



# **Port of Seattle Regular Commission Meeting**

**February 24, 2026**



## COMMISSION REGULAR MEETING AGENDA

February 24, 2026

To be held virtually via MS Teams and in person at the Seattle-Tacoma International Airport – Conference Center, International Room, located at 17801 International Blvd, Seattle WA, Mezzanine Level. You may view the full meeting live at [meetings.portseattle.org](http://meetings.portseattle.org). To listen live, call in at +1 (206) 800-4046 or (833) 209-2690 and Conference ID 814 122 911#

### 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**

4a. Proclamation – Commemoration of February 19, 2026, as the Day of Remembrance for Japanese American Incarceration (EO 9066). (**proclamation enclosed**)

**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](mailto: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](mailto: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, February 24, 2026. (**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](mailto: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 February 10, 2026. **(no enclosure)**
- 8b. Approval of the Claims and Obligations for the Period of January 1, 2026, through January 31, 2025, Including Accounts Payable Check Nos. 961798 through 962296 in the Amount of \$15,411,446.02; Accounts Payable ACH Nos. 080983 through 081823 in the Amount of \$104,829,918.87; Accounts Payable Wire Transfers Nos. 069607 through 069619 in the Amount of \$12,052,686.73; Payroll Check Nos. 229995 through 230139 in the Amount of \$1,164,214.40; and Payroll ACH Nos. 1292804 through 1300385 in the Amount of \$28,641,533.40, for Total Payments of \$162,099,799.42. **(memo enclosed)**
- 8c. Adoption of Resolution No. 3844: A Resolution of the Port of Seattle Commission Sunsetting the Ad Hoc Airport Workforce Conditions Committee and Amending the Charter of the Equity and Workforce Development Committee, Previously Adopted by Resolution No. 3770, to Update the Name of the Committee to the 'Equity, Workforce Development, and Conditions Committee,' and to further update the scope of the committee. **(memo and draft resolution enclosed)**
- 8d. Authorization for the Executive Director to Execute a Lease Termination Agreement for the PACCAR Lease Agreement at SEA to Facilitate their Transition to Boeing Field and Support SEA's Airport Capital Development Program and Operations. **(memo, agreement, and presentation enclosed)**
- 8e. Authorization for the Executive Director to Execute a Third Amendment to Lease Agreement with Air Line Pilots Association (ALPA) at SeaTac Office Center (STOC) to Lease an Additional 2,195 Square Feet of Office Space for a Term of 99 months. **(memo and presentation enclosed)**
- 8f. Authorization for the Executive Director to Approve the Updated Project Authorization Request to Include the Environmental Remediation Liability Project for Terminal 91 West Cruise Dredging in the Amount of \$250,000, for a Total Estimated Project Cost of \$3,250,000. **(memo and presentation enclosed)**

**9. UNFINISHED BUSINESS**

**10. NEW BUSINESS**

- 10a. Authorization for the Executive Director to Approve Funding to Execute a Post-Validation Amendment to the Progressive Design-Build Contract, MC-0321389, for the T91 Uplands Development Program to Further Advance Design, Complete the Development and Negotiation of a Guaranteed Maximum Price Contract for Construction, and Retain the Option to Perform Early Work and Procure Long-Lead Items, in the Amount Requested of \$36,200,000, for a Total Estimated Project Cost of \$131,000,000. (C800158, C801169, C801372) **(memo and presentation enclosed)**

10b. Order No. 2026-03: An Order of the Port of Seattle Commission to Advance Community Protection and Civil Rights at Port of Seattle facilities; Restrict the Use of Port Property for Civil Immigration Enforcement Purposes, and Coordinate with Regional Partners to Ensure Transparency, Accountability, and the Dignity of all Workers and Travelers. **(order enclosed)**

**11. PRESENTATIONS AND STAFF REPORTS**

**12. QUESTIONS on REFERRAL to COMMITTEE and CLOSING COMMENTS**

**13. ADJOURNMENT**



Agenda Item: 4a\_proclamation  
Meeting Date: February 24, 2026

1

## PROCLAMATION OF THE PORT OF SEATTLE COMMISSION

2  
3       **WHEREAS**, February 19, 2026, marks eighty-four years since President  
4 Franklin D. Roosevelt signed Executive Order 9066, which authorized the forced removal and  
5 incarceration of over 120,000 individuals of Japanese ancestry, two-thirds of whom were  
6 American citizens, and most of whom were children, and were stripped of their constitutional  
7 rights without due process; and

8  
9  
10       **WHEREAS**, Washington State carried lasting wounds from this injustice as Japanese  
11 people from vibrant communities across Seattle, Tacoma, Auburn, Fife, and throughout the region  
12 were torn from their homes, farms, and businesses, their lives and livelihoods destroyed by  
13 government-sanctioned discrimination; and

14  
15  
16       **WHEREAS**, on March 30, 1942, Bainbridge Island witnessed the first forced removal  
17 under Executive Order 9066 when 227 Japanese Americans, including Fumiko Hayashida and her  
18 13-month-old daughter Natalie, were compelled to board a ferry bound for the Manzanar  
19 Relocation Center. The iconic photograph of Fumiko holding her sleeping daughter became an  
20 enduring symbol of this dark chapter in our nation's history, and their subsequent transfer to  
21 Minidoka Internment Camp in Idaho reflected the cruel reality faced by thousands who endured  
22 nearly three years of incarceration before the last camp closed in March 1946; and

23  
24       **WHEREAS**, the Puyallup Assembly Center, euphemistically named "Camp Harmony,"  
25 was among 17 hastily constructed temporary detention sites established across the West Coast,  
26 located at what is now the Washington State Fairgrounds, serving as staging areas before detainees  
27 were transported to more permanent incarceration camps; and

28  
29       **WHEREAS**, the Nisei soldiers of the 442nd Regimental Combat Team and 100th  
30 Infantry Battalion exemplified extraordinary courage and patriotism, becoming the most decorated  
31 unit in U.S. military history while their own families remained imprisoned behind barbed wire,  
32 their service a testament to unwavering loyalty in the face of unconscionable injustice; and

33

34       **WHEREAS**, today we witness troubling echoes of this history as recent federal  
35 immigration policies, including reinstated travel bans and deportation policies targeting  
36 individuals based on nationality, have expanded immigration enforcement operations in schools  
37 and places of worship; have led to the forced removal of families, including over 400 children at  
38 its peak in January 2026; have seen executive orders seeking to eliminate birthright citizenship;  
39 have witnessed mass deportation programs; all of which replicate the discriminatory targeting of  
40 communities based on national origin and immigration status, making the lessons of Executive  
41 Order 9066 not merely historical reflection but an urgent contemporary warning; and

42

43       **WHEREAS**, protecting civil liberties during times of crisis is not merely aspirational  
44 but essential to our democracy, and vigilance against prejudice, fear-mongering, and the  
45 scapegoating of vulnerable communities remains our collective responsibility; and

46

47       **WHEREAS**, in October 2025, the Port of Seattle Commission unanimously adopted  
48 Resolution No. 3838, substantially strengthening the Port's Welcoming Port Policy Directive in  
49 direct response to heightened threats against immigrant communities – affirming that the Port will  
50 remain a place where all individuals, regardless of immigration status, are welcomed, protected,  
51 and treated with dignity; and

52

53       **WHEREAS**, February 19th stands as the Day of Remembrance, a solemn occasion to  
54 reflect on these injustices, educate our community about the dangers of unchecked government  
55 power and racial prejudice, and renew our commitment to ensuring such violations of fundamental  
56 rights never occur again; and

57

58       **WHEREAS**, the Port of Seattle condemns all acts of harassment, intimidation,  
59 discrimination, or any other forms of bigotry against any and all individuals, and affirms the right  
60 of every individual to equal protection under the law and to be judged by their actions rather than  
61 their identity.

62

63       **NOW, THEREFORE**, the Port of Seattle Commission hereby honors and  
64 commemorates February 19, 2026, as the Day of Remembrance for Japanese American  
65 Incarceration, honors the resilience and immeasurable contributions of Japanese Americans who  
66 endured injustice with dignity, and commits to the vigilant protection of civil rights and equity for  
67 all people.

68

69                   **BE IT RESOLVED**, the Port of Seattle Commission calls for federal government  
70 accountability of ICE and other federal immigration enforcement agency practices; believes that a  
71 full investigation into deaths by ICE and other federal immigration enforcement agents and deaths  
72 that have occurred in ICE custody must occur; demands the end of detention abuses; and calls on  
73 the United States Congress to adopt meaningful and significant guardrails and accountability for  
74 the U.S. Department of Homeland Security, including conducting independent investigations of  
75 lawlessness and violence conducted by immigration agents that have engaged in excessive use of  
76 force or violated individuals' constitutional rights.

77  
78                   **BE IT FURTHER RESOLVED**, that the Port affirms its responsibility to foster safe,  
79 welcoming facilities for all travelers and workers, and will continue to uphold its values of equity,  
80 transparency, and accountability in all interactions with federal agencies operating in Port facilities  
81 and will work to ensure that the rights and dignity of impacted communities are protected.

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83                   Proclaimed by the Port of Seattle Commission this 24th day of February, 2026.

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85                   Port of Seattle Commission  
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92                   Port of Seattle Commission



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## APPROVED MINUTES COMMISSION REGULAR MEETING

**February 10, 2026**

The Port of Seattle Commission met in a regular meeting Tuesday, February 10, 2026. The meeting was held at the Port of Seattle Headquarters Building Commission Chambers, located at 2711 Alaska Way, Seattle Washington, and virtually on Microsoft Teams. Commissioner Mohamed was absent and excused from attendance. Commissioner Hasegawa arrived at 12:59 p.m.

### **1. CALL to ORDER**

The meeting was convened at 12:08 a.m. by Commission President Calkins, who led the flag salute.

### **2. EXECUTIVE SESSION pursuant to RCW 42.30.110**

No Executive Session was held.

### **3. APPROVAL of the AGENDA**

The agenda was approved as presented without objection.

### **4. SPECIAL ORDERS OF THE DAY**

#### **4a. 2026 Black History Month Proclamation.**

Requested document(s) included a proclamation.

Presenter(s):

Preston Tucker, Strategic Aide, Commission Office

Martin Doyal, Senior Investigation Specialist, EEO and Professional Standards

Darrell Thomas, EDI Training and Engagement Program Manager, Office of Equity, Diversity and Inclusion

Clerk Hart read Item 4a into the record. Executive Director Metruck introduced the item.

Commission Strategic Aide Preston Tucker introduced representatives from the Port's Employee Resource Group BIG to read the proclamation.

Martin Doyal, BIG President, and Darrell Thomas, BIG Vice-President, read the proclamation into the record.

*Digital recordings of the meeting proceedings and meeting materials are available online – [www.portseattle.org](http://www.portseattle.org).*

Members of the Commission thanked the proclamation readers and BIG for their representation.

Members of the Commission spoke regarding:

- taking time to process and appreciate the words of the proclamation – to remember our history;
- eraser of Black history by the federal government;
- understanding blind spots as an organization; and
- remaining committed to equity, diversity, and inclusion at the Port.

**The motion, made by Commissioner Cho, to adopt the proclamation, carried by the following vote:**

**In favor: Calkins, Cho, and Felleman (3)**

**Opposed: (0)**

**5. EXECUTIVE DIRECTOR'S REPORT**

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

**6. COMMITTEE REPORTS**

No committee reports were presented.

**7. PUBLIC COMMENT**

- The following people spoke regarding a continued pause on the discharge of scrubber wastewater in the Salish Sea: Stacy Oaks; Iris Antman (*written comments also submitted*); Rein Attemann; Elizabeth Burton; and Kirsten Kane.
- The following people spoke regarding the closure of Salmon Bay Marina, including the impact of liveaboard residents: Michelle Giarmarco; Natalie Wentworth; and John Chaney (*written comments also submitted*).
- The following person spoke regarding her business product, Veluxe pods: Theresaviane Crossman (*written comments also submitted*).
- In lieu of spoken comment, the following people submitted written comments asking the Port to reduce the number of cruise sailings due to environmental and human impact: Sarah Christensen and Joanne Donohue.
- In lieu of spoken comment, the following person submitted written comments asking the Port to work towards a shipping industry that does not pollute either the air or waters and urged the

Port to work for a permanent bans of scrubber discharge and for state-level requirements to mandate clean maritime fuels: Brandon Bowersox-Johnson.

- In lieu of spoken comment, the following people submitted written comments asking the Port to continue the pause on scrubber waste discharge: the South Sound Bird Alliance Conservation Committee; Dr. Robert Hodson, and Gabby Alvira.

*[Clerk's Note: Clerk Hart advised that over 373 additional comments were received via form letters on the same topic of continuing the ban on scrubber discharge. A list of names will be compiled and included as part of the public record.]*

*[Clerk's Note: All written comments are combined and attached here as Exhibit A.]*

## **8. CONSENT AGENDA**

*[Clerk's Note: Items on the Consent Agenda are not individually discussed. Commissioners may remove items for separate discussion and vote when approving the agenda.]*

- 8a. Approval of the Regular Meeting Minutes of January 27, 2026.**
- 8b. Monthly Notification of Prior Executive Director Delegation Actions January 2026.**

Request document(s) included an agenda memorandum for information only.

- 8c. Commission Adoption of the 2026 International Policy Agenda.**

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

- 8d. Authorization for the Executive Director to Approve Additional Funding in the Amount of \$3,300,000 for Completion of the Terminal 91 Berths 6 and 8 Redevelopment Project, to Resolve All Outstanding Contractor Claims, and Advance the Completion of the Two Berths to Allow for Fishing Fleet Use Starting in March 2026. (CIP# C102475, C801350).**

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

- 8e. Commission Determination that a Competitive Process is Not Appropriate or Cost Effective Consistent with Revised Code of Washington 53.19.020(5) and Authorizing the Executive Director to Execute a Contract with the Workforce Development Council of Seattle-King County to Advance Maritime Workforce Recruitment and Case Management through 2028, in the Requested Amount of \$200,000 Annually, for a Total Request of \$600,000.**

Request document(s) included an agenda memorandum.

- 8f. Authorization for Executive Director to Execute an Interlocal Agreement with the Washington State Department of Transportation, Central Puget Sound Regional**

**Transit Authority, City of Seattle, and King County to Implement the Capacity Building Mentorship Program for the Purpose of Strengthening the Capacity of Small Businesses in Construction and Consulting Projects.**

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

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

**In favor: Cho, Calkins, Felleman and Hasegawa (4)**

**Opposed: (0)**

**9. UNFINISHED BUSINESS**

There was no Unfinished Business presented.

**10. NEW BUSINESS**

**10a. Authorization for the Executive Director to Advertise and Execute a Construction Contract for the Flight Corridor Management Project 2024 in the Requested Amount of \$6,000,000, for an Estimated Total Project Cost of \$9,700,000.**

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

Presenter(s):

Robert Kikillus, Development Manager, Airfield Operations

Marco Milanese, Senior Community Engagement Manager, External Relations

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

The presentation addressed:

- the requested action to advertise and execute a construction contract for the work;
- overview of the Flight Corridor Management Program; and
- outreach, engagement, and communications on the project in 2025.

Discussion ensued regarding:

- confirmation that the other tagged trees in the park were not tagged by the city of Burien and the Port will remove these tags;
- timeline for the needed tree removal;
- the timeline for removal of the six trees and replanting of the new trees per the Port's tree replacement standards;
- all work being completed prior to the end of 2026;
- removal of trees waiting until the end of the summer months;
- signage about the tree removal; and
- working with the city of Burien to understand their communication plan to their community.

**The motion, made by Commissioner Cho, carried by the following vote:**  
**In favor: Calkins, Cho, Felleman, and Hasegawa (4)**  
**Opposed: (0)**

**10b. Order No. 2026-02: An Order of the Port Commission to Increase Transparency and Reporting Standards and Requirements for the Port of Seattle Police Department.**

Request document(s) included an Order.

Presenter(s):

Aaron Pritchard, Chief of Staff, Commission Office  
Francis Choe, Strategic Advisor, Commission Office

Clerk Hart read Item 10b into the record and Chief of Staff Aaron Pritchard introduced the item.

The presentation addressed elements of the Order to distinguish Port of Seattle Police Department Officers from federal ICE agents.

Police Chief Michael Villa thanked the Commission for the Order, noting that it does not negatively reflect on the department and increasing transparency. Chief Villa noted the department's commitment to accomplishing all aspects of the Order.

Members of the Commission spoke regarding confusion by the public regarding law enforcement agencies; spoke to real accountability needed by the federal government; and philosophies of policing in the United States, noting the high standards of accountability held by the Port.

**The main motion was made by Commissioner Hasegawa to adopt Order No. 2026-02.**

**The motion to amend Order No. 2026-02, made by Commissioner Felleman, to amend the title of the Order, to read as follows:**

**“Order No. 2026-02: An Order of the Port Commission Advancing the Port of Seattle’s Police Department’s commitment to transparency and reporting standards and requirements.”**

**carried by the following vote:**

**In favor: Calkins, Cho, Felleman, and Hasegawa (4)**  
**Opposed: (0)**

**The main motion, as amended, carried by the following vote:**

**In favor: Calkins, Cho, Felleman, and Hasegawa (4)**  
**Opposed: (0)**

**10c. Introduction of Resolution No. 3844: A Resolution of the Port of Seattle Commission Sunsetting the Ad Hoc Airport Workforce Conditions Committee and Amending the Charter of the Equity and Workforce Development Committee, Previously Adopted by Resolution No. 3770, to Update the Name of the Committee to the 'Equity, Workforce Development, and Conditions Committee,' and to further update the scope of the committee.**

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

Presenter(s):

Aaron Pritchard, Chief of Staff, Commission Office  
Preston Tucker, Strategic Aide, Commission Office

Clerk Hart read Item 10c into the record and Chief of Staff Aaron Pritchard introduced the item.

Commission Strategic Aide Preston Tucker presented.

The presentation addressed the proposed amendments to update the committee's charter, scope and responsibilities, as well as a change to the committee's name to reflect the expanded scope of work. The name of the committee upon adoption of the resolution will be the 'Equity, Workforce Development, and Conditions Committee.'

Discussion ensued regarding:

- why the AdHoc Committee was originally formed and accomplishments of that committee; and
- continuing to work towards healthcare for airport workers under the standing committee.

**The motion, to introduce Resolution No. 3844, made by Commissioner Hasegawa, carried by the following vote:**

**In favor: Calkins, Cho, Felleman, and Hasegawa (4)**

**Opposed: (0)**

**11. PRESENTATIONS AND STAFF REPORTS**

**11a. Commission Committees Briefing: 2025 Accomplishments and 2026 Work Plans.**

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

Presenter(s):

Vy Nguyen, Strategic Advisor, Commission Office  
LeeAnne Schirato, Deputy Chief of Staff, Commission Office

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

The presentation addressed accomplishments of the Commission's standing and AdHoc committees in 2025 and the committees' workplans for 2026.

Members of the Commission expressed their appreciation for the committee structure and reporting to the full Commission.

Commission Chief of Staff Pritchard recognized all those involved in the committee process.

**11b. 2026 External Relations Workplan Briefing.**

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

Presenter(s):

Pearse Edwards, Senior Director, External Relations  
Nate Camino, Director, Office of Government Relations  
Kathrine Fountain, Acting Director, Communications and Marketing  
Sally del Fierro, Director, Community Engagement  
Karin Zaugg Black, Manager, International Relations and Protocol  
Clare Gallagher, Director External Relations Capital Project Delivery

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

The presentation addressed:

- organization and teams of the External Relations Department;
- 2025 Communications Division performance;
- 2025 community engagement activities;
- 2025 Government Relations highlights;
- workplans for External Relations in 2026;
- 2026 Communications and Marketing major projects, initiatives, and moments;
- 2026 Community Engagement – countywide, aviation, aviation environmental, maritime, and maritime industrial and environmental;
- Duwamish Valley engagement and Duwamish Hub utilization, programming, and partnerships;
- East King County engagement;
- 2026 Government Relations – legislative and policy;
- International engagement in 2025 and priorities for 2026; and
- highlights of key conferences and events in 2026.

Discussion ensued regarding engagement in communication with respect to removal of the trees in Mathison Park; and communicating through External Relations and the Port of Seattle Police Department regarding anti-drugs, guns, and human-trafficking.

**12. QUESTIONS on REFERRAL to COMMITTEE and CLOSING COMMENTS**

Commissioner Hasegawa spoke regarding her sponsorship of two upcoming Orders.

Commissioner Felleman spoke regarding the recent influx of scrubber wastewater correspondence. A response will be issued from the Port in this regard. Commissioner Felleman also mentioned the recent SeaTac acquisition application for N. SeaTac Park.

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TUESDAY, FEBRUARY 10, 2026**

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Commissioner Cho reported out on his recent Port trip to India, noting there is a lot for us to work on with India's two largest ports. Commissioner Cho further wished everyone a happy Luner New Year.

**13. ADJOURNMENT**

The meeting adjourned at 3:34 p.m.

Prepared:

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Michelle M. Hart, Commission Clerk

Attest:

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Sam Cho, Commission Secretary

Minutes approved: February 24, 2026

## COMMISSION

AGENDA MEMORANDUMACTION ITEMItem No. 8bDate of Meeting February 24, 2026**DATE:** February 11, 2026**TO:** Steve Metruck, Executive Director**FROM:** Eloise Olivar, Assistant Director Disbursements**SUBJECT:** Claim and Obligations – January 2026ACTION REQUESTED

Request Port Commission approval of the Port Auditor's payment of the salaries and claims of the Port pursuant to RCW 42.24.180 for payments issued during the period January 01 through 31, 2026 as follows:

Payment Type	Payment Reference Start Number	Payment Reference End Number	Amount
Accounts Payable Checks	961798	962296	\$15,411,446.02
Accounts Payable ACH	080983	081823	\$104,829,918.87
Accounts Payable Wire Transfers	069607	069619	\$12,052,686.73
Payroll Checks	229995	230139	\$1,164,214.40
Payroll ACH	1292804	1300385	\$28,641,533.40
<b>Total Payments</b>			<b>\$162,099,799.42</b>

Pursuant to RCW 42.24.180, "the Port's legislative body" (the Commission) is required to approve in a public meeting, all payments of claims within one month of issuance.

OVERSIGHT

All these payments have been previously authorized either through direct Commission action or delegation of authority to the Executive Director and through his or her staff. Detailed information on Port expenditures is provided to the Commission through comprehensive budget presentations as well as the publicly released Budget Document, which provides an even greater level of detail. The Port's operating and capital budget is approved by resolution in December for the coming fiscal year, and the Commission also approves the Salary and Benefit Resolution around the same time to authorize pay and benefit programs. Notwithstanding the Port's budget approval, individual capital projects and contracts exceeding certain dollar thresholds are also subsequently brought before the Commission for specific authorization prior to commencement of the project or contract - if they are below the thresholds the Executive Director is delegated authority to approve them. Expenditures are monitored against budgets monthly by management and reported comprehensively to the Commission quarterly.

Meeting Date: February 24, 2026

Effective internal controls over all Port procurement, contracting and disbursements are also in place to ensure proper central oversight, delegation of authority, separation of duties, payment approval and documentation, and signed perjury statement certifications for all payments. Port disbursements are also regularly monitored against spending authorizations. All payment transactions and internal controls are subject to periodic Port internal audits and annual external audits conducted by both the State Auditor's Office and the Port's independent auditors.

For the month of January 2026, over \$132,294,051.62 in payments were made to nearly 788 vendors, comprised of 2,870 invoices and over 11,459 accounting expense transactions. About 95 percent of the accounts payable payments made in the month fall into the Construction, Employee Benefits, Contracted Services, Payroll Taxes, Software, Janitorial Services, Utility Expenses, Sales Taxes, Legal and Room-Space-Land Rental. Net payroll expense for the month of January was \$29,805,747.80.

### Top 10 Payment Category Summary:

Category	Payment Amount
Construction	81,299,100.82
Employee Benefits	10,907,405.62
Contracted Services	9,705,976.19
Payroll Taxes	8,652,844.60
Software	4,556,138.20
Janitorial Services	2,609,134.86
Utility Expenses	2,327,819.79
Sales Taxes	1,963,199.67
Legal	1,601,775.75
Room/Space/Land Rental	1,570,293.64
Other Categories Total:	7,100,362.48
Net Payroll	29,805,747.80
<b>Total Payments</b>	<b>\$162,099,799.42</b>

Meeting Date: February 24, 2026

Appropriate and effective internal controls are in place to ensure that the above obligations were processed in accordance with Port of Seattle procurement/payment policies and delegation of authority.

Lisa Lam  
Lisa Lam/Port Auditor

At a meeting of the Port Commission held on February 24, 2026, it is hereby moved that, pursuant to RCW 42.24.180, the Port Commission approves the Port Auditor's payment of the above salaries and claims of the Port:

## Port Commission



**COMMISSION**  
**AGENDA MEMORANDUM**

**ACTION ITEM** Item No. 8c

**Date of Meeting** February 24, 2026

**DATE :** January 23, 2026

**TO:** Stephen P. Metruck, Executive Director

**FROM:** Francis Choe, Commission Office Strategic Advisor  
Preston Tucker, Commission Office Strategic Aide

**SUBJECT: Adoption of Resolution to Amend the Equity, Workforce, and Development Committee Charter**

**ACTION REQUESTED**

Request Commission adoption of Resolution No. 3844, sunsetting the Ad Hoc Airport Workforce Conditions Committee and amending the Charter of the Equity and Workforce Development Committee, previously adopted by Resolution No. 3770, to update the name of the committee to the 'Equity, Workforce Development, and Conditions Committee,' and to further update the scope of the committee.

**EXECUTIVE SUMMARY**

The proposed amendments update the committee's charter scope and responsibilities, including oversight of initiatives formerly managed by the Airport Workforce Conditions Ad Hoc Committee. These initiatives—Healthcare for SEA workers; Labor Access and Badging; and a Childcare Feasibility and Navigator Program are in progress, as are other initiatives such as ORCA Card passes and will now be managed by this committee. The proposed changes also include a committee name update to reflect the expanded scope of work for the Equity and Workforce Development Committee, ensuring continued focus on these priorities while formalizing the committee's role in advancing equity and fair workforce practices. If adopted, the new name of the committee will be the 'Equity, Workforce Development, and Conditions Committee.'

**JUSTIFICATION**

It is recommended to sunset the Airport Workforce Conditions Ad Hoc Committee and expand the scope of the Equity and Workforce Development Committee to formalize the previous work of the ad hoc committee into a standing committee format moving forward.

Meeting Date: February 24, 2026

**ATTACHMENTS TO THIS REQUEST**

- (1) Draft Resolution No. 3844, with Exhibit A

**PREVIOUS COMMISSION ACTIONS OR BRIEFINGS**

February 10, 2026, Introduction of Resolution No. 3844

**PORT OF SEATTLE  
RESOLUTION NO. 3844**

**A RESOLUTION** of the Port of Seattle Commission sunsetting the Ad Hoc Airport Workforce Conditions Committee and amending the Charter of the Equity and Workforce Development Committee, previously adopted by Resolution No. 3770, to update the name of the committee to the ‘Equity, Workforce Development, and Conditions Committee,’ and to further update the scope of the committee.

**WHEREAS**, on February 25, 2020, the Port of Seattle Commission adopted Resolution No. 3770, establishing the standing committee charters of the Commission; and

**WHEREAS**, on September 12, 2023, the Port of Seattle Commission adopted Order No. 2023-13, establishing the Ad Hoc Airport Workforce Conditions Committee to create opportunity for oversight and engagement with staff on programmatic, policy advocacy, and operational efforts related to the topics of access to childcare and healthcare for workers at Seattle Tacoma International Airport (SEA), including both Port employees and workers employed by SEA vendors, tenants, and service providers; and

**WHEREAS**, the Ad Hoc Airport Workforce Conditions Committee is a committee of limited duration, scheduled to sunset upon satisfactorily completing the scope of Order No. 2023-13.; and

**WHEREAS**, on December 16, 2025, the Ad Hoc Airport Workforce Conditions Committee recommended the Port develop a health care policy that sets minimum health care standards for workers at SEA; and

**WHEREAS**, it is now recommended to officially end operation of the Ad Hoc Airport Workforce Conditions Committee and to amend the scope of the standing Equity and Workforce Development Committee Charter to include review of, and provision of recommendations for, the development and implementation of policies regarding workplace conditions and access to services that affect recruitment, retention, and worker stability at Port facilities to improve operations, safety and customer experience; and

**WHEREAS**, it is further recommended that the Equity and Workforce Development Committee Charter be amended to include Civil Rights and Community Safety as a part of the committee's scope of work; and

**WHEREAS**, it is further recommended that the name of the Equity and Workforce Development Committee be amended to reflect these changes in scope of work.

43                   **NOW, THEREFORE, BE IT RESOLVED**, by the Port of Seattle Commission:

44                   **Section 1. Amendment of Committee Name.** Resolution No. 3844, is hereby adopted to  
45 change the name of the Commission's Equity, Workforce Development Committee to the 'Equity,  
46 Workforce Development, and Conditions Committee,' as shown in attached Exhibit A to this  
47 resolution.

48                   **Section 2. Amendment of Scope of Work.** Resolution No. 3844, is further adopted to update  
49 the committee's scope to advising the Port of Seattle Commission on policies and initiatives that  
50 advance equity, community benefits, workforce development, and civil rights across Port operations.  
51 Its scope includes oversight of equity initiatives, workforce and career-connected learning strategies,  
52 and alignment with the Port's legislative and Century Agenda priorities. New areas of focus include  
53 reviewing workplace conditions and access to services that affect worker stability in support of  
54 business outcomes, and evaluating public safety policies to ensure civil rights, community trust,  
55 equitable treatment, and compliance with Title VI, language access, and anti-human trafficking  
56 requirements as shown in attached Exhibit A to this resolution.

57                   **Section 3. Effective Date.** This resolution shall become effective upon adoption.

58                   **ADOPTED** by the Port of Seattle Commission at a duly noticed public meeting thereof, held  
59 this 24th day of February, 2026, and duly authenticated in open session by the signatures of the  
60 commissioners voting in favor thereof and the seal of the commission.

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Port of Seattle Commission

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**EXHIBIT A**  
**PORT OF SEATTLE COMMISSION**

**EQUITY, WORKFORCE DEVELOPMENT AND CONDITIONS**  
**STANDING COMMITTEE CHARTER**

82

**Proposed February 10, 2026**

84

**I. INTRODUCTION**

The Equity, ~~and~~ Workforce Development ~~and~~ Conditions Committee, herein referred to as “the committee,” is a standing committee created by the Port of Seattle Commission. The committee will provide information, advice, and recommendations about the port’s equity, workforce development, ~~and~~ career connected learning programs and policies, ~~and~~ diversity in contracting goals, and programs and initiatives related to workforce conditions.

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- B. The Port of Seattle is committed to joining regional and national efforts to achieve equity and justice for all and recognizes our essential role in building a socially just institution by dismantling the structural barriers that have prevented the full participation of our most marginalized communities, particularly communities of color. To achieve equitable outcomes for all we will lead with a racial equity lens, instituting policies and practices that address the systemic inequity of economic opportunities, working conditions, impacts on local communities, and participation in port affairs.
- C. This charter defines the mission, composition, scope, authority, responsibility, and meeting structure of this committee.

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**II. COMPOSITION**

The committee will consist of two Port of Seattle commissioners appointed by the commission president, after consultation with the commission, at the beginning of each calendar year in which the committee is active.

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**III. SCOPE OF WORK**

The work of the Equity, ~~and~~ Workforce Development and Conditions Standing Committee shall include the following areas and associated activities:

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A. Equity:

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- 1. Review and provide recommendations to the commission on the development and implementation of the Duwamish Valley Community Benefits Policy Directive and the South King ~~County~~ and Port Communities Fund.

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- 2. Review and monitor internal and external equity programs, policies, systems, and practices including but not limited to the implementation of the Office of Equity, Diversity, and Inclusion’s Strategic Plan, and the workforce development policy, community partnerships with an emphasis on environmental, racial, and economic justice, and effective channels of communication with port leaders in all port impacted communities.

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124     3. Review and provide recommendations to the commission on the development and implementation  
125     of policies regarding workplace conditions and access to services that affect recruitment, retention,  
126     and worker stability at port facilities in order to improve safety, operations, customer service,  
127     and other business outcomes.

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129     B. Workforce Development: Review and provide policy recommendations to the commission to develop  
130     port workforce development programs that support equitable access to port-related jobs and  
131     opportunities.

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133     C. Career Connected Learning: Review and provide recommendations to the commission to guide the  
134     port's career connected career connected learning strategies. The strategies are intended to ensure  
135     that those participating in workforce development programs have access to real-world learning  
136     experiences in port-related industries and that connect students to meaningful and well-paying  
137     jobs at the Port of Seattle.

138  
139     D. Diversity in Contracting: Monitor the implementation of the Diversity in Contracting policy directive.  
140     Review and recommend to the commission policies that provide economic development  
141     opportunities to women- and minority-owned business enterprises based on equity principles.

142  
143     E. Civil rights and community safety: review and provide recommendations to the commission on  
144     monitoring and identifying areas of improvement relating to public safety operations, including the  
145     Port of Seattle's police department and fire department, with attention to civil rights, civil liberties,  
146     community trust, and the equitable treatment of all individuals within port facilities and operations,  
147     including workers, travelers, and community members regardless of national origin or immigration  
148     status. This also includes work related to title vi, language access, and anti-human trafficking.

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150     F. ~~(E)~~ Communicate the port's approved legislative agenda to the public as it relates to the scope of work  
151     for the committee.

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153     G. ~~(F)~~ Review and recommend to the Port of Seattle Commission updates to the Century Agenda and  
154     policies to support the work of the Office of Equity, Diversity, and Inclusion.

155     IV. **AUTHORITY**

156     In pursuit of its mission and scope, the committee is not legally authorized to act on behalf of the Port  
157     of Seattle Commission, but is authorized to conduct the following activities:

158       A. Gather and evaluate information, consider matters within the committee's scope of  
159       work, and provide information, advice, and recommendations to the Port of Seattle Commission.

160       B. Communicate the priorities of the Port of Seattle Commission.

161       C. Engage in outreach efforts with community leaders and stakeholders and activities to  
162       gather and evaluate information to provide to the Port of Seattle Commission.

163       D. If the committee determines that to meet its responsibilities it needs the independent  
164       services of an outside advisor or consultant with equity, workforce development, or career  
165       connected learning expertise, it may propose the retention of such advisor or consultant to the  
166       commission for approval.

173      **V. DURATION**

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175      The Equity, **[AND]** Workforce Development **and Conditions** Committee is a standing committee with  
176      broad purview over matters related to equity and will continue indefinitely until the commission  
177      repeals its charter.

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179      **VI. RESPONSIBILITY**

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181      A. The role of the committee chair(s) shall be to:

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183        1. Preside at meetings and serve as committee sponsor(s);

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185        2. Ensure that the committee addresses the purposes described in this charter; and

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187        3. Set committee meeting agendas.

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189      B. **[THE COMMISSION POLICY MANAGER IS THE COMMITTEE LIAISON, AND COMMISSION**  
190 **SPECIALISTS WILL SUPPORT THE WORK OF THE COMMITTEE AS ASSIGNED.]** **The committee**  
191 **liaison(s), as assigned by the Commission Office, will support the work of the committee.** The  
192      role of the committee liaison(s) shall be to:

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194        1. Regularly update the commission on the work of the committee in memos, individual  
195        briefings, and public session;

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197        2. Support the work of the committee;

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199        3. Help develop, manage, and distribute meeting materials;

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201        4. Provide logistical support including procuring meeting rooms, scheduling, creating meeting  
202        records, and providing technical assistance; and

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204        5. Coordinate with the primary executive staff contact to keep the Executive Director informed  
205        about committee progress.

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207      C. The Port of Seattle Senior Director of Equity, Diversity, and Inclusion **and Managing Director of**  
208 **Economic Development** or delegate(s) will support the committee as the primary executive staff  
209      contacts. The role of the executive staff contacts shall be to:

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211     1. Inform the Executive Director about committee progress;  
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213     2. Support the committee with timely and responsive information;  
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215     3. Coordinate with other executive staff in support of the committee's work; and  
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217     4. Serve as a resource for committee deliberation.

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219     **VII. MEETINGS**  
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221     A. The committee will meet at least quarterly and will report to the commission in public  
222         session to provide transparency as to progress made in executing its charter.  
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224     B. A quorum of the committee is required to conduct official committee business. A quorum is  
225         defined as the presence of both commissioners assigned to the committee  
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227     C. Meetings of the Equity, Workforce Development, **and Conditions** Committee shall be open  
228         to the public when required by applicable law or the bylaws of the Port of Seattle  
229         Commission.  
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231     D. Agendas will be prepared and made available to committee members in advance of  
232         meetings.  
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234     E. Agendas for updates to the commission to be presented in public session will be published  
235         as part of regular or special commission meeting notices.  
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237     F. Minutes will be prepared and retained for all meetings of the committee.  
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239     G. Records of committee meetings, including any meeting minutes, shall be provided to the  
240         commission clerk for appropriate retention in accordance with applicable law and best  
241         practices.



**COMMISSION**  
**AGENDA MEMORANDUM**

**ACTION ITEM** Item No. 8d

**Date of Meeting** February 24, 2026

**DATE :** February 24, 2026

**TO:** Stephen P. Metruck, Executive Director

**FROM:** Erik Johnson, Aviation Real Estate and Portfolio Manager III  
Jason Johnson, Assistant Director Airline Affairs & Aviation Properties  
Rick Duncan, Director of Aviation Business and Properties

**SUBJECT: PACCAR Lease Termination**

**ACTION REQUESTED**

Requesting Commission authorization for the Executive Director to execute a Lease Termination Agreement for the PACCAR Lease Agreement at SEA to facilitate their transition to Boeing Field and support SEA's airport capital development program and operations.

**EXECUTIVE SUMMARY**

PACCAR is a long-standing tenant at SEA and has been a valued customer over the years. There has been an increased desire from PACCAR to explore opportunities to relocate PACCAR's operation out of SEA. In their exploration, PACCAR was able to secure a lease agreement at Boeing Field for a new hangar and plans to relocate their operations over to BFI mid/late 2026. As part of this authorization to support an early lease termination, PACCAR will be making improvements to the building requested by Port staff to ensure it is in an acceptable condition to support SEA's vision, in lieu of full demolition of the improvements. In the Lease Termination Agreement PACCAR will be required to perform the following Tenant Improvements:

- Remove all AFFF impacted fire suppression system components and associated systems from the building
- Install a new water-based fire suppression system
- Remove the underground aircraft fueling system

In the interim, the facility will be used to support SEA's growing operation by providing real estate to support multiple Port functions. The anticipated future and long-term use of this site will support future development at SEA.

**JUSTIFICATION**

SEA is extremely space constrained, and our continued growth is putting pressure on our existing operations and Capital Development Program. The termination of this lease agreement to accommodate immediate Port needs such as Fire Department, Maintenance, Capital Development, Operations. In the long term, use of this site will support future development at SEA. As part of the lease termination, PACCAR will be performing Tenant Improvements to the building to ensure it is in usable condition and remedies the condition for which a fire code variance has been required to continue operations. In addition to the building, the Port will be reclaiming airside ramp space and public side parking space which can support multiple different functions.

**Lease Termination Details**

Tenant Name	PACCAR
New Termination Date	Effective once Tenant Improvements are completed and signed off by the Port
Rental Rate (monthly)	\$37,360.36
Original Termination Date	05/31/2031
Environmental Indemnification	The existing lease agreement indemnification will survive lease termination in the event the Port discovers environmental contamination during the demolition of the building
Tenant Improvement Requirements	<ul style="list-style-type: none"><li>- Removal of PFAS fire suppression system and components in continuous contact with PFAS</li><li>- Installation of water-based fire suppression system at a lower rating converting the hangar into a warehouse</li><li>- Removal of underground Aircraft Fueling system to include, but not limited to, underground fuel tank, piping, fixtures, and any environmental contamination discovered during the removal</li></ul>

**ALTERNATIVES AND IMPLICATIONS CONSIDERED****Alternative 1 – Do not terminate the PACCAR Lease Agreement**

Cost Implications: \$37,360.36 in monthly revenue per month, approximately \$2 million throughout the remainder of the life of the agreement.

Meeting Date: February 24, 2026

Pros:

- (1) Port continues to lease the building to PACCAR and collect revenue
- (2) PACCAR responsible for demolishing the building at the end of the agreement

Cons:

- (1) Port loses the ability to utilize crucial airside real estate to facilitate SEA operations
- (2) Lease requirements limit Port's ability to recapture facility
- (3) 2-Year notice requirement for an approved capital project
- (4) Unlikely PACCAR will secure another opportunity to relocate prior to lease termination

This is not the recommended alternative.

**Alternative 2 – Terminate the PACCAR Lease Agreement**

Cost Implications: Port would be responsible for demolition of the PACCAR building when the Port is ready to construct future facilities. The estimated cost for demolition is approximately \$1.5 million.

Pros:

- (1) Port recaptures critical airside real estate with multiple potential uses
- (2) Building is returned to Port in a fire code compliant condition with a non-PFAS-containing fire suppression system in place.
- (3) Flexibility to adapt to future direction of Port vision
- (4) Reduced airspace congestion
- (5) Potential to recapture revenue through other means

Cons:

- (1) Port is responsible for demolition of the building, when applicable.
- (2) Reduction in annual revenue of \$448,324.32 or approximately \$2 million over the remainder of the agreement

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

**FINANCIAL IMPLICATIONS**

After PACCAR building transitions to Port ownership, Aviation Maintenance will be responsible for maintaining the building. Average cost for similar buildings is approximately \$47,000 per year.

**ATTACHMENTS TO THIS REQUEST**

- (1) PACCAR Lease Termination Agreement
- (2) Presentation Slides

Meeting Date: February 24, 2026

**PREVIOUS COMMISSION ACTIONS OR BRIEFINGS**

November 16<sup>th</sup>, 2021 – Authorization for the Executive Director to execute an amendment (Amendment No. 7) with PACCAR

February 27<sup>th</sup>, 2018 – The Commission authorized a lease amendment to the lease with PACCAR and design and construction of the Interim Westside Fire Station Project

## LEASE TERMINATION AGREEMENT

THIS LEASE TERMINATION AGREEMENT (“Termination Agreement”) is made this \_\_\_\_ day of \_\_\_\_\_ 20\_\_, by and between the PORT OF SEATTLE, a Washington municipal corporation (“the Port”) and PACCAR Inc., a Delaware Corporation (“Tenant”).

WHEREAS the Port and Tenant are parties to that certain Aircraft Hangar Site Lease Agreement, dated September 22, 2000, as amended (Lease No. AIR002128) (the “Lease Agreement”) pursuant to which the Port provides land at Seattle-Tacoma International Airport (the “Airport”) for the development and operation of hangar space; and

WHEREAS, the Lease Agreement is set to expire by its terms on May 31, 2031 (the “Expiration Date”); and

WHEREAS, Tenant has secured an opportunity to lease space at King County International Airport (Boeing Field) for its hangar operations and has requested the Port to grant an early termination of the Lease Agreement; and

WHEREAS, the Port has reviewed Tenant’s request and is willing to allow termination of the Lease Agreement prior to the Expiration Date, subject to and in accordance with the terms and conditions of this Termination Agreement;

NOW, THEREFORE, the parties agree as follows:

1. Effectiveness. The Port and Tenant hereby acknowledge that notwithstanding the full execution and delivery of this Termination Agreement, early termination of the Lease Agreement as described herein is expressly conditioned upon satisfaction by Tenant of all obligations set forth herein, including, without limitation, the conditions related to the Tenant Work (as defined below) in accordance with Section 3 below, including the Port’s approval of the Work Plan (as defined below) and acceptance of Final Completion (as defined below). If Tenant fails to pay and perform all obligations set forth herein, including those under the Lease Agreement as referenced herein, and unless and until the conditions described in Section 3.c. are satisfied, early termination of the Lease Agreement shall be deemed null and void, and Tenant’s obligations and the Port’s remedies under the Lease Agreement shall continue in full force and effect as if this Termination Agreement had not been executed.

2. Early Lease Termination. Subject to all of the terms and conditions hereof, the parties agree that the Lease Agreement shall terminate effective as of the date set forth in the written notice from the Port to Tenant, as described in Section 3.c.ii below, confirming the Port’s acceptance of Final Completion of the Tenant Work, with such date to be the last day of the calendar month in which the Port provides such notice confirming Final Completion (“Termination Date”). Notwithstanding the early

termination of the Lease Agreement and the release of liability provided for herein, Tenant shall remain liable, with respect to the period of its tenancy prior to the Termination Date, for the full payment and performance of all of its obligations under the Lease Agreement and the Port shall have all the rights and remedies with respect to such obligations as set forth in the Lease Agreement.

3. Required Tenant Work.

a. In addition to the other requirements set forth in this Termination Agreement, early termination of the Lease Agreement as described herein shall be conditioned upon Tenant's completion, at its sole cost and expense, of the work items generally described below (the "Tenant Work"), as in accordance with the provisions of this Section 3:

Tenant Work	
PFAS Removal	<p>Tenant shall remove from the Premises and improvements the Per- and polyfluoroalkyl substances (PFAS)-containing fire suppression system as listed below:</p> <ul style="list-style-type: none"><li>➤ All waste material handling and disposal shall be conducted in accordance with applicable Washington State Dangerous Waste Regulations (Chapter 173-303 WAC).</li><li>➤ Note, Aqueous Film Forming Foam (AFFF) concentrate is likely/expected to be classified as a WA State Dangerous Waste due to PFAS as a Halogenated Organic Compound (HOC) that triggers State-only Persistent Waste regulations.</li><li>➤ All waste materials (liquid and solid) must be contained and disposed of off-site, discharge to the Port's Industrial Wastewater System is not allowed</li><li>➤ Tenant shall decommission and remove any piping/equipment that has been in contact with AFFF. Piping that has not been in contact with AFFF may be repurposed for a water-based system with Port concurrence.</li></ul>
Water Based Fire Suppression System Installation	<p>Tenant shall replace/repurpose the PFAS system in the hangar with a water-based sprinkler suppression system in accordance with the 2022 Edition of NFPA 13. The intent is for the hangar area to be used by or for motorized equipment with a use-appropriate water-based fire suppression system, but not aircraft storage.</p>

	For system design purposes, the hazards shall be considered similar in nature to a repair garage.
Underground Fueling System Removal	<p>Tenant shall remove the entire aircraft fueling system as described in WAC 173-360A-0810 (permanent closure via removal), including, but not limited to:</p> <ul style="list-style-type: none"> <li>➤ Removal of underground storage tank</li> <li>➤ Removal of underground piping and associated components in connection with the fueling system</li> <li>➤ Removal and remediation of any contaminated soil</li> <li>➤ Restoration of site to condition prior to removal</li> </ul>

b. General Requirements for Tenant Work. The Tenant Work shall be designed, performed and completed in accordance with the approved Work Plan, this Termination Agreement and its exhibits, in compliance with all applicable federal, state and local laws, ordinances, codes and regulations (“Legal Requirements”) and in compliance with (as may be applicable), the Sea-Tac Schedule of Rules and Regulations, the Regulations for Airport Construction, the Tenant Design and Construction Process Manual (also known as the “Tenant Roadmap”), the CAD Standards Manual, the Port’s mechanical, electrical, water and waste, and industrial waste and storm drainage standards and any other, similar document establishing requirements and/or standards for design and construction at the Airport (“Port Standards”).

c. Conditions Precedent to Termination. Early termination of the Lease Agreement as described herein is expressly conditioned on, and subject to satisfaction of, the following conditions precedent:

i. Work Plan. Following execution of this Termination Agreement, Tenant shall complete and provide to the Port a set of drawings and specifications developed by the Tenant and its contractors detailing the Tenant Work to be conducted in conformity with the scope identified in Section 3.a above and all requirements of this Termination Agreement (collectively, the “Work Plan”). The Work Plan must be approved by the Port prior to Tenant’s commencement of the Tenant Work and Port reserves the right to propose reasonable modifications or additions to the Work Plan consistent with the description of the Tenant Work described above. Upon the Port’s written approval of the finalized Work Plan, (a) the approved Work Plan (drawings and specifications) will be attached to this Agreement and deemed incorporated by reference herein and (b) Tenant shall promptly commence performance of the Tenant Work in accordance with the approved Work Plan and the terms and conditions of this Termination Agreement. The Port’s approval of the Work Plan shall not be deemed to be

a statement of compliance with all Legal Requirements and Tenant shall remain fully responsible for ensuring that the Work Plan and completed Tenant Work complies with all Legal Requirements.

- ii. Performance and Completion. Upon completion of the Tenant Work as detailed in the Work Plan, reaching substantial completion and with all punch list items closed out, Tenant will provide the Port with written notice certifying that all Tenant Work has been completed in accordance with the Work Plan and the terms and conditions of this Termination Agreement (“Final Completion”), together with a reproducible final copy of the plans as-built for the Tenant Work along with electronic files in a format compatible with the Port’s CAD Standards Manual, to enable the Port to update its existing files to reflect the as-constructed changes made by Tenant. Within ten (10) days of receiving Tenant’s written notice, the Port will inspect the Tenant Work, and if determining that the Tenant Work has reached Final Completion, in the Port’s commercially reasonable discretion, the Port will issue written notice of its concurrence of Final Completion, and confirmation of the Termination Date of the Lease Agreement.

d. Contractor Insurance. Prior to commencement of any of Tenant Work in the Premises, Tenant shall cause all persons and entities engaged by Tenant to perform the Tenant Work, including general contractors and all subcontractors (“Tenant’s Contractors”), as a condition precedent to commencement of any of Tenant Work, to provide proof of general liability insurance and auto mobile liability insurance substantially comparable to those insurances, including minimum limits, required of Tenant under the Lease Agreement.

- i. The Tenant’s Contractors’ general liability insurance shall be primary and non-contributory with respect to any insurance the Port carries and apply separately to each insured. The Port shall be named as an additional insured for all work arising out of the Tenant Work, including “on-going” and “completed operations” using ISO Endorsement Form CG 20 26 11 85 or an equivalent endorsement approved by the Port. Completed operations coverage shall continue for three (3) years beyond project completion and include the Port as an additional insured. The additional insured coverage shall remain as primary insurance with respect to any other insurance or self-insurance the Port may carry. Evidence of coverage shall be provided by means of a Certificate of Insurance and additional insured endorsement during this timeframe.
- ii. The Tenant’s Contractors’ automobile liability insurance shall insure Tenant’s Contractors against any and all claims for bodily injury, including death, and damage to or destruction of property of any kind, arising from their operations under their respective contracts. All such insurance shall name the Port as additional insured.

4. Consideration. For and in consideration of the early termination of the Lease Agreement, Tenant's performance of the Tenant Work, and the other mutual covenants and promises herein, no termination fee will be paid by either party for termination of the Lease Agreement prior to the Expiration Date. Tenant shall remain fully responsible for and shall pay the Port all amounts accruing under and due to the Port under the Lease Agreement, including, without limitation, all Base Rent, up to and through the Termination Date.

5. Surrender of Premises. Tenant hereby agrees to vacate the Premises and surrender and deliver exclusive possession of the Premises to the Port on or before the Termination Date in accordance with all terms and conditions of the Lease Agreement. On or before the Termination Date, in addition to performance of the Tenant Work, Tenant shall, at Tenant's sole cost and expense, remove or cause to be removed from the Premises any and all furniture, equipment and trade fixtures and repair all damage resulting from such removal all in full accordance with the terms of the Lease Agreement upon the expiration or earlier termination of the Lease Agreement, including, without limitation, removal of any Hazardous Substances placed on or in the Premises by Tenant or as a result of Tenant's use and occupancy thereof, and deliver the Premises to the Port in as good condition as they were prior to Tenant's possession, normal wear and tear excepted. If Tenant fails to complete such removal and/or repair any damage caused by such removal within thirty (30) days of the Termination Date, the Port may (but shall not be obligated to) do so and may charge the reasonable costs thereof to Tenant. Subject to performance of the Tenant Work and termination of the Lease Agreement, and for clarity, upon termination of the Lease Agreement the Port will retain the hangar building and other improvements on the Premises, in accordance with the Lease Agreement. Notwithstanding any vacation or surrender of the Premises prior to the Termination Date, Tenant shall remain fully liable for all Base Rent and other charges under the Lease Agreement up to and through the Termination Date.

6. Representations and Warranties of Tenant. Tenant represents and warrants to the Port that as of the date hereof and as of the Termination Date (a) Tenant has not heretofore assigned or sublet all or any portion of its interest in the Lease Agreement or the Premises; (b) no other person, firm or entity has any right, title or interest in the Lease Agreement; (c) Tenant has the full right, legal power and actual authority to enter into this Termination Agreement and to terminate the Lease Agreement without the further consent of any person, firm or entity; and (d) Tenant has the full right, legal power and actual authority to bind Tenant to the terms and conditions hereof. Tenant further represents and warrants to the Port that as of the date hereof there are no, and as of the Termination Date there shall not be any, mechanic's liens or other liens encumbering all or any portion of the Premises, by virtue of any act or omission on the part of Tenant, its contractors, agents, or employees. Notwithstanding the termination of the Lease Agreement and the release of liability provided for herein, the representations and warranties set forth in this Section 6 shall survive the Termination Date for a period of twelve (12) months and Tenant shall be liable to the Port for any inaccuracy or any breach thereof.

7. Representations and Warranties of Landlord. Landlord represents and warrants to the Port that as of the date hereof and as of the Termination Date: (a) Landlord has not heretofore assigned or sublet all or any portion of its interest in the Lease Agreement or the Premises; (b) Landlord has the full right, legal power and actual authority to enter into this Termination Agreement and to terminate the Lease Agreement without the further consent of any person, firm or entity; and (c) Landlord has the full right, legal power and actual authority to bind Tenant to the terms and conditions hereof. Notwithstanding the termination of the Lease Agreement and the release of liability provided for herein, the representations and warranties set forth in this Section 7 shall survive the Termination Date for a period of twelve (12) months and Landlord shall be liable for any inaccuracy or any breach thereof.

8. Mutual Release. Effective as of the Termination Date, in consideration of the promises set forth herein, the Port and Tenant, for themselves and their heirs, representatives, executors, administrators, successors and assigns, hereby mutually release, acquit and forever discharge each other and their respective officers, directors, subsidiaries, affiliates, agents, employees, representatives, attorneys, insurers, either past or present, and all persons acting under them by and through, or in concert with any of them, from any and all actions, causes of action, obligations, costs, expenses, damages, losses, claims, liabilities, suits, debts and demands, of whatever character, in law or in equity, whether presently known or unknown, relating to the Lease Agreement, and neither party shall have any further obligations under the Lease Agreement; *provided, however*, this release shall not extend to any obligation by Tenant to: (i) indemnify the Port against third-party liability under Section 17(a) of the Lease Agreement occurring or accruing (or alleged to have occurred or accrued) during the Term of the Lease Agreement and prior to the Termination Date, (ii) indemnify the Port against liability for violation of the environmental standards as set forth in Section 35(g) of the Lease Agreement occurring or accruing (or alleged to have occurred or accrued) during the Term of the Lease Agreement and prior to the Termination Date (or occurring or accruing after the Termination Date if arising out of events occurring during the Term of the Lease Agreement and prior to the Termination Date), (iii) pay Base Rent or any other sums due the Port under the Lease Agreement, which amounts accrue between the date of this Termination Agreement and the Termination Date, (iv) to comply with any other term or to pay and perform any obligation under the Lease Agreement between the date of this Termination Agreement and the Termination Date, or (v) to comply with any other term or to pay and perform any obligation under this Termination Agreement; and *provided however*, that this mutual release shall not extend to any obligation by Landlord to: (i) comply with any term or to pay or perform any obligation of Landlord under the Lease Agreement between the date of this Termination Agreement and the Termination Date; or (ii) to comply with any term or to pay and perform any obligation under this Termination Agreement.

9. Security Deposit. Tenant and the Port acknowledge that the Port holds Security in the form of a standby letter of credit provided by Tenant. In accordance with the Lease Agreement and the terms of this Termination Agreement, the Port will return

the Security to Tenant upon Tenant's full and timely pay and performance of all obligations under the Lease Agreement and this Termination Agreement.

10. Agreements with the United States. This Termination Agreement is subject and subordinate to the terms, reservations, restrictions and conditions of any existing or future agreements between the Port and the United States (including, without limitation, grant assurances), the execution and/or imposition of which has been or may be required as a condition precedent to the transfer of federal rights or property to the Port for Airport purposes and the expenditure of federal funds for the extension, expansion or development of the Airport or airport system.

11. Governing Law. This Termination Agreement shall be construed and enforced in accordance with the laws of the State of Washington without regard to choice of law principles. In the event that any term, covenant, condition or other provision of this Termination Agreement is held to be invalid, void or unenforceable, the remainder of the terms, covenants, conditions or provisions of this Termination Agreement shall remain in full force and effect.

12. Defined Terms; Fair Construction. Capitalized terms not defined herein shall have the meaning ascribed to them in the Lease Agreement. The parties acknowledge and agree that the language of this Termination Agreement shall be construed as a whole according to its fair meaning and not strictly for or against any of the parties. The captions and paragraph numbers appearing in this Termination Agreement are inserted only as a matter of convenience and in no way define, limit, construe or describe the scope or intent of such paragraphs nor in any way affect this Termination Agreement.

13. Attorneys' Fees. In the event any party requires the services of an attorney in connection with enforcing the terms of this Termination Agreement or in the event that suit is brought for the breach of any representation, warranty, covenant or condition of this Termination Agreement, the prevailing party shall be entitled to a reasonable sum for attorneys' fees, consultants' or experts' fees, witness fees and other costs, both at trial and on appeal.

14. Successors and Assigns. This Termination Agreement and each of its covenants and conditions shall be binding upon, and shall inure to the benefit of, the parties hereto and the respective successors and assigns.

15. Commission Approval. The submission of this Termination Agreement to Tenant does not constitute an offer to Tenant to allow early termination of the Lease Agreement or otherwise. This Termination Agreement shall have no force and effect until (i) it is duly approved by the Commission, subject to any conditions of such approval; and (ii) it is executed by both Tenant and the Port.

16. Counterparts. This Termination Agreement may be executed in one or more counterparts, each of which shall be deemed an original, and all of which shall

constitute but one and the same instrument. Furthermore, this Termination Agreement may be executed by original signature and/or by original signature scanned and delivered electronically (e.g., via facsimile or electronic mail), and any counterpart so executed and delivered shall be deemed to have been duly and validly executed and delivered for all purposes.

17. Entire Agreement; Modification. This Termination Agreement sets forth all covenants, promises, agreements, conditions or understandings between the parties hereto and concerning the subject matter hereof. There are no covenants, promises, agreements, conditions or understandings, either oral or written, between the parties other than as are set forth herein. No subsequent alteration, amendment, change or addition to this Termination Agreement shall be binding unless reduced to writing and signed by all parties hereto.

DATED as of the date first set forth above.

PORt OF SEATTLE

Tenant: Paccar, Inc.

By: \_\_\_\_\_

By: \_\_\_\_\_

Its: \_\_\_\_\_

Its: \_\_\_\_\_

# PACCAR Lease Termination

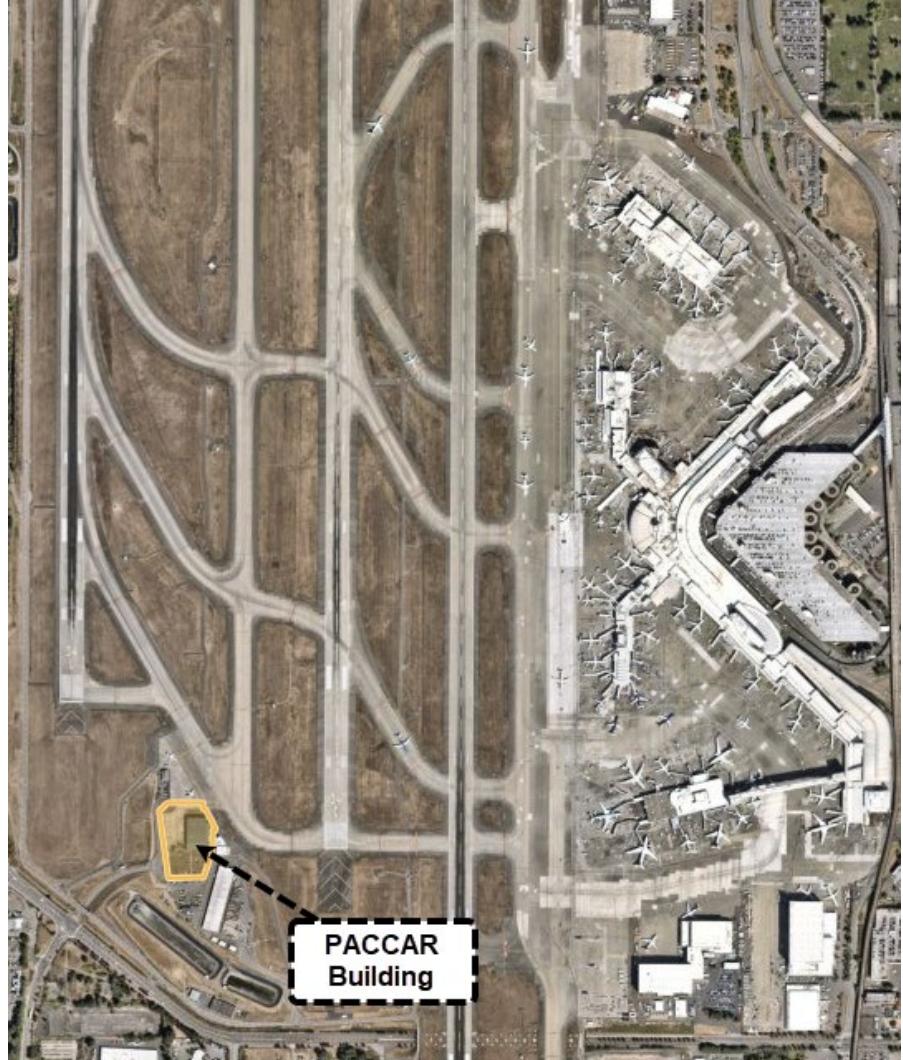


## Actions Requested

Requesting Commission authorization for the Executive Director to execute a Lease Termination Agreement for the PACCAR Lease Agreement at SEA to facilitate their transition to Boeing Field and support SEA's airport capital development program and operations.

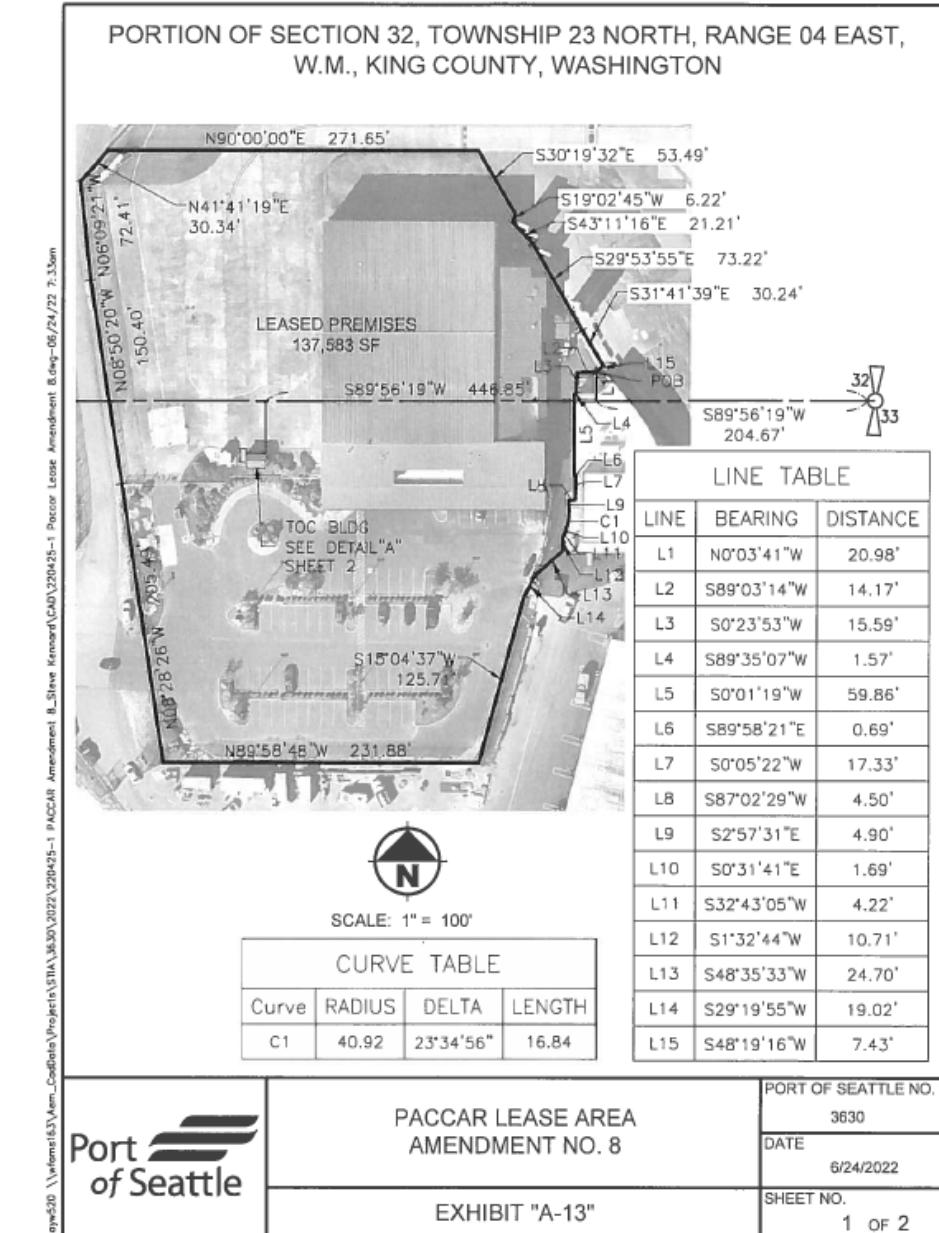
# Lease Overview

- PACCAR has a substantial footprint on Southend of the airfield that can provide a critical relief valve for airport operations and capital development needs
- PACCAR was aware of the potential displacement due to the Port's long-term vision and secured a new lease at BFI
- As part of this lease termination PACCAR will be required to make tenant improvements to the building, remove the existing AFFF (PFAS-based) fire suppression system, and remove the aircraft fueling system.
- In the interim, the facility will be used to support SEA's growing operation by providing real estate to support multiple Port functions. The anticipated future and long-term use of this site will support future development at SEA.



# Lease Termination Details

PACCAR Lease Termination	
Tenant Name	PACCAR Inc.
Original Expiration	May 31 <sup>st</sup> , 2031
Environmental Indemnification	<ul style="list-style-type: none"> <li>➤ The existing lease agreement indemnification will survive lease termination in the event the Port discovers environmental contamination during the demolition of the building</li> </ul>
Monthly Rental Rate	\$37,360.36
Tenant Improvement Requirements	<ul style="list-style-type: none"> <li>➤ Removal of the PFAS based fire suppression system and components in continuous contact with PFAS</li> <li>➤ Installation of water-based fire suppression system at a lower rating converting the hanger into a warehouse</li> <li>➤ Removal of underground Aircraft Fueling system to include but not limited to underground fuel tank, piping, fixtures, and any environmental contamination discovered</li> </ul>
Potential Uses:	<ul style="list-style-type: none"> <li>➤ Support of Port Capital Projects</li> <li>➤ Aviation Maintenance space</li> <li>➤ Fire Department Storage</li> <li>➤ Operational support space</li> </ul>
New Termination Date	<ul style="list-style-type: none"> <li>➤ The end of the month following Tenant completion and Port approval of the Tenant Improvement Requirements listed above</li> </ul>





**COMMISSION**  
**AGENDA MEMORANDUM**

**Item No.** 8e

**ACTION ITEM**

**Date of Meeting** February 24, 2026

**DATE :** January 5, 2026

**TO:** Stephen P. Metruck, Executive Director

**FROM:** Brad Erger, Manager, Aviation Business and Property Assets  
Jason Johnson, Assistant Director Airline Affairs & Aviation Properties

**SUBJECT: STOC ALPA Term Lease**

**ACTION REQUESTED**

Request Commission authorization for the Executive Director to execute a Third Amendment to Lease Agreement with Air Line Pilots Association (ALPA) at SeaTac Office Center (STOC) to lease an additional 2,195 square feet of office space for a term of 99 months.

**EXECUTIVE SUMMARY**

ALPA has been a tenant at STOC since 2012, where they currently occupy 11,772 square feet on the third floor of the South Tower (Suites 300 and 325). The Port has tentatively agreed to a lease amendment to add 2,195 square feet of space in Suite 315 on the third floor for a term of 99 months, which is coterminous with the rest of their space under lease.

**JUSTIFICATION**

Suite 315 was recently vacated by another tenant (AARP) and is directly adjacent to existing ALPA leased space. ALPA would be taking Suite 315 as-is and will be responsible for any tenant improvements deemed necessary to the space, coming at no cost to the Port. Upon lease termination, all improvements will remain with the Port, enhancing the long-term value of the space. The lease begins at a base rent of \$23.34 per square foot annually plus operating expenses, with annual increases tied to CPI. Over the 99-month term, the inclusion of this expansion space is projected to add a minimum of \$422,000 in rent revenue to ALPA's lease. The lease amendment will be executed using form approved by Port Legal.

**LEASE DETAILS**

Effective Date	Estimated to be March 1, 2026
Rental Rate Adjustments	Monthly Base Rent will increase annually based on CPI.
Permitted Use	ALPA shall use the Premises for general office use.
Security Requirement	6 months' base rent

Meeting Date: February 24, 2026

### **ALTERNATIVES AND IMPLICATIONS CONSIDERED**

#### **Alternative 1 – Do not lease Suite 315 to ALPA**

Cost Implications: Risk losing \$422,000 of rental revenue over the term

Pros:

- (1) Suite 315 would remain available for other potential tenants
- (2) Avoids immediate broker commission costs

Cons:

- (1) Leaving Suite 315 vacant could result in prolonged downtime before securing another tenant, leading to lost revenue and ongoing operating expenses for the unoccupied space.

This is not the recommended alternative.

#### **Alternative 2 – Enter into amendment with ALPA to add Suite 315 to their lease**

Cost Implications: Minimum of \$422,000 of rent revenue over the lease term.

Pros:

- (1) The Port would be allowing an existing STOC tenant to expand under beneficial financial terms
- (2) Immediate occupancy by ALPA eliminates downtime and carrying costs for the vacant suite

Cons:

- (1) Suite 315 would be unavailable for other potential tenants

*This is the recommended alternative.*

### **FINANCIAL IMPLICATIONS**

The proposed lease amendment is expected to generate at least \$422,000 in rental revenue over the 99-month term. The Port will incur a broker commission of \$22,140.75 as part of this transaction.

When factoring in the leasing commission, base rental rates, and annual CPI-based increases, the overall financial outlook of this lease remains positive for the Port, offering long-term value through non-aeronautical revenue.

### **ATTACHMENTS TO THIS REQUEST**

- (1) Presentation slides

Meeting Date: February 24, 2026

**PREVIOUS COMMISSION ACTIONS OR BRIEFINGS**

October 22, 2024 – The Commission authorized the acquisition of STOC and the assumption of all STOC leases.

Item No. 8e supp  
Meeting Date: February 24, 2026

# STOC ALPA Lease Amendment

Brad Erger  
Manager, Aviation & Business  
Properties Assets

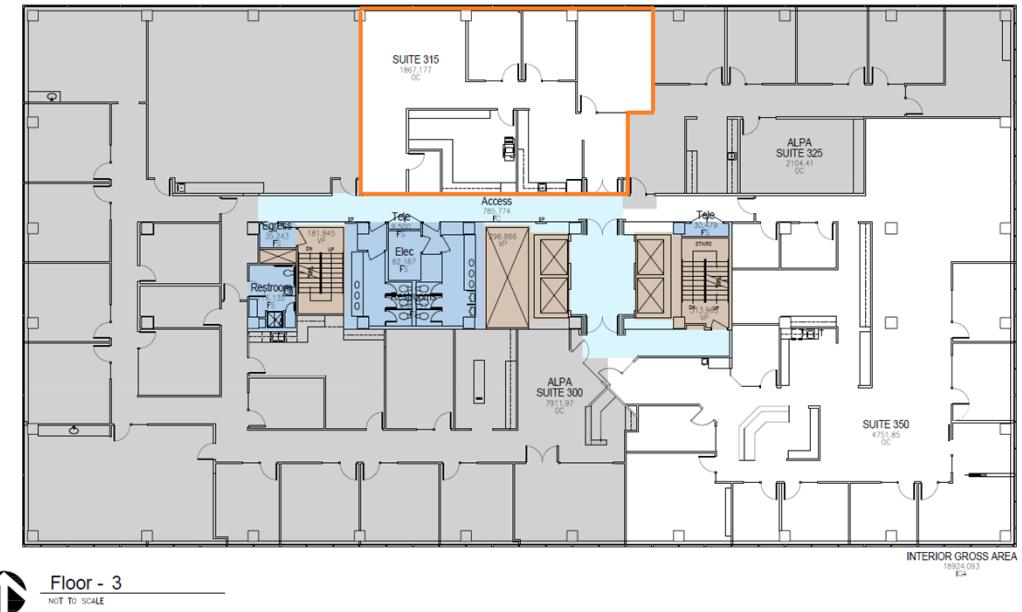


## Action Requested

- Request Commission authorization for the Executive Director to execute a term Lease Amendment with Air Line Pilots Association (ALPA) at SeaTac Office Center (STOC) to lease an additional 2,195 square feet of office space for a term of 99 months.

# Overview

- ALPA has been a tenant at STOC since 2012. They currently lease 11,772 square feet of office space on a portion of the 3<sup>rd</sup> floor (see area highlighted in grey)
- The Port has tentatively agreed to amend its lease with ALPA to add an additional 2,195 square feet (Suite 315 - outlined in orange) into their existing premises. This amendment will apply for the remaining 99-month lease term at the current rental rate of \$23.34 per square foot per year, plus operating expenses. This lease amendment would be effective 3/1/2026.
- ALPA will be responsible for any improvements to Suite 315



# Amendment Details

Air Line Pilot's Association (ALPA)	
<b>Rent Commencement Date</b>	March 1, 2026
<b>Rental Rate Adjustments</b>	Rent will increase based on the Consumer Price Index (CPI) annually each July 1st through the term of the agreement.
<b>Permitted Use</b>	General office use.
<b>Security Requirement</b>	6 months' base rent

**COMMISSION****AGENDA MEMORANDUM**

<b>ACTION ITEM</b>	<b>Item No.</b>	<b>8f</b>
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<b>DATE :</b>	February 24, 2026
<b>TO:</b>	Stephen P. Metruck, Executive Director
<b>FROM:</b>	Linda Springman, Director of Cruise & Elliott Bay Operations Dario Marcolin, Cruise Technical & Systems Operations Manager Julie Yun, Capital Project Manager, Waterfront Project Management
<b>SUBJECT:</b>	Terminal 91 West Cruise Dredging – Updated Project Authorization for ERL

<b>Amount of this request:</b>	\$250,000
<b>Total estimated project cost:</b>	\$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.

Meeting Date: February 24, 2026

**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:

Meeting Date: February 24, 2026

- (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

Meeting Date: February 24, 2026

<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.***

Meeting Date: February 24, 2026

**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.



Item No.: 8f\_supp

Meeting Date: February 24, 2026

## Terminal 91 West Cruise Berth Dredge Updated Project Authorization - ERL

Linda Springmann – Director, Cruise & Elliott Bay Operations

Julie Yun – Capital Project Manager, Waterfront Project Management



# Agenda

- Commission Action Requested
- Project Objectives
- Project Scope
- Schedule Risk
- Project Cost
- Project Schedule
- Questions

## 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 in ERL funding and \$750,000 in Operating Expense for the Terminal 91 West Cruise Maintenance Dredging project. Total authorization including this request is \$1,300,000 and full project is expected to total \$3,250,000.

# Project Objectives

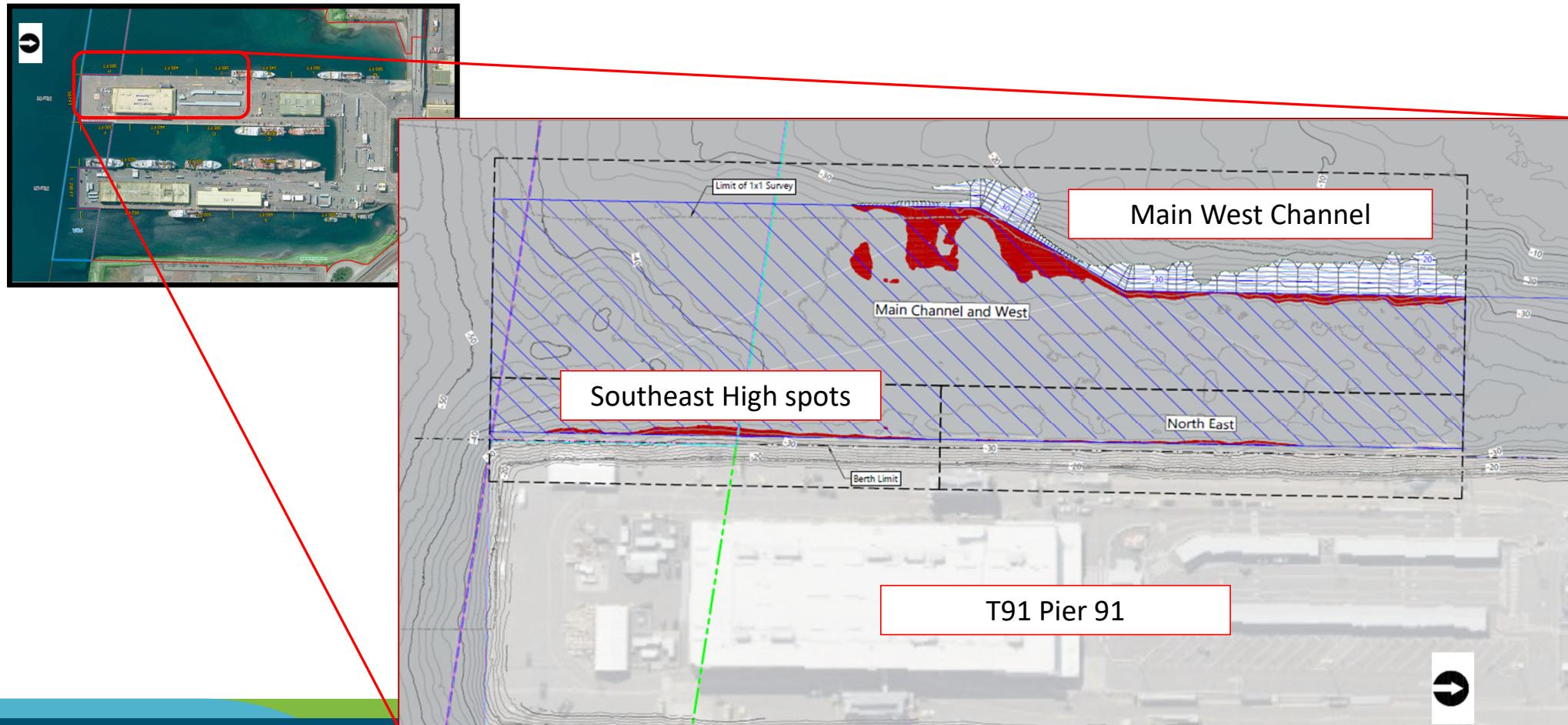


- Secure adequate maneuvering room for both Starboard- and Port-side tie of cruise vessels to support Commission Order No. 2024-08, committing all Port facilities to be service-ready for cruise ships to utilize shore power by 2027 Cruise season.
- Comply with MTCA Agreed Order No. DE24768 and all MTCA site requirements for Interim Action Work.
- Minimize construction impacts to the natural environment and tribal fishing.

# Project Scope

- Perform maintenance dredge at Main West channel and Southeast pier face to restore full under keel clearance to previously dredge depth of -35 ft MLLW.
  - Approximately 3,000 CY will be dredged at Main West channel
  - Approximately 500 CY will be dredged at Southeast pier face.
  - Dredging at the Southeast pier face will follow all dredging, testing, and disposal requirements per MTCA Agreed Order No. DE24768.
- Minimize impacts to natural habitat and water quality.
- Minimize construction impacts to tribal fishing.

# Project Scope: Dredge Footprint



# Project Risks

Risk	Description	Probability	Impact	Mitigation
Permit Delay	Federal in-water permit review and approval turnaround time; unforeseen government shutdown/resource constraints	Med 	High 	Proactive engagement with federal/local agencies, tribes, etc. to ensure timely progress toward full permit approval.
Presence of Discarded Military Munitions (DMM)	DMM discovery during construction will halt work until notification to resume work is issued.	Low 	Med 	Proactive collaboration with agencies and GC to establish protocol for safe screening/disposal of found DMM's.
Contract Risk	Existing MC-Unit Price Dredging contract with single general contractor (GC) will be shared across multiple dredge projects.	Low 	Low 	Proactive communication and coordination between internal Port staff and GC to manage resource capacity and phasing.

# Project Cost

Item	EXPENSE	ERL	Total Project
Previous Authorizations	\$750,000	\$300,000	\$1,050,000
Current request for authorization	\$0	\$250,000	\$250,000
Total authorization, including this request	\$750,000	\$550,000	\$1,300,000
Remaining amount to be authorized	\$1,950,000	\$0	\$1,950,000
Total project cost estimated	\$2,700,000	\$550,000	\$3,250,000

# Project Schedule

Item	Anticipated Date
DORA – Design Authorization	Q4 2025
Commission – Updated Design Authorization (ERL)	Q1 2026
Design & Permitting Complete	Q3 2026
Commission – Construction Authorization	Q4 2026
Construction Start	Q4 2026
Substantial Completion	Q1 2027
2027 Cruise season start	April 2027

# Questions



**COMMISSION**  
**AGENDA MEMORANDUM**

**ACTION ITEM** **Item No.** 10a

**Date of Meeting** February 24, 2026

**DATE:** December 15, 2025

**TO:** Stephen P. Metruck, Executive Director

**FROM:** Kyra Lise, Director, Real Estate Development  
Jennifer Maietta, Director, Real Estate Asset Management  
Evan Conroy, Capital Project Manager, Waterfront Project Management

**SUBJECT: Terminal 91 Uplands – Post-Validation contract amendment (CIP # C800158, C801169, C801372)**

**Amount of this request:** \$36,200,000

**Total estimated project cost:** \$131,000,000

**ACTION REQUESTED**

Request Commission authorization for the Executive Director to approve funding to execute a Post-Validation Amendment to the Progressive Design-Build contract, MC-0321389, for the T91 Uplands Development program (C800158, C801169, C801372) to further advance design, complete the development and negotiation of a Guaranteed Maximum Price (GMP) contract for construction, and retain the option to perform some early work and procure long-lead items. Further Commission authorization for construction funding will be required.

The total requested for this action is \$36,200,000 for a total project authorization of \$46,300,000.

**EXECUTIVE SUMMARY**

The Port's Maritime and Economic Development Divisions are proposing to construct light industrial building space (storage, warehouse, manufacturing) within the northeast upland portion of Terminal 91 (T91) to support maritime industries and supply chains and address the shortage of leasable light industrial building space in alignment with current and future market demand in the Ballard Interbay Northend Manufacturing and Industrial Center (BINMIC). The Port has contracted with a design build team for design and construction consisting of Mithun Architects and Hoffman Construction Co. of WA (the "Design-Builder") to develop a plan for construction of up to 111,000 sf of spec light industrial space and associated infrastructure and to extend that infrastructure to support the development potential of an additional 160,000 sf of industrial space to be constructed by a 3<sup>rd</sup> party developer under the terms of to be negotiated ground lease. A State Environmental Policy Act Determination of Non-significance has been issued for the original project scope, which includes the development of up to 400,000 square

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feet of maritime light industrial space. A Major Phased Development (MPD) permit (type of Master Use Permit) is near issuance.

The current funding request would enable the project to further advance design and permitting, complete the development and negotiation of a GMP with the Design-Builder, and perform some early work and procurement of long-lead items.

The project, once constructed, will offer the opportunity to preserve and enhance industrial land that contributes to the local economic viability of maritime-focused operations in Seattle. It will diversify and modernize the Port’s Maritime facilities, on T91 Uplands which is the Port of Seattle’s largest operating Maritime facility with the foundation of environmental, financial, and community stewardship goals of the Port.

Permitted under this City of Seattle MPD permit and delivered using the Progressive Design-Build alternative delivery method, the program includes the following components:

- **Phase 1:** Approximately 6 acres in size at the northeast portion of T91 and consisting of approximately 111,000 SF of light industrial building space with associated amenities and utilities.
- **The associated utility infrastructure** for both phases includes new telecom/data distribution, a new sewer connection, stormwater management upgrades, and electrical upgrades required for Phase 1 and the pad-ready development of Phase 2.
- **Demolition** of three buildings near the Magnolia Bridge (W-39, M-28, M-19) as well as the C-155/156 building that is currently in the Phase 2 area. This scope is not part of the current SEPA document or Major Phased Development (MPD) permit.
- **Phase 2 Pad-ready:** If a successful ground lease is negotiated, and all necessary environmental review and permitting occur prior to finalization, the development of an anticipated 160,000 SF pad-ready site for additional industrial building space may be added to the project later. The requested design authorization for this scope is to help establish milestones and deliverables to aid in those ground lease negotiations.

### **JUSTIFICATION**

Advancing the T91 Uplands Phase 1 project is necessary to preserve existing maritime uses, retain port-dependent tenants, sustain vessel activity at Piers 90 and 91, and provide space for new maritime innovation businesses. The project responds to demonstrated tenant demand and addresses functional obsolescence in critical upland facilities. Once completed, the project will allow existing tenants at T91 to maintain their address at T91 and relocate into modern space that will also allow for enhanced productivity and the possibility for expansion. Several tenants operate fishing and processing vessels that regularly berth at Piers 90 and 91. Seafood is offloaded directly from vessels into on-terminal cold storage, *while fishing equipment and gear are re-stocked from upland warehouse space*. Seafood products move seamlessly into packing, processing, staging, logistics, and distribution—entirely within the Terminal 91 footprint. This

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proximity is essential to maintaining product quality, operational efficiency, and vessel turnaround times. Many of these tenants are located within the C-155 and C156 buildings and adjacent yard area and have expressed interest in leasing the new buildings. It will also allow businesses that are part of the cohorts of maritime innovators going through the new Maritime Innovation Center to consider a permanent location in the new space at T91.

This development was originally proposed within the Port's 2016 Real Estate Strategic Plan, which generally recommended constructing approximately 700,000 square feet of new maritime light/flex industrial building space on the T-91 Uplands area north of the Magnolia Bridge over a 15 year period. This project will be a "downpayment" on this strategy.

Demolition of buildings W-39, M-28, and M-19 will eliminate the cost of maintaining vacant and unleaseable buildings and create potential revenue through yard storage and laydown lease opportunities. These buildings were originally built in the 1920s-1940s for varied industrial uses, including cold storage (W-39), food processing and maintenance shop (M-28), and industrial warehouse (M-19). All three buildings are well past their design life, carry safety hazards and liability associated with hazardous materials and fire suppression safety, and have no revenue generating potential identified in their current condition.

### ***Diversity in Contracting***

The project team in coordination with the Diversity in Contracting Department has included a 14% WMBE aspirational goal in the Progressive Design-Build major work contract. The design-build team, however, has committed to a higher 25% WMBE plus an additional 5% for veteran owned businesses.

### **DETAILS**

#### **Status:**

In October of 2023, the Commission authorized additional design funding to further develop Phase 1 of the Uplands development. As design progressed, it became clear that the project complexity and risks warranted a re-evaluation of the design-bid-build delivery method selected at the time. Among the risks identified, the challenging site conditions, the complex logistic of maintaining terminal operations throughout construction, the concurrent timeline of building demolition near the Magnolia Bridge, as well as the potential acceleration of the Phase 2 pad-ready scope made the project a candidate for alternative delivery.

Several procurement methods were assessed against the key objectives of better cost certainty, early stakeholder engagement, and more efficient scheduling and sequencing. Additionally, the analysis focused on how to best manage risks associated with concurrent projects on an active terminal, multiple stakeholders with varying seasonal demands, and limited entry points with a path to the site that traverses the entire terminal.

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Through this evaluation, progressive design-build was chosen over a traditional design-bid-build or standard design-build approach. Progressive design-build is unique in its early and continuous collaboration between an owner and the design-build team consisting of the contractor, architect, engineers, and other professionals. This early engagement allows the Port to work with a partner to accommodate increased complexity, mitigate risks, identify costs earlier, and manage stakeholder involvement.

The Port selected the Design-Builder in May of 2025 and proceeded to complete the Validation Period, which served to validate the site ground conditions and utilities, as well as the program and scope assumptions. Multiple information gathering sessions were held with Port staff and substantial site investigations were performed, such as geotechnical and environmental explorations using ground penetrating radar (GPR) and LIDAR scans to image obstructions below the surface.

An initial project basis of design and associated target budget and schedule have now been established, which were reviewed by an independent cost estimator. Part of this work included a collaborative assessment of project risks and associated contingencies, as well as the creation of a risk register that will be co-managed throughout the life of the project. As risks become mitigated or retired, funds will be re-allocated to prioritized enhancements. The funding requested would allow the project to advance into the GMP development phase of the contract when design and permitting will be progressed sufficiently for negotiations of a final GMP. Some targeted early work and long-lead items procurement would also be completed.

In addition to the validation work, the project completed all major reviews required for issuance of the Major Phased Development (MPD) permit, anticipated in February. An MPD is a unique permitting vehicle under the Seattle Land Use code, which allows for one land use permit to cover multiple development projects on one large site phased over a period of up to 15 years.

### ***Scope of Work***

This project combines three projects identified separately in the Capital Plan. They include:

- T91 Uplands Development Phase 1. C800158
- T91 Building (W-39, M-28, M-19) Demolition. C801372 – Expense
- T91 Uplands Phase 2 Infrastructure - Pad-Ready design. C801169

This funding request is for the Design, Permitting, GMP Development, early work, and long-lead items procurement for the following project components:

1. **Phase 1, C800158:** Developing three new maritime light industrial buildings of approximately 111,000 SF with associated utility and site infrastructure.
  - a. The assumption for these buildings is to be pre-engineered metal buildings (PEMB).
  - b. A site design with clear movement paths for vehicles, pedestrians, and non-motorized movement to support industrial safety best practices

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- c. Installation of a stormwater management system including low plantings to maintain operational visibility and use, new sewer lines and connections to the existing network, and new telecom and data infrastructure.
- d. Electrical infrastructure that will tie into the existing grid.
- e. Facility wayfinding, internal circulation, and lighting to support operations.
- f. LEED Core & Shell, Silver level target or equivalent in a similar rating system.
- g. Electric vehicle charging.

2. **Building Demolition, C801372 - Expense:** W-39 (connected to the Magnolia Bridge), M-28, and M-19 near the Magnolia Bridge.

- a. The demolition of these buildings will require environmental remediation such as asbestos removal, particularly in W-39.
- b. Since W-39 is connected to the Magnolia Bridge via an apron, the scope includes coordination with SDOT to determine a suitable guard rail condition once the building is removed.

3. **Phase 2 Pad-ready, C801169:** design work as necessary to support negotiations of a ground lease for the potential construction of 160,000 SF of pad-ready site for additional industrial building space.

- a. This phase would only proceed if a successful ground-lease is negotiated.
- b. It is sequenced to follow Phase 1 to allow the current tenants of Building C-155/156 to move into Phase 1 if desired.
- c. Demolition of Buildings C-155/156.
- d. Associated utility infrastructure will be brought to the pad for tie-in with a future ground lease tenant. It will benefit from and tie into Phase 1 enhancements for stormwater management, sewer, and data and telecom. Electrical infrastructure that will tie into the existing grid capacity.

### ***Sustainability***

The Port and the progressive design-build collaboration on Sustainability was initiated early in the project during an Eco-Charrette held as part of the Sustainable Evaluation Framework. Further analyses will be completed early in design and will weigh tradeoffs between various alternatives for energy conservation, EV charging, greenhouse gas emissions avoidance, potable water conservation, stormwater treatment, sustainable materials such as cross-laminated timber, waste diversion and use of recycled materials, sustainable transportation options, equity improvements for workers and the community, climate resilience, green space and habitat, operational efficiencies, and third-party certification opportunities. Results from these analyses will be presented to commissioners at the SEAC committee near 30% design, prior to construction authorization.

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### ***Engagement***

To support engagement moving forward, Port staff will be working with PRR, a top regional communications and engagement firm. Building off the success of a similar communications model piloted on the construction of the Maritime Innovation Center, External Relations staff will guide the work of the consultant who will track both internal and external communications. This will include construction updates, community briefings and notifications, and public meetings or messaging. Key constituents include the neighborhoods of Queen Anne and Magnolia, the Port's Neighbors Advisory Committee (NAC), members of the public who access the terminal, and the many diverse customers and tenants currently working at T91. Staff provided a project briefing to the NAC in May 2025

### ***Schedule***

The design and GMP development phase are scheduled to start in Q1 2026 and go through Q4 2026. During this time, permitting for Phase 1 and 2 site components as well as demolition will occur. This time will also be used to procure long lead items and early work packages. Toward the end of the GMP development phase in Q3, Commission will be asked to authorize construction. If authorized, construction would start in Q4 of 2026.

#### ***Activity***

Commission design authorization	Q1 2026
Design start	Q1 2026
Sustainability Environment & Climate Committee meeting	Q2 2026
Commission construction authorization	Q4 2026
Construction Start	Q1 2027
In-use date	
• Phase 1	Q1 2028
• Phase 2 Pad	Q4 2028

#### ***Cost Breakdown***

	This Request	Total Project
<b>Design</b>	<b>\$14,085,000</b>	<b>\$24,185,000</b>
Phase 1	\$11,500,000	\$20,300,000
Phase 2 Pad-Ready	\$1,585,000	\$1,885,000
Demolition	\$1,000,000	\$2,000,000
<b>Environmental Remediation Liability</b>	<b>\$8,800,000</b>	<b>\$8,800,000</b>
Phase 1 – Soil Remediation	\$1,000,000	\$1,000,000
Phase 2 – Soil Remediation	\$0	\$0
Demo – Abatement	\$7,800,000	\$7,800,000
<b>Construction</b>	<b>\$13,300,000</b>	<b>\$98,000,000</b>
Phase 1	\$5,000,000	\$89,700,000
Phase 2 Pad-Ready	\$0	\$0

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Demolition	\$8,300,000	\$8,300,000
<b>Total</b>	<b>\$36,185,000</b>	<b>\$130,985,000</b>
Phase 1	\$17,500,000	\$111,000,000
Phase 2 Pad-Ready	\$1,585,000	\$1,885,000
Demolition	\$17,100,000	\$18,100,000

### ALTERNATIVES AND IMPLICATIONS CONSIDERED

#### **Alternative 1 – Phase 1, Phase 2 (Design only), and South Building Demolition:**

In this alternative, Phase 1 and Phase 2 and their associated infrastructure are authorized to proceed to complete the design and permitting. Additionally, this alternative includes the south building demolition and allows for early work and procurement.

##### Cost Implications:

1. Proceed with design funding, early work, and south demolition for the requested amount of \$36,200,000.

##### Pros:

1. Creates a modern campus that supports maritime industry and innovation, and the jobs they create.
2. Meets the growing demand for tenant space at T91, including from graduates of the Washington Maritime Blue incubator program.
3. Preserves the opportunity of a ground-lease development over the Phase 2 area.
4. Leverages cost and schedule efficiencies of a program-level approach.
5. Reduces escalation costs to complete these works now.

##### Cons:

1. Commits significant Port capital to the projects.
2. Total project Authorization is \$64M more than included in the 2026-2030 CIP and will require \$50M of other projects to be eliminated or postponed

#### **This is the preferred alternative.**

#### **Alternative 2 – Phase 1 reduced scope (2 buildings), South Building Demolition, no Phase 2 Pad-ready:**

In this alternative, Phase 1 building square footage is reduced by approximately 25,000 SF and does not include the pad-ready for Phase 2. The associated infrastructure is not reduced, which allows for the third building to be built in the future with increased tenant demand. The authorization is to complete the design, permitting, south demo, and early work.

##### Cost Implications:

1. This alternative would require \$32,000,000 less of capital capacity.

2. Proceed with reduced design funding, early work, and south demolition. Due to an economy of scale and mobilization efficiencies (both with the Port and design-build team), design, permitting, and eventual construction costs are not decreased in direct proportion to the reduced square footage.
3. Removal of the design, construction, and soft costs for Ph2. However, savings here are tied to an opportunity cost of not leveraging the delivery method to increase design and construction efficiencies to prepare for a potential ground lease.

**Pros:**

1. Reduced overall project cost that allows some Port capital to be allocated to other priority projects and financial initiatives.
2. Reduced overall project schedule.
3. Still creates some new tenant space to meet market demand.

**Cons:**

1. Lose the opportunity to complete a ground lease.
2. Missed opportunity to combine related design and construction.
3. Sizing Ph1 infrastructure to accommodate a potential Ph2 pad means Ph1 is carrying a disproportionate infrastructure cost with no plan for potential recovery. In this alternative, this ratio is further skewed with less Ph1 square footage built at the start but with infrastructure built to accommodate approximately 185,000 SF of future development (Ph1 additional building of approx. 25k SF + Ph2 pad to support approx. 160k SF)
4. Not sizing Ph1 infrastructure to accommodate a potential Ph2 pad will lead to increased Ph2 Pad Ready costs and potentially increased site disruption to upgrade Ph1 infrastructure or add new parallel infrastructure.
5. Increased costs to complete the Ph2 Pad or Ph1 buildings at a later date.
6. Potential demolition liability for buildings C-155/156.

This is not the recommended alternative.

**Alternative 3 – Status Quo and South Building Demolition**

This alternative proceeds with demolition of the South Buildings but does not authorize the additional design funding of the progressive design-build contract to complete the design, permitting, and any early work on T91 Uplands.

**Cost Implications:**

1. This alternative requires \$18,100,000 of expense funding.
2. Loss of possible return on investment to date. Cost expended would be expensed.
3. Delay and escalation costs if the project is restarted at a later date.

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## Pros:

1. Retain Port capital for other priority projects and financial initiatives.

Cons: Delay or cancellation of the project with the potential for:

1. Missed opportunity to provide needed space for the Maritime industry.
2. Loss of opportunity to benefit from synergy between various parallel projects on the terminal to best leverage the current delivery method.
3. A new contract, and subsequent delay, will be needed to pursue any ground lease opportunity and the associated infrastructure needed to support such development.
4. Demolition liability for the C-155/156 building since it is beyond its end-of-life.

This is not the recommended alternative.

**FINANCIAL IMPLICATIONS**

<b><i>Cost Estimate/Authorization Summary</i></b>	Capital	Expense	Expense	Total
		Demo	ERL	
<b>COST ESTIMATE</b>				
Original estimate				
• Phase 1	\$39,000,000	\$0	\$0	\$39,000,000
• Phase 2 Pad Ready	\$10,350,00	\$0	\$0	\$10,350,000
• Demolition	\$0	\$9,100,000	\$0	\$9,100,000
Previous changes – net				
• Phase 1	\$45,000,000	\$0	\$0	\$45,000,000
• Phase 2 Pad Ready	\$0	\$0	\$0	\$0
• Demolition	\$0	\$0	\$0	\$0
Current change				
• Phase 1	\$27,000,000	\$0	\$0	\$27,000,000
• Phase 2 Pad Ready*	\$1,885,000	\$0	\$0	\$1,885,000
<i>Limited design only</i>				
• Demolition	\$0	\$1,000,000	\$8,000,000	\$9,000,000
Revised estimate				
• Phase 1	\$111,000,000	\$0	\$0	\$111,000,000
• Phase 2 Pad Ready*	\$1,885,000	\$0	\$0	\$1,885,000
<i>Limited design only</i>				
• Demolition	\$0	\$10,100,000	\$8,000,000	\$18,100,000
<b>AUTHORIZATION</b>				
Previous authorizations				
• Phase 1	\$8,800,000	\$0	\$0	\$8,800,000
• Phase 2 Pad Ready	\$300,000	\$0	\$0	\$300,000

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• Demolition		\$1,000,000	\$0	\$1,000,000
Current request for authorization				
• Phase 1	\$16,500,000	\$0	\$1,000,000	\$17,500,000
• Phase 2 Pad Ready	\$1,585,000	\$0	\$0	\$1,585,000
• Demolition	\$0	\$9,300,000	\$7,800,000	\$17,100,000
Total authorizations, including this request				
• Phase 1	\$25,300,000	\$0	\$1,000,000	\$26,300,000
• Phase 2 Pad Ready	\$1,885,000	\$0	\$0	\$1,885,000
• Demolition	\$0	\$10,300,000	\$7,800,000	\$18,100,000
Remaining amount to be authorized				
• Phase 1	\$84,700,000	\$0	\$0	\$84,700,000
• Phase 2 Pad Ready	\$0	\$0	\$0	\$0
• Demolition	\$0	\$0	\$0	\$0

\*Current Phase 2 Pad-Ready project estimate is \$16,630,000.

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

These projects are included in the 2026 plan of finance under committed CIPs:

- **C800158 T91 Uplands Development Phase 1** in the amount of \$50,000,000. The current total project estimate is \$111,000,000.
- **C801169 T91 Uplands Phase 2 Infrastructure - Pad-Ready** in the amount of \$9,000,000. The current project estimate for design only is \$1,885,000. The current estimated full project cost is \$16,630,000.

These projects will be funded by long-term general obligation bonds with debt service paid by the Tax Levy.

To accommodate the additional cost of the project, the 2026 to 2030 CIP will be revised with the following changes:

- C80002 MD Reserve (\$55M): Reallocate all reserve funding for the 5-year period to this project.
- C800444 FT NW Dock Improvements (\$58M): Defer project start by 4 years.
- C800999 Harbor Mooring Dolphins (\$19M): Remove project from the capital plan.

C801169 T91 Uplands Phase 2 Infrastructure Pad-Ready (\$9M): Reduce to estimated cost of design.

The **T91 Building Demolition (W-39, M-28, M-19), C801372 – Expense**, was originally estimated in the amount of \$9,100,000 with \$8,000,000 included in the 2026 Non-Operational Budget. The current project estimate is \$18,100,000.

This portion of the project will be funded by the General Fund.

***Financial Analysis and Summary***

Business Unit (BU)	Portfolio & Asset Management
Project cost for analysis*	\$111M
Effect on business performance	Phase 1 is expected to generate incremental revenue, producing approximately \$2 million in annual NOI before depreciation at stabilized occupancy. Annual depreciation of approximately \$2.8M is anticipated.
IRR/NPV (if relevant)**	NPV: (\$78M) MIRR: (0.40%)
Payback	30+ years

\* The analysis excludes T91 Building Demolition (W-39, M-28, M-19) project cost. Upon completion of demolition and at stabilization, annual incremental revenue of approximately \$900K is expected from yard lease space.

\*\*Lease revenue from Phase 2 Pad is not included at this time. Analysis will be updated in future Commission authorization/briefing.

***Future Revenues and Expenses (Total cost of ownership)***

The financial analysis assumes:

- Future revenue to increase by an average of 3% annually.
- Stabilized occupancy for the Phase I Development at 90%.
  - Assumes 70% warehouse/office blend and 30% warehouse only.
- The project analysis period is 30 years.
  - Future investments for HVAC upgrades and roof repairs have been included for the port developed buildings, however the analysis assumes tenant leases to be triple net leases with minimal port maintenance needed for leased spaces.
  - No residual value was applied to the development, nor were any costs for upgrades or demolition at the end of the assumed service life.
- Other assumed incremental costs include incremental maintenance costs of \$120K and escalating at 5% annually and approximately \$40K annually in property management costs.

**ADDITIONAL BACKGROUND**

This project has a Port Labor Agreement (PLA).

**ATTACHMENTS TO THIS REQUEST**

- (1) Presentation slides

**PREVIOUS COMMISSION ACTIONS OR BRIEFINGS**

October 17, 2023 – The Commission authorized \$850,000 in funding to proceed with Design and Permitting of the Terminal 91 Buildings (W-39, M-28, M-19) Demolition project. (C801372).

October 10, 2023 – The Commission authorized additional design funding to execute the remaining service agreements for professional design, Port-related costs for all project elements and improvements, and the inclusion of a 1 Percent for Art Program investment in the amount of \$4,500,000 (C800158).

February 26, 2019 – The Commission authorized the execution of contracts for overall master planning, environmental review, permitting, and Phase I Design services in an amount not-to-exceed \$4,000,000, in support of the Port’s development of the T91 Uplands Development project (C800158).

November 27, 2018 – The Commission approved 2019 Capital Budget and Plan of Finance including T91 Uplands Development project.

October 25, 2016 – The Commission received a briefing about the Real Estate Strategic Plan including the T91 Uplands Development project



## T91 Uplands Redevelopment Post-Validation contract amendment

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# 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-0321389, for the T91 Uplands Development program (C800158, C801169, C801372) to further advance design, complete the development and negotiation of a Guaranteed Maximum Price (GMP), and perform some early work and procurement of long-lead items. The total requested for this action is \$36,200,000 for a total project authorization of \$46,300,000.

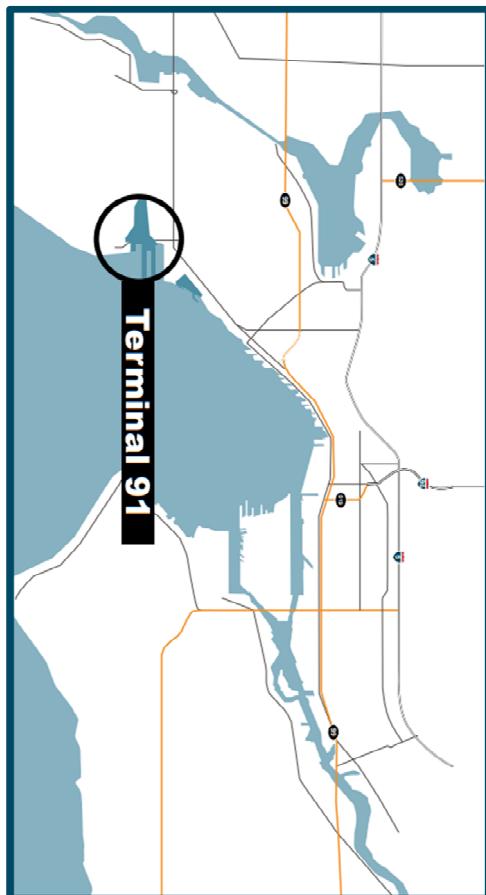
# Vision and Purpose

Develop new maritime industrial buildings with associated utility and site infrastructure and demolish several outdated buildings.

New upland Port buildings will help sustain and support maritime industries and maritime supply chain.

- Shortage of leasable light industrial building space in Ballard Interbay Northend Manufacturing Industrial Center (BINMIC)
- Demonstrate support for Seattle's Industrial Lands policy
- Retain port-dependent maritime tenants supporting vessel activity at Piers 90 & 91
- Support Maritime Innovation Center and other maritime innovation businesses
- Make-up for demolition of obsolete warehouse space at T91

# Project Area



# Project Baseline Scope

## 1. Phase 1 Buildings

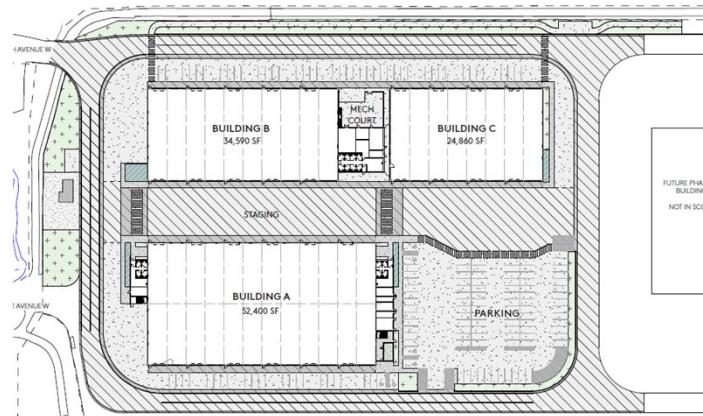
- Building A, B, and C

## 2. Phase 1 Site

- Parking & Staging Area
- Site Infrastructure

## 3. South Building Demo

- W-39, M-28, and M-19



PHASING DIAGRAM

- Phase 1
- Phase 2
- Building to be Demolished
- Demolition Phase Extents
- General Contractor's Staging Area

# Phase 1 – Building Footprint

## MAXIMIZING VALUE

The Phase 1 project site is approximately six acres of paved area at the northern terminus of the Terminal 91 site. The site is primarily used as flexible outdoor storage for various tenants. Providing light industrial building space for lease would maximize the value of this portion of Port property. The approximate footprints of the proposed buildings are indicated below.



# Proposed Phase 1 – Warehouses



# Proposed Phase 1 – Warehouse & Support



# Proposed Phase 1 – Shared Staging Area



## South Demolition: W-39, M-28, M19



# Cost Breakdown and Target GMP

Cost Element	Design and GMP Develop. Authorization	Total Cost
<b>Design</b>		
Phase 1	\$14,085,000	\$24,185,000
Phase 2 Pad-Ready	\$11,500,000	\$20,300,000
Demolition	\$1,585,000	\$1,885,000
	\$1,000,000	\$2,000,000
<b>Environmental Remediation Liability</b>		
Phase 1 – Soil Remediation	\$8,800,000	\$8,800,000
Phase 2 – Soil Remediation	\$1,000,000	\$1,000,000
Demo – Abatement	\$0	\$0
	\$7,800,000	\$7,800,000
<b>Construction</b>		
Phase 1	\$13,300,000	\$98,000,000
Phase 2 Pad-Ready	\$5,000,000	\$89,700,000
Demolition	\$0	\$0
	\$8,300,000	\$8,300,000
<b>Total</b>		
Phase 1	\$36,185,000	\$130,985,000
Phase 2 Pad-Ready	\$17,500,000	\$111,000,000
Demolition	\$1,585,000	\$1,885,000
	\$17,100,000	\$18,100,000

# Phase 1 Financial Analysis

- Net Present Value: **(\$78 million)**
- Internal Rate of Return: **(0.40%)**
- Payback Period: 30+ years
- Incremental Income: \$1.8 million/yr
  - Negative NOI after depreciation
  - Initial at stabilization

## Assumptions:

- Only includes Phase 1 Development
  - Analysis does not include building demolitions
  - Does not include Phase 2 costs\*
- Occupancy of 90% (stabilization), with rent escalation of 3% annually
  - 70% warehouse/office & 30% warehouse only
  - Estimated 50% pre-lease
- Includes only incremental expenses: property management and maintenance
  - NNN leasing strategy
- Analysis based on 30-year cash flows

\*Phase 2 will be evaluated post design/initial negotiation

# CIP Changes & Funding Shortfalls

- 2026 Capital Plan/Budget: \$67 million
  - Phase 1: \$50 million
  - Phase 2: \$9 million
  - Building Demolition: \$8 million
- T91 Phase 1 & Demo Current Cost Estimate: \$131 million → CIP shortfall of \$64 million
  - Additionally, latest CIP update resulted in a net increase of \$41 million (vs. POF) due to cost estimate revisions
- Proposed changes to the 2026-30 CIP to accommodate:
  - FT NW Dock Improvements (\$58M): Defer project start by 4 years.
  - Harbor Mooring Dolphins (\$19M): Project removed from the capital plan.
  - T91 Uplands Phase 2 Pad-Ready (\$9M): Include design cost only of \$1.8M.
    - Current cost estimate at \$16.63 million
- **MD Reserve (\$55M): Reallocate all reserve funding for the 5-year period.**
  - Large number of asset preservation projects on the horizon
  - Without additional funding, capacity constraints will further limit future capital investment needs & opportunities

# Project Schedule

Phases	Anticipated Dates
Commission Authorization – Post-Validation Amendment funding	February 24, 2026
Design and GMP Development	Q1 2026 – Q4 2026
Sustainability Environment & Climate Committee meeting	Q2 2026
Demolition of M-39, W-28, M-19	Q3 2026 – Q3 2027
Commission Authorization – GMP Amendment funding	Q4 2026
Construction – Phase 1	Q1 2027 – Q1 2028
Construction – Phase 2 Pad Ready (potential)	Q4 2027 – Q4 2028

# Potential Risks

RISKS	DESCRIPTION	PROBABILITY	IMPACT	MITIGATION
Tie-in to existing infrastructure	Assumptions are made about connecting to existing systems that may change before the project is complete.	High 	High 	PDB validation and internal testing has identified potential issues that can be tracked in additional capital projects and the Risk Register
Unknown Site Conditions	The site is full of abandoned foundations and utilities that can impact construction timelines and cost.	High 	High 	Partnering with a progressive design-build (PDB) team allows validation of the site and better understand what is in the ground. This can then be incorporated into schedule and the GMP for better cost certainty.
Permitting time	Permitting delays may impact schedule and cost.	Med 	Med 	PDB project delivery will allow for early collaboration on design and permitting to the extent feasible.
Coordination with other projects and seasonal demand at T91	There are many other projects scheduled on Pier 91 with similar timelines that may impact construction.	Med 	Low 	Communication consultant will help coordinate the identification of on-going and upcoming construction work.
Supply chain uncertainty	Supply chain logistics could delay project delivery. Tariffs could impact ability to procure long-lead items and create uncertainty in pricing.	Med 	High 	Adding cost contingency to the risk register to account for tariff price impacts. Early procurement of long-lead equipment in advance.
Demolition of W-39	The W-39 building is connected to the Magnolia Bridge.	Med 	Low 	Early engagement with SDOT to align expectations and mitigate approval delays. Additional coordination and work regarding the Magnolia Bridge railing is added to the Risk Register.



Questions?



# Appendix

# Project Funding

COST ESTIMATE	CAPITAL	EXPENSE DEMO	EXPENSE ERL	TOTAL	COST ESTIMATE	CAPITAL	EXPENSE DEMO	EXPENSE ERL	TOTAL
<b>Original estimate</b>					<b>Previous authorizations</b>				
Phase 1	\$39,000,000	\$0	\$0	\$39,000,000	Phase 1	\$8,800,000	\$0	\$0	\$8,800,000
Phase 2 Pad Ready	\$10,350,000	\$0	\$0	\$10,350,000	Phase 2 Pad Ready	\$300,000	\$0	\$0	\$300,000
Demolition	\$0	\$9,100,000	\$0	\$9,100,000	Demolition	\$1,000,000	\$0	\$0	\$1,000,000
<b>Previous changes – net</b>					<b>Current request for authorization</b>				
Phase 1	\$45,000,000	\$0	\$0	\$45,000,000	Phase 1	\$16,500,000	\$0	\$1,000,000	\$17,500,000
Phase 2 Pad Ready	\$0	\$0	\$0	\$0	Phase 2 Pad Ready	\$1,585,000	\$0	\$0	\$1,585,000
Demolition	\$0	\$0	\$0	\$0	Demolition	\$0	\$9,300,000	\$7,800,000	\$17,100,000
<b>Current change</b>					<b>Total inc. this request</b>				
Phase 1	\$27,000,000	\$0	\$0	\$27,000,000	Phase 1	\$25,300,000	\$0	\$1,000,000	\$26,300,000
Phase 2 Pad Ready*	\$1,885,000	\$0	\$0	\$1,885,000	Phase 2 Pad Ready	\$1,885,000	\$0	\$0	\$1,885,000
<i>Limited design only</i>					Demolition	\$0	\$10,300,000	\$7,800,000	\$18,100,000
Demolition	\$0	\$1,000,000	\$8,000,000	\$9,000,000					
<b>Revised estimate</b>					<b>Remaining amount to be authorized</b>				
Phase 1	\$111,000,000	\$0	\$0	\$111,000,000	Phase 1	\$84,700,000	\$0	\$0	\$84,700,000
Phase 2 Pad Ready*	\$1,885,000	\$0	\$0	\$1,885,000	Phase 2 Pad Ready	\$0	\$0	\$0	\$0
<i>Limited design only</i>					Demolition	\$0	\$0	\$0	\$0
Demolition	\$0	\$10,100,00	\$8,000,000	\$18,100,000					



Sponsor(s): Commissioner Hasegawa  
Commissioner Mohamed

## ORDER No. 2026-03

### AN ORDER OF THE PORT OF SEATTLE COMMISSION

... to advance community protection and civil rights at Port of Seattle facilities; restrict the use of Port property for civil immigration enforcement purposes, and coordinate with regional partners to ensure transparency, accountability, and the dignity of all workers and travelers.

#### PROPOSED FEBRUARY 24, 2026

#### INTRODUCTION

Founded in 1911 by a vote of the people, the Port of Seattle promotes economic opportunity and quality of life in the region by advancing trade, travel, commerce, and job creation in an equitable, accountable, and environmentally responsible manner.

From its earliest days, the Port's success—and the region's prosperity—has been tied to welcoming people from around the world. Economic development in the Puget Sound region depends on new residents seeking opportunity, international visitors conducting business, and tourists choosing our region as a destination. Immigrants make up significant portion of the regional workforce that keeps Port facilities operating every day, while international travelers and business visitors are essential customers who support airlines, cruise lines, hospitality, retail, and small businesses throughout the region. Policies or enforcement practices that create fear among workers or deter visitors have direct economic consequences, as demonstrated in other regions where aggressive federal immigration actions have resulted in business disruptions and substantial economic losses. The Commission is committed to ensuring that all employees, tenants, and members of the public at Port facilities are treated with dignity and respect, regardless of immigration or citizenship status.

42  
43 Customs and Border Protection, CBP, and Homeland Security Investigations, HSI, have offices at  
44 Port facilities, including Seattle Tacoma International Airport, SEA. The Port recognizes the  
45 important role these federal agencies play in carrying out their immigration and customs  
46 enforcement responsibilities at our ports of entry.

47  
48 With increased immigration enforcement and a shift in how existing immigration policies are  
49 implemented, the Port is committed to ensuring that our workforce, SEA workers, and our  
50 communities have access to the most up-to-date and effective information to keep their families  
51 and communities informed and safe.

52  
53     Regional partners, including the City of Seattle and King County, have adopted complementary  
54     actions to protect immigrant communities and promote transparency. Through this Order, the Port  
55     aligns its policies and practices with applicable law and regional efforts while continuing to respect  
56     lawful federal authority in existing federal operations.

## TEXT OF THE ORDER

60 The Port Commission hereby directs the Executive Director to implement the following:

## 62 1. Restrictions on Use of Port Property

63 Except as related to current, limited civil immigration detention facilities and support facilities  
64 located on Port property, or to the extent the restrictions are in conflict with federal law, the use  
65 of Port property will be restricted as follows:

- Port property shall not be used for civil immigration detention facilities.
- Port property shall not be used for civil immigration enforcement support facilities, such as for vehicle staging, equipment storage, operational briefings, or administrative functions.

70  
71 New leases, permits, or agreements for the use of Port property shall not authorize civil  
72 immigration detention facilities or support facilities. Existing agreements shall be reviewed,  
73 where practicable, for consistency with this Order and applicable law.

74  
75 This provision shall sunset within three years of adoption pending Executive Director review.

## 77 2. Know Your Rights Resources for Tenants and Workers

78       • The Port shall expand access to “Know Your Rights” training and informational  
79       resources for Port tenants and their employees at aviation and maritime facilities.

80     • Training shall be conducted by qualified persons with expertise in immigration law and  
81     civil rights.

82     • The Port shall collaborate with tenants on strategies to support worker awareness of  
83     rights and appropriate workplace protocols.

84     • All materials developed pursuant to this Order shall be made available in English,  
85     Spanish, and other commonly spoken languages, including but not limited to Vietnamese,  
86     Somali, Korean, Amharic, Chinese, Japanese, American Sign Language, and Tagalog at  
87     Port facilities, consistent with the Port's language access practices.

88

89 **3. Employee Response Protocols**

90     • The Port Immigration Workgroup shall maintain a rapid confirmation protocol to assess  
91     and verify reports of immigration enforcement activity at Port facilities in order to  
92     maintain safety and security, and to reduce confusion by the public.

93     • The Executive Director shall ensure that relevant Port employees receive ongoing  
94     guidance on appropriate interactions with federal immigration authorities consistent with  
95     Port policy.

96

97 **4. State and Regional Coordination**

98     • The Port shall coordinate community protection efforts with the state and regional  
99     partners, including the City of Seattle, King County, and the Northwest Seaport Alliance,  
100    to promote consistency in public-facing information and appropriate strategies.

101

102 **5. Implementation and Reporting**

103     • The Executive Director shall develop any necessary procedures, guidance, or training  
104     materials to implement this Order.

105     • The Executive Director shall provide periodic briefings to the Commission regarding  
106     implementation progress and any material legal or operational developments affecting  
107     this Order.

108

109 **STATEMENT IN SUPPORT OF THE ORDER**

110

111 The Port of Seattle's economic vitality depends on the contributions of the diverse communities  
112 that live and work throughout the region. Immigrant workers are essential to the continued success  
113 of SEA, maritime terminals, and the businesses operating on Port property.

114

115 This Order builds upon the Commission's prior actions, including Order 2023-05, directing the  
116 Executive to develop a portwide policy on language access and the strengthened Welcoming Port  
117 Policy Directive, which affirmed the Port's commitment to equity, civil rights, and ensuring that  
118 Port facilities remain welcoming and accessible to all.

119  
120 Washington State's Keep Washington Working Act (Chapter 440, Laws of 2019; RCW 10.93,  
121 43.10, and 43.17) establishes clear limits on the use of state and local resources for federal civil  
122 immigration enforcement and reflects the state's commitment to public safety, civil rights, and  
123 community trust. This Order aligns the Port's practices with that law and provides additional  
124 clarity regarding the use of Port property and facilities.

125  
126 Concerns regarding civil immigration enforcement have created fear and uncertainty among our  
127 communities, including workers and travelers nationwide. Clear, transparent policies governing  
128 the use of Port property help maintain public confidence, ensure consistency with state law, and  
129 reinforce trust between government and the communities it serves.

130  
131 Across Washington State and the Puget Sound region, state and local governments have taken  
132 steps to limit the use of public resources for civil immigration enforcement and to protect personal  
133 information. This Order aligns the Port's practices with those regional efforts while preserving  
134 lawful federal authority where required.

135  
136 Through this action, the Commission affirms that Port property will be stewarded responsibly,  
137 consistent with state law, regional values, and the Port's mission. The Commission reinforces that  
138 the Port will continue to operate as a welcoming international gateway—one that protects  
139 economic stability, upholds state law, and supports the dignity and contributions of all who live,  
140 work, and travel through our region.