this Lease shall be subordinate to all existing or future mortgages and deeds of trust on the Premises or any larger property of which the Premises may be a part, and to all extensions, renewals or replacements thereof. Within ten (10) days of the Port's request, Lessee shall execute and deliver all instruments or certificates which may be necessary or appropriate to reflect such subordination. Notwithstanding the foregoing, Lessee shall not be required to subordinate to future mortgages or deeds of trust unless the mortgagee or beneficiary under the deed of trust agrees that if it becomes the owner of the property, it will recognize the Lease as long as Lessee is not in default. Within ten (10) days of the Port's request, Lessee shall also execute and deliver to third parties designated by the Port an estoppel certificate or letter in the form requested by the Port or any lender the correctly recites the facts with respect to the existence, terms and status of this Lease. Lessee agrees to attorn to any successor to the Port following any foreclosure, sale or transfer in lieu thereof.

21.9. Promotion of Port Commerce. Lessee agrees that throughout the term of this Lease it will, insofar as practicable, promote and aid the movement of passengers and freight through facilities within the territorial limits of the Port. Lessee further agrees that all incoming shipments of commodities that it may be able to control or direct shall be made through facilities within the territorial limits of the Port if there will be no resulting cost or time disadvantage to Lessee.

21.10. Nondiscrimination – Services.

21.10.1. It is the basic policy of the Port to provide equal opportunity to the users of all Port services and facilities and all contracting entities. Lessee covenants and agrees that it will not discriminate by segregation or otherwise against any person or persons in furnishing, or by refusing to furnish, to such person or persons, the use of the facility herein provided, including any and all services, privileges, accommodations, and activities provided thereby. Specifically, the Port will not tolerate discrimination against any persons on grounds of age, race, color, national origin/ancestry, ethnicity, religion, disability, Family Medical Leave Act (FMLA) use, pregnancy, sex/gender, sexual orientation, whistleblower status, military affiliation, marital status, workers' compensation use, transgender status, political beliefs, or any other protected status, as guaranteed by local, state, and federal laws.

21.10.2. It is agreed that Lessee's noncompliance with the provisions of this clause shall constitute a material breach of this Lease. In the event of such noncompliance, the Port may take appropriate action to enforce compliance, may terminate this Lease, or may pursue such other remedies as may be provided by law.

21.11. Nondiscrimination – Employment. Lessee covenants and agrees that in all matters pertaining to the performance of this Lease, Lessee shall at all times conduct its business in a manner which assures fair, equal and nondiscriminatory treatment of all persons, in particular:

21.11.1. Lessee will maintain open hiring and employment practices and will welcome applications for employment in all positions from qualified individuals who are members of racial or other minorities, and

21.11.2. Lessee will comply strictly with all requirements of applicable federal, state and local laws or regulations issued pursuant thereto relating to the establishment of nondiscriminatory requirements in hiring and employment practices and assuring the service of all patrons or customers without discrimination.

21.12. Labor Unrest. Lessee agrees to join with the Port and use its best efforts in avoiding labor unrest, or in the event of a wildcat strike or other labor difficulty, to use its good offices in negotiating and bringing to a swift and satisfactory conclusion any kind of labor dispute that may affect the interests of the Port.

21.13. Federal Maritime Commission Regulations. This Lease may be subject to the Shipping Act of 1984, the Shipping Act of 1916, the Ocean Shipping Reform Act of 1998, and their respective implementing regulations. No future amendment or modification to this instrument will be effective until the appropriate procedures, if any, have been completed in accordance with the procedures of the appropriate federal agency which has jurisdiction over the Shipping Acts.

21.14. Joint and Several Liability. Each and every party who signs this Lease, other than in a representative capacity, as Lessee, shall be jointly and severally liable hereunder. It is understood and agreed that for convenience the word "Lessee" and verbs and pronouns in the singular number and neuter gender are uniformly used throughout this Lease, regardless of the number, gender or fact of incorporation of the party who is, or of the parties who are, the actual lessee or lessees under this agreement.

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

21.16. Governing Law; Venue. This Lease 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.

21.17. Attorneys' Fees. In the event that either party shall be required to bring any action to enforce any of the provisions of this Lease, or shall be required to defend any action brought by the other party with respect to this Lease, 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.

21.18. Invalidity of Particular Provisions. If any term or provision of this Lease or the application thereof to any person or circumstance shall, to any extent, be invalid or enforceable, the remainder of this Lease 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.

21.19. Survival of Indemnities. All indemnities provided in this Lease shall survive the expiration or any earlier termination of this Lease. In any litigation or proceeding within the scope of any indemnity provided in this Lease, Lessee shall, at the Port's option, defend the Port at Lessee's expense by counsel satisfactory to the Port.

21.20. Entire Agreement; Amendments. This Lease, together with any and all exhibits attached hereto, shall constitute the whole agreement between the parties. There are no terms, obligations, covenants or conditions other than those contained herein. No modification or amendment of this agreement shall be valid or effective unless evidenced by an agreement in writing signed by both parties.

21.21. Exhibits. Exhibits A, B and C are attached to this Lease after the signatures and by this reference incorporated herein.

SECTION 23: ACKNOWLEDGMENTS

TROWBRIDGE LLC

Its: _____

SECTION 23: ACKNOWLEDGMENTS

My Commission expires: _____

EXHIBIT A

– LEGAL DESCRIPTION –

FISHERMEN'S TERMINAL

That portion of the northeast 1/4 of Section 14, in Township 25 North, Range 3 East, W.M. in King County, Washington and lying in the Seattle Tidelands, described as follows:

Beginning at the intersection of West Elmore Street and 21st Avenue West, Thence North 0°08'27" West along the centerline to the intersection of 21st Avenue West and West Commodore Way a distance of 622.21 feet; thence North 40°16'00" East to the intersection of the North margin of West Commodore Way and the East margin of 21st Avenue West a distance of 50.90 feet and the true point of beginning; thence North 61°25'13" East a distance of 197.16 feet; thence North 60°30'58" East a distance of 39.36 feet to the intersection State Harbor line; thence South 29°29'02" East along State Harbor line a distance of 791.01 feet; thence North 90°00'00" East a distance of 1112.86 feet; thence South 00°01'34" East a distance of 767.25 feet; thence South 26°02'10" West a distance of 683.31 feet to a point on North Margin of West Emerson Street; thence South 89°51'19" West a distance of 678.99 feet along North margin of West Emerson Street to the point of curve; thence northwesterly along the arc of a curve to the right, initial radial bearing of North 00°08'41" West with a radius of 260.00 feet and a central angle of 47°02'11" an arc distance of 213.44 feet; thence North 43°06'30" West along the North margin of West Emerson Place a distance of 494.39 feet to a point of curve; thence southwesterly along the arc of a curve to the left, initial radial bearing of South 46°53'30" West with a radius of 740.00 feet and a central angle of 18°13'40" an arc distance of 235.42 feet to a point of intersection with a line, thence North 0°08'27" West a distance of 11.20 feet; thence North 8°06'38" West a distance of 100.97 feet to intersection North, margin West Thurman Street and East margin of 21st Avenue West; thence North 0°08'27" West a distance of 1259.77 feet along East margin of 21st Avenue West to the true point of beginning.

Containing 2,332,494 Sq. Ft. 53.5467 Acres

Address: 1735 West Thurman Street
Seattle, Washington 98119

FISHERMEN'S TERMINAL
WATERWAY AREA

THAT PORTION OF THE SALMON BAY WATERWAY AREA LYING IN THE NORTHWEST QUARTER OF SECTION 13 AND THE NORTHEAST QUARTER OF SECTION 14, ALL IN TOWNSHIP 25 NORTH, RANGE 3 EAST, W.M., KING COUNTY, WASHINGTON DESCRIBED AS FOLLOWS:

BEGINNING AT ANGLE POINT "M", ON THE SOUTH MARGIN OF SALMON BAY WATERWAY AS SHOWN ON SHEET 2 PLAT OF SEATTLE TIDE LANDS; PROCEED NORTH 29°29'02" WEST ALONG SAID SOUTH MARGIN A DISTANCE OF 791.01 FEET; THENCE NORTH 23°36'53" EAST A DISTANCE OF 342.42 FEET TO THE SOUTH PIERHEAD LINE OF SALMON BAY WATERWAY; THENCE SOUTH 66°23'07" EAST ALONG SAID PIERHEAD LINE A DISTANCE OF 1489.78 FEET TO THE WEST MARGIN, PRODUCED NORTH, OF 15TH AVENUE WEST; THENCE SOUTH 0°01'34" EAST ALONG SAID PRODUCED WEST MARGIN A DISTANCE OF 405.54 FEET TO THE SOUTH MARGIN OF SAID WATERWAY; THENCE NORTH 90°00'00" WEST ALONG SAID SOUTH MARGIN A DISTANCE OF 1113.06 FEET TO THE POINT OF BEGINNING.

EXHIBIT B

– PREMISES –

1511 West Thurman Street
Seattle, Washington

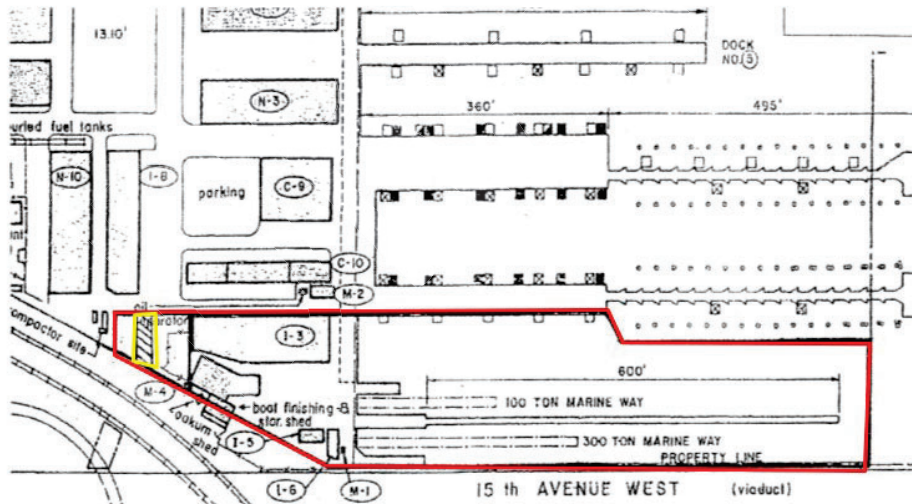
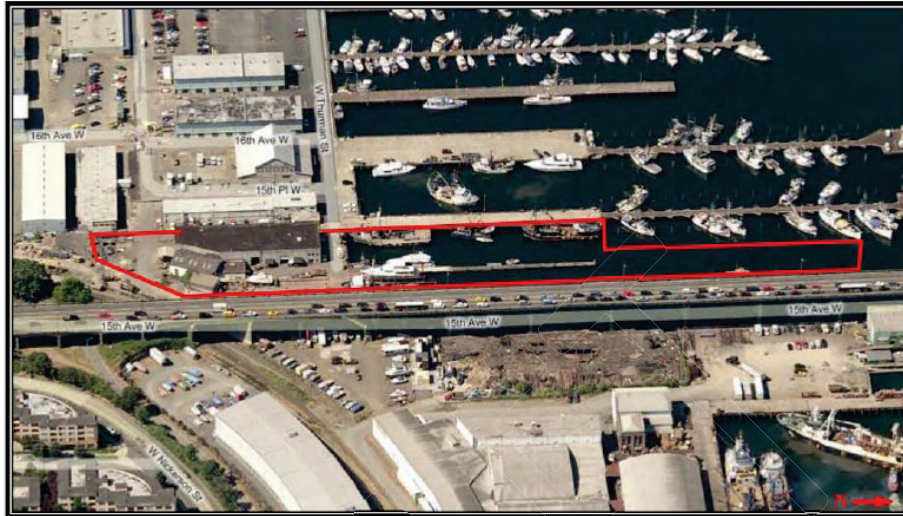


EXHIBIT C

– WORK AGREEMENT –

1. The Lessee Work. Under the Lease, Lessee has agreed to accept the Premises in its current condition set forth in Section 1.2, without any obligations for the performance of additional improvements or other work by the Port. However, the Port has agreed that Lessee may perform improvements to the space that include but not limited to electrical, mechanical (HVAC), plumbing, lighting, fire system, and interior office shell repairs to flooring, drop ceiling, insulation and floating dock repairs (the “Tenant Improvements”). Such Tenant Improvements shall be in accordance with the provisions of this Lessee Work Agreement, and to the extent not expressly inconsistent herewith, in accordance with the provisions of the Lease, in particular, Section 7. Performance of the Tenant Improvements shall not serve to abate or extend the time for the commencement of Rent under the Lease.
2. Cost of the Tenant Improvements. Except as provided hereinafter, Lessee shall pay all costs (the “Costs of the Tenant Improvements”) associated with the Tenant Improvements whatsoever, including without limitation, all permits, inspection fees, fees of architects, engineers, and contractors, utility connections, the cost of all labor and materials, bonds, insurance, and any structural or mechanical work, additional HVAC equipment or sprinkler heads, or modifications to any building mechanical, electrical, plumbing or other systems and equipment or relocation of any existing sprinkler heads, either within or outside the Premises required as a result of the layout, design, or construction of the Tenant Improvements.
3. Preliminary Plan and Specifications.
 - a. No later than 6-months after the mutual execution of the Lease, Lessee shall submit two (2) sets of a “Preliminary Plan” (as described in Section 12 herein) to the Port for approval.
 - b. The Port shall, within fifteen (15) working days after receipt thereof, either approve said Preliminary Plan, or disapprove the same advising Lessee of the reasons for such disapproval. In the event the Port disapproves said Preliminary Plan, Lessee shall modify the same, taking into account the reasons given by the Port for said disapproval, and shall submit two sets of the revised Plan to the Port within five (5) days after receipt of the Port’s initial disapproval.
4. Working Drawings and Engineering Report.
 - a. No later than sixty (60) days after approval of the Preliminary Plan, Lessee shall submit to the Port for approval two (2) sets of “Working Drawings” (as defined in Section 12 herein), and a report (the “Engineering Report”) from Lessee’s mechanical, structural and electrical engineers indicating any special heating, cooling, ventilation, electrical, heavy load or other special or unusual requirements of Lessee.
 - b. The Port shall, within Fifteen (15) working days after receipt thereof, either approve the Working Drawings and Engineering Report, or disapprove the same advising Lessee of the reasons for disapproval. If the Port disapproves of the Working Drawings or Engineering Report, Lessee shall modify and submit revised Working Drawings, and a revised Engineering Report, taking into account the reasons given by the Port for disapproval, within five (5) days after receipt of the Port’s initial disapproval.
5. The Port’s Approval. The Port shall not unreasonably withhold approval of any Preliminary Plan, Working Drawings or Engineering Report submitted hereunder if they provide for a customary layout, are compatible with the shell and core construction, and will not require any structural modifications to the building, whether required by heavy loads or otherwise.
6. Architects, Engineers, and Contractors. The Preliminary Plan, Working Drawings, Engineering Report and the Tenant Improvements, shall be prepared and performed by licensed, reputable and qualified architects, engineers and contractors.

7. Change Orders. No changes, modifications, alterations or additions to the approved Preliminary Plan or Working Drawings may be made without the prior written consent of the Port after written request therefore by Lessee. In the event that the Premises are not constructed in accordance with said approved Preliminary Plan and Working Drawings, then Lessee shall not be permitted to occupy and/or conduct business from the Premises until the Premises reasonably comply in all respects with said approved Preliminary Plan and Working Drawings; in such case, the Rent shall nevertheless commence to accrue and be payable as otherwise provided in the Lease.
8. Compliance. The Tenant Improvements shall comply in all respects with the following: (a) the Building Code of the City and State in which the Building is located and State, County, City or other laws, codes, ordinances and regulations, as each may apply according to the rulings of the controlling public official, agent or other such person, (b) applicable standards of the National Board of Fire Underwriters and National Electrical Code, and (c) building material manufacturer's specifications.
9. Performance.
 - a. The Tenant Improvements shall be commenced promptly following the Commencement Date, and shall thereafter be diligently prosecuted to completion, subject to delays for reasons beyond Lessee's control (except financial matters). All Tenant Improvements shall conform with the Working Drawings approved by the Port in writing, and the Port may periodically inspect the Tenant Improvements for such compliance. The Tenant Improvements shall be coordinated under the Port's direction with the work being done or to be performed for or by other lessees in Fishermen's Terminal so that the Tenant Improvements will not interfere with or delay the completion of any other construction work in Fishermen's Terminal.
 - b. The Tenant Improvements shall be performed in a thoroughly safe, first-class and workmanlike manner in conformity with the approved Preliminary Plan and Working Drawings, and shall be in good and usable condition at the date of completion.
 - c. Lessee shall be solely responsible for obtaining and paying for all necessary permits, entitlements, government approvals of any kind whatsoever and/or fees with respect to The Tenant Improvements, copies of which shall be provided to the Port prior to commencement of the Work. Lessee shall also be solely responsible for compliance with the terms and conditions of all permits, entitlements, or other government approvals necessary for the Tenant Improvements.
 - d. Each contractor and subcontractor shall be required to obtain prior written approval from the Port for any space outside the Premises within Fishermen's Terminal, which such contractor or subcontractor desires to use for storage, handling, and moving of his materials and equipment, as well as for the location of any facilities for his personnel. Nothing in the paragraph shall, however, give rise to any obligation on the Port to provide such space.
 - e. The contractors and subcontractors shall be required to remove from the Premises and dispose of, at least once a week and more frequently as the Port may direct, all debris and rubbish caused by or resulting from the construction. Upon completion of the Tenant Improvements, the contractors and subcontractors shall remove all surplus materials, debris and rubbish of whatever kind remaining within Fishermen's Terminal which has been brought in or created by the contractors and subcontractors in the performance of Lessee's Work. If any contractor or subcontractor shall neglect, refuse or fail to remove any such debris, rubbish, surplus material or temporary structures within two (2) days after notice to Lessee from the Port with respect thereto, the Port may cause the same to be removed by contract or otherwise as the Port may determine expedient, and charge the cost thereof to Lessee as additional Rent under the Lease. Lessee shall be solely responsible for abating or removing any Hazardous Materials in the Premises necessitated by the Tenant Improvements. In addition, if Lessee disposes of any Hazardous Substances in connection with the Tenant Improvements, it shall only dispose of Hazardous Substances at a landfill or other disposal facility in compliance with all applicable Environmental Laws. Lessee shall be the generator for purposes of transportation and disposal of Hazardous Substances related to the Tenant

Improvements and shall sign generator slips with respect to any such Hazardous Substances.

- f. Lessee shall obtain and furnish the Port copies of all approvals with respect to electrical, water and telephone work as may be required by the respective company supplying the service. Lessee shall obtain utility service, including meter, from the utility company supplying service, unless the Port elects to supply service and/or meters.
 - g. The Port's acceptance of the Tenant Improvements as being complete in accordance with the approved Preliminary Plan and Working Drawings shall be subject to the Port's inspection and written approval. Lessee shall give the Port five (5) days prior written notification of the anticipated completion date of Lessee's Work.
 - h. Lessee shall, at its cost and expense construct, purchase, install and perform any and all items of the Tenant Improvements, stock its merchandise, and employ its personnel so as to obtain any governmentally required certificate of occupancy and to occupy the Premises as soon as possible.
 - i. Copies of "as built" drawings shall be provided to the Port no later than thirty (30) days after completion of the Work.
 - j. The Port's approval of Lessee's plans and specifications, and the Port's recommendations or approvals concerning contractors, subcontractors, engineers or architects (if any) shall not be deemed a warranty as to the quality or adequacy of the Tenant Improvements, or the design thereof, or of its compliance with Laws, codes and other legal requirements.
 - k. The Port shall not be responsible for any disturbance or deficiency created in the air conditioning or other mechanical, electrical or structural facilities within Fishermen's Terminal or Premises as a result of the Tenant Improvements. If such disturbances or deficiencies result, Lessee shall correct the same and restore the services to the Port's reasonable satisfaction, within a reasonable time. Lessee shall use the Port's approved HVAC Service provider for any and all installations and adjustments required to the Premises in the course of the Tenant Improvements.
 - l. If performance of the Tenant Improvements shall require that additional services or facilities (e.g., common area cleaning services) be provided, Lessee shall pay the Port's reasonable charges therefore.
 - m. Lessee's contractors shall comply with the rules of Fishermen's Terminal and the Port's requirements respecting allowable construction hours and manner of handling materials, equipment and debris. Construction activities, delivery of materials, equipment and removal of debris must be arranged to avoid any inconvenience or annoyance to other occupants. The Tenant Improvements and all cleaning in the Premises must be controlled to prevent dirt, dust or other matter from infiltrating into adjacent lessee or mechanical areas.
 - n. The Port may impose reasonable additional requirements from time to time in order to ensure that the Tenant Improvements, and the construction thereof does not disturb or interfere with any other lessees of Fishermen's Terminal, or their visitors, contractors or agents, nor interfere with the efficient, safe and secure operation of Fishermen's Terminal. Lessee's Contractor shall obtain a copy of, and comply at all times with, the then current Contractor's Guidelines.
10. Insurance. All contractors and subcontractors shall carry Worker's Compensation Insurance covering all of their respective employees in the statutory amounts and comprehensive general liability insurance of at least three million dollars (\$3,000,000) combined single limit for bodily injury, death, or property damage; and the policies therefore shall cover the Port and Lessee, as additional insureds, as well as the contractor or subcontractor. Certificates for all such insurance shall be delivered to the Port before the construction is commenced or contractor's equipment is moved onto Fishermen's Terminal. All policies of insurance must require that the carrier give the Port twenty (20) days' advance written notice of any cancellation or reduction in the amounts of insurance. In the event that during the course of the Tenant Improvements installation or construction,

any damage shall occur to the construction and improvements being made by Lessee shall repair the same at Lessee's cost.

11. Liens. Lessee shall keep the Premises free from any mechanic's, materialman's or similar liens or other such encumbrances in connection with the Tenant Improvements, and shall indemnify and hold The Port harmless from and against any claims, liabilities, judgments, or costs (including attorneys' fees) arising in connection therewith. Lessee shall remove any such lien or encumbrance by bond or otherwise within thirty (30) days after written notice by the Port, and if Lessee shall fail to do so, the Port may pay the amount necessary to remove such lien or encumbrance, without being responsible for investigating the validity thereof. The amount paid shall be deemed additional rent under the Lease payable upon demand, without limitation as to other remedies available to the Port under the Lease. Nothing contained herein shall authorize Lessee to do any act which shall subject the Port's title to Fishermen's Terminal or Premises to any liens or encumbrances whether claimed by operation of law or express or implied contract. Any claim to a lien or encumbrance upon Fishermen's Terminal or Premises arising in connection with the Work shall be null and void, or at the Port's option shall attach only against Lessee's interest in the Premises and shall in all respects be subordinate to the Port's title to Fishermen's Terminal and Premises.
12. Certain Definitions.
 - a. "Preliminary Plan" shall mean and refer to a plan, drawn to scale, showing:
 - (i) With respect to internal spaces: (1) demising walls, corridor doors, interior partition walls and interior doors (if any); (2) any restrooms, kitchens, computer rooms, file rooms and other special purpose rooms, and any sinks or other plumbing facilities, or other special facilities or equipment; (3) any communications system, indicating telephone and computer outlet location; and (4) any other details or features required to reasonably delineate the Tenant Improvements to be performed.
 - (ii) With respect to external spaces: (1) all fencing and barriers; (2) all utility connections; and (3) any other details or features required to reasonably delineate the Tenant Improvements to be performed.
 - b. "Working Drawings" shall mean and refer to fully dimensioned architectural construction drawings and specifications, and any required engineering drawings (including mechanical, electrical, plumbing, air-conditioning, ventilation and heating), and shall include any applicable items described above for the Preliminary Plan, and if applicable: (1) electrical outlet locations, circuits and anticipated usage therefore; (2) reflected ceiling plan, including lighting, switching, and any special ceiling specifications; (3) duct locations for heating, ventilating and air-conditioning equipment; (4) dimensions of all equipment and cabinets to be built in; (5) location of any equipment or systems (with brand names wherever possible) which require special consideration relative to air-conditioning, ventilation, electrical, plumbing, structural, fire protection, life-fire-safety system, or mechanical systems; (6) weight and location of heavy equipment, and anticipated loads for special usage rooms; and (7) any other details or features required to completely delineate the Tenant Improvements to be performed.
13. INCORPORATED INTO LEASE; DEFAULT. THE PARTIES AGREE THAT THE PROVISIONS OF THIS WORK AGREEMENT ARE HEREBY INCORPORATED BY THIS REFERENCE INTO THE LEASE FULLY AS THOUGH SET FORTH THEREIN. In the event of any express inconsistencies between the Lease and this Work Agreement, the latter shall govern and control. If Lessee shall default under this Work Agreement, the Port may order that all Tenant Improvements being performed in the Premises be stopped immediately, and that no further deliveries to the Premises be made, until such default is cured, without limitation as to the Port's other remedies. Any amounts payable by Lessee to the Port hereunder shall be paid as additional rent under the Lease. Any default by the other party hereunder shall constitute a default under the Lease and shall be subject to the remedies and other provisions applicable thereto under the Lease. If Lessee shall default under the Lease or this Work Agreement and fail to cure the same within the time permitted for cure under the Lease, at the Port's option, all amounts paid or incurred by the

Port towards the Tenant Improvement Allowance shall become immediately due and payable as additional Rent under the Lease.

14. Lessee Reimbursement. The Port shall contribute a “Tenant Improvement Allowance” not to exceed FIVE HUNDRED THOUSAND AND NO/100 DOLLARS (\$500,000) towards a portion of the Lessee’s hard and soft costs and expenses associated with Lessee’s design and construction of the Tenant Improvements defined in Section 1 above provided that the Lessee Improvements are completed by December 31, 2026, which deadline may be extended by written approval of the Port at the Port’s sole discretion. The Port shall reimburse Lessee within sixty (60) days after the Lessee has submitted (i) a written request for disbursement, (ii) invoices showing such amounts were paid, (iii) executed mechanics’ lien releases from all constructors, subcontractors and suppliers for both the work and the materials for which reimbursement from the Tenant Improvement Allowance is requested, (iv) Affidavits of Wages paid required pursuant to Section 7.4.3. of the Lease, and (v) such other items which may be reasonably requested by the Port (collectively, the “Disbursement Package”). The Port’s reimbursement is subject to review and approval, which shall not be unreasonably withheld, conditioned or delayed. The Tenant Improvement work shall be performed in accordance with this Exhibit C (the “Work Agreement”). Lessee must request final reimbursement within thirty (30) days of the substantial completion of the Lessee Improvements provided by Lessee and provide “as-built” drawings, including mechanical, plumbing and electrical details, to the Port and a certificate from Lessee’s architect or contractor setting forth the description of the work performed. The Ports obligation to pay the Lessee Improvement Allowance is expressly conditioned upon the Lessee’s timely request for such Lessee Improvement Allowance and submission of all documentation required to make such request for the Lessee Improvement Allowance

Trowbridge 5-year Term Lease at Fishermen's Terminal Shipyard

Presenter:

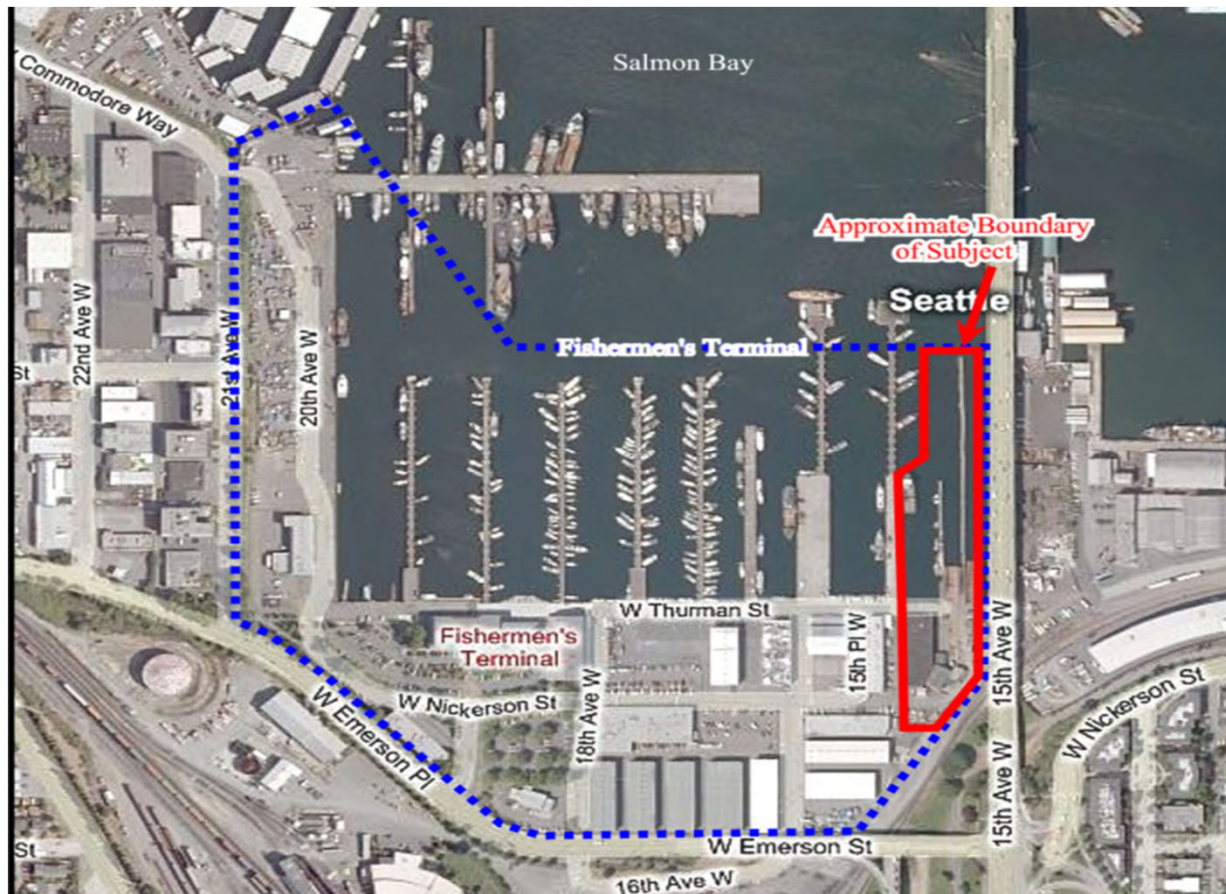
Jennifer Maietta, Director Real Estate Asset Management
Jessica Carlson, Sr Real Estate Manager



Action Requested

Request Commission authorization for the Executive Director to execute a ten (10) year term lease, with Trowbridge, LLC at Fishermen's Terminal in its substantive form as presented.

Fishermen's Terminal



Premises



Summary

- Trowbridge Innovations is a West Coast contractor, marine service provider, and product supplier in the maritime sector.
- This is a term lease with Trowbridge, LLC (“Trowbridge”) for the former Fishing Vessel Owner’s site at Fishermen’s Terminal which has been vacant since 2021.
- Tenant will be investing approximately \$2M to bring the warehouse/office back to a functional state.
- The tenant improvements will include additional upgrades to the floating docks, marine-ways and yard area.

Basic Lease Terms

TERM	DESCRIPTION
Premises	Total Premises is 182,804/sf inclusive of 136,138/sf submerged lands, 28,183/sf yard area, and 18,483/sf warehouse/office space located within Fishermen's Terminal.
Term	10-year term lease
Lease Commencement	November 1, 2025
Due diligence period	Thirty (30) days period following the Commencement Date, Lessee shall have the right to review the environmental conditions of the Premises. • One-time right to terminate by written notice to Lessor prior to end of Due Diligence Period. • Otherwise, upon the expiration of the Due Diligence Period, the Lessee fully accepts the Premises in its present condition.
Rent Commencement	Rent shall commence May 1, 2025; upon conclusion of due diligence period and Lessee shall accept Premises in an as is condition.
Base Rent	\$11,225.43/Month plus 3% annual escalation, and 12.84% LET • The base rent is market rate for the yard and submerged lands. • The warehouse/office rent is abated during the term of the lease as the buildings are in a non-functional state.
Security Deposit	Security deposit is \$35,757
Tenant Improvement Allowance	Tenant Improvement Allowance in an amount not to exceed \$500,000. TI to include, but not limited to, electrical, mechanical (HVAC), plumbing, lighting, fire system, and interior office shell repairs to flooring, drop ceiling, insulation and floating dock repairs December 1, 2026, which deadline may be extended at Port's sole discretion.

Financial Implications

Project cost for analysis	Tenant Improvement Allowance: \$500,000
Effect on business performance (NOI after depreciation)	The lease generates approximately \$1.5M over the course of the primary term (10 years)
IRR/NPV	NPV= \$585K TI Allowance Payback=4.03 years

Questions?

Slide 8

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COMMISSION
AGENDA MEMORANDUM

Item No. 8j

ACTION ITEM

Date of Meeting October 14, 2025

DATE: September 26, 2025

TO: Stephen P. Metruck, Executive Director

FROM: Sarah Ogier, Director-Maritime Environment & Sustainability
Brick Spangler, Sr. Program Manager, Maritime Environment & Sustainability
Tim Leonard, Capital Project Manager, Waterfront Project Management

SUBJECT: East Waterway Cleanup Design

Amount of this request: \$0
Source of Funds: ERL Non Ops
Total estimated design cost: \$30,000,000

ACTION REQUESTED

Request Commission authorization for the Executive Director to complete the remedial design; including the procurement of a consultant designer and preparation of construction documents; for the East Waterway Cleanup project. The total request for this action is in the amount of \$0 as funding for the estimated \$30,000,000 cost of the required remedial design was included in the previously authorized 2025-2029 Environmental Remediation Liability (ERL) Program.

EXECUTIVE SUMMARY

Sediment in the East Waterway contains contaminants that include polychlorinated biphenyls (PCBs), arsenic, dioxins/furans and carcinogenic polycyclic aromatic hydrocarbons (cPAHs) that pose risk to human health and the environment and need to be addressed. The East Waterway Group (EWG), comprising the Port of Seattle, the City of Seattle, and King County, completed the investigation and feasibility study phases of the cleanup of the East Waterway Superfund Site; the remedial design is the next phase in the Superfund process. The Port led the previous work under a legal agreement with the Environmental Protection Agency (EPA) and was supported by the City of Seattle and King County through a Memorandum of Agreement (MOA).

The EWG is now sharing responsibility to develop the remedial design for the cleanup of contaminated sediments within the East Waterway operable unit of the Harbor Island Superfund Site, as required by an Administrative Settlement Agreement and Order on Consent (ASAO) with the EPA. Under a new MOA with its EWG, the Port will continue to lead contracting on behalf of the EWG and procure an environmental consulting firm to perform the work, with costs reimbursed by the City and County on a preliminary (subject to reallocation) basis of 1/3 each.

Meeting Date: October 14, 2025

Including a project specific consultant design contract anticipated to be in the range of \$15 – \$22 million, the total remedial design effort's cost is preliminarily estimated to be approximately \$30 million. Funding for this work was included in the 2025-2029 Environmental Remediation Liability (ERL) Program. Port Commission approved signing the EPA ASAOC and EWG MOA on September 9, 2025.

BACKGROUND

The Harbor Island Superfund Site is one of the first Superfund sites in the country, listed on EPA's National Priorities List in 1983. Harbor Island is a human-built, industrial island in Elliott Bay. Built in the early 1900s, the 420-acre island supports businesses that conduct commercial and industrial activities, including a former lead battery recycler, ocean and rail transport operations and petroleum fuel farm storage and operation. Prior operations at the site resulted in contaminated groundwater, sediment and soil with lead and other contaminants. The EPA divided the Harbor Island site into six smaller areas, known as "Operable Units" (OUs) to better address site cleanup. Cleanups have been completed at five of the OUs, and the remaining OU for cleanup is the East Waterway. The East Waterway cleanup area stretches one mile along the east side of Harbor Island and covers 157 acres. It is downstream and north of the Lower Duwamish Waterway Superfund Site.

The East Waterway requires cleanup due to unacceptable risks to human health and to the environment. Sediments at the bottom of the waterway contain contaminants that include polychlorinated biphenyls (PCBs), arsenic, dioxins/furans and carcinogenic polycyclic aromatic hydrocarbons (cPAHs) that pose risk to human health. There are 29 contaminants, including PCBs and mercury, which pose risks for benthic invertebrates that are the base of the food chain. PCBs also pose risk to fish within the waterway. The EPA released its Interim Record of Decision (IROD) for cleanup of the East Waterway in 2024. The next step to implement the Interim ROD is Remedial Design (RD).

The EPA ASAOC, requiring the EWG to develop the remedial design for the cleanup; and a new cost-sharing MOA between the EWG partners, was approved by prior Commission action on September 9, 2025. Under the MOA, the three EWG parties will share responsibility to implement the required work. The Port will procure an environmental consulting firm to perform the work, with costs reimbursed by the City and County on a preliminary basis of 1/3 each. The Port will hold the contract with the consultant(s) and all invoices will be handled by the Port with appropriate portions reimbursed by the City and County.

Total cleanup cost estimates were developed for each cleanup alternative as part of the East Waterway Feasibility Study completed in 2019. In 2023, the EWG updated the cleanup cost based on the EPA's preferred alternative as selected in the ROD and updated market pricing for a total of \$419,000,000. Including construction cost escalation and the latest construction market costs, the current total project cost has been preliminarily estimated at \$600,000,000. Of that total, \$30,000,000 is estimated for the requirements of the current EPA ASAOC (remedial design, baseline monitoring, project management and EPA oversight effort).

Meeting Date: October 14, 2025

Funding for the required remedial design effort was included in the 2025-2029 Environmental Remediation Liability (ERL) Program; therefore, design funding is not requested at this time.

JUSTIFICATION

The EPA ASAOC is a binding agreement that requires the EWG to complete the remedial design for the East Waterway to meet EPA’s cleanup objectives in its Interim Record of Decision. The EWG MOA enables the parties to share the costs of the required work and, among other requirements, obligates the Port to fulfill EPA’s financial assurance requirements for the work.

DETAILS

The Statement of Work detailed in the ASAOC requires that the Port, City, and County to perform the work to complete the Remedial Design.

Schedule

The preliminary East Waterway Cleanup project schedule milestones are as follows:

<i>Activity</i>	<i>Estimated Schedule</i>
Commission Design Authorization	October 2025
Consultant designer contract execution	Q1 2026
Remedial Design (may require up to 5 years)	2026 - 2031
Construction (may require up to 10 years)	2031 - 2041

ALTERNATIVES AND IMPLICATIONS CONSIDERED

Alternative 1 – Do Not Perform Remedial Design in accordance with the signed ASAOC

Cost Implications: Not performing the remedial design required by the signed ASAOC may result in the issuance of an enforcement order by EPA, or EPA may elect to perform this work itself. This would result in EPA recovering the cost of the work from the Port, increasing the Port’s estimated costs by 1.5 to 3 times.

Pros:

- (1) May delay the Port’s spending by a year or more while EPA prepares the enforcement order.

Cons:

- (1) Increased legal and staff time and efforts and costs to respond to an enforcement order and provide ancillary support to the EPA to carry out the enforcement order (gain access to the site, etc.)
- (2) The ultimate costs of the work will be much higher if EPA elects to perform the work itself.
- (3) Not performing this work could tarnish the Port’s reputation with EPA and the community as having a commitment to public health and being a steward of community resources and the environment.

Meeting Date: October 14, 2025

This is not the recommended alternative.

Alternative 2 – Perform the remedial design in accordance with the signed ASAOC

Cost Implications: \$30,000,000 shared with EWG.

Pros:

- (1) Avoids potential enforcement order and furthers the Port's collaborative working relationship with EPA.
- (2) Takes the next step leading to East Waterway cleanup and long-term protection of human health and the environment.
- (3) Demonstrates the Port's value of being responsible stewards of community resources and the environment.

Cons:

- (1) None, but completion of the ASAOC required remedial design will cost a preliminarily estimated \$30,000,000 amount, with the City and County each reimbursing the Port for one third.

This is the recommended alternative.

FINANCIAL IMPLICATIONS

There is no funding request as part of this remedial design authorization. Funding for the associated scope of work and costs is included in the annual Environmental Remedial Liability (ERL) authorization. Project costs will be shared by the Port, City, County, subject to reallocation later. As the contracting party, the Port will pay all costs upfront, and the City and County will reimburse the Port for their respective shares. The Port will pursue additional opportunities to recover additional costs.

ATTACHMENTS TO THIS REQUEST

- (1) PowerPoint presentation

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

September 9, 2025 – The Commission authorized the Executive Director to (1) sign and execute an EPA Administrative Settlement Agreement and Order on Consent (ASAOC) requiring the Port of Seattle, City of Seattle, and King County to perform remedial design for the East Waterway Operable Unit of the Harbor Island Superfund Site; and (2) to sign a Memorandum of Agreement between the Port of Seattle, City of Seattle, and King County to share the costs and obligations to perform the scope of work required by the ASAOC.

November 1, 2024 - The Commission authorized the Chief Executive Officer to (1) spend environmental remediation funds for 2025 in the amount of \$19,700,000 and (2) approve a five-year spending plan for \$211,000,000 for the environmental remediation liability program for

Meeting Date: October 14, 2025

2025-2029, of which an estimated not-to-exceed amount of \$50,000,000 will be obligated during 2025 to be spent in future years.

July 25, 2006 – The Commission authorized the Chief Executive Officer to Execute the Administrative Settlement Agreement and Order on Consent for a Supplemental Remedial Investigation/Feasibility Study for the East Waterway Operable Unit of the Harbor Island Superfund Site issued by the United States Environmental Protection Agency.

March 14, 2006 – The Commission authorized the Chief Executive Officer to Execute a Memorandum of Agreement (MOA) between the Port and the City of Seattle and King County for the East Waterway Operable Unit of the Harbor Island Superfund Site Supplemental Remedial Investigation/Feasibility Study.

September 23, 2003 – The Commission issued project-wide authorization for the design, permitting, and construction required for the Port's full compliance with Administrative Order on Consent for Removal Action issued by the United States Environmental Protection Agency in the matter of Harbor Island Superfund Site East Waterway Operable Unit, Phase 1 Remedial Design and Removal Action, and Phase 2 Remedial Design Activities for an estimated cost of \$19,400,000.

East Waterway Cleanup Design Authorization

October 14, 2025 - Commission Meeting

Presented by:

Brick Spangler – Sr. Env Program Manager

Tim Leonard – Capital Project Manager



Action Requested

Request Commission authorization for the Executive Director to complete the remedial design; including the procurement of a consultant designer and preparation of construction documents; for the East Waterway Cleanup project.

East Waterway Cleanup Location



Project Overview

The East Waterway cleanup project will involve removal of contaminated sediment, that poses an unacceptable risk to human health and the environment, within 121 acres of the East Waterway Superfund Site. The first step will be the completion of the Remedial Design required per an Order issued by the EPA.

Primary Parties

- **Port of Seattle** – the lead contracting agency for the remedial design
- **East Waterway Group (EWG)**: Port of Seattle, City of Seattle, King County will implement the cleanup with oversight from EPA and will share costs
- **EPA** – regulating agency

Stakeholders

- **Muckleshoot and Suquamish Tribes** – usual and accustomed fishing/harvesting area with treaty rights and is consulted by EPA
- **Washington State Department of Natural Resources (DNR)** – manager of state-owned aquatic lands in EW
- **Washington State Department of Ecology (Ecology)** – provides input on state cleanup rules and source control
- **Local Residents and Community Groups** - Duwamish River Community Coalition (DRCC) and others have expressed interest in the cleanup process

Funding

- The total request for this action is in the amount of \$0 as funding for the required remedial design was included in the previously authorized 2025-2029 Environmental Remediation Liability (ERL) Program
- Remedial design effort estimated to cost \$30 million including anticipated \$15 – 22 million consultant designer procurement
- Total project cost preliminarily estimated to be approximately \$600 million
- Reimbursement by the City and County of 1/3 each (subject to reallocation) per EWG MOA

Preliminary Estimated Schedule

<u>Activity</u>	<u>Timing</u>
EPA ASAOC finalization	October 2025
Design (up to 5 years)	2026-2031
Cleanup construction (7 – 10 years)	2031-2041
Long-term monitoring	2041 onward

Remedial Design Scope (1 of 2)

- **Further data gathering and analysis:** collect additional data on contamination and site conditions to refine the scope of cleanup.
- **Detailed engineering design:** develop comprehensive plans and specifications for the selected remedial technologies, including dredging, capping, in-situ treatment, and enhanced natural recovery, according to the Interim Record of Decision.
- **Specification of cleanup areas:** delineate precise areas that require cleanup based on established remedial action levels.

Remedial Design Scope (2 of 2)

- **Development of construction plans:** create detailed construction plans, including sequence of operations, equipment requirements, and schedules, considering factors like in-water work windows to protect sensitive species like migrating salmon.
- **Waste management planning:** determine disposal methods for dredged and treated contaminated materials.
- **Long-term monitoring and maintenance plans:** establish protocols for post-remediation monitoring to ensure effectiveness and long-term protectiveness of the remedy and maintaining remediation infrastructure.

Questions?



11

COMMISSION
AGENDA MEMORANDUM

Item No.

11a

BRIEFING ITEM

Date of Meeting

October 14, 2025

DATE: October 8, 2025

TO: Stephen P. Metruck, Executive Director

FROM: Sarah Cox, Director, Aviation Environment and Sustainability
Steve Rybolt, Senior Environmental Program Manager, Aviation Environment and Sustainability

SUBJECT: Sustainable Airport Master Plan Near-Term Projects Final National Environmental Policy Act Environmental Assessment, Federal Aviation Administration Finding of No Significant Impact, Record of Decision, and State Environmental Policy Act Next Steps

EXECUTIVE SUMMARY

This briefing will provide an overview of the Federal Aviation Administration's (FAA) Record of Decision (ROD) based on the outcome of the Final National Environmental Policy Act (NEPA) Environmental Assessment (EA) of the Sustainable Airport Master Plan (SAMP) Near-Term Projects (NTP). This will include an overview of the public outreach and engagement that occurred during the public comment period, changes that were made between the Draft and Final EA, and requirements that the Port of Seattle must adhere to upon the commencement of the SAMP NTPs. It will also provide an outline of the State Environmental Policy Act (SEPA) requirements and steps to complete the environmental review process for the SAMP NTPs.

DETAILS

The FAA has completed the NEPA Final Environmental Assessment (FEA) of the SAMP NTPs and has issued a Finding of No Significant Impact (FONSI) and Record of Decision (ROD). The FEA was informed by a 53-day public comment period in 2024. The document is the result of rigorous analysis, extensive public outreach and engagement, reviewing, considering, and responding to comments submitted by the community and public agencies. It is important to note that in between the closure of the public comment period and the publication of the FEA the Administration implemented regulatory changes that removed analysis on environmental justice, climate, and cumulative impacts. Based on the analyses within the Draft and Final NEPA EA, it was identified that all significant impacts could be mitigated. There were other impacts identified; however, these impacts did not exceed regulatory, or human health standards and FAA does not require any defined action to reduce, avoid, or mitigate them. Based on the information and analysis contained in the Final NEPA EA, the FAA issued a ROD on September 24, 2025 (published on September 26, 2025), identifying 18 requirements that the Port must adhere to should any of the NTPs move forward. The Final NEPA EA and ROD are published on the project

Meeting Date: October 14, 2025

website (www.sampntpenvironmentalreview.org) and physical copies are available at Port of Seattle Sea-Tac Airport Office (Mezzanine Level), Port of Seattle Pier 69 Office, Burien Library, Des Moines Library, Federal Way, Valley View Library (SeaTac), White Center Library, Tukwila Library, and Vashon Library.

In February 2019, Port Staff confirmed that SEPA would commence following the completion of NEPA. Port Staff also identified that the SEPA analysis would consider additional analyses of subjects that were not within the NEPA evaluation. Examples of additional analyses include human health, ultrafine particulate matter, and cumulative impacts. The other resource categories that were removed by FAA from the NEPA documentation due to recent Administration regulatory changes will be moved into the Port's work under SEPA. This includes, but is not limited to, environmental justice and climate considerations.

It is anticipated that a Draft SEPA Environmental Impact Statement (EIS) will be released in late first quarter of 2026, followed by a public comment period. The Port will provide a thorough and broad outreach and engagement program in support of the publication of the Draft SEPA EIS. This includes work to engage a variety of communities and using a range of media outlets, information on the project website, community meetings, interpretation and translating materials into additional languages.

Once the public comment period closes, the Port will review and respond to the comments received. These comments will be considered within Final SEPA EIS. It is expected that the Final SEPA EIS will be published in late 2026.

SCHEDULE**NEPA**

September 26, 2025 (Published)	FAA NEPA Final EA and Record of Decision
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SEPA

Quarter 1 2026	Draft SEPA EIS released for public comment (minimum 30-day comment period [standard])
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Quarter 4 2026	SEPA EIS Final Document & Determination (Port issues decision document)
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ATTACHMENTS TO THIS BRIEFING

- (1) Presentation slides

Meeting Date: October 14, 2025

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

October 22, 2024 – Commission Briefing: “Sustainable Airport Master Plan Near-Term Projects Environmental Review - Draft NEPA Environmental Assessment Findings and Public Comment Period”

June 27, 2023 – Commission Action: “Sustainable Airport Master Plan (SAMP) Near-Term Projects Environmental Review – Update and Budget Increase”

February 25, 2020 – Commission Action: “Sustainable Airport Master Plan (SAMP) Near-Term Projects (NTP) Environmental Review Briefing and Request for Additional Funds”

January 28, 2020 – Commission Briefing: “Sustainable Airport Master Plan (SAMP) Near-Term Projects (NTP) Environmental Review Briefing – Forecast and Schedule Update”

February 26, 2019 – Commission Briefing: “Sustainable Airport Master Plan (SAMP) Near-Term Projects (NTP) Environmental Review Briefing – Scoping Report”

May 8, 2018 – Commission Briefing: “Sustainable Airport Master Plan (SAMP) Planning and Environmental Update”

February 13, 2018 - Commission Briefing: "Sustainable Airport Master Plan (SAMP) Planning Update"

Sustainable Airport Master Plan Near-Term Projects Update

Arif Ghouse, Interim Aviation Managing Director

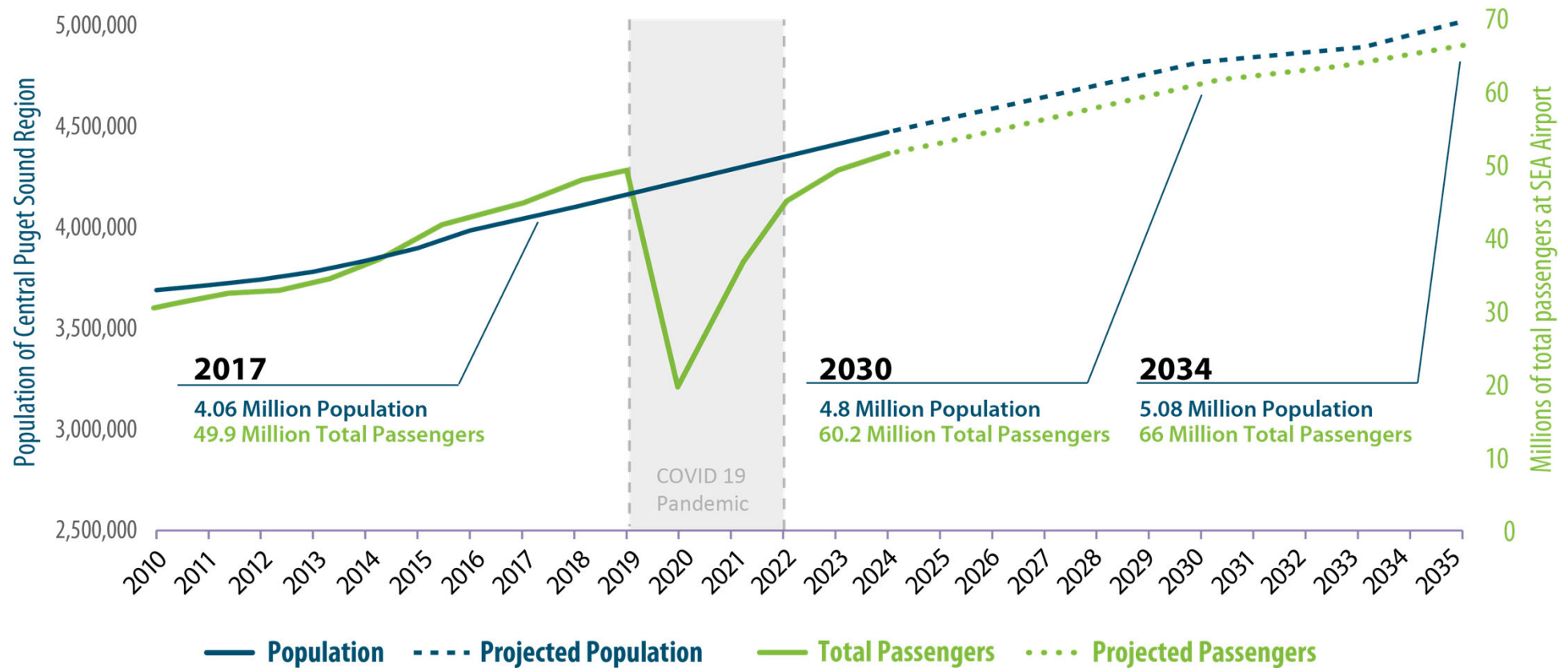
Steve Rybolt, Senior Environmental Program Manager



FAA Completes Environmental Assessment

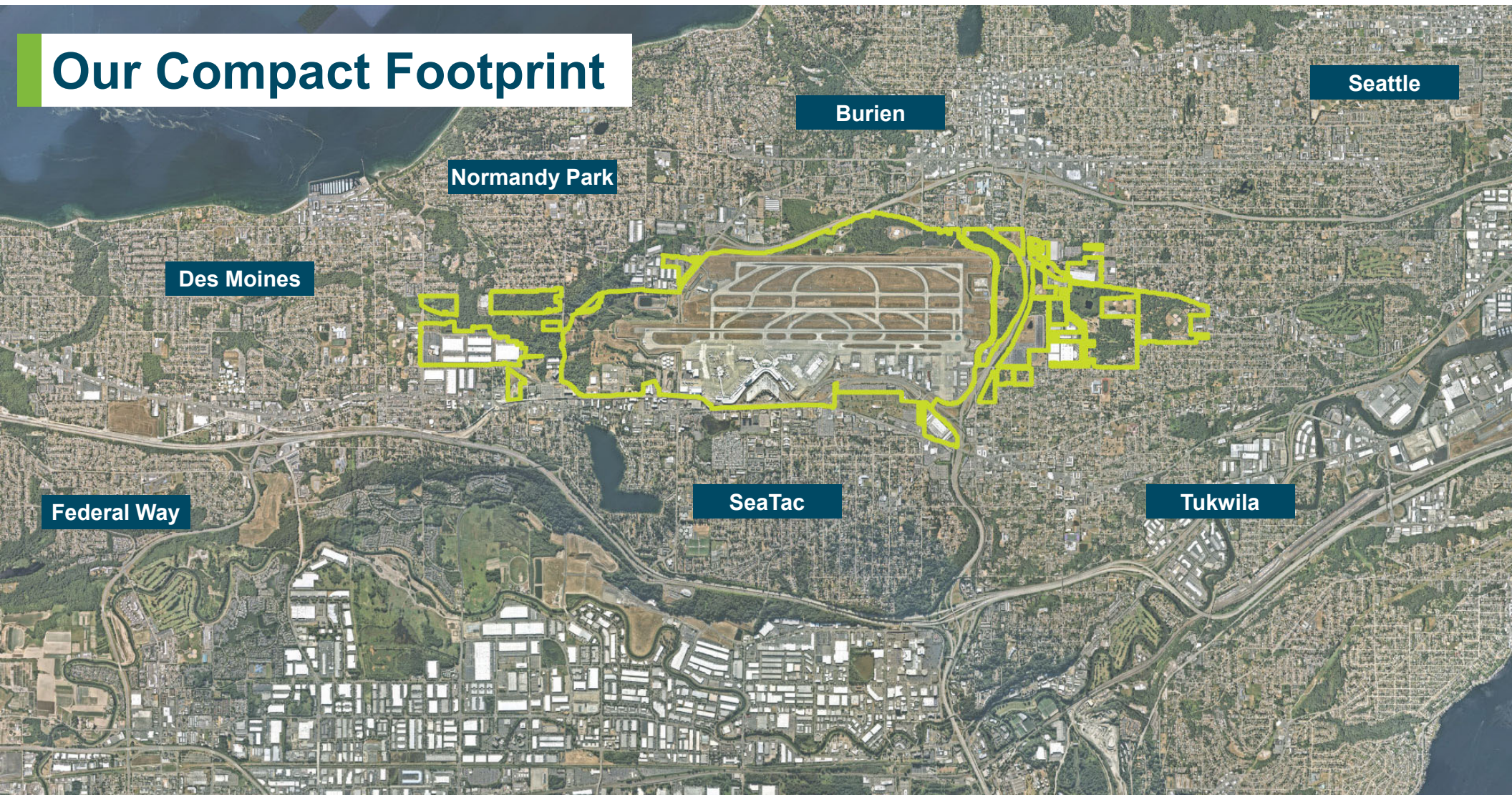
- This is an important milestone in an ongoing process to evaluate the environmental impacts of the 31 proposed SAMP projects.
- The FAA has released their NEPA Final Environmental Assessment (EA) and Finding of No Significant Impact (FONSI) Record of Decision (ROD). It found that completing these projects would have no significant impact.
- Today's presentation will describe:
 - 1) why the Port is planning for future demand
 - 2) what the 31 projects are
 - 3) the FAA's NEPA findings
 - 4) next steps, including a Port-led environmental review, public engagement, and future Port process.

Regional Growth Drives Air Travel Demand at SEA

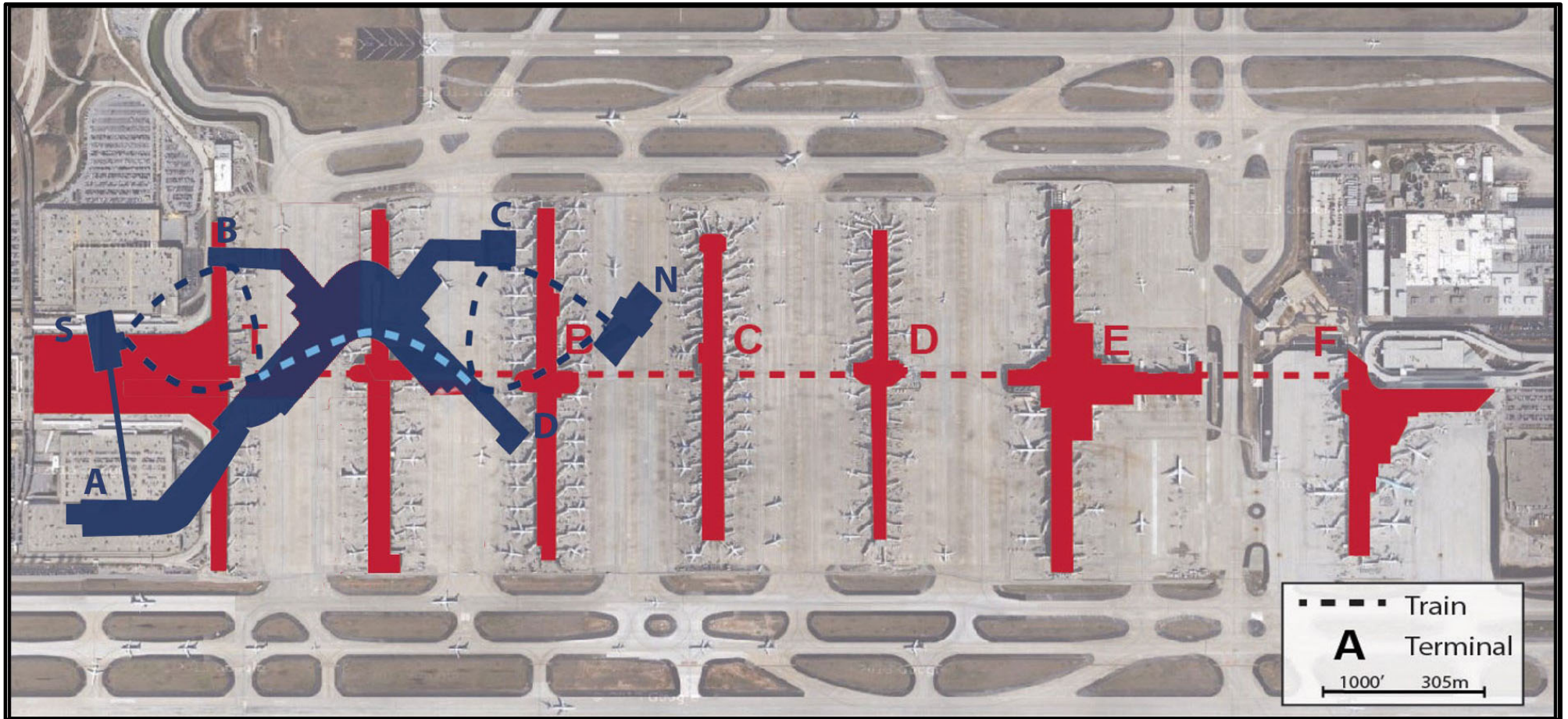


Sources: Population: Puget Sound Regional Council Macroeconomic Forecast | Passengers: SEA Constrained Operating Growth Scenarios

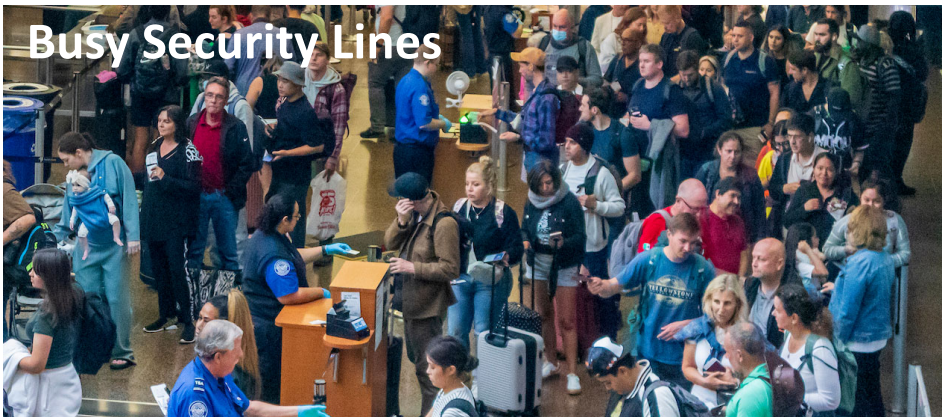
Our Compact Footprint



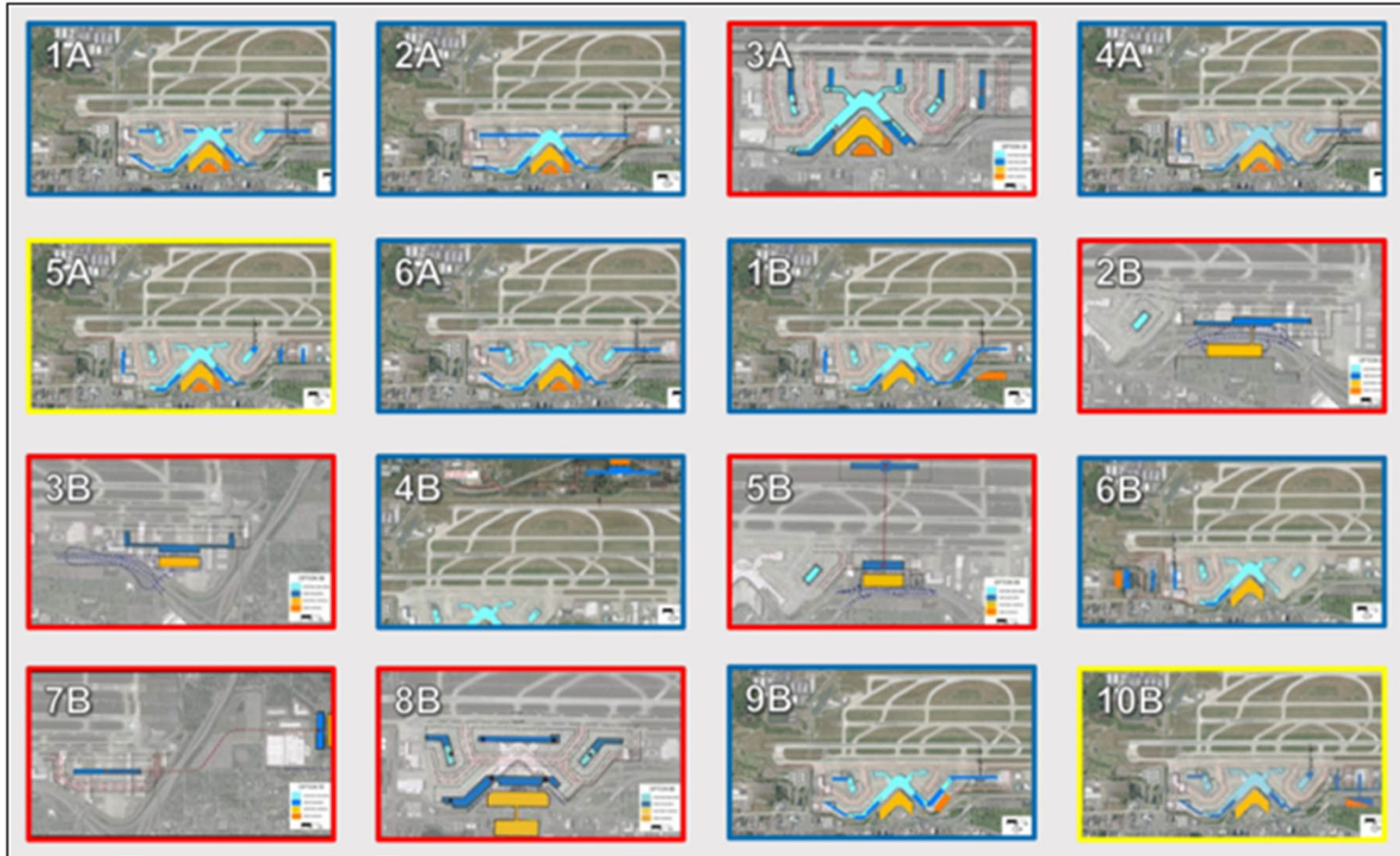
SEA Does More with Less: Contrast to ATL



SAMP NTPs Aim to Address Airport Congestion and Delay



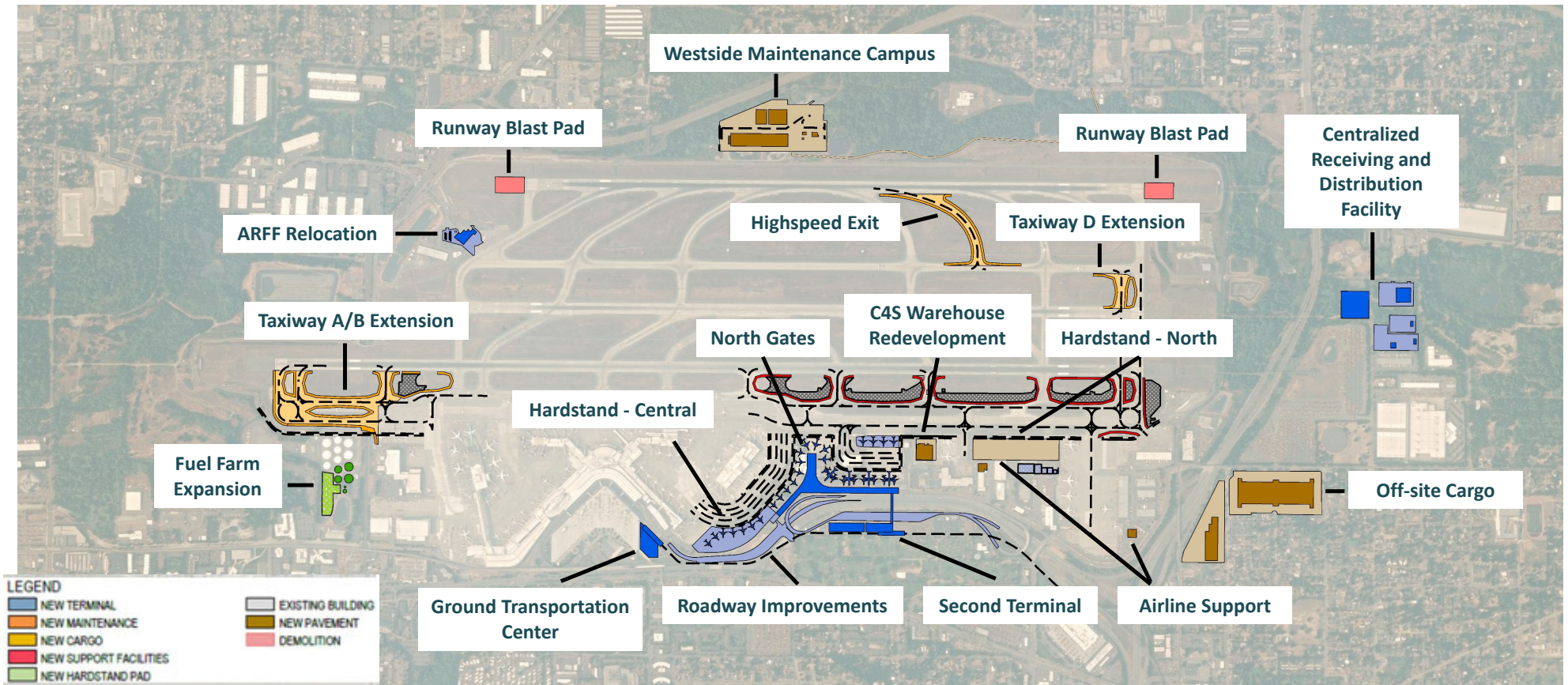
Early Work Evaluated Many Options To Address Needs



The Result Was Our Proposed 31 Near-Term Projects



SAMP NTPs Address Airfield, Landside and Terminal Needs



Once Planning Was Completed, Environmental Review Began



Purpose

To assess the potential environmental impacts of a proposed project before it is undertaken



Process

Assess how proposed projects may impact the environment in a variety of categories as determined by the federal (NEPA) and state government (SEPA)



Impacts

If impacts are identified, the analysis evaluates the extent of those impacts, and if required, identifies ways to reduce or avoid them

Environmental Review Leads



National Environmental Policy Act (NEPA)

- Lead Agency: Federal Aviation Administration (FAA)
- Sponsor: Port of Seattle/SEA
- Document: Environmental Assessment (EA)



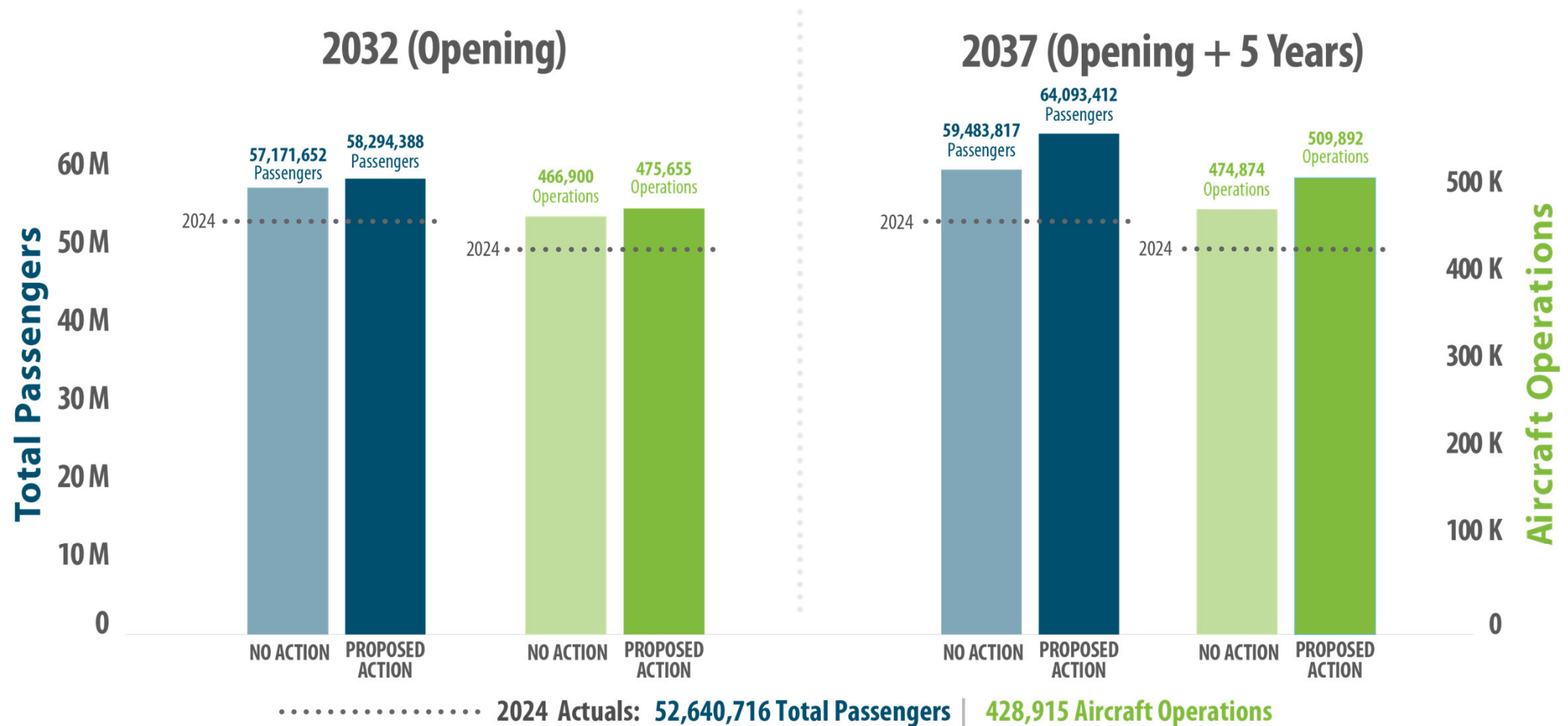
State Environmental Policy Act (SEPA)

- Lead Agency: Port of Seattle
- Responsible Official: Port's Director of Aviation Environment & Sustainability
- Document: Environmental Impact Statement (EIS)

Developing a Defined Purpose and Need for SAMP Projects

Need (Problem)	Purpose (Solution)
Insufficient passenger processing facilities and gates to accommodate 56 million annual passengers (MAP) at an optimal level of service (LOS)	Accommodate 56 MAP at an optimal LOS
Insufficient facilities to accommodate projected cargo levels	Accommodate projected cargo levels
Portions of the airfield no longer meet current FAA airport design standards	Provide airfield infrastructure that meets current FAA airport design standards
Inefficient/inadequate taxiway layout	Enhance the efficiency of the overall taxiway layout
Lack of fuel storage to meet projected demand and the Port's Sustainable Aviation Fuel (SAF) initiative	Meet projected fuel storage demand including SAF initiatives

Key to the Analysis is that Air Travel Demand Will Increase Regardless



The Environmental Review Evaluated 3 Alternatives

No Action

- None of the proposed SAMP NTP projects would occur
- Would not implement actions to resolve current and future needs

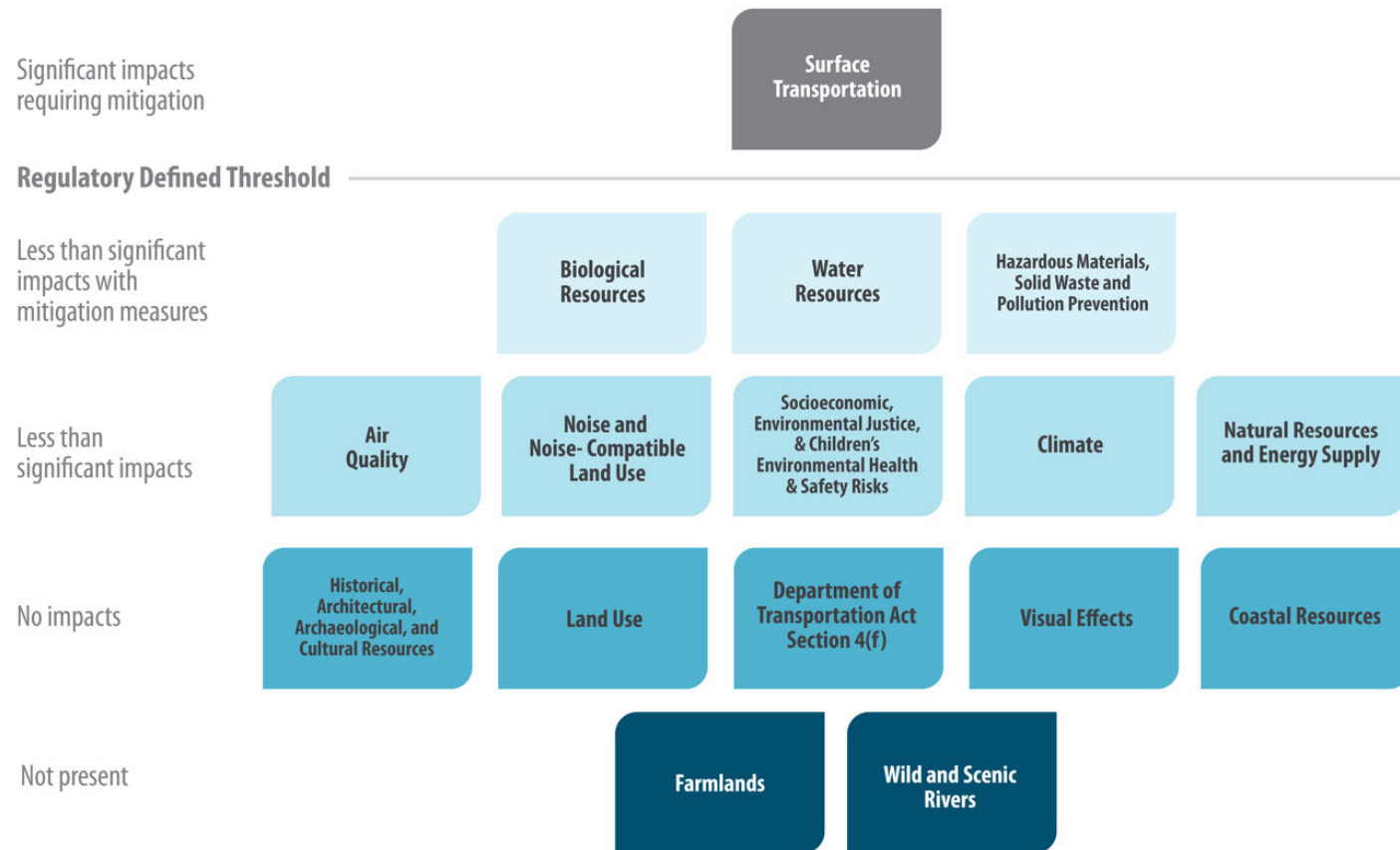
Hybrid Terminal Option

- New gates are connected to Concourse D and includes the second terminal.
- Includes all other proposed SAMP NTP elements

Proposed Action

- Implements elements that best meets current and future needs while minimizing environmental impacts
- 31 airside, cargo, landside, terminal, and airport/airline support projects

First, FAA Released a *Draft* NEPA Environmental Assessment



Port Ensured Significant Comment Opportunity to the FAA's NEPA Draft

- Duration (10/21 – 12/13/24): 53 days
- Open houses (4): 230+ attendees
- Community presentations: 42
- Outreach:

Postcards

Local Online Media

Social Media

Project Website

Videos

Media Advisories

Local Newspaper

Community Events

Tours & Presentations



Extensive Outreach Helped Drive Comments to FAA



591

Comment Letters



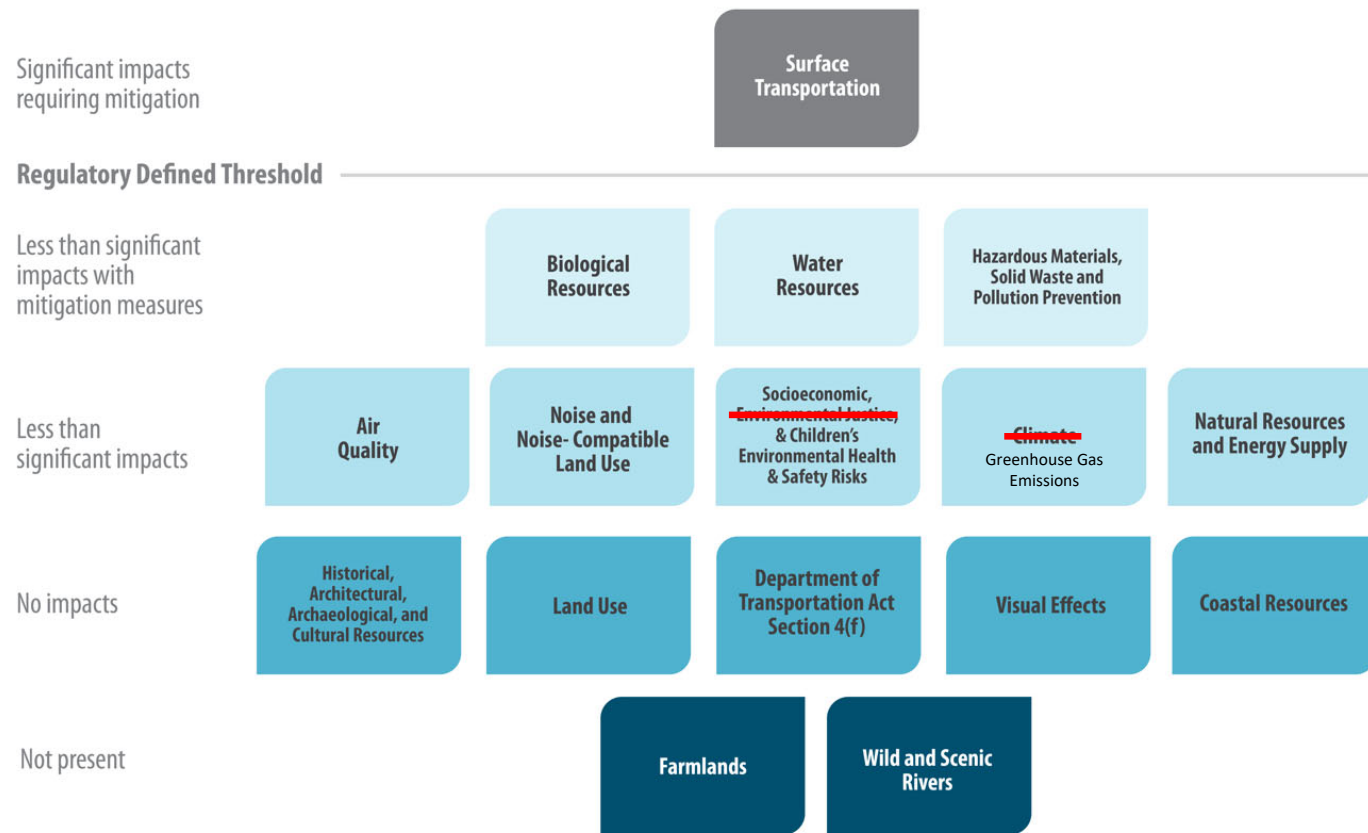
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Unique Comments

Themes:

- Prepare an NEPA EIS
- Comment Period
- Alternatives
- Air Quality/Climate
- Cumulative Impact
- Limit Growth
- Environmental Justice
- Study Area
- Purpose of NEPA
- New Airport
- Human Health
- Trees
- Alternative Transportation
- Children's Health and Safety Risks Analysis
- Outreach
- Mitigation
- Other Airports
- Noise
- Connected Actions

In the FINAL EA, A Few Items Changed



18 Conditions Were Noted in the FAA's FONSI ROD

18 conditions were identified that must be adhered to in the following resource categories:

- Surface Transportation
- Historical, Architectural, Archeological and Cultural Resources
- Biological Resources
- Water Resources
- Hazardous Materials, Pollution Prevention, and Solid Waste

Surface Transportation Was Identified for ~\$40 Million in Mitigation

Mitigation identified for Category 1 and 2 intersections according to each jurisdiction's requirements by 2032

- 10 Category #1 Intersections – Physical improvements
- 16 Category #2 Intersections – Physical improvements, payment (proportionate), or improvements planned

**This requirement is triggered upon the construction of the first transportation-related NTP*

Surface Transportations Intersections That Will Be Improved

Intersections with Category 1 Impacts	Jurisdiction/Agency
Des Moines Memorial Dr. at S. 168th St.	City of Burien
Des Moines Memorial Dr. at S. 144th St.	City of SeaTac
24th Ave. S at S 146th St.	City of SeaTac
8th Ave. S at S. 156th St.	City of SeaTac
16th Ave. S at S. 144th St.	City of SeaTac
S. 152nd St. at Des Moines Memorial Dr. S.	City of SeaTac
SR 518 Westbound Off-ramp at Des Moines Mem. Dr.	WSDOT
SR 518 Eastbound Off-ramp & 51st Avenue S.	WSDOT
Military Rd. S. at Southbound I-5 Ramps at S. 200th St.	WSDOT
Military Rd. S. at Northbound I-5 Ramps	WSDOT

Now We Transition from NEPA to SEPA

- The release of the FAA NEPA ROD starts a 60-day appeal period (as of 9/26/25).
- In the meantime, the Port will begin work on the SEPA analysis.
- That will include community outreach and a public comment period

SEPA Includes Additional Analyses

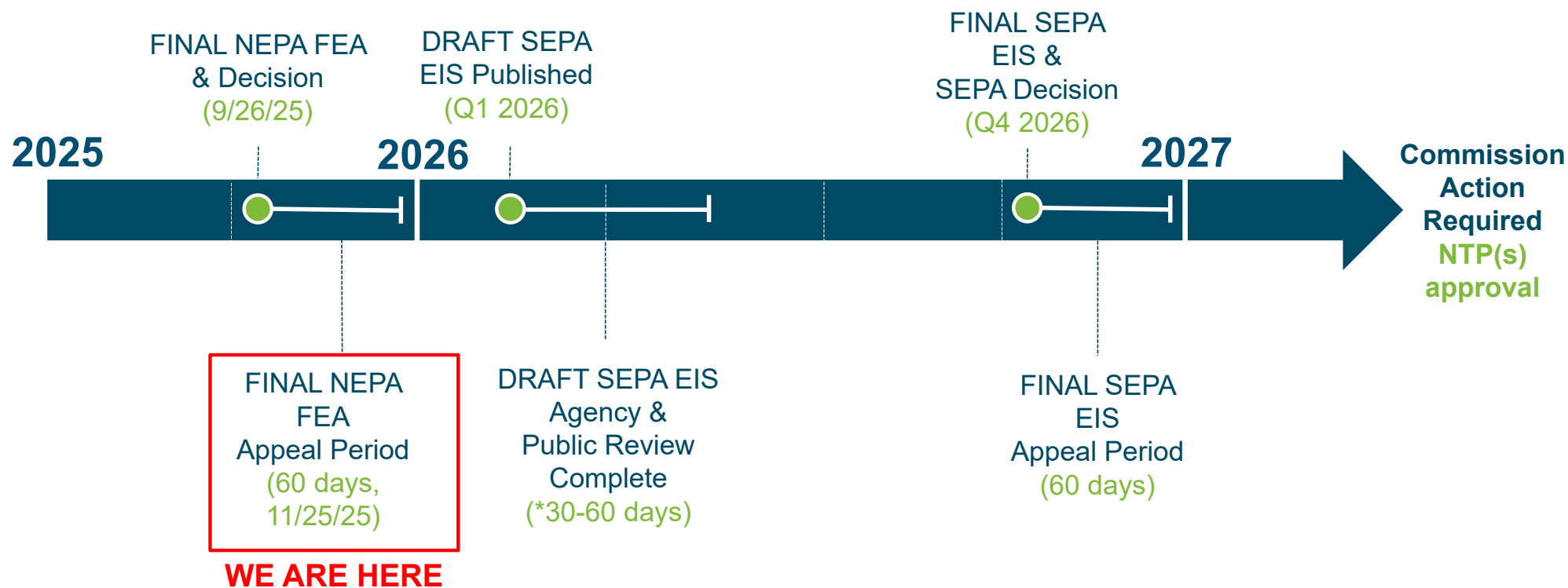
- Earth
- Air
- Water
- Plants and animals
- Energy and natural resources
- Environmental health
- Land and shoreline use
- Transportation
- Public services and utilities
- Climate*
- Environmental Justice*
- Cumulative Impacts*

**Removed from NEPA Final EA*

SEPA Will Include Enhanced Outreach and Engagement

- Provide 30+ days notice before publishing Draft EIS
- Materials and translation provided in seven languages
- Outreach to airport-area stakeholders & public meetings in different locations to capture official comments as well as virtual meeting(s)
- Targeted engagement with BIPOC and historically underrepresented communities with an emphasis in South King County
- Outreach to public sector and regional leaders

FAA NEPA FEA & ROD Are One Step In A Continuing Process



Questions?



**COMMISSION
AGENDA MEMORANDUM**

Item No. 11b

BRIEFING ITEM

Date of Meeting October 14, 2025

DATE: September 26, 2025

TO: Stephen P. Metruck, Executive Director

FROM: Stephanie Jones-Stebbins, Managing Director, Maritime Division
A Boungjaktha, Managing Director, Economic Development Division
Kelly Zupan, Director, Seaport Finance & Budget

SUBJECT: 2026 Maritime and EDD Operating and CIP Budgets Briefing

EXECUTIVE SUMMARY

The purpose of this briefing is to discuss with the Commission the 2026 preliminary operating and CIP budgets for Maritime Division and Economic Development Division. Staff would also like to seek the Commission's feedback on the preliminary budgets.

This is one of a series of budget briefings to the Commission starting from June. Staff plans to discuss the three operating divisions' budgets on October 14, 2025, and the 2026 Tax Levy and Draft Plan of Finance on October 28, 2025, prior to the formal Commission reviews and approvals of the 2026 budget in November.

ATTACHMENTS TO THIS BRIEFING

- (1) Presentation slides

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

September 23, 2025 – 2026 Central Services Preliminary Budget and Port-wide Rollup Briefing
July 8, 2025 – 2026 Budget Development Briefing
June 17, 2025 – Commission Budget Retreat

Seaport Budget Agenda

Item No. 11b supp

Date of Meeting: October 14, 2025

- Total Seaport Budget and Funding Look
- Maritime Division Operating Budget
- Maritime Division Capital Plan
- Economic Development Division Operating Budget
- Next Steps

Seaport Rollup

	2021	2022	2023	2024	2025	2025	2026	Change from 2025	
\$ in 000's	Actual	Actual	Actual	Actual	Budget	Forecast	Proposed Budget	\$	%
Revenues									
Maritime	57,826	89,265	99,648	106,811	118,111	107,155	125,344	7,233	6%
Economic Development Division	(202)	69	(24)	8	3	3	16	13	424%
Joint Venture	54,842	55,381	57,636	61,406	56,920	61,406	56,903	(17)	0%
Total Revenue	112,467	144,715	157,261	168,225	175,034	168,565	182,263	7,229	4%
Expenses									
Maritime	65,174	81,600	93,596	101,991	103,748	99,369	116,016	12,268	12%
Economic Development Division	3,170	2,102	3,351	2,951	3,890	2,951	3,344	(546)	-14%
Joint Venture	2,390	2,539	3,466	2,354	1,763	2,354	5,154	3,391	192%
Total Expense	70,734	86,241	100,414	107,296	109,400	104,674	124,513	15,113	14%
NOI before Depreciation	41,733	58,474	56,847	60,929	65,633	63,890	57,749	(7,884)	-12%
Depreciation	36,556	36,678	37,008	35,794	35,794	35,794	38,464	2,670	7%
NOI After Depreciation	5,177	21,796	19,839	25,135	29,839	28,096	19,285	(10,554)	-35%

Avg Annual Changes since 2022:

- Revenue up 6%
- Expenses up 10%
- Joint Venture Expense:
Contains Dredging cost at T18
and West Waterway.

- NOI Before Depreciation of \$57.7M is a proxy for the Operational Cash Flow absent:
 - Debt Service Payments (Both POS and NWSA)
 - Environmental Remediation Expense (Both POS and NWSA)
 - Public Expense
- Operational cash flow is available to pay for capital investments and any new expenses. Anything not paid from operational cash flow must rely on the tax levy.

Current Seaport Financial Position

- **Net Operating Income leveling off at ~\$60M.**

- Maritime Division Annual Growth since NWSA formation:
 - Revenue 8.6% with Cruise, 7.7% without cruise.
 - Expenses 7.7%.

- **Capital Projects costing 2-3 times more in 2025 than pre-pandemic levels**

- Tougher regulatory environment.
- More expensive labor and materials costs.

- **Aging assets requiring increased prioritization of capital capacity.**

- Safety
- Preservation
- Modernization

- **Tax Levy funding:**

- Dedicated to multiple potential nine figure cleanups.
- Viaduct / Tunnel bond payments through 2037.

Reduction in CIP and Other Maritime Investments



Item Number: INSERT
Meeting Date: INSERT

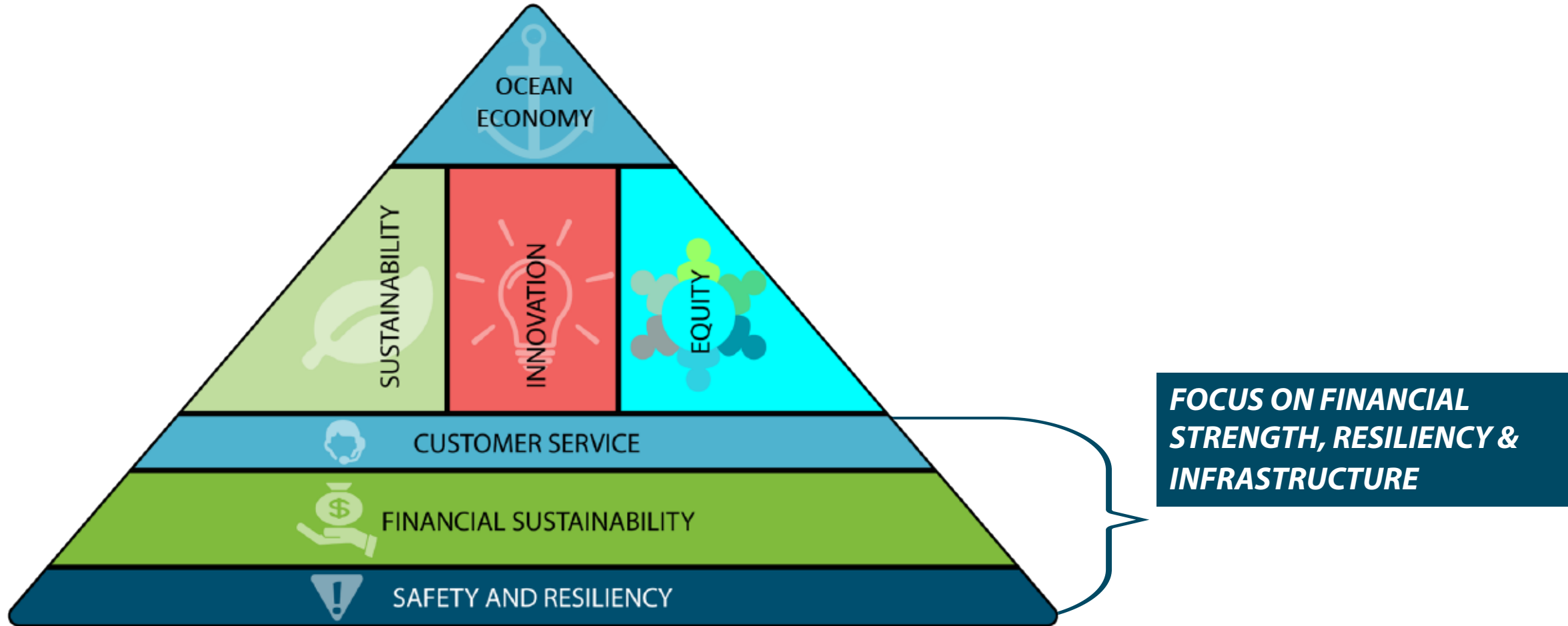


Maritime Division

2026 Preliminary Budget – Commission Review | Oct 14, 2025



Maritime Priorities 2026



Steering Toward a Resilient & Sustainable Future



Financial Strength
& Sustainability



Infrastructure
Modernization



Sustainability &
Resource Efficiency



Innovation &
Adaptability



Equitable
Opportunities

2026 Maritime Initiatives for Executive Director Priorities

- **Revenue:**
 - Cruise Long Term Agreement
- **Infrastructure:**
 - Continued investment in aging assets to meet current demand
- **Decarbonization:**
 - Electrical System investments
 - Green Corridor continued progress
- **Equity and Resiliency:**
 - Incorporate Seismic, energy and climate Change resiliency through project planning
 - Increase WMBE/DBE utilization



2026 Equity in Budgeting Highlights

- Funds added in Capital Plan to **implement Parks Management Strategy**.
- Increased sponsorships that **support workforce development & equity**.
- **Change Team** incorporated into business planning process.
- Outside services contracts and service directives have a **15-20% WMBE Goal**.
- Equitable **professional development/training** incorporated across all budgets.

Commission 2026 Budget Priorities

\$4M in Capital Plan for Parks Management– To implement park enhancements and evaluate concepts for incorporating elements from Parks Management Strategy.

\$400K for Propeller Siting– One propeller to be installed at Jack Block Park, assessing location of second ferry propeller.

\$100K Shipbuilding Readiness– To conduct a comprehensive landscape analysis of workforce readiness, industry scalability, regulatory impacts, energy needs, and competitiveness, with the goal of becoming a "shipbuilding ready" center by 2026. In EDD Budget.

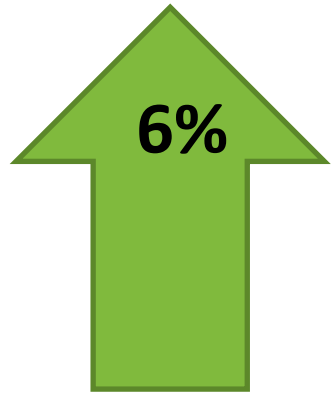
\$30K Sea Lion Mitigation – Seeking new & innovative ways to address this difficult challenge.

\$12K ORCA Kiosks – To install an interpretive kiosk to educate public at Shilshole Bay Marina regarding whale sitings.



Bottom Line Up Front:

Revenue can't keep up with Initiatives

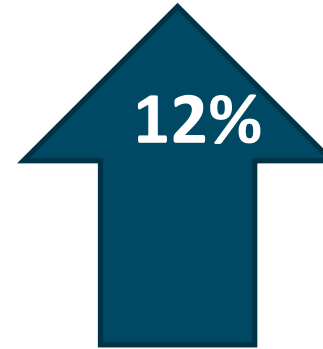


REVENUE

at \$125.3M, up \$7.2M
from 2025 Budget

Drivers:

- Cruise up
- Grain – Tariff Impact
- Salmon Bay Marina
- Challenging Leasing Environment



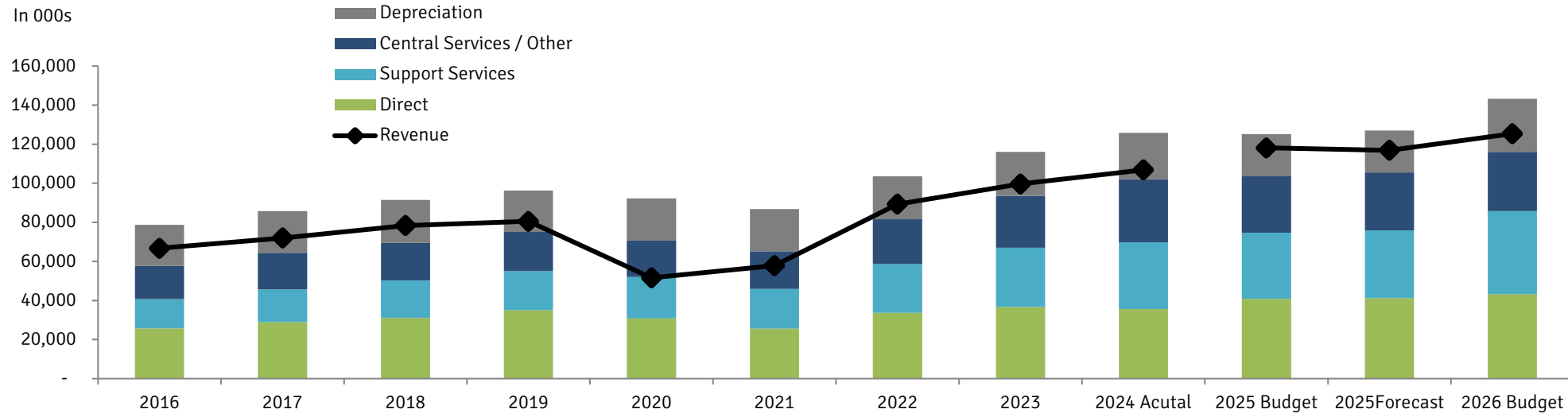
EXPENSES

at \$116M, up \$12.3M from
2025 Budget

Drivers:

- Payroll
- Environmental – Grant and Capital Charges
- Security, **B&O Tax** and Utilities

Total Maritime Trend



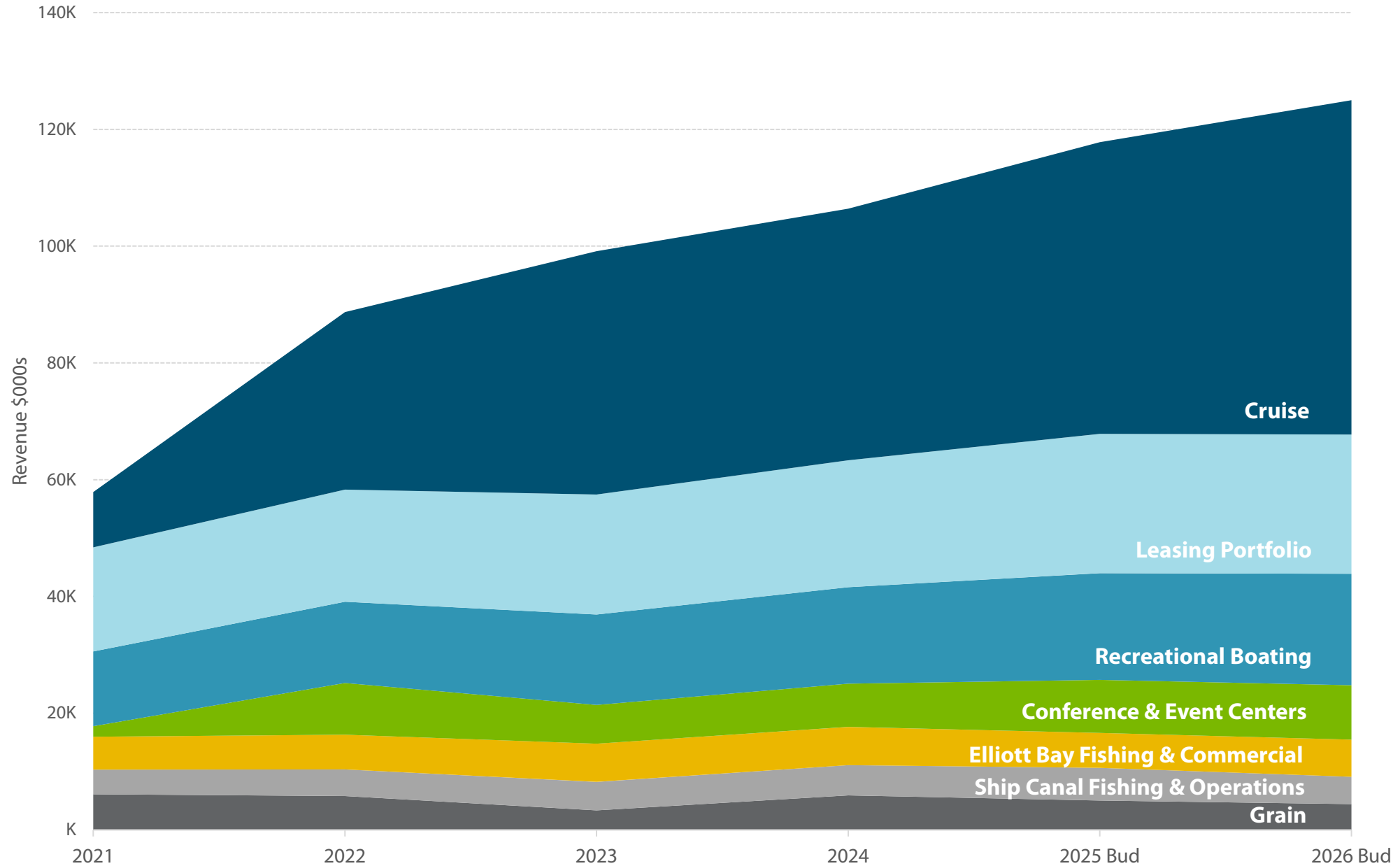
Revenue Impacts Post-Pandemic

- Growth in cruise
- T106 ground lease
- Conference & Events challenges
 - Teleconferencing
 - Competition
 - Construction on waterfront

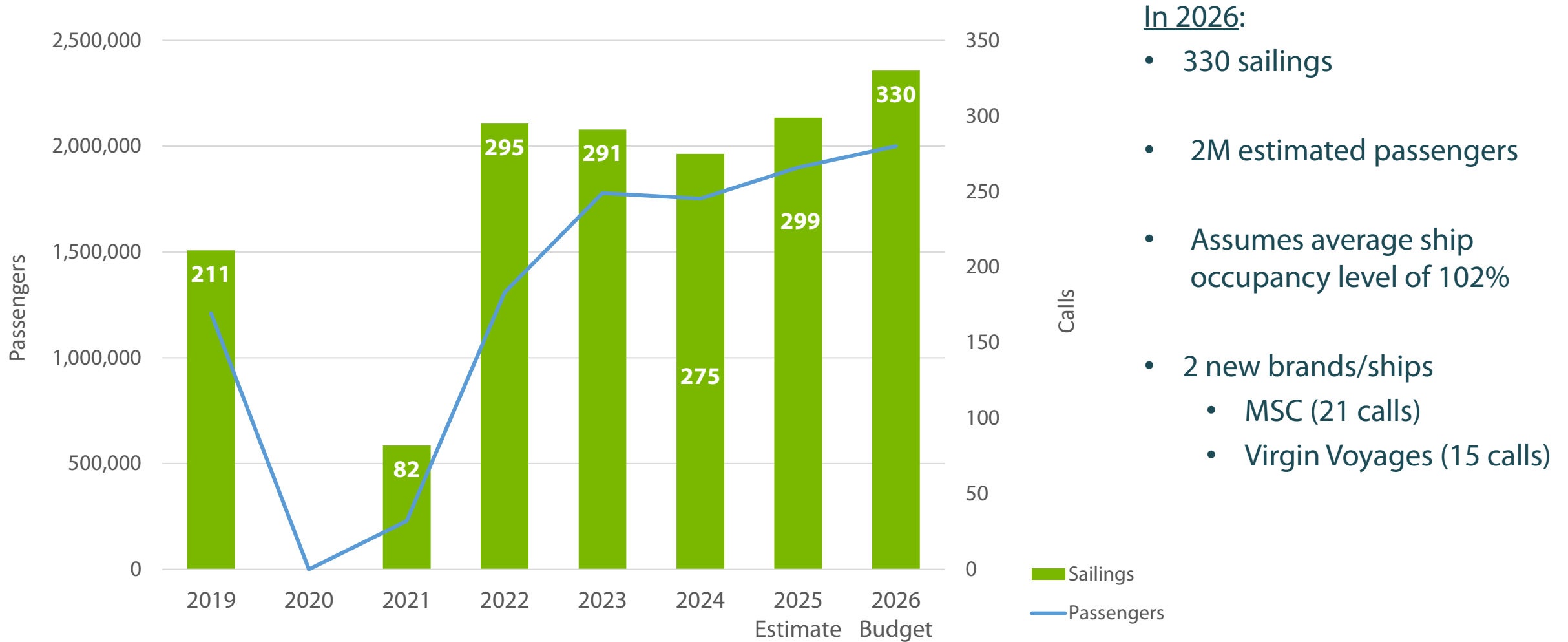
Expense Impacts Post-Pandemic

- T46 lease payment starting in 2020
- Inflation:
 - Payroll (represented and non-represented)
 - Construction & Materials
- Lower Conference Center Expenses
- MCAAP & Environmental Remediation

Maritime Revenue Trends



Cruise Sailings & Passengers



Cruise - Revenue Outlook

Rate increase assumptions:

☐ Tariff

- Royal Caribbean & Celebrity
- + MSC & Virgin Voyages
- Weekend rate increase: 7%
- Midweek Rate increase: 5%

☐ NCLH

- Rate increase: 4.5%

☐ Carnival Corporation

- Rate increase: 4.5%

In \$000s	2024 Actuals	2025 Budget	2026 Budget	25B v 26B (\$)	25B v 26B (%)
Terminal 91 Cruise	31,900	35,200	42,200	7,000	20%
Pier 66 Cruise	11,200	14,800	15,100	300	2%
Total Revenue	43,100	50,000	57,300	7,300	15%

Note: Includes utility sales revenue for P66 and T91 shore power electricity.

Cruise – Expenses

Expense Growth

- ❑ T91 shore power:
 - Electricity utilities (\$1.7M)
 - Recovered with utility sales revenue
 - Watts maintenance & repair contract (\$220K)
- ❑ Port Valet - \$230K higher
 - More passengers
- ❑ B&O taxes - \$312K higher
 - More revenue and higher rates

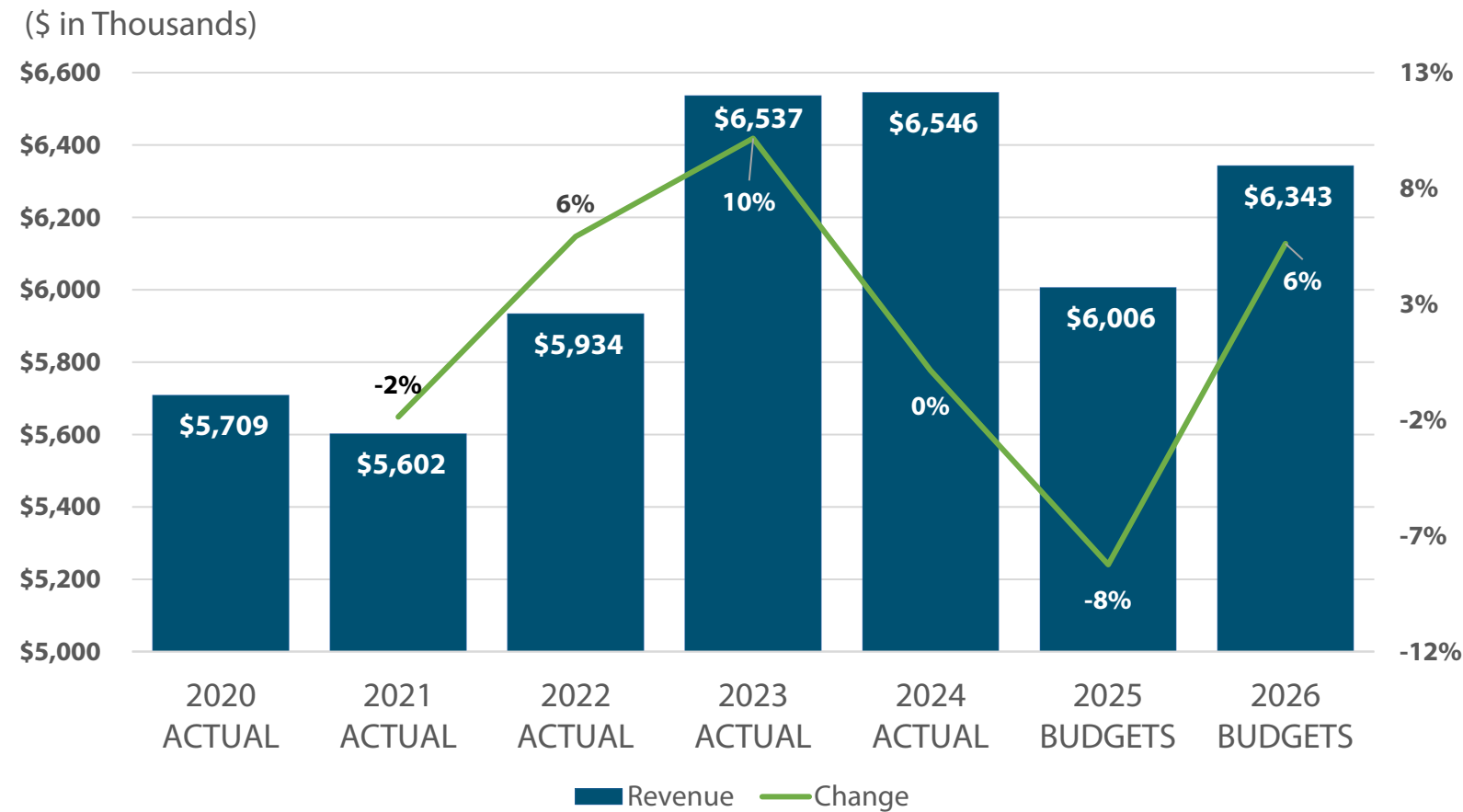
In \$000s	2024 Actuals	2025 Budget	2026 Budget	25B v 26B (\$)	25B v 26B (%)
Payroll	904	1,053	1,155	102	10%
Outside Service	2,210	1,921	2,151	230	12%
Other Expenses	3,102	5,150	6,595	1,445	28%
Total Expenses	6,216	8,124	9,901	1,777	22%

New Requests:

- ❑ Maritime Innovation Collaboration membership - \$15K

Note: Outside Services contains the Port Valet contract and Other Expenses contains Utilities and the \$2.2M payment to NWSA.

Elliott Bay Fishing & Commercial Operations - Revenue



2026 Revenue

- Dockage/moorage rates are proposed to be **increase by 5%** unless indicated otherwise by the Consumer Price Index (CPI) in each lease agreement.
- Berths 6&8 under construction in 2025.

*Utility revenue and expenses are not included

Elliott Bay Fishing & Commercial Operations– Expenses

Expense Growth

☐ Other Expenses:

- Electricity - \$187K higher
- B&O taxes - \$25K higher

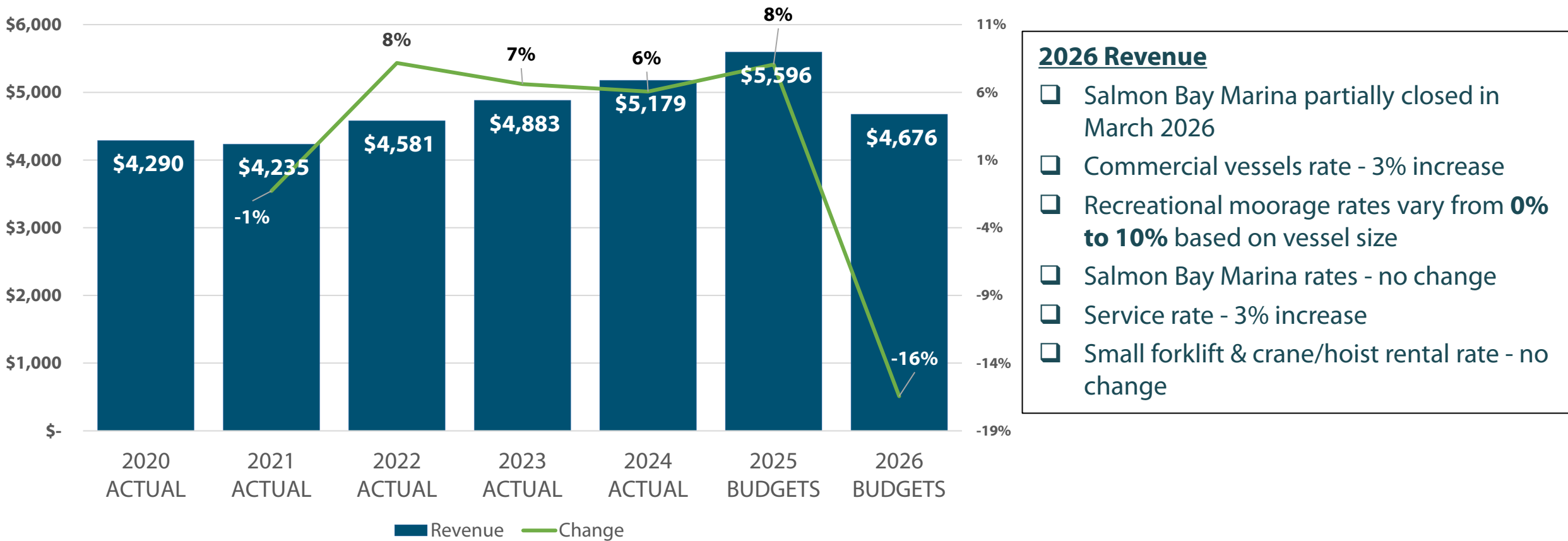
New Requests:

- None

In \$000s	2024 Actuals	2025 Budget	2026 Budget	25B v 26B (\$)	25B v 26B (%)
Payroll	777	771	842	71	9%
Outside Service	20	22	24	2	12%
Other Expenses	1,411	1,127	1,364	237	21%
Total Expenses	2,208	1,920	2,230	310	16%

Ship Canal Fishing & Operations - Revenue

(\$ in Thousands)



*Utility revenue and expenses are not included

Ship Canal Shipping Operations – Expenses

Expense Growth

- ☐ Outside Service: 2 mobile parking lot security monitoring - \$61K higher
- ☐ Other Expenses:
 - Bad debt - \$52K higher
 - DNR payments for SalBM -\$23K higher

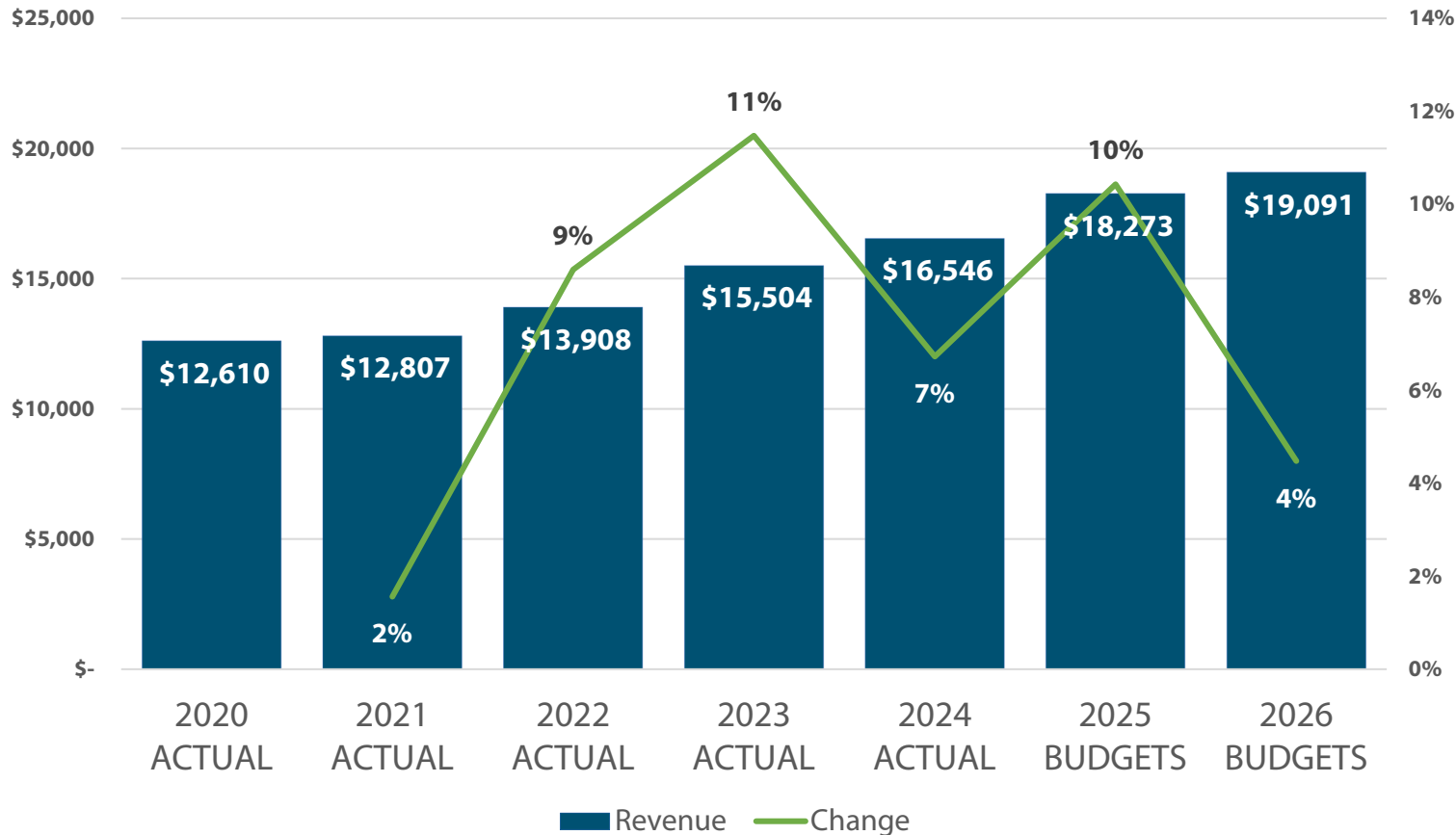
New Requests:

- none

In \$000s	2024 Actuals	2025 Budget	2026 Budget	25B v 26B (\$)	25B v 26B (%)
Payroll	1,600	1,675	1,714	39	2%
Outside Service	33	30	90	60	197%
Other Expenses	1,584	1,190	1,265	75	6%
Total Expenses	3,217	2,896	3,069	173	6%

Recreational Boating - Revenue

(\$ in Thousands)



2026 Revenue

- Moorage rates vary from **0% to 10% increases** based on slip size.
 - SBM average ~ 4.7%
 - HIM average ~ 2.6%
 - BHM average ~ 1.8%
- Service rate - 3% increase
- Live-aboard rate - 3% increase

*Utility revenue and expenses are not included

Recreational Boating Rate Increases

Location	Slip Size	Rate Change
SBM	Up to 26'	0%
	26' to 30'	2%
	31' to 70'	5%
	71' to 110'	8%
HIM	Up to 46'	0%
	46' to 50'	3%
	61' to 65'	10%
BHM	26' to 30'	0%
	36' to 60'	3%
	66' to 70'	0%

- ☐ Other charges will go up between 3% and 5%
- ☐ Guest moorage - no change

Recreational Boating – Expenses

Expense Growth

- ☐ Outside Service:
 - SBM & HIM parking lot monitoring services - \$52K higher
- ☐ Other Expenses:
 - B&O taxes - \$70K higher

Expense Decrease

- ☐ Outside Services: \$50K reduction for new washer & service
- ☐ Travel Expense - \$25K lower

New Requests:

- ☐ Orca Kiosks at SBM: \$12K
- ☐ Sealion Mitigation SBM: \$30K

In \$000s	2024 Actuals	2025 Budget	2026 Budget	25B v 26B (\$)	25B v 26B (%)
Payroll	2,515	2,863	2,868	6	0%
Outside Service	189	156	192	36	23%
Other Expenses	1,907	1,700	1,790	90	5%
Total Expenses	4,611	4,719	4,850	132	3%

Portfolio Management - Revenue Outlook

Revenue Budget Drivers:

☐ Lease

- Conservative revenue budget at T91 due to expected impact of scheduled projects
- WTC West - soft office market

☐ Bell Street Garage

- Lower demand due to discounted prepaid rates for cruise passengers at parking garages by T91
- Parking declined in part due to a reduction in employer-subsidized parking at Bell Street Garage

In \$000s	2024 Actuals	2025 Budget	2026 Budget	25B v 26B (\$)	25B v 26B (%)
Conference & Event Centers	7,407	9,067	9,341	274	3%
Lease	19,843	21,169	22,016	847	4%
Bell Street Garage	1,892	2,692	1,834	(858)	(32%)
TOTAL	29,142	32,928	33,191	263	1%

Portfolio Management – Expenses*

In \$000s	2024 Act	2025 Bud	2026 Bud	26B vs 25B (\$)	26B vs 25B (%)
Salary & Benefits	2,222	2,263	2,392	129	6%
Outside Service	586	1,099	639	(460)	(42%)
Other Expenses	12,672	13,855	14,509	654	5%
Total	15,480	17,217	17,540	323	2%

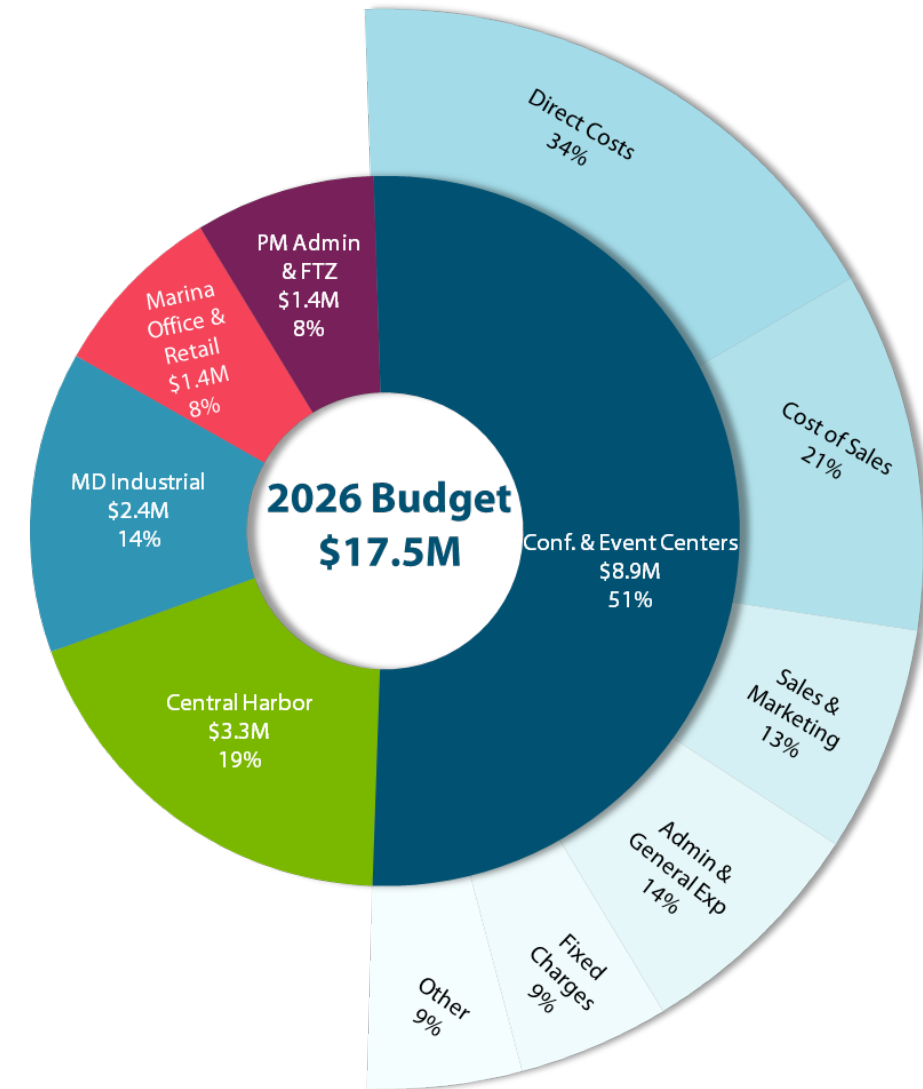
Expenses increase 2% driven by payroll & utilities

Expense Growth

- ☐ CEC higher business volume led to higher variable operating expenses
- ☐ Utility \$516K (14%) higher

Expense Decrease

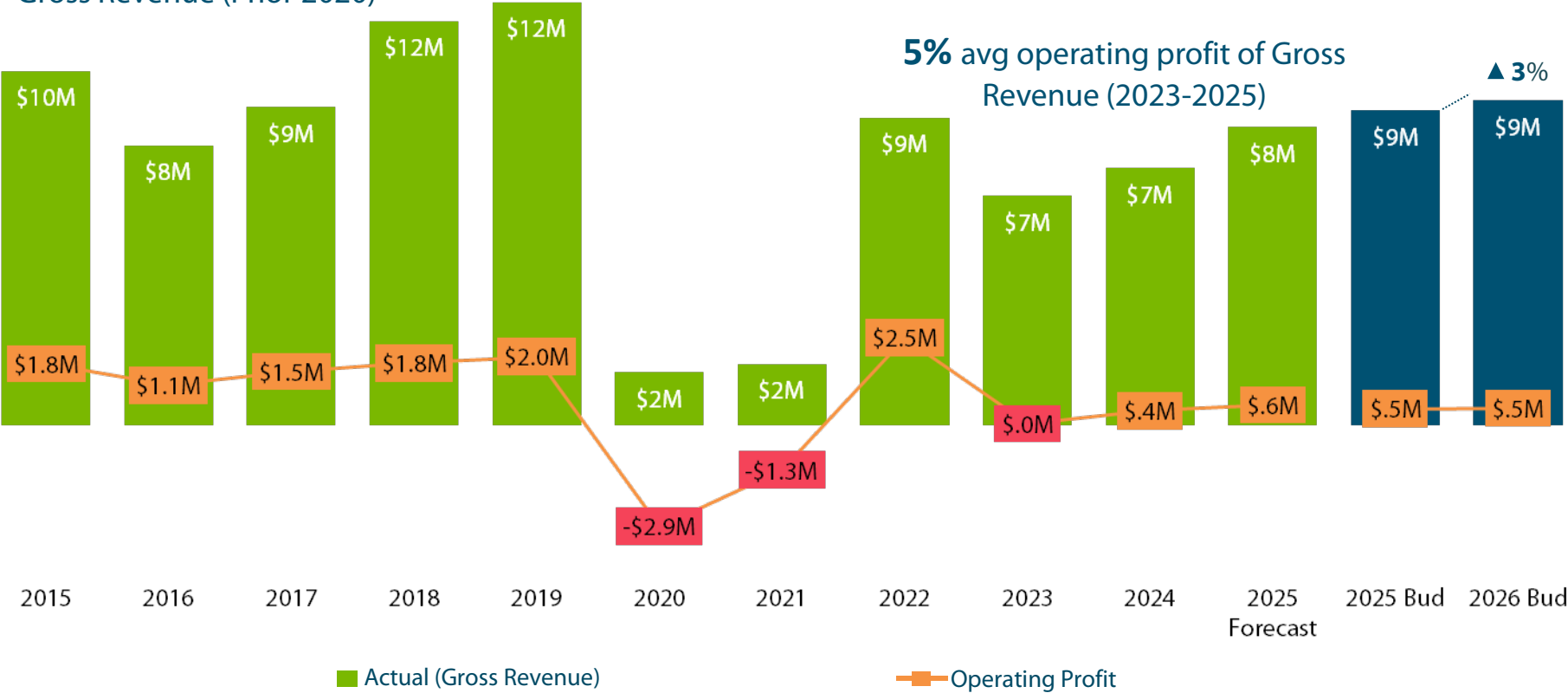
- ☐ Outside Services- Tenant Improvement 66% and Broker Fees 75% lower
- ☐ Travel Expense- 12% lower



*P69 Facilities expenses are not included

Conference Events Center—Revenue and Profit Trend

16% avg operating profit of Gross Revenue (Prior 2020)



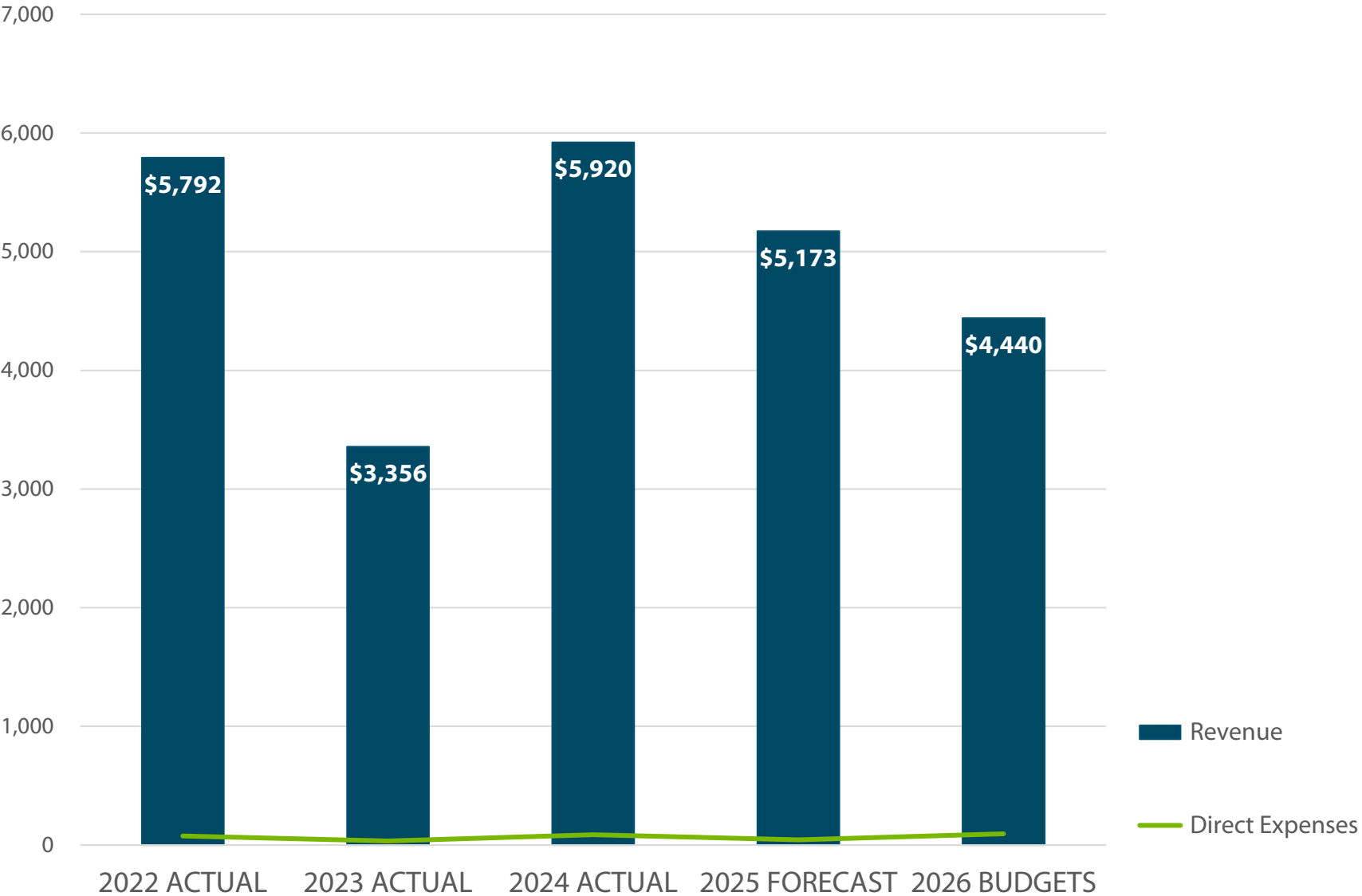
2026 Revenue Budget Drivers:

- Weekday cruise sailings impacts expansion space utilization
- Memberships & WTCSE event sponsorships impacted corporate budget cuts
- Leveraging waterfront completion by partnering with waterfront hotels

*Utility revenue and expenses are not included.

Terminal 86 - Grain

In \$000s

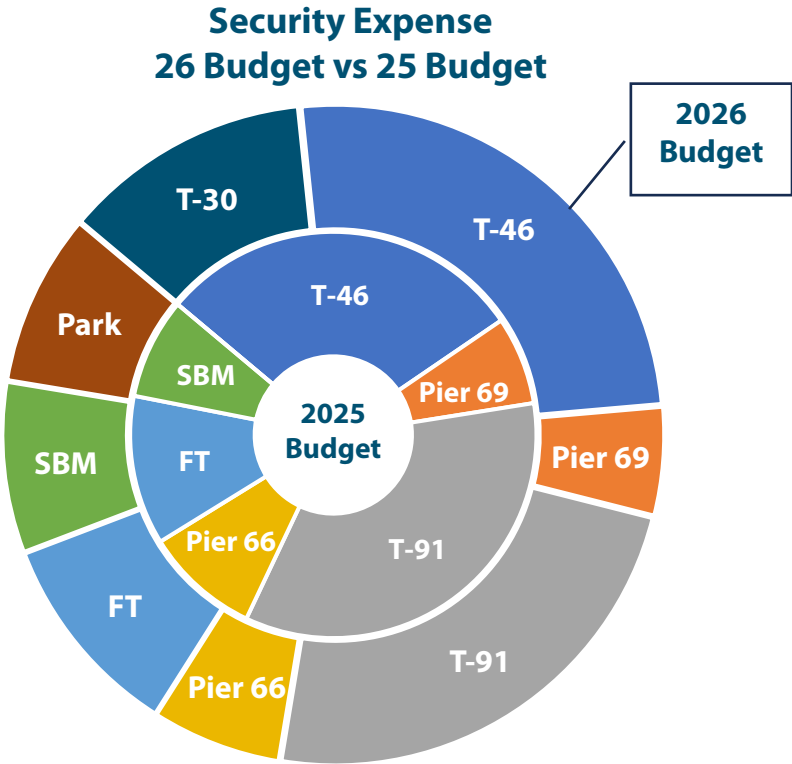


2026 Revenue:

❑ 2026 assumes lower grain volumes and revenue due to tariff uncertainties

Maritime Security

In \$000s	2024 Actuals	2025 Budget	2026 Budget	25B v 26B (\$)	25B v 26B (%)
Payroll	396	400	408	8	2%
Outside Service	2,484	2,775	5,111	2,336	84%
Other Expenses	7	72	96	23	32%
Total Expenses	2,888	3,247	5,614	2,367	72%



Expense Growth

- ❑ Outside Service: Starting July 2025, the new security contract approved by the Commissioners took effect with Prosegur
 - Now patrolling 5 of the Port parks, as well as providing its security patrol vehicle
 - T-30 security service included in 2026 budget
- ❑ Equipment: Security barriers - \$20K higher

Marine Maintenance - Expenses

❑ Expense Growth

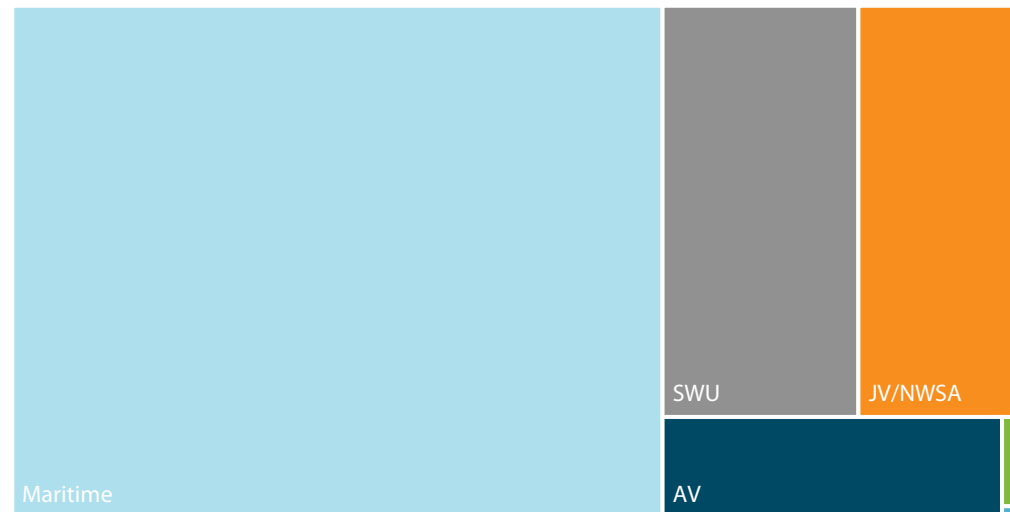
- Expenses increase 1% excluding Payroll and Utilities.
- 7.0% Salary & Benefit increase
- Outside Services 28.2% (\$313K) increase due to unbudgeted contracts in prior years: Elevators and Escalators, HVAC, Pest Control and, Fire Alarm Monitoring.
- Travel/Training reduced 50% (\$162K)

In \$000s	2024 Actual	2025 Budget	2026 Budget	25B vs 26B	% Var
Salary & Benefits	24,491	25,629	27,423	1,794	7%
Outside Service	845	807	1,110	303	38%
Other Expenses	5,155	5,493	5,258	(234)	(4%)
Total	31,490	31,930	33,791	1,861	6%

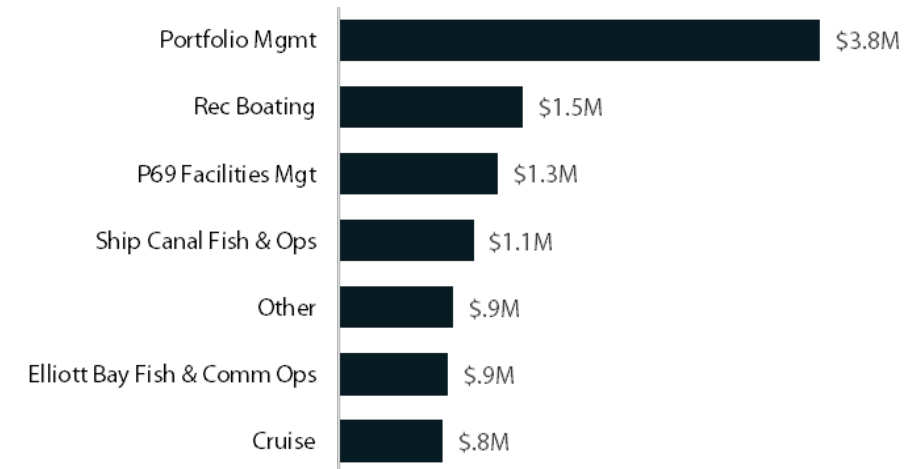
❑ New Requests

- Ground Penetrating Radar Walk Behind \$24K

MM Spend by Division



Spend by Maritime Business Group



Waterfront Project Management – Expenses

- ❑ Expense Growth
 - ❑ Budgeting Outside Services in WPM department. Prior years was budgeted at each facility/department.
- ❑ New Requests
 - ❑ Professional services support to update and expand Project Delivery Process Manual (PDPM) - \$150,000. This is a one-time request and is an ongoing continuation of the project started in 2025. In 2025, \$200k was budgeted and \$100k of budget is remaining.

In \$000s	2024 Actuals	2025 Budget	2026 Budget	25B v 26B	% Var
Payroll	6,807	7,749	8,453	704	9%
Outside Service	2,689	1,187	8,616	7,429	625%
Other Expenses	(3,716)	(4,302)	(4,948)	(646)	(15%)
Total Expenses	5,780	4,634	12,121	7,487	162%

Maritime Environmental & Sustainability Expenses

- ❑ Expense Growth
 - ❑ Increase to payroll is mainly due to:
 - ❑ Full year of Environmental Permitting Specialist and Clean Ports Grant Specialist.
 - ❑ Outside Services: Up mostly due to Clean Port Grant Spending. Details next slide.
 - ❑ Other Expenses: A reduction in Capital and ERL projected charging for 2025 approx. \$1M.

In \$000s	2024 Actuals	2025 Budget	2026 Budget	25B v 26B	% Growth
Payroll	5,393	5,659	6,794	1,135	20%
Outside Service	1,991	1,871	3,290	1,419	76%
Other Expenses	-1,335	-1,721	-761	960	--56%
Total Expenses	6,048	5,808	9,323	3,514	61%

Note: Other expenses mostly charges to capital offset

Maritime Division FTEs

2026 Maritime FTEs

Description	FTEs
2025 Proposed FTEs	321.5
Changes in 2025:	
Mid-Year Approvals	3.0
Eliminated	0.0
Transfer	0.0
2025 Baseline	324.5
2026 Budget Changes:	
Transfer	0.0
Eliminated	0.0
New FTEs Approved	0.0
Net Change	0.0
2026 Proposed FTEs	324.5

Mid-Year approvals:

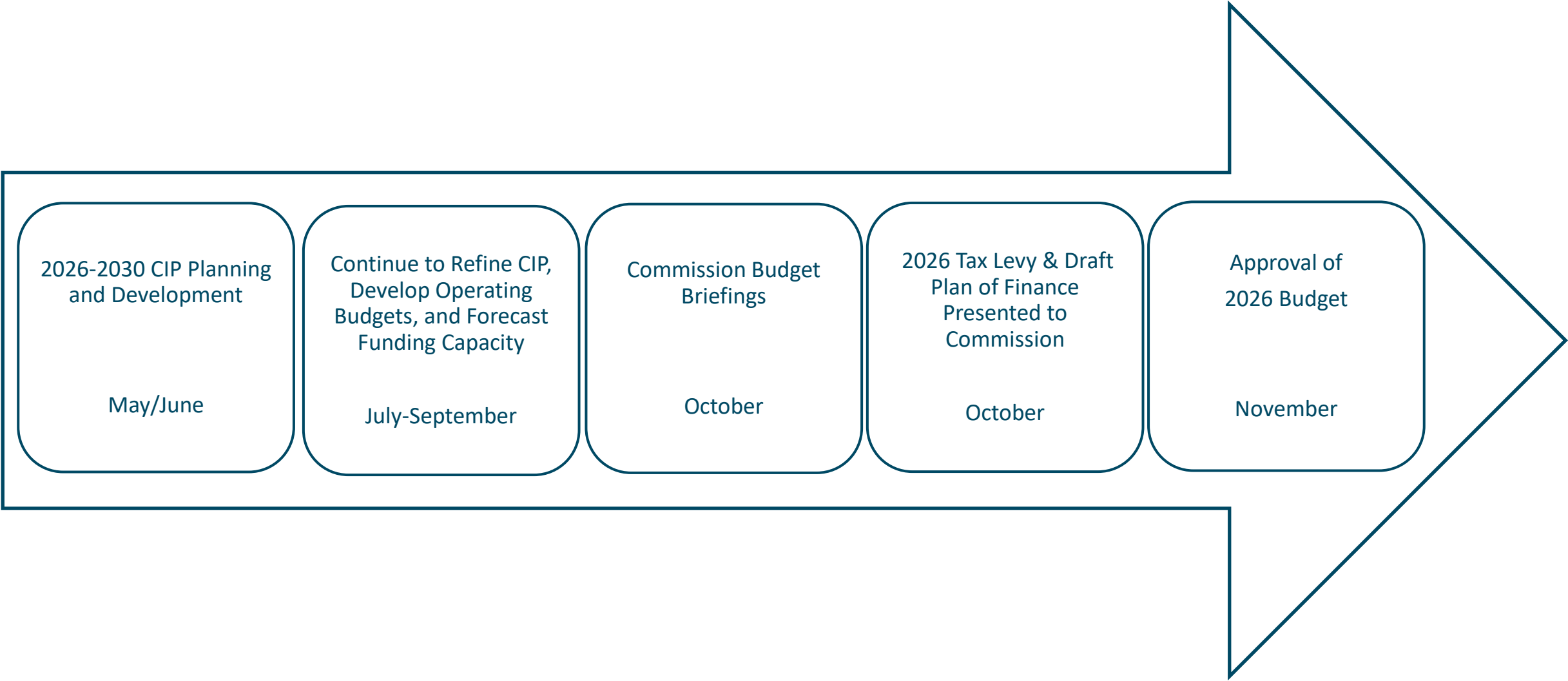
- Environmental Management Specialist – Compliance
 - Position was Approved as a mid-year hire in 2024 and filled at the end of 2024. Due to Cyber-Attack, Position was missed and not included in 2024 beginning balance.
- Environmental Program Manager – Limited Duration in charge of clean ports grant.
- Marine Maintenance Pile Driver
- Note: Does not include Apprentices and Emergency Hires



Maritime Division
Draft 2026-30 Capital Improvement Plan (CIP)
2026 Draft Budget



CIP Timeline



Key Messages/Agenda:

- Asset Stewardship share of CIP continues to grow
- Preliminary Funding Shortfall: \$50-\$100M
- New Projects Added to CIP – Modernizing Assets
- Responding to potential funding constraints:
 - Exploring funding/development alternatives
 - Deferred Projects
- Potential Emergent Needs

Maritime Capital Improvement Plan Priorities



Financial Sustainability:

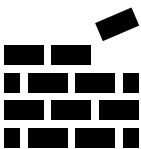
Making new investments that support the Port's long term funding capacity



Community & Environment:

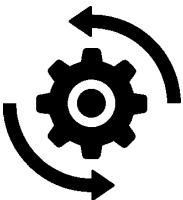
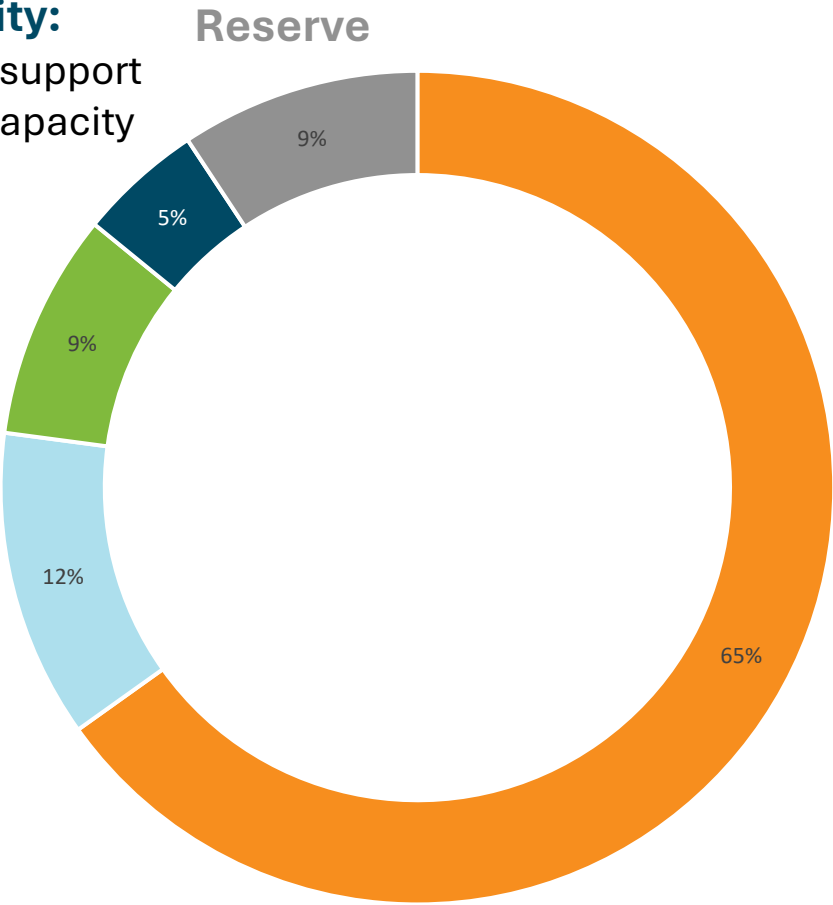
Stewarding our environmental & social responsibilities

*All projects incorporate Community & Environment priorities when possible



Economic Development:

Real estate development to support maritime businesses and employment



Asset Stewardship:

Maintaining the Port's capital assets and preserving Seattle's iconic working waterfront

Asset Stewardship increasing from 49% to 65% (vs. 2023-2026 POF)

Asset Stewardship: Preservation & Modernization

– Electrification – \$122M

- Shore power Extensions and upgrades
- Electrical System repair and Rehabilitation
- Smart Meters, LED Lighting, EV Infrastructure

– Infrastructure Rehabilitation– \$426M

- Over \$200M in berth/dock rehabilitation
 - P90/P91 Dock Rehab
 - FT NW Dock West Improvements
 - SBM Dock A Fixed Pier Rehab
- Over \$75M in building updates

– Parks \$5M

- T91 Pedestrian & Bike Path
- Elliott Bay Connections Infrastructure
- He?apus, Jack Block, P66



Draft 2026 Maritime Capital Plan

Category	Primary Priority	Title	2026	2027	2028	2029	2030	5Y Total	Project Total
Large (+\$10M)	Asset Stewardship	P90/91 Dock Rehab	999	20,000	40,000	43,062		104,061	104,225
		T91 Berth 6 & 8 Redev	13,654					13,654	93,267
		FT NW Dock West Improvements	1,580	18,340	32,440	7,534		59,894	60,000
		MMSO Fleet & SWU Facility	1,200	10,473	10,473			22,146	22,186
		FT C15 Building Improvements	710	12,085	3,274			16,069	16,647
		MIC Electrical Replacements	9,683	-				9,683	15,908
		MMSO Electrical Service Upgrade	500	10,000	3,802			14,302	14,332
		T91 Substation 5 Replacement	500	9,000	4,800			14,300	14,300
		T91 Cruise Terminal Roof Replace + Solar	300	5,000	9,000	(3,353)		10,947	10,947
		P66 Building Envelope Repairs	300	1,160	3,850	3,500	1,760	10,570	10,570
		SBM Dock A Fixed Pier Rehab	450	6,000	3,660			10,110	10,205
	Community & Environment	P66/P91 Shore Power Extension	9,540	22,596				32,136	33,000
		Waterfront Smart Meters	2,550	950	5,500	3,700		12,700	12,992
	Economic Development	T91 Uplands Dev Phase I	16,524	25,000				41,524	50,000
		FT Maritime Innovation Center	2,700	200				2,900	32,029
	Financial Sustainability	T5 - Harbor Mooring Dolphins	160	7,800	10,500	513		18,973	19,000
Mid-Cap (\$300k-\$10M)			37,825	59,252	25,962	6,593	896	130,528	159,130
Small Cap (Under \$300k)			3,294	1,100	500	500	500	5,894	9,304
Fleet/Technology			6,898	5,650	3,065	2,230	1,640	19,483	
Reserve			3,528	3,645	10,311	20,260	20,510	58,254	
Total			112,895	218,251	167,137	84,539	25,306	608,128	

Forecasted Funding Capacity

\$000s	2026-2030	2031-2035
Maritime CIP	608	71
Expected Additions	-	300
Funding Shortfall	(50)	(133)
Total Maritime	558	238
NWSA/JV	338	253
Total Seaport	861	491

Capacity affected by:

- Operating income forecasts
- NWSA investments
- Environmental liabilities

Large Asset Modernization Projects Added to CIP

- P90/91 Dock Rehab*: \$104M+
- T91 Electrical Rehab: \$32M+
 - Substations, feeder lines
- T91 A2 Cruise Terminal Roof Replacement: \$18M (Includes Solar)
- P66 Building Envelope Repairs: \$11M
- SBM Substations: \$7.5M
- T91 Telecom & Security Relocation: \$5M
- MIC West Warf & Pile Rehab: \$4M

*Included in 2025 Capital Plan (\$14M)

Prioritizing – Changes to CIP

- Design funding for T91 Uplands Development
 - Potential partnership/cost-share
 - Evaluating development options
- FT Projects moved out beyond 5-year CIP: \$56M
 - Fenders Repair/Replacements
 - Sheet/Pile Corrosion Protection

Below the Line – Unfunded Projects

- P66 Building HVAC Electrification: \$80M
- P69 Total: \$135M
 - P69 Concrete Dock Rehab: \$58M
 - Ongoing assessment of pilings – city seismic requirements in 2029
 - P69 HVAC: \$68M
 - Continue with repairs \$1M+, continuing to assess alternatives
 - P69 Clerestory & Skylight Replacement: \$3M
 - P69 Front Windows & Door Replacement: \$6M
- T91 Dredge Berths J, K, M: \$7M

Potential Emergent Needs

- Not included in CIP
 - Salmon Bay Marina
 - Omni Terminal Development
 - Unfunded & prospective projects
 - Escalation driver
- Regulatory Requirements
 - Seismic & Energy
 - Examples – Pier 69 Projects
 - Dock Rehab: \$53M - \$78M (total), \$21M - \$46M (seismic)
 - HVAC: \$66M - \$125M (total), \$25M (seismic)

Maritime Capital Improvement Plan Priorities



Financial Sustainability:

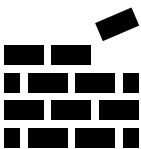
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Community & Environment:

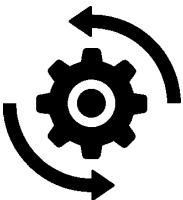
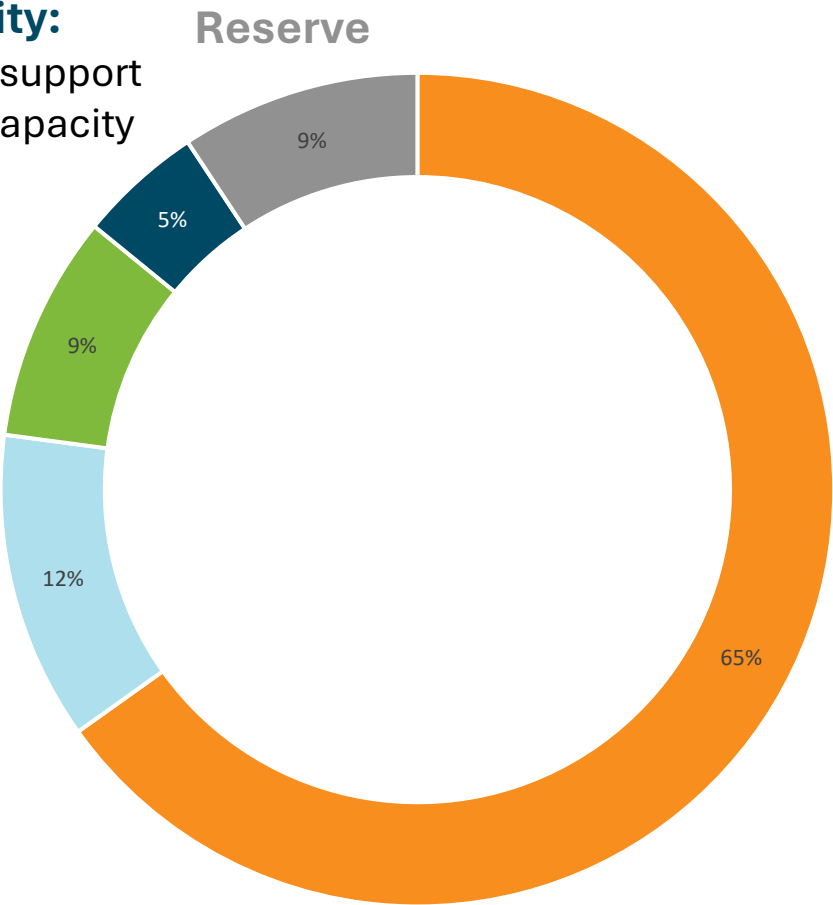
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Economic Development:

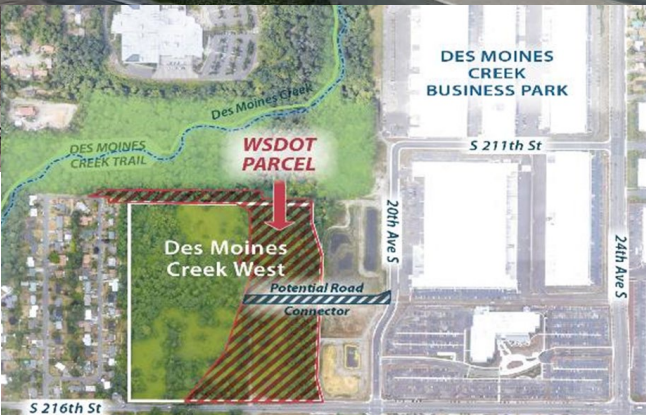
Real estate development to support maritime businesses and employment



Asset Stewardship:

Maintaining the Port's capital assets and preserving Seattle's iconic working waterfront

Asset Stewardship increasing from 49% to 65% (vs. 2023-2026 POF)



- Economic Development - 2026 Preliminary Budget
- October 14, 2025

PORTFOLIO TODAY

Business Development + Support

- ⚓ Economic Development City Partnership
- ⚓ Business Outreach + Webinars
- ⚓ Build Regional Leadership Around Trending Economic Themes
- ⚓ Maritime Blue Ventures & Blue Wind
- ⚓ WMBE/SBE Adherence to Diversity in Contracting Policies
- ⚓ Annual Setting of WMBE Goals with Yearly Departmental Performance Reviews
- ⚓ PortGen Training + Accelerator Program
- ⚓ Community Outreach to WMBE, SBE and Veteran Businesses

Real Estate Development

- ⚓ MinC construction
- ⚓ T91 Uplands progressive design build
- ⚓ T91 bike trail improvements
- ⚓ Pier 2/CEM ground lease
- ⚓ Complete feasibility study on Harbor Ave Bypass roadway to CEM
- ⚓ SoDo and WOSCA
- ⚓ Des Moines Creek West logistics center with Panattoni
- ⚓ STOC Property business plan

Tourism Development + Support

- ⚓ Tourism Partnerships Locally and Abroad
 - State of Washington
 - Tourism & Visit Seattle
- ⚓ Amplification of community storytelling, hosting
- ⚓ Drive Increased Visitor Spending with Data-Informed Approach
- ⚓ Tourism Marketing Support Program
- ⚓ Spotlight Program
- ⚓ Tourism Industry Leadership

OPPORTUNITIES

- ✈ Shape influence and implement infrastructure supporting access of SAF to SEA Airport
- ✈ FIFA & Small Business Support
- ✈ Deepen partnership with City and other partners to protect + develop Port Industrial Lands
- ✈ Ensure job creation with data-driven research, innovative investments to sustain well-paying jobs
- ✈ Develop 4- to 5-year EDD blueprint; centering Port as economic driver of region



INITIATIVES

**CASCADIA
SAF**

**FIFA + SMALL
BUSINESS**

**SEATTLE
GREEN
ECONOMY**

EDD

**STRATEGY +
ACTION PLAN**



CHALLENGES

- ✈ Funding + Time
- ✈ Managing visitors + Prepping of Small Businesses throughout the city, region and state
- ✈ Time, Competitiveness, Sites + Funding
- ✈ National policy + economic climate is less directly influenced by Port of Seattle
- ✈ Sustainable funding of programs + Human Resources

2026 + BEYOND

Business Development + Support

- ⚓ Implementation of EDD multi-year strategy and action plan
- ⚓ Continue work with King County to prepare the region's small businesses for World Cup
- ⚓ Provide small business outreach & webinars
- ⚓ 5-Year Port wide WMBE Goals
- ⚓ Revamp ED City Partnership Grants
- ⚓ Alternative Fuels Leadership in WA and Cascadia
- ⚓ Shipbuilding and Prepping the Maritime Industrial Base

Real Estate Development

- ⚓ Updated real estate strategy
- ⚓ Assessment of WOSCA
- ⚓ SEA new "non-aero" revenue
- ⚓ New green energy infrastructure projects
- ⚓ Upgrading land for "pad ready sites"
- ⚓ Federal Center South
- ⚓ T 91 Uplands
- ⚓ Fishermen's Terminal / Salmon Bay Uplands

Tourism Development + Support

- ⚓ Responsible Travel Leadership
- ⚓ New grant program to support responsible tourism
- ⚓ Enhance Tourism Advocacy at state, national, global levels
- ⚓ Catalyze FIFA for Future Economic Impact
- ⚓ Inspiring, educating and generating responsible travelers through new visitor pledge

Commission 2026 Budget Priorities

- **Shipbuilding Readiness** - \$100K
- **SAF (Sustainable Aviation Fuels)** Co-sponsor with Environmental (\$100K in 2026)
- **Business & Economic Development Plan** (\$150K)
- **State of WA Rural Tourism Support Program (RTS)**. New grant program to start in 2027 instead.
- **Rewriting the Map for Equitable Tourism (RMET) Program** (included in Existing Programming)
- **Economic Development Strategic Planning** (Already doing internally with real estate strategy update, instead of \$250K).
- **Duwamish HUB** - \$132K in Operating + \$99K in Depreciation budget but directed through External Relations. Charged \$110K to Maritime Habitat Initiatives and \$132K to Env. Tax Levy. The three community engagement staff in External Relations are charging to Maritime.



Economic Development Division - Total

Profit & Loss Statement

- ❑ **Profit and Loss Statement:**
 - ❑ Tourism up \$102K to (\$1,289K) from increased payroll.
 - ❑ EDD Levy down \$505K to (\$2.1M)
 - ❑ Community Biz Connector (\$380K)
 - ❑ Tourism Marketing Support (\$80K)
 - ❑ Green Economy – (\$50K)
 - ❑ MD Blue – up \$5K
 - ❑ Remaining from contingency related top level salary adjustments (Comp Plan and Vacancy).

In \$000s	2024 Actuals	2025 Budget	2026 Budget	25B v 26B \$	% Var
Revenue	8	3	16	13	424%
Expenses	2,951	3,890	3,344	(546)	(14%)
Op Income	(3,335)	(3,887)	(3,328)	556	14%

*\$16K of revenue from small lease for Lower Duwamish Community Hub

Department Only Expenses

- ❑ **Expenses:**
 - ❑ \$617K New items –Detail in following slides and appendix
 - ❑ Offset to new items include expense reductions in:
 - ❑ Community Business Connector (\$380K)
 - ❑ Real Estate Strategic Plan – (\$300K)
 - ❑ No New FTEs

In \$000s	2024 Actuals	2025 Budget	2026 Budget	25B v 26B \$	% Var
Payroll	3,358	3,807	3,767	(40)	(1%)
Outside Service	3,622	4,393	4,248	(145)	(3%)
Other Expenses	993	940	1,147	207	18%
Total Expenses	7,973	9,140	9,162	(22)	0.24%

Tourism

- ❑ Responsible Travel Leadership tourism practices and programs throughout Washington's tourism industry
- ❑ Enhance Tourism Advocacy at state, national, global levels
- ❑ Catalyze FIFA for Future Economic Impact
- ❑ Inspiring, educating and generating responsible travelers through new visitor pledge

In \$000s	2025 Budget	2026 Budget	25B v 26B \$	Var %
Personnel	626	640	14	2%
Outside Service	1,252	1,184	(68)	(6%)
Promo Expenses	105	113	8	7%
General Expenses	170	240	70	29%
Total Expenses	2,154	2,177	23	1%

920K Tax Levy Budget for:
State of WA Tourism contract 500K
Tourism Marketing Support Program (TMSP) 420K
Decrease: Outside Services
Tourism Marketing Support Program (TMSP) budget was 500K in 2025



Real Estate Development & Planning

- ☐ MinC construction
- ☐ T91 Uplands progressive design build
- ☐ T91 bike trail improvements
- ☐ Pier 2/CEM ground lease
- ☐ Complete feasibility study on Harbor Ave Bypass roadway to CEM
- ☐ SoDo and WOSCA
- ☐ Des Moines Creek West logistics center with Panattoni
- ☐ STOC Property business plan

Total Real Estate Development & Planning Expenses

In \$000s	2025 Bud	2026 Bud	25B vs 26B (\$)	25B vs 26B (%)
Salary & Benefits	690	673	(17)	(3%)
Outside Service	851	901	50	6%
Other Expenses	45	35	(10)	(22%)
Total	1,586	1,608	22	1.4%

New Requests:

- 150K Bypass Road to CEM Study
- 120K STOC post acquisition, business strategy planning
- 60K SODO Planning effort
- 25K Update Real Estate Strategic Plan (RESP)

Vacant position: Real Estate Development Associate



Diversity in Contracting

- ❑ WMBE/SBE Adherence to Diversity in Contracting Policies
- ❑ Annual Setting of WMBE Goals with Yearly Departmental Performance Reviews
- ❑ PortGen Training + Accelerator Program
- ❑ Community Outreach to WMBE, SBE and Veteran Businesses
- ❑ Owner Controlled Insurance Program 15K
- ❑ Non-Airport Concessions Feasibility Study 50K

In \$000s	2025 Budget	2026 Budget	25B v 26B	% Var
Personnel	1,647	1,749	102	6%
Outside Service	478	476	(2)	0%
Promo Expenses	88	104	16	18%
General Expenses	141	134	(7)	(5%)
Total Expenses	2,356	2,463	109	5%

New: Feasibility study for Non- Airport Concession Training Program (SBE/WMBE) 50K
300K Tax Levy budget for:
 Business Accelerator **150K**
 Highline Small Business Development Center MOU **50K**
 DBE/ACDBE/WMBE Training Consultant & Outreach **50K**
 PortGen Advance (Construction, Consulting, Goods & Services) **50K**
20K Decrease: Outside services Tabor100 Resource Center, 10K & Highline MOU, 10K



Economic Development and Innovation Partnerships

- ❑ Economic Development City Partnership
- ❑ Business Outreach + Webinars
- ❑ Build Regional Leadership Around Trending Economic Themes
- ❑ Maritime Blue Ventures & Blue Wind

In \$000s	2025 Budget	2026 Budget	25B vs 26B	% Var
Personnel	766	726	(40)	(5%)
Outside Service	1,806	1,611	(195)	(12%)
Promo Expenses	37	60	23	62%
General Expenses	233	406	173	42%
Total Expenses	2,842	2,803	(39)	(1.39%)

Includes EDD City Partnership grants \$350k, Maritime Blue 180k, and Greater Seattle Partners 250k

Increase: \$45K Promotional Hosting Sponsorships

Outside Services: High Peak 150K, Shipbuilding Readiness 100K, Teal New Deal/Industrial Lands 50K, Decarbonization 30K

Memberships: SAF Cascadia 100K, Sound Industrial Alliance 25K, Mass Timber Association 10K

Travel/Training ~ International Study Mission (India) 13K, Singapore 14K and UK, 9K

Decrease: Personnel ~ salary was for previous EDD Director



EDD FTEs – No Net New

2026 Economic Development FTEs

Description	FTEs
2025 Approved Budget	18.0
Changes in 2023:	
Mid-Year Approvals	0.0
Eliminated	0.0
Transfer	0.0
2025 Baseline	18.0
2026 Budget Changes:	
Transfer	0.0
Eliminated	0
New FTEs Approved	0
Net Change	0.0
2026 Proposed FTEs	18.0

Open Real Estate Planning
Specialist replaced by Real Estate
Development Associate

EDD & Portwide Tax Levy

Account	LOB	2025 Budget	2026 Budget	Purpose
Personal Services	Tourism	500,000	500,000	State of WA Tourism Contract P-00322245 - Year 2 of 3, CPO=William Zhou. EDD Tax Levy
	EDD Admin	0	100,000	Shipbuilding Readiness Portwide Tax Levy
	Diversity in Contracting	150,000	150,000	Business Accelerator - 2025 cohort ends March 2026 / 2026 cohorts starts May. Portwide Tax Levy
		50,000	50,000	DBE/WMBE Training - WMBE/SBE Capacity Building Certifications. Portwide Tax Levy
		50,000	50,000	DC Presents/PortGen Advanced (Construction, Consulting, Goods & Services). Portwide Tax Levy
		Other Contracted Services	60,000	50,000
EDD Admin	950,000		950,000	EDD Partnership Grants. EDD Tax Levy
	175,000		180,000	Maritime Blue. EDD Tax Levy
	Tourism		500,000	420,000
EDD Total Tax Levy budget		\$ 2,260,000	\$ 2,450,000	

New Budget Items

Outside Services	2026 Budget
Responsible Tourism Projects Data collection and Visitor information Chat Bot	70,000
Creative Services Contractor	24,000
Feasibility Study for Non-Airport Concession/Training Program (SBE/WMBE)	50,000
High Peak	150,000
Shipbuilding Readiness	100,000
Teal New Deal/Industrial Lands	50,000
Total	\$ 474,000
Memberships	2026 Budget
Transformational Travel Council	10,000
Cruise Lines International Association (Australia)	5,000
Visit USA Committees	5,000
Cruise Lines International Association (United Kingdom)	4,000
Global Sustainable Tourism Council	3,000
Tourism Cares	1,500
US Tour Operator Association	1,500
SAF Cascadia	100,000
Seattle Good Network	5,000
Manufacturing Maritime Industrial Association	25,000
Mass Timber Association	10,000
Total	\$170,000

Travel/Training	2026 Budget
State of the Market	5,640
ACCCA National Training Institute	8,920
2026 PNWER Annual Summit	5,000
Alaska Industry Tour	4,025
International Study Mission - Seattle Chamber	13,025
Intracity Study Mission - Seattle Chamber	5,275
Port of Seattle Sustainable Fuels Delegation x2	2,950
SeaTrade Cruise Global 2026	4,975
Singapore Maritime Week	14,350
UK - Port/ Snohomish County SAF	9,025
WCIT Trade Summit	250
Total	\$ 73,435

Maritime Appendix

2026 Preliminary Budget
Oct 14, 2025



SWOT Analysis – Maritime Division

	Helpful	Harmful		
Internal	STRENGTHS 	WEAKNESSES 	 	- Community & Industry Leadership - Strategic well positioned infrastructure - Commitment to Excellence & Sustainability
				- Financial Constraints - Structural & Process Inefficiencies - Communication & Collaboration Challenges
External			 	- Revenue Growth & Business Expansion - Technology & Process Improvements - Local & Regional partners with similar values
	OPPORTUNITIES	THREATS		- Economic & Regulatory Uncertainty - Workforce & Knowledge Retention Risks - Infrastructure & Operational Constraints

Total Maritime

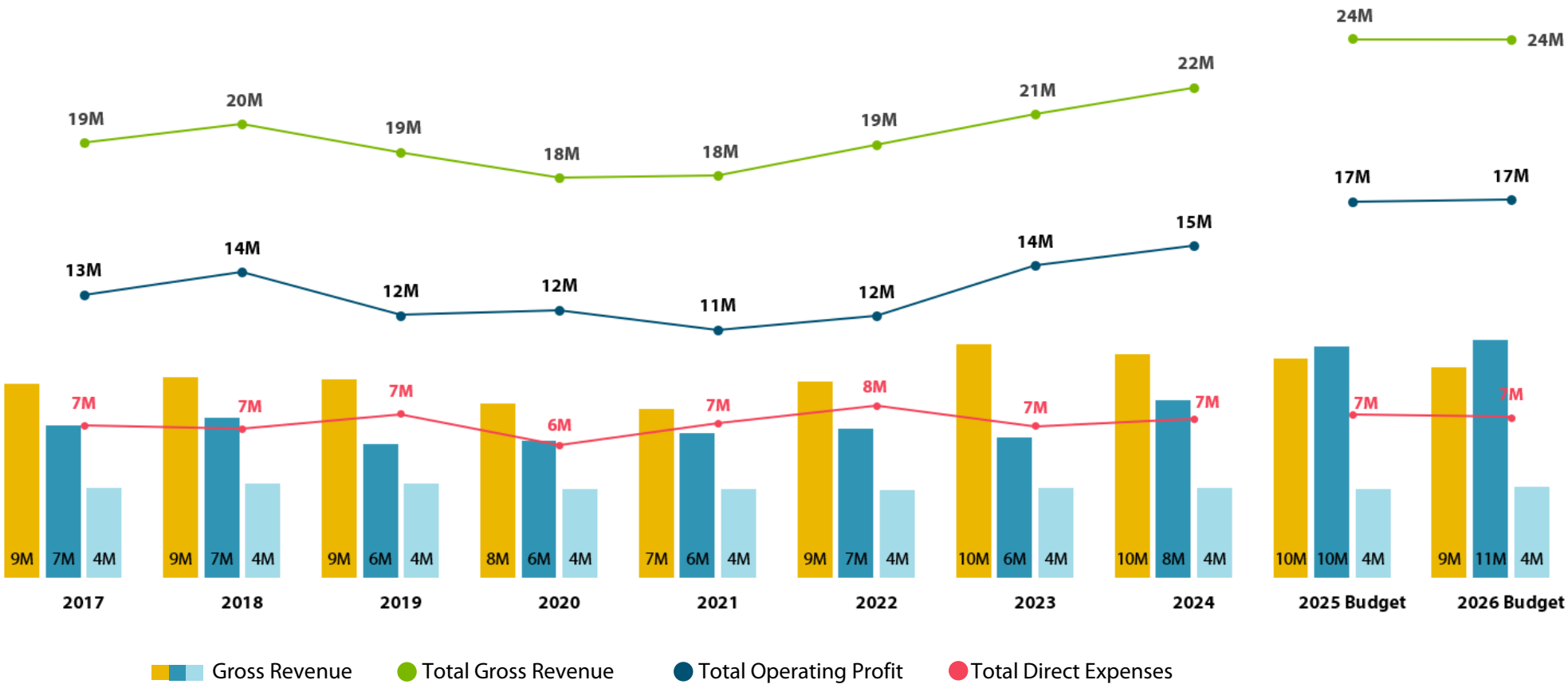
	2021	2022	2023	2024	2025	2025	2026	Change from	
\$ in 000's	Actual	Actual	Actual	Actual	Budget	Forecast	Proposed Budget	2025 Budget	%
Ship Canal Fishing & Operations	4,240	4,592	5,076	5,169	5,600	5,600	4,684	(916)	-16%
Elliott Bay Fishing & Commercial Operations	5,618	5,975	6,564	6,602	6,010	6,010	6,374	364	6%
Recreational Boating	12,851	13,978	15,505	16,555	18,273	18,273	19,094	822	4%
Cruise	9,517	30,469	41,726	43,145	50,037	50,037	57,292	7,255	14%
Grain	6,112	5,792	3,356	5,920	5,034	5,409	4,440	(594)	-12%
Conference & Event Centers	1,910	8,914	6,738	7,490	9,151	8,776	9,430	279	3%
Leasing Portfolio	17,978	19,367	20,764	21,921	24,006	22,756	24,029	24	0%
Other	(401)	179	(81)	10	0	0	0	0	
Total Revenue	57,826	89,265	99,648	106,811	118,111	116,861	125,344	7,233	6%
Expenses									
Maritime (Excl. Support Services)	25,597	33,629	36,643	35,663	40,859	41,184	43,167	2,308	6%
Total Direct	25,597	33,629	36,643	35,663	40,859	41,184	43,167	2,308	6%
Maintenance Expenses	15,083	17,021	19,317	20,832	19,581	19,981	21,167	1,586	8%
Economic Development	1,169	1,830	2,543	2,202	2,133	2,133	3,157	1,024	48%
Environment & Sustainability	2,014	3,356	4,028	4,992	5,136	5,145	8,152	3,016	59%
Seaport Finance & Cost Recovery	1,497	1,506	1,738	2,222	2,083	2,233	2,380	297	14%
CDO/Planning/WPM	586	1,287	2,731	3,878	4,858	5,008	7,710	2,852	59%
Total Support Services	20,349	25,000	30,357	34,125	33,791	34,500	42,567	8,775	26%
IT	3,679	4,296	4,731	5,250	5,235	5,758	5,733	498	10%
Police Expenses	3,269	3,902	5,620	6,044	5,145	5,145	5,697	552	11%
External Relations	2,245	2,729	3,005	3,620	3,664	3,375	3,957	293	8%
Other Central Services	9,522	11,530	12,769	16,852	14,521	14,787	14,374	(146)	-1%
Aviation Division / Other	513	514	471	436	533	533	521	(12)	-2%
Total Central Services / Other	19,228	22,972	26,596	32,202	29,098	29,598	30,282	1,184	4%
Total Expense	65,174	81,600	93,596	101,991	103,748	105,282	116,016	12,268	12%
NOI Before Depreciation	(7,348)	7,665	6,052	4,820	14,363	11,579	9,328	(5,035)	-35%
Depreciation	21,554	21,974	22,421	23,850	21,433	21,433	27,161	5,727	27%
NOI After Depreciation	(28,902)	(14,310)	(16,369)	(19,030)	(7,070)	(9,854)	(17,832)	(10,762)	-152%
Pension Credit Adjustment Impact	6,662	2,396	3,649	3,145	0	0	0		

Ship Canal Fishing & Operations Rate Increases

Location		Slip Size	Rate Change
FT & MIC	Commercial & Fishing	All	3%
	Charter	All	Increase from \$1.55 to \$1.77
	Transient Daily	All	Increase from \$1.75 to \$1.90
	Services & Storage	All	3%
	Small Forklift & Crane /Hosit Rental	All	0%
FT Rec	Monthly	Up to 30'	0%
		31' to 50'	6%
		Over 50'	10%
	Daily/Guest	all	3%
SalBM	Monthly	all	0%
	Daily/Guest	all	0%

Gross Revenue Outlook – Portfolio Management

Lease, Parking Garage and Concession Rent (Non-CEC)



- 2026 Revenue Budget Drivers:**
- Lower demand due to discounted prepaid rates for cruise passengers at parking garages by T91
 - Parking declined in part due to a reduction in employer-subsidized parking at Bell Street Garage
 - WTC West soft office lease market

P69 Facilities

Expense Growth:

- ❑ Increased activity at P69, increasing demand for supplies
- ❑ Resumed budgeting for postage & delivery charges

Expense Decrease:

- ❑ Salary & benefits savings due to difference in salary expenses associated with new staffing changes
- ❑ Reduced carpet cleaning services costs due to new vendor contract with lower rates

New Request

- ❑ A new P69 conference table

In \$000s	2024 Actuals	2025 Budget	2026 Budget	25B v 26B	% Var
Payroll	550	613	580	(33)	(5%)
Outside Service	341	386	369	(18)	(5%)
Other Expenses	735	639	833	194	30%
Total Expenses	1,625	1,638	1,782	144	9%

MD Admin

In \$000s	2024 Actuals	2025 Budget	2026 Budget	25B v 26B	% Var
Payroll	726	1,249	733	(516)	(41%)
Outside Service	67	31	21	(11)	(34%)
Other Expenses	143	201	179	(22)	(11%)
Total Expenses	936	1,481	933	(548)	(37%)

☐ Expense Decrease:

- ☐ Outside Services –decreased budget for Consulting fees for Director’s retreat, 10K
- ☐ Payroll – three positions transferred to other departments, 516K
- ☐ Travel & Training - eliminated budget for International Executive 12K & International Green Marine trips 11K

MD CDO & Planning

CDO

- ☐ CDO Budget taken from 2025 MD Admin Budget

In \$000s	2024 Actuals	2025 Budget	2026 Budget	25B v 26B	% Var
Payroll			348	348	
Outside Service			0	0	
Other Expenses			5	5	
Total Expenses			353	353	

Planning

- ☐ Planning Payroll Increase:
 - ☐ Comp Plan increases
- ☐ Planning Outside Services Decrease:
 - ☐ Adjusting for capacity trend of previous years

In \$000s	2024 Actuals	2025 Budget	2026 Budget	25B v 26B	% Var
Payroll	731	1,069	1,212	143	13%
Outside Service	168	701	601	(100)	(14%)
Other Expenses	13	28	24	(4)	(14%)
Total Expenses	912	1,798	1,837	39	2%

ME&S Outside Services

Program	Projects	2025	2026
Permitting		200,000	220,002
Solid Waste/Compliance		263,000	329,003
	Multi-Site Mitigation Bank	65,000	115,000
	PORTfolio Corrective Actions	110,000	160,000
	Duwamish Basin Steward MOA	35,000	40,000
	PORTfolio Planning Services	60,000	85,000
	Bankline Programmatic	25,000	10,000
	Smith Cove Blue Carbon Project	40,000	85,000
	T117 DRPP Habitat Monitoring	250,000	75,000
	UNMMP Implementation	90,000	90,000
	Duwamish Valley Stewardship	40,000	-
	no project	100,000	55,000
Total Habitat		815,000	715,000

Program	Projects	2025	2026
	Energy Compliance Program	30,000	90,000
	Maritime Energy Efficiency	80,000	155,000
	Maritime Fuels Program	280,000	235,000
	Green Corridor	100,000	120,000
	Climate and Air Program	235,000	100,000
	Design and ENV. Standards	-	100,000
Total Air		725,000	800,000
	EPA Grant	-	1,203,000
	Facilitation	5,000	5,000
	Contingency	(200,000)	-
Total		1,808,000	3,272,000

Increases to baseline include:

Eng Env Sustainability specifications Transfer from Eng 250k was reduced to 100k.

EPA Grant 1,203,000

2026 Equity in Budgeting

1. Did you have difficulty spending your budgeted equity dollars in 2025? And if so, why?
 - In 2025 Maritime budgets, equity dollars were focused on increasing WMBE utilization, community outreach and sponsorships that include workforce development.
 - Training and travel dollars for teams were added in to support continual employee development.
 - There was no difficulty spending our budgeted equity dollars.

2026 Equity in Budgeting

2. In your 2026 budget, how did your Division choose to prioritize equity programs with the available budget?
- At the division level, we prioritized equity programs by ensuring equitable opportunities for travel/training/development across all departments, and within individual departments, travel/training/development opportunities are distributed equitably amongst staff year over year.
 - Additionally, we included several sponsorship opportunities for workforce development and teams added in funds to support workforce in the Maritime community.

2026 Equity in Budgeting

3. Additionally, is your Division implementing programs in an equitable way or plans to make programming more equitable, even if it's not directly associated with your budget or a budget request? If so, please explain.
 - No specific new programs – the Division supports equitable opportunities for travel/training/development across all departments, and within individual departments, travel/training/development opportunities are distributed equitably amongst staff year over year.

2026 Equity in Budgeting

4. How did you engage with staff and/or community during the 2025 budget process?

- In Maritime we regularly engage staff through our business planning and budget planning process to determine priorities for the coming year. We incorporated Change Team members into our business planning process to ensure we were reviewing our business plan with an equity lens. In regard to budgeting, several teams weigh into the budget process throughout the budget season.
- We partner with the community in a variety of ways to obtain feedback that contributes to our budgets each year and influences decisions.

2026 Equity in Budgeting

5. What new items have you added related to Equity, Diversity, and Inclusion in your 2026 budget (new requests and baseline budget)?

- New sponsorships to support Workforce Development. Training opportunities for staff who have not previously participated in travel/training opportunities.

Stormwater Utilities Expenses

- ❑ Expense Growth
 - ❑ Payroll increases correspond to staff increases in 2024 and comp project increases.
 - ❑ Other expense increases are utilities, this is due to a change in accounting practice charging all Non-Tenant SWU charges to Org 8001. In prior years, these charges were included in property level Orgs. The projected 8% increase is applied. These numbers are preliminary.
- ❑ New Requests
 - ❑ Support for Industrial Stormwater Permit Transition - Net \$316,000 for two years.
The total cost of this effort will be \$500,000.

In \$000s	2024 Actuals	2025 Budget	2026 Budget	25B v 256B	% Growth
Payroll	713	750	842	92	12%
Outside Service	593	803	651	(152)	-19%
Other Expenses	74	3,810	2,673		
Total Expenses	1,380	5,363	4,165		

Note: 1) Other Expenses Reflect \$1.8M of utilities which will be charged out to Maritime and NWSA.
 2) Full P&L for SWU rate approval in November 11, 2025.
 3) NWSA utility allocated out of Org 8001 to NWSA Org basis 1,931K in 2026 vs 3,029K in 2025.

Maritime Division
Draft 2026-30 Capital Improvement Plan (CIP) - Appendix



Terminal 91

- Total Facility:
 - Revenue \$50.1M
 - Op. Exp. \$30.6M
 - **NOI \$19.5M**
 - *Depr.* \$7.2M
 - **Net Income: \$12.3M**
- Uplands revenue est: \$3M (2030)
- Planned 5Y Spend: ~\$300M
 - Necessary for current operation
 - Potential new revenue
 - Triple bottom line
 - Uplands Phase 1 – \$50M
 - Dock Rehab – \$104M
 - Berth 6&8 – \$14M
 - A2 Cruise Terminal Roof Replacement – \$11M
 - Phase 2 Infrastructure – Pad Ready – \$9M
 - Cruise Gangway – \$2M
 - Substation 5 and 2 – \$11M
 - Telecom & Security Relocation – \$5M
 - Electrical Feeder Replacement – \$5M

Fishermen's Terminal

- Total Facility:
 - Revenue \$6.7M
 - Op. Exp. \$13.8M
 - **NOI (\$7.1M)**
 - *Depr.* \$2.8M
 - **Net Income: (\$9.9M)**
- Planned 5Y Spend: \$110M+
 - NW Dock Improvements – \$60M
 - C15 Building Improvements – \$16M
 - West Wall Fender Replacement – \$10M
 - FT Entrance Paving – \$4M
 - S Wall Fender Repl & Corrosion Protection – \$3M
 - W Wall Sheet Pile Corrosion Protection – \$3M
 - FT Maritime Innovation Center – \$3M
 - S Wall West End Improvements – \$1M

Economic Development Appendix

2026 Preliminary Budget
October 14, 2025



Port
of Seattle®

SWOT Analysis – Economic Development Division

	Helpful	Harmful		
Internal	STRENGTHS 	WEAKNESSES 		• Port Commission committed to Equitable Economic & RE Development • Port partnerships advance equity and regional economic development • Talented, connected and respected team • Diverse attractive properties
				• Policies and regulations impacts Port efficiency and competitiveness • The community assumes Port has abundant and unlimited resources • Diversity in Contracting impacted by staff/institutional biases • Challenging properties
External	 OPPORTUNITIES	 THREATS		• MInC and other new facilities can drive maritime industry sustainability • Coordination among Port departments could be better maximized to deliver strong and impactful programs and initiatives • Responsible, sustainable and managed tourism
				• Geopolitical/economic uncertainty and tariffs • Federal, state, city funding shortfalls • Regional collaboration/scaling challenging • Continued inflation and interest rates affect project cost and feasibility • Affordability for companies and their workforce to locate here

Budget to other Subclasses

Org	Subclass	Description	Budget
1440-Tourism	2320 - EDD Tax Levy	State of WA Tourism Contract P-00322245 - Year 2 of 3, CPO=William Zhou	\$500,000
		Tourism Marketing Support Program (grants) CPO=William Zhou	\$420,000
	Total \$920,000		
2000-Real Estate Dev. & Planning	2510-Pier 69 Facilities Management	P69 Space Planning and future planning	20,000
	3630-Non-Aero Commercial Properties	Aviation Division - New Appraisal IDIQ	10,000
		Aviation Division Architectural support (general)	5,000
		Aviation Division Port Surveys	20,000
		DMC West ~ Onsite visits and meetings, tracking GLA items. Construction monitoring reimbursed by developer late 2026 or early 2027	25,000
		STOC post acquisition, buildings and facilities and business strategy/planning (sea RESP implementation)	120,000
	5222-Pier 2 Uplands and CEM	Police Relocation	50,000
		Bypass Road to CEM Study	150,000
	5523-FT Office & Retail Leased	SW Seattle (Pier 2/Jack Block Park)	25,000
		FT Redevelopment Cont'd	30,000
5318-T-91 General Uplands	T91 Pre-Development efforts including communications support	150,000	
5454-Terminal 46 Cruise Operations	T46 future planning effort	20,000	
Total \$625,000			
2300-Diversity in Contracting	1330-Risk Management	Feasibility study for Owner Controlled Insurance Program OCIP	15,000
	2320-EDD Tax Levy	DBE/WMBE Training - WMBE/SBE Capacity Building Certifications	50,000
	2970-Portwide Tax Levy	Business Accelerator - 2025 cohort ends March 2026 / 2026 cohorts starts May	150,000
		DC Presents/PortGen Advanced (Construction, Consulting, Goods & Services)	50,000
		Highline Small Business Development Center MOU (yr2 reset) (SKCF) invoice cycle 6/26/25 60K 2025 will bill 6/25-6/26 anniversary date of mou	50,000
	Total \$315,000		
7205-Economic Dev Div Contingency	2750-Envr Tax Levy	Misc Payment Reqs - [Seattle Public Utilities, Acct 0260257138] - HUB	545
			670
		Misc Payment Reqs - [Seattle City Light, Acct 59444472285] - HUB	1,719
		Misc Payment Reqs - [Puget Sound Energy, Acct 220028655003] - HUB	664
		RNG Exp (Renewable Natural Gas) [Acct 220028655003] - HUB	33
		Misc Payment Reqs - [Waste Management, Acct 25-44150-03003] - HUB	3,329
	6400-Maritime Habitat Initiatives	Misc Payment Reqs - [Comcast, Acct 8498 32 005 3580423] - HUB	6,600
		Port leasing Bldg and parking lot (8600 14th Ave S) from South Park Seattle Properties LLC	57,648
	2750-Envr Tax Levy		60,000
	6400-Maritime Habitat Initiatives		49,684
Total \$230,576			
7210-Economic Dev Div Admin	2320-EDD Tax Levy	EDD Partnership Grants	950,000
		Maritime Blue	180,000
	2970 - Portwide Tax Levy	Shipbuilding Readiness	100,000
	Total \$1,230,000		
Total Budget to other Subclasses			\$3,320,576

EDD Tax Levy 2,100,000

Real Estate Dev. 625,000

Portwide Tax 350,000

Levy

Contingency 230,576

(Hub)

D.I.C. Risk 15,000

Management

\$ 3,320,576

Memberships

Org * Name	Class Name	Full Name of Organization *	Membership Type Name	Membership Category * Name	FY2026	FY2025
1440-Tourism	1440-Tourism	US Tour Operator Association	Department	Economic/Trade Development Organization	1,500	1,500
1440-Tourism	1440-Tourism	Transformational Travel Council	Department	Industry/Professional Organization	10,000	-
1440-Tourism	1440-Tourism	Tourism Cares	Department	Industry/Professional Organization	1,500	1,500
2000-Real Estate Dev & Planning Adm	2000-Real Estate Dev & Planning Adm	Urban Land Institute	Individual	Industry/Professional Organization	400	400
2000-Real Estate Dev & Planning Adm	2000-Real Estate Dev & Planning Adm	National Association of Industrial and Office Properties	Individual	Industry/Professional Organization	300	300
2000-Real Estate Dev & Planning Adm	2000-Real Estate Dev & Planning Adm	Urban Land Institute	Individual	Industry/Professional Organization	400	400
2000-Real Estate Dev & Planning Adm	2000-Real Estate Dev & Planning Adm	Urban Land Institute	Individual	Industry/Professional Organization	300	300
2000-Real Estate Dev & Planning Adm	2000-Real Estate Dev & Planning Adm	National Association of Industrial and Office Properties	Individual	Industry/Professional Organization	400	400
2000-Real Estate Dev & Planning Adm	2000-Real Estate Dev & Planning Adm	National Association of Industrial and Office Properties	Individual	Industry/Professional Organization	300	300
2300-Diversity in Contracting	2300-Diversity in Contracting	Latino Chamber Membership	Portwide/Corporate	Industry/Professional Organization	790	790
2300-Diversity in Contracting	2300-Diversity in Contracting	Conference of Minority Transportation Officials	Department	Industry/Professional Organization	3,000	2,000
2300-Diversity in Contracting	2300-Diversity in Contracting	NW Minority Builders Association	Department	Industry/Professional Organization	3,000	3,000
2300-Diversity in Contracting	2300-Diversity in Contracting	Womans Business Enterprise Council	Department	Industry/Professional Organization	2,500	2,500
2300-Diversity in Contracting	2300-Diversity in Contracting	Tabor 100	Department	Industry/Professional Organization	1,500	1,500
2300-Diversity in Contracting	2300-Diversity in Contracting	African Chamber Membership	Portwide/Corporate	Industry/Professional Organization	2,000	2,000
2300-Diversity in Contracting	2300-Diversity in Contracting	Soundside Alliance for Economic Development	Portwide/Corporate	Industry/Professional Organization	5,000	5,000
2300-Diversity in Contracting	2300-Diversity in Contracting	National Association of Minority Contractors	Portwide/Corporate	Industry/Professional Organization	4,000	4,000
2300-Diversity in Contracting	2300-Diversity in Contracting	American Contract Compliance Association (ACCA)	Individual	Industry/Professional Organization	900	2,400
2300-Diversity in Contracting	2300-Diversity in Contracting	Airport Minority Advisory Council AMAC	Individual	Industry/Professional Organization	945	225
2300-Diversity in Contracting	2300-Diversity in Contracting	Northwest Minority Mountain Supplier Development Council	Department	Economic/Trade Development Organization	800	800
2300-Diversity in Contracting	2300-Diversity in Contracting	National Forum for Black Public Administrators	Individual	Industry/Professional Organization	200	200
2300-Diversity in Contracting	2300-Diversity in Contracting	National Institute of Governmental Purchasing (NIGP)	Individual	Industry/Professional Organization	80	-
2300-Diversity in Contracting	2300-Diversity in Contracting	Ventures	Department	Industry/Professional Organization		2,000
2300-Diversity in Contracting	2300-Diversity in Contracting	Construction Management Association of America (CMAA)	Individual	Industry/Professional Organization	180	-
7210-Economic Dev Div Admin	7210-Economic Dev Div Admin	SAF Cascadia	Portwide/Corporate	Economic/Trade Development Organization	100,000	-
7210-Economic Dev Div Admin	7210-Economic Dev Div Admin	Seattle Good Network	Portwide/Corporate	Economic/Trade Development Organization	5,000	-
7210-Economic Dev Div Admin	7210-Economic Dev Div Admin	Manufacturing Maritime Industrial Association	Portwide/Corporate	Economic/Trade Development Organization	25,000	-
7210-Economic Dev Div Admin	7210-Economic Dev Div Admin	International Economic Development Council	Department	Economic/Trade Development Organization	500	2,500
7210-Economic Dev Div Admin	7210-Economic Dev Div Admin	Washington Economic Development Association	Portwide/Corporate	Economic/Trade Development Organization	2,500	10,000
7210-Economic Dev Div Admin	7210-Economic Dev Div Admin	Mass Timber Association	Portwide/Corporate	Economic/Trade Development Organization	10,000	-
7210-Economic Dev Div Admin	7210-Economic Dev Div Admin	International City/County Management Association	Division	Economic/Trade Development Organization	-	200
7210-Economic Dev Div Admin	7210-Economic Dev Div Admin	Center for Advanced Manufacturing Puget Sound	Division	Economic/Trade Development Organization	-	5,000
7210-Economic Dev Div Admin	7210-Economic Dev Div Admin	US Travel Association (scheduled to pay in September)	Division	Economic/Trade Development Organization		5,500
7210-Economic Dev Div Admin	7210-Economic Dev Div Admin	Greater Seattle Business Association	Division	Economic/Trade Development Organization		2,500
					182,995	57,215

Tourism Discretionary Budget

Tourism				
In \$000s	2025 Budget	2026 Budget	25B v 26B	%Var
Outside Services				
Tourism contracts (six contracts)	239,000	0	-239,000	-100%
Other services (printing, etc.)	5,000	0	-5,000	-100%
Adobe Acrobat, Annual Simpleview Software (June)	8,283	345	-7,938	-96%
State of WA Tourism Annual Conference	10,000	0	-10,000	-100%
Tourism Industry Event Sponsorships	5,000	0	-5,000	-100%
CP Communications P-00321452 - Year 3 of 3, CPO=Maza	0	12,500	12,500	#DIV/0!
Creative Services Contractor RFP out Q3 2025, CPO=William Zhou	0	24,000	24,000	#DIV/0!
Pacific Northwest Consultants P-00321431 - Year 3 of 3, CPO=Maza	0	12,500	12,500	#DIV/0!
Tourism Representation Agency (Nordics) P-00322079 - Year 2 of 3, CPO=Maza	0	30,000	30,000	#DIV/0!
Travel Trade Contractor New contract for 2026 consolidating the work of two contractors into one.	0	35,000	35,000	#DIV/0!
Visit Seattle P-00319691 - Year 1 of 2, CPO=William Zhou	0	80,000	80,000	#DIV/0!
Responsible Tourism Projects Data collection and Visitor information Chat Bot	0	70,000	70,000	#DIV/0!
Promotional Expense				
Familiarization Tours (TBD)	65,000	90,000	25,000	38%
Promotional Items		5,000	5,000	#DIV/0!
Aer Lingus Roadshow (Ireland)	500	0	-500	-100%
Asia Sales Mission (Korea)	1,000	0	-1,000	-100%
Brand USA Travel Week (London)	1,000	0	-1,000	-100%
CLIA CruiseWeek (Netherlands)	500	0	-500	-100%
Europe Sales Mission (France)	4,000	0	-4,000	-100%
IPW (Chicago)	1,000	0	-1,000	-100%
Media event (New York)	4,000	0	-4,000	-100%
Mid-Atlantic Travel Show (Iceland)	500	0	-500	-100%
State of WA Tourism Conference	500	0	-500	-100%
Tourism Cares' Meaningful Travel Summit	500	0	-500	-100%
Tourism events (TBD)	10,000	0	-10,000	-100%
UK Sales Mission (Glasgow)	1,000	0	-1,000	-100%

In \$000s	2025 Budget	2026 Budget	25B v 26B	%Var
Advertising				
Airline Co-op	15,000	0	-15,000	-100%
Barrhead Travel	10,000	0	-10,000	-100%
Digital Influencers	10,000	0	-10,000	-100%
Domestic Cruise Co-op	20,000	0	-20,000	-100%
Real Response Media	20,000	0	-20,000	-100%
Tourism Industry Publications	10,000	0	-10,000	-100%
Air France	0	10,000	10,000	#DIV/0!
Barrhead Travel	0	10,000	10,000	#DIV/0!
Chelsea Magazine	0	10,000	10,000	#DIV/0!
Cruise Australia	0	5,000	5,000	#DIV/0!
KEXP	0	10,000	10,000	#DIV/0!
Northstar Publishing	0	20,000	20,000	#DIV/0!
Norwegian Cruise Lines Germany	0	5,000	5,000	#DIV/0!
SAS Airlines	0	10,000	10,000	#DIV/0!
Social Media	0	15,000	15,000	#DIV/0!
Travel Gossip	0	4,000	4,000	#DIV/0!
Miscellaneous Expense				
Misc. Travel & Other	0	17,825	17,825	#DIV/0!
misc. expenses	1,200	0	-1,200	-100%
Trade Business & Community				
State of WA Tourism Annual Conference	10,000	10,000	0	0%
Tourism Industry Event Sponsorships	5,000	7,500	2,500	50%
EDD Tax Levy				
State of WA Tourism contract (EDD Tax Levy)	500,000	500,000	0	0%
Tourism Marketing Support Program (TMSP) (EDD Tax Levy)	500,000	420,000	-80,000	-16%

Real Estate Development & Planning Discretionary Budget

In \$000s	<u>2025 Budget</u>	<u>2026 Budget</u>	<u>25B v 26B</u>	<u>%Var</u>
Outside Services				
Bypass Road to CEM Study	0	150,000	150,000	#DIV/0!
FT Redevelopment Cont'd	0	30,000	30,000	#DIV/0!
Police Relocation	0	50,000	50,000	#DIV/0!
Port RE Strategy in 2025 for 2026.		25,000	25,000	#DIV/0!
SODO Planning Effort combine with GSA stuff	0	60,000	60,000	#DIV/0!
SW Seattle (Pier 2/Jack Block Park) will be charged to the pier 2 subclass	0	25,000	25,000	#DIV/0!
T46 future planning effort	0	20,000	20,000	#DIV/0!
T91 Pre-Development efforts including communications support	0	150,000	150,000	#DIV/0!
update resp Real Estate Strategic Plan	0	25,000	25,000	#DIV/0!
Adobe Acrobat Pro and Visio for team members	300	615	315	105%
DropBox	150	150	0	0%
AV-New appraisal IDIQ	30,000	0	-30,000	-100%
MD-New appraisal IDIQ	30,000	0	-30,000	-100%
AV-New Service Directives - Design Services	90,000	0	-90,000	-100%
AV-RE Strategy Implementation (Feasibility and Due Diligence Efforts for Various Properties)	120,000	0	-120,000	-100%
CEM Study Due Diligence (already part of existing budget baseline)	100,000	0	-100,000	-100%
MD-New Service Directives - Design Services	60,000	0	-60,000	-100%
MD-RE Strategy Implementation (Feasibility and Due Diligence Efforts for Various Properties)-\$60K increase	120,000	0	-120,000	-100%
Real Estate Strategic Planning for FT, NWSA and AV	200,000	0	-200,000	-100%
Real Estate Strategic Planning for FT, NWSA and AV	100,000	0	-100,000	-100%
Core (RevuCAD) for Alhadeff and Lise	300	0	-300	-100%

Diversity in Contracting Discretionary Budget

In \$000s	2025 Budget	2026 Budget	25B v 26B	%Var
Outside Services				
Community Development Fund Training	50,000	0	-50,000	-100%
Language Access Service	5,000	2,500	-2,500	-50%
Mentor Protégé (AGC ACEC, WASDOT, Sound Transit) - MOU	50,000	50,000	0	0%
Photography Services	1,500	1,500	0	0%
Tabor 100 Resource Center	60,000	50,000	-10,000	-17%
Feasability Study for Non-Airport Concession/Training Program (SBE/WMBE)	0	50,000	50,000 #DIV/0!	
Print Materials	0	1,500	1,500 #DIV/0!	
Adobe Creative Suite (Illustrator, Photoshop, InDesign)	0	2,355	2,355 #DIV/0!	
Constant Contact per 2026 Budget Guidelines	0	3,400	3,400 #DIV/0!	
Promotional Expense				
Miscellaneous	7000	7,000	0	0%
Replenish items New Banner, Tablecloth, Swag	3000	3,000	0	0%
Advertising				
A Ryco/The Urban Forum Northwest Radio	8,000	8,000	0	0%
Daily Journal of Commerce	2,000	0	-2,000	-100%
Daybreak Star Radio » United Indians of All Tribes Foundation - Daybreak Star	2,000	2000	0	0%
El Rey Radio	2,500	2,500	0	0%
El Siete Dias	3,500	3,500	0	0%
Federal Way	2,500	2,600	100	4%
Greater Seattle Business Association	2,500	2,500	0	0%
Korea Times	3,000	3,000	0	0%
Misc Advertising	8,500	8,500	0	0%
Northwest Asian Weekly	7,000	7,000	0	0%
NW Military	2,000	2,000	0	0%
Runta News	4,750	4,750	0	0%
Scanner	3,000	3,000	0	0%
Seattle Medium Newspaper	10,000	10,000	0	0%
Tabor 100 Advertising	2,500	2,500	0	0%
Miscellaneous Expense				
Misc	0	5000	5,000 #DIV/0!	
Contingency Possible Certification Efforts for WMBE's doing work with Port	5000	0	-5,000	-100%

In \$000s	2025 Budget	2026 Budget	25B v 26B	%Var
Trade Business & Community				
Alliance NW (Thurston County) March	5,000	5000	0	0%
Association of Woman and Minority Businesses (AWMB) - Contractors Day (Sponsorship) March	5,000	5000	0	0%
Ethnic Chambers	20,000	0	-20,000	-100%
Events: WMBE / Chamber Community Connections	25,000	20000	-5,000	-20%
Industry Partner Training Classes (Construction & Consulting)	1,500	25000	23,500	1567%
National Association of Minority Contractor's Gala October	0	1500	1,500 #DIV/0!	
North Puget Sound Contracting Forum (Snohomish County) October	0	1000	1,000 #DIV/0!	
NW Minority Supplier Development Council Trade Show June	1,000	2000	1,000	100%
Regional Contracting Forum September	2,500	1000	-1,500	-60%
Seattle Urban League Event November	0	5000	5,000 #DIV/0!	
Tabor 100 Gala (2 Tables) September	1,250	1200	-50	-4%
US Department of Transportation SBTRC/MBDA Department of Commerce quarterly	5,000	0	-5,000	-100%
Veterans Association	5,000	0	-5,000	-100%
Portwide Tax Levy				
Business Accelerator	150,000	150,000	0	0%
Highline Small Business Development Center MOU (yr2 reset) (SKCF) invoice cycle 6/26/25 60K 2025 will bill 6/25-6/26 anniversary date of mou	60,000	50,000	-10,000	-17%
DBE/ACDBE/WMBE Training Consultants & Outreach	50,000	50,000	0	0%
DC Presents/PortGen Advanced (Construction, Consulting, Goods & Services)	50,000	50,000	0	0%

Economic Development & Innovation Partnerships Discretionary Budget

In \$000s	<u>2025 Budget</u>	<u>2026 Budget</u>	<u>25B v 26B</u>
Outside Services			
High Peak	-	150,000	150,000
Business Plan for Decarbonization	-	30,000	30,000
Greater Seattle Partners	-	250,000	250,000
Teal New Deal/Industrial Lands	-	50,000	50,000
Adobe Pro 3x115ea & Visio 160	-	505	505
Greater Seattle Partners	250,000	-	(250,000)
Shipbuilding Readiness	-	100,000	100,000
Software Lics & Maint. Agreemt	600	-	(600)
Promotional Expense			
Promotional Hosting	3,400	12,500	9,100
Green Economy - Public Ports professionals throughout the greater PNW	5,000	-	(5,000)
Miscellaneous Expense			
EDD Opportunity Fund	150,000	150,000	-
Trade Business & Community			
Sponsorships	-	45,000	45,000
Trade Business & Community	28,000	-	(28,000)
Tax Levy			
Community Biz Connector	380,000	-	(380,000)
EDD Partnership Grants	950,000	950,000	-
Green Economy-Working with Regional Partners about making some investments around wind.	50,000	-	(50,000)
Maritime Blue	175,000	180,000	5,000

EDD 2026 Equity in Budgeting

1. Did you have difficulty spending your budgeted equity dollars in 2025? And if so, why?

- No

2026 Equity in Budgeting

2. In your 2026 budget, how did your Division choose to prioritize equity programs with the available budget?
 - In 2025, we established an Ombudsman role within Diversity and Contracting to provide technical assistance to small businesses and improve their access to contracting opportunities. We are continuing this work while also reviewing prior-year results and collaborating with Labor partners to identify ways to increase our MWBE contracting goals for 2026.

2026 Equity in Budgeting

3. Additionally, is your Division implementing programs in an equitable way or plans to make programming more equitable, even if it's not directly associated with your budget or a budget request? If so, please explain.
 - By encouraging staff at all levels to share ideas for advancing innovation and inclusion, while maintaining continuous dialogue with senior managers.

2026 Equity in Budgeting

4. How did you engage with staff and/or community during the 2025 budget process?

- We engage regularly with our external partners and receive valuable feedback on our budget priorities. We also meet consistently with Port staff to gather input and ensure alignment on budget planning. Internally, our budget process and expectations are discussed during regular staff meetings to keep everyone informed and involved.

2026 Equity in Budgeting

5. What new items have you added related to Equity, Diversity, and Inclusion in your 2026 budget (new requests and baseline budget)?

- New sponsorships that support innovation, equity, and diversity
- Start implementing the updated 5-year port-wide WMBE goals
- Provide outreach and webinars to diverse small businesses
- Integrate and include diverse small businesses in the tourism development initiatives, specifically as part of our familiarization tour offerings