

**COMMISSION****AGENDA MEMORANDUM****ACTION ITEM****Item No.** 8f**Date of Meeting** February 24, 2026**DATE :** February 24, 2026**TO:** Stephen P. Metruck, Executive Director**FROM:** Linda Springman, Director of Cruise & Elliott Bay Operations  
Dario Marcolin, Cruise Technical & Systems Operations Manager  
Julie Yun, Capital Project Manager, Waterfront Project Management**SUBJECT:** Terminal 91 West Cruise Dredging – Updated Project Authorization for ERL**Amount of this request:** \$250,000**Total estimated project cost:** \$3,250,000 (\$550,000 ERL – N10851 /  
\$2,700,000 Expense – N10739)**ACTION REQUESTED**

Request Commission authorization for the Executive Director to approve the updated project authorization request to include the Environmental Remediation Liability (ERL) project in the amount of \$250,000 for a total authorization of \$550,000 ERL and \$750,000 Expense.

**EXECUTIVE SUMMARY**

This project will contribute toward satisfying Commission Order No. 2024-08 setting an accelerated timeline for all homeport cruise ships to utilize shore power at all Port facilities by 2027. The scope includes maintenance dredging the West Cruise berth (H/I/J) at Terminal 91 Pier 91 to allow cruise vessels to maneuver in the West berth and have the flexibility to dock on both port- and starboard sides. The additional maneuverability will also allow for vessels to adjust their position at the dock to accommodate bollards, gangways, shell doors, shore power connection, and all necessary points for operation.

Since the initial design authorization approved in September 2025 (Delegation of Responsibility & Authority “DORA” Request No. 2274-2025), the total project cost has increased beyond \$2,000,000 authorization threshold and has added ERL scope. The updated total project cost estimated remains in line with the CIP planning forecast. The dredging footprint for this project was increased to optimize stable design of the main channel dredge area, the addition of a high-spot at the pier face, and the State Department of Ecology has dictated that this work is an Interim Action under the Model Toxic Control Act (MTCA) Agreed Order No. DE24768 for the Terminal 91 Submerged Lands Cleanup Site.

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**JUSTIFICATION**

On June 11, 2024, the Port Commission adopted Order No. 2024-08 (“shore power mandate”), setting an accelerated timeline for all homeport cruise ships to utilize shore power at all Port facilities by 2027. This mandate upholds the Port’s commitment to operating in an environmentally responsible manner by reducing air pollution and GHG emissions, and serves as the driver for restoring vessel maneuverability through this maintenance dredge project.

The west cruise berth is located within the approximately 85-acre Sediment Cleanup Unit (SCU) of the Terminal 91 Cleanup Site, which includes both an upland area and the submerged land area (i.e., the SCU). In addition to the west berth, the SCU also includes the central and eastern berths; these areas will not be impacted by the proposed maintenance dredging. Under MTCA Agreed Order No. DE24768, the Port is currently conducting additional field investigations to inform the Feasibility Study for the submerged lands, which will evaluate cleanup alternatives. Per direction to the Port from WA State Department of Ecology in September 2025, the proposed dredging in the west berth is considered an Interim Action under the Agreed Order.

In addition to this direction from Ecology, further work was done by the project team to optimize the dredge design for stability and longevity of the new channel. As a result, there is an overall increase to the previously authorized dredging footprint (DORA Request 2274-2025, approved September 2025). The project still aims to perform a final maintenance dredge elevation to -35' Mean Low Low Water (MLLW), as originally authorized. However, the main channel now amounts to approximately 3,000 CY and an addition of approximately 500 CY of dredge area has been added to the Southeast berth face area which will proceed under the new ERL funded project.

***Diversity in Contracting***

Design is being developed by consultants on an existing on-call Dredging Support Services IDIQ contract with a 12% women- and minority-owned business enterprise (WMBE) aspirational goal. Progress toward this goal will be carefully monitored in collaboration with the Port’s Diversity in Contracting office and consultant representatives.

Construction will be performed by utilizing an existing MC-Unit Price contract for dredging construction services with a WMBE goal of 0% due to the low availability of WMBE firms in the highly specialized dredging and disposal fields.

**DETAILS*****Scope of Work***

This request will authorize ERL funding to allow for full design and construction of the Interim Action Work scope. The project team will return to receive construction authorization of the base project scope (outside of the Interim Action Work scope) at a future date.

This project will perform the following tasks:

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- (1) At the Main West Channel, dredge approximately 3,000 CY of sediment to maintenance dredge elevation of -35' MLLW and dispose upland at an approved facility.
- (2) At the Southeast berth face, dredge a high spot amounting to approximately 500 CY. This area is within the T91 discarded military munitions (DMM) response area and will be screened for DMMs, and disposed upland at an approved facility.
- (3) 6-9" of clean sand cover will be placed over the Southeast berth face as required by the regulatory agencies.
- (4) Administrative components required by Ecology include preparing an Interim Action Work Plan, conducting post dredge sampling and laboratory analysis, and preparing an Interim Action Completion Report.

#### *Schedule*

In addition to the approval of the MTCA Interim Action, this project will be authorized for federal and state regulatory compliance through a Nationwide Permit for cleanup activities (NWP-38). This work is subject to the 2026-2027 permitted in-water work window and targets substantial completion prior to the 2027 Cruise season start, per Commission Order No. 2024-08.

This project aims to meet an aggressive completion timeline per Commission Order No. 2024-08. As such, the schedule risks below are being closely managed:

- (1) Permitting risk – The project team has been proactively engaging with federal/local agencies, tribes, etc. to ensure timely progress toward full permit approval. Unforeseen government shutdown or resource constraints will affect the current project schedule.
- (2) Presence of Discarded Military Munitions (DMM) – This project will dredge within the T91 DMM response area. The project team will collaborate with government agencies and the general contractor to develop protocol for safe screening and disposal of any found DMM's. DMM discovery during construction will halt work until notification to resume work is issued.
- (3) Contract risk – This project will utilize an existing MC-Unit Price Dredging contract. The project team is coordinating with other current/upcoming dredge projects to manage resource sharing.

#### *Activity*

DORA design authorization	2025 Q4
Design start	2025 Q4
Commission design authorization update	2026 Q1
Commission construction authorization	2026 Q4
Construction start	2026 Q4
In-use date	2027 Q1

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<b>Cost Breakdown</b>	<b>This Request – N10739 EXP</b>	<b>This Request – N10851 ERL</b>	<b>Total Project estimate</b>
Design	\$0	\$0	\$830,000
Construction	\$0	\$250,000	\$2,420,000
<b>Total</b>	<b>\$0</b>	<b>\$250,000</b>	<b>\$3,250,000</b>

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

- (1) Preserve Port ERL funds for higher priority efforts at the Port.

Cons:

- (1) T91 Maintenance Dredging project will likely receive permit denial due to lack of adherence to Department of Ecology's guidance to address the designated Interim Action Work.
- (2) High likelihood of not meeting substantial completion by 2027 Cruise season start, thereby failing to conform to the Commission's adopted Order No. 2024-08 ("shore power mandate").

This is not the recommended alternative.

**Alternative 2 – Fully fund ERL portion of the T91 Cruise Dredging Project and proceed to complete design & permitting.**Cost Implications: Additional funding of \$250,000 in ERL funds.Pros:

- (1) Complete the project in accordance with MTCA Agreed Order No. DE24768 for the Terminal 91 Cleanup Site.
- (2) Minimize permitting and schedule risk to achieving substantial completion by 2027 Cruise season start.
- (3) Maximize likelihood of satisfying Port Commission's Order No. 2024-08 "Shore power Mandate."

Cons:

- (1) Additional funding of \$250,000 is required.
- (2) Additional temporary construction impacts along Pier 91 berth face.

***This is the recommended alternative.***

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**FINANCIAL IMPLICATIONS**

<i>Cost Estimate/Authorization Summary</i>	Capital	Expense	ERL	Total
<b>COST ESTIMATE</b>		(N10739)	(N10851)	
Original estimate	\$0	\$1,800,000	\$0	\$1,800,000
Current change	\$0	\$900,000	\$550,000	\$1,450,000
Revised estimate	\$0	\$2,700,000	\$550,000	\$3,250,000
<b>AUTHORIZATION</b>				
Previous authorizations	\$0	\$750,000	\$300,000	\$1,050,000
Current request for authorization	\$0	\$0	\$250,000	\$250,000
Total authorizations, including this request	\$0	\$750,000	\$550,000	\$1,300,000
Remaining amount to be authorized	\$0	\$1,950,000	\$0	\$1,950,000

***Annual Budget Status and Source of Funds***

The approved 2026 Operating Budget includes \$750,000 for the expense portion of this project and will be funded by the General Fund.

The ERL portion of the project was included in the 2026 Plan of Finance and will be funded by the Environmental Legacy Fund.

***Financial Analysis and Summary***

Project cost for analysis	\$3,250,000
Business Unit (BU)	Cruise Operations
Effect on business performance (NOI after depreciation)	No incremental operating revenue or additional ongoing operating expenses directly associated with this project.
IRR/NPV (if relevant)	N/A
CPE Impact	N/A

**ADDITIONAL BACKGROUND**

None.

**ATTACHMENTS TO THIS REQUEST**

- (1) Presentation slides

**PREVIOUS COMMISSION ACTIONS OR BRIEFINGS**

September 18, 2025 – Executive director approved Design Authorization through the Delegation of Authority and Responsibility (DORA) process in the amount of \$750,000 in Expense funding. The total estimated project cost was \$1,800,000 with no ERL scope.