

Terminal 91 Shore Power Purchase



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Director, Cruise Business & Elliott Bay Operations

Terminal 91 Shore Power Purchase

- Request **Commission authorization** for the Executive Director to execute Purchase Agreements with Princess Cruises (East berth) and Holland America Line (West berth) for ownership of the legacy shore power equipment at Smith Cove Cruise Terminal at Pier 91.
- Approval to execute an addendum of the current Shore Power Maintenance agreement with Watts Marine adding these two locations, once ownership is transferred, including adjusting the value of the three-year agreement.

Shore Power Purchase - Purpose

- In 2005, Holland America Line and Princess Cruises installed shore power at Terminal 30 and later moved equipment to Terminal 91 in 2009 when new facility opened.
- Holland America Line and Princess Cruises each have an Easement for the T91 property which carries through 2029.
- Currently, should any non-Carnival brand wish to utilize the existing shore power equipment they must enter into a legal agreement for use which is a lengthy process.
- Port Commission adopted Order 2024-08 in June, 2024 requiring all home port ships to connect to Shore Power by the 2027 season

Shore Power Purchase - Purpose

- Waterfront Project Management has a project underway at Terminal 91 to provide optimum flexibility for Shore Power Connectivity (you approved the Design phase at the 12/9 meeting)
- To complete our project, we will be supplementing the existing infrastructure with additional connections as well as upgrades to the West pier (East side had been upgraded).
- To provide transparency for connections and better serve all customers, ownership of this equipment is imperative. It will also allow the Port to be the customer of Seattle City Light for all connections.

Shore Power Purchase - Valuation

- To arrive at a purchase price a joint team including CPO, Legal, and Port Engineering and Electrical Project Management teams partnered to evaluating the fair market value of the legacy equipment.
- Evaluated documents including:
 - 2025 Recommissioning Reports, for current condition
 - Reviewed replacement cost of existing infrastructure if purchased today, supplemented with labor/installation costs
 - Estimated use-life of the product
 - Estimated delivery time if equipment were purchased today

Shore Power Purchase - Valuation

- Valuation consideration included both this equipment review and the value of Port ownership.
- After review, valuation for the equipment was identified at \$2m for the East side equipment, which has been upgraded, and \$1.6m for the West side equipment.

Thank you

