



Port of Seattle Regular Commission Meeting

December 9, 2025



COMMISSION REGULAR MEETING AGENDA

December 9, 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 416 186 634#

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, December 9, 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 November 18, 2025. **(no enclosure)**

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

8c. Authorization for the Executive Director to Advertise, Award, and Execute a Major Works Construction Contract and Related Project Change Orders, Amendments, Work Authorizations, Purchases, Contracts; to Take Other Actions Necessary to Support and Deliver the Boiler Room Upgrades Project Within the Approved Budget; and to Utilize Port of Seattle Crews to Support Design and Construction Activities in the Requested Amount of \$3,320,000, for an Estimated Total Project Cost Not-to-Exceed \$4,839,000. (CIP #C801230) **(memo and presentation enclosed)**

8d. Authorization for the Executive Director to Enter Into and to Execute an Interlocal Agreement for Intergroup Common Issues Among and Between the Northwest Seaport Alliance and the Port of Tacoma and the Port of Seattle. **(memo and agreement enclosed)**

8e. Authorization for the Executive Director to Execute a New Project Labor Agreement for FAA-Funded Projects Between the Port of Seattle and the Seattle/King County Building and Construction Trades Council, and Western States Regional Council of Carpenters, Covering the Period from August 20, 2025, through December 31, 2028. **(memo and agreement enclosed)**

8f. 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, in the Requested Amount of \$3,600,000, and to Incorporate T91 Equipment into the Watts Maintenance Agreement. **(memo, waiver, and presentation enclosed)**

8g. Authorization for the Executive Director to Approve Funding to Execute a Post-Validation Amendment to the Alternative Public Works Progressive Design Build Contract, MC-0322060, for the T91/P66 Cruise Shore Power Extension Project to Further Advance Design and Complete the Development and Negotiation of a Guaranteed Maximum Price, in the Requested Amount of \$5,000,000, for a Total Project Authorization of \$15,450,000, and a Total Estimated Project Cost of \$48,665,000. (CIP #C801983) **(memo and presentation enclosed)**

8h. Authorization for the Executive Director to Enter a Memorandum of Understanding with Each Labor Organization Whose Port Employed Members Have Chosen the Airport's Parking Garage as Their Designated Work Location Parking Area, Extending the Provisional Pay Pilot Program for One Year Under the Same Terms as Applied to Non-Represented Employees. **(memo enclosed)**

8i. Authorization to Execute Settlement Agreement for Recovery of Cleanups Costs at Terminal 91. **(memo enclosed)**

8j. Authorization to Execute a Settlement Agreement to Resolve Litigation. **(memo enclosed)**

10. NEW BUSINESS

10a. Introduction and Adoption of Resolution No. 3842: A Resolution Authorizing the Executive Director to Sell and Convey Port Personal Property in 2026 in Accordance with RCW 53.08.090, with a Value Not Greater Than \$23,340 and Repealing Resolution No. 3832, Dealing with the Same Subject. **(memo and draft resolution enclosed)** *(This item is requested for consolidated readings, with introduction occurring on the same day as adoption.)*

10b. Introduction and Adoption of Resolution No. 3843, a Resolution Repealing and Replacing Resolution No. 3476 and Amending Exhibit B to Resolution No. 3748, the Port of Seattle Statement of Investment Policy. **(memo, draft resolution, Exhibit B, and presentation enclosed)** *(This item is requested for consolidated readings, with introduction occurring on the same day as adoption.)*

10c. 2026 State Legislative Agenda Briefing and Action. **(memo and presentation enclosed)**

11. PRESENTATIONS AND STAFF REPORTS

11a. 2025 Internal Audit Annual Report. **(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

November 18, 2025

The Port of Seattle Commission met in a regular meeting Tuesday, November 18, 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. Commissioner Cho was absent and excused from attendance.

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 30 minutes, with the intention of reconvening the public session at 12:00 p.m. Commissioner Calkins was absent and excused from attendance. Following the executive session, the public meeting reconvened at 12:09 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

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

6. COMMITTEE REPORTS

There were no committee reports presented.

7. PUBLIC COMMENT

- The following people spoke in support of the SEA SPARK mentorship program, airport concessions, and supporting small local businesses: Daniel Huynh, Kawaii Treats and Nat Stratton-Clark, The Flora Bakehouse.
- In lieu of spoken comment, the following people submitted written comment requesting the Port remove Liquified Natural Gas from the NW Ports Clean Air Strategy: Milo Moss; Angel Atteberry; Clara Sciortino; AJ Cho; and Angela Graham.
- In lieu of spoken comment, the following people submitted written comment requesting the Port to protect North SeaTac Park, with some submitters asking the Port to sell the park to the City of SeaTac: Carlyn Roedell; Meagan Lass; Jason Gorman; Amy Postel; Ilona Brose; Emmy Anderson; Erica Anderson; Crystal German; Rob Bent; Sawyer Pouliet; Forrest Murphy; Susan Ward; Madeline Couture; Rick Harwood; and Thomas Riess.
- In lieu of spoken comment, the following person submitted written comment in support of the SEA SPARK mentorship program, airport concessions, supporting small local businesses, and the Port's cultural connections and in-terminal activations programs: Charles Bluemle, Executive Vice-President, Concessions International, LLC.

[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 Special Meeting Minutes and Regular Meeting Minutes of November 11, 2025.

8b. Approval of the Claims and Obligations for the Period of October 1, 2025, through October 31, 2025, Including Accounts Payable Check Nos. 960164 through 960739 in the Amount of \$11,980,009.32; Accounts Payable ACH Nos. 078135 through 079071 in the Amount of \$95,814,878.00; Electronic Fund Transfer Nos. 069528 through 069552 in the Amount of \$25,332,487.77; Payroll Check Nos. 229652 through 229781 in the Amount of \$141,424.63; and Payroll ACH Nos. 1277587 through 1282655 in the Amount of \$19,040,367.30, for Total Payments of \$152,309,167.02.

Request document(s) included an agenda memorandum.

8c. Authorization for the Executive Director to Execute an Agreement with Daifuku Services America Corporation for an Onsite Baggage Control Technician, in Accordance with RCW 39.04.280 Competition Waiver, for Rapid, Technical Onsite Service for a Period of Three Years with Two Additional Option Years, in an Amount Not-to-Exceed \$3,400,000.

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

- 8d. Authorization for the Executive Director to Execute a Lease Amendment with AARP at SeaTac Office Center to Remove 2,195 Square Feet of Office Space from their Leased Premises.**

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

- 8e. Authorization for the Executive Director to Increase the Parking Garage Elevator Modernization Project Budget by the Requested Amount of \$3,937,000, for a Final Revised Total Project Cost of \$27,027,000, to Account for Unanticipated Existing Conditions. (CIP C#800789)**

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

- 8f. Authorization for the Executive Director to Execute a Memorandum of Understanding with the United States Army Corps of Engineers to Establish Eligibility for Potential In-Kind Credit to the West Waterway Deepening Project Resulting from the West Waterway High Spots Early Action Project.**

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

- 8g. Commission Supplemental Approval of International Travel Requests for Known Travel in the Fourth Quarter 2025.**

Request document(s) included an agenda memorandum.

- 8h. Authorization for the Executive Director to Execute a Settlement Agreement to Recover Approximately \$4,412,500 in Costs Associated with the Port's Cleanup of the Terminal 91 Uplands.**

Request document(s) included an agenda memorandum.

- 8i. Adoption of the Salary and Benefits Resolution No. 3841, Amending the Policy Directive for Salaries and Benefits for Employees Not Covered by a Collective Bargaining Agreement Established by Resolution No. 3831 and Providing an Effective Date for All Amendments as of January 1, 2026.**

Request document(s) included an agenda memorandum, draft resolution, Attachment A, Attachment B, Exhibit A, pay ranges, redline, and presentation enclosed.

The motion to approve the Consent Agenda, made by Commissioner Felleman, carried by the following vote:

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

Opposed: (0)

9. UNFINISHED BUSINESS

There was no unfinished business presented.

10. NEW BUSINESS

10a. Adoption of Resolution No. 3839: A Resolution Adopting the Final Budget of the Port of Seattle for the Year 2026; Making, Determining, and Deciding the Amount of Taxes to be Levied Upon the Current Assessment Roll; Providing Payment of Bond Redemptions and Interest, Cost of Future Capital Improvements and Acquisitions, and for Such General Purposes Allowed by Law which the Port Deems Necessary; and Directing the King County Council as to the Specific Sums to be Levied on All of the Assessed Properties of the Port of Seattle District in the Year 2026.

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

10a.1 Adoption of Resolution No. 3840: A Resolution Specifying the Dollar and Percentage Change in the Regular Property Levy From the Previous Year Per RCW 84.55.120; Providing for an Increase on the Levy from \$88,389,944 to \$90,180,054.

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

Presenter(s):

Chris Wimsatt, Chief Financial Officer, Finance and Budget
Michael Tong, Director of Corporate Budget, Finance and Budget

Clerk Hart read Item 10a and 10a.1 into the record and Deputy Executive Director Goon introduced the item.

The presentation addressed:

- 2026 Operating Budget highlights;
- the 2026-2030 Capital Plan;
- 2026 sources and uses of funds;
- the 2026 proposed tax levy; and
- the remaining 2026 Budget schedule.

Discussion ensued regarding:

- public visibility to the Port's budget process;
- maintaining fiscal responsibilities, community partnerships, and commitments;
- making sure cities and local organizations understand the Port's budget and process with respect to economic development;
- making investments in ethnic media and understanding the Port's strategy in this regard;
- and
- levy uses.

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

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

Opposed: (0)

11. PRESENTATIONS AND STAFF REPORTS

11a. Airport Dining and Retail (ADR) Program Briefing.

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

Presenter(s):

Khalia Moore, Assistant Director, Airport Dining and Retail

Scott Van Horn, Manager, Airport Dining and Retail

James Belle, Program Manager, Airport Dining and Retail

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

The presentation addressed:

- review of Master Plan highlights;
- review of Commission goals;
- ADR performance metrics;
- ADR redevelopment going forward;
- Evolution of the ADR Kiosk Program; and
- 2025 Cultural Connections and In-Terminals Activations.

Discussion ensued regarding:

- the Port's commitment to the ADR Program and advocating for ADR tenants;
- upholding and celebrating cultural diversity;
- efforts taken to reduce entry barriers into the program for interested businesses;
- forecasted revenues of ADR tenants; and
- success rates and tracking of ADR tenants moving through levels of the available program.

Members of the Commission thanked staff for their continued hard work in supporting and growing the program.

11b. 2025 Police Department Update.

Presentation document(s) included an agenda memorandum, 21CP recommendations, strategic plan, annual report, Implementation Review Committee memo, and presentation.

Presenter(s):

Thomas Bailey, Deputy Chief of Police, Police Department

Andrew Depolo, Police Commander, Police Department

Bookda Gheisar, Senior Director, Office of Equity, Diversity, and Inclusion

Clerk Hart read Item 11b into the record and Deputy Executive Director Goon introduced the item.

The presentation addressed:

- the department's 2024 – 2026 Strategic Plan;
- the mission of the department;
- divisions of the department and their roles;
- staffing;
- increasing capabilities for assisting people in crisis;
- 2024 use of force data;
- Policing Assessment implementation;
- the Implementation Review Committee;
- race and ethnicity of the department's commissioned officers;
- race and ethnicity of the department's non-commissioned staff; and
- HR-related work planned for 2026.

Discussion ensued regarding:

- great work being done in the department year over year;
- the goal of the department to be a 'World Class Police Department;'
- leading the report with equity, diversity, and inclusion;
- funding levels to support the crisis intervention program;
- use of drug interdiction funds for battling human trafficking;
- additional use of force data available in the first quarter 2026;
- including demographics in the use of force data presented in 2026;
- highlighting zero deadly force incidents;
- mutual assistance and coordination with the Valley Investigative Team and Valley SWAT;
- making progress of the hiring goal for women in the department;
- the volume of policing by the department; and
- increased safety concerns at airports across the nation due to immigration enforcement.

Members of the Commission recognized the great work of the department and its officers.

12. QUESTIONS on REFERRAL to COMMITTEE and CLOSING COMMENTS

Commissioner Felleman thanked the Police Department and Finance Department for their presentations and efforts in their respective departments.

Commission President Hasegawa highlighted her work in Switzerland on Port business during the 2025 American Swiss Foundation Young Leaders Conference. Commission President Hasegawa further spoke regarding the impacts of tariffs.

13. ADJOURNMENT

The meeting adjourned at 2:38 p.m.

Prepared:

Attest:

Michelle M. Hart, Commission Clerk

Sam Cho, Commission Secretary

Minutes approved: December 9, 2025

DRAFT

COMMISSION
AGENDA MEMORANDUM
FOR INFORMATION ONLY

Item No. 8b
Date of Meeting December 9, 2025

DATE: December 9, 2025
TO: Stephen P. Metruck, Executive Director
FROM: Karen R. Goon, Deputy Executive Director

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

APPROVAL SUMMARY

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

Category of Approval	Request#	Description of Approvals November 2025	Category Amount
Projects & Associated Contracts	2395-2025	Elliott Bay Connections (EBC) Park Infrastructure Improvements	\$1,950,000.00
Projects & Associated Contracts	2367-2025	Harbor Island Marina A Finger Pier N06539 Project Budget Amendment	\$170,000.00
Non-Project Procurement of Goods & Purchased Service Contracts, Other Contracts, & Tenant Reimbursement	2419-2025	Request to Increase Funding and Amend Existing Contract C-00322358 Kimball Midwest for Vendor Managed Inventory for AVM Auto Shop	\$500,000.00
Non-Project Procurement of Goods & Purchased Service Contracts, Other Contracts, & Tenant Reimbursement	2365-2025	ORCA Business Cards Agreement for SEA Pilot	\$499,597.00
Non-Project Procurement of Goods & Purchased Service Contracts, Other Contracts, & Tenant Reimbursement	2422-2025	Autodesk Engineering Tools	\$1,600,000.00

Meeting Date: December 9, 2025

Non-Project Procurement of Goods & Purchased Service Contracts, Other Contracts, & Tenant Reimbursement	2381-2025	HVAC BAS & Chiller Service Contract for Marine Maintenance	\$700,000.00
Non-Project Procurement of Goods & Purchased Service Contracts, Other Contracts, & Tenant Reimbursement	2362-2025	T-2 Parking Revenue Control System Hardware and Software Maintenance Agreement	\$1,250,000.00
Non-Project Procurement of Goods & Purchased Service Contracts, Other Contracts, & Tenant Reimbursement	2379-2025	Purchase Marine Maintenance Fuel Truck	\$320,000.00
Non-Project Procurement of Goods & Purchased Service Contracts, Other Contracts, & Tenant Reimbursement	2428-2025	Amend Concur Contract to Extend Term and Add Features	\$931,500.00
Non-Project Procurement of Goods & Purchased Service Contracts, Other Contracts, & Tenant Reimbursement	2459-2025	Organizational Transformation Strategic Consultant – Information Services	\$1,000,000.00
Real Property Agreements	N/A	No Approvals in November	\$0.00
Utilization of Port Crews	N/A	No Approvals in November	\$0.00
Sale of Surplus Port Property	2398-2025	Disposition and Sale of AVM fleet assets	\$50,251.00
Total Value of Executive Director Approvals			\$8,971,348.00

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

Meeting Date: December 9, 2025

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.

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

December 9, 2025

DATE: November 21, 2025

TO: Stephen P. Metruck, Executive Director

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

SUBJECT: Boiler Room Upgrades (CIP# 801230) – Construction Authorization

Amount of this request: \$3,320,000

Total estimated project cost: \$4,839,000

ACTION REQUESTED

Request Commission authorization for the Executive Director to (1) advertise, award, and execute a major works construction contract, and execute related project change orders, amendments, work authorizations, purchases, contracts, (2) take other actions necessary to support and deliver the Boiler Room Upgrades project within the approved budget, and (3) utilize Port of Seattle crews to support design and construction activities. The amount of this request is \$3,320,000 for an estimated total project cost not to exceed \$4,839,000.

EXECUTIVE SUMMARY

The central mechanical plant (CMP) provides airport-wide steam and chilled water for cooling, heating, and hot water purposes. Upon completion, this project will upgrade the control systems for Boilers #1 through #3 to replace the obsolete equipment and software with a common platform that can integrate into the existing Siemens Direct Digital Control (DDC) system. This project will also install/replace steam supply and fuel flow meters on Boilers #1 through #3, as well as install a steam outlet meter on Boiler #4, which will improve energy use tracking and accuracy for the overall system, leading to better optimization and efficiency savings.

JUSTIFICATION

The CMP, which houses the boiler and chiller systems, provides the steam and chilled water necessary for providing cooling, heating, and hot water to the main terminal, concourses, and North and South satellites. It is an essential element of the airport, and it is critical that it operates in a consistent and efficient manner with the ability to continuously optimize. In recent winters, failures of old boiler controls components unexpectedly caused boiler failures necessitating urgent repairs to restore boiler redundancy and ensure sufficient heating capacity. This illustrates

Meeting Date: December 9, 2025

the necessity for an efficient, resilient, and redundant system. This project will replace aging components of the boiler system, some of which are over 50 years old, to ensure continued reliability, as well as to increase its overall energy efficiency and environmental tracking accuracy. Additionally, the boiler system controls will be updated for better connectivity to the CMP control room.

Diversity in Contracting

In coordination with the Diversity in Contracting Department, a 6% WMBE aspirational goal has been set for this project.

DETAILS

Scope of Work

This project will resolve fuel and steam metering issues present on Boilers #1 through #3. Additionally, the control systems for boilers #1 through #3 will be upgraded to include Siemens DDC integration with Building Automation and Control Network (BACnet) Protocol.

- (1) Install new and replace old steam supply, natural gas, and diesel fuel flow meters on Boilers #1 through #3.
- (2) Install new steam outlet meter for Boiler #4.
- (3) Upgrade control systems on Boilers #1 through #3 to include Building Automation System and Siemens DDC.
- (4) Design modification for a permanent compressed air supply for long term operation and startup under emergency conditions.
- (5) Install additional emergency shut down buttons for boiler system where absent at operator station and corridor exits to increase operational safety.

Schedule

Construction start	Q2 2026
In-use date	Q2 2027

Cost Breakdown

	This Request	Total Project
Design	\$0	\$1,519,000
Construction	\$3,320,000	\$3,320,000
Total	\$3,320,000	\$4,839,000

Meeting Date: December 9, 2025

ALTERNATIVES AND IMPLICATIONS CONSIDERED

Alternative 1 – Do not proceed with the project.

Cost Implications: Approximately \$1,519,000 for Notebook Development and Design.

Pros:

- (1) Defers some capital investment.
- (2) A design with up-to-date schematics of the Central Mechanical Plant has been completed, which can be utilized for future projects, if needed.

Cons:

- (1) Aging and inaccurate components will remain, leading to potential reliability issues.
- (2) Boiler system cannot be properly optimized with the existing equipment, meaning the system will continue operating with reduced efficiency.
- (3) Unable to provide accurate data and tracking for environmental reporting purposes.
- (4) Lack of emergency shut down buttons at Central Mechanical Plant exits.
- (5) Potential for additional increase in costs for materials, labor, and inflation if project completed at a later date.

This is not the recommended alternative.

Alternative 2 – Proceed with project as scoped. Install equipment needed for reliability, accuracy, and connectivity.

Cost Implications: \$4,839,000 in capital costs.

Pros:

- (1) Replaces aging and inaccurate equipment, leading to increased reliability.
- (2) New fuel flow and output meters will provide more accurate system data, allowing for better efficiency and cost savings.
- (3) Updated control panels and DDC connectivity will allow for better energy tracking, optimization, and reporting for environmental purposes.
- (4) Install new emergency shut off buttons at Central Mechanical Plant exits.

Cons:

- (1) Capital costs.

This is the recommended alternative.

Meeting Date: December 9, 2025

FINANCIAL IMPLICATIONS

<i>Cost Estimate/Authorization Summary</i>	Capital	Expense	Total
COST ESTIMATE			
Original estimate	\$3,406,000	\$0	\$3,406,000
Previous changes – net	\$1,433,000	\$0	\$1,433,000
Current change	0	0	0
Revised estimate	\$4,839,000	\$0	\$4,839,000
AUTHORIZATION			
Previous authorizations	\$1,519,000	\$0	\$1,519,000
Current request for authorization	\$3,320,000	\$0	\$3,320,000
Total authorizations, including this request	\$4,839,000	\$0	\$4,839,000
Remaining amount to be authorized	\$0	\$0	\$0

Annual Budget Status and Source of Funds

The Boiler Room Upgrade (CIP# 801230) is included in the 2025-2029 capital budget and plan of finance with a budget of \$4,839,000. The funding sources will be the Airport Development Fund.

Financial Analysis and Summary

Project cost for analysis	\$4,839,000
Business Unit (BU)	Terminal Building
Effect on business performance (NOI after depreciation)	NOI after depreciation will increase due to inclusion of capital (and operating) costs in airline rate base.
IRR/NPV (if relevant)	N/A
CPE Impact	\$0.01 in 2028

Future Revenues and Expenses (Total cost of ownership)

This project will likely have no impact on Aviation Maintenance operating & maintenance (O&M) costs.

ATTACHMENTS TO THIS REQUEST

- (1) Presentation slides

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

May 23, 2023 – The Commission authorized the Executive Director to (1) prepare design and construction bid documents for the Boiler Room Upgrades project; (2) utilize Port of Seattle crews to support design and pre-construction activities. The amount of the request was \$1,479,000 and was approved as Item No. 8c.

Boiler Room Upgrades

Joe Cook
AV F&I – Mechanical
Engineering Manager

Presenter: Christian Venturino - AV PMG
Project Manager: Christian Venturino -
AV PMG

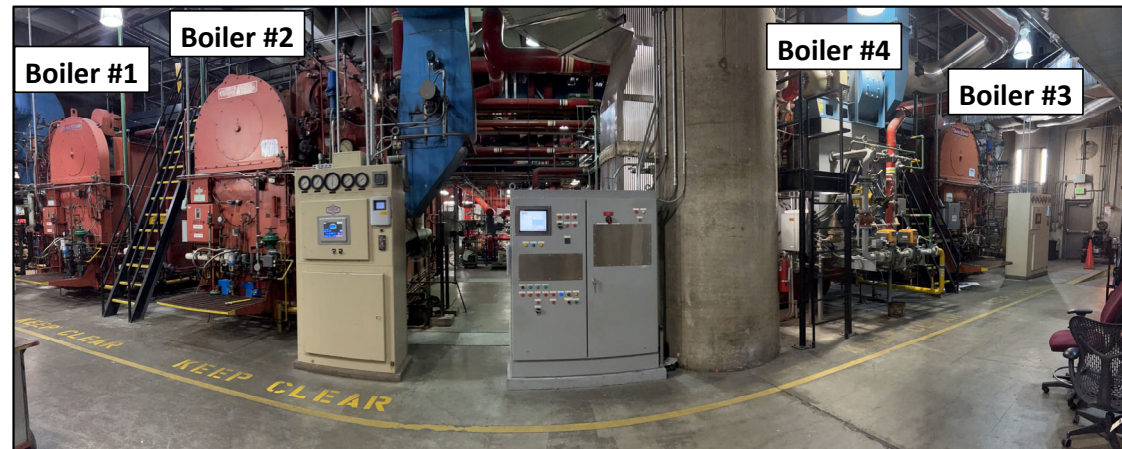


Project Scope

Project replaces aging components of Central Mechanical Plant's heating system to ensure a more reliable and efficient supply of steam for space heating and domestic hot water uses in concourse and terminal areas.

Scope includes:

1. Install new flow meters for Boilers #1-3.
2. Install new steam outlet meter for Boiler #4.
3. Upgrade control panels for Boilers #1-3.
4. Install emergency shut down buttons at Central Mechanical Plant exits.



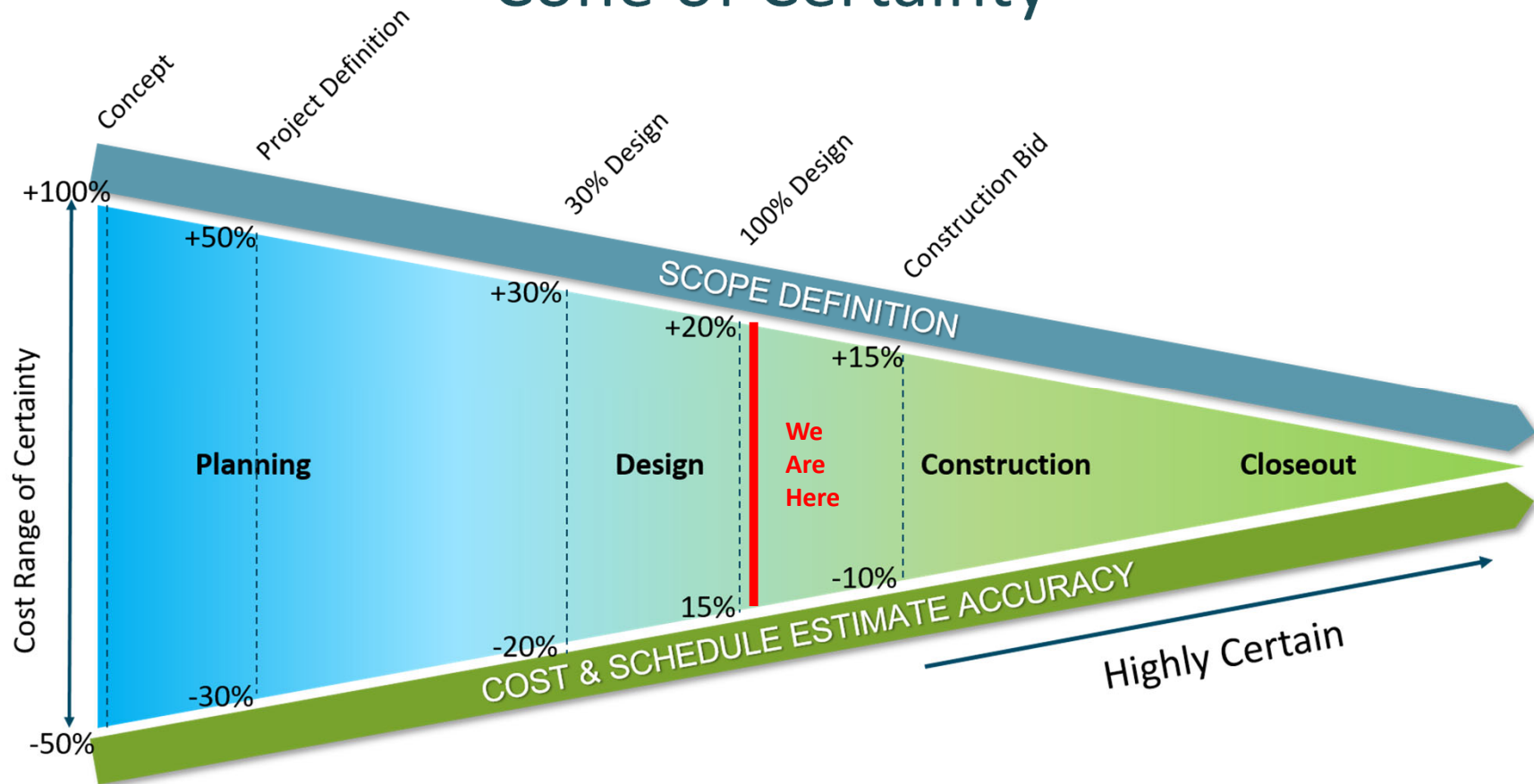
Project Schedule

Milestone	Date
Notice to Proceed	Q2 2026
Substantial Completion	Q2 2027

Project Budget

Authorization	Capital	Expense	Total
Previous authorizations	\$1,519,000	\$0	\$1,519,000
Current request for authorization	\$3,320,000	\$0	\$3,320,000
Total authorizations, including this request	\$4,839,000	\$0	\$4,839,000
Remaining amount to be authorized	\$0	\$0	\$0

Cone of Certainty



Action Requested

- Advertise, award, and execute a major works construction contract.
- Execute related project change orders, amendments, work authorizations, purchases, contracts, and take other actions necessary to support and deliver the Boiler Room Upgrades project within the approved budget.
- Request to authorize \$3,320,000
 - Estimated total project cost not to exceed \$4,839,000

Questions?

**COMMISSION
AGENDA MEMORANDUM**

Item No.

8d

ACTION ITEM

Date of Meeting

December 9, 2025

DATE: November 12, 2025

TO: Stephen P. Metruck, Executive Director

FROM: Chris Wimsatt, Chief Financial Officer
Elizabeth Morrison, Director, Corporate Finance
Michael Tong, Director, Corporate Budget

SUBJECT: **2026 Interlocal Agreement for Intergroup Common Issues Among and Between the Northwest Seaport Alliance (NWSA) and the Port of Tacoma and the Port of Seattle**

Amount of this request: \$0

Total estimated project cost: \$0

ACTION REQUESTED

Request Commission authorization for the Executive Director to enter and execute an interlocal agreement (ILA) agreement for intergroup common issues among and between the NWSA and the Port of Tacoma and the Port of Seattle.

EXECUTIVE SUMMARY

The purpose of this Agreement is to allow for relatively low-cost, inter-group agreements (“IGAs”) between either or both Homeports and the NWSA when the entities are aligned and acting jointly without further Managing Member or Homeport commission vote.

JUSTIFICATION

The ILA covers only certain lower dollar/limited scope transactions among or between the three entities that would otherwise require governing body approval. For example, joint procurements for the Economic Impact Study or amendments to contracts with Quiet Sound. It requires all 3 entity Executives be notified of any transaction using this authority, even if only between two entities. Additionally, all of these transactions will be posted on website for transparency.

DETAILS

The Port of Tacoma and the Port of Seattle have entered into an agreement to establish The Northwest Seaport Alliance pursuant to the following federal and state authorities: (1) the Federal Maritime Commission (FMC) Discussion Agreement, (2) an interlocal agreement with delegated powers exercised pursuant to the port joint powers statute (RCW 53.08.240) which expressly permits joint operation and investment outside of a port’s district, (3) RCW 39.34.030,

Meeting Date: December 9, 2025

the state Interlocal Cooperation Act, and (4) pursuant to ESHB 1170, WA Session Laws of 2015-6, (Title 53.XX RCW), which authorizes the Ports to create a port development authority to use, operate and manage certain marine facilities jointly, to be known as the NWSA.

From time to time, the Parties have occasion to collaborate and work jointly on issues on which they are fully aligned and are able to share costs and wish to do so under the Interlocal Cooperation Act, RCW 39.34 for the limited scope, duration and cost of activities addressed herein. Examples of scenarios for which the Parties could utilize this Agreement include where collaboration on procurement would create efficiencies, the Parties are engaged in a joint study, or the Parties seek to participate in a community or industry group such as Maritime Blue or Quiet Sound.

Scope of Work

NWSA and Homeport staff may negotiate and enter into IGAs for joint efforts using the authorization provided for in this Agreement without the need for further Commission or Managing Member action provided all of the following are met: a) the total cost of the IGA is less than the lowest delegated amount to the leader of any of the three entities; b) the entities seek to embark on a joint effort where interests are aligned; c) the CEO or Executive Director(s) of all three entities are provided a draft of the IGA by the leading agency staff member five days prior to finalizing the agreement; d) the approved IGA references this Agreement and is filed with the NWSA Clerk; and e) the IGA is posted on the participating Parties' websites. This Agreement does not authorize real estate transactions between the Parties.

Schedule

This ILA is effective January 1, 2026 through December 31, 2026.

FINANCIAL IMPLICATIONS

None

ADDITIONAL BACKGROUND

None

ATTACHMENTS TO THIS REQUEST

(1) Interlocal Agreement

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

None

**INTERLOCAL AGREEMENT FOR INTERGROUP COMMON ISSUES
AMONG AND BETWEEN THE NORTHWEST SEAPORT ALLIANCE
AND THE PORT OF TACOMA AND THE PORT OF SEATTLE**

THIS INTERLOCAL AGREEMENT ("Agreement") is entered into among and between the Northwest Seaport Alliance, a Washington Public Development Authority ("NWSA"), the Port of Tacoma, a Washington Municipal Corporation, and the Port of Seattle, a Washington Municipal Corporation (referred to herein individually as "Party", and collectively as "Parties" or "Intergroup").

WHEREAS, the Port of Tacoma and the Port of Seattle have entered into an agreement to establish The Northwest Seaport Alliance pursuant to the following federal and state authorities: (1) the FMC Discussion Agreement, (2) an interlocal agreement with delegated powers exercised pursuant to the port joint powers statute (RCW 53.08.240) which expressly permits joint operation and investment outside of a port's district, (3) RCW 39.34.030, the state Interlocal Cooperation Act, and (4) pursuant to ESHB 1170, WA Session Laws of 2015-6, (Title 53.XX RCW), which authorizes the Ports to create a port development authority to use, operate and manage certain marine facilities jointly, to be known as the NWSA;

WHEREAS, from time to time, the Parties have occasion to collaborate and work jointly on issues on which they are fully aligned and are able to share costs, and wish to do so under the Interlocal Cooperation Act, RCW 39.34 for the limited scope, duration and cost of activities addressed herein;

WHEREAS, examples of scenarios for which the Parties could utilize this Agreement include where collaboration on procurement would create efficiencies, the Parties are engaged in a joint study, or the Parties seek to participate in a community or industry group such as Maritime Blue or Quiet Sound;

WHEREAS, the purpose of this Agreement is to allow for relatively low-cost, inter-group agreements ("IGAs") between either or both Homeports and the NWSA when the entities are aligned and acting jointly without further Managing Member or Homeport commission vote; and

WHEREAS, the Parties are authorized, pursuant to Chapter 39.34 RCW to enter into this Interlocal Agreement.

NOW THEREFORE, the Parties agree as follows:

1) Authorized Scope:

NWSA and Homeport staff may negotiate and enter into IGAs for joint efforts using the authorization provided for in this Agreement without the need for further Commission or Managing Member action provided all of the following are met: a) the total cost of the IGA is less than the lowest delegated amount to the leader of any of the three entities; b) the entities seek to embark on a joint effort where interests are aligned; c) the CEO or Executive Director(s) of all three entities are provided a draft of the IGA by the leading agency staff member five days prior to finalizing the agreement; d) the approved IGA references this Agreement and is filed with the

NWSA Clerk; and e) the IGA is posted on the participating Parties' websites. This Agreement does not authorize real estate transactions between the Parties.

- 2) Allocation of Expenses. The method of allocating expense and the process for payment of costs associated with IGAs will be determined by staff and captured in the IGA.
- 3) Duration of this Agreement. This Agreement is effective January 1, 2026 through December 31, 2026.
- 4) Communications. Each IGA shall identify the contact people for the Parties that will coordinate the work for each IGA. It is expected that the identified contact people will communicate frequently to coordinate the work, to confirm that interests remain aligned, and otherwise manage the IGA.
- 5) Employment, Policies and Procedures. During the term of this Agreement, individuals providing services hereunder or in connection with IGA(s) executed pursuant to this Agreement will remain full-time employees of their respective employer, who shall continue to be responsible for salary, benefits and retirement contributions. Nothing contained herein shall be construed as creating an employer/employee relationship between the individuals providing support services and the entity receiving the services. Staff will follow the policies and procedures of their respective employer in conducting any work hereunder.
- 6) Billing Rate and Procedures. Shared costs and charges will be determined during the budget cycle for the coming fiscal year. Based on the specific IGA, costs will be allocated in one of the following ways: (1) monthly based on a fixed charge or formula, (2) charged to projects based on developed charge out rates or (3) performed as a fee for service based on predetermined charged out rates.
- 7) Independent Municipal Governments. The Parties hereto are independent governmental entities and nothing herein shall be construed to limit the independent government powers, authority or discretion of the governing bodies of each Party. It is understood and agreed that this Agreement is solely for the benefit of the Parties hereto and gives no right to any other party. No joint venture or partnership is formed as a result of this Agreement. No employees or agents of any Party shall be deemed, or represent themselves to be, employees of any of the other Party.
- 8) Legal obligations. This Agreement does not relieve either Party of any obligation or responsibility imposed upon it by law.
- 9) Timely Performance. The requirements of this Agreement shall be carried out in a timely manner according to a schedule negotiated by and satisfactory to the Parties.
- 10) Recording. Copies of this Agreement shall be posted to the web sites of the Parties.
- 11) Audit of Records. During the term of this Agreement, and for a period not less than six (6) years from the date of termination, records and accounts pertaining to the work of this Agreement and accounting therefore shall be kept by each Party and shall be available for inspection and audit by representatives of either Party and any other entity with legal entitlement to review said records. If any litigation, claim, or audit is commenced, the records and accounts along with supporting documentation shall be retained until all litigation, claims, or audit finding has been resolved, even though such litigation, claim, or audit continues past the six-year (6) retention period. This provision is in addition to

and is not intended to supplant, alter or amend records retention requirements established by applicable state and federal laws.

12) Dispute Resolution

A. Process. The Parties' designated representatives under Paragraph 13 herein shall use their best efforts to resolve disputes between the Parties. If the designated representatives are unable to resolve a dispute, then each Party's responsible IGA Leads shall review the matter and use their best efforts to resolve it. If the IGA Leads are unable to resolve the dispute, the matter shall be reviewed by the department director or chief executive officer of each Party or his or her designee. The Parties agree to exhaust each of these procedural steps before seeking to further resolve the dispute in any other forum. Any controversy or claim arising out of or relating to this Agreement, or the breach thereof, which is not settled by agreement between the Parties, shall be settled by mediation in the State of Washington, in Pierce or King Counties. In the event either Party reasonably believes mediation will not result in a solution to the disagreement, mediation may be waived.

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

13) Notices

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

NWSA:	David Morrison, Chief Financial Officer PO Box 2985 Tacoma, WA 98401-2985 egaleno@portoftacoma.com
-------	---

Port of Seattle:	Chris Wimsatt, Chief Financial Officer PO Box 1209 Seattle, WA 98111 winsatt.c@portseattle.org
------------------	--

Port of Tacoma:	Erin Galeno, Chief Financial and Administrative Officer PO Box 1837 Tacoma, WA 98401 egaleno@portoftacoma.com
-----------------	--

B. Receipt. Notice shall be deemed "received" on the date of actual delivery or the first attempted delivery as shown on the return receipt if mailed with the United States Postal Service by certified mail, return receipt requested, otherwise receipt if presumed three days after deposit of mail into US Mail, or by receipt of email.

14) Indemnification and Hold Harmless

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

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

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

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

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

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

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

15) Severability

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

16) Limits of Financial Obligations/Property ownership.

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

17) Entire Agreement/Amendment

This Agreement, together with any documents attached or incorporated by reference shall constitute the entire agreement between the Parties with respect to the IGAs hereunder and shall supersede all

prior agreements, proposals, understandings, representations, correspondence or communications relating to the subject matter hereof. No modification or amendment of this Agreement shall be valid and effective unless approved by both parties in writing.

WHEREFORE, the parties have executed this Agreement this _____ day of _____, 2025.

Northwest Seaport Alliance

Port of Seattle

John Wolfe
Chief Executive Officer

Date:_____

Stephen Metruck
Executive Director

Date:_____

Port of Tacoma

Eric Johnson
Executive Director

Date:_____

**COMMISSION
AGENDA MEMORANDUM**

Item No.

8e

ACTION ITEM

Date of Meeting

December 9, 2025

DATE : November 17, 2025

TO: Stephen P. Metruck, Executive Director

FROM: Janice Zahn, Chief Engineer
Greg Gauthier, Labor Relations Manager

SUBJECT: Project Labor Agreement for FAA-Funded Covered Projects between the Port of Seattle and the Seattle/King County Building and Construction Trades Council (SBT), and Western States Regional Council of Carpenters

ACTION REQUESTED

Request Commission authorization for the Executive Director to execute a new project labor agreement (PLA) for FAA-funded projects between the Port of Seattle and the Seattle/King County Building and Construction Trades Council (SBT), and Western States Regional Council of Carpenters, covering the period from August 20, 2025, through December 31, 2028.

EXECUTIVE SUMMARY

Good faith bargaining between the Seattle/King County Building and Construction Trades Council, and Western States Regional Council of Carpenters, and the Port of Seattle resulted in a fair bargaining agreement consistent with the Port's priorities. The FAA has approved the tentative agreement.

The Port of Seattle Commission Policy Directive on Construction Labor Practices for projects located on Port of Seattle Property (Policy Directive), established in October 2016, provides direction for construction labor for projects on Port property. The purposes of the policy directive are to expand access to construction jobs; ensure fair treatment of workers; promote labor harmony and uninterrupted work progress; and improve safety at construction sites. It also chartered the Projects and Procurements Committee to work with staff and stakeholders to develop standard language to be used in project labor agreements (PLAs). During negotiations in 2025, Port staff, Seattle/King County Building and Construction Trades Council, and Western States Regional Council of Carpenters, have agreed on such standard language. The agreed language is to remain in force through December 31, 2028.

The negotiations for the FAA-PLA were brief and resulted in a document consistent with previous Port PLAs for FAA-funded covered projects with minor modification. Minor modifications include updating the name of the negotiating body for the Carpenters union from Northwest

Meeting Date: December 9, 2025

Construction Alliance II to Western States Regional Council of Carpenters; enhancing small business outreach and participation; updating the list of pre-apprenticeship training programs for preferred entry; removing gender specific language; updating the Substance Abuse appendix to mirror the language in the Safety Management specification; and general revisions to language for clarity. The standard language is consistent with previous Port PLAs for FAA-funded covered projects.

JUSTIFICATION

The policy directive established PLA decision criteria, established procedures for applying labor standards to different categories of construction contracts on Port property, and directed the following:

The Projects and Procurements Committee is hereby chartered to work with staff and stakeholders to develop standard language to be included in Port PLAs unless otherwise authorized by the Commission.

During the period of March - August 2025, Port staff from Labor Relations and Engineering negotiated the PLA language with leaders from SBT, Carpenters, and member unions. Negotiations were simple as the majority of the PLA language was rolled over from the previous agreement.

In general, in return for commitment to no work stoppages or slowdowns, the PLA requires that except for named exceptions, all craft labor will be dispatched from union halls and employers will pay into the benefit funds of the respective trade unions. The PLA document is incorporated into the contract between the Port and the general contractor and by extension to subcontractors. Highlights of the current agreement include:

- Reference to the Construction Labor Practices policy directive.
- Conflicts with Collective Bargaining Agreements (CBAs) have been minimized and the precedence of the CBAs affirmed.
- Unions and contractors commit to outreach to Small Business Enterprises with training and assistance and to facilitate entry into the building and construction trades of military veterans.
- Reduced risk to operations impacts and construction schedule delays caused by potential labor disputes.
- Dispute and grievance resolution procedures remain in place.
- Jurisdictional trade assignment dispute resolution process remains in place.
- Consistent with State law, the apprenticeship utilization goal remains at 15 percent, but the aspirational goals for the share of minority and women apprentices are 21 percent and 12 percent, respectively.
- Subcontractors who are not party to CBAs may request by name the referral of up to 5 “core” workers.

Meeting Date: December 9, 2025

ATTACHMENTS TO THIS REQUEST

- (1) Proposed PLA Standard Language for FAA-funded covered projects

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

None.



Project Labor Agreement

FOR THE

2025-2028 FAA-Funded Covered
Projects

BETWEEN

The Port of Seattle

AND

Seattle/King County Building and
Construction Trades Council

Western States Regional Council of
Carpenters

August 20, 2025

Table of Contents

ARTICLE 1	2
PURPOSE.....	2
ARTICLE 2 SCOPE OF AGREEMENT	3
ARTICLE 3 UNION RECOGNITION.....	5
ARTICLE 4 MANAGEMENT’S RIGHTS	5
ARTICLE 5 UNION SECURITY	6
ARTICLE 6 WORK STOPPAGES AND LOCKOUTS	7
ARTICLE 7 DISPUTES AND GRIEVANCES.....	8
ARTICLE 8 JURISDICTIONAL DISPUTES	10
ARTICLE 9 SUBCONTRACTING	11
ARTICLE 10 HELMETS TO HARDHATS	12
ARTICLE 11 APPRENTICESHIP UTILIZATION	13
ARTICLE 12 PREFERRED ENTRY	13
ARTICLE 13 MONTHLY LABOR/MANAGEMENT MEETINGS	14
ARTICLE 14 WAGE SCALES AND FRINGE BENEFITS	15
ARTICLE 15 SUBSTANCE ABUSE PROGRAM.....	16
ARTICLE 16 REFERRAL PROCEDURES	16
ARTICLE 17 WORK RULES.....	18
ARTICLE 18 HOURS OF WORK, OVERTIME, SHIFTS AND HOLIDAYS	19
ARTICLE 19 SAFETY AND HEALTH.....	21
ARTICLE 20 SAVINGS AND SEVERABILITY.....	23
ARTICLE 21 DURATION OF AGREEMENT	23
APPENDIX A Substance Abuse Program.....	27
APPENDIX B	28
Prefabrication Side Letter.....	29
Letter of Understanding	30

**Signatory Unions/Port of Seattle
Project Labor Agreement**

ARTICLE 1

It is the intent of the Parties to set out uniform standard working conditions for the efficient performance of construction; herein to establish and maintain harmonious relations between all parties to this Agreement; to secure optimum quality and productivity, and to eliminate strikes, lockouts or delays in the performance of the work undertaken by the Employer.

This commitment includes the Owners, Contractors and Unions who become signatory to this Agreement.

PURPOSE

This Agreement is entered into by and between the Port of Seattle (Port), its successors or assigns, the Project Contractor(s), and the Seattle Building Trades and the Western States Regional Council of Carpenters, hereinafter collectively called the “Union or Unions,” with respect to the FAA-Funded Covered Projects Project Labor Agreement.

Consistent with Port Commission Resolutions 3725, 3736, and 3746, which provide that "the assumption will be in favor of employing [a project labor] agreement for construction contracts that are anticipated to be in excess of \$5 million," this agreement will cover construction projects and/or contracts with a PLA that are funded in part by the FAA as approved by the Port Commission that are executed between August 20, 2025 through December 31, 2028. Such approved construction projects are hereafter referred to as “FAA-Funded Covered Projects”. The Port shall notify the Seattle Building Trades and the Western States Regional Council of Carpenters of Commission approved construction projects. The Port will maintain a current list of all FAA-Funded Covered Projects.

The term “Contractor” shall include all construction contractors and all sub-contractors of whatever tier engaged in onsite construction work within the scope of this Agreement. The term “Prime Contractor” is the general contractor awarded the initial Project bid.

The Parties recognize the need for the timely completion of Port of Seattle FAA-Funded Covered Project without interruption or delay. This Agreement is intended to enhance this cooperative effort through the establishment of a framework for labor-management cooperation and stability. The Parties agree that the timely construction of this Project will require substantial numbers of employees from construction and supporting crafts possessing skills and qualifications that are vital to its completion. They will work together to furnish skilled, efficient craft workers for the construction of the Project.

Further, the Parties desire to mutually establish and stabilize wages, hours and working conditions for the craft workers to encourage close cooperation between the Contractor(s) and the Unions to

the end that a satisfactory, continuous and harmonious relationship will exist between the Parties to this Agreement.

Therefore, to maintain a spirit of harmony, labor-management peace, and stability during the term of this Agreement, the Parties agree to abide by the terms and conditions in this Agreement, and to establish effective and binding methods for the settlement of all misunderstandings, disputes or grievances which may arise. Further, the Contractor(s) and all of its Sub-contractors of whatever tier, agree not to engage in any lockout, and the Unions agree not to engage in any strike, slow-down, interruption, or other disruption of or interference with the work covered by this Agreement.

ARTICLE 2 SCOPE OF AGREEMENT

Section 1.

This Project Labor Agreement (PLA) shall apply and is limited to the recognized and accepted historical definition of construction work as described in the FAA-Funded Covered Projects performed by the Prime Contractor and those Sub-contractors of whatever tier which have contracts with the Prime Contractor for such work, all of which is herein described as the "Project". Except for the activities covered by Section 5 of this Article, any construction work defined in RCW 39.12 will be subject to the PLA. Such work shall include site preparation work and dedicated off-site work, including transportation of equipment and materials to the site.

It is understood by the Parties that the Port may, at its sole discretion, add a specific project to the list of FAA-Funded Covered Projects. In so doing, the Port will notify the Unions of their intended changes.

It is agreed that the Prime Contractor agrees to require all Contractors and their Sub-contractors of whatever tier who have been awarded contracts for work covered by this PLA, to accept and be bound by the terms and conditions of this Project Labor Agreement by executing the Letter of Assent (Appendix B) prior to commencing work. The Port shall assure compliance with this PLA by the Contractors. The signatory Unions agree to assist the Port with contractor compliance.

When a subject is covered by the provisions of a Collective Bargaining Agreement (CBA) and is not covered by this PLA, the local CBA shall prevail if not in conflict with FAA's Airport Improvement Program requirements. It is further agreed that, where there is a conflict, the terms and conditions of this Project Labor Agreement shall supersede and override terms and conditions of any and all other national, area, or local Collective Bargaining Agreements, except for all work performed under the NTL Articles of Agreement, the National Stack/Chimney Agreement, the National Cooling Tower Agreement, all instrument calibration work and loop checking shall be performed under the terms of the UA/IBEW Joint National Agreement for Instrument and Control Systems Technicians, and the National Agreement of the International Union of Elevator Constructors, wWith the exception of Article 6, 7, and 8 of this Project Labor Agreement, which shall apply to such work. If this PLA is silent on any issues the individual Collective Bargaining Agreements shall prevail.

It is understood that this is a self-contained, stand alone, Agreement and that by virtue of having become bound to this Project Labor Agreement, neither the Project Contractor nor the Contractors shall be obligated to sign any other local, area, or national agreement.

Section 2.

Nothing contained herein shall be construed to prohibit, restrict or interfere with the performance of any other operation, work, or function which may occur at the Project site or be associated with the development of the Project.

Section 3.

This PLA shall only be binding on the signatory Parties hereto and shall not apply to their parents, affiliates or subsidiaries.

Section 4.

The Port and/or the Prime Contractor and all of its Sub-contractors regardless of tier have the absolute right to select any qualified and responsible bidder for the award of contracts on this Project without reference to the existence or non-existence of any agreements between such bidder and any party to this PLA; provided, however, only that such bidder is willing, ready and able to sign a letter of assent, should it be designated the successful bidder.

Section 5.

Items specifically excluded from the scope of this PLA include but are not limited to the following:

- (a) The excluded employees contained in this PLA shall at no time perform bargaining unit work covered by the trades signatory to the PLA. Work of non-manual employees, including but not limited to, superintendents, supervisors, assistant supervisors, staff engineers, inspectors, quality control and quality assurance personnel, timekeepers, mail carriers, clerks, office workers, including messengers, guards, safety personnel, emergency medical and first aid technicians, engineering, administrative, community relations or public affairs, environmental compliance, supervisory and management employees, specialty testing, architectural/engineering design, suppliers, and other professional services.
- (b) Equipment and machinery owned or controlled and operated by the Port or by any of the airlines or airport concessionaires or tenants.
- (c) Non-manual work by employees of a manufacturer or vendor necessary to maintain such manufacturers or vendor's written warranty or guarantee or the on-site supervision of such work.
- (d) Laboratory for specialty testing or inspections not ordinarily done by the signatory Local Unions.
- (e) Non-construction support services contracted by the Owner in connection with this Project.

(f) Survey work performed by the Owner or prior to ‘notice to proceed’ is excluded.

(g) All work performed or contracted by airport tenants, defined by contract documents to be constructed within a defined area of new construction or facility improvement work covered by the PLA, will be exempt. The Port agrees to provide the Unions notification of defined airport tenant work prior to construction. The Unions recognize that during the term of this PLA improvements will be contracted directly by airport tenants and performed by contractors outside the scope of this PLA.

(h) All work performed by Port employees is exempt.

Section 6.

The provisions of this PLA shall apply to the Port and any of its small works contractors when doing covered work. Nothing contained herein shall be construed to prohibit or restrict the Port or its employees from performing work not covered by this PLA on the Project site.

Section 7.

It is understood that the Port, at its sole option, may terminate, delay and/or suspend any or all portions of the Project at any time.

Section 8.

It is understood that the liability of any Contractor and the liability of the separate Unions under this PLA shall be several and not joint. The Unions agree that this PLA does not have the effect of creating any joint employer status between or among the Port, Contractor(s) or any Contractor.

ARTICLE 3 UNION RECOGNITION

The Contractors recognize the Seattle Building Trades, the Western States Regional Council of Carpenters and other signatory Unions as the sole and exclusive bargaining representatives of all craft employees within their respective historical jurisdictions working on the Project within the scope of this PLA.

ARTICLE 4 MANAGEMENT’S RIGHTS

The Prime Contractor, and all of their Sub-contractors of whatever tier retain full and exclusive authority for the management of their operations. Except as otherwise limited by the terms of this PLA, the Contractors shall direct their working forces at their prerogative, including, but not limited to hiring, promotion, transfer, lay-off or discharge for just cause. No rules, customs, or practices shall be permitted or observed which limit or restrict production, or limit or restrict the working efforts of employees. The Contractors shall utilize the most efficient method or techniques of construction, tools, or other labor saving devices. There shall be no limitations upon the choice of materials or design, or any limit on production by workers or restrictions on the full use of tools

or equipment. There shall be no restriction, other than may be required by safety regulations, on the number of employees assigned to any crew or to any service.

ARTICLE 5 UNION SECURITY

Section 1.

Authorized representatives of the Union shall have reasonable access to the Project, provided that such representatives do not interfere with the work of the employees, and further provided that such representatives fully comply with posted visitor, security and safety rules and the environmental compliance requirements of the Project. It is understood that because of the scope of the Project, the type of work being undertaken on the Project site and the continuous operation of the airport during construction, visitors may be limited to certain times, or areas, or to being escorted at all times if said representative does not have a Security Identification Display Area (SIDA) Badge while on the Project site; in such circumstances, however, Project workers shall be allowed to confer privately with their authorized Union representatives. The Contractor recognizes the right of access set forth in the Section and such access will not be unreasonably withheld from an authorized representative of the Union.

Section 2.

(a) Each signatory Local Union shall have the right to designate a working journey level union member as a steward for the Prime Contractor and Sub-Contractors of whatever tier and for each shift being worked and shall notify the Contractor in writing of the identity of the designated steward or stewards prior to the assumption of such person's duties as steward. Such designated steward or stewards shall not exercise any supervisory functions, such as hiring or termination of fellow employees or the direction of the work. There will be no non-working stewards. Stewards will receive the regular rate of pay for their respective crafts.

(b) A steward for each craft of the signatory Unions employed on the Project shall be permitted on the Project site at all times when work is being performed. Stewards shall not be subject to discrimination or discharge on account of proper union activities. The Unions agree that such activities shall not unreasonably interfere with the steward's work for the Contractor.

(c) In addition to his/her work as an employee, the steward shall have the right to receive, but not solicit, complaints or grievances and with local Union representative approval may discuss and assist in the adjustment of the same with the employee's appropriate supervisor. Each steward shall be concerned with the employees of the steward's craft. The Contractor will not discriminate against the steward in the proper performance of his/her union duties.

(d) When a Contractor has multiple, non-contiguous work locations on the site, the Union may appoint additional working stewards to provide independent coverage of one or more such locations. In such cases, a steward may not service more than one work location without the approval of the Union.

(e) The stewards shall not have the right to determine when overtime shall be worked or who shall work overtime. Provisions of any Collective Bargaining Agreement, giving the steward the option of working all reasonable overtime within their craft and shift shall be recognized, provided they are qualified to perform the task assigned.

Section 3.

The Contractor agrees to notify the appropriate Union, in writing twenty-four (24) hours prior to the layoff of a steward, except in the case of disciplinary discharge for just cause. If a steward is protected against such layoff by the provisions of any Collective Bargaining Agreement, such provisions shall be recognized to the extent that the steward possesses the necessary qualifications to perform the work remaining. In any case in which a steward is discharged or disciplined for just cause, the appropriate Union shall be notified immediately by the Contractor.

Section 4.

Personnel of the Port will be working in close proximity to the construction activities. The Union agrees that the Union representatives, stewards, and individual workers will not interfere with the Port personnel, or with personnel employed by any other Employer not a party to this PLA.

ARTICLE 6 WORK STOPPAGES AND LOCKOUTS

Section 1.

During the term of this PLA there shall be no strikes, picketing, work stoppages, slowdowns or other disruptive activity for any reason by the Union, its applicable Local Union or by any employee, and there shall be no lockout by the Contractor on FAA-Funded Covered Projects. Failure of any Union, Local Union or employee to cross any picket line established at the FAA-Funded Covered Project site is a violation of this Article.

Section 2.

The Union and its applicable Local Union shall not sanction aid or abet, encourage or continue any work stoppage, strike, picketing or other disruptive activity at the Contractor's Project site and shall undertake all reasonable means to prevent or to terminate any such activity. No employee shall engage in activities which violate this Article. Any employee who participates in or encourages any activities which interfere with the normal operation of the Project shall be subject to disciplinary action, including discharge, and if justifiably discharged for the above reasons, shall not be eligible for rehire on the Project for a period of not less than ninety (90) days.

Section 3.

Neither the Union nor its applicable Local Union shall be liable for acts of employees for whom it has no responsibility. The International Union General President or Presidents will immediately instruct order and use the best efforts of his/her office to cause the Local Union or Unions to cease

any violations of this Article. An International Union complying with this obligation shall not be liable for unauthorized acts of its Local Union. The principal officer or officers of a Local Union will immediately instruct, order and use the best efforts of his/her office to cause the employees the Local Union represents to cease any violations of this Article. A Local Union complying with this obligation shall not be liable for unauthorized acts of employees it represents. The failure of the Contractor to exercise its right in any instance shall not be deemed a waiver of its right in any other instance.

Section 4.

If any Party to this PLA believes a violation of this article has occurred, that Party may submit their claim as a grievance under Article 7, Step 4, for expedited arbitration. The sole issue at the arbitration hearing shall be whether or not a violation of this Article occurred. The arbitrator shall have no authority to consider any justification, explanation or mitigation for such violation. The arbitrator's award shall be issued in writing within 24 hours after the close of the hearing, and may be issued without an opinion. If any Party desires an opinion, one shall be issued within fifteen (15) days, but its issuance shall not delay compliance with, or enforcement of, the award. The arbitrator may order cessation of the violation, and any other appropriate relief, including, but not limited to liquidated damages in the following amounts: For the first shift in which the violation occurred, \$10,000; for the second shift, \$10,000; for the third shift, \$10,000; for each shift thereafter in which the craft has not returned to work, \$10,000 per shift. Such award shall be final and binding on all parties. The fees and expenses of the arbitrator shall be equally divided between the moving Party or Parties and the Party or Parties respondent. If the arbitrator determines that a violation of this Article has occurred the Union(s) shall, within eight (8) hours of receipt of the award, direct all of the employees they represent on the Project to immediately return to work. If the arbitrator determines that a lockout has occurred in violation of this Article, he/she shall be empowered to order the Contractor to bring the employee(s) in question back to work, and award back pay to the employees who were locked out. The arbitrator shall retain jurisdiction to determine compliance with this Article.

ARTICLE 7 DISPUTES AND GRIEVANCES

Section 1.

This PLA is intended to provide close cooperation between the Port, Contractor, and Labor. Each of the Unions will assign a representative to this Project for the purpose of completing the construction of the FAA-Funded Covered Project economically, efficiently, continuously, and without interruptions, delays, or work stoppages.

Section 2.

The Port, Contractors, Unions, and the employees, collectively and individually, realize the importance to all Parties to maintain continuous and uninterrupted performance of the work of the Project, and agree to resolve disputes in accordance with the grievance-arbitration provisions set forth in this Article.

Section 3.

Any question or dispute arising out of and during the term of this PLA (other than trade jurisdictional disputes) shall be considered a grievance and subject to resolution under the following procedures:

Step 1.

(a) When any employee subject to the provisions of this PLA feels they are aggrieved by a violation of this PLA, the employee, through their local Union business representative or designated Union Representative, shall, within ten (10) working days after the occurrence, or had knowledge of or should have known of the alleged violation, give notice to the work-site representative of the involved Contractor stating the provision(s) alleged to have been violated. The business representative of the local Union or the designated Union Representative and the work-site representative of the involved Contractor and the Owners Representative shall meet and endeavor to adjust the matter within three (3) working days after timely notice has been given. The representative of the Contractor shall keep the meeting minutes and shall respond to the Union representative in writing and the Owners Representatives at the conclusion of the meeting but not later than twenty-four (24) hours thereafter. If they fail to resolve the matter within the prescribed period, the grieving party may, within forty-eight (48) hours thereafter, pursue Step 2 of the Grievance Procedure, provided the grievance is reduced to writing, setting forth the relevant information concerning the alleged grievance, including a short description thereof, the date on which the grievance occurred, and the provision(s) of the PLA alleged to have been violated.

(b) Should the Local Union(s) or the Project Contractor or any Sub-Contractor of whatever tier have a dispute with the other Party and, if after conferring, a settlement is not reached within three (3) working days, the dispute may be reduced to writing and proceed to Step 2 in the same manner as outlined herein for the adjustment of an employee complaint.

Step 2.

The International Union Representative and the involved Contractor shall meet within seven (7) working days of the referral of a dispute to this second step to arrive at a satisfactory settlement thereof. Meeting minutes shall be kept by the Contractor. If the Parties fail to reach an agreement, the dispute may be appealed in writing in accordance with the provisions of Step 3 within seven (7) calendar days thereafter.

Step 3.

Expedited Alternative Dispute Resolution

In the event no resolution is reached by the Union and the Contractor at Step 2, upon mutual agreement the parties may agree to submit the grievance to a mediator appointed by Federal Mediation and Conciliation Services (FMCS) or another mutually agreed upon mediator for mediation. If mediation fails to resolve the issue(s) or if both Parties do not agree to submit the grievance to mediation, either party may request that the grievance be submitted to an arbitrator in accordance with the provisions of Step 4. Nothing done or said by the Parties or the mediator during the grievance mediation can be used in the arbitration proceeding.

Step 4.

(a) If the grievance has been submitted but not adjusted under Step 2 or Step 3, either Party may request in writing, within seven (7) calendar days thereafter, that the grievance be submitted to an Arbitrator mutually agreed upon by them. The Contractor and Sub-Contractor of whatever tier and the involved Union shall attempt mutually to select an arbitrator, but if they are unable to do so, they shall request the Federal Mediation and Conciliation Services (FMCS) to provide them with a list of arbitrators from which the Arbitrator shall be selected. The rules of the (FMCS or whoever we designate) shall govern the conduct of the arbitration hearing. The decision of the Arbitrator shall be final and binding on all Parties. The fee and expenses of such Arbitration shall be borne equally by the Contractor and the involved Local Union(s).

(b) Failure of the grieving party to adhere to the time limits established herein shall render the grievance null and void. The time limits established herein may be extended only by written consent of the parties involved at the particular step where the extension is agreed upon. The Arbitrator shall have the authority to make decisions only on issues presented to him/her. Also he/she shall not have authority to change, amend, add to or detract from any of the provisions of this PLA.

Section 4.

The Prime Contractor, Sub-tier contractor, the Port and the Union representatives shall be notified of all actions at Steps 2 and 3 and shall, upon their request, be permitted to participate in all proceedings at these steps.

ARTICLE 8 JURISDICTIONAL DISPUTES

Section 1.

(a) The assignment of work will be solely the responsibility of the Contractor performing the work involved; and such work assignments will be in accordance with the Plan for the Settlement of Jurisdictional Disputes in the Construction Industry (the "Plan") or any successor Plan and shall be based upon the appropriate agreements of record, decisions of record and previously provided local written agreements between or among the Unions and established trade practice prevailing in the locality. Locality is defined as the Seattle/King County Building Trades geographical jurisdiction. Such assignments shall be disclosed by the Contractor at a pre-job conference held in accordance with industry practice, which pre-job conference will include a representative of the Prime Contractor.

Section 2.

All jurisdictional disputes on FAA-Funded Covered Project, between or among the Building and Construction Trades Unions, the Western States Regional Council of Carpenters and Contractors, parties to this PLA, shall be settled and adjusted according to the present Plan established by the Building and Construction Trades Department or any other plan or method of procedure that may

be adopted in the future by the Building and Construction Trades Department. Decisions rendered shall be final, binding and conclusive on the Contractors and Unions parties to this PLA.

Section 3.

All jurisdictional disputes shall be resolved without the occurrence of any strike, work stoppage, or slow-down of any nature and the Contractor's assignment shall be adhered to until the dispute is resolved. Individuals violating this Section shall be subject to immediate discharge.

Section 4.

Each Contractor will submit to the Port a proposed trade assignment and attend a pre-job conference, scheduled by the Port, with the Unions a minimum of 2 weeks prior but not more than 90 days prior to commencing work. Each Contractor will submit to the Port a final trade assignment one (1) week after attending the pre-job conference and prior to starting work. The Port will send copies of the trade assignments to the Unions.

ARTICLE 9 SUBCONTRACTING

Section 1.

The Prime Contractor agrees that no Contractor shall subcontract any FAA-Funded Covered Project work except to a person, firm or corporation party that is willing, ready and able to sign a Letter of Assent.

Section 2.

If a Building Trades Union that traditionally represents construction employees in the geographic area of the Project chooses not to become signatory to this PLA, the Prime Contractor and the signatory Unions shall utilize one or both of the following options to ensure that work that may be claimed by the non-signatory Union ("claimed work") is completed without disrupting the FAA-Funded Covered Project:

- (a) The signatory Unions will provide the Prime Contractor and all other Sub-tier contractors who, by signing the Letter of Assent, agree to the terms and conditions of this PLA with the appropriate workforce to perform the claimed work.
- (b) The Prime Contractor may utilize any Contractor or Subcontractor to perform claimed work, except that if such Contractor is party to an agreement with the non-signatory Union, such Union must agree in writing to abide by Article 8, Jurisdictional Disputes, and Article 6 Work Stoppages and Lockouts for the contractor to be awarded work under this PLA. Such Contractor may utilize its existing workforce and wage and benefit package. Such Contractors shall be required to agree in writing to be bound to and abide by this Article, Article 6 Work Stoppages and Lockouts, and Article 8 Jurisdictional Disputes. No other provision shall apply to such Contractors unless required by the Prime Contractor.

The names and physical business addresses of all Subcontractors on work covered by this PLA shall be transmitted to the Seattle Building Trades the Western States Regional Council of Carpenters by the Employer.

Section 3: Small Business Outreach.

The Prime Contractor and the Unions commit to conduct small business outreach to Minority, Women and Disadvantaged Business Enterprises (MWD BE) certified through the Washington State Office of Women and Minority Business Enterprises. The Prime Contractor and the Unions also commit to outreach to small construction contractors and suppliers that are within the Port's VendorConnect data base system .

The Port and Unions agree to meet with contractors to provide training and assistance about working under Collective Bargaining Agreements and this PLA.

Section 4:

Whenever the Contractor is obligated to satisfy Disadvantaged Business Enterprise (DBE) efforts, the Union's whose work is involved and the Contractor, by mutual agreement, may waive Article 9, Section 1 prior to commencement of the work in the event an Employer and the Union are unable to find qualified competitive DBE Subcontractors. The selected DBE and Prime Contractor must complete pre-job paperwork defining the scope of work to be performed prior to waiver of Article 9, Section 1.

If in accordance with the preceding paragraph, the Contractor utilizes a DBE Subcontractor who does not sign the Letter of Assent, the Subcontractor must agree in writing to abide by Article 8, Jurisdictional Disputes, and Article 6 Work Stoppages and Lockouts for the Subcontractor to be awarded work under this PLA. Such Subcontractor may utilize its existing workforce and wage and benefit package. Such Subcontractors shall be required to agree in writing to be bound to and abide by this Article, Article 6 Work Stoppages and Lockouts, and Article 8 Jurisdictional Disputes. No other provision shall apply to such Subcontractors unless required by the Prime Contractor.

ARTICLE 10 HELMETS TO HARDHATS

Section 1.

The Contractors and the Unions recognize a desire to facilitate the entry into the building and construction trades of veterans who are interested in careers in the building and construction industry. The Contractors and Unions agree to utilize the services of the Center for Military Recruitment, Assessment and Veterans Employment (hereinafter "Center") and the Center's "Helmets to Hardhats" program to serve as a resource for preliminary orientation, assessment of construction aptitude, referral to apprenticeship programs or hiring halls, counseling and mentoring, support network, employment opportunities and other needs as identified by the Parties.

Section 2.

The Unions and Employers agree to coordinate with the Center to create and maintain an integrated database of veterans interested in working on the FAA-Funded Covered Project, and of apprenticeship and employment opportunities for the FAA-Funded Covered Project. To the extent permitted by law, the Unions will give credit to such veterans for bona fide, provable past experience.

ARTICLE 11 APPRENTICESHIP UTILIZATION

The Parties agree to set an aspirational State Apprenticeship Council (SAC) Apprenticeship Utilization Goal of fifteen percent (15%) per craft. The aspirational goal established for minority apprentice training is twenty-one percent (21%) of the total apprentice training hours. The aspirational goal established for female apprentice training is twelve percent (12%) of the total apprentice training hours. The Prime Contractor will be responsible for all Contractors and Sub-contractors of whatever tier shall submit an Apprenticeship Utilization Plan at their pre-job conference and all Contractors shall submit weekly certified payrolls identifying all SAC registered apprentices.

The Parties agree to encourage appropriate use of apprentices, including Washington State Apprenticeship Training Council [WSATC] apprentices on the Project and to facilitate the participation of people of color, women and other disadvantaged persons in such apprenticeship programs, and increase the opportunities for participation by low-income people of color and women. The Parties should identify aspirational training and hiring goals and reduce barriers to employment and training.

To the extent any costs associated with the use of apprentices on the Project are not appropriate for reimbursement by the FAA under the AIP, the Port will use certified payrolls to determine the difference in wages and deduct the amount from the invoice submitted for AIP reimbursement.

ARTICLE 12_PREFERRED ENTRY

Section 1.

The Parties agree to construct and expand pathways to living wage jobs and careers in the construction industry for community members through collaborative workforce development systems involving community-based training providers and union-based apprenticeship programs. The purpose of this program is to facilitate a workforce reflective of the diversity of the region's population.

Section 2.

The Parties agree to work in cooperation to provide pre-qualified applicants access to apprenticeship opportunities generated by the construction contracts under the AIPP PLA. Preferred Entry candidates shall be placed with Contractors working on the Project, subject to an interview if requested by the Contractor. Selected Preferred Entry candidates who are not already first year apprentices shall become first period apprentices.

To give preferred entry apprentices an opportunity to become established in their apprenticeship training, Contractors must employ Preferred Entry candidates for 700 hours, in order to count that candidate toward the Preferred Entry requirement. The Port may reduce the number of required hours to a minimum of 350 hours on the Project that have insufficient total apprentice hours to support placements of a 700 hour duration.

Section 3.

The aspirational goal for Preferred Entry Apprentices shall be one (1) of each five (5) of those apprentices who have worked at least 350 or 700 hours from (but not limited to) Pre-Apprenticeship programs including the Apprenticeship and Non-Traditional Employment Program for Women (ANew), YouthBuild, Helmets to Hard Hats, King County Pre-Apprenticeship Construction Education (KC PACE), Ironworkers Pre-Apprenticeship Program, TERO Vocational Training Center (TVTC), Seattle Vocational Institute – Pre-Apprenticeship Construction Training (PACT), the Trades Related Apprenticeship Coaching Program (TRAC), Cement Masons Pre-Apprenticeship Program, or other mutually agreed-upon programs that serve people living in economically distressed communities. The list of such programs may be updated by mutual agreement between the Port and the Seattle Building, Construction Trades Council, and the **Western States Regional Council of Carpenters**.

Section 4.

The Unions and Prime Contractor agree to ensure hiring of Preferred Entry apprentices during the early start of work on the Project. The Port, Unions and Contractors recognize Preferred Entry Apprentices that are within the first two steps and/or years of their apprenticeship program.

ARTICLE 13 MONTHLY LABOR/MANAGEMENT MEETINGS

The Parties to this PLA recognize the necessity for cooperation and communication between the Unions, the Port, and the prime contractor, the elimination of disputes and misunderstandings and the resolution of unfair practices on the part of any party. To this end, the Parties agree to participate in monthly Union/Port/prime contractor meetings to address pre-apprenticeship preferred entry goals, apprenticeship utilization, priority hire requirements if applicable, job progress, administration and progress of overall PLA program, and any other relevant issues that will affect the Project and promote harmonious and stable labor/management relations. The Port shall facilitate and distribute copies of reports to the committee, including a monthly discussion of projects reviewed for application of the PLA and future projects.

ARTICLE 14 WAGE SCALES AND FRINGE BENEFITS

Section 1.

In consideration of the desire of the the Port and Unions for all construction work to proceed efficiently and economically and with due consideration for protection of labor standards, wages and working conditions, all Parties agree that:

The wage rates to be paid to all laborers, workers and mechanics who perform any part of this Contract within King County shall be in accordance with the current local craft labor agreement as identified in their individual Collective Bargaining Agreement.

Contractors will recognize the current State Prevailing Wage Rate established and required by Chapter 39.12 of the Revised Code of Washington, as amended, as the minimum rates to be paid to all craft employees, including pre-fabrication performed in Washington State, during the life of the program. This requirement applies to laborers, workers and mechanics, employed by the Contractors or any other person who performs a portion of the work contemplated by this PLA, within the State of Washington.

The Contractors agrees to adopt and agree to be bound by the written terms of the legally established trust provisions for fringe benefit bonds contained in the respective applicable local collective bargaining agreements for all craft workers, core and union, and payments shall be made by the Contractors for all craft employees during the life of the FAA-Funded Covered Project.

The Contractor shall pay the current increased wage rates and increased contribution rates to the relevant trust funds pursuant to any Collective Bargaining Agreements negotiated by the Unions during the work performed on the FAA-Funded Covered Project, effective when the relevant Collective Bargaining Agreement goes into effect. Further, the Contractor(s) and its Subcontractors will recognize all changes of wages and fringes on the effective date(s) of the individual craft local collective bargaining agreement. Any retroactive increases will be recognized provided it is part of the negotiated settlement.

If any Subcontractor is delinquent in any Trust Fund contributions, the Union or the Trust Fund shall first make every effort to resolve the delinquency. After all efforts have been exhausted, the Union or Trust Fund shall provide timely notification to the Owner and the Contractor(s), together with all documentary evidence of the delinquency endorsed by the Fund. Upon such notification, the Contractor(s) will attempt to resolve the delinquency among its Subcontractor, the Union and the Fund. If the delinquency is not resolved within ten (10) days thereafter, the Contractor(s) shall withhold an amount to cover the delinquency from any retained funds otherwise due and owing to the Subcontractor and shall not release such withholding until the Subcontractor is in compliance. If the delinquent amounts are undisputed in whole or in part between the Fund and the delinquent Subcontractor, the Contractor(s) shall issue a joint check to the Fund and the Subcontractor in the amount of the undisputed delinquency.

Copies of the Union Trust Agreements are available upon request.

Section 2. Prefabrication and Assembly

It is encouraged that any and all off-site fabrication, customization, assembly or pre-assembly work will be performed within the local region of the State of Washington.

The provision for wage rates in Article XIII shall also apply to offsite fabrication/customization, assembly or pre-assembly of parts or components for installation related to new construction on the FAA-Funded Covered Project, if such off site fabrication/customization work is performed in the State of Washington.

The payment of the applicable rate of wage to said offsite fabrication/customization, assembly or pre-assembly shall not be construed as applying the following requirements of the Agreement Article 10 (Helmets to Hardhats), Article 11 (Apprenticeship Utilization), Article 13 (Monthly Labor Management Meetings), or Article 15 (Substance Abuse Program). However, the provisions of Article 9 (Subcontracting), Article 6 (Work Stoppages and Lock Outs), and Article 8 (Jurisdictional Disputes) shall apply to such off site fabrication/customization work.

ARTICLE 15 SUBSTANCE ABUSE PROGRAM

The Parties agree to the substance abuse program outlined in Appendix A and will conform to all FAA, Airport Improvement Program Requirements.

ARTICLE 16 REFERRAL PROCEDURES

Section 1.

For Local Unions now having a job referral system as contained in their Collective Bargaining Agreement, the Contractor agrees to utilize such system and it shall be used initially by such Contractor, except as it may be modified by this Article. Referrals shall not be affected by obligations of Union membership or the lack thereof. Where airport security clearance requirements apply to work to be performed, the Contractor agrees to inform the Union's hiring hall dispatcher of those requirements when requesting workers. For those Local Unions having a Book system as part of their Collective Bargaining Agreement, such system will be honored in regards to lay-off of workers from FAA-Funded Covered Projects.

Section 2.

The Local Unions are recognized as the source of employment referrals. The appropriate Union will be contacted and shall refer all applicants for employment to this Project according to the standards or criteria uniformly applied to any construction project in the area. In the event that any Union is unable to fill any requisition for employees within a forty-eight (48) hour period after such requisition is made by the Contractor (Saturdays, Sundays and Holidays excepted), the Contractor may solicit and employ applicants from any other available source. The Contractor shall notify the Union of employees hired by any source other than referral by the Union.

Section 3.

Subject to the Contractor's right to call for a specific skill or ability, the job referral systems provided in the Collective Bargaining Agreements of the Union(s) set forth in Schedule A hereto, or, in the absence of such language, the referral practices in place at the Union(s), will be in effect for the purpose of initial employment only. Such job referral system, whether by contract or practice, must be operated in a non-discriminatory manner and in full compliance with Federal, state and local laws and regulations which require equal employment opportunities and non-discrimination, and referrals shall not be affected in any way by the rules, regulations, by-laws, constitutional provisions or any other aspect or obligations of Union membership.

Section 4.

The Contractor shall have the right to determine the competence of all employees, the right to determine the number of employees required and have the sole responsibility for selecting the employees to be laid-off consistent with this Agreement regardless of membership or non-membership in the Unions. The Contractor shall also have the right to reject any applicant referred by the Unions. Upon referral or dispatch from a Union, "turnaround" or refusal of any worker by the Contractor, requires written explanation from the Contractor that shall be communicated from the Prime Contractor to the Port and affected Union within 48 hours.

Section 5.

No employee covered by this PLA shall be required to join any Union as a condition of being employed on the FAA-Funded Covered Project. The Contractor agrees to deduct union dues or representation fees, whichever is applicable, from the pay of any employee who executes a voluntary authorization for such deductions and to remit the dues to the Union or Council.

Nothing in this Section is intended to eliminate or affect the right of any employee to join the Union.

Section 6.

Notwithstanding the provisions of Section 2 above, the Parties agree that where a Contractor is not party to a current Collective Bargaining Agreement with the Union having jurisdiction over the affected work, the Contractor may request by name, and the Local will honor, referral of up to a maximum of five (5) persons per each contractor ("core" employees), provided that the Contractor first demonstrate that those persons possess the following qualifications:

- (1) Any license required by state or federal law for the Project work to be performed;
- (2) Have worked a total of at least one thousand two hundred (1,200) hours in the construction craft during the prior two (2) years;
- (3) Were on the Contractor's active payroll for at least sixty (60) out of the ninety (90) calendar days prior to the contract award;
- (4) Have the ability to perform the work safely.

The Contractor may elect to hire its first “core” employee to be a foreperson. After the Contractor hires this first core employee, the Union will refer to such Contractor one journey level employee from the hiring hall out-of-work list for the affected trade or craft, then refer one of such Contractor’s “core” employees as a journey level employee, and shall alternate one core employee and one employee from the out-of-work list, until such Contractor’s crew requirements are met or until such Contractor has hired five (5) “core” employees, whichever occurs first.

Thereafter, all additional employees in the affected trade or craft shall be hired through the process set forth in Section 1 through 5 of this Article 16. For the duration of the Contractor’s work the ratio of “core” employees to hiring hall referrals shall be maintained and when the Contractor’s workforce is reduced, employees shall be reduced in the same ratio as was applied in the initial hiring.

All employees, core and union, shall be dispatched from the appropriate union. Trust benefits shall be paid on all employees, core and union.

Section 7.

Individual seniority will not be recognized or applied to employees working on the Project. This provision will not interfere with or supersede the use by individual Contractors of “call lists” maintained by such Contractor pursuant to addenda to the local Collective Bargaining Agreement between such Contractor and a Union signatory to this PLA.

Section 8.

The selection of craft foreperson and/or general foreperson and the number of such foreperson and/or general foreperson required shall be entirely the responsibility of the Contractor. Craft foreperson shall be designated working foreperson at the request of the Contractor. Craft workers covered by this PLA will, in the normal day- to-day operations, take their direction and supervision from their foreperson.

ARTICLE 17 WORK RULES

Section 1.

Parking shall be provided within 3 city blocks or 1500 feet from the FAA-Funded Covered Project site, whichever is shorter. Parking at or near the FAA-Funded Covered Project site will be provided to the workers at no cost.

Section 2.

Security procedures for control of tools, equipment and materials are the responsibility of the Contractor. Employees having any company property or the property of another employee in their possession without authorization is subject to immediate discharge. The Contractor will be

responsible for the establishment of reasonable security measures for the protection of personal, company and owner property.

Section 3.

Any employee who willfully damages the work of any other employee, or any material, equipment, apparatus, or machinery shall be subject to immediate termination.

Section 4.

In the interest of the future of the construction industry in the Seattle area, of which labor is a vital part, and to maintain the most efficient and competitive posture possible, the Unions pledge to work with management on the FAA-Funded Covered Project to produce the most efficient utilization of labor and equipment in accordance with this PLA.

ARTICLE 18 HOURS OF WORK, OVERTIME, SHIFTS AND HOLIDAYS

Section 1: Work Day and Work Week.

Hours of work shall refer to local collective bargaining agreements

Section 2: Starting Times.

Employees shall be at their place of work at the starting time and shall remain at their place of work (as designated by the Contractor) performing their assigned functions until quitting time. The place of work shall be defined as the gang or toolbox, or equipment at the employee's assigned work location or the place where the foreman gives instructions. The Parties reaffirm their policy of a fair day's work for a fair day's wage. There shall be no pay for time not worked unless the employee is otherwise engaged at the direction of the Contractor.

Section 3: Overtime.

Overtime shall refer to local collective bargaining agreements

Section 4: Shifts.

Shift work shall refer to local collective bargaining agreements

Section 5: Holidays.

(a) **Holidays.** Recognized holidays on the FAA-Funded Covered Project shall be New Year's Day, Martin Luther King's Birthday, Memorial Day, Fourth of July, Labor Day, Thanksgiving Day, Friday after Thanksgiving, and Christmas Day. Recognized holidays under this PLA shall be celebrated on the date the holiday is celebrated by the Port. Work may be performed on Labor Day when circumstances warrant, such as for the preservation of life and/or property. There shall be no paid holidays. If employees are required to work on a holiday, they shall receive the appropriate

overtime rate outlined in the applicable Collective Bargaining Agreement. All overtime shall be in compliance with applicable State prevailing wage requirements.

Section 6: Reporting Pay.

(a) **Reporting Pay.** Employees reporting for work and for whom no work is provided, except when given notification not to report to work, and shall receive four (4) hours pay at the regular straight-time hourly rate. Employees, who work beyond four (4) hours, shall be paid for actual hours worked. When an employee is sent to the jobsite from the union referral facility in response to a request from the Contractor for an employee for one (1) day and starts work at the designated starting time for his/her shift, the employee will be paid a minimum of eight (8) hours for that day.

Four (4) hour show-up time is contingent upon successfully completing the drug testing procedure, if required.

Airport Improvement Program (AIP) funds will not be used for Reporting Pay as covered in this section.

(b) **Make- up Day.** Should the Contractor be unable to work forty (40) hours in any workweek due to weather or other conditions over which the Contractor has no control, the Contractor may, to the extent permitted by the applicable collective bargaining agreement, schedule a make- up day (Saturday for 5/8 schedule; Friday or Saturday for 4/10 schedule). All hours worked on a make-up to complete the forty (40) hours for the standard workweek shall be paid at the straight time rate of pay, if permitted by the State prevailing wage requirements. Any hours in excess of the standard workweek worked on Saturday shall be paid at time and one-half the straight time rate of pay. For make- up day work, the full crew must be scheduled. The make-up day may not be utilized on an individual employee basis, or to make up holidays. Make-up days are voluntary and should a crew member decline the make-up day work, the Contractor may select a member of another crew as a replacement, or allow the crew to work without the regular crew member. All make-up day work will be scheduled for a full work day. All overtime shall be in compliance with applicable State and Federal prevailing wage requirements.

(c) **Call Out Pay.** Any employee called out to work outside of his shift shall receive a minimum of four hours pay at the appropriate rate, including any applicable premium. This does not apply to time worked as an extension (before or after) of the employee's normal shift.

(d) **Discharge/Departure.** When an employee leaves the job or work location of his own volition or is discharged for cause or is not working as a result of the Contractor's invocation of Safety concerns, the employee shall be paid only for the actual time worked.

(e) **Premium Rate Day.** In all cases, if the employee is reporting on a day on which a premium rate is paid, reporting pay shall be calculated at that rate.

Section 7: Meal Period.

Employees shall not be required to work more than five (5) hours from the start of the shift without at least a one-half (1/2) hour unpaid break for lunch. This lunch period shall not begin earlier than three and one-half (3 ½) hours after the start of the shift.

In the event that Employer establishes a ten (10) hour shift, the meal periods shall be at mid-shift. Employees meals may be staggered during the period of three and one-half (3 ½) to five (5) hours from the start of their shift to cover necessary work of a continuous nature.

Missed Meals and Additional Meal Periods:

- a. If a craft worker is required or allowed to work past five hours, they shall be paid one-half (1/2) hour at the applicable overtime rate and shall eat their lunch on company time.
- b. By mutual agreement between the Union and the Employer an additional hour of overtime/penalty pay may be provided in lieu of the above.
- c. Craft Workers required to work more than two (2) hours after the end of an eight (8) hour shift and one (1) hour after a ten (10) hour shift shall be furnished a meal and paid one-half (1/2) hour at the applicable wage rate and every five (5) hours thereafter, a Craft Worker shall be given time for a meal. Mealtime shall be paid at the applicable overtime rate and adequate lunch shall be provided by the Employer at the job site.
- d. By mutual agreement between the Union and the Employer an additional hour of overtime/penalty pay may be provided in lieu of the above.

Section 8: Security.

The Parties acknowledge that some work within the scope of this PLA will occur in restricted security areas of an operating airport and seaport and that employees who will be required to work in such areas will, as a condition of employment on the FAA-Funded Covered Project, be subjected to a 10-year personal background check and security clearance and will be required to comply with regulations imposed by the Port, the Department of Homeland Security (including sub-agencies such as the Transportation Security Administration and Customs and Border Patrol), and the Federal Aviation Authority governing access and conduct in such areas. The Unions acknowledge that such conditions will be imposed and that application and enforcement of such requirements may be grounds to terminate or deny an employee work on the FAA-Funded Covered Project or to deny access of their representatives to the FAA-Funded Covered Project's areas.

ARTICLE 19 SAFETY AND HEALTH

Section 1.

The Parties to this PLA will hold a regular Joint Labor/Management Safety Committee meeting to discuss safety programs and procedures to maintain the highest level of occupational safety on the FAA-Funded Covered Project site.

Section 2.

(a) It shall be the responsibility of each Contractor to ensure safe working conditions and employee compliance with any safety rules contained herein or established by the Port, or the Contractor. It is understood that the employees have an individual obligation to use diligent care to perform their work in a safe manner and to protect themselves and the property of the Contractor and the Port.

(b) Employees shall be bound by the safety, security and visitor rules and environmental compliance requirements established by the Contractor, and the Port. These rules will be published and posted in conspicuous places throughout the work site. An employee's failure to satisfy their obligations under this Section will subject them to discipline, including discharge.

(c) The use, sale, transfer, purchase and/or possession of a controlled substance, including Marijuana, and/or alcohol while on the Port's premises at any time during the work day is prohibited. Accordingly, the Parties have agreed to follow the guidelines for substance abuse and alcohol testing as stipulated in the Substance Abuse Policy (See Appendix A).

(d) These Procedures outline the safeguards set forth for the testing of employees for prohibited or controlled substances, adulterants and alcohol. It is agreed, with respect to such testing procedures, that: (i) no person referred from the Union hiring hall shall be allowed on-site as an employee until such person has completed and passed any test(s) required under the program; (ii) a person who is put to work immediately after having passed the tests shall be paid starting at the time he/she reported for the test(s); and (iii) where a Contractor requests a person to report for purposes of a pre-employment substance abuse and alcohol test, and does not intend to place that person in an active work position on that day, the person shall receive four (4) hours of pay at the regular straight- time hourly rate if the test is negative.

(e) The unauthorized use or possession of firearms, weapons, explosives or incendiary materials on or near the FAA-Funded Covered Project premises, including Port owned or leased parking lots, is prohibited. Any employee who violates this provision will be subject to discipline including discharge and/or removal from the FAA-Funded Covered Project.

(f) The Parties acknowledge that the environmental and safety restrictions governing conduct at the FAA-Funded Covered Project site prohibit smoking at any time in any location or facility. Violation of this restriction by any person will constitute grounds for removal from the site and may result in termination.

Section 3.

A Contractor may suspend all or a portion of the job to protect the life and safety of an employee. In such cases, employees will be compensated only for the actual time worked; provided, however, that where the Contractor requests employees to remain at the site and be available for work, the employees will be compensated for the standby time at their appropriate hourly rate of pay.

Airport Improvement Program (AIP) funds will not be used for standby time during suspension of the job as covered in this section.

Section 4.

The Contractor agrees to furnish warm, dry changing rooms of ample size for drying clothes, and benches and tables for lunch. The contractor agrees to supply sanitary toilet facilities, including hand-wash facilities, and sanitary drinking facilities (cool in summer) and sanitary drinking cups.

ARTICLE 20 SAVINGS AND SEVERABILITY

Section 1.

It is not the intention of either the Contractor or the Union parties to violate any laws governing the subject matter of this PLA. The Parties hereto agree that in the event any provisions of the PLA are finally held or determined to be illegal or void as being in contravention of any applicable law, the remainder of the PLA shall remain in full force and effect unless the part or parts so found to be void are wholly inseparable from the remaining portions of this PLA.

Section 2.

The occurrence of events covered by Sections 1 above shall not be construed to waive the work stoppage prohibitions of Article 6.

ARTICLE 21 DURATION OF AGREEMENT

Section 1.

This Agreement shall commence upon the date executed by both parties and shall continue in full force until December 31, 2028. The parties may mutually agree to amendments or modifications of this PLA.

Section 2.

The PLA shall continue in full force and effect for each FAA-Funded Covered Project throughout the duration of each FAA-Funded Covered Project and until the last of the FAA-Funded Covered Projects concludes. Either party desiring to extend this PLA beyond the intended term shall make such intentions known to the other party by written notice as soon as practical, which may be as early as six month prior to the otherwise effective expiration date of this agreement.

Section 3.

(a) **Turnover.** Construction of any phase, portion, section or segment of the Project shall be deemed complete when such phase, portion, section or segments has been turned over to the Owner by the Contractor, and the Owner has accepted such phase, portion, section or segment. As areas and systems of the Project are inspected and construction tested and/or approved by the Construction Manager and accepted by the Owner or third parties with the approval of the Owner, the PLA shall have no further force or effect on such items or areas, except when the Contractor is directed by the Construction Manager or Owner to engage in repairs or modifications required by its contract(s) with the Owner.

(b) **Notice.** Written notice of each final acceptance received by the Contractor will be provided to the Union with a description of what portion, segment, etc. has been accepted. Final acceptance may be subject to a "punch list", and in such case, the PLA will continue to apply to each such item on the list until it is completed to the satisfaction of the Owner and Notice of Acceptance is given by the Owner to the Contractor.

(c) **Termination.** Final termination of all obligations, rights and liabilities and disagreements shall occur upon receipt by the Union of a written notice from the Owner saying that no work remains within the scope of the PLA.

PORT OF SEATTLE:

Signature: _____
Stephen P. Metruck
Executive Director
Port of Seattle

Date: _____

UNIONS:

Seattle/King County Building & Construction Trades Council, AFL-CIO

Signature: _____
Monty Anderson
Executive Secretary

Date: _____

Western States Regional Council of Carpenters

Signature: _____
Antonio Acosta
Regional Manager

Date: _____

**Heat & Frost Insulators &
Allied Workers Local**

Signature: _____
Todd Mitchell
Business Manager

**Bricklayers & Allied Craftworkers
Local 1**

Signature: _____
Lowell Glodowski
Business Manager

Boilermakers Local 502

Signature: _____
Matthew Fregin
Business Manager/Secretary Treasurer

Cement Masons & Plasterers Local 528

Signature: _____
Eric Coffelt
Business Manager

IBEW Local 46

Signature: _____
Sean Bagsby
Business Manager

Operating Engineers Local 302

Signature: _____
Daren Konopaski
Business Manager

Elevator Constructors Local 19

Signature: _____
Patrick Strafer
Business Manager

IUPAT District Council 5

Signature: _____
Todd Springer
Business Manager

Iron Workers Local 86

Signature: _____
Bob Korth
Business Manager

UA Plumbers & Pipefitters Local 32

Signature: _____
Mike Kunkle
Business Manager

Laborers Local 242

Signature: _____
Dale Cannon
Business Manager

Roofers Local 54

Signature: _____
Eddy Ramos
Business Manager

Sheet Metal Workers Local 66

Signature: _____
Justin Bourgault
Regional Manager

Sprinkler Fitters Local 699

Signature: _____
Scott Peterson
Business Manager

Teamsters Local 174

Signature: _____
Carl Gasca
JC-28 Construction Chair

APPENDIX A Substance Abuse Program

The Parties to this PLA recognize the need to provide a drug-free and alcohol-free workplace.

In order to produce as safe a workplace as possible, the Contractor shall implement a Drug and Alcohol-Free Workplace Plan. At a minimum the plan shall include the following:

1. A plan that screens for alcohol and drugs that may impair a worker's ability to perform their work on site in a safe and effective manner.
2. Procedures to prevent drug or alcohol impaired workers from accessing Port of Seattle project sites or performing project work.
3. Contractor Screening Program, which shall include:
 - a) Preemployment Screening
 - b) Post Incident Screening
 - c) Reasonable Suspicion/Cause Screening

The contractor shall submit a copy of their Drug and Alcohol-Free Workplace Plan to the Port of Seattle for review

APPENDIX B
PORT OF SEATTLE
LETTER OF ASSENT

MC- 03Enter Number Here

Project Name: Enter Name Here

General/Prime Contractor: Enter Name Here

The undersigned, as a Contractor(s) or Subcontractor(s) on the FAA-Funded Covered Projects, for and in consideration of the award of a Contract to perform work on said Project, and in further consideration of the mutual promises made in the Project Labor Agreement (PLA), a copy of which was received and is acknowledged, hereby:

- (1) On behalf of itself and all its employees, accepts and agrees to be bound by the terms and conditions of the PLA, together with any and all amendments and supplements now existing or which are later made thereto, and understands that any act of non-compliance with all such terms and conditions, including but not limited to; evidence of compliance with the pre-employment controlled substance testing, will subject the non-complying Contractor or employee(s) to being prohibited from the Project Site until full compliance is obtained.
- (2) Certifies that it has no commitments or agreements which would preclude its full compliance with the terms and conditions of said PLA.
- (3) Agrees to secure from any Contractor(s) (as defined in said Project Labor Agreement) which is or becomes a Subcontractor(s) (of any tier), a duly executed Letter of Assent in form identical to this document prior to commencement of any work.

Date: Choose Date	Company Name: Enter Company Name Here
Prime/General Contractor: <input type="checkbox"/>	Name and Title: Enter Name and Title Here
Subcontractor: <input type="checkbox"/>	Business Address: Enter Business Address Here
<input type="checkbox"/> Tier 1: Subcontractor to Name	Telephone Number: Enter Number Here
<input type="checkbox"/> Tier 2: Subcontractor to Name	Choose a Type
<input type="checkbox"/> Tier 3: Subcontractor to Name	
<input type="checkbox"/> Tier 4: Subcontractor to Name	

Type Name Here

(Typed Name May Substitute for Signature)

Project Labor Agreement

The Unions, signatory to this Agreement, recognize that the timely completion of this Project is vital to the Port of Seattle and the Community it is intended to serve. Therefore, if the nature of the work, the Project schedule, or contracting circumstances make it necessary to obtain fabrication under conditions different than those described above, the Union(s) affected agree to meet and confer with the Contractor to discuss the reasonable needs of the Project. The Contractor and the Union(s) affected agree to discuss any other circumstances affecting off-site fabrication contracting purchases, and any reasons making it necessary to depart from the aspirational goal set forth above. The Union(s) affected agree to install on-site any components fabricated pursuant to the terms of this letter without limitation. The Parties will make every effort to keep an open channel of communication to insure that both parties are fully informed of the facts affecting the substance of this letter.

Stephen P. Metruck	Date
Executive Director	
Port of Seattle	

Signature: _____
Monty Anderson Date
Executive Secretary

Signature: _____
Antonio Acosta Date
Regional Manager

Letter of Understanding

Between

Teamsters Local Union No. 174

And

The Port of Seattle for

Airfield Improvement Projects Program Project Labor Agreement

Whereas: The work of truck drivers is unique in the execution of the Project Labor Agreements (PLA) in that much of the work is performed off site, and;

Whereas: It is the intent of the Parties through this LOU to address owner operators performing truck driving work in the execution and within the scope of this PLA:

Therefore: It is agreed that classifications of work performed by truck drivers that are within the jurisdiction of Teamsters Local Union No. 174 (“Local 174”) and performed in the execution and within the scope of this PLA, is to be paid the current prevailing wage subject to the following additions and stipulations:

1. Article 2, applies with full force and effect to all Contractors and Subcontractors of whatever tier who have been awarded contracts related to the work of truck drivers that is performed in the execution and within the scope of this PLA. Thus, all such Contractors and Subcontractors must, among other things, comply with the requirement set forth in Article 16, Section 1, 2, 3 and 4, all truck drivers who perform work within the scope of this PLA shall be dispatched by Teamsters Local 174, except insofar as limited by the other provisions of Article 16.
2. The term “employee,” as used in Article 16, is defined for the purposes of this Letter of Understanding to include any person who is performing the work of a truck driver in the execution and within the scope of this Project, unless modified by the terms of this LOU.
3. At the request of any Contractor or Subcontractor, that Contractor or Subcontractor may choose to utilize as persons performing the work of truck drivers on this Project persons who are already in possession of or who wish to provide their own vehicles (hereafter, “owner-operators”). Use of owner-operators is governed by the following rules:
 - 3.1. Pursuant to the requirements of Article 16, Section 1, 2, 3 and 4, owner-operators working on the Project must be dispatched by Teamsters Local 174.
 - 3.2. Owner-operators will receive a compensation package equivalent to the prevailing wage that is applicable to all other employees who are dispatched by Local 174 to the Contractor or Subcontractor regardless of tier. Owner-operators will also be reimbursed at the rates established by Local 174 and approved by the Port for the use of owner-operator vehicles such rates shall be based on and shall not exceed the area standard for fair market value for the use of the equipment.

- 3.3. For the purposes of this Letter of Understanding, an owner-operator is defined by WAC 296-127-026.
4. For the purpose of clarification of this document, if an Owner Operator should expand his/her business opportunities and acquire employees working on the Project, apprenticeship goals contained in the PLA will apply.

Port of Seattle

Stephen P. Metruck
Executive Director
Port of Seattle

Date

Teamsters Local 174

Carl Gasca
JC-28 Construction Chair

Date

**COMMISSION
AGENDA MEMORANDUM**

Item No.

8f

ACTION ITEM

Date of Meeting

December 9, 2025

DATE: November 12, 2025

TO: Stephen P. Metruck, Executive Director

FROM: Linda Springmann, Director of Cruise Business & Elliott Bay Operations

SUBJECT: Terminal 91 Shore Power Purchase

Amount of this request: \$3,600,000

ACTION REQUESTED

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; and to subsequently incorporate T91 equipment into the Watts Maintenance agreement.

EXECUTIVE SUMMARY

Princess Cruises and Holland America Line originally installed the shore power equipment at Terminal 30 in 2005 and then relocated it to the Pier 91 location when the facility was opened in 2009. The equipment was purchased and is still owned by Carnival Corporation's individual brands, Holland America Line and Princess Cruises. In June of 2024, Commission order 2024-08 was passed requiring that all home port cruise vessels plug into shore power by 2027. To that end, the Port is engaged in a project to expand its shore power capability to accommodate most vessels. The shore power project will add to the existing equipment at Pier 91 to offer maximum flexibility to connect vessels.

Purchasing the existing equipment from Princess/Holland America Line facilitates the use of shore power equipment by all brands and removes the barrier that exists now since non-Carnival brands must negotiate for shore power use. In addition, Princess/Holland America Line currently have an easement through 2029 for the Pier 91 property. This purchase will eliminate the need for an extension of the easement.

We currently have an agreement with Watts Marine for Pier 66 system maintenance and will fold these T91 locations into that agreement. Current agreement is a three-year agreement that is entering it's second year. We would execute an addendum to this agreement, adding this new equipment and adjusting amount to cover three configurations vs. one.

Meeting Date: December 9, 2025

JUSTIFICATION

Currently, should any non-Carnival brand wish to utilize the existing shore power equipment they must enter into a legal agreement for use with Carnival. This puts the brands in a position of negotiating with a competitor and adds barriers to the goal of 100% shore power connection by home-porting ships. Full ownership by the Port will provide full transparency to ship connectivity and assigns equipment maintenance to the Port to ensure optimum availability.

To ensure compliance with the 2027 shore power requirement, staff engaged in a rigorous review to assess the merits of acquiring the existing equipment. This review engaged CPO, Legal, and the Port Engineering and Electrical Project Management teams to evaluate the fair market value of the legacy equipment. The team reviewed various documentation such as:

- 2025 Recommissioning Reports for Pier91 east/west equipment
- Replacement cost of existing infrastructure if purchased today, supplemented with labor and installation of equipment
- Estimated use-life of the product
- Estimated delivery time if new equipment were purchased today

After considering all information about the existing equipment, its current condition, replacement value and value of Port ownership, the Port team advised that the estimated values of the current equipment as:

- East side: \$2 million
- West side: \$1.6 million

The variance in value estimates is related to the equipment that has been installed and that the East side has had upgrades while the West side has not been upgraded to accommodate larger Princess vessels. Both sets of equipment have been continually maintained over the 20 years of use. The equipment's condition was assessed during the evaluation process and found to be satisfactory.

ALTERNATIVES AND IMPLICATIONS CONSIDERED

To evaluate the options, staff considered the complexity of shore power operations given sole ownership vs. adding new Port-owned equipment to existing, cruise-owned equipment.

Alternative 1 – Install additional shore power equipment next to and on top of the existing equipment owned by the brands.

Pros:

- (1) Save expense of installing all equipment by utilizing existing.

Cons:

- (1) As owner of the transformers connected to the grid, Carnival Corporation brands would remain the primary customer of Seattle City Light.

Meeting Date: December 9, 2025

- (2) All electricity billing for use would continue through Holland America Line/Princess who would then bill other users.
- (3) Other users of shore power would be required to have an arrangement for use with Carnival Corporation creating a potential competitive conflict.
- (4) The Port's ability to require 100% connectivity for home port ships is at risk.

This is not the recommended alternative.

Alternative 2 – Purchase the existing equipment in its current condition from Holland America Line / Princess and add on to it for optimum flexibility to achieve compliance with Shore Power Order 2024-08.

Pros:

- (1) Port becomes the customer of record with Seattle City Light and any energy credits.
- (2) Shore power expansion project to provide flexibility for 100% connection can be added to this existing equipment; Port does not have to purchase new and utilizes legacy installation efforts.
- (3) Cruise line customers work directly with the Port rather than with a competitor increasing ease of compliance with Order.
- (4) Easement for Port property is relieved
- (5) Annual commissioning and decommissioning reports provide view into maintenance, care and condition of the equipment

Cons:

- (1) Port takes ownership as-is; some equipment has been upgraded but some is from initial installation.
- (2) Port takes all ongoing and future maintenance costs.

This is the recommended alternative.

FINANCIAL IMPLICATIONS

After evaluation of the scope and condition of the equipment, installation, and value of ownership, the price agreed is a total of \$3.6 million for both sets of equipment. This breaks down to \$2 million for the East T91 equipment (Princess) and \$1.6 million for the West T91 equipment (Holland America Line). The transaction will be payment from the Port to each brand separately, as ownership is unique to each.

Funding for this purchase will be provided through the Maritime Reserve C800002.

ATTACHMENTS TO THIS REQUEST

- (1) Signed CPO-5 Policy Waiver
- (2) Presentation

Meeting Date: December 9, 2025

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

Shore Power Expansion Project ongoing – previous funding includes sole source for Watts Marine (x/xx/25) and Design Funding phase of project (12/9/25)



PORT OF SEATTLE
MEMORANDUM

CPO-5 Policy Waiver #2025-005-PP

DATE: October 29, 2025
TO: Karen Goon, Deputy Executive Director
FROM: Linda Springmann, Director, Cruise Business & Elliott Bay Operations
SUBJECT: CPO-5 Policy Waiver – Terminal 91 Shore Power Purchase

REQUEST:

We request a CPO-5 policy waiver authorizing the Port to procure existing Shore Power Infrastructure on the East and West side of Terminal 91 Cruise berths. This equipment is currently operational and used to connect cruise ships to the Seattle City Lite electrical grid allowing ships to turn off diesel engines while alongside. This equipment is being purchased in support of Commission Order 2024-08 requiring all Homeport ships to connect to shore power.

PERIOD:

This is a single event waiver, to be completed when the sale is completed.

BACKGROUND:

The Terminal 91 Shore Power was originally installed in 2005 at T30 and then relocated to Terminal 91 when the operation was opened in 2009. The equipment was purchased and is still owned by Carnival Corporation individual brands, Holland America Line and Princess Cruises. Currently any non-Carnival brand wishing to utilize the existing shore power equipment must enter into an agreement for use with Carnival. Ownership of the equipment by the Port will facilitate transparency to ship connectivity and put the maintenance of this equipment in our control to ensure optimum availability, in furtherance of Commission Order 2024-08. Ownership also allows the Port to complete an expansion project to optimize connectivity flexibility for the variety of cruise ships homeporting in Seattle in the future.

There will be annual maintenance costs for this equipment including pre- and post-season commissioning as well as any needed repairs. The cost for these two sets of equipment (east and west side) is \$3,700,000.00, and was negotiated after valuation of the specific equipment by internal Port Engineering and Electrical team members. The final approval of the sale will be brought before the Commission, with this waiver, for approval for execution of an Asset Purchase Agreement by Executive Director Metruck at an upcoming Commission Meeting.

CPO-5 Policy Waiver #2025-005-PP

JUSTIFICATION FOR CPO-5 POLICY WAIVER:

The policy waiver is appropriate in consideration of RCW 39.04.280(1)(b) and CPO – 6 Section 4.3 which allows agencies to waive competitive bidding for purchases involving special market conditions. This shore power equipment has value to the Port as it is currently operational and will further the Port’s goals in compliance with Commission Order 2024-08 requiring all Homeport ships to connect to shore power. Obtaining and installing new equipment would require significant lead time and additional cost causing a delay in GHG reductions at the Port.

REQUESTED ACTION/RECOMMENDATION:

We request this CPO-5 policy waiver be approved for the purchase of the T91 Shore Power Equipment.

If you have any further questions, please contact Linda Springmann.

CONCURRENCE WITH RECOMMENDATION:



11/5/2025

Sofia P. Mayo, Director, Central Procurement Office

Date



11/6/2025

Pete Ramels, General Counsel/ Chief Compliance Officer

Date

APPROVAL:



11.7.2025

Karen Goon, Deputy Executive Director

Date

Terminal 91 Shore Power Purchase



Linda Springmann
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



**COMMISSION
AGENDA MEMORANDUM**

Item No. 8g

ACTION ITEM

Date of Meeting December 9, 2025

DATE: November 3, 2025

TO: Stephen P. Metruck, Executive Director

FROM: Linda Springmann, Director, Cruise Operations & Maritime Marketing
Kelly Purnell, Capital Project Manager, Waterfront Project Management

SUBJECT: Terminal 91/Pier 66 Cruise Shore Power Extension – Post-Validation contract amendment (CIP # C801983)

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

Total estimated project cost: \$48,665,000

ACTION REQUESTED

Request Commission authorization for the Executive Director to approve funding to execute a Post-Validation Amendment to the alternative public works Progressive Design Build contract, MC-0322060, for the T91/P66 Cruise Shore Power Extension (C801983) project to further advance design and complete the development and negotiation of a Guaranteed Maximum Price. Total requested for this action is \$5,000,000 for a total project authorization of \$15,450,000.

EXECUTIVE SUMMARY

In July 2024, the Port passed Commission Order No. 2024-08 mandating all homeport cruise ships to connect to shore power by 2027, three years earlier than the 2030 goal set in the Port's adopted Maritime Climate and Air Action Plan. The provision of shore power for cruise ships is the Port's greatest opportunity to reduce greenhouse gas (GHG) emissions and improve local air quality.

Currently, the Port's Smith Cove Cruise Terminal at Pier 91 (P91) which opened in 2009 provides shore power at its two cruise berths. The single berth at the Bell Street Pier Cruise Terminal at Pier 66 (P66) which opened in 1999 has a new shore power system completed in September 2024. While all three of the Port's cruise berths are now electrified, upgrades to the systems are required to provide the additional flexibility needed to accommodate all vessel and berthing configurations to meet Commission Order No. 2024-08.

The team is utilizing the Progressive Design Build (PDB) alternative delivery and selected Skanska USA Building, Inc. (Skanska) as the design-builder. As a PDB project, a robust validation period

Meeting Date: December 9, 2025

and preliminary design work were required to determine the full scope of the project in partnership with the Port project team and the supplier of the shore-power equipment, Watts Marine. With Validation now completed, the Port and Skanska have negotiated and reached agreement on a target scope, schedule, and budget for the project.

The requested action will provide funding to further advance design and complete the development and negotiation of a Guaranteed Maximum Price (GMP) for the work of the project. This in turn will provide sufficient information to reliably decide whether to proceed with construction for the full elements of the project, or only the elements need to address current vessel schedule. A decision on whether to proceed with the full scope of P66 will be determined between 60% and 90% design as the existing shore power system already accommodates all current homeport cruise ships at that location. If P66 is deferred, the overall project costs are anticipated to decrease between \$9M to \$11M.

JUSTIFICATION

The Port of Seattle is an industry and regional leader in economic development and sustainability. The Port's investment in cruise terminals at P66 and P91 result in a significant contribution to the region's economy, generating more than 5,500 jobs and nearly \$900 million in total local business revenue each cruise season. The Port also recognizes its responsibility and the importance of concerted efforts to balance economic growth with sustainability. The Seattle Waterfront Clean Energy Strategic Plan and the adopted Maritime Climate and Air Action Plan provide a Port investment strategy to protect the environment and improve community health.

As a global leader in sustainability, the Port is committed to addressing global climate change and improving local air quality. In 2017 the Port's Commission adopted GHG reduction targets in alignment with the Paris Climate Agreement, then updated goals in October 2021 in recognition of the climate crisis. In November 2021, the Port Commission adopted the Maritime Climate and Air Action Plan which identifies strategies and actions the Port can take through 2030 to achieve Port's Century Agenda GHG target to reduce GHG emissions 50% by 2030 and to position the Port to phase out seaport-related emissions entirely by 2050. The plan includes a specific commitment to install shore power at all cruise berths and maximize connections by 2030. In May 2022, the Port launched a collaborative effort to explore the feasibility of a maritime green corridor aimed at accelerating the deployment of low and zero GHG emission cruise ships and operations between Alaska, British Columbia, and Washington. Most recently, the Port passed Commission Order No. 2024-08 mandating that all home ported cruise ships must connect to shore power by 2027, three (3) years earlier than the Maritime Climate and Air Action Plan 2030 goal.

Shore power can significantly reduce GHG and air pollution emissions with each connection. Staff estimate shore power can avoid approximately 268 thousand metric tons of carbon (CO₂e) cumulatively through 2050. Assuming a 25-year infrastructure life and \$44 million cost, that represents a cost per ton of carbon reduced over the full lifespan to range from \$164 to \$406 per metric ton CO₂e. This range is based on the 2025 cruise schedule with the current ability to connect cruise ships to shore power at P91 and P66 (86% of homeport calls). If 100% of homeport

Meeting Date: December 9, 2025

ships plug-in consistent with the Commission Order No. 2024-08 in 2027, shore power use would result in an additional 45 thousand metric tons of cumulative carbon emissions avoided over a 25-year infrastructure life.

Diversity in Contracting

The project team in coordination with the Diversity in Contracting Department has included a 6% WMBE aspirational goal in the Progressive Design Build major work contract for this work to design and construct the pathway for the shore power system and other structural elements of the project and to install the Watts designed and procured shore power equipment.

Additionally, Watts Marine, LLC is a WMBE firm. The sole-source contract with Watts for design and procurement of the shore power equipment is 100% WMBE.

DETAILS

Status:

The T91/P66 Cruise Shore Power Extension project is progressing on schedule to meet the Commission order to plug-in all homeport ships by 2027.

Due to the proprietary nature of the electrical shore power equipment and the anticipated long lead time, a sole source purchasing contract with Watts Marine was executed to ensure that design and procurement of the equipment is completed and ready for installation in Q4 of 2026. Since the Commission authorization to purchase Watts shore power equipment, the transformer for the T91 West berth has been ordered and design of the remaining equipment has advanced.

The project received Commission authorization for Validation phase funds for the Progressive Design Build contract in July 2025. The Validation phase of the contract was executed in August 2025 and completed in November. This phase included a thorough berthing study, mooring analysis, and fieldwork to validate existing conditions of both P91 and P66 cruise berths and to develop the Target GMP.

Validation Outcomes:

A key part of the validation period included a robust berthing study and mooring analysis at P91 and P66 that evaluated the optimal positioning of all homeported cruise ships, as well as known cruise ships with potential to call to port in the future. As a result of the berthing and mooring study, Skanska recommended installation of two (2) additional sawtooth boxes each for shore power connection on both the west and east berths of P91, and one (1) additional shore power connection point on P66. The existing sawtooth box on both the east and west berths of P91 were installed during the original shore power system installation in 2009 and are nearing the end of serviceable life. These are also recommended for replacement with new, modernized sawtooth boxes that will allow for the maximum flexibility of the mobile cable positioning devices purchased in 2024. Two (2) new 100-ton mooring bollards at the north end of P91 West are

Meeting Date: December 9, 2025

required to accommodate modified berthing arrangements for certain ships to allow for shore power connection at the new connection locations.

In addition, up to ninety-three (93) deck panels within the west apron area of P91 are currently assumed to be replaced. These panels were initially incorporated into the Terminal 91 Dock Rehabilitation project and due for replacement as result of their condition. However, given the accelerated schedule of the shore power project and the preferred pathway placement of the shore power conduit duct bank in the ballast above the deck panels, the identified deck panels within the project route should be replaced as part of the shore power project to avoid unnecessary and costly rework to replace the panels at a later date as part of the dock rehabilitation project. The cost of the panels can be moved over from the Terminal 91 Dock Rehabilitation project CIP# C801294.

Additionally, P66 was analyzed. While the current system is sufficient for all current and scheduled vessels through 2027, this additional sawtooth box would allow for ships that may call in the future.

Scope:

This funding request is for the Design and GMP Development phase for the full scope of Terminal 91 and P66 shore power extensions. The decision to advance P66 shore power to construction will be determined after future ships and berth arrangement options are further analyzed through the Design phase and cost considerations can be evaluated through final GMP negotiations.

Design will assume the following scope elements:

- **Pier 91**
 - West Berth
 - Install Watts Marine Transformer, Secondary Switch Gear, and Ground Switch and associated foundation upgrades.
 - Install (2) New Sawtooth boxes and associated cable and pathway
 - Replace the (1) existing jib crane sawtooth boxes with new sawtooth boxes to support the Mobile Cable Positioning Device
 - Replace approximately 93 precast deck panels that are assumed to be failing
 - Install two new bollards and associated structural upgrades
 - East Berth
 - Install Watts Marine Ground Switch and Capacitor Bank
 - Install (2) New Sawtooth boxes and associated cable and pathway
 - Replace the (1) existing jib crane sawtooth boxes with new sawtooth boxes to support the Mobile Cable Positioning Device
- **Pier 66**
 - Install (1) New Watts Marine Sawtooth box

Meeting Date: December 9, 2025

Key Challenges & Solutions:

- Homeport Vessel Definition: Comprehensive berthing plan using 2025, 2026, and 2027 cruise schedules. Homeport Vessels were selected by the joint project team.
- Utility Conflicts: Subsurface utility engineering and potholing to confirm routing feasibility.
- Seasonal Constraints: Off-season work scheduling and phased construction plans.
- Concurrent Projects: Clash detection and coordination with gangway and dock rehab projects.
- A major design restriction for P66 is the fixed gangway, Bertha. It was found that a new articulating gangway would add more flexibility for future shore power as there is limited gangway flexibility.

Schedule

The schedule to meet Commission Order No. 2024-08 is aggressive. Project constraints including other concurrent or overlapping critical projects at P91, permitting delay potential, supply chain uncertainty, and highly constrained construction work windows due to cruise operations, commercial fishing operations, and tribal agreements create the risk of schedule slippage. Schedule assumptions account for best case permitting scenarios, including avoidance of in-water work. A Progressive Design Build project delivery with a sole source contract to Watts Marine for shore power equipment design and procurement was selected to mitigate schedule risk to the extent possible. This Progressive Design Build contract with Skanska allows for some acceleration of the design process and minimizes potential for unknown construction risks that cause delays assuming that all milestone dates are met, including this authorization of additional funding. Failure to meet schedule milestones will put the 2027 in-service date at risk.

Activity

Commission Authorization – T91 Mobile Cable Positioning Devices (CPDs) and T91 Cruise Shore Power Extension North initial design funding	August 8, 2023
DORA – Progressive Design Build Procurement and Preliminary Design	October 16, 2024
Commission Authorization – Watts Marine, LLC Purchasing Contract	April 22, 2025
Commission Authorization - Progressive Design Build Contract – Validation Phase	July 8, 2025
Progressive Design Build Validation Period Execution	August 22, 2025
Commission Authorization – Post-Validation Amendment funding	December 9, 2025
Commission Authorization – GMP Amendment funding	Q2 2026
Construction	Q4 2026 – 2027
In-use date	2027

Meeting Date: December 9, 2025

Cost Breakdown

	This Request	Total Project
Planning through Validation	\$0	\$2,450,000
Pier 91	\$0	\$1,620,000
Pier 66	\$0	\$830,000
Design	\$5,000,000	\$5,000,000
Pier 91	\$3,800,000	\$3,800,000
Pier 66	\$1,200,000	\$1,200,000
Material Pre-Procurements (Watts)	\$0	\$8,000,000
Pier 91	\$0	\$7,000,000
Pier 66	\$0	\$1,000,000
Construction	\$0	\$33,215,000
Pier 91	\$0	\$10,600,000
Pier 66	\$0	\$7,600,000

ALTERNATIVES AND IMPLICATIONS CONSIDERED

Alternative 1 – Defer extension of cruise shore power systems at P91 and P66. Continue to enable limited shore power connections for ships that are compatible with the existing shore power infrastructure.

Cost Implications: While the full cost has not been estimated, per the mandate of Commission Order No. 2024-08, cruise ships that cannot connect to shore power by 2027 may not be able to dock at Port cruise berths impacting the cruise revenue for each ship turned away.

Pros:

- (1) Provides time for Port to apply for grants to fund extension of shore power system.

Cons:

- (1) Does not meet the mandate of Commission Order No. 2024-08 to connect all home-ported cruise ships to shore power by 2027.
- (2) Impacts cruise revenues.
- (3) Maintains status quo on GHG emissions.

This is not the recommended alternative.

Alternative 2 – Advance Design and GMP development for shore power system at P91 only.

Cost Implications: Based on the Validation Period and determination of design costs, and the developed Target GMP, this will increase the current CIP budget by \$4.7M.

Meeting Date: December 9, 2025

Pros:

- (1) Optimizes approved CIP budget to target the most impactful shore power site where the most ships can be connected. Based on berthing and mooring analyses performed by Skanska, the P66 extension will only connect two (2) additional ships at three (3) calls per season each. These are not homeported ships.

Cons:

- (1) Does not allow for necessary additional analysis of P66 to determine benefit of advancing shore power extension.
- (2) Does not provide for maximum flexibility of the shore power capability at P66. Will not allow all ships that call to port at P66 to connect to shore power. The long-term flexibility of the system to allow for currently unknown future homeported ships may not be realized.

This is not the recommended alternative.

Alternative 3 – Advance Design and GMP development for the full scope of the shore power extension project at both P91 and P66.

Cost Implications: Increase in overall CIP costs of \$15.6M.

Pros:

- (1) Meets the mandate of Commission Order No. 2024-08.
- (2) Allows for maximum flexibility for shore power connection of all known ships that could call to port at Port cruise terminals.
- (3) Provides additional flexibility opportunities for future ships that are not yet known.

Cons:

- (1) P66 extension will only allow two (2) additional, non-homeport ships, to connect to shore power. These ships only have three (3) calls each at P66. The cost to build the infrastructure may not provide the cost/benefit to justify the expense.

This is the recommended alternative.

FINANCIAL IMPLICATIONS***Cost Estimate/Authorization Summary***

	Capital	Expense	Total
COST ESTIMATE			
Original estimate	\$4,000,000	\$0	\$4,000,000
Previous changes – net*	\$44,665,000	0	\$44,665,000
Revised estimate	\$48,665,000	0	\$48,665,000
AUTHORIZATION			
Previous authorizations	\$10,450,000	0	\$10,450,000
Pier 91	\$1,620,000		\$1,620,000

Meeting Date: December 9, 2025

Pier 66	\$830,000		\$830,000
Watts Marine Sole Source Contract	\$8,000,000		\$8,000,000
Current request for authorization	\$5,000,000	0	\$5,000,000
Pier 91	\$3,620,000	0	\$3,620,000
Pier 66	\$1,380,000	0	\$1,380,000
Watts Marine Sole Source Contract	\$0		\$0
Total authorizations, including this request	\$15,450,000	0	\$15,450,000
Pier 91	\$5,240,000		\$5,240,000
Pier 66	\$2,210,000		\$2,210,000
Watts Marine Sole Source Contract	\$8,000,000		\$8,000,000
Remaining amount to be authorized * *	\$33,215,000	\$0	\$33,215,000

* The work completed through the Validation phase of the contract resulted in the determination that that optimal locations or the sawtooth boxes were further apart than original assumptions, adding significant costs due to the length of trenching, structural concrete calculations, need for off hour work due to operational constraints, and nearly double the assumed deck panels that need to be replaced.

**This amount will depend on the outcome of the further study of P66. This number includes the full scope for both P66 and T91. \$9M to \$11M could be eliminated if P66 is determined to not need further upgrade to meet the Commission order at this time. This would reduce the remaining amount to be authorized under this CIP to between \$22M - \$24M.

Annual Budget Status and Source of Funds

This project was included in the 2025 Capital Plan C801983 P66/ C801293 P91 Shore Power Extension with a total project cost of \$23,111,000.

This project will be funded by the General Fund

Financial Analysis and Summary

Project cost for analysis	\$48,665,000
Business Unit (BU)	Cruise Operations
Effect on business performance (NOI after depreciation)	No incremental operating revenue or cost-savings is directly associated with this project. <ul style="list-style-type: none"> On-going maintenance expenses, if any, are not yet known. Estimated annual depreciation is \$1.9M
IRR/NPV (if relevant)	N/A
CPE Impact	N/A

Meeting Date: December 9, 2025

ADDITIONAL BACKGROUND

Originally, P91 and P66 cruise shore power projects were envisioned as two separate projects under two CIP #s. Initial funding for the P91 Cruise Shore Power Extension North was authorized by Commission on August 8, 2023, inclusive of the purchase of two (2) mobile cable positioning devices (CPD) under CIP # C801293. P66 Cruise Shore Power Extension was under CIP # C801983. As part of a DORA executed on October 16, 2024 for a Progressive Design Build procurement and early design for both projects, P91 Cruise Shore Power Extension, except for the costs associated with the purchase of the CPDs which remained under C801293, was transferred to CIP # C801983 with P66 to consolidate the projects under a single CIP and to help expedite both projects to meet the mandate of Commission Order No. 2024-008 to connect all home ported cruise ships to shore power by 2027.

ATTACHMENTS TO THIS REQUEST

(1) Presentation

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

July 8, 2025 – Funding authorization in the amount of \$1,100,000 for award and execution of the Validation Period of the major public works Progressive Design Build project.

April 22, 2025 – Funding authorization in the amount of \$8M for Watts Marine contract to purchase shore power equipment.

August 8, 2023 - The Commission authorized funding for P91 Cruise Shore Power Extension and CPDs in the amount of \$2,500,000 for the purchase of the CPDs and early design funding of the extension.

Item No.: 8g_Supp

Meeting Date: December 9, 2025

A wide-angle photograph of the Seattle skyline from the water. In the foreground, a large white cruise ship with a blue funnel is docked at a pier. The ship's funnel has a blue graphic of a person. Behind the ship, the city skyline is visible, featuring several tall skyscrapers, including the Smith Tower. To the right, a Ferris wheel is visible. The sky is blue with some clouds. The water in the foreground is dark blue with some whitecaps.

Pier 91/ Pier 66 Cruise Shore Power Extension Project

Design Authorization for Progressive Design Build Contract

Action Requested

Request Commission authorization for the Executive Director to approve funding to execute a Post-Validation Amendment to the alternative public works Progressive Design Build contract, MC-0322060, for the T91/P66 Cruise Shore Power Extension (C801983) project to further advance design and complete the development and negotiation of a Guaranteed Maximum Price. Total requested for this action is \$5,000,000 for a total project authorization of \$15,450,000.

Project Purpose

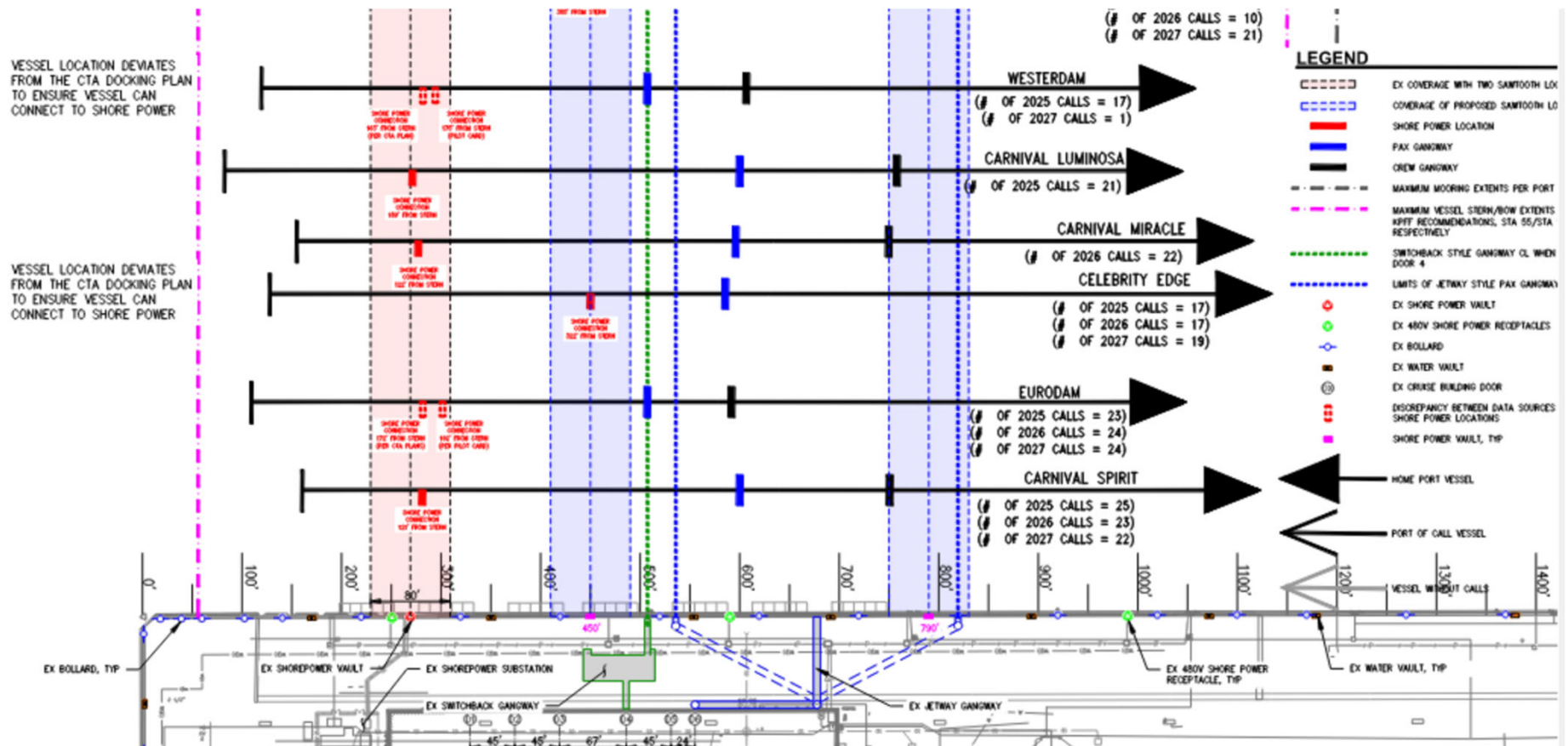
- In July 2024, Commission Order No. 2024-08 was passed mandating that all homeport cruise ships connect to shore power by 2027.
- To meet the mandate, the existing shore power systems need to be extended at Pier 91 and Pier 66.
 - Currently, the shore power cables cannot reach from the berth connection point to plug-in locations on all shore power capable ships.
- This project will provide maximum flexibility in how ships with different shore power configurations berth at the pier so they can connect to shore power.



Details

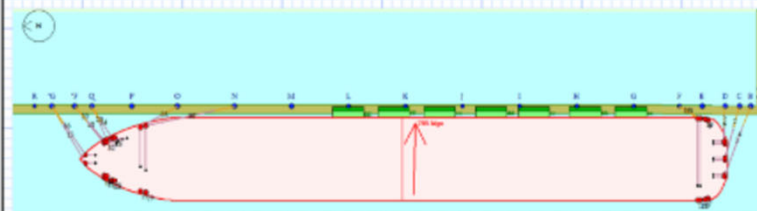
- Skanska USA Building Inc. (Skanska) has completed the Validation Period for both Pier 66 and Pier 91 shore power extension projects.
- A robust berthing study and mooring analysis was conducted at both piers to determine the optimal shore power connection locations and quantity
- Alternative shore power pathway routing options were analyzed

Example Terminal 91 Berthing Analysis



Example Terminal 91 Mooring Analysis

T91W - Quantum - 40% Pretension



8 lines bow, 8 lines stern

ARRANGEMENT PLAN

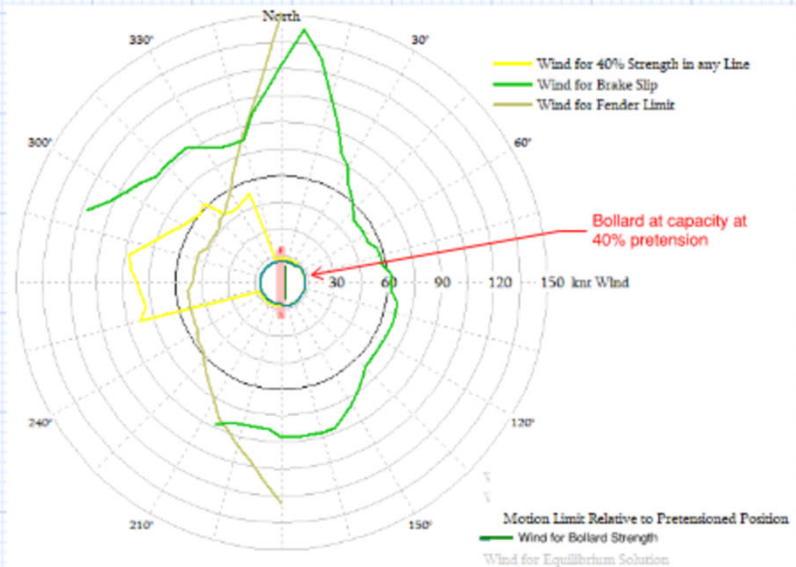
35 knot Wind at 40° True	0.0 ft Sig Wave Height	0.0 ft Sig Swell Height	Ref: 1700263 T91 Mooring
1000 Current 270° True	Period 6.0 sec at 90°	Period 2.0 sec at 160°	Analysis for Time: 0700 Mar 01 2007
Movement of Vessel at its Moored Ties	2.10 (ft) 0.70 (in) 0.1" (in) 0.00 (up) 0.00 (up)	Water Level 11.36 ft steady	Draft 27.9 ft 0.1 Displacement
Line	1 2 3 4 5 6 13 14 15 16 18 20 22 24 26 30	Bottom Clearance 18.5 ft	Time: 0.0 ft after 75 seconds
to Bollard Block	C C B B D D F F G G F F Q Q O N		
Pull-In (ft)	2.95 2.91 3.10 3.13 2.82 2.76 3.67 3.64 3.50 3.37 3.16 3.16 2.96 3.01 2.31 2.58		
Tied Line Length	111.2 107.5 138.6 141.5 80.3 75.4 149.7 145.9 129.2 119.0 104.7 108.2 96.7 95.0 142.1 231.6		
Bollard Motion (in)			
Watch Slippage			
Watch Direction	130° 130° 130° 130° 130° 130° 330° 330° 50° 50° 50° 50° 50° 50° 50° 55°		
Tension (kips)	1335 1355 1325 1325 1235 1255 1005 99.55 1315 1255 1165 1135 1365 1245 1815 1465		
% of Strength	41% 42% 41% 41% 38% 39% 31% 31% 41% 39% 36% 35% 42% 38% 56% 45%		

Fender	88 3b 3c 3d 3e 3f 3g
Thrust (kips)	51 259 260 262 271 279 287
Compression (ft)	0.30 1.70 1.70 1.73 1.81 1.89 1.96
Pressure (kips/ft²)	0.3 1.0 1.0 1.0 1.1 1.1 1.1

Bollard Block	B C D F N O Q T G
X-Force (kips)	-102.6 -78.5 -12.4 167.5 -130.7 -147.0 105.4 133.4 133.8
Y-Force (kips)	242.2 253.9 244.3 94.2 29.2 78.0 195.9 159.3 204.6
Other X-Load	
Other Y-Load	
Total Force	264.0 267.7 248.7 199.9 145.7 181.5 258.5 229.4 256.4
% Bollard Strength	120% 121% 113% 181% 66% 82% 117% 104% 117%
Direction in Plan	-23° -17° -3° 61° -78° -62° 28° 40° 33°
Bollard Uplift	23.5 32.1 45.0 34.8 26.2 72.3 131.7 97.1 77.1

MOORING RESULTS TABLES

Analysis for Time: 0700 Mar 01 2007 (initialised at 0700 Mar 01 2007)
 Ref: 1700263 T91 Mooring
 Remarks: Remarks:
 Water Level: 11.36 above datum
 Draft: 27.9
 Trim: 0.0



WIND CAPACITY ROSE

 1001 Fifth Avenue, Seattle, WA 98101 kpff.com	POS T91 CRUISE SHORE POWER	PROJECT NO. 150049	REFERENCE SHEET
	40% PRETENSION OPTIMOOR RESULTS SUMMARY AT T91W - QUANTUM	DATE 10/29/2005	SHEET NO. 1
		BY CH	

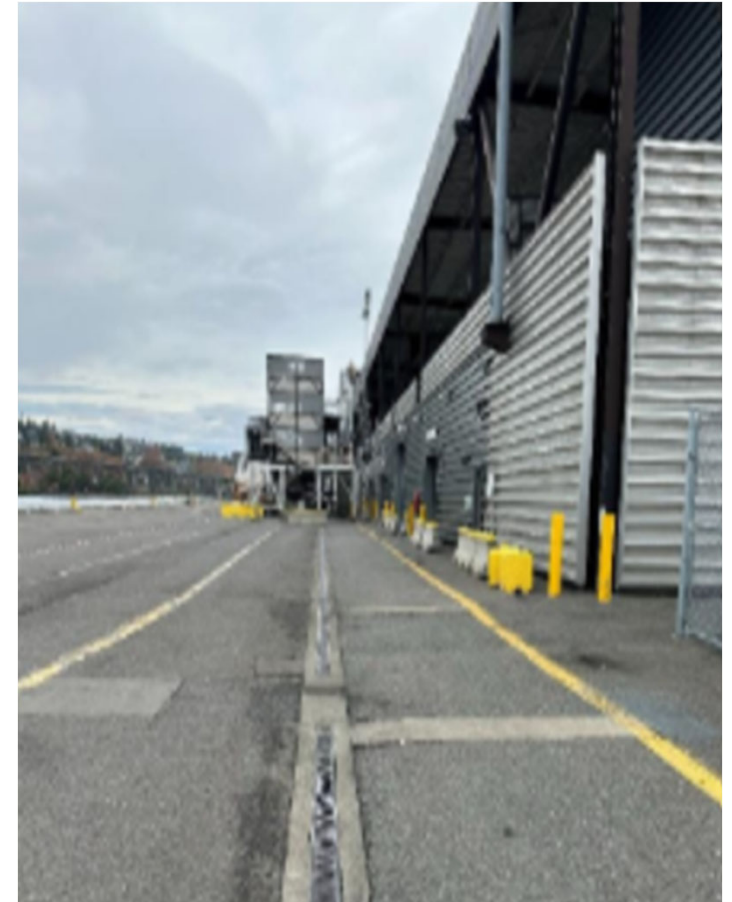
Shore Power Routing Options Considered

Pier 66

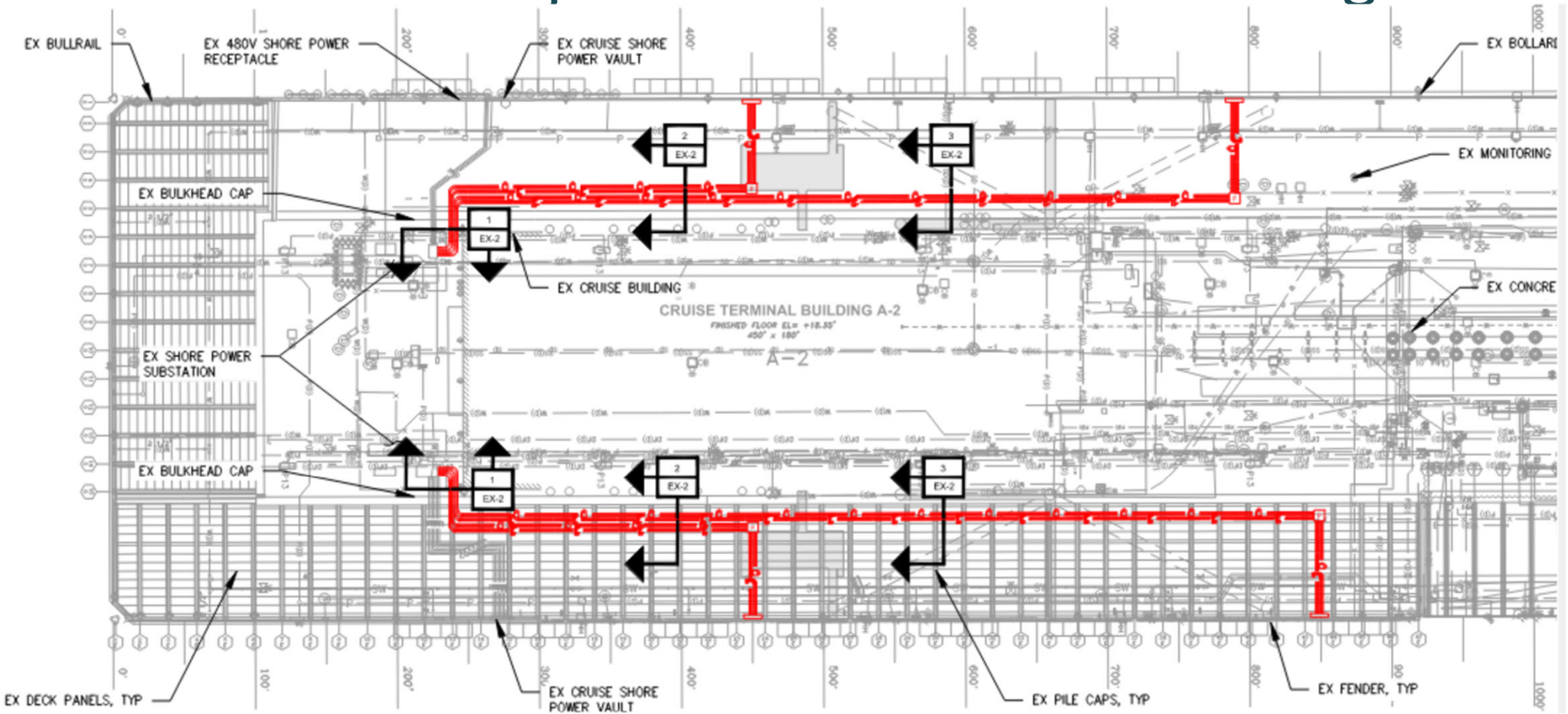
- Adding a new conduit to existing conduit hangers
- Routing the conduit along the east face of the pier
- Penetrating the wave barrier wall to route the conduit from the south to north end of the pier
- Routing the conduit along the west side of the pier and utilizing the existing openings on the west side of the wave wall to pass through

Pier 91

- Through the ballast on the wharf
- Through the bulkhead wall and then below the wharf, utilizing conduit hangers anchored to the underside of the pier
- Through or over the existing cruise building
- Underneath the existing cruise building via horizontal directional drilling (HDD)
- Through the upland area between the existing bulkhead cap and cruise building, which ranges from approximately 5 to 10 feet in width



Pier 91 Proposed Shore Power Routing



Pier 91 Recommendation

- **Advance Design and GMP development for the full scope of the shore power extension project at both P91.**
 - The conduit route through the ballast on the wharf was identified as the optimal solution.
 - This approach was selected based on:
 - Cost efficiency,
 - Straightforward construction process
 - Absence of in-water permitting requirements
 - Minimal risk of encountering unforeseen subsurface features
 - (2) new sawtooth boxes are recommended on the west berth at footmark 450' and 790'
 - (2) new shore power connection points are recommended on east berths at footmark 450' and 849'
 - Replacement of the existing sawtooth boxes on the east and west berths are recommended to modernize the equipment and allow for maximum flexibility in the use of the mobile cable positioning devices (CPD).
 - (2) new 100-ton bollards near the 1,200' footmark of the west berth

Pier 66 Recommendation

- **Advance Design and GMP development for the shore power extension project at P66.**
 - The current system is sufficient for all current and scheduled vessels through 2027. An additional sawtooth box would allow for ships that may call in the future.
 - (1) new shore power connection point is recommended at either footmark 793' or 372'
 - More analysis is necessary at P66 due to potential issues with fixed gangway Bertha and a determination will be made during Design phase if it should be advanced to construction.
 - When design has progressed to between 60% and 90%, a decision will be made to either advance or remove the P66 scope from the project based on the cost benefit of adding a new connection point at this time.

Cost Breakdown and Target GMP

Cost Element	Design and GMP Develop. Authorization	Total Cost
Planning through Validation	\$0	\$2,450,000
Pier 91	\$0	\$1,620,000
Pier 66	\$0	\$830,000
Design	\$5,000,000	\$5,000,000
Pier 91	\$3,800,000	\$3,800,000
Pier 66	\$1,200,000	\$1,200,000
Material Pre-Procurements (Watts)	\$0	\$8,000,000
Pier 91	\$0	\$7,000,000
Pier 66	\$0	\$1,000,000
Construction	\$0	\$33,215,000
Pier 91	\$0	\$10,600,000
Pier 66	\$0	\$7,600,000
Target Guaranteed Maximum Price (GMP)		\$48,665,000

Project Schedule

Phases	Anticipated Dates
Commission Authorization – T91 Mobile Cable Positioning Devices (CPDs) and T91 Cruise Shore Power Extension North initial design funding	August 8, 2023
DORA – Progressive Design Build Procurement and Preliminary Design	October 16, 2024
Commission Authorization – Watts Marine, LLC Purchasing Contract	April 22, 2025
Commission Authorization - Progressive Design Build Contract – Validation Phase	July 8, 2025
Progressive Design Build Validation Period Execution	August 22, 2025
Commission Authorization – Post-Validation Amendment funding	December 9, 2025
Commission Authorization – GMP Amendment funding	Q2 2026

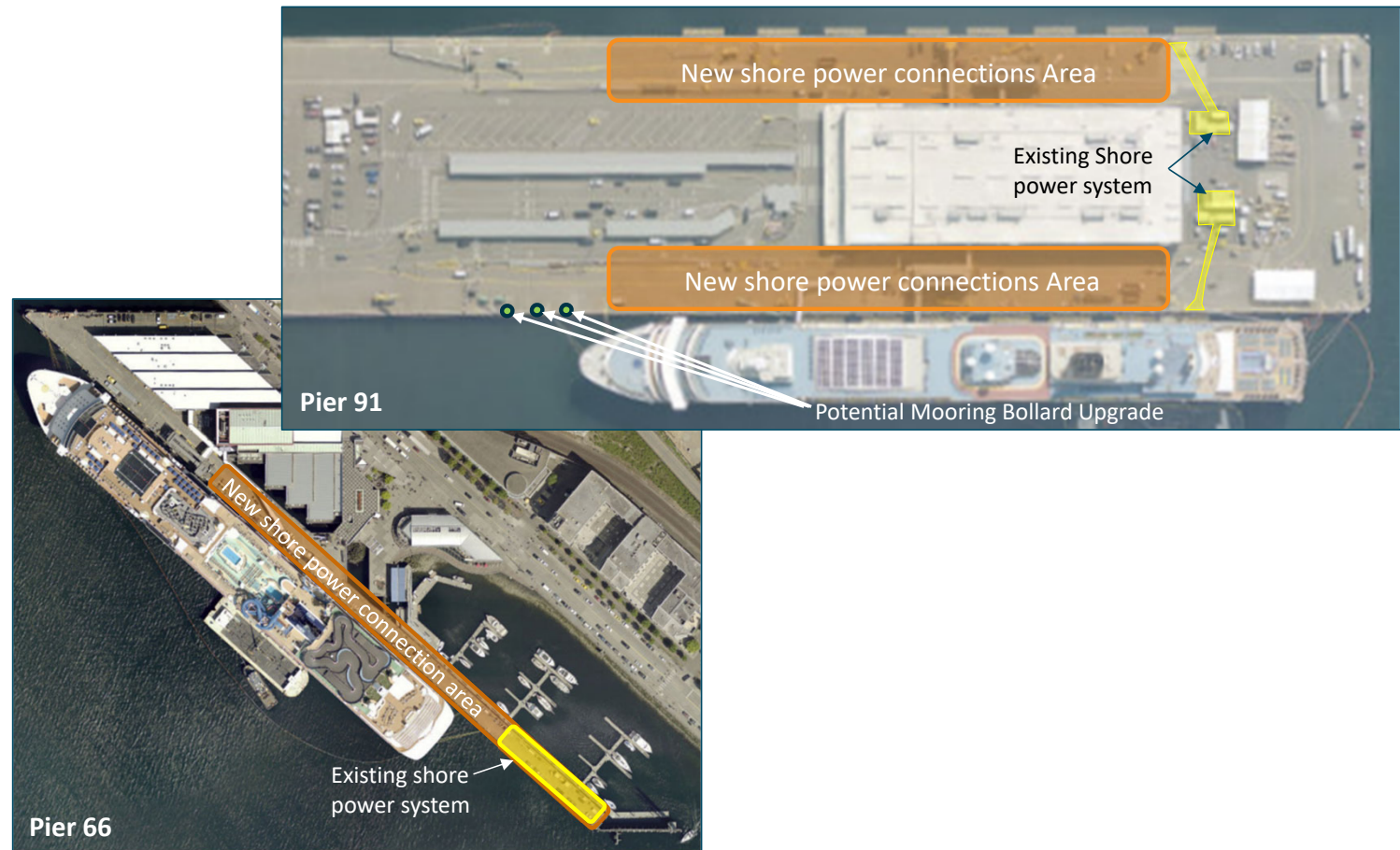
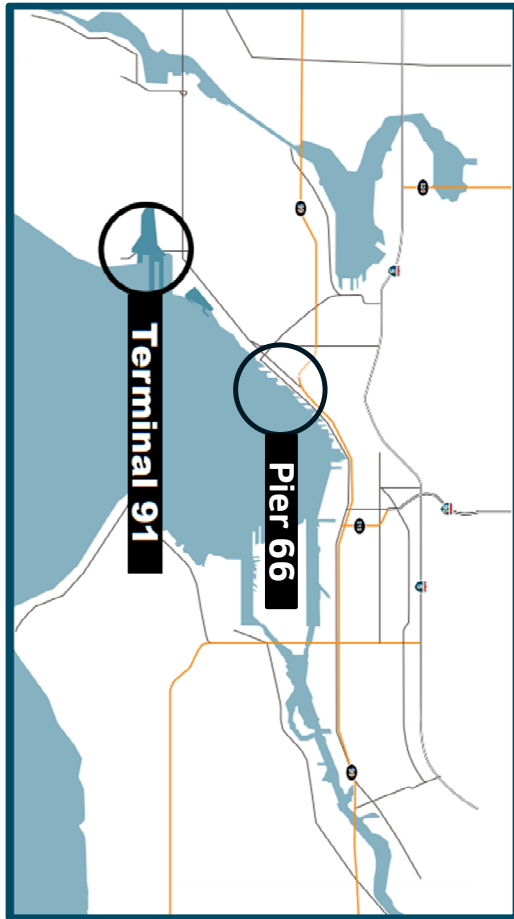
Next Steps

- Design development and final GMP development Q4 2025 - Q2 2026
 - Decision to advance or remove P66 scope will occur between 60% and 90% design
- Commission Authorization Final design/Construction Q2 2026
 - Final GMP, scope, schedule
- Construction Q4 2026 – Q2 2027



Appendix

Project Areas – Pier 91/Pier 66



Project Scope

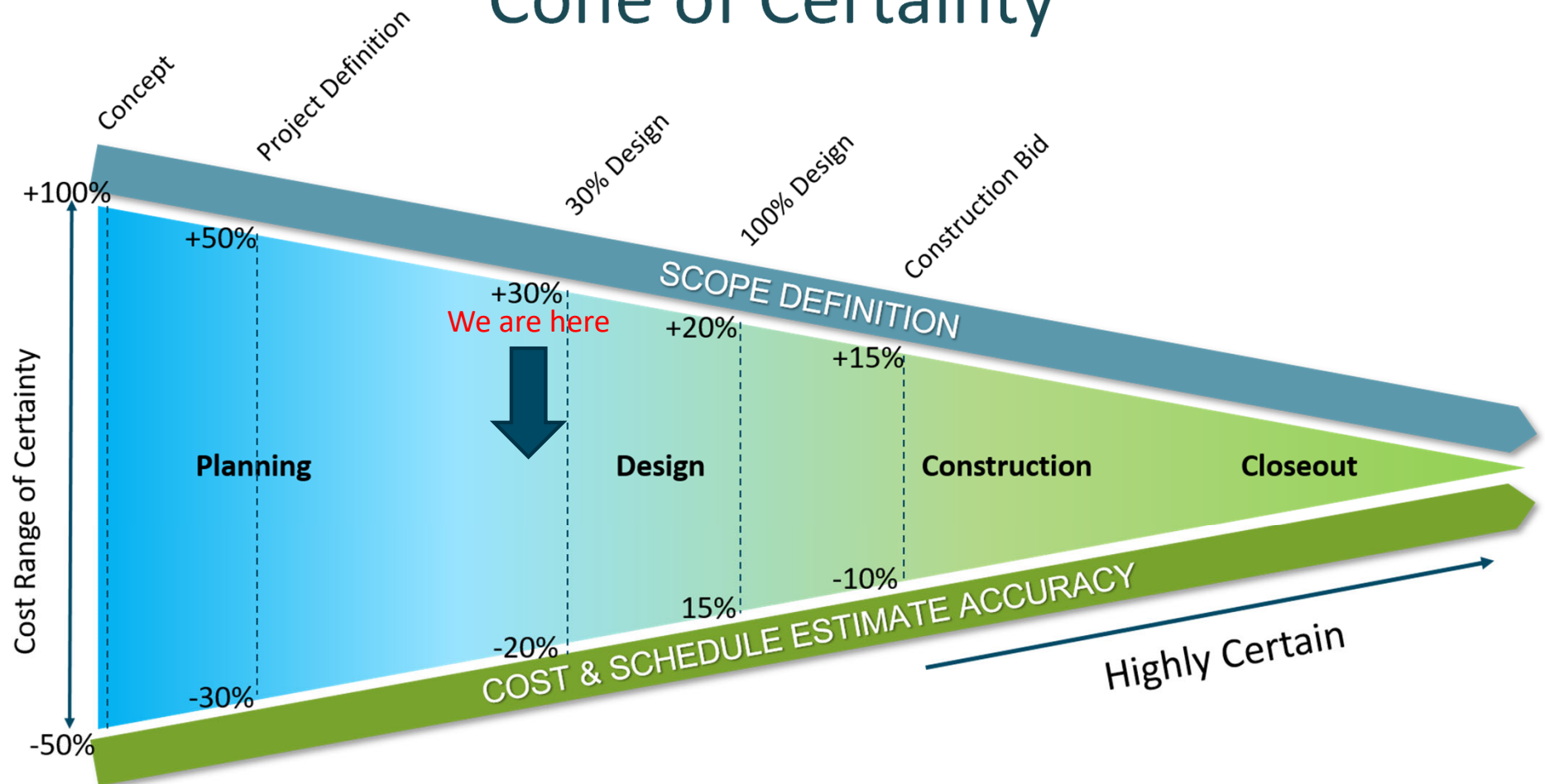
- Design and construct all necessary infrastructure upgrades to (2) Pier 91 cruise berths and Pier 66 cruise berth to meet project goals, including :
 - Conduct a berthing and mooring study for all known current and future ships to determine optimal connection locations, distribution pathways, and required mooring bollard upgrades.
 - Extend the existing shore-power system to allow all known current and future ships of different configurations to connect to shore-power
 - Ensure compatibility of the extended cruise shore power system with existing equipment and facilities, including the mobile cable positioning devices (CPD).
 - Procure all permits
 - Replacement of existing shore power equipment that has reached end of service life at Pier 91.
 - New mooring bollards at Pier 91
 - Potential limited deck panel replacements at Pier 91













Project Funding

Cost Estimate/Authorization Summary	Capital	Expense	Total
COST ESTIMATE			
Original estimate	\$4,000,000	\$0	\$4,000,000
Previous changes – Net*	\$44,665,000	0	\$44,665,000
Revised estimate	\$48,665,000	0	\$48,665,000
AUTHORIZATION			
Previous authorizations	\$10,450,000	0	\$10,450,000
• Terminal 91	\$1,620,000		\$1,620,000
• Pier 66	\$830,000		\$830,000
• Watts Marine Sole Source Contract	\$8,000,000		\$8,000,000
Current request for authorization	\$5,000,000	0	\$5,000,000
• Terminal 91	\$3,620,000	0	\$3,620,000
• Pier 66	\$1,380,000	0	\$1,380,000
Total authorizations, including this request	\$15,450,000	0	\$15,450,000
• Pier 91	\$1,620,000		\$1,620,000
• Pier 66	\$830,000		\$830,000
• Watts Marine Sole Source Contract	\$8,000,000		\$8,000,000
Remaining amount to be authorized	\$33,215,000	\$0	\$33,215,000

* The original estimate for this project assumed a single new shore power connection point on the west berth of Pier 91. In July 2024, Commission Order No. 2024-008 was passed requiring all homeport cruise ships to connect to shore power by 2027. To meet the mandate of this order, scope for this project was expanded to include multiple additional connection points on both the east and west berths of Pier 91, as well as adding a third connection point to the existing shore power system at Pier 66.

Cone of Certainty



RISKS	DESCRIPTION	PROBABILITY	IMPACT	MITIGATION
Constrained Schedule	Delivery required by 2027. Minimal work windows due to cruise season, commercial fishing season, tribal agreements, and fish window if in-water work is needed have high potential to delay in-service date past cruise season start in 2027.	High 	High 	Utilize Progressive Design Build project delivery to accelerate timeline. Pre-purchase of long-lead items.
Seattle City Light Terminal 91 Operations Agreement	Existing operations agreement between cruise lines and SCL does not account for increased connections during peak power usage times during the week. Negotiation of new agreement when Port takes ownership of the shore power equipment may result in higher usage costs, and interruptions in power delivery during the week.	Med 	High 	Early engagement with SCL to do system impact study and begin negotiation of agreement terms for power delivery.
Supply chain uncertainty	Supply chain logistics could delay project delivery. Tariffs could impact ability to procure long-lead electrical equipment by 2027 and create uncertainty in pricing.	Med 	High 	Adding cost contingencies to account for tariff price impacts. Early execution of Watts contract to begin procurement of long-lead shore power equipment in advance.
Ownership of the existing cruise shore power system at T91	Ownership is still held by Carnival Cruise. Logistics of ownership transfer could drive up project costs.	Med 	Low 	Cruise Operations is in negotiation to transfer ownership to the Port.
Coordination with other projects at Terminal 91	There are many other projects scheduled on Pier 91 with similar timelines to the cruise shore power project: gangways, water line replacement, dock rehabilitation, west berth dredging.	High 	Med 	Identification of all on-going and upcoming construction work at Terminal 91. Requirement of logistics plan by PDB to account for constraints of other projects.
Permitting	Permitting assumptions are aggressive and assume no in-water work. This could change depending on how the contractor must construct the project. In-water work, or any other permitting delays will delay the project.	High 	High 	Progressive Design Build project delivery will allow for early collaboration on design and permitting to the extent feasible.

**COMMISSION
AGENDA MEMORANDUM**

Item No. 8h

ACTION ITEM

Date of Meeting December 9, 2025

DATE : November 25, 2025

TO: Stephen P. Metruck, Executive Director

FROM: Milton Ellis, Assistant Director Labor Relations

SUBJECT: Extension of Port's Provisional Pay Pilot Program for Non-Represented Employees to Represented Employees

Amount of this request: Approximately \$247,860

ACTION REQUESTED

Request Commission authorization for the Executive Director to enter a Memorandum of Understanding (MOU) with each Labor Organization whose Port employed members have chosen the airport's parking garage as their designated work location parking area. This will extend the Provisional Pay Pilot Program for one year under the same terms as applied to non-represented employees.

EXECUTIVE SUMMARY

In 2026, non-represented employees assigned to the airport who park in the airport parking garage for work will be provided additional compensation to partially address the imputed taxable income associated with their parking.

The additional compensation is based upon the difference between the IRS threshold for tax-free qualified parking benefits (\$340) and the fair market value for airport parking (\$500); leaving a total of \$140 per month of imputed, taxable, income to airport parking card holders. The amount provided to each eligible employee will be \$45 per month.

We are requesting authority to enter into agreements with the unions representing airport workers to extend this benefit to represented employees at SEA.

Meeting Date: December 9, 2025

JUSTIFICATION

The Port's Salary and Benefit Resolution
RCW 41.56

FINANCIAL IMPLICATIONS

The financial implications can vary depending upon the number of eligible represented employees who have approved airport parking relative to their assigned work location at any given time in the year. Currently, there are approximately 459 represented employees with airport parking cards.

459 employees X 12 months X \$45 = \$247,860

ATTACHMENTS TO THIS REQUEST

None.

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

March 12, 2024 – The Commission approved the amendment to the Salary and Benefits Resolution to include Provisional Pay

**COMMISSION
AGENDA MEMORANDUM**

Item No.

8i

ACTION ITEM

Date of Meeting

December 9, 2025

DATE: December 2, 2025

TO: Stephen P. Metruck, Executive Director

FROM: Elizabeth Black, Deputy General Counsel
Pete Ramels, General Counsel

SUBJECT: Authorization to Execute Settlement Agreement for Recovery of Cleanup Costs at Terminal 91

Amount of this request: N/A

Total estimated project cost: N/A

ACTION REQUESTED

Request Commission authorization for the Executive Director to execute a settlement agreement with Crown Cork & Seal Company, Inc. and related entities ("Crown") to recover approximately \$2,300,000 in costs associated with the Port's cleanup of the Terminal 91 uplands.

EXECUTIVE SUMMARY

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

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

Under the proposed settlement agreement, Crown will pay the Port \$2,300,000 for cleanup costs associated with its contribution of contamination to the site. This matter was further discussed in privileged attorney-client communications. There are no attachments to this memo.

ITEM 8j TO BE DISTRIBUTED

COMMISSION
AGENDA MEMORANDUM

Item No. 10a

ACTION ITEM

Date of Meeting December 9, 2025

DATE: December 2, 2025

TO: Stephen P. Metruck, Executive Director

FROM: Lisa Lam, Director, Accounting & Financial Reporting

SUBJECT: Resolution No. 3842 – Delegation of Authority to Sell and Convey Port Personal Property for 2026 Not Exceeding a Value of \$23,340

ACTION REQUESTED

Introduction and request adoption of Resolution No. 3842: A resolution of the Port of Seattle Commission authorizing the Executive Director to sell and convey Port personal property in 2026 in accordance with RCW 53.08.090 with a value not greater than \$23,340 and repealing Resolution No. 3832, dealing with the same subject.

EXECUTIVE SUMMARY

The Port of Seattle regularly determines that personal property is no longer needed for port district purposes and prepares accordingly for its disposal. Commission authorization is required to grant the Executive Director authority to sell and convey port district personal property of \$23,340 or less in value in accordance with RCW 53.08.090.

JUSTIFICATION

Pursuant to RCW 53.08.090, the commission may, by resolution renewed from year to year, authorize the managing official of a port district to sell and convey port district personal property of \$23,340 or less in value. RCW 53.08.090(2) established a base value limit for calendar year 2024. Beginning December 2024, the Washington State Department of Revenue adjusted the initial value yearly based on any increases of the consumer price index available on December 1 of the current year from the prior year. It is now timely for the Commission to consider renewal of the Executive Director's authority for the year 2026.

Surplus items that fall within the \$23,340 fair market value limit have been well utilized over the years with many having reached the end of their useful lives. The Port on average surpluses, through either sale or disposal, about \$55,000 per year in equipment, furnishings and computer/mobility devices with the average FMV being \$11,000 per asset, and about \$1,400,000 per year in rolling stock/vehicles with the average FMV being approximately \$6,000 per vehicle. Also, Chapter 39.33 RCW in part authorizes the Port to sell, transfer or exchange surplus property to the state or other local jurisdictions.

Meeting Date: December 9, 2025

ATTACHMENTS TO THIS REQUEST

- (1) Draft Resolution No. 3842

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

January 14, 2025 – Resolution No. 3832, authorizing the Executive Director to sell and convey Port personal property in accordance with RCW 53.08.090 with a value not greater than \$22,830, and repealing Resolution No. 3816 dealing with the same subject.

November 21, 2023 – Resolution No. 3816, authorizing the Executive Director to sell and convey Port personal property in accordance with RCW 53.08.090 with a value not greater than \$22,000, and repealing Resolution No. 3808 dealing with the same subject.

**PORT OF SEATTLE
RESOLUTION NO. 3842**

A RESOLUTION of the Port of Seattle Commission authorizing the Executive Director to sell and convey port personal property in 2026 in accordance with RCW 53.08.090 with a value not greater than \$23,340 and repealing Resolution No. 3832, dealing with the same subject.

WHEREAS, the voters of King County, pursuant to the provisions of enabling legislation adopted by the legislature of the State of Washington, Chapter 92, Laws of 1911, RCW 53.040.010, authorized and approved at a special election held in King County on the 5th day of September 1911, the formation of a port district co-extensive with King County to be known as the Port of Seattle; and

WHEREAS, the Port of Seattle was thereupon established as a port district and has since been and now is a duly authorized and acting port district of the State of Washington; and

WHEREAS, the Port of Seattle owns personal property and, from time to time, may sell or convey such property pursuant to RCW 53.08.090 and RCW 39.33.

NOW, THEREFORE, BE IT RESOLVED by the Port Commission of the Port of Seattle as follows:

Section 1. The Port Commission of the Port of Seattle hereby delegates to the Executive Director of the Port of Seattle the authority to sell and convey port personal property of a value established annually by resolution.

29 Section 2. The value of Port personal property that may be sold and conveyed by the
30 Executive Director in 2026, in accordance with Section 1, shall be \$23,340.00 or less, per
31 occurrence.

32 Section 3. Pursuant to RCW 53.08.090, the port commission may annually renew the
33 Executive Director's authority under this resolution and adjust the property value limit under
34 Section 2 based on the consumer price index established by the Washington State Department of
35 Revenue.

36 Section 4. Resolution No. 3832, dealing with the same subject, is hereby repealed.

37 ADOPTED by the Port Commission of the Port of Seattle, at a duly noticed meeting held
38 this 9th day of December, 2025, and duly authenticated in open session by the signatures of the
39 Commissioners voting in favor thereof and the seal of the Commission.

40
41 _____
42
43 _____
44
45 _____
46
47 _____
48
49 _____
50 Port of Seattle Commission
51



**COMMISSION
AGENDA MEMORANDUM**

Item No. 10b

ACTION ITEM

Date of Meeting December 9, 2025

DATE : December 2, 2025

TO: Stephen P. Metruck, Executive Director

FROM: Diane Campbell, Treasury Manager

SUBJECT: Introduction and Adoption of Resolution No. 3843

ACTION REQUESTED

Introduction and Adoption of Resolution No. 3843, a Resolution of the Port of Seattle Commission to repeal and replace Resolution No. 3476 and correspondingly amending Exhibit B to Resolution No. 3748, the Port of Seattle Statement of Investment Policy,

EXECUTIVE SUMMARY

Staff requests Commission approval to repeal and replace Resolution No. 3476 for the purpose of updating the resolution for two technical corrections. Resolution No. 3476 appointed the Port's CFO as the Port's Treasurer, specifically naming Daniel R. Thomas, retired Chief Financial Officer ("CFO"). The Resolution also calls for the requirement of a bond with a specified amount. This action will (1) delete a specific name and instead allow for the CFO, their successor in function or their delegate having experience in treasury operations, (2) allow for a bond or insurance in lieu of a bond and increase the amount of the bond/insurance, and (3) amend Exhibit B to Resolution No. 3748.

JUSTIFICATION

Since the Port became its own Treasury in 2001 Daniel R. Thomas served as the Port's Treasurer until his retirement in May 2025. Elizabeth Morrison served as Interim CFO since May 2025 until Chris Wimsatt began his role as the Port's CFO on October 27, 2025. The first requested change is a technical correction to remove Daniel R. Thomas as individually named and provide for a more durable appointment tied only to function. Secondly, the operational revenues and expenses of the Port have increased over time; provisions to protect the Port against loss should accordingly increase and the recommended mechanism is the Port's insurance coverage rather than a separate bond.

DETAILS

RCW 53.36.010, District treasurer, governs the appointment of the Port of Seattle's Treasurer, and the statute reads that a "person" must be named, and accordingly, the Port's Resolution No. 3476 appointed the Port's CFO as Port Treasurer and specifically named a "person", Daniel R. Thomas, now retired CFO. The requested action removes a specific name, uses a title instead,

Meeting Date: December 9, 2025

and provides flexibility when the CFO leaves the position, is unavailable or separates from the Port. It is the view of Port staff that it is considered better practice and more flexible to use a position/title and allow for a delegate. Staff recommends updating the resolution by deleting a person's name, and adding language for the CFO's successor in function, or their delegate having experience in treasury operations instead.

RCW 53.36.010 also requires a bond to protect the Port against loss, and Resolution No. 3476, includes the provision for the bond for \$750,000.00. Staff is recommending:

- broadening the language of the resolution to allow for a bond or "insurance in lieu of a bond" and
- increasing the amount to \$1,000,000.00.

With respect to protecting the Port against loss, the Port purchases Crime Primary and Crime Excess insurance policy covering all Port employees including the Port Treasurer. The insurance policy meets Section 2 of the resolution in terms of limit of liability, provides equivalent or better coverage than a bond and the Port's insurance coverage is reviewed annually with Commission.

Last, Exhibit B to Resolution No. 3748 also names Daniel R. Thomas as an "Authorized Individual". Exhibit B is the Washington State Treasurer's Office resolution authorizing the Port to invest in the Local Government Investment Pool (LGIP). This action will remove the specific name and replace it with a title and their delegate as described in this memo.

FINANCIAL IMPLICATIONS

There are no anticipated financial implications of these resolution updates.

ATTACHMENTS TO THIS REQUEST

- (1) Draft Resolution No. 3843
- (2) Exhibit B to Resolution No. 3748

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

June 2018 –Commission approved Resolution No. 3746 - Statement of Investment Policy
December 11, 2001 - Commission approved Resolution No. 3476 – appointing Port Treasurer

RESOLUTION NO. 3843

A RESOLUTION of the Port Commission of the Port of Seattle repealing and replacing Resolution No. 3476, and amending Exhibit B to Resolution No. 3748, the Port of Seattle Statement of Investment Policy.

WHEREAS, pursuant to RCW 53.36.01, on December 11, 2001, the Port Commission of the Port of Seattle adopted Resolution No. 3476, appointing the Chief Financial Officer as Port Treasurer; and naming Daniel R. Thomas, the then Chief Financial Officer; and

WHEREAS, Resolution No. 3476 provides for a bond in the amount of \$750,000.00 to protect the Port against loss; and

WHEREAS, Exhibit B to Resolution No. 3748, the Port of Seattle Statement of Investment Policy designated Port of Seattle, Dan Thomas, Chief Financial Officer as the "authorized individual."

NOW, THEREFORE, BE IT RESOLVED, by the Port Commission of the Port of Seattle, as follows:

SECTION 1. Resolution No. 3476 is hereby repealed.

SECTION 2. The Port Commission hereby designates the Port's Chief Financial Officer, their successor in function, or their delegate having experience in treasury operations to act as the Port Treasurer. The Port Treasurer shall perform all functions identified by law as those to be performed by the "treasurer" of the Port, including, but not necessarily limited to, maintaining custody of Port funds (through a qualified public depository) and investment of fund balances.

SECTION 3. The Treasurer of the Port shall provide a bond, or insurance in lieu of a bond issued by a surety or insurance company authorized to do business in the State of Washington, in an amount equal to \$1,000,000.00 in order to protect against loss. The cost of the surety bond or insurance shall be paid by the Port. The amount and terms of the surety bond or insurance policy shall be reviewed each year by the Port Commission for adequacy and size.

SECTION 4. The Chief Financial Officer, in the capacity of Treasurer, further, is authorized to make interfund transfers between funds held and maintained by the Port.

SECTION 5. Exhibit B to Resolution No. 3748 the Port of Seattle Statement of Investment Policy shall be updated to designate the “authorized individual” as the Port of Seattle's Chief Financial Officer, their successor in function, or their delegate having experience in treasury operations.

SECTION 6. This Resolution shall become effective immediately upon its adoption and approval by a majority vote of the Port Commission.

ADOPTED by the Port of Seattle Commission at a duly noticed public meeting thereof, held this 9 day of December, 2025, and duly authenticated in open session by the signatures of the commissioners voting in favor thereof and the seal of the Commission.

Port of Seattle Commission

Item No.	<u>10b attach 1</u>
Date of Meeting:	<u>December 9, 2025</u>

EXHIBIT B TO RESOLUTION NO. 3748

RESOLUTION AUTHORIZING INVESTMENT
OF **PORT OF SEATTLE** MONIES IN THE
LOCAL GOVERNMENT INVESTMENT POOL

RESOLUTION AUTHORIZING INVESTMENT
OF [PORT OF SEATTLE](#) MONIES IN THE
LOCAL GOVERNMENT INVESTMENT POOL

WHEREAS, pursuant to Chapter 294, Laws of 1986, the Legislature created a trust fund to be known as the public funds investment account (commonly referred to as the Local Government Investment Pool (LGIP)) for the contribution and withdrawal of money by an authorized governmental entity for purposes of investment by the Office of the State Treasurer; and

WHEREAS, from time to time it may be advantageous to the authorized governmental entity, [PORT OF SEATTLE](#), the “governmental entity”, to contribute funds available for investment in the LGIP; and

WHEREAS, the investment strategy for the LGIP is set forth in its policies and procedures; and

WHEREAS, any contributions or withdrawals to or from the LGIP made on behalf of the governmental entity shall be first duly authorized by the [Port of Seattle Commission](#), the “governing body” or any designee of the governing body pursuant to this resolution, or a subsequent resolution; and

WHEREAS the governmental entity will cause to be filed a certified copy of said resolution with the Office of the State Treasurer; and

WHEREAS the governing body and any designee appointed by the governing body with authority to contribute or withdraw funds of the governmental entity has received and read a copy of the prospectus and understands the risks and limitations of investing in the LGIP; and

WHEREAS, the governing body attests by the signature of its members that it is duly authorized and empowered to enter into this agreement, to direct the contribution or withdrawal of governmental entity monies, and to delegate certain authority to make adjustments to the incorporated transactional forms, to the individuals designated herein.

NOW THEREFORE, BE IT RESOLVED that the governing body does hereby authorize the contribution and withdrawal of governmental entity monies in the LGIP in the manner prescribed by law, rule, and prospectus.

BE IT FURTHER RESOLVED that the governing body has approved the Local Government Investment Pool Authorization Form (Form) as completed by [Treasury Manager](#) and incorporates said form into this resolution by reference and does hereby attest to its accuracy.

BE IT FURTHER RESOLVED that the governmental entity designates the Port Treasurer (the Chief Financial Officer, their successor in function, or their delegate having experience in treasury operations), the “authorized individual” to authorize all amendments, changes, or alterations to the Form or any other documentation including the designation of other individuals to make contributions and withdrawals on behalf of the governmental entity.

BE IT FURTHER RESOLVED that this delegation ends upon the written notice, by any method set forth in the prospectus, of the governing body that the authorized individual has been terminated or that his or her delegation has been revoked. The Office of the State Treasurer will rely solely on the governing body to provide notice of such revocation and is entitled to rely on the authorized individual’s instructions until such time as said notice has been provided.

BE IT FURTHER RESOLVED that the Form as incorporated into this resolution or hereafter amended by delegated authority, or any other documentation signed or otherwise approved by the authorized individual shall remain in effect after revocation of the authorized individual’s delegated authority, except to the extent that the authorized individual whose delegation has been terminated shall not be permitted to make further withdrawals or contributions to the LGIP on behalf of the governmental entity. No amendments, changes, or alterations shall be made to the Form or any other documentation until the entity passes a new resolution naming a new authorized individual; and

BE IT FURTHER RESOLVED that the governing body acknowledges that it has received, read, and understood the prospectus as provided by the Office of the State Treasurer. In addition, the governing body agrees that a copy of the prospectus will be provided to any person delegated or otherwise authorized to make contributions or withdrawals into or out of the LGIP and that said individuals will be required to read the prospectus prior to making any withdrawals or contributions or any further withdrawals or contributions if authorizations are already in place.

PASSED AND ADOPTED by the Commission of the Port of Seattle, State of Washington on this _____ day of _____ 20_____.

SIGNATURE

TITLE

SIGNATURE

TITLE

SIGNATURE	TITLE
-----------	-------

SIGNATURE	TITLE
-----------	-------

SIGNATURE	TITLE
-----------	-------

Item No. [10b_supp](#)
Date of Meeting: [December 9, 2025](#)



Introduction to
Resolution No. 3843
Port of Seattle Treasurer

December 9, 2025



Resolution No. 3843

Technical updates to two resolutions:

1. Resolution no. 3476 – appointment of Port Treasurer:

- removes Daniel R. Thomas name, and
- replaces a name with a title, successor and delegate:
 - Chief Financial Officer, their successor in function, or their delegate having experience in Treasury operations.
- Requirement from a bond or insurance in lieu of a bond, and
- increase coverage from \$750,000 to \$1,000,000

2. Resolution no. 3748 – Statement of Investment Policy, Ex. B:

- Removes and replaces Daniel R. Thomas name with title etc. outlined above

**COMMISSION
AGENDA MEMORANDUM**

Item No. 10c

ACTION ITEM

Date of Meeting December 9, 2025

DATE: December 9, 2025

TO: Stephen P. Metruck, Executive Director

FROM: John Flanagan, Senior State Government Relations Manager

SUBJECT: 2026 State Legislative Agenda

Amount of this request:	n/a
--------------------------------	-----

ACTION REQUESTED

Requesting Commission adoption of the Port's 2026 State Legislative Agenda and authorization for staff to advocate on the agenda during the 2026 Legislative Session.

EXECUTIVE SUMMARY

On January 12th, the State Legislature will officially begin the 2026 State legislative session. The 60-day 'short session' is scheduled to conclude on March 12th. Following conclusion of the 2025 session, the Port's State government relations team began engagement with internal issue-experts, the executive leadership team, the Commission office, and individual Commissioners to develop this set of priorities for the 2026 State legislative session.

Given that 2026 is a 'supplemental' session, and in recognition of the state's challenging fiscal environment, this agenda focuses on progressing successes from past years, carrying forward unfulfilled requests, and setting the stage for multi-year advocacy efforts.

DRAFT 2025 State Legislative Agenda

Statement of values

As in recent years, the Port's work in Olympia will adhere to certain values. Generally, our advocacy work will:

- Focus on responsible spending and preservation of existing Port revenues;
- Expand capacity, enhance governance, and improve delivery of capital construction;
- Ensure availability of clean energy for the future and advance decarbonization;
- Grow economic development opportunities throughout the maritime sector;
- Implement technology and facility strategies that enhance operational continuity; and

Meeting Date: December 9, 2025

- Strengthen near-port communities by maintaining a ‘Shared Vision, Shared Success’ approach.

Approach to new revenue

As in 2025, during the 2026 session the Port will execute an engagement strategy regarding new revenue that focuses on:

- Preservation of existing programs and funding tools;
- Retaining (i.e. not eliminating) tax preferences and incentives that support the Port’s key industries and lines of business;
- Supporting the passage of progressive revenue schemes to fund ongoing programs;
- Discouraging the creation of new taxes and fees that disproportionately impact the Port, Port-related industries, or small businesses generally;
- Prioritizing local decision-making and the autonomy of local and regional municipalities.

Priority Agenda Items***Economic Development & Workforce*****Tourism**

- Support legislation enacting recommendations of the Tourism industry’s self-supported assessment work group.
- Partner with Seattle FWC26 on any additional requests necessary to get the region ‘World Cup Ready’.

Childcare

- Continue to support policies and programming that increase access to and improve affordability of childcare for parents that work primarily at Port-owned and Port-controlled facilities.

Supports for business, innovation, and trade

- Advocate for the continuation or re-establishment of programs that champion innovation, aid the global competitiveness of the region, and provide critical support to international business.
- Establish a statewide economic development strategy.
- Enact legislation and provide resources to create a state-level ‘Innovation Zone’ program.
- Support efforts to preserve existing industrial lands and policies that will ensure statewide land-use and planning regulations consider industrial development and manufacturing capacity.
- Support the full package of policies and priorities that make up the joint ‘Statewide Trade Strategy’ including, but not limited to:
 - Incentives to promote development of warehousing and manufacturing infrastructure;

Meeting Date: December 9, 2025

- Improvement of state permitting processes and creation of expedited permitting under certain conditions;
- Development of a definition for ‘Trade-exposed small businesses’ and direction to relevant state agencies to establish a certification and compliance process to provide tax relief to those businesses under certain conditions;
- Updates and improvements to the existing site selection process;
- Creation of a targeted freight investment program serving currently unmet needs;
- Reinvestment in a freight and supply chain institute and program; and
- Investments and planning to increase truck parking opportunities.

Aviation**Sustainable Airport Master Plan (SAMP)**

- Ensure that any policy efforts at the State level do not disproportionately impact the Port’s ability to pursue capital construction or delay ongoing environmental analysis.
- Explore legislative action to strengthen the Port’s permitting authority.

Aviation fuel tax

- Pursue an amendment to the biennial budget to allow use of ‘sales tax on aviation fuels’ revenue for environmental cleanup and mitigation efforts at airport facilities.

Sustainable Aviation Fuel (SAF)

- Support legislation to further incentivize production and use of sustainable aviation fuels including, but not limited to:
 - Property and leasehold tax exemptions for SAF facilities; and
 - Amending an existing construction sales tax deferral program to include SAF facilities.
- Ensure that existing revenue streams benefitting the sustainable aviation fuel account remain in place. Additionally, use a portion of these revenues to create a ‘SAF Infrastructure Grant Program’.

StART agenda

Support the full set of shared policy priorities developed by the Port and community representatives of the SEA Stakeholder Advisory Round Table (StART) Committee. That list includes:

- Pursuing legislation (as necessary) to ensure that the State’s aircraft noise and mitigation program are complementary to Federal and Port programs and funding;
- Restoring State funding for noise mitigation that was eliminated during the 2025 session;
- Assigning deadlines for the Commercial Aviation Working Group (CAWG) to achieve clear recommendations for action, and reestablishing a specified leadership role for the Governor’s office on the CAWG;
- Directing the CAWG to study and produce reports on policy measures to incentivize the siting of new commercial airports, and about airports that operate as joint military & commercial facilities;

Meeting Date: December 9, 2025

- Sustaining existing programs to enhance air qualities; and
- Broadly supporting efforts to decarbonize ground transportation, reduce emissions, boost renewable energy and clean fuels production, and support electrification.

Maritime

Sustainable Maritime Fuel (SMF) and maritime emissions

- Generally, support all efforts to incentivize the production and use of SMFs in Washington.
- Explore and pursue all necessary legislative or administrative actions to ensure that SMFs generate credits under the State’s Clean Fuel Standard.
- Pursue capital budget funding for a demonstration project showcasing SMFs and other clean maritime technologies.
- Continue to work with the proponents of HB 1652 / SB 5519 (Use of ‘scrubbers’ on ocean-going vessels) to find a compromise that decarbonizes maritime vessel operations and protects water quality without banning the use of technologies that reduce emissions or inadvertently harming the use of emerging sustainable and clean maritime fuels.

Port electrification and shore power

- Support dedication of additional and ongoing funding for the Port Electrification Grant Program administered by WSDOT. Ensure that any additional funding follows current program guidelines around use of shore power infrastructure as a pre-condition to accessing program funds.
- Continue to work with the proponents of HB 1689 (CA emission standards / shore power mandate) to amend the legislation. Emphasize the need to provide infrastructure funding, to create incentives for construction of shore-power-enabled vessels, and to avoid creating new mandates that could inadvertently harm ongoing decarbonization efforts at the Port and elsewhere.

Statewide vessel construction strategy

- Ensure that new and existing state ‘match funding’ programs are flexible enough to provide resources for vessel construction initiatives receiving federal funds.

Blue Schools Initiative

- Seek opportunities throughout session to highlight the Blue Schools Initiative and to set the stage for future funding.

Commercial Pump Out

- Explore options and pursue capital budget funding to construct a commercial pump out facility in the Seattle area.

Meeting Date: December 9, 2025

Transportation**Revenue & funding models**

As in past sessions, and in recognition of ongoing financial challenges in the State transportation budget, support revenue and funding models that:

- Benefit freight mobility;
- Enhance competitiveness of the gateway;
- Prioritize multimodal transportation; and
- Continue the work of decarbonizing our transportation system and reducing local transportation-related emissions.

Road Usage Charge (RUC)

- As opportunities arise, support creation of a statewide RUC program that generally adheres to the principles above.

Major transportation projects

Advocate for:

- Any policies necessary to ensure completion of the Puget Sound Gateway Project without additional delays;
- Funding to support mitigation efforts related to the ‘Revive I-5’ project; and
- Preservation of investments in high-speed rail.

Increasing transit options for SEA workers

- Continue to support extension of the State’s existing Commute Trip Reduction program.
- Explore legislative action granting the Port explicit authority to pursue all strategies to effectuate the Port’s order.

Medium and Heavy-Duty Zero-Emission Vehicles (MHD ZEVs)

- Protect existing investments and programming aimed at incentivizing use of MHD ZEVs by the Port, Port tenants, and throughout the state’s transportation network.

North Airport Expressway & illegal parking

- Continue to monitor outcomes from the joint work with WSDOT and WSP to reduce shoulder parking on the airport expressway. As design, asset, and enforcement recommendations are identified, ensure that WSDOT has the necessary resources and authority to implement.

Environment & Energy**Regional green economy**

- In coordination with the City of Seattle, King County, and the University of Washington, pursue a regional ‘Green Economic Development Model’ to demonstrate clean energy innovation, benefit local generation, lower costs, and create high quality jobs.

Meeting Date: December 9, 2025

Siting of clean energy, renewables, & transmission infrastructure

- Continue to broadly support efforts to site clean energy facilities, enact associated incentives, and to assess the feasibility of constructing and maintaining clean energy production facilities for the Port's own use.
- Support the various recommendations of the Interagency Clean Energy Siting Coordinating Council published in October.
- Advocate for legislation benefitting the construction of transmission infrastructure.
- Streamline the site certification process.

Mitigation banking

- Pursue legislation to clarify how mitigation banking projects impact regulatory constraints on adjacent sites and to ensure that the Department of Ecology's interpretation of statute matches intent.

Environmental justice (EJ)

- Continue to work with the proponents of HB 1303 / SB 5380 (Local governments & environmental justice) to craft a policy that is complementary to the Port's ongoing EJ work, and that focuses on a holistic system-wide approach to EJ rather than a project-by-project analysis.

Clean building performance standards

- Continue to monitor and participate in rulemaking related to HB 1543 (Clean buildings performance standard compliance) and to work with the Department of Commerce to ensure that essential public facilities are granted additional compliance pathways, expanded exemption criteria, and extensions for covered buildings.
- Explore legislative opportunities to create distinct compliance standards for publicly-owned and operated essential public facilities.

Taxes & Revenue

Property tax levy cap

- Support efforts by other local governments to reform state and local property tax, including efforts to raise or eliminate the local property tax levy cap.

Tax increment financing (TIF)

- Continue to seek improvements to the state's TIF framework, including support for consensus legislation pursued in coordination with other ports, cities, and various special purpose district associations.
- In addition to consensus legislation, seek to establish a reasonable limitations on the overall number of TIFs drawing from the Port's underlying tax revenue, or a limitation on the amount of tax revenue that may be dedicated to TIF projects each year.

Meeting Date: December 9, 2025

General Government

Public Records Act

- Support joint efforts by the Public Ports Association, Association of Cities, and Association of Counties to limit Public Records Act violations by local governments and special purpose districts that are engaged in ‘good faith efforts’ to respond to records requests.

Artificial Intelligence

- Continue to work with the proponents of HB 1622 / SB 5422 (Collective bargaining / AI use by local government) to mitigate impacts to port districts.

Port Commissioners & PERS

- Continue to pursue legislation intended to allow new port commissioners that are already in the Public Employee Retirement System (PERS) to accrue service hours for time spent in service of their official duties.

Healthcare

- Advocate for legislation requiring certain SEA tenants to provide workers with healthcare benefits at a specified threshold with implementation and compliance to be managed by a relevant state agency (likely LNI).

Legacy Agenda Items

Legacy Issue Area 1: Economic and Workforce Development

Continue to support economic and workforce development proposals that are consistent with Goals 1, 2, 3, 5, and 6 of the Port’s Century Agenda with a focus on policies and programs that prioritize equity, foster innovation, and create quality and sustainable jobs in the region.

Advocacy will include support for:

- Partnerships that benefit the growth of port-related industries and expansion of state-level worker training programs in those industries;
- Career-connected learning and work-based learning programs that seek to expose K-12 students to professions in port-related industries, including ongoing support for CORE PLUS programming and preservation of funding for programs at the State’s various Career and Technical Colleges;
- Continuation and expansion of pre-apprentice and apprenticeship programs;
- Efforts to expand the trucking and logistics workforce, including increasing the supply of Commercial Driver’s License (CDL) holders and drivers, with a specific focus on those serving port operations;
- Programs that prioritize equitable recruitment, training, and retention of workers representing diverse populations;
- Policy solutions that connect port-adjacent communities to economic opportunity and ‘prosperity-in-place’;
- The continued enforcement of responsible labor standards;

Meeting Date: December 9, 2025

- Increased state-level investments to promote and grow the tourism industry in Washington;
- Investments in broadband infrastructure and digital equity programming, including the use of state funds as ‘match dollars’ for federal programs;
- Rural economic development initiatives, including those that benefit small manufacturers and domestic manufacturing generally, investments in freight corridors serving rural areas, rural tourism, and support for associate development organizations;
- Proposals that reduce structural barriers, prioritize equitable working conditions, promote the success of small businesses, and benefit minority and women-owned enterprises;
- The repeal of I-200, efforts to implement Executive Order 22-02, and outcomes resulting from the ongoing work of the Governor’s Statewide Diversity, Equity, and Inclusion Council;
- Statewide contracting practices and programs that increase flexibility for public owners while also supporting small, minority, and women-owned businesses, and increasing opportunity and access for those businesses;
- Creating state-level programs geared towards assisting businesses owned by woman, minority, and veteran populations and rural small businesses that traditionally struggle to access available public resources.
- Continue to monitor and engage in legislative efforts regarding use of project labor agreements, ‘prompt pay’ requirements, and other emerging trends in labor relations.

Legacy Issue Area 2: Energy, Climate, Environment, and Habitat

Continue to support state-level policies regarding energy, environment, sustainability, climate, and habitat that serve Goals 4 and 5 of the Port’s Century Agenda. Advocate for policy and budgetary solutions that promote the adoption and implementation of clean energy, phase-down the State’s reliance on fossil fuels, reduce emissions, and improve environmental outcomes.

Advocacy will include support for:

- Promotion of the use of low- and zero-carbon fuels for transportation, providing low or zero emission transit options, and otherwise aiding the continued reduction in the cost of low- and zero-carbon energy sources;
- Policies that promote the use of clean energy technology, promote the development of in-state renewable energy, build energy efficiency, and support a statewide reduction in greenhouse gas emissions while enforcing statewide goals for clean power, and that can be implemented in ways that leverage our state’s competitiveness, maintain the efficient operation of essential public facilities such as airports and seaports, and support social equity in the private sector;
- Proliferation of sustainable aviation fuels, including support for SAF infrastructure programs and any necessary adjustments to existing incentives;

Meeting Date: December 9, 2025

- Likewise, programs to support the proliferation of sustainable maritime fuels and other non-emitting maritime technologies, including support for all necessary storage, bunkering, and other infrastructure;
- On-dock decarbonization programs and incentives;
- Programs and policies geared towards ‘Scope 3 emissions’;
- Programs benefitting Puget Sound health, including water quality, habitat restoration, cleanups, stormwater, underwater noise reduction, and programs related to Southern Resident Killer Whale (SRKW) recovery, including support for additional Quiet Sound funding;
- Legislative solutions aimed at increasing compliance with the updated industrial stormwater general permit;
- Maintaining funding for programs associated with the Model Toxics Control Act (MTCA) that assist the Port in its efforts to promote environmental stewardship, including cleanup grants, public participation grants to community organizations, and benefitting voluntary, expeditious cleanup of habitat restoration and/or shoreline public access projects in underserved communities;
- Streamlining and providing robust state funding for the Department of Ecology’s wetland mitigation banking program so that cost-effective and large-scale compensatory mitigation projects can be built in advance of permitted impacts;
- Programs and legislative solutions to address derelict vessels on port and port-adjacent properties;
- Efforts to increase climate resiliency, including through implementation of recommendations in the State’s recently published Climate Resilience Strategy and investments in resilience in the transportation network serving ports, in collaboration and partnership with local governments;
- Policies that reduce air emissions and pollution for passengers and employees traveling to and from Port facilities, including promoting and improving the efficiency of public transportation and public transit;
- Continuing state partnerships to reduce emissions from waterfront operations while maintaining an international competitive edge, including partnerships to support electric transmission infrastructure development, regarding innovation in the clean maritime sector, and in the State’s ongoing Maritime Blue 2050 initiative;
- Responsible and thoughtful implementation of statewide environmental justice standards, including support for state-agency efforts to build intersectionality directly into programming, advocacy to ensure that state agencies adhere to standards for investment in overburdened communities and vulnerable populations that are set in current law, establishing adequate enforcement mechanisms, and providing necessary resources; and
- the Washington Conservation Corps (WCC) program, including creating opportunities to integrate WCC staff into Port operations and programs.

Meeting Date: December 9, 2025

Legacy Issue Area 3: Transportation

Support transportation policy that is consistent with Goals 1, 2, and 4 of the Port's Century Agenda, emphasizing the importance of proposals supporting freight mobility, enhancing competitiveness, aiding multimodal transportation, and continuing to decarbonize.

Advocacy will include support for:

- Investments in transportation networks serving essential public facilities with specific emphasis on funding needed for upgrades to near-port facilities;
- Proposals speeding the movement of freight and passengers from origin to destination through seaport and airport facilities, and improving trade competitiveness of the state and the Port's gateway;
- Ongoing efforts to address the major deficit of truck parking in the region and to expand the number of areas set aside for the needs of commercial truck operators;
- Continued promotion of Washington as an international trading partner, including support for the state's exporters and ensuring that transportation facilities supporting trade are modern, world-class, and operate efficiently;
- Proposals to clarify and affirm the authority of the Port Commission to control access to port facilities by all transportation modes (including private vehicle access, commercial ground transportation providers, and public transportation providers), and promoting fairness and equity among transportation service providers, in support of responsible operation in all areas of regulation, including insurance, monitoring, safety, and environmental standards;
- State engagement relating to increasing passenger vessel routes operating in Puget Sound, provided that any increased vessel traffic is accompanied by mitigation;
- Regional conversations related to innovative transportation partnerships that will help alleviate congestion on roadways and in airports, and reduce emissions associated with the transportation sector;
- Continuation of programs that incentivize the adoption and use of electric vehicles;
- Coordinated approaches to regional transportation planning, including aviation planning;
- Continued progress regarding airport siting or expansion and the efforts of the Commercial Aviation Work Group (CAWG);
- State-level actions to advance planning for major transportation projects, provided that planning efforts account for impacts to the broader transportation network and consider effects to adjacent areas;
- Investments in multimodal and active transportation infrastructure that prioritize safety, increased choice, and efficient movement of freight and all users; and
- Promotion of state agency efforts benefitting REAL ID compliance.
- Participate in, and monitor, conversations regarding transportation revenue and revenue-generating policies, advocating that policies prioritize and uphold economic competitiveness and do not disadvantage the efficient movement of goods.
- Likewise, the Port will continue to advocate that broader transportation implications continue to be a central consideration of major transportation projects.

Meeting Date: December 9, 2025

Legacy Issue Area 4: Land Use

Continue to advocate for land use policies benefitting goals 1, 3, 4, and 5 of the Port’s Century Agenda, with a specific focus on zoning issues that may affect port competitiveness.

Advocacy will include support for:

- Proposals that reflect the “Guiding Principles: Stewardship, Enhancement, and Protection of Maritime and Manufacturing Lands” document that was adopted by the Northwest Seaport Alliance on November 1, 2016;
- Proposals that aim to reduce pressure on critical industrial lands by focusing dense residential development into existing residential areas that have typically been characterized by low-density single-family development;
- Efforts to acknowledge and define Manufacturing and Industrial Centers (MICs) as resource lands of statewide economic significance;
- Proposals that recognize the role industrial resource lands play in global port competitiveness and in supporting job retention in diverse economic sectors;
- Policies that give the Port flexibility in the conveyance and use of surplus property; and
- Proposals that seek to strengthen the Container Ports Element of the Growth Management Act.
- Monitor actions related to the Department of Commerce’s Interbay Public Development Advisory Committee, and any other legislative changes that may impact the efficient functioning of statewide essential public facilities.
- Ensure that ongoing efforts to update the Growth Management Act do not inadvertently result in the imposition of new or expanded planning requirements for Ports without providing adequate resources to implement.

Other Legacy Issue Areas: Tax, Revenue, Governance, Technology, Trafficking, Civil Asset Forfeiture

Taxation:

Support state-level tax policies that foster the economic health of port-related businesses and activities, including:

- Policies that promote the efficient movement of freight and support communities that contain warehousing and distribution infrastructure, especially those facilities and communities benefitting agriculture, manufacturing, and trade sectors; and
- Policies that reduce manufacturing costs in port-related sectors, including businesses that support the efficient functioning of SEA International Airport, and incentivizing construction of fishing vessels within Washington State.
- Legislative solutions to clarify the application of Leasehold Excise Tax to certain port-related businesses, and continue to monitor stalled Leasehold Excise Tax rule making.
- Monitoring developments and policies that divert Port revenues to other uses, opposing changes that further increase diversion of Port revenue, or are otherwise inconsistent with underlying tax law.

Meeting Date: December 9, 2025

Revenue:

Continued support for grant & loan programs that aim to maximize the use and availability of federal resources for Port infrastructure and initiatives.

Governance:

- Oppose legislation that would create an imbalance of representatives between the two homeports in the governance of the Northwest Seaport Alliance.
- Monitor legislative proposals that would alter the governance structure of either NWSA homeport, and if proposed, advocate for ratification by citizen vote within the respective homeport district(s).

Technology:

- Monitor proposals related to the use of biometric technology, such as facial recognition, with particular attention to those that address protection of individual privacy, equity, and compliance with federal and state regulations.
- Continue to monitor proposals related to establishing a Washington State Digital ID intended for general use including at airport facilities.
- Monitor state-level regulation of artificial intelligence (AI), and seek to form relevant partnerships with state and local government agencies regarding the use of AI.

Trafficking:

- Continue to engage state agencies, the legislature, and external partners in Port-sponsored efforts to combat human trafficking and forced labor at port facilities, including the airport, seaport, cruise terminals, and marina properties. Explore additional opportunities to deepen partnerships and align ongoing efforts happening elsewhere. As the region hosts major large-scale events (like the World Cup), ensure that the State supports anti-trafficking programs.

ATTACHMENTS TO THIS BRIEFING

- (1) Presentation slides

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

December 10, 2024 - The Commission voted to adopt the Final 2025 State Legislative Agenda

November 19, 2024 - The Commission was briefed on the Draft 2025 State Legislative Agenda

January 9, 2024 – The Commission voted to adopt the Final 2024 State Legislative Agenda

December 12, 2023 – The Commission was briefed on the Draft 2024 State Legislative Agenda

2026 State Legislative Agenda

Briefing to Port of Seattle Commission | December 9, 2025

John Flanagan, Sr. State Govt. Relations Manager

Brooke Davies, Contract Lobbyist

Nick Streuli, Contract Lobbyist



Overview | Process | Next Steps



Preview – What to expect

Short (60-day) session
Supplemental budget
Challenging fiscal environment



Agenda Development Process

Successes from 2025 session
'Unfinished business'
Setting the stage for 2027
Ongoing work & core priorities



Next Steps

Incorporate feedback
Seek adoption of Final Agenda

PRIORITY ITEMS | Economic Development & Workforce

Tourism

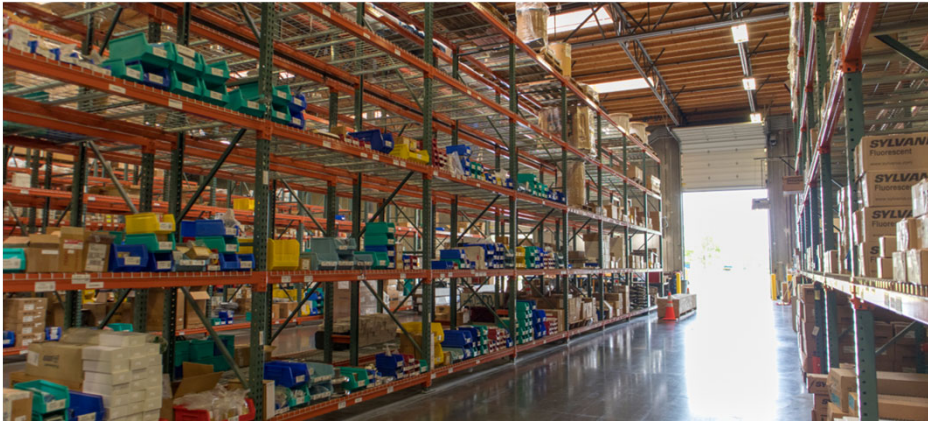


Childcare Access



PRIORITY ITEMS | Economic Development & Workforce

Business, Innovation, and Trade



- Statewide economic development strategy
- ‘Innovation Zones’
- Preservation of industrial lands
- Statewide Trade Strategy

PRIORITY ITEMS | Aviation



SAMP

- Avoid delays, proceed with analysis & construction, permitting

Aviation fuel tax

- MTCA, airport cleanups & mitigation

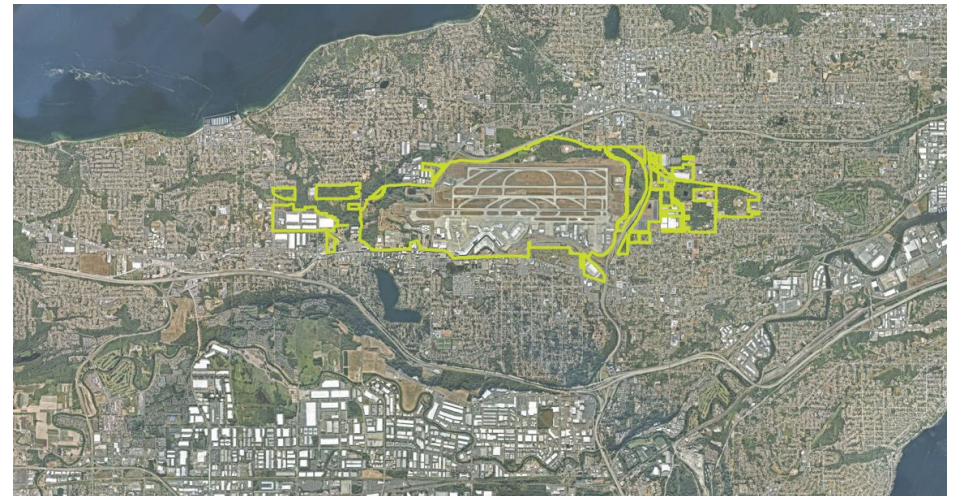
Sustainable Aviation Fuel (SAF)

- Additional incentives
- Protect existing revenue streams
- Infrastructure program

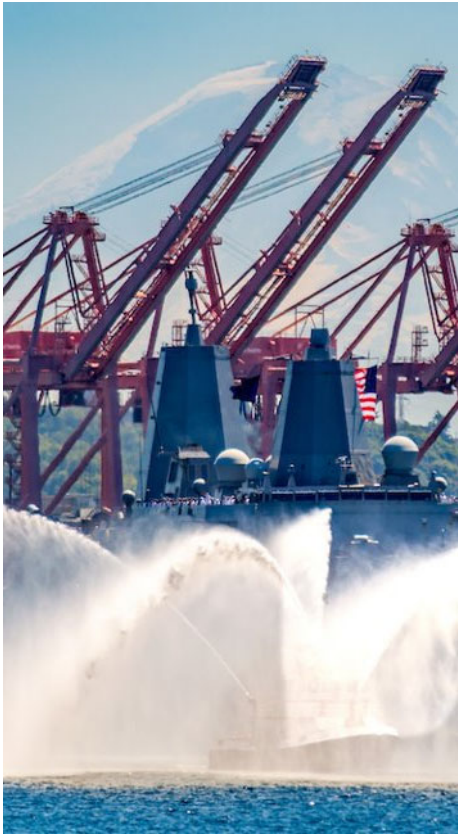
PRIORITY ITEMS | Aviation

SEA Stakeholder Advisory Round Table (StART) Shared Policy Priorities

- Aircraft noise
- Restoring resources swept in 2025
- Airport siting & directing work of the CAWG
- Existing air quality programming
- Decarbonizing ground transportation

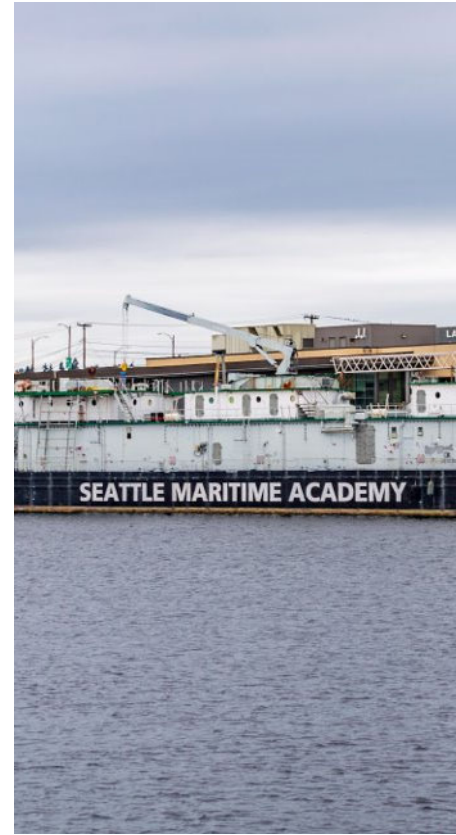


PRIORITY ITEMS | Maritime



Sustainable
Maritime Fuel
(SMF) and
maritime emissions

Port electrification
& shore power



Statewide vessel
construction
strategy

Blue Schools
Initiative

Commercial Pump
Out funding

PRIORITY ITEMS | Transportation

Revenue & Funding

RUC | Options for SEA workers | MHD ZEVs

Major Projects

Gateway | Revive I-5 | HSR



PRIORITY ITEMS | Environment & Energy

Regional green economy



Siting clean energy, renewables
& transmission



Mitigation banking



PRIORITY ITEMS | Environment & Energy

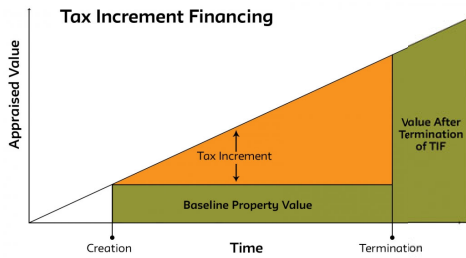
Environmental Justice



Clean Buildings Performance Standards



PRIORITY ITEMS | Tax, Revenue, & General Government



Property Tax Reform
Tax Increment
Financing

Public Records Act
Artificial intelligence

Port Commissioners &
PERS

Healthcare

Legacy Issue Area 1

Economic & Workforce Development

Worker training programs in port-related industries

- Career-connected and work-based learning programs for K-12
- Pre-apprentice and apprenticeship programs
- Trucking, increasing supply of CDL holders
- Equitable recruitment, training, and retention of a diverse workforce

Connecting port-adjacent communities to economic opportunity ('prosperity in place')

Responsibly enforcing labor standards

Promote and grow tourism in Washington

Broadband and ending the 'Digital Divide'

Rural initiatives (manufacturing, rural freight, rural tourism, support for ADOs)

Repeal I-200 and addressing structural barriers

Promoting success of SMWBEs (Contracting, Capacity Building, etc.)

Flexibility in contracting to public owners

Continuing to monitor legislation regarding PLAs, prompt pay, and other emerging trends

Legacy Issue Area 2

Energy, Climate, Environment, and Habitat

Promote low- and zero-carbon fuels in transportation & transit

Development and use of clean energy, renewables, increasing energy efficiency, reducing emissions, and supporting goals for use of clean power

Growth of sustainable aviation and maritime fuels

Waterfront electrification, and decarbonization of on-dock infrastructure

Reducing 'Scope 3 Emissions'

Climate Corps Network

Puget Sound health

- Water quality, underwater noise, habitat restoration, Southern Resident Killer Whale recovery, and Quiet Sound

Programs funded through the Model Toxics Control Act (MTCA)

- Stormwater, cleanups, public participation, and Remedial Action Grants

Wetland mitigation banking

Climate resilience

- Including resilience in transportation networks & implementing State's resilience strategy

Environmental justice

- Near-port communities and adhering to existing regulations and standards for investment in overburdened communities and benefitting vulnerable populations

Legacy Issue Area 3 Transportation

Invest in transportation networks serving essential public facilities

Speed movement of freight and passengers from origin to destination including increased access to transit

Truck parking and benefits for operators

Improve trade competitiveness of the State and the Port's gateway

Promotion of Washington as an international trading partner

Affirm Port's authority to control access to port facilities by all transportation modes

REAL ID compliance

Progressive transportation revenue

Passenger vessel operations in Puget Sound (and commensurate mitigation)

Regional partnerships and use of emerging technologies to alleviate overall congestion

Coordinated regional transportation planning (including aviation)

Continued progress on airport siting or expansion

Planning for future major transportation projects

- Account for impacts to broader transportation network, consider effects to adjacent areas

Multimodal and active transportation

- Safety and efficient movement of freight

Legacy Issue Area 4 Land Use

Proposals that reflect the NWSA document “Guiding Principles: Stewardship, Enhancement, and Protection of Maritime and Manufacturing Lands”

Spur dense residential development in existing areas to reduce pressure on industrial lands

Acknowledge that Manufacturing and Industrial Centers (MICs) are resource lands of statewide economic significance

Flexibility in conveyance of surplus property

Recognition of the contribution of industrial lands towards global competitiveness

Strengthening the Container Port Element of the GMA

Interbay Public Development Advisory Committee

Discourage creation of new or expanded planning requirements under the Growth Management Act

Other Legacy Issue Areas: Tax, Governance, Technology, Trafficking, Asset Forfeiture

Taxation

- Promote efficient movement of freight
- Benefit communities where warehousing and distribution infrastructure is located
- Reduce manufacturing costs in port-related sectors
- Clarify the application of Leasehold Excise Tax for certain port-related businesses
- Prevent diversions from underlying Port revenues

Governance

- Oppose legislation that would create an imbalance of representatives between the two homeports in the governance of the Northwest Seaport Alliance

Trafficking

- Combat human trafficking at port facilities and during large-scale regional events

Revenue

- Use state resources to maximize use and availability of federal resources

Technology

- Biometrics, privacy, equity, and compliance with federal and state regulations
- Washington State Digital ID
- Regulation of artificial intelligence (AI)



Questions?

Thank you for your engagement in our expansive advocacy work

COMMISSION
AGENDA MEMORANDUM

Item No. 11a

BRIEFING ITEM

Date of Meeting Dec 9, 2025

DATE: December 9, 2025
TO: Stephen P. Metruck, Executive Director
FROM: Glenn Fernandes, Director, Internal Audit
SUBJECT: **2025 Internal Audit Annual Report**

EXECUTIVE SUMMARY

The purpose of this memo is to brief the Commission and the public on audits performed in the 2025 calendar year. The 2025 Audit Plan was approved at the December 5, 2024, Audit Committee meeting.

Internal Audit (IA) completed 13 audits, 10 limited contract compliance reviews, and 2 capital project reviews. These identified 8 High Risk, 10 Medium Risk, and 7 Low Risk issues for management action. In addition, R.L. Townsend & Associates, an external, independent auditor, who was engaged to audit General Contractor/Construction Manager construction projects, presented an Annual Audit Services Report at the December 5, 2024, Audit Committee meeting.

Implementation of the associated recommendations will strengthen internal controls, enhance processes, and improve efficiencies. Internal Audit (IA) has a process in place where we periodically follow up on recommendations and agreed upon management action plans to assure action is taken. This process sometimes relies on attestations from Management. Delinquent action plans are periodically brought to the Audit Committee's attention.

BACKGROUND

On December 11, 2007, the Port of Seattle (Port) Commission passed a motion, which resulted in the creation of an independent and objective Internal Audit function. The Internal Audit Charter was last updated and approved by the Audit Committee, the Commission President, and the Executive Director on October 5, 2020. No significant changes have warranted an update since then.

The Audit Committee serves as an arm of the Port Commission. For 2025, Commissioner Ryan Calkins chaired the Audit Committee, and Commissioner Hamdi Mohamed served as the other commission member. Ms. Sarah Holmstrom, CPA, a Strategic Finance Leader for Swinomish Enterprises, served as the external member of the Audit Committee.

Meeting Date: December 9, 2025

IA conducts audits and reviews of Port departments, programs, functions, systems, contracts, and activities based on the department's approved audit plan. In discharging their duty, the Internal Audit Director and his staff are accountable to the Audit Committee and to the Executive Director.

LISTING OF 2025 INTERNAL AUDITS AND REVIEWS COMPLETED

Below is a list of audits and reviews completed by Internal Audit in 2025.

Performance:

- 1) Recovery Effort - Data Integrity – Maritime
- 2) Banking/Fraud Controls
- 3) Community Initiatives - ANEW
- 4) Consultants/Contractor Management
- 5) Port Management Governance Committees

Performance - Capital:

- 1) Terminal 91 Berths 6 & 8
- 2) Maritime Center at Fishermen's Terminal
- 3) 2023 Airfield Projects - Contract 2
- 4) Widen Arrivals Roadway
- 5) Recovery Effort - Data Integrity - Construction Management¹
- 6) Club at SEA¹

Information Technology:

- 1) Closed Network System - Satellite Transit System (STS) (AVM)²
- 2) Third-Party Risk Management (ICT & AVM)²
- 3) Access Control Management (AVM)²
- 4) Access Control Management (ICT)²

Limited Contract Compliance:

- 1) Gate Gourmet, Inc.¹
- 2) BF Foods, LLC¹
- 3) Concourse Concessions, LLC¹
- 4) SSP America SEA, LLC (Ballard Brew Hall)¹
- 5) SSP America SEA, LLC (Mi Casa Cantina)¹
- 6) SSP America SEA, LLC (Le Grand Comptoir)¹
- 7) SSP America SEA, LLC (Camden Food Co.)¹
- 8) Sun's, Inc.¹
- 9) The Yarrow Group, LLC¹
- 10) LaTrelle's Flight Kitchen, LP (Wendy's)¹

¹ Performed as a review

² Security Sensitive – Exempt from public disclosure per RCW 42.56.420

ATTACHMENTS TO THIS BRIEFING

- (1) Presentation slides

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

January 14, 2025 – The Commission was briefed on 2024 completed audits.

February 13, 2024 – The Commission was briefed on 2023 completed audits.

January 24, 2023 – The Commission was briefed on 2022 completed audits.

December 9, 2021 – The Commission was briefed on 2021 completed audits.

December 8, 2020 – The Commission was briefed on 2020 completed audits.

December 10, 2019 – The Commission was briefed on 2019 completed audits.

2025 Internal Audit Annual Report

Glenn Fernandes - Director, Internal Audit

December 9, 2025

P69 Commission Chambers

12:00 PM – 5:00 PM

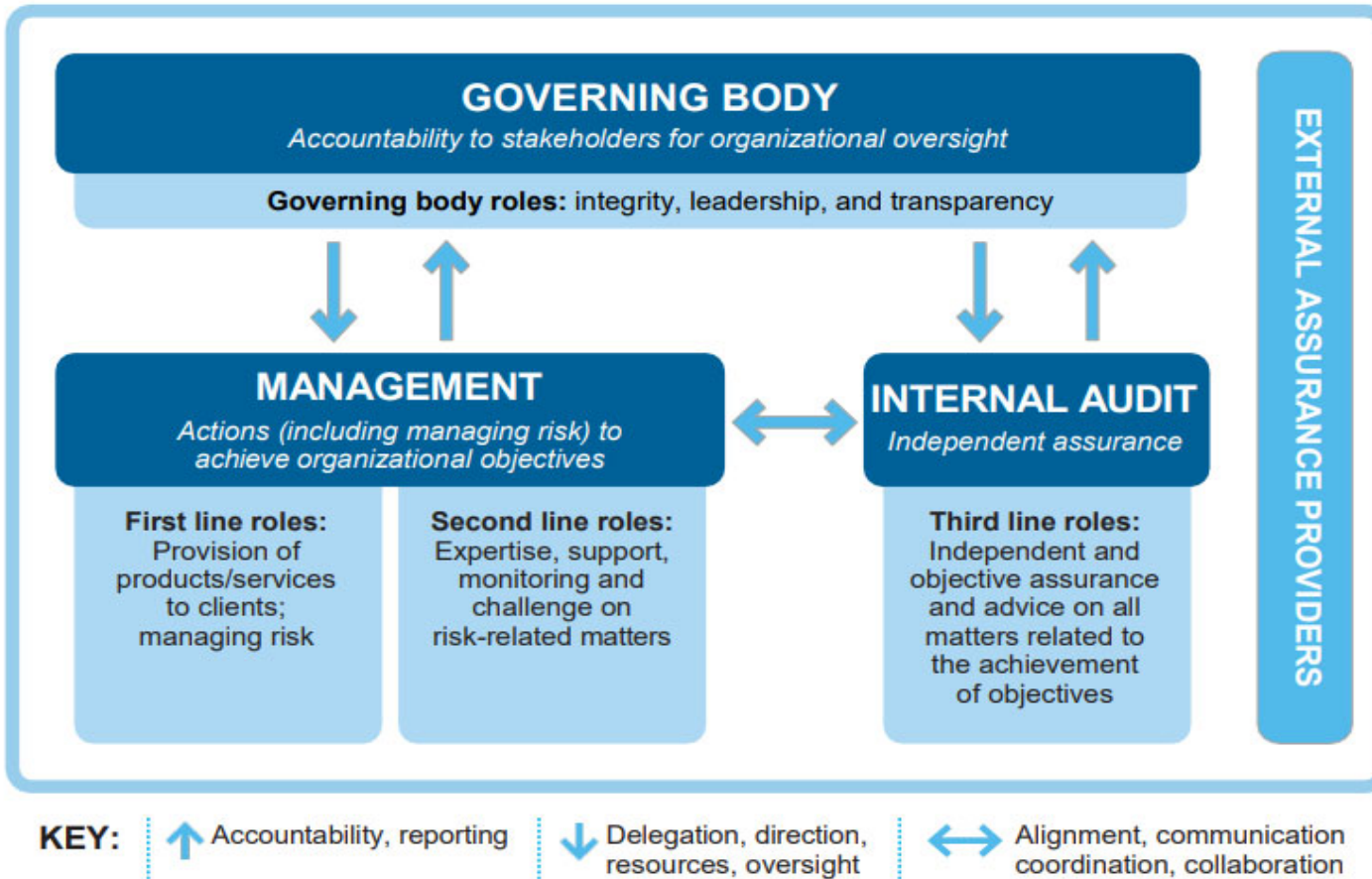
2025 Audit Committee

- Commissioner Ryan Calkins, Committee Chair
- Commissioner Hamdi Mohamed, Committee Member
- Sarah Holmstrom, Committee Public Member

Substitutes

- Commissioner Fred Felleman

The IIA's Three Lines Model



Source: The Institute of Internal Auditors, *THE IIA'S THREE LINES MODEL – An Update of the Three Lines of Defense*, published in July 2020.

- **Combined Assurance to Break Down Silos:**

The governing body, management, and internal audit have their distinct responsibilities, but all activities need to be aligned with the objectives and collectively grow the value of the organization.

- **Beyond the Three Lines Model:**

Today's environment of risk bedlam requires us to go a step further. Collaboration is a business imperative and a platform we can use to generate even greater enterprise value.

2025 Key Initiatives

- Information Technology
 - Cybersecurity
 - Operations Technology
- Capital Delivery
- 2024 Cyber-Event Recovery

2025 Audit Plan Update

- 13 audit reports were completed in 2025: 5 Performance, 4 Capital Project, 4 Information Technology Reports
- Additionally, 10 Limited Contract Compliance Reviews and 2 Capital Project Reviews were completed
- Audits identified 8 High Risk, 10 Medium Risk, and 7 Low Risk rated issues for management action
- General Contractor/Construction Manager (GC/CM) Projects; real-time auditing, as required by RCW 39.10.385 – 7 projects in process
- Audit reports are shared with Audit Committee Members, and for transparency, are also posted to the Port's external facing website

[Audit reports can be found at <https://www.portseattle.org/page/internal-audit-reports.>]

2025 AUDIT PLAN STATUS													
Report Title	Type	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Recovery Effort - Data Integrity - Maritime	Performance												
Banking/Fraud Controls	Performance												
Community Initiatives - ANEW	Performance												
Consultants/Contractor Management	Performance												
Port Management Governance Committees	Performance												
Terminal 91 Berths 6 & 8	Performance - Capital												
Maritime Center at Fishermen's Terminal	Performance - Capital												
2023 Airfield Projects - Contract 2	Performance - Capital												
Widen Arrivals Roadway	Performance - Capital												
Recovery Effort - Data Integrity - Construction Management ¹	Performance - Capital												
Club at SEA - Pre-Construction Closeout Cost Reconciliation ¹	Performance - Capital												
Closed Network System - Satellite Transit System (STS) (AVM)	IT												
Third-Party Risk Management (ICT & AVM)	IT												
Access Control Management (AVM)	IT												
Access Control Management (ICT)	IT												
Baggage Conveyor System (AVM) ²	IT												
New IT Environment - Information Technology General Controls (ITGC) ²	IT												
Gate Gourmet, Inc.	Contract Compliance												
BF Foods, LLC	Contract Compliance												
Concourse Concessions, LLC	Contract Compliance												
SSP America SEA, LLC (Ballard Brew Hall)	Contract Compliance												
SSP America SEA, LLC (Mi Casa Cantina)	Contract Compliance												
SSP America SEA, LLC (Le Grand Comptoir)	Contract Compliance												
SSP America SEA, LLC (Camden Food Co.)	Contract Compliance												
Sun's, Inc.	Contract Compliance												
The Yarrow Group, LLC	Contract Compliance												
LaTrelle's Flight Kitchen, LP (Wendy's)	Contract Compliance												

¹ Performed as a Review at Management Request

² Deferred at the request of Management

KEY	Complete
	In Process
	Not Started
	Deferred

Performance Audits

- Five Performance completed in 2025
- Key Observations Included:
 - (Consultants/Contractors) On-and off-boarding procedures, between departments are inconsistent and are not well understood.
 - (Community Initiatives) Deliverables within contracts are modified and changed verbally without evidence of written documentation and appropriate review.
 - Port Mgmt. Governance Committees/TBCD
 - (Governance Committees) No issues noted
 - (TBCD) Procedural Documents did not exist. Additionally, Resolution 2779 covering Promotional Hosting, is approximately 50 years old. Internal policy documents have not been updated in six years.

Capital/Construction Audits

- Seven GC/CM Projects were being continuously audited as required by RCW 39.10.385
 - Estimated Spend of \$1.5B
- Pay applications (billings) from key subcontractors, are reviewed for compliance to contracts
- Issues identified by Independent Auditors are generally corrected when identified

Capital/Construction Audits

- Four Capital/Construction audits were completed in 2025
 - Projects audited had estimated Capital Spend of \$176 million
- Two Capital/Construction reviews were completed at management's request
- Key Observations from Audits Included:
 - (T91 Berths 6 & 8) Engineering Construction Management did not obtain sufficient documentation from the contractor to adequately review pay applications for accuracy. This resulted in a net overpayment of \$147,377.

Information Technology (IT) Audits

- Four IT audits were completed in 2025
- Focus on critical Information Technology controls (including Cybersecurity controls) and essential Operational Technology Systems
 - Issues discussed in non-public session

2026 Audit Strategy

- IT - focus on protecting key systems and networks from emerging risks and evolving threat landscapes
- Capital Delivery - focus on Financial, Quality, and Schedule
 - Complete RCW Required GC/CM Audits
- Operational focus on key controls in various business units

Questions

Glenn Fernandes
Director, Internal Audit

