



Authorization to Execute Norwegian Cruise Line Lease Amendment

5/1/2026

The Port's Tools for Transformation

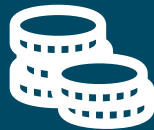
PORT OF SEATTLE



Leases,
Agreements,
Tariffs



Incentives &
Recognition



Direct
Investment



Emissions
Accounting,
Reporting



Community
Engagement

MARITIME INDUSTRY



Innovation



Partnerships



Direct Investment

POLICY & REGULATIONS

International • National • State



Advocacy



Partnerships

Business Agreement Definitions

- **Tariff:** Terminal Tariff No. 5
 - Port rates, charges, rules and regulations governing dockage, passenger fees and other port directed fees.
- **Preferential Berthing Agreement:**
 - Multi year agreements
 - Preferential berthing rights in exchange for Minimum Annual Guarantee
 - Ability to add other stipulations and reporting requirements.
- **Lease:**
 - Can include unique terms, including upkeep of the property and equipment.
 - Preferential Berthing rights and a minimum Annual Guarantee.

Long Term Agreements Strategy

- Use Long term Agreements to:
 - Partner on path to Zero Carbon Emissions
 - Support broadening economic impact
 - Incorporate Economic Development & Community Priorities elements into agreements
 - Establish goals toward broader environment issues such as Underwater Noise, Water Quality, etc.
 - Set the stage for post-2030 Long-Term Agreement Negotiations toward 2050 goals; giving time for innovations to evolve
 - Provide financial certainty: important to support investments

Norwegian Lease Addendum Benefits Summary

- Strong financial certainty and economic predictability
 - \$15m contribution to Pier 66 Shore Power project
- Requirements to support shore power order
 - Commitment to 100 percent shore power capable vessels by 2027
- Additional GHG commitments
 - Non-Fossil Fuel Pilot Program by 2028
 - Commitment to share decarbonization pathways
- Real-time data to support transparency and emissions accounting
- Support for anti-human trafficking programs
- Terms aligned with projected timeline for industry transformation

2026 Addendum Terms

- Current Lease is 15y – through 2030, plus one 5-year option
- Immediate extension of 5y option in lease – through 2035 (2-years past recent Carnival Agreement)
- 2x 5-year option to extend 2035-2045: Mutual: Port's discretion
- \$15m contribution to P66 shore power
 - Funded via rebate from annual Marketing Fund, which then sunsets
- Minimum Annual Guarantee of 325,000 revenue passengers/year
- Passenger/Dockage fee of with a capped increase; reset to 90% of Tariff at 5 years beginning 2030

Financial Return to the Port

- Estimated \$194.4M in revenue to the Port over the 10-year life of the agreement. Guaranteed revenue is \$116M
- Estimated \$516M in revenue to the Port if both 5-year options are exercised. Guaranteed revenue is \$316M
- Both of the 5-year options are at the Port's discretion
 - Agreement is explicit that Sustainability and GHG performance will be a key consideration.

Greenhouse Gas Emission Reductions

- Shore power
 - 100 percent of Norwegian vessels, will plug in by 2027
 - NCL Bliss, Encore and Joy, and Oceania Riviera are currently shore power equipped and are connecting to shore power.
- Annual participation in Port Emissions Inventory, commitment to well to wake accounting
- Providing Data regarding Fuel Use



More Greenhouse Gas Emissions Reductions

- Pilot non-fossil fuel by the end of the 2028 cruise season
- Striving to reduce GHG intensity by 25% by 2030, from a 2019 baseline, and strive to reduce total GHG emissions across its global fleet over this same period
- Commitment to developing potential decarbonization pathways and providing to the Port



Environmental Elements Continued

- Continued participation in Ecology MOU
- Continued Implementation of Stormwater BMP's
- Continued participation in Quiet Sound
- Incentivize use of low-emission shoreside equipment



Broadening Economic Benefit

- Expand responsible sourcing opportunities to promote a variety of underrepresented groups toward increasing Economic impact for Small, WMBE and Tribal businesses
- Participate in community initiatives through in-kind and/or cash donations with local partners mutually agreed upon. Focus should aim to support low-income and/or minority communities in the local area



Reporting: Supporting Dashboard

- By-call and/or Annual reporting of:
 - Shore power capability,
 - Shore power connection details,
 - Exhaust Gas Cleaning System,
 - Fuel type,
 - Quiet Sound participation,
 - Emission reduction technology/innovations by vessel,
 - Provisions sourcing via local, small, diverse, WMBE, disadvantaged businesses,
 - Disaggregated org. demographics by hierarchy, shipboard and land based,
 - Other items as mutually agreed



Century Agenda Goals



Goal 3: Responsibly Invest in the Economic Growth of the Region and all its Communities



Goal 4: Be the greenest and most energy-efficient port in North America



Goal 5: Become a Model for Equity, Diversity and Inclusion



Goal 6: Be a Highly Effective Public Agency

Today's Requested Action

- Request for Authorization for the Executive Director to execute documents for Amendment and Assignment of the current Lease, as outlined, with Norwegian Cruise Line Holdings Ltd, and assignment to NCL (Bahamas) Ltd, Oceania Cruises Ltd, and Seven Seas Cruises Ltd.

Questions?

