



Port of Seattle Regular Commission Meeting

May 26, 2026



COMMISSION REGULAR MEETING AGENDA

May 26, 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. To listen live, call in at +1 (206) 800-4046 or (833) 209-2690 and Conference ID 389 824 541#

ORDER OF BUSINESS

10:30 a.m.

1. CALL TO ORDER

2. **EXECUTIVE SESSION** – *if necessary, pursuant to RCW 42.30.110 (executive sessions are not open to the public)*

▶ 12:00 p.m. – PUBLIC SESSION

Reconvene or Call to Order and Pledge of Allegiance

3. **APPROVAL OF THE AGENDA** (*at this time, commissioners may reorder, add, or remove items from the agenda*)

4. SPECIAL ORDERS OF THE DAY

5. EXECUTIVE DIRECTOR'S REPORT

6. COMMITTEE REPORTS

7. **PUBLIC COMMENT** – *procedures available online at <https://www.portseattle.org/page/public-comment-port-commission-meetings>*

During the regular order of business, those wishing to provide public comment (in accordance with the Commission's bylaws) on Commission agenda items or on topics related to the conduct of Port business will have the opportunity to:

1) Deliver public comment via email: All written comments received by email to commission-public-records@portseattle.org will be distributed to commissioners and attached to the approved minutes. Written comments are accepted three days prior to the meeting and before 9 a.m. on the day of the meeting. Late written comments received after the meeting, but no later than the day following the meeting, will be included as part of the meeting record.

2) Deliver public comment via phone or Microsoft Teams conference: To take advantage of this option, please email commission-public-records@portseattle.org with your name and agenda item or topic related to the conduct of Port business you wish to speak to by 9:00 a.m. PT on Tuesday, May 26, 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.

8. CONSENT AGENDA (*consent agenda items are adopted by one motion without discussion*)

8a. Approval of the Special Meeting Minutes of April 2, 2026 and May 7, 2026; and the Regular Meeting Minutes of April 28, 2026. **(no enclosure)**

8b. Approval of the Claims and Obligations for the Period of April 1, 2026, through April 30, 2026, Including Accounts Payable Check Nos. 963138 through 963677 in the Amount of \$10,019,406.50; Accounts Payable ACH Nos. 083550 through 084750 in the Amount of \$77,397,243.08; Accounts Payable Wire Transfers Nos. 069656 through 069667 in the Amount of \$15,463,980.17; Payroll Check Nos. 230352 through 230458 in the Amount of \$85,985.34; and Payroll ACH Nos. 1310545 through 1315655 in the Amount of \$19,131,462.32, for Total Payments of \$122,098,077.41. **(memo enclosed)**

8c. Monthly Notification of Prior Executive Director Delegation Actions April 2026. **(memo enclosed)**
– For Information Only.

8d. Authorization for the Executive Director to Execute an Amendment to the Interlocal Agreement with Highline Public Schools on Behalf of Maritime High School with \$100,000 in Funding Previously Approved in the 2026 Budget. **(memo, amendment, and presentation enclosed)**

8e. Authorization for the Executive Director to Execute a Contract with WorldWide Technology for Cisco Software Licensing for Up to Five Years, in the Authorized Amount of Not-to-Exceed \$3,500,000 Over the Five-Year Period. **(memo enclosed)**

8f. Authorization for the Executive Director to Complete Pre-Construction Activities for S Concourse Evolution Program Through 2027; to Advertise and Execute a Construction Contract for the 188th Street Duct Bank Crossing; and to Advertise and Execute any Necessary Change Orders, Work Authorizations, Contract Amendments, and Contracts to Complete the S Concourse Evolution at SEA Within the Approved Total Program Cost, in the Amount Requested of \$38,610,000, for a Total Project Authorization of \$300,000,000. (CIP #C801203) **(memo and presentation enclosed)**

10. NEW BUSINESS

10a. Authorization for the Executive Director to Execute Amendments and Assignments Associated with the Existing Lease with Norwegian Cruise Line Holdings Incorporating a Financial Contribution to the Pier 66 Shore Power Project. **(memo, amendment 1, amendment 2, attachment, and presentation enclosed)**

10b. Authorization for the Executive Director to Approve 30% Design Development for the Emergency Power Scope of Work of the Main Terminal Improvement Program, in the Requested Amount of \$7,000,000 of a Total Estimated Project Cost of \$350,000,000. **(memo and presentation enclosed)**

11. PRESENTATIONS AND STAFF REPORTS

11a. SEA Childcare Center Feasibility Study Initial Briefing. **(memo and presentation enclosed)**

Commissioners: Ryan Calkins ■ Sam Cho ■ Fred Felleman ■ Toshiko Hasegawa ■ Hamdi Mohamed **Executive Director:** Stephen P. Metruck
To contact commissioners: 206-787-3034 For meeting records and information: commission-public-records@portseattle.org

www.portseattle.org

11b. Sustainable Airport Master Plan Near-Term Projects Environmental Review – SEPA Draft Environmental Impact Statement and Public Comment Period Briefing. **(memo and presentation enclosed)**

11c. 2025 Diversity in Contracting Annual Report. **(memo and presentation enclosed)**

12. QUESTIONS on REFERRAL to COMMITTEE and CLOSING COMMENTS

13. ADJOURNMENT



P.O. Box 1209
Seattle, Washington 98111
www.portseattle.org
206.787.3000

**APPROVED MINUTES
COMMISSION SPECIAL MEETING**

April 2, 2026

The Port of Seattle Commission met in a special meeting per RCW 42.30.080 on April 2, 2026. The meeting was held at the Port of Seattle Headquarters Building Commission Chambers, located at 2711 Alaskan Way, Seattle, Washington, with Commissioners attending virtually. All Commissioners were in attendance.

I. CALL to ORDER

The meeting was convened at 3:00 p.m. by Commission President Calkins for the purpose of holding an Executive Session regarding RCW 42.30.110(1)(a)(i) National Security and RCW 42.30.110(1)(i), Litigation/Potential Litigation/Legal Risk.

II. ITEMS OF BUSINESS

The public meeting immediately recessed to Executive Session at 3:03p.m, for the purpose noted above. The Executive Session lasted approximately 60 minutes.

III. ADJOURNMENT

The meeting adjourned at 4:05p.m.

Prepared:

Attest:

Michelle M. Hart, Commission Clerk

Sam Cho, Commission Secretary

Minutes approved: May 26, 2026



P.O. Box 1209
Seattle, Washington 98111
www.portseattle.org
206.787.3000

APPROVED MINUTES COMMISSION REGULAR MEETING

April 28, 2026

The Port of Seattle Commission met in a regular meeting Tuesday, April 28, 2026. The meeting was held at the Seattle-Tacoma International Airport Conference Center, located at 17801 International Blvd, Seattle Washington, and virtually on Microsoft Teams. All Commissioners were in attendance.

1. CALL to ORDER

The meeting was convened at 10:34 a.m. by Commission President Ryan Calkins.

2. EXECUTIVE SESSION pursuant to RCW 42.30.110

The public meeting recessed into executive session to discuss one item regarding Litigation/Potential Litigation/Legal Risk per RCW 42.30.110(1)(i) for approximately 60 minutes, with the intention of reconvening the public session at 12:00 p.m. Commissioner Mohamed was absent from the Executive Session. Following the executive session, the public meeting reconvened at 12:05 p.m. Commission President Ryan Calkins led the flag salute.

3. APPROVAL of the AGENDA

The agenda was approved, as presented.

4. SPECIAL ORDERS OF THE DAY

There were no Special Orders of the Day presented.

5. EXECUTIVE DIRECTOR'S REPORT

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

Executive Director Metruck and Members of the Commission further recognized Elizabeth Morrison, Director of Corporate Finance, for her tenure and accomplishments at the Port, and wished her well in her upcoming retirement.

6. COMMITTEE REPORTS

Committee Strategic Advisor Erica Chung provided the report.

Sustainability Environment and Climate Committee

Commissioners Calkins and Felleman convened the Sustainability Environment and Climate Committee on April 20, 2026, with two items for discussion and briefing: an update on the Sustainable Evaluation Framework for T91 Uplands Phase 1 and the Maritime Climate and Air Action Plan Implementation.

Equity, Workforce Development, and Conditions Committee

The Equity, Workforce Development, and Conditions Committee met on April 21, 2026, to provide Commissioners Hasegawa and Mohamed with an update on the status of the SEA healthcare policy directive. Staff provided a timeline and a core policy framework for the policy directive, including addressing key conceptual, legal, and implementation challenges.

Waterfront and Industrial Lands Committee

Commissioners Cho and Felleman convened the Waterfront Industrial Lands Committee on April 21, 2026, with two items for discussion and briefing: preliminary analysis of the suitability for developing the WOSCA site, and the potential impact to the Port from the recently released Coast Guard Record of Decision.

7. PUBLIC COMMENT

- The following people spoke in support of Agenda Item 11b and cruise operations: Christine Scarce; Kathryn Gerke; Lars Erickson; Dennis Sills; Ron Finne; Patrick Johnson; Anthony Auriemma; and Darien Flowers.
- The following people spoke in opposition to cruise operations and expressed concern about climate and health impacts: Elizabeth Burton and Breck Lebeque (*written comments submitted*).
- The following people spoke in support of healthcare for airport workers: Mireille Amissi; Manise Prosper; Mohamed Osman; Kalkidan Mulatu; Khalil Hamiduddin; and Stefan Moritz.
- The following person spoke regarding Order No. 2024-12(Sub) of the Commission related to North Seatac Park: Sandy Hunt. (*written comment?*)
- In lieu of spoken comment, written comment in support of Agenda Item 8h, funding for the Seattle Aquarium Urban Kelp Project, was submitted by: Zachary Randell.

[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 April 14, 2026.

8b. Approval of the Claims and Obligations for the Period of March 1, 2026, through March 31, 2026, Including Accounts Payable Check Nos. 962714 through 963137 in the Amount of \$12,938,097.97; Accounts Payable ACH Nos. 082601 through 083549 in the Amount of \$119,449,251.45; Accounts Payable Wire Transfers Nos. 069640 through

069655 in the Amount of \$13,785,861.08; Payroll Check Nos. 230235 through 1307735 in the Amount of \$113,531.93; and Payroll ACH Nos. 1305470 through 1310544 in the Amount of \$19,295,278.35, for Total Payments of \$165,582,020.78.

Request document(s) included an agenda memorandum.

- 8c. Authorization for the Executive Director to Execute One Indefinite Delivery, Indefinite Quantity (IDIQ) Consulting Agreement for Hydraulic and Hydrology Support Services in Support of the Port's Aviation Divisions with a Cumulative Total Amount Not-to-Exceed \$3,500,000 Over Five Years with Two Additional Option Years.**

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

- 8d. Authorization for the Executive Director to Execute a Contract with T2 Systems for Parking Revenue Control System Licensing, Credit Card Transaction Fees, Equipment, and Managed Services for Up to Ten Years in an Amount Not-to-Exceed \$9,000,000 Over the Ten-Year Period.**

Request document(s) included an agenda memorandum.

- 8e. Authorization for the Executive Director to Execute a Contract to Provide Record Keeping, Investing, Reporting and Education Services for the Port's 457 and 401(a) Deferred Compensation Plans, for a Period of Five Years with the Option to Extend, in the Requested Amount of \$3,477,000.**

Request document(s) included an agenda memorandum.

- 8f. Authorization for the Executive Director to Increase the Existing Airport Custodial Service Contract Funding by \$45,000,000 to Meet Current Contractual Obligations Beyond 2026 (Zones 1, 3, and 4) and to Extend the Zone 2 Contract for a Sixth Year to Maintain Uninterrupted Custodial Services During the FIFA World Cup and the Opening of the New Concourse C Expansion in the Amount of \$12,500,000 to Support Continued Service in Zone 2 Through June 2027, for a Total Requested Amount of \$57,500,000.**

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

- 8g. Authorization for the Executive Director to Approve Funding to Execute an Early Work Amendment to the Alternative Public Works Progressive Design Build Contract, MC-0322060, for the T91/P66 Cruise Shore Power Extension Project to Procure Long-Lead Materials in Advance of the Guaranteed Maximum Price Amendment in the Requested Amount of \$5,200,000, for a Total Estimated Project Cost of \$59,800,000. (CIP# C801983 and C802116).**

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

- 8h. Commission Determination that a Competitive Process is Not Appropriate or Cost Effective in Accordance with RCW 53.19.020(5); and Authorizing the Executive Director to Execute a Contract with Seattle Aquarium Society, in the Amount of \$325,000, for the Seattle Aquarium Urban Kelp Project.**

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

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

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

Opposed: (0)

9. UNFINISHED BUSINESS

There was no unfinished business presented.

10. NEW BUSINESS

- 10a. Order No. 2026-04: An Order Directing the Executive Director to Explore a Program to Facilitate Secure Area Access for Union Business Requirements that Represent Workers at the Seattle-Tacoma International Airport.**

Requested document(s) included an Order.

Presenter(s):

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

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

Commission Chief of Staff Pritchard and Commission Strategic Advisor Francis Choe advised that the Order directs the Executive Director to explore a program that facilitates temporary and limited access for a defined group of union business representatives to meet with the employees they represent while ensuring compliance with applicable federal, state, and local regulations.

Members of the Commission appreciated the thought leadership that has gone into the discussion and solution-finding process, including the expertise from staff and feedback from labor partners. They further spoke regarding clearance needed from the Transportation Security Administration and the paramount importance of safety and security at the airport.

The motion, made by Commissioner Hasegawa, to adopt Order No. 2026-04 carried by the following vote:

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

Opposed: (0)

10b. Adoption of Resolution No. 3848: A Resolution Approving the Port's Participation in the City of Bellevue's Tax Increment Area, as Authorized Under RCW 39.114.020.

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

Presenter(s):

Samantha St John, East King County Community and Govt Relations Manager
Nate Caminos, Director of Government Relations, External Relations
Chris Wimsatt, Chief Financial Officer, Finance and Budget
John Flanagan, State Government Relations Manager, External Relations
Chris Leopold, Senior Legal Counsel

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

The presentation addressed the request to adopt Resolution No. 3848, authorizing the Port's participation in the city of Bellevue's Grand Connection project tax increment area (TIA). To generate adequate capital resources for the project, the city is seeking to create a tax increment area encompassing major portions of downtown Bellevue. The process to enact and draw funding from a TIA will impact the Port's tax base and in this specific instance requires that the Commission 'opt in' to participate in the TIA.

Discussion ensued regarding:

- future economic development and growing the tax base;
- affordable housing and transportation;
- the project supporting the entire county; and
- introducing density and increasing the quality of life.

The motion, made by Commissioner Cho, to adopt Resolution No. 3848, carried by the following vote:

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

Opposed: (0)

10c. Authorization for the Executive Director to Approve Funding to Advertise and Execute a Major Public Works Construction Contract for the Completion of the Fishermen's Terminal (FT) C-15 Building Improvements Project in the Requested Amount of \$16,467,000 and a Total Estimated Project Cost of \$17,267,000. (CIP# C801096).

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

Presenter(s):

Jennifer Maietta, Director of Real Estate Asset Management, Portfolio Management
Rod Jackson, Capital Project Manager, Waterfront Project Management
Jessica Carlson, Senior Real Estate Manager, Marina Office and Retail Management

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

The presentation addressed project information including scope, use of the Sustainable Evaluation Framework process, status of the project, and preliminary project schedule.

Discussion ensued regarding status of existing tenants and whether or not the project will be phased. Tenants are staying in location and in operation and the project will not be phased.

**The motion, made by Commissioner Felleman, carried by the following vote:
In favor: Calkins, Cho, Felleman, Hasegawa, and Mohamed (5)
Opposed: (0)**

11. PRESENTATIONS AND STAFF REPORTS

11a. S Concourse Evolution Program Update.

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

Presenter(s):

Stuart Matthews, Assist. Director AV Project Management Group
Stephen St. Louis, Capital Program Leader, AV Project Management Group

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

The presentation addressed:

- facilitating projects;
- supporting projects;
- project renderings;
- sustainability status – pursuing the United States Green Building Council's Leadership in Energy and Environmental Design (LEED) Silver Certification, at a minimum;
- project budget and schedule status; and
- next steps through 2026.

Discussion ensued regarding:

- the financing plan for the capital improvements in the project and access to federal funding;
- a potential future briefing on the capital improvements projects funding plan;
- no increased capacity resulting from the facility;
- the importance of phasing the project and communication with airline tenants; and
- Duty Free space revenue generation.

Members of the Commission thanked the team for their presentation and their work.

11b. 2026 Cruise Season Update.

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

Presenter(s):

Linda Springmann, Director of Cruise Business and Elliott Bay Operations

Alex Adams, Sr. Manager Environmental Programs, Climate and Sustainability

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

The presentation addressed:

- a 2026 cruise season overview;
- new cruise customers in 2026;
- the cruise dashboard providing a visual representation of the Port's current and historic cruise activity and public reporting on progress towards economic and sustainability objectives;
- sustainable maritime fuels leadership;
- the Pacific Northwest to Alaska Green Corridor, and associated methanol feasibility study;
- a biofuel demonstration project – a case study in regional maritime biofuel readiness led by Holland America Line;
- the Star Princess: Seattle's first liquified natural gas ship;
- information regarding liquified natural gas; and
- the busy cruise season ahead.

Discussion ensued regarding:

- sustainable aviation fuels becoming available and cheaper;
- the first zero emissions cruise ship currently in production;
- increased compliance;
- availability of liquified natural gas and renewable natural gas; and
- bringing zero emissions technology to the Port's corridor.

Members of the Commission thanked the team for their presentation and their work.

11c. Sustainable Century and Fly Quiet Awards.

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

Presenter(s):

Sarah Cox, Director of Aviation Environment and Sustainability
Jeremy Webb, Sr. Environmental Program Manager, Aviation Environment and Sustainability
Evan Ashe, Sr. Environmental Management Specialist, Maritime Environment and Sustainability
Paris Edwards, Sr. Environmental Management Specialist, Aviation Environment and Sustainability

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

The presentation addressed:

- the 2026 Award Program – for tenants and businesses supporting Port sustainability goals since 2010;
- recognizing environment and equity, diversity and inclusion efforts of local aviation and maritime industries;
- recognizing airline noise reduction efforts;

- Sustainable Century Award winners in maritime – Carnival Cruise Line and Carnival Corporation & PLC;
- Sustainable Century Award winners in aviation – Alaska Airlines, Delta, and Concessions International;
- Fly Quiet Award Program winners – Air Canada, Frontier, and Icelandair; and
- the upcoming awards luncheon to celebrate with winners and learn more about their accomplishments.

Members of the Commission thanked the team for their presentation and the award winners for their work and perseverance towards sustainability efforts.

12. QUESTIONS on REFERRAL to COMMITTEE and CLOSING COMMENTS

None.

13. ADJOURNMENT

The meeting adjourned at 2:38 p.m.

Prepared:

Attest:

Michelle M. Hart, Commission Clerk

Sam Cho, Commission Secretary

Minutes approved: May 26, 2026



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**APPROVED MINUTES
COMMISSION SPECIAL MEETING**

May 7, 2026

The Port of Seattle Commission met in a special meeting per RCW 42.30.080 on May 7, 2026. The meeting was held at the Port of Seattle Headquarters Building Commission Chambers, located at 2711 Alaskan Way, Seattle, Washington, with Commissioners attending virtually. Commissioner Mohamed was not in attendance.

I. CALL to ORDER

The meeting was convened at 2:36 p.m. by Commission President Calkins for the purpose of holding a pre-retreat study session of the Commission in preparation of the upcoming Northwest Seaport Alliance retreat.

II. ITEMS OF BUSINESS

Members of the Commission, Chief of Staff Aaron Pritchard, and Executive Director Steve Metruck discussed ideas, positions, approaches, and outcomes in preparation of the May 15, 2026, Northwest Seaport Alliance retreat.

III. ADJOURNMENT

The meeting adjourned at 3:50 p.m.

Prepared:

Attest:

Michelle M. Hart, Commission Clerk

Sam Cho, Commission Secretary

Minutes approved: May 26, 2026

**COMMISSION
AGENDA MEMORANDUM**

Item No. 8b

ACTION ITEM

Date of Meeting May 26, 2026

DATE: May 19, 2026
TO: Steve Metruck, Executive Director
FROM: Eloise Olivar, Assistant Director of Disbursements
SUBJECT: Claim and Obligations – April 2026

ACTION 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 April 01 through 30, 2026 as follows:

Payment Type	Payment Reference Start Number	Payment Reference End Number	Amount
Accounts Payable Checks	963138	963677	\$10,019,406.50
Accounts Payable ACH	083550	084750	\$77,397,243.08
Accounts Payable EFT	069656	069667	\$15,463,980.17
Payroll Checks	230352	230458	\$85,985.34
Payroll ACH	1310545	1315655	\$19,131,462.32
Total Payments			\$122,098,077.41

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: May 26, 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 April 2026, over \$102,880,629.75 in payments were made to nearly 751 vendors, comprised of 3,117 invoices and over 11,880 accounting expense transactions. About 91 percent of the accounts payable payments made in the month fall into the Construction, Employee Benefits, Contracted Services, Payroll Taxes, Leasehold Taxes, Utility Expenses, Trade Business & Community, Janitorial Services, Sales Taxes and Software. Net payroll expense for the month of April was \$19,217,447.66.

Top 10 Payment Category Summary:

Category	Payment Amount
Construction	48,722,099.13
Employee Benefits	9,389,270.91
Contracted Services	8,446,529.53
Payroll Taxes	7,951,912.47
Leasehold Taxes	5,394,929.97
Utility Expenses	3,935,928.28
Trade Business & Community	2,991,585.10
Janitorial Services	2,443,780.66
Sales Taxes	2,072,579.07
Software	1,771,626.52
Other Categories Total:	9,760,388.11
Net Payroll	19,217,447.66
Total Payments	\$122,098,077.41

Meeting Date: May 26, 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/Port Auditor

At a meeting of the Port Commission held on May 26, 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
FOR INFORMATION ONLY**

Item No. 8c
Date of Meeting May 26, 2026

DATE: May 1, 2026
TO: Stephen P. Metruck, Executive Director
FROM: Karen R. Goon, Deputy Executive Director

SUBJECT: Monthly Notification of Prior Executive Director Delegation Actions April 2026

APPROVAL SUMMARY

Notification of the following Executive Director delegated approvals that occurred in April 2026.

Category of Approval	Request#	Description of Approvals April 2026	Category Amount
Projects & Associated Contracts	2700-2026	T18 Rubber Tired Gantry Cranes Environmental Remediation Liability	\$600,000.00
Projects & Associated Contracts	2601-2026	T91 Substations MSS-1 & MSS-2 Repairs and Upgrades	\$875,000.00
Projects & Associated Contracts	2702-2026	Terminal 91 Feeder 201 Replacement	\$500,000.00
Non-Project Procurement of Goods & Purchased Service Contracts, Other Contracts, & Tenant Reimbursement	2722-2026	Local Agency Agreement for 1947 Watermain Improvements	\$0.00
Non-Project Procurement of Goods & Purchased Service Contracts, Other Contracts, & Tenant Reimbursement	2717-2026	IDIQ for AI Consulting	\$500,000.00
Non-Project Procurement of Goods & Purchased Service Contracts, Other Contracts, & Tenant Reimbursement	2672-2026	Supplemental Guard Services Contract - NEPL, Lots A, C, M	\$0.00

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Real Property Agreements	N/A	No Approvals in April	\$0.00
Utilization of Port Crews	N/A	No Approvals in April	\$0.00
Sale of Surplus Port Property	N/A	No Approvals in April	\$0.00
Total Value of Executive Director Approvals			\$

TRANSPARENCY:

In approving the delegations for the Executive Director, the Commission requested that staff ensure transparency as it is paramount moving forward. As a result, staff will make approvals visible to the public in two ways. First, these types of approvals will be made visible in public Commission meetings via monthly reporting similar to this one. This approval is both timed and designed to be visible in a similar manner to the monthly Claims and Obligations reporting. Second, staff will publish these delegations to the web by publishing them in a PeopleSoft formatted report on the Port website in the same manner that all procurements, contracts, and other opportunities are made available to public communities.

BACKGROUND:

On January 24, 2023, the Commission approved and adopted Resolution No. 3810 that repealed related prior resolutions and increased the previously delegated Commission authority to the Executive Director and provided clarity in process directives to port staff. The approval made the Delegation of Responsibility and Authority to the Executive Director (DORA) effective on April 3, 2023, and the approvals made by the Executive Director for the month of April are identified in the table above.

The foundation for Resolution No. 3810 included significant data analysis, employee surveys, and internal audit recommendation. Resolution No. 3810 also aligns with the Port Century Agenda in that it helps make the Port a more effective public agency. Many considerations and checks and balances have been built into the associated processes of Executive Director approvals including a high bar of transparency.

Following significant analysis and multiple Commission reviews, the Commission approved the DORA on January 24, 2023. That reporting memo is available for review on the Port website under the January 24, 2023, Commission public meeting, and it provides detailed reasoning and explanation of Resolution No. 3810.



**COMMISSION
AGENDA MEMORANDUM**

Item No. 8d

ACTION ITEM

Date of Meeting May 26, 2026

DATE : May 19, 2026
TO: Stephen P. Metruck, Executive Director
FROM: Anna Pavlik, Workforce Development Director, EDD
SUBJECT: **Maritime High School Interlocal Agreement**

Amount of this request: \$0
Previously authorized: \$600,000
Total contract value: \$600,000

ACTION REQUESTED

Request Commission authorization for the Executive Director to execute an amendment to the Interlocal Agreement (ILA) with Highline Public Schools on behalf of Maritime High School with \$100,000 in funding previously approved in the 2026 budget.

EXECUTIVE SUMMARY

These operating funds are to make maritime careers more visible to BIPOC communities which is in line with the Port's values of equity and accessibility.

JUSTIFICATION

Request Commission authorization for the Executive Director to execute an amendment to the Interlocal Agreement (ILA) with Highline Public Schools on behalf of Maritime High School with \$100,000 in funding previously approved in the 2026 budget.

DETAILS

Scope of Work

Maritime High School launched in Fall 2021 and is operated by the Highline School District and includes curricula focused on Port-related industries, including maritime and green jobs. The school is designed to expose students to the educational and employment opportunities provided by the region's maritime industry and to develop and sustain a workforce that mirrors the diversity of the residents of South King County.

Meeting Date: May 26, 2026

The ILA amendment strengthens several sections of the ILA by providing resources and greater partnership between Port staff and the school to make maritime careers more visible to BIPOC communities. Strategies include, but are not limited to:

- Specific and targeted outreach to youth-serving organizations in the Duwamish Valley.
- Expanding the Marine Construction educational pathway by partnering with South Seattle College.
- Expanding Field Work Experiences to 9th and 10th graders, not just juniors and seniors
- Leverage Port industry relationships to increase industry participation in the Vessel Operations and Marine Construction programs including mentorships, internships, attending student presentations, offering field work experiences, job shadows and providing informational interviews.
- Continue industry mentorship of 10th grade students with guidance provided on chosen maritime career pathways.
- Regularly reflect on feedback from students, families and industry partners to evaluate the effectiveness of maritime outreach and pathway programming, with particular attention to barriers and opportunities for underserved communities.

Schedule

Activity

Highline Public School vote	May 20, 2026
Port Commission vote	May 26, 2026
ILA Amendment execution	By June 20, 2026
Progress report	Dec 31, 2026
Expiration (unless extended)	By June 19, 2027

ALTERNATIVES AND IMPLICATIONS CONSIDERED

Given this funding was directed to a particular entity by Commission, the only alternative proposed is to enter into a new ILA instead of amending the current agreement.

Pros:

- (1) Potentially provides additional opportunity to re-imagine the partnership

Cons:

- (1) Long-standing existing relationship and scope of work that was revisited based on scope requested by commission
- (2) Reduced funding in 2026 does not warrant a whole new agreement
- (3) More time consuming to develop a full ILA instead of amendment

This is the recommended alternative.

Meeting Date: May 26, 2026

FINANCIAL IMPLICATIONS

The total estimated services will not exceed \$100,000, as allocated in the 2026 budget to be paid during the 2026 calendar year using tax levy dollars.

ATTACHMENTS TO THIS REQUEST

- (1) First Amendment to the Interlocal Agreement Regarding Partnership and Cooperation between Highline Public Schools and the Port of Seattle
- (2) Presentation

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

May 14, 2024 - The Commission authorized an Interlocal Agreement with Highline Public Schools, Maritime High School

March 2022 - The Commission authorized an Interlocal Agreement with Highline Public Schools, Maritime High School

April 2021 – The Commission authorized an Interlocal Agreement with Highline Public Schools, Maritime High School

**FIRST AMENDMENT
TO THE INTERLOCAL AGREEMENT
REGARDING PARTNERSHIP AND COOPERATION BETWEEN
HIGHLINE PUBLIC SCHOOLS AND THE PORT OF SEATTLE**

This First Amendment (“First Amendment”) to the Interlocal Agreement (the “Agreement”) dated June 20, 2024, by and between Highline Public Schools, hereinafter referred to as “the District” and the Port of Seattle, a municipal corporation of the State of Washington hereinafter referred to as “the Port.” The District and the Port are also referred to in this AGREEMENT collectively as “the Parties,” and individually as a “Party.”

WHEREAS, the Port and the District entered into the Agreement regarding a strategic partnership on June 20, 2024;

WHEREAS, the Port Commission included \$100,000 in additional funding for the District in the Port’s 2026 budget; and

WHEREAS, the Parties desire to amend the Agreement by updating the deliverable and payment schedule as further described below.

NOW, THEREFORE, the Parties agree as follows:

1. Section 1, Statement of Work, is amended to add the following to the “Community Engagement” section:
 - Continue to strengthen recruitment efforts by tabling at community events sponsored by organizations such as the Latino Civic Alliance, hosting monthly prospective family information sessions at the MHS site, and holding an annual, public-facing Maritime Career Expo where industry partners engage directly with students, families, and community members to showcase the breadth of the maritime sector.
 - Develop and implement outreach strategies and cross-sector partnerships that measurably increase student and family awareness of maritime education and careers.
 - Specific and targeted outreach to youth-serving organizations in the Duwamish Valley, in coordination with the Port’s Duwamish Valley Community Equity program to inform South Park/Georgetown (Duwamish Valley) youth and families about Maritime High School.
 - In addition, emphasis shall be placed on serving BIPOC youth, multilingual families, low-income communities, and tribal communities, with culturally responsive materials and outreach approaches tailored to each community.

2. Section 1, Statement of Work, is amended to remove the “Increase Visibility of Maritime Careers” section and replace it with the following:

Increase Visibility of Maritime Careers

Develop plans and partnerships that increase student and family awareness of maritime education and careers, with a particular focus on BIPOC youth. Efforts will include the following:

- Implement industry -influenced curriculum related to Vessel Operations and Marine Construction pathways at Maritime High School (MHS), specifically through expanded programming at South Seattle College.
 - On campus, MHS is building out a new Vessel Operations pathway that prepares students for both deck and engine room careers. Investments in fire simulators, vessel simulators, and industry-aligned equipment will transform the classroom space at MHS into an immersive learning environment that mirror real-world maritime operations.
- Offer 9th and 10th-grade students Field Work Experiences (FWEs) at an average of one per week, visiting sites such as NOAA, the Seattle Aquarium, Glosten, and doing restoration projects at sites such as the Duwamish Hill Preserve Park. Through these various experiences, students are exposed to well over 100 distinct maritime careers.
 - This year, MHS expanded FWEs to upper-grade students, with additional site visits including the Environmental Science Center, Des Moines Marina, and the UW Fisheries Lab that serve the purpose of deepening career exploration and strengthening pathways into the maritime workforce.
- Work in partnership with the Port to increase industry participation in the Vessel Operations and Marine Construction programs including mentorships, internships, attending student presentations, offering field work experiences, job shadows and providing informational interviews.
- Continue industry mentorship of 10th grade students with guidance provided on chosen maritime career pathways.
- Include information on broader maritime education opportunities to students, teachers and families.
- Regularly reflect on feedback from students, families and industry partners to evaluate the effectiveness of maritime outreach and pathway programming, with particular attention to barriers and opportunities for underserved communities.

3. Section 3 of the AGREEMENT, Period of Performance, is removed and replaced with the following:

3. PERIOD OF PERFORMANCE

The term of this Agreement shall be three years, commencing on June 20, 2024, and ending on June 19, 2027, unless terminated earlier in accordance with this Agreement.

4. Section 3 of the AGREEMENT, Billing Payment Procedure, is removed and replaced with the following Section 3A:

3A. PAYMENT BILLING PROCEDURE

The District shall submit an annual invoice after completion of the deliverables identified in Exhibit A. Payment for approved and completed work in accordance with Exhibit A will be made by the Port of Seattle within thirty (30) days of receipt of each invoice. The total payment under this AGREEMENT shall not exceed \$600,000.

The parties may agree to an updated payment and deliverable schedule by written amendment.

5. Exhibit A of the AGREEMENT is removed and replaced with the following Exhibit A-1:

EXHIBIT A-1

Deliverable	Milestone Payment	Schedule
Annual Reports to include:	\$250,000	Dec. 13, 2024
<ul style="list-style-type: none"> Highlights of recruitment efforts with community and student groups that are underrepresented in the maritime industry 	\$250,000	Dec. 15, 2025
<ul style="list-style-type: none"> Demographics of enrolled students including a table of all the enrollment and graduation data for each of the last 5 years to show growth/changes over time (all reports disaggregated by race, gender, ZIP code) Lessons learned and student testimonials Instructional plans demonstrating evidence of alignment to industry competencies, certifications, and maritime workforce standards 		
<ul style="list-style-type: none"> In 2025 and 2026, summary of students’ post-secondary plans upon graduation to enter maritime-related jobs and/or ongoing maritime education, including a table outlining career and education placement data broken out by educational paths (4 year and 2 year) and career paths (maritime and non-maritime related) Vision for their future, challenges and opportunities you see ahead Summary of all maritime work-based learning experiences offered (e.g., internships, mentorships, fieldwork, job shadows), including number of 	\$100,000	Dec. 15, 2026

students served, industry partners engaged, and equity analysis of participation <ul style="list-style-type: none"> • Any other tangible benefits of the program 		
NOT TO EXCEED TOTAL:	\$600,000	

6. Section 16 of the AGREEMENT, Contract Management, is removed and replaced with the following:

16. CONTRACT MANAGEMENT

Highline Public Schools shall administer the funds under this Agreement. For purposes of notice, the program manager for each of the Parties shall be responsible for and shall be the contact person for all communications and billings regarding the performance of this Agreement. Any notice required or permitted to be given pursuant to this Agreement shall be in writing and sent by U.S. Mail to the following addresses unless otherwise indicated by the Parties to this Agreement:

Highline Public Schools:

All correspondence and notices related to this Agreement shall be delivered or mailed to Bernard Koontz, Highline Public Schools, 15675 Ambaum Blvd SW, Burien, WA 98166.

Port of Seattle:

Communications and billing contact person shall be Anna Pavlik, Director of Workforce Development, Port of Seattle, 2711 Alaskan Way, Seattle, WA 98121

7. Except as expressly modified herein, all other terms of the original AGREEMENT are hereby ratified and shall remain in full force and effect, unaltered by this First Amendment.

WHEREFORE, the parties have executed this First Amendment to the Agreement as of the day and year identified below.

Highline Public Schools

Port of Seattle

Ivan Duran, Superintendent

Stephen P. Metruck, Executive Director

Date _____

Date _____

Commission 2026 budget item: Make maritime careers more visible to BIPOC communities which is in line with the Port's values of equity and accessibility.

- \$100,000 in 2026
- Amendment to 2024 ILA
- Reviewed by Highline School Board



**MARINE
SCIENCE**

**VESSEL
OPERATIONS**

**MARINE
CONSTRUCTION**

**9TH-10TH
GRADE**

Interlocal Agreement Amendment

- Specific and targeted outreach to youth-serving organizations in the Duwamish Valley.
- Expanding the Marine Construction educational pathway by partnering with South Seattle College.
- Expanding Field Work Experiences to 9th and 10th graders, not just juniors and seniors.
- Leverage Port industry relationships to increase industry participation in the Vessel Operations and Marine Construction programs.
- Continue industry mentorship of 10th grade students with guidance provided on chosen maritime career pathways.
- Regularly reflect on feedback from students, families and industry partners to evaluate the effectiveness of maritime outreach and pathway programming.





**COMMISSION
AGENDA MEMORANDUM**

Item No. 8e

ACTION ITEM

Date of Meeting May 26, 2026

DATE: May 4, 2026

TO: Stephen P. Metruck, Executive Director

FROM: Krista Sadler, Director, Information & Communications Technology (ICT)

SUBJECT: Cisco Enterprise Contract Authorization

Contract Authorization Value: \$3,500,000

ACTION REQUESTED

Request Commission authorization for the Executive Director to execute a contract with World Wide Technology (WWT) for Cisco software licensing for up to five years. Authorization for this contract will not exceed \$3,500,000 over the five-year period. There is no funding request associated with this authorization.

SUMMARY

The Port of Seattle utilizes several Cisco products supporting secure communication capabilities. These products include our Port-wide phone system, network access control, and a central management and automation platform for ICT networks. Currently, these products are licensed as separate contracts with different terms. We have an opportunity to create a single enterprise agreement that will consolidate the three products for a new five-year term. Savings of over \$100,000 per year are estimated by using this Enterprise contract. All products are core to support Port communication infrastructure, and we have no plans for change within this five-year period.

This request, to authorize a contract for up to five years and not to exceed \$3,500,000, will include licensing for our current network products as well as some contingency for growth over the next five years. Annual costs will be included in ICT Operating Budget.

There are no attachments to this memo.



**COMMISSION
AGENDA MEMORANDUM**

Item No. 8f

ACTION ITEM

Date of Meeting May 26, 2026

DATE : May 18, 2026

TO: Stephen P. Metruck, Executive Director

FROM: Eileen Francisco, Director, Aviation Project Management Group
Keri Stephens, Director, Aviation Facilities and Capital Programs
Laurel Dunphy, Director, Aviation Operations

SUBJECT: S Concourse Evolution and 188th Street Duct Bank Authorization

Amount of this request: \$38,610,000

Total estimated project cost: \$2,525,000,000

ACTION REQUESTED

Request Commission authorization for the Executive Director to (1) complete pre-construction activities for S Concourse Evolution Program through end of 2027; (2) advertise and execute a construction contract for the 188th Street Duct Bank Crossing and (3) advertise and execute any necessary change orders, work authorizations, contract amendments, and contracts to complete the S Concourse Evolution at SEA within the approved total program cost. The total amount of this request is \$38,610,000 for a total authorization of \$300,000,000.

EXECUTIVE SUMMARY

The S Concourse Evolution (SCE) project at Seattle-Tacoma International Airport (SEA) is a cornerstone of the Upgrade SEA program. As a critical infrastructure renewal effort, SCE will modernize a 50-year-old facility to meet current seismic, structural, and building codes. While the project does not increase gate count, it repurposes space vacated by the International Arrivals Facility (IAF) to elevate the passenger experience through expanded dining, retail, and amenities.

Over the next 18 months, this additional authorization will support the development of Maximum Allowable Construction Cost (MACC), ensuring the project remains on its critical path. Beyond design support, this action authorizes early civil and utility work along 188th Street. This infrastructure is a prerequisite for a new emergency backup generator and electrical equipment, forming the "electrical backbone" necessary for the concourse's long-term reliability.

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The project utilizes a multi-phased construction approach and strategic "facilitating projects" to maintain gate capacity during construction. This current request secures funding through the end of 2027 to support essential pre-construction efforts, including project and construction management, design services, and special testing.

Given the scale and complexity of the SCE program, this request establishes necessary administrative authority. By empowering the Executive Director to dynamically manage change orders, work authorizations, and contract amendments, the Port can respond to project needs in real-time without compromising the schedule. All administrative actions will be strictly managed within the approved total program cost to ensure fiscal accountability.

JUSTIFICATION

The South Concourse facility at SEA opened in 1973 and is owned and operated by the Port. The facility depends on building systems that are well past their useful service lives, and further development of the facility has been limited by the authorities having jurisdiction, owing to concerns stemming from current building code minimum requirements. The building code requirements are necessary to bring the building up to current seismic and structural code standards. The building systems and materials used in the original construction, due to their age and manufacture, are difficult to maintain. The project is currently working on 90% design and has some early work design completed allowing the contractor to start the bidding process to get this work started. This authorization supports the project team completing the design and bidding efforts with the general contractor and allows us to build a portion of the electrical duct bank along 188th St to support future electrical needs of the building.

Diversity in Contracting

The SCE project includes a 26% WMBE aspirational goal for project management and controls. The project team is working with Diversity in Contracting to identify the WMBE requirement for the construction contract for the work at 188th St Duct Bank.

DETAILS

This request provides funding for the S Concourse Evolution (SCE) program to support pre-construction efforts for project management, construction management, design services, special testing and inspection, and contractor efforts to support initial Maximum Allowable Construction Cost (MACC) efforts for the next 18 months. Several MACCs will be needed to support the contract schedule and critical path work as design continues to develop. The funding is needed to support this work until the end of 2027 when design will be completed, and efforts will shift primarily to construction. The final contracting plan is still being developed to comply with state law.

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Beyond design support, this action is to authorize the construction of limited utility infrastructure scope along 188th Street. This civil and utility scope is a prerequisite for the future emergency backup generator and associated electrical equipment, providing the critical electrical backbone for the S Concourse’s long-term utility needs.

Finally, this request establishes the administrative authority required to manage a program of this scope and complexity. By authorizing the Executive Director to advertise and execute necessary change orders, work authorizations, contract amendments, and contracts for SCE, the Port can respond dynamically to project needs without compromising the schedule. All such actions will be strictly managed within the approved total program cost.

Scope of Work

The scope includes construction of a mechanically stabilized earth (MSE) retaining wall, grading, drainage, electrical vaults, and equipment pads for the generators, to create a level, structurally supported equipment yard. The work is being delivered separately from the main SCE project to allow for infrastructure delivery in advance of when the building construction phases will require it. Staff are leveraging resources within the Port to deliver this work safely, efficiently, and to minimize operational impacts.

Schedule

Activity

Commission Authorization Design Start	Q4 2023
Commission Final Design Authorization	Q2 2025
Construction Authorization 188 th St Duct Bank	Q2 2026
Construction Start 188 th Street Duct Bank	Q3 2026
Commission Construction Authorization SCE	Q3 2026
Construction Start SCE	Q4 2026
In-use date	Q4 2034

Cost Breakdown

	This Request	Total Project
Design	\$30,110,000	\$383,000,000
Construction	\$8,500,000	\$2,142,000,000
Total	\$38,610,000	\$2,525,000,000

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ALTERNATIVES AND IMPLICATIONS CONSIDERED

Alternative 1 – Delay authorization until August when base building returns to Commission for construction authorization and first Maximum Allowable Construction Cost.

Cost Implications: \$250,000 from delay of this specific scope of duct bank work by a few months.

Pros:

- (1) Reduces number of Commission trips for authorization.

Cons:

- (1) Delay construction starting for 188th St duct bank creating additional operational impacts.
- (2) Additional costs from starting work later resulting in higher escalation.
- (3) Delaying the start of this construction creates the potential for impacts among multiple scopes of work in the same vicinity. This work is being pursued early to avoid the overlapping of work areas between scope elements to avoid conflicts. Cascading impacts could eventually delay the base building schedule, creating significantly higher schedule delay costs.

This is not the recommended alternative.

Alternative 2 – Authorize funding now for 188th St duct bank and soft costs to complete design and bidding process.

Cost Implications:

Pros:

- (1) Maintains program schedule and reduces operational impact duration for duct bank work.
- (2) Reduces costs of work by getting started sooner.
- (3) Eliminates risk of multiple scopes of work being performed in the same vicinity simultaneously.

Cons:

- (1) More trips to commission.

This is the recommended alternative.

FINANCIAL IMPLICATIONS

<i>Cost Estimate/Authorization Summary</i>	Capital	Expense	Total
COST ESTIMATE			
Original estimate	\$1B	\$0	\$1B
Previous changes – net	\$1.5B	\$0	\$1.5B

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Revised estimate	\$2.500B	\$25M	\$2.525B
AUTHORIZATION			
Previous authorizations	\$261,390,000	\$0	\$261,390,000
Current request for authorization	\$38,290,000	\$320,000	\$38,610,000
Total authorizations, including this request	\$299,680,000	\$320,000	\$300,000,000
Remaining amount to be authorized	\$2,200,320,000	\$24,680,000	\$2,225,000,000

Annual Budget Status and Source of Funds

The S Concourse Evolution project, CIP C801203, was included in the 2026-2030 capital budget and plan of finance with a budget of \$1,895,000,000. The budget increase of \$630,000,000 was transferred from the Aeronautical Reserves CIP C800753 resulting in no net change to the Airport capital budget. The funding sources would be revenue bonds, Airport Development Fund (ADF), the Bipartisan Infrastructure Law (BIL) grant funding through the FAA-AIP program, other FAA Grants, and future Passenger Facility Charge.

Financial Analysis and Summary

Project cost for analysis	\$2,525,000,000
Business Unit (BU)	Terminal Building
Effect on business performance (NOI after depreciation)	NOI after depreciation will increase due to inclusion of capital (and operating) costs in airline rate base
IRR/NPV (if relevant)	NPV (50 years) for non-aero is negative \$130 million
CPE Impact	\$4.90 in 2035

Future Revenues and Expenses (Total cost of ownership)

This specific scope of work does not result in a direct change to Aviation Maintenance operating and maintenance (O&M) costs. The SCE overall program, however, will have substantial impacts to O&M costs in the future.

ATTACHMENTS TO THIS REQUEST

- (1) Presentation slides

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

- April 28, 2026 - The Commission was briefed on S Concourse Evolution and informed of an upcoming funding request to advance design, pre-construction efforts, and upcoming construction.
- October 28, 2025 – The Commission approved construction authorization for the Spot 99 Duct Bank installation.

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May 27, 2025 – The Commission authorized an increase to funding, executed a professional services agreement, advertisement of construction contracts and special testing and inspection contracts, modification of a United Airlines lease and transferred scope and budget for the A6 Widebody Remediation.

May 13, 2025 – The Commission was briefed on S Concourse Evolution and informed of an upcoming funding request to advance design, scope additions, and construction.

May 14, 2024 – The Commission authorized to Prepare design and construction bid packages for S Concourse facilitating project, Procure long-lead items.

October 22, 2022 – The Commission authorized to procure a Designer, GC/CM, Project Management/Controls Support, and Commissioning Agent for SCE.

September 27, 2022 - The Commission was briefed on S Concourse Evolution and project status.

April 13, 2021 – The Commission was briefed on SSAT Renovation Renewal PDD.

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S Concourse Evolution and 188th Duct Bank Crossing Construction Authorization



Background

- The SCE Project is a critical infrastructure renewal effort at SEA, addressing the 53-year-old facility's seismic, structural, and code compliance needs while enhancing the passenger experience. SCE project will renew this important regional facility through two main objectives:
 - Extend the useful life and bring the facility up to current code including structural and seismic upgrades
 - Re-purpose space left vacant by services relocated to the International Arrivals Facility (IAF) and enhance the passenger experience by increasing amenities, expanding dining and retail (ADR) opportunities, and elevating the level of service.



188th Street Duct Bank Authorization

This action is to authorize the construction of limited utility infrastructure scope along 188th Street. This work connects the electrical substation to S Concourse and is a necessary prerequisite for SCEs future power requirements.

Scope elements include:

- Duct Bank
- Electrical Equipment
- Retaining Wall
- Electrical Vaults
- Equipment Pads
- Other ancillary electrical items



Pre-construction Authorization

This action is to increase authorization necessary to complete all pre-construction activities for S Concourse Evolution Program.

Increased authorization supports:

- Project Management
- Construction Management
- Design Services
- Special Testing and Inspection
- Contractor led efforts associated with developing the Maximum Allowable Construction Cost (MACC)

Request \$38,610,000 authorization



Questions



**COMMISSION
AGENDA MEMORANDUM**

Item No. 10a

ACTION ITEM

Date of Meeting May 26, 2026

DATE: May 1, 2026

TO: Stephen P. Metruck, Executive Director

FROM: Stephanie Jones Stebbins, Managing Director, Maritime
Linda Springmann, Director, Cruise Operations & Maritime Marketing

SUBJECT: Norwegian Cruise Line Holdings Lease Amendments and Assignments

ACTION REQUESTED

Request for Commission Authorization for the Executive Director to execute amendments and assignments associated with the existing lease with Norwegian Cruise Line Holdings (NCLH) incorporating a financial contribution to the Pier 66 shore power project. In addition to the shore power project financial contribution, the amendments include environmental and community requirements in addition to business terms; and require data sharing to support the public Cruise Dashboard for transparency along with tracking and reporting on performance over the term of the lease including extensions.

EXECUTIVE SUMMARY

The current lease with NCLH is in year 11 of a 15-year Agreement. The proposed amendment includes the extension of the 5-year option in the current agreement, extending the lease term through 2035, and adds two 5-year optional extensions at mutual agreement. This amendment additionally provides the Port of Seattle a continued long-term commitment from NCLH to deliver a minimum passenger guarantee, adds significant actions to drive decarbonization and air quality benefits, as well as other environmental, social and community commitments that align with the Port’s goals, values, and commitment to social, environmental and economic sustainability.

Through this amendment, NCLH agrees to the following noteworthy terms, among others:

- Contribute \$15 million dollars toward the Pier 66 shore power project via marketing fund rebate, which will sunset after completion.
- Provide a guaranteed minimum number of passengers to Seattle annually.
- Deploy 100% shore power capable vessels to the Port of Seattle by 2027
- Pilot test a non-fossil fuel in Seattle by 2028
- Commitment to develop potential decarbonization pathways and associated prerequisite assumptions regarding fuel supply and/or technology advancements and provide to the Port.

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- Continue participation in the ECHO and Quiet Sound programs to reduce underwater noise.
- Provide incentive for ground handlers who use lower GHG alternative forms of transportation.
- Provide the Port with pre-season, weekly, and post-season reporting on specified environmental performance metrics.
- Meet annually to review progress on commitments, decarbonization and environmental action, and overall performance. The Port will consider these factors in granting an extension following the remaining 10-year term.

Inclusive of the current 2026 season, the current lease has 5-years remaining and with the granting of the 5-year extension, makes this a 10-year term, through 2035. It also includes two 5-year extension options at mutual agreement, through 2040 and 2045. The total revenue generated over the remaining term of the agreement is estimated to be \$194.4M, and \$516M if extended. It includes a revenue-passenger guarantee of 325,000 passengers annually, which is estimated to guarantee \$116M in revenue during the 10-year term and an additional \$200M if extended. The passenger fee and dockage rates remain capped at 4.5% through the initial term, until 2030. At that time, the rates will reset to 90% of tariff with an annual increase of 4.5%. The rate structure also includes five-year resets to 90% of tariff in 2035 and 2040, if the extensions are granted, and with continued 4.5% increases.

The data sharing terms in the agreement will allow the Port to maintain a public-facing dashboard of cruise performance data to enhance transparency and build public awareness of cruise operations in Seattle and the Alaska market. Additionally, it will support development of annual maritime emissions inventories to track and communicate cruise lines' progress toward the Port's climate and air goals.

The shore power connection at Pier 66, currently being utilized by NCLH, achieves the Northwest Ports Clean Air Strategy goal to electrify all three cruise berths by 2030, six years earlier than anticipated. This has laid the groundwork to achieve the Commission's shore power directive (Order 2024-08) of 100% connection of homeport shore power vessels by 2027, three years ahead of the 2030 goal set in the Maritime Climate and Air Action Plan (MCAAP).

The sublease from NCLH to the Port during non-cruise season will also be amended by this action to reflect the updated term and sublease rent. The lease and sublease will be assigned from a single entity (Norwegian Cruise Line Holding) to three entities (Norwegian Cruise Line, Oceania, and Regent Seven Seas).

JUSTIFICATION

This agreement aligns with the Port's Waterfront Guiding Principles (Commission Motion 2019-02) to support the financial sustainability of the Port, to expand economic, cultural and

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community benefits, to incorporate leading edge environmental stewardship and sustainability practices; and to provide facilities that exceed existing regulations beyond maximizing the use of the Port’s deep-water facilities and industrial lands to serve maritime industrial uses. It also aligns with our Century Agenda goals of providing positive economic impact to the region and supporting a thriving workforce. Furthermore, this agreement represents an ambitious and collaborative step forward with Norwegian Cruise Line Holdings toward the Port’s goal of being the greenest port in North America. The terms of this agreement specifically advance the following:

- The Port’s Century Agenda goal two, to advance this region as a leading tourism destination and business gateway; and goal three, to responsibly invest in the economic growth of the region and all its communities; and goal four, to be the greenest and most energy-efficient port in North America.
- The Northwest Ports Clean Air Strategy goal for 2030:
 - To achieve 100% of major cruise and container berths with shore power installed
- The MCAAP goals for 2030:
 - To support domestic and international efforts to phase out emissions from ocean-going vessels.
 - To have shore power infrastructure installed at all cruise ship berths.
 - To achieve 100% of homeport cruise ship calls connected to shore power.
 - To support continual advancements in equipment efficiency and emission reduction from ocean-going vessels
 - To support continual advancements in equipment efficiency and emission reduction from cargo handling equipment

The climate benefits of shore power use are significant. Plugging into shore power can reduce diesel emissions from cruise ships at berth by 80 percent and GHG emissions at berth by 66 percent, on average, using Seattle City Light energy sourced primarily from hydropower. The terms in this agreement represent an essential component of the Port’s efforts to achieve environmental goals. Based on modelled scenarios, using the 2025 cruise season as an example, if all ships were shore power capable and had access to a shoreside power connection per the future requirements in this agreement, the Port would see the following estimated emissions benefits:

- Avoids estimated 10,000 metric tons CO₂e
- Equivalent to 11% of total cruise emissions in the Airshed (based on airshed totals measured for 2022 Cruise Season)
- Equivalent to 8% of total Port maritime Scope 3 emissions in the Airshed

In addition to economic and environmental leadership, the agreement commits NCLH to increased local economic impact through tourism and provisioning efforts that grow participation by local, small, and disadvantaged businesses. The agreement prioritizes social and workforce development efforts including internships, donations, and educational ship engagements.

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Office of Equity, Diversity & Inclusion Collaboration

The Port's Office of Equity Diversity and Inclusion informed the elements related to tracking and measuring improvement on local provisioning, specifically related to Women and Minority owned Businesses, donations to local non-profits, ship tours for workforce development purposes, and annual reporting of disaggregated organizational demographics by hierarchy for shipboard and land-based programs.

DETAILS

Collectively, the following three elements provide transparency, equity, and economic benefit from the Port's cruise business:

Cruise Dashboard

The Cruise Dashboard was created with the assistance of the Port's Business Intelligence Team. Multiple data sources were utilized to construct a visual representation of the cruise season which includes key elements for homeport ships, number of calls, number of passengers, passengers utilizing Port Valet, shore power connectivity and the resulting CO2 emissions avoided. Additionally, the agreement with NCLH allows the Port to collect additional data, which will be incorporated into the dashboard as the data becomes available. This will include cruise line fleet profile data such as shore power capability, and information on vessels' Advance Wastewater Treatment Systems, Exhaust Gas Cleaning Systems, and noise reduction technology. The 2025 full season Dashboard has been published and 2026 will build monthly over the season.

Shore Power Requirement

To accelerate the Port's goal requiring cruise ships to utilize shore power connections and to maximize the investment in shore power infrastructure, the Port has accelerated its goal to have all homeport vessels plugging into shore power requirement by three years, from 2030 to 2027. Cruise lines have adequate time to redeploy their homeport fleets so that ships calling in Seattle by 2027 should be shore power capable and commissioned. Via the terms in this amendment, Norwegian Cruise Line Holdings will contribute \$15 million to the cost of the Pier 66 Shore Power installation.

Norwegian Cruise Line Holding Lease Amendment

Norwegian Cruise Line Holding includes Norwegian Cruise Line, Oceania, and Regent Seven Seas brands homeporting and/or calling in Seattle. The lease and sublease will be assigned to the three NCLH brands. Port Finance has completed a thorough review of corporate materials relevant to this Assignment.

NCL was the first cruise brand to commit to homeporting ships to Alaska from Seattle in 2000. They are currently 10-years into the 15 year Lease with the Port. These agreements provided certainty to the Port in terms of revenue and commit NCLH to Lease obligations for the Pier 66 cruise terminal operations. The most recent NCLH Lease dated August 14, 2015, included a fifteen-year term with one five-year extension option. During the pandemic and the loss of cruise

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operations for over a year, the terms of this Lease obligated NCL to pay \$4 million to the Port while not operating cruises.

In 2023 NCLH brands brought 86 ship calls to Seattle representing 30% of the Port's cruise calls. In 2024, 2025 and 2026 NCLH brands again have four of their brand's ships committed to the Seattle market offering the longest season of all cruise customers.

These proposed amendments are another world-class example of how the Port can leverage business agreements to advance shared priorities. Examples of how this agreement is innovative include the following:

- It includes robust terms in length of agreement and rates, including a financial contribution to the installation of shore power
- It advances the Port's environmental commitments,
- It establishes social and economic impact as priorities and requirements.

Terms: The lease amendment provides for a five-year extension to the current 15-year term, taking them to 2035, with two mutually agreeable 5-year options to extend to 2040 and 2045. The Port explicitly states in the agreement that the approval of these extensions is in the Port's sole discretion, and consideration of such extensions will include decarbonization progress and the demonstrated achievement of other sustainability terms. It includes a revenue-passenger guarantee of 325,000 passengers per year. The current lease allows for an annual rate increase to be capped at 4.5% which will remain through the original 15-year term (through 2015). After that time, the rate will reset to 90% of Tariff with an annual increase cap of 4.5%. This rate structure also includes a five-year reset to 90% of Tariff at each five-year extension in 2035 and 2040, if the extensions are granted, and with continued 4.5% annual increases. Importantly, the amendment calls for a contribution of \$15 million by NCLH in support of the installation of shore power at Pier 66. This \$15 million will be recovered from the Marketing Fund in the current lease starting in 2026 and over the course of the remaining original term and 5-year extension. Once fully recovered, this Marketing Fund will sunset.

The environment: The new agreement upholds environmental compliance commitments, such as ongoing participation in the Memorandum of Understanding between Washington Department of Ecology (DOE), Port of Seattle and the cruise lines, and introduces new commitments. Through this agreement, NCLH also affirms their commitment to continue to partner with the DOE and others on public engagement and policy making around the use of exhaust gas cleaning systems, adherence to the Port's stormwater best management practices, and reporting on shore power connectivity. The agreement includes piloting a non-fossil fuel by the 2028 season as a demonstration project and to signal demand. It commits NCLH to developing potential decarbonization pathways and associated prerequisite assumptions regarding fuel supply and/or technology advancements and sharing the results with the Port by December 31, 2026. Shoreside, the agreement requires NCLH to incentivize ground handlers and stevedores (if contracted directly) to use of low emission equipment with a goal to use zero emission shoreside equipment by 2030.

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Social and economic impact: To support educational and workforce development NCLH will offer ship tours and sponsorships in support of low-income and/or minority communities in the region. The agreement also includes participation in maritime-focused non-profit entities, such as Maritime High School, and agreement to collaborate with the Port on Anti-human trafficking efforts, signing on to the Port Allies Against Human Trafficking Pledge.

Schedule

The Cruise Dashboard is live for the 2025 season and a 2026 version will launch shortly with April/May data and will continue to build monthly. The dashboard will expand to include the new “Fleet Profile” detail. Each year within a month of the cruise season’s end the Port will publish the updated dashboard for that completed cruise season to include the annual infographic.

ALTERNATIVES AND IMPLICATIONS CONSIDERED

The Port’s options are to decline to sign these amendments and assignments and have NCLH continue with the remaining 5 seasons of the existing Lease or enter into these amendments and assignments, providing for the contribution by NCLH of \$15 million toward the Pier 66 Shore Power project, the execution of the 5-year extension in the current Lease and adding two 5-year optional extension.

Alternative 1 – Decline to amend and assign the existing lease documents.

Cost Implications: no view of expected revenues or number of port calls further than 2030 and potential end of NCLH Lease. Losing one 4,000 passenger ship for 20 turns amounts to approximately \$4.8M dollars in revenue to the Port in addition to related jobs and economic impact to the community.

Pros:

- (1) Port has flexibility when the existing Lease expires at the end of the 2030 season.

Cons:

- (1) No financial contribution to the Pier 66 Shore Power project.
- (2) Loss of collaboration on Environmental, Social, Community efforts as included in proposed new agreement.

This is not the recommended alternative.

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Alternative 2 – Execute a Conditional Consent to Assignment and amendments to the existing Lease and sublease exercising the existing 5-year option and adding two additional optional extensions in exchange for financial contribution to Pier 66 Shore Power project.

Cost Implications: guaranteed passenger visits and revenue visibility for the next 10-20 years to allow for capital, expense budgeting, and employment planning. Related commitments to regional economic impact and jobs to support cruise calls and their customers.

Pros:

- (1) Provides certainty for Port of Seattle related to projected incomes.
- (2) Provides \$15 million contribution to the Pier 66 Shore Power installation.
- (3) 10-year window gives time for innovations in technology related to alternative fuels and other decarbonization efforts to evolve and be in place for the next possible agreement.
- (4) Continues a long-term relationship with our first cruise customer to commit to the Seattle market.
- (5) Two 5-year options are tied to decarbonization effort and achievements.

Cons:

- (1) Unpredictability over the next 10-years of environmental innovations and NCLH’s willingness to enter into amendments to take advantage of these mid-agreement.
- (2) Locking-in this lease for longer gives no flexibility if new customer approaches the Port to enter into the market for a similar arrangement.

This is the recommended alternative.

FINANCIAL IMPLICATIONS

This lease amendment will provide certainty of future revenues that could not be guaranteed without this extension and future options. The passenger and dockage fee rates in this agreement are capped at 4.5% growth through the original term, through 2030. The 5-year extension in the current lease will be automatically granted, through 2035, however rates will reset to 90% of tariff rate in 2031. Extensions, should they be granted in 2035 and 2040, will have a similar rate reset to 90% of tariff with 4.5% annual caps in subsequent years. The 325,000 minimum revenue passenger guarantee would secure revenues of approximately \$116M during the 10-year term and an additional \$200M during the two 5-year extension period.

Financial Analysis and Summary

Project cost for analysis	N/A
Business Unit (BU)	Cruise Operations
Effect on business performance (NOI after depreciation)	10-Year Minimum Annual Guarantee Revenue: \$116M 20-Year Minimum Annual Guarantee Revenue: \$316M Estimated 10-Year Passenger Revenue: \$194.4M Estimated 20-Year Passenger Revenue: \$516M
IRR/NPV (if relevant)	N/A
CPE Impact	N/A

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ATTACHMENTS TO THIS REQUEST

- (1) Lease Amendment
- (2) Sublease Amendment
- (3) Conditional Consent to Assignment
- (4) Presentation slides

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

May 2026 – Commissioners briefed on final terms.

September 5 & 6, 2024 – Commissioners were briefed on status of terms being negotiated

December 2022 – Briefed Commissioners on initial plan for negotiation and term inclusions

FIRST AMENDMENT TO BELL STREET CRUISE TERMINAL LEASE AGREEMENT

THIS FIRST AMENDMENT (“FIRST AMENDMENT”) TO BELL STREET CRUISE TERMINAL LEASE AGREEMENT is made as of _____, 20____, by and between the PORT OF SEATTLE, a Washington municipal corporation (“the Port”) and Tenant, as defined in Section 1.44.

WHEREAS, the parties entered into a Bell Street Cruise Terminal Lease Agreement dated August 14, 2015 (the “Agreement”); and

WHEREAS the Port and Tenant share goals around decarbonization and creating economic benefit in the community and wish to formalize these shared goals; and

WHEREAS the Port and Tenant have agreed to share the cost of the shorepower at the Bell Street Cruise Terminal, with Tenant reimbursing the Port fifteen million dollars (\$15,000,000.00), which will be collected from the Marketing Fund over the Term of the Agreement, beginning with the 2026 season. The Marketing Fund will sunset after full collection of the \$15 million contribution to shore power; and

WHEREAS, The Port of Seattle greenhouse gas (GHG) reduction goals include scope 1 and 2 targets to achieve an absolute reduction of 50% by 2030 from a 2005 baseline and net zero by 2040, and scope 3 targets to achieve an absolute reduction of 50% by 2030 from a 2007 baseline and carbon neutral by 2050, the achievement of which, Tenant will duly consider; and

WHEREAS, through Tenant’s global sustainability program, Sail & Sustain, Tenant is integrating an environmental, social and governance (ESG) lens in nearly every aspect of Tenant’s business, and is committed to pursuing net zero greenhouse gas emissions by 2050 across Tenant’s operations (Scopes 1 and 2) and Tenant’s value chain (Scope 3), covering well-to-wake emissions; and

WHEREAS, Tenant has established short- and near-term targets to reduce GHG intensity from its fleet of ships, islands and facilities (Scopes 1 & 2) as well as upstream fuel- and energy-related activities, including well-to-tank emissions (portion of Scope 3) 10% by 2026 and 25% by 2030, compared to 2019 baseline with intensity measured on a per capacity day basis; and

WHEREAS, Tenant and the Port desire to simultaneously amend the Sublease between the parties and assign the Agreement and Sublease to the Tenant described in Section 1.44 through a Conditional Consent to Assignment; and

WHEREAS, it is the intent of the Port to consider measurable progress and achievements related to decarbonization and other environmental matters when considering whether to consider extension(s), and it is the intent of parties to renegotiate requirements related to decarbonization and other environmental matters as technology changes over time; and

WHEREAS, the parties now wish to revise the Agreement as described below.

NOW THEREFORE, in consideration of their mutual promises, the parties hereby agree as follows:

1. Section 1.1 of the Agreement is hereby deleted in its entirety and replaced with the following Section 1.1

1.1 Affiliated Lines. Affiliated Lines shall mean and refer to any cruise lines and/or brands owned and controlled, whether directly or indirectly, by Norwegian Cruise Line Holdings Ltd. As of the date of this First Amendment, Norwegian Cruise Lines Holdings Ltd. owns and controls NCL (Bahamas) Ltd., Oceania Cruises Ltd. and Seven Seas Cruises Ltd., which between

them operate the Norwegian Cruise Line, Oceania Cruises and Regent Seven Seas Cruises brands.

2. Section 1.18 of the Agreement is hereby deleted in its entirety and replaced with the following Section 1.18:

1.18 Extension Period. “Extension Period” shall include the “First Extension Period” and the “Second Extension Period” as defined in Sections 3.2 and 3.3.

3. Section 1.44 of the Agreement is hereby deleted in its entirety and replaced with the following Section 1.44:

1.44 Tenant. “Tenant” shall mean NCL (Bahamas) Ltd. , a Bermuda corporation, whose address for purposes of notice is 7665 Corporate Center Drive, Miami, Florida 33126, Attention: Senior Vice President, Destination and Strategic Development with a copy of any notice to be provided to 7665 Corporate Center Drive, Miami, Florida 33126, Attention: General Counsel, Oceania Cruises Ltd., an exempted company continued under the laws of Bermuda with its principal office located at 7665 Corporate Center Drive, Miami, Florida 33126, Attention: Senior Vice President, Destination and Strategic Development with a copy of any notice to be provided to 7665 Corporate Center Drive, Miami, Florida 33126, Attention: General Counsel, and Seven Seas Cruises Ltd., an exempted company continued under the laws of Bermuda with its principal office located at 7665 Corporate Center Drive, Miami, Florida 33126, Attention: Senior Vice President, Destination and Strategic Development with a copy of any notice to be provided to 7665 Corporate Center Drive, Miami, Florida 33126, Attention: General Counsel.

4. Sections 3.1 and 3.2 of the Agreement are hereby deleted in its entirety and replaced with the following Sections 3.1, 3.2, and 3.3:

3.1 Term. The Term of this Agreement shall commence on the Commencement Date and shall extend for approximately twenty (20) years until the end of the Cruise Season in 2035 unless earlier terminated pursuant to the terms of this Agreement.

3.2 First Extension. If Tenant in compliance with the terms and conditions of this Agreement, and achieves the commitments in Section 9.6 and Exhibits H and I, Tenant may (in its sole discretion) request to extend the Term of this Agreement for an additional period of five (5) years, commencing at the end of the Cruise Season in 2035 and terminating at the end of the Cruise Season in 2040 (the “Extension Period”). Tenant shall provide the Port with written notice (in the manner provided in Section 25.1) of the same not earlier than the end of the Cruise Season in 2033 and not later than the beginning of the Cruise Season in 2035. In the event that the Port timely receives such notice and is likewise (in its sole discretion) interested in extending the Term of this Agreement, it shall provide Tenant written notice (in the manner provided in Section 25.1) of the same not later than ninety (90) days following receipt of Tenant’s notice. The Port’s failure to provide Tenant with such written notice within the stated ninety (90) day period shall constitute the Port’s refusal to consent to the extension, and the Agreement shall terminate after the 2035 Cruise Season. In the event that both parties notify the other their mutual desire to extend the Term of this Agreement for the First Extension Period, and unless either party otherwise provides notice of its intention to renegotiate the consideration required under Article 4, Article 11, Article 12, Section 9.6, Exhibit H, Exhibit I and Section 24.4 in its notice to the other party, this Agreement shall automatically extend for the First Extension Period upon the same terms and conditions set forth in the Agreement. In the event that either party indicates in its notice to the other party of an intention to renegotiate the consideration required under Article 4, Article 11, Article 12, Section 9.6, Exhibit H, Exhibit I and Section 24.4, the parties shall promptly commence negotiations on revised consideration for the First Extension Period. It is the Port’s intent to renegotiate requirements related to decarbonization and other environmental matters in any extensions or amendments and as technology changes over time. In the event that either party fails to deliver notice as required in this Section 3.2 or

the parties fail to agree, as reflected in a binding writing signed by both parties, on revised consideration amounts for the First Extension Period by the end of the Cruise Season in 2034, any attempts to exercise the Extension Period shall be null and void and this Agreement shall automatically terminate on the end of the Cruise Season in 2035.

3.3 Second Extension. If Tenant in compliance with the terms and conditions of this Agreement and the Term has been extended by the First Extension above, and Tenant is in compliance with Section 9.6 and Exhibits H and I, Tenant may (in its sole discretion) request to extend the Term of this Agreement for an additional period of five (5) years, commencing at the end of the Cruise Season in 2040 and terminating at the end of the Cruise Season in 2045 (the “Second Extension Period”). Tenant shall provide the Port with written notice (in the manner provided in Section 25.1) of the same not earlier than the end of the Cruise Season in 2038 and not later than the beginning of the Cruise Season in 2039. In the event that the Port timely receives such notice and is likewise (in its sole discretion) interested in extending the Term of this Agreement, it shall provide Tenant written notice (in the manner provided in Section 25.1) of the same not later than ninety (90) days following receipt of Tenant’s notice. The Port’s failure to provide Tenant with such written notice within the stated ninety (90) day period shall constitute the Port’s refusal to consent to the extension, and the Agreement shall terminate after the 2040 Cruise Season. In the event that both parties notify the other their mutual desire to extend the Term of this Agreement for the Extension Period, and unless either party otherwise provides notice of its intention to renegotiate the consideration required under Article 4, Article 11, Article 12, Section 9.6, Exhibit H, Exhibit I and Section 24.4 in its notice to the other party, this Agreement shall automatically extend for the Extension Period upon the same terms and conditions set forth in the Agreement. In the event that either party indicates in its notice to the other party of an intention to renegotiate the consideration required under Article 4, Article 11, Article 12, section 9.6, Exhibit H, Exhibit I and Section 24.4, the parties shall promptly commence negotiations on revised consideration for the Extension Period. It is the Port’s intent to renegotiate requirements related to decarbonization and other environmental matters as technology changes over time. In the event that either party fails to deliver notice as required in this Section 3.3 or the parties fail to agree, as reflected in a binding writing signed by both parties, on revised consideration amounts for the Extension Period by the end of the Cruise Season in 2039, any attempts to exercise the Extension Period shall be null and void and this Agreement shall automatically terminate on the end of the Cruise Season in 2040.

5. Section 4.2 of the Agreement is hereby deleted in its entirety and replaced with the following:

4.2 Contract Rent. The Port and Tenant agree that the amounts denominated as the Lease Fee shall be the “Contract Rent,” as that term is defined in Chapter 82.29A of the Revised Code of Washington and Chapter 458-29A of the Washington Administrative Code, for the rights of possession and use of publicly owned real and personal property granted by this Agreement. All amounts denominated as Preferential Use Fee shall be consideration for rights less than possession and/or use of publicly owned real and personal property. By approving the terms of this Agreement in an open public meeting, it is the intention of the Port to declare that the “Contract Rent” as set forth in this Section 4.2 was the maximum amount attainable for the rights and responsibilities set forth in this Agreement, considering alternative uses for the Premises, and considering the condition, and any restrictions on the use, of the Premises. The determination of contract rent and taxable rent for purposes of assessment of leasehold excise tax shall be subject to R.C.W. 82.29A and the Department of Revenue’s implementing regulations, and any subsequent amendment of the statute or regulations.

6. Section 5.1 of the Agreement is hereby deleted in its entirety, and replaced with the following:

5.1 Security. Tenant shall, upon execution of this Agreement, obtain and deliver to the Port a good and sufficient corporate surety company bond, irrevocable stand-by letter of credit, cash deposit or other security in an amount equal to eight hundred thirty five thousand dollars (\$835,000.00) (hereinafter referred to as “Security”), to secure Tenant’s full performance of this Agreement, including the payment of all fees and other amounts

now or hereafter payable to the Port hereunder. The amount, form, provisions and nature of the Security, and the identity of the surety or other obligor thereunder, shall at all times be subject to the Port's approval, which approval shall not be unreasonably withheld or conditioned with respect to the form and nature of the Security. The Security shall remain in place at all times throughout the full term of this Agreement. No interest shall be paid on the Security and the Port shall not be required to keep the Security separate from its other accounts. No trust relationship is created with respect to the Security. Within thirty (30) days of execution of the First Amendment, Tenant shall promptly furnish in a form satisfactory to the Port evidence indicating the increase in the amount of that Security from \$835,000 to THREE MILLION FIVE HUNDRED THOUSAND AND NO/100 DOLLARS (\$3,500,000.00). If the First Extension under Section 3.2 is approved, Tenant shall promptly furnish in a form satisfactory to the Port evidence indicating the increase in the amount of that Security to FOUR MILLION TWO HUNDRED FIFTY THOUSAND AND NO/100 DOLLARS (\$4,250,000.00) prior to March 1, 2036. If the Second Extension under Section 3.3 is approved, Tenant shall promptly furnish in a form satisfactory to the Port evidence indicating the increase in the amount of that Security to FIVE MILLION AND NO/100 DOLLARS (\$5,000,000.00) prior to March 1, 2041.

7. Section 9.6 of the Agreement is hereby deleted in its entirety and replaced with the following:

9.6 Environmental Stewardship. Tenant and its Affiliated Lines have worked closely with the Port, Washington Department of Ecology, and Puget Sound Clean Air Agency and other regional and state agencies to reduce environmental impacts of cruise ship operations, including installation of shore-side electrical power at Pier 66, equipping of ships for shore-side electrical power, and installation and operation of advanced wastewater treatment systems. With this collaborative effort a strong partnership has evolved as the cruise industry has grown in Seattle. The Port and Tenant will work together to resolve environmental issues as they arise to further grow the business relationship. Through this continued partnership and as part of the Agreement, the Tenant will comply with the elements listed in the Attached Exhibits H and I.

8. Section 10.2 of the Agreement is hereby deleted in its entirety and replaced with the following:

10.2 Parking at Bell Street Cruise Terminal.

10.2.1 Tenant shall pay the Port's parking operator at then-prevailing market rates all parking services necessary for passengers associated with Cruise Ship Activities at the Bell Street Cruise Terminal.

10.2.2 Tenant shall be entitled to, at then-prevailing market rates, up to sixty (60) unassigned parking spaces during the months of April through October on dates when ships requiring stevedoring services call and five (5) parking spaces at all other times in the Bell Street Pier Parking Garage for use by Tenant. Tenant shall pay the Port's parking operator at then-prevailing market rates for all necessary parking. Tenant shall agree with the Port's parking operator on an annual basis prior to each cruise season on the number of spaces Tenant shall require, Tenant shall pay the Port's parking operator at then-prevailing market rates for a minimum fifty (50) of the parking spaces provided during the months of April through October shall be made available by Tenant for use by the stevedores participating in Cruise Ship Activities at no cost to the stevedores. Tenant shall pay the Port's parking operator at then-prevailing market rates for five (5) of the parking spaces provided during the months of April through October shall be made available by Tenant for use by the United States Customs Service and the Immigration and Naturalization Service at no cost to either.

9. Sections 11.3.1 and 11.3.2 of the Agreement are hereby deleted in their entirety and replaced with the following:

11.3.1 For the year 2016, the Port will cap the increase to the passenger fee component of Port Directed Cruise Fees to the *lesser* of the year-over-year increase or

five percent (5.0%). And for the years 2017-2030, the Port will cap the increase to the passenger fee component of Port Directed Cruise Fees to the *lesser* of the year-over-year increase or four and one-half percent (4.5%). As an example, if the Port decides to increase the passenger fee component of the bundled fee by 7% in 2017 and by 4% in 2018, the passenger fee component of the bundled fee under this Agreement would increase in 2017 by 4.5 % over the 2016 level and in 2018 by 4% over the 2017 level.

11.3.2 For the year 2016, the Port will cap increases to the dockage fee component of the Port Directed Cruise Fees (as expressed within the bundled, per passenger fee) to the *lesser* of the year-over-year increase or five percent (5.0%). And for the years 2017-2030, the Port will cap increases to the dockage fee component of the Port Directed Cruise Fees (as expressed within the bundled, per passenger fee) to the *lesser* of the year-over-year increase or four and one-half percent (4.5%). For clarity, the dockage fee is – in the absence of bundling – expressed on a per-linear-foot basis and calculated on the length-over-all of the vessel. The Port, for the convenience of the Tenant and other lines, converts this per-linear-foot number to a per-passenger number based on the length-over-all of the scheduled vessels and their capacities. The limitation on future increases in the dockage fee component is specifically with respect to the per-linear-foot amount and *not* the per-passenger amount. The per-passenger amount may vary by more or less than the increase in the per-linear-foot amount (and will not be limited to an increase of no more than 4.5%) depending on the relative year-over-year mix of vessels scheduled at all Port of Seattle facilities. As an example, if the Port decides to increase the dockage fee component of the bundled fee by 7% in 2017 and by 4% in 2018, the dockage fee component of the bundled fee under the Agreement, when expressed on a per-linear-foot basis, would increase in 2017 by 4.5 % over the 2016 level and in 2018 by 4% over the 2017 level. The actual change in the dockage fee component of the bundled fee under the Agreement, when expressed on a per-passenger basis, may vary more or less than these amounts.

10. New Section 11.3.4 is hereby added:

11.3.4 For the year 2031 the passenger and dockage fee components of the Port Directed Cruise Fees (as expressed within the bundled, per passenger fee) shall be ninety percent (90%) of the passenger and dockage fee components of the Port Directed Cruise Fees (as expressed within the bundled, per passenger and dockage fees) in the published Port Tariff for the 2031 cruise season. For the years 2032-2035, the Port will cap increases to the passenger and dockage fee components of the Port Directed Cruise Fees (as expressed within the bundled, per passenger and dockage fees) to the *lesser* of the year-over-year increase or four and one-half percent (4.5%).

In the First and Second Extension Periods, if applicable, the passenger and dockage fee components of the Port Directed Cruise Fees (as expressed within the bundled, per passenger and dockage fees) for the first year of such Extension Period(s), (unless a party elects to renegotiate as provided in Section 3.2), shall be ninety percent (90%) of the passenger and dockage fee components of the Port Directed Cruise Fees (as expressed within the bundled, per passenger and dockage fee) in the published Port Tariff for such cruise season. For each remaining year of the extension period(s), if applicable, the Port will cap increases to the passenger and dockage fee components of the Port Directed Cruise Fees (as expressed within the bundled, per passenger and dockage fees) to the *lesser* of the year-over-year increase or four and one-half percent (4.5%).

11. Section 11.7 of the Agreement is hereby deleted in its entirety and replaced with the following:

11.7 Passenger Guarantees. Subject only to an event of Force Majeure (including the failure to complete the Project as provided in Section 6.7), in each Cruise Season from 2017-2024, Tenant guarantees a minimum of 276,000 revenue passengers per Cruise Season at the Bell Street Cruise Terminal (the “Basic Guarantee”). For the 2016 Cruise Season, the Basic Guarantee shall be 214,000 revenue passengers. For each Cruise Season from 2025 through the rest of the Term of the Agreement, including any Extension Periods, Tenant guarantees a minimum of 325,000 revenue passengers per

Cruise Season at the Bell Street Cruise Terminal (the “Basic Guarantee”). For purposes of meeting the Basic Guarantee, passengers from any of the Affiliated Lines, both homeport and port-of-call, will be counted, and each passenger will be counted each time the Port Directed Cruise Fees are due and paid for such passenger. For purposes of the Agreement, port-of-call vessels include both vessels making an in-transit call at the Bell Street Terminal and those vessels which, although not homeported in Seattle, make one or more turnaround calls at the Bell Street Terminal. The reconciled number of Tenant passengers for whom the bundled per-passenger fee is paid will be used for purposes of determining whether the Basic Guarantee has been met. In the event that Tenant fails to meet the Basic Guarantee for any Cruise Season, Tenant shall nonetheless pay the Port the amount of the Port Directed Cruise Fees for the shortfall no later than October 15 of the calendar year for which Cruise Season there was a shortfall. Tenant shall not be entitled to apply excess passengers in any Cruise Season to offset a shortfall in any other Cruise Season.

12. Sections 12.2, 12.2.1, 12.2.2 and 12.2.3 of the Agreement are hereby deleted in their entirety and replaced with the following:

12.2. Marketing Allowance. So long as there remains a balance of the Fifteen Million Dollars (\$15,000,000.00) as reimbursement for the shorepower facilities, the Port of Seattle agrees to maintain a marketing fund (the “Marketing Fund”) funded with an allowance (the “Marketing Allowance”) equal to ten percent (10%) of the total Port Directed Cruise Fees paid by Tenant for all revenue passengers sailing on Affiliated Lines’ vessels; provided, however, in the event that the Term of the Agreement is extended to include Extension Period(s), the Marketing Allowance for the Extension Period shall be only five percent (5%) of the total Port Directed Cruise Fees paid by Tenant for all revenue passengers sailing on Affiliated Lines’ vessels.

12.2.1 Payment of Marketing Fund. The Port Marketing Allowance will be based on the number of revenue passengers sailing on vessels associated with the Affiliated Lines during the previous Cruise Season as reported by Tenant pursuant to Section 11.2.1 and for which the Port Directed Cruise Fees have been paid as provided by Section 11.2.3. Starting in 2026, the Marketing Allowance will no longer be paid by the Port to Tenant, and will continue to be withheld throughout the Term until the withheld amount totals Fifteen Million Dollars (\$15,000,000.00) as reimbursement for the shorepower facilities, at which point the Marketing Allowance will sunset and no longer be paid by the Port. The Marketing Fund will no longer be maintained when the Fifteen Million Dollars (\$15,000,000.00) has been exhausted as reimbursement for the shorepower facilities.

13. Section 25.6 of the Agreement is hereby deleted in its entirety and replaced with the following:

25.6 Port Management Agreement. With respect to any portion of this Agreement that pertains to Washington State-owned aquatic lands under the Port’s management, this Agreement is specifically subject and subordinate to the terms and conditions of the Port Management Agreement dated November 1, 1997 between the Washington State Department of Natural Resources (“DNR”) and the Port of Seattle and any future Port Management Agreement between the Port and DNR that is executed during the Term of the Agreement, which will be provided to Tenant upon request, which Port Management Agreement(s) are hereby incorporated by this reference.

14. New Section 25.22 is hereby added to the Agreement:

25.22 Compliance. Tenant will comply with all local, state, federal, and other laws, rules, regulations, or other requirements applicable to its operations, including those relating to environmental compliance, worker safety, anti-corruption, economic sanctions, trade restrictions, labor and human trafficking.

15. New Section 25.23 is hereby added to the Agreement:

25.23 Joint and Several Liability. Each and every party who signs this Agreement, other than in a representative capacity, as Tenant, shall be jointly and severally liable

hereunder. It is understood and agreed that for convenience the word "Tenant" and verbs and pronouns in the singular number and neuter gender are uniformly used throughout this Agreement, regardless of the number, or fact of incorporation of the party who is, or of the parties who are, the actual tenant or tenants under this Agreement.

16. In accordance with Section 2.2, Exhibits B1, B2, C and D are attached hereto and incorporated herein, superseding previous Exhibits B, C, and D.

17. New Exhibit E-1 is attached hereto and incorporated herein, superseding previous Exhibit E.

18. New Exhibits H and I are attached hereto and incorporated herein.

19. Within thirty (30) days of execution of this First Amendment, Tenant shall promptly furnish in a form satisfactory to the Port evidence indicating the increase in the amount of the Security from EIGHT HUNDRED THOUSAND AND NO/100 DOLLARS (\$835,000.00) to THREE MILLION FIVE HUNDRED THOUSAND AND NO/100 DOLLARS (\$3,500,000.00) in compliance with Section 5.1 of the Agreement.

20. Except as expressly amended herein, all provisions of the Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have executed this First Amendment as of the day and year first above written.

PORT
PORT OF SEATTLE

TENANT
NORWEGIAN CRUISE LINE HOLDINGS
LTD.

By _____
Its _____

By _____
Its _____

TENANT
OCEANIA CRUISES LTD.

TENANT
SEVEN SEAS CRUISES LTD.

By _____
Its _____

By _____
Its _____

TENANT
NCL (BAHAMAS) LTD.

By: _____

Its: _____

Notary to First Amendment to Lease

with Norwegian Cruise Line Holdings Ltd.

STATE OF WASHINGTON)
)ss
COUNTY OF KING)

On this ____ day of _____, 20____, before me personally appeared _____, to me known to be the _____ of the PORT OF SEATTLE, the municipal corporation that executed the within and foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that s/he was authorized to execute said instrument.

In Witness Whereof I have hereunto set my hand and affixed my official seal the day and year first above written.

(Signature)

(Print Name)
Notary Public, in and for the State of Washington,
residing at _____
My Commission expires: _____

STATE OF FLORIDA)
) ss
COUNTY OF MIAMI-DADE)

On this ____ day of _____, 20____, before me personally appeared _____, to me known to be the _____ of Norwegian Cruise Line Holdings Ltd., the individual/entity that executed the within and foregoing instrument as Tenant, and acknowledged said instrument to be the free and voluntary act and deed of said individual/entity, for the uses and purposes therein mentioned, and on oath stated that s/he was authorized to execute said instrument.

In Witness Whereof I have hereunto set my hand and affixed my official seal the day and year first above written.

(Signature)

(Print Name)
Notary Public, in and for the State of Florida,
residing at _____
My Commission expires: _____

STATE OF FLORIDA)
) ss
COUNTY OF MIAMI-DADE)

On this ____ day of _____, 20____, before me personally appeared _____, to me known to be the _____ of NCL (Bahamas) Ltd., the individual/entity that executed the within and foregoing instrument as Tenant, and acknowledged said instrument to be the free and voluntary act and deed of said individual/entity, for the uses and purposes therein mentioned, and on oath stated that s/he was authorized to execute said instrument.

In Witness Whereof I have hereunto set my hand and affixed my official seal the day and year first above written.

(Signature)

(Print Name)
Notary Public, in and for the State of Florida,
residing at _____

My Commission expires:

STATE OF FLORIDA)
) ss
COUNTY OF MIAMI-DADE)

On this ____ day of _____, 20____, before me personally appeared _____, to me known to be the _____ of Oceania Cruises Ltd. _____, the individual/entity that executed the within and foregoing instrument as Tenant, and acknowledged said instrument to be the free and voluntary act and deed of said individual/entity, for the uses and purposes therein mentioned, and on oath stated that s/he was authorized to execute said instrument.

In Witness Whereof I have hereunto set my hand and affixed my official seal the day and year first above written.

(Signature)

(Print Name)

Notary Public, in and for the State of Florida,
residing at _____

My Commission expires:

STATE OF FLORIDA)
) ss
COUNTY OF MIAMI-DADE)

On this ____ day of _____, 20____, before me personally appeared _____, to me known to be the _____ of Seven Seas Cruises Ltd., the individual/entity that executed the within and foregoing instrument as Tenant, and acknowledged said instrument to be the free and voluntary act and deed of said individual/entity, for the uses and purposes therein mentioned, and on oath stated that s/he was authorized to execute said instrument.

In Witness Whereof I have hereunto set my hand and affixed my official seal the day and year first above written.

(Signature)

(Print Name)

Notary Public, in and for the State of Florida,
residing at _____

My Commission expires:

EXHIBIT E-1

- Lease Fee and Preferential Use Fee -

<i>Period</i>	<i>Lease Fee</i>	<i>Preferential Use Fee</i>
Commencement – September 30, 2016	\$828,100	\$2,510,900
October 1, 2016 – September 30, 2017	\$865,400	\$2,624,200
October 1, 2017 – September 30, 2018	\$904,200	\$2,741,700
October 1, 2018 – September 30, 2019	\$944,800	\$2,864,900
October 1, 2019 – September 30, 2020	\$987,300	\$2,993,800
October 1, 2020 – September 30, 2021	\$1,031,700	\$3,128,300
October 1, 2021 – September 30, 2022	\$1,077,900	\$3,268,500
October 1, 2022 – September 30, 2023	\$1,126,500	\$3,415,800
October 1, 2023 – September 30, 2024	\$1,177,400	\$3,570,200
October 1, 2024 – September 30, 2025	\$1,230,200	\$3,730,200
October 1, 2025 – September 30, 2026	\$1,285,700	\$3,898,700
October 1, 2026 – September 30, 2027	\$1,343,700	\$4,074,300
October 1, 2027 – September 30, 2028	\$1,403,900	\$4,257,000
October 1, 2028 – September 30, 2029	\$1,467,000	\$4,448,200
October 1, 2029 – September 30, 2030	\$1,532,800	\$4,647,900
First Extension Period		
October 1, 2030 – September 30, 2031	\$1,601,900	\$4,857,500
October 1, 2031 – September 30, 2032	\$1,673,800	\$5,075,500
October 1, 2032 – September 30, 2033	\$1,749,000	\$5,303,500
October 1, 2033 – September 30, 2034	\$1,828,000	\$5,542,900
October 1, 2034 – September 30, 2035	\$1,910,200	\$5,792,100
Second Extension Period		
October 1, 2035 – September 30, 2036	\$1,996,200	\$6,052,700
October 1, 2036 – September 30, 2037	\$2,086,000	\$6,325,100
October 1, 2037 – September 30, 2038	\$2,179,900	\$6,609,700
October 1, 2038 – September 30, 2039	\$2,277,900	\$6,907,200
October 1, 2039 – September 30, 2040	\$2,380,500	\$7,218,000
October 1, 2040 – September 30, 2041	\$2,487,600	\$7,542,800
October 1, 2041 – September 30, 2042	\$2,599,500	\$7,882,200
October 1, 2042 – September 30, 2043	\$2,716,500	\$8,236,900
October 1, 2043 – September 30, 2044	\$2,838,700	\$8,607,600
October 1, 2044 – September 30, 2045	\$2,966,500	\$8,995,000

EXHIBIT H

Tenant makes the following sustainability, equity, and workforce development commitments:

- Tenant's GHG reduction goals are generally aligned with the Port's goals. The Northwest Ports Clean Air Strategy (the NWPCAS) sets a vision to phase out emissions from seaport-related activities by 2050, supporting cleaner air for our local communities and fulfilling our shared responsibility to help limit global temperature rise to 1.5°C. The Port of Seattle GHG reduction goals include scope 1 and 2 targets to achieve an absolute reduction of 50% by 2030 from a 2005 baseline and net zero by 2040, and scope 3 targets to achieve an absolute reduction of 50% by 2030 from a 2007 baseline and carbon neutral by 2050. Tenant is committed to pursuing net zero greenhouse gas emissions by 2050 across its operations (Scopes 1 and 2) and its value chain (Scope 3), covering well-to-wake emissions, and Tenant has established short- and near-term targets to reduce GHG intensity from its fleet of ships, islands and facilities (Scopes 1 & 2) as well as upstream fuel- and energy-related activities, including well-to-tank emissions (portion of Scope 3) 10% by 2026 and 25% by 2030, compared to 2019 baseline with intensity measured on a per capacity day basis. Tenant will give due consideration to the Port's goal of reducing absolute GHG emissions by 50% by 2030 from a 2007 baseline and goal to achieve carbon neutrality by 2050 within its airshed. Tenant will strive to a reduction in total GHG emissions across its global fleet compared to a 2019 baseline by 2030. In addition to demonstrating measurable progress towards the Port's climate goal, Tenant also commits to developing potential decarbonization pathways and associated prerequisite assumptions regarding fuel supply and/or technology advancements and will share any updates with the Port by December 31, 2026, and regularly thereafter.
- All homeported vessels will be shore power capable and connect by the 2027 Cruise Season. Tenant shall connect all home-ported ships to shore-side electrical power unless shore power is unavailable for connection due to actions of the Port of Seattle or Seattle City Light, or due to equipment maintenance or outages, or other force majeure. On an annual basis the Tenant will meet with the Port of Seattle staff to evaluate home-porting operations and strategies to increase the use of shore power toward a goal of achieving 100-percent use.
- In support of shared environmental and sustainability goals and strategies (e.g. air quality, water quality, waste management, energy efficiency, decarbonization), and items related to on-terminal transportation (e.g., shuttle buses), equipment (e.g., cargo handling equipment), regional ground transportation (e.g., motor coach operations and Transportation Network Companies and part of the annual planning for shore-side transportation operations), the Tenant and its Affiliated Lines will strive to minimize air and GHG emissions. This includes demonstrated efforts to employ options such as preferred contracting, incentives, use of newer and/or low and zero emissions buses and engines, low and zero emission fuels in vehicles and equipment, advanced pollution control device retrofits and anti-idling programs. Tenant will work with Port staff and others on at least an annual basis to identify joint sustainability opportunities, projects and programs including emission reduction opportunities. Where feasible and agreed upon will develop implementation plans and schedules, which may include an option for partnership-funding mechanisms.
- Tenant will participate in emission-reducing initiatives, in relation to energy, waste and ultimately emissions at the Pier 66 terminal. This may include as agreed upon by both parties:
 - Guest engagement initiative to reduce energy and waste,
 - Technical and/or operational projects to reduce energy consumption,
 - Participating in renewable energy programs

- Tenant will collaborate with Port of Seattle to strive to improve the measurement of and identify opportunities to reduce emissions within the value chain including with local suppliers.
- Tenant will continue to provide ongoing leadership and engagement in the Pacific Northwest to Alaska Green Corridor.
- Tenant and the Port will encourage stevedores use of low emission equipment with a zero emission shoreside goal by 2030. Tenant will partner with the Port, stevedores and other parties to achieve this 2030 goal.
- Tenant will provide incentives for ground handlers who use lower GHG alternative forms of transportation, and require that all motorcoaches in Seattle to have a 2007 model year engine or newer, or with emission controls that achieve the equivalent level of air quality within one year of the execution of this First Amendment. Tenant will communicate through its website to booked cruise guests how to choose lower GHG alternatives for transport to and from the cruise terminals, and will coordinate with the Port on standards relating to taxis, TNC's, and other transportation options.
- Tenant will continue to partner with the Department of Ecology and others on public engagement and policy making regarding EGCS operations and wash water. Tenant will continue to comply with MOU agreements with Washington Department of Ecology, concerning water quality and vessel discharge management practices. Tenant shall continue to provide information for and participate in annual review of such agreements and seek consensus on modifications needed to such agreements during this process. Tenant will continue to comply with the EGCS pause and stormwater best management practices (BMPs) for cruise terminal operations which the Port establishes annually in accordance with the Washington Department of Ecology, the provisions of the Federal Clean Water Act, Federal Clean Air Act, and the Puget Sound Clean Air Agency Regulations to help ensure the safekeeping of Elliot Bay and Puget Sound, the marine environment, and air quality.
- The Port may, at its option, for purposes of internal and external air quality and emission program planning, tracking, and communications, obtain from the vessel captain, owners or its representatives information about the methods by which ships homeporting in Port of Seattle achieve compliance with IMO MARPOL Annex VI including exhaust gas cleaning system operations and fuel use while inside ECA, engine tier, and about the use of shore power at berth, as applicable. Information provided will help inform the Northwest Ports Clean Air Strategy, regional and Port emission inventory updates, and implementation of Port of Seattle's Century Agenda and greenhouse gas emission reduction goals. This includes participation in emission inventories conducted by the Port of Seattle. (See Exhibit I for full details on data sharing). The Port will work with Tenant to collect any such data in a manner that anonymizes such data.
- Tenant will continue to participate in the ECHO and Quiet Sound program.
- Tenant will work with local non-profits on donations of reusable goods.
- Up to twice per cruise season on mutually convenient dates and times, Tenant will provide ship tours for education and workforce development purposes.
- Tenant will expand responsible sourcing opportunities that promote a variety of under-represented groups which could include small, diverse, disadvantaged, WMBE, tribal and local suppliers as permitted by law, and focus on capability building with key suppliers in collaboration with the Port.

- Tenant will use reasonable efforts to collaborate with Maritime focused non-profit entities to assist in creating curriculum and experiential field-based learning opportunities and internships for students as part of Maritime-focused workforce development programs.
- Tenant will collaborate with the Port on Anti-human trafficking efforts and has signed on to the Port Allies Against Human Trafficking Pledge.
- Tenant will pilot a zero or near-zero (znz) emission fuel such as biofuel or methanol in Seattle by 2028.
- **Community Impact:** Tenant will participate in community initiatives through in-kind and/or cash donations with a mutually agreed upon value per year with local partners. The focus should aim to support low-income and/or minority communities in the local area. This may include engagement with students at Maritime High School through ship tours and panel discussions and sponsorships of local events such as charity fundraisers.
- **Traffic Planning & Management:** Tenant will collaborate with the Port to implement a survey with the intention to raise awareness of alternative transportation options and collect data to inform traffic management plans. The survey will be developed in a joint effort and updated annually with mutually agreed upon questions which will be available to be completed by guests in the terminal to voluntarily fill out. The Port will post signage in the terminal with a QR code that can be scanned by guests to obtain the survey. The Port shall share with Tenant results of the survey on a quarterly basis. The survey will include questions related to the following: (1) Percentage of passengers participating in airline arrival and passenger intended method of transportation to and from the terminal, i.e., personal vehicle, vehicle for hire, subway, bus, rail or air travel; and (2) Passenger origin and intended destination after departing the terminal information by zip code, city, state, or home country (e.g. home and/or destination city/state or zip code)

EXHIBIT I

Tenant Reporting Requirements

Prior to the beginning of the Season, Tenant will submit to the Port the following information for each vessel scheduled to call at the Port:

- Shore power capability status per ship
- Advance Wastewater Treatment system type
- Exhaust Gas Cleaning System by type and usage
- Other emission reduction technology and/or innovations on board each vessel

Tenant will identify which of their Seattle Homeport vessels currently have ALS or other noise reduction technology, as well as planned retrofits. Weekly during the season, Tenant will submit the following preliminary information for the previous week for each vessel calling at the Port of Seattle.

- Shore power connection per call, including whether a ship connected, start time of connection, any times of disconnection, duration of connection, power (kw), and energy (kWh) consumed during connection and the total utility costs per shore power connection. If connection failed, include documentation and explanation of reasons for failure to assist in problem solving.
- Fuel type(s) used onboard per vessel fuel specifications (e.g. origin, sulfur content, and other criteria) for operations at berth and underway
- Fuel consumption quantity by fuel type and use (e.g. main, auxiliary, boiler operating engines, pilot fuel, etc.) including fuel type switching activity.

ANNUAL UPDATES: Tenant and the Port will meet annually in person to review progress on commitments, decarbonization and environmental action, and overall performance. This annual review may be combined with other annual meetings and reviews described elsewhere in this Agreement. The Port will consider these factors in determining whether to consent to a request to extend the term as described in Sections 3.2 and 3.3. The GHG emissions accounting methodology, including well to wake accounting and boundary of measurement, will utilize the methodologies developed through the Pacific Northwest to Alaska Green Corridor (PNW2AK) to the extent possible. Any portions of a required methodology not determined through the PNW2AK collaboration will be developed and mutually agreed to by the Parties within 6 months of the PNW2AK Emissions Methodology being developed, but not later than December 31, 2026. In addition to the information above, annually, Tenant will submit an annual report with the following information, by December 1st of each calendar year. Such annual report will include vessels homeported in Seattle and will include:

1. Quiet Sound participation as further described in Exhibit H
2. Other emission reduction technology and/or innovations on board each vessel homeported in Seattle
3. Provisions sourcing via a variety of under-represented groups which could include local, small, tribal, diverse, WMBE and disadvantaged businesses as further described in Exhibit H, as permitted by law
4. Disaggregated organizational demographics by hierarchy, shipboard, and landbased.
5. A summary of the community impact activities including breakdown of cash and in-kind donations.
6. Tenant will report progress on food waste and single use plastics reduction efforts via annual sustainability reporting, and regionally communicate such efforts.

7. To measure GHG emissions progress toward GHG reduction targets, Tenant agrees to share data on total GHG emissions and GHG emissions intensity (GHG emissions per-available-lower-bed capacity) specific to the Tenant and its Affiliated Lines' vessels operating within the Port's Puget Sound Airshed and may do so via annual sustainability reporting.

8. On at least an annual basis, Tenant will participate, with Port of Seattle and partners, in evaluating, planning and/or developing strategies to reduce emissions from ocean going vessels in accordance with the Northwest Ports Clean Air Strategy and in support of Port of Seattle's Century agenda and greenhouse gas emissions reduction goals.

9. On at least an annual basis, Tenant will work with Port of Seattle and partners to identify joint sustainability opportunities, projects and programs.

Annual Impact Report: Tenant shall deliver to the Port no later than December 1st of each calendar year during the Term, an annual report, delivered in person or via remote meeting, detailing efforts that have contributed to the environmental, social and economic aspects of Tenant's business operations in Seattle. The contents of the report shall include updates related to sustainability initiatives pursued in collaboration with the Port.

FIRST AMENDMENT TO BELL STREET CRUISE TERMINAL SUBLEASE AGREEMENT

THIS FIRST AMENDMENT TO BELL STREET CRUISE TERMINAL SUBLEASE AGREEMENT (“FIRST AMENDMENT TO SUBLEASE”) is made as of _____, 20____, by and between the PORT OF SEATTLE, a Washington municipal corporation (“the Port”) and Tenant, as defined in Section 1.44 of the Prime Lease.

WHEREAS, the Port has leased the Bell Street Cruise Terminal Area to Tenant under that certain Bell Street Cruise Terminal Lease Agreement of August 14, 2015 (the “Prime Lease”); and

WHEREAS, the parties entered into a Bell Street Cruise Terminal Sublease Agreement dated August 14, 2015 (the “Sublease”); and

WHEREAS the Port and Tenant are amending and assigning the Prime Lease by a First Amendment to Bell Street Cruise Terminal Lease Agreement and a Conditional Consent to Assign; and

WHEREAS, the parties now wish to revise the Sublease as described below.

NOW THEREFORE, in consideration of their mutual promises, the parties hereby agree as follows:

1. References in the Sublease to the “Extension Period” shall include the “First Extension Period” and the “Second Extension Period” as defined in Sections 3.2 and 3.3 of the Prime Lease.
2. References in the Sublease to “NCLH” shall be replaced with “Tenant” as that term is defined in Section 1.44 of the Prime Lease.
3. New Exhibit B-1 is attached hereto and incorporated herein, superseding previous Exhibit B.
4. Except as expressly amended herein, all provisions of the Sublease shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have executed this First Amendment to Sublease as of the day and year first above written.

acknowledged said instrument to be the free and voluntary act and deed of said individual/entity, for the uses and purposes therein mentioned, and on oath stated that s/he was authorized to execute said instrument.

In Witness Whereof I have hereunto set my hand and affixed my official seal the day and year first above written.

(Signature)

(Print Name)

Notary Public, in and for the State of Florida,
residing at _____

My Commission expires: _____

EXHIBIT B-1

- Sublease Rent -

<i>Period</i>	<i>Sublease Rent</i>
End of Season 2017 – Beginning of Season 2018	\$310,700
End of Season 2018 – Beginning of Season 2019	\$324,700
End of Season 2019 – Beginning of Season 2020	\$339,300
End of Season 2020 – Beginning of Season 2021	\$354,500
End of Season 2021 – Beginning of Season 2022	\$370,400
End of Season 2022 – Beginning of Season 2023	\$387,100
End of Season 2023 – Beginning of Season 2024	\$404,600
End of Season 2024 – Beginning of Season 2025	\$422,800
End of Season 2025 – Beginning of Season 2026	\$441,900
End of Season 2026 – Beginning of Season 2027	\$461,800
End of Season 2027 – Beginning of Season 2028	\$482,500
End of Season 2028 – Beginning of Season 2029	\$504,100
End of Season 2029 – Beginning of Season 2030	\$526,800
End of Season 2030 – Beginning of Season 2031	\$550,500
End of Season 2031 – Beginning of Season 2032	\$575,200
End of Season 2032 – Beginning of Season 2033	\$601,100
End of Season 2033 – Beginning of Season 2034	\$628,200
End of Season 2034 – Beginning of Season 2035	\$656,400
First Extension Period	
End of Season 2035 – Beginning of Season 2036	\$685,900
End of Season 2036 – Beginning of Season 2037	\$716,800
End of Season 2037 – Beginning of Season 2038	\$749,100
End of Season 2038 – Beginning of Season 2039	\$782,800
End of Season 2039 – Beginning of Season 2040	\$818,000
Second Extension Period	
End of Season 2040 – Beginning of Season 2041	\$854,800
End of Season 2041 – Beginning of Season 2042	\$893,300
End of Season 2042 – Beginning of Season 2043	\$933,500
End of Season 2043 – Beginning of Season 2044	\$975,500
End of Season 2044 – Beginning of Season 2045	\$1,019,400

CONDITIONAL CONSENT TO ASSIGNMENT

THIS CONDITIONAL CONSENT TO ASSIGNMENT (“Consent”) is made as of this day of _____ 20____ by and between the PORT OF SEATTLE, a Washington municipal corporation (“the Port”), Norwegian Cruise Line Holdings Ltd., a Bermuda corporation (“Assignor”) and NCL (Bahamas) Ltd. d/b/a Norwegian Cruise Line, a Bermuda company with its principal office located at 7665 Corporate Center Drive, Miami, Florida 33126 (“Norwegian”), Oceania Cruises Ltd. d/b/a Oceania Cruises, an exempted company continued under the laws of Bermuda with its principal office located at 7665 Corporate Center Drive Miami, Florida 33126 (“Oceania”) and Seven Seas Cruises Ltd. d/b/a Regent Seven Seas Cruises, an exempted company continued under the laws of Bermuda with its principal office located at 7665 Corporate Center Drive Miami, Florida 33126 (“Regent”). Norwegian, Oceania and Regent shall be collectively referred to as “AssigneesAssignees”.

WHEREAS, the Port and Assignor are parties to that certain Bell Street Cruise Terminal Lease Agreement of August 14, 2015 (the “Lease”), and a Bell Street Cruise Terminal Sublease Agreement dated August 14, 2015 (the “Sublease”), which relate to certain premises located at Pier 69 as more particularly described in the Lease and Sublease (“the Premises”); and

WHEREAS, Assignor and Assignee have agreed Assignor will assign, and Assignees will assume, all rights and obligations under the Lease and Sublease (the “Assignment”) effective as of _____, 20____ (the “Effective Date”); and

WHEREAS, Assignor and Assignees are, under the terms of the Lease and Sublease, required to obtain the Port’s consent to the Assignment; and

WHEREAS, the Port is prepared to give its consent to the Assignment subject to certain conditions as more specifically set forth in this Consent;

NOW THEREFORE, in consideration of the mutual promises and other valuable consideration the receipt of which is hereby acknowledged, the parties agree as follows:

1. Representations and Warranties Regarding Assignment. Assignor and Assignee hereby represent, warrant and covenant as follows for purposes of obtaining the Port’s consent:
 - a. As of the Effective Date, Assignor has, excepting only the necessity of this Consent, absolutely and unconditionally assigned and transferred (or will assign and transfer, if the Effective Date is in the future) to Assignees all of Assignor’s right, title, and interest in and to the Lease and Sublease, subject to all the terms and conditions, covenants, and agreements contained in the Lease and Sublease;
 - b. As of the Effective Date, Assignees have, excepting only the necessity of this Consent, absolutely and unconditionally accepted such assignment and assumed and agreed to perform (or will accept and assume and agree to perform, if the Effective Date is in the future) all the terms, conditions, covenants, and agreements of the Lease and Sublease, on the part of the Tenant in the Lease and Sublease, as if Assignees had originally executed the Lease and Sublease; and
 - c. Assignees’ agreement shall be binding on the successors and assigns of Assignees.
2. Consent of Port. Subject to the agreements and the fulfillment of the conditions set forth in this Consent, the Port hereby consents to the Assignment.
3. Port May Deal with Assignees. On or after the Effective Date, Assignor hereby waives notice of default by Assignees (or any successor) in the payment and performance of the rent, covenants and conditions of the Lease and Sublease and consents that the Port may in each and every instance deal with the Assignees (or any successor), grant extensions of time, waive performance of any of the terms, covenants and conditions of the Lease and Sublease and modify the same, and in general deal with the Assignees (or any successor) without notice to or consent

of Assignor; and any and all extensions of time, indulgences, dealings, modifications or waivers shall be deemed to be made with the consent of Assignor (and any successor).

4. Assignor Remains Liable. Assignor shall be and remain liable and responsible for the keeping, performance, and observance of all the covenants, agreements, terms, provisions, and conditions set forth in the Lease and Sublease on the part of Tenant and for the payment of the annual rental, additional rent, and all other sums now and/or hereafter becoming payable thereunder, expressly including, but not limited to, adjustments of rent, and any and all charges for any additional electric energy, property, material, labor, utility, or other similar or dissimilar services or materials rendered, supplied, or furnished by the Port in, to or in connection with the Premises or any part thereof, whether for or at the request of Assignor or Assignees.

5. Additional Conditions to Consent. The Port's consent is specifically conditioned upon, and shall not be effective until:

a. Assignee has documented, on terms satisfactory to the Port, compliance with Section 5.1 (Security) of the Lease, whether by furnishing an irrevocable letter of credit or other security acceptable to the Port in the amount of THREE MILLION FIVE HUNDRED THOUSAND AND NO/100 DOLLARS (\$3,500,000.00).

b. Assignee has documented, on terms satisfactory to the Port, compliance with the insurance requirements of Section 14.2 of the Lease (Insurance).

6. No Modification. Nothing in this Consent shall be construed to modify, waive, impair or affect any of the covenants, agreements, terms, provisions, or conditions in the Lease or Sublease (except as expressly provided in this Consent), or to waive any breach thereof, or any rights of the Port against any person, firm, partnership, association, or corporation liable or responsible for the performance thereof, or to enlarge or increase the Port's obligations under the Lease or Sublease, and all covenants, agreements, terms, provisions, and conditions of the Lease and Sublease are hereby mutually declared to be in full force and effect.

7. No Further Assignment. No further assignment or sublease of the Lease or Sublease shall be made without the Port's written consent, and the Port specifically reserves all of its rights under the Lease and Sublease except as expressly set forth herein.

8. Applicable Law; Attorneys' Fees. This Consent shall be construed and enforced in accordance with the laws of the State of Washington. In the event either party requires the services of an attorney in connection with enforcing the terms of this Consent, the prevailing party shall be entitled to a reasonable sum for attorneys' fees, witness fees and other court costs and expenses, both at trial and on appeal.

9. Entire Agreement. This Consent shall be binding upon the parties and their respective successors and assigns. This Consent, together with the Lease, Sublease, and all amendments thereto, sets forth all covenants, promises, agreements, conditions and understandings between the parties and there are no covenants, promises, agreements, conditions or understandings, either oral or written, between the parties other than as set forth in this Consent. No subsequent alteration, amendment, change or addition to the Consent shall be binding unless reduced to writing and signed by all parties.

10. Captions and Article Numbers. The captions and section numbers appearing in this Agreement are inserted only as a matter of convenience and in no way define, limit, construe or describe the scope or intent or such sections nor in any way affect this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Consent as of the day and year first above written.

PORT OF SEATTLE

(NORWEGIAN CRUISE LINE HOLDINGS LTD.)

By: _____
Its: _____

By: _____
Its: _____

NCL (BAHAMAS) LTD. (ASSIGNEE)

OCEANIA CRUISES LTD.(“ASSIGNEE”)

By: _____
Its: _____

By: _____
Its: _____

SEVEN SEAS CRUISES LTD.(“ASSIGNEE”)

By: _____
Its: _____

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

On this ____ day of _____, 20____, before me, personally appeared _____ to me known to be the _____ of the PORT OF SEATTLE, a municipal corporation, the corporation that executed the foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that he/she was duly authorized to execute the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year first above written.

Notary Public in and for the State of _____
Residing at: _____
My commission expires: _____

(ACKNOWLEDGEMENT FOR ASSIGNOR)

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

On this ____ day of _____, 20____, before me, personally appeared _____ to me known to be the _____ of Norwegian Cruise Line Holdings Ltd., the corporation that executed the foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that he/she was duly authorized to execute the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year first above written.

Notary Public in and for the State of _____
Residing at: _____
My commission expires: _____

(ACKNOWLEDGEMENT FOR ASSIGNEE)

STATE OF _____)
) ss.
COUNTY OF _____)

On this ____ day of _____, 20____, before me, personally appeared _____ to me known to be the _____ of NCL (Bahamas) Ltd., the corporation that executed the foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that he/she was duly authorized to execute the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year first above written.

Notary Public in and for the State of _____
Residing at: _____
My commission expires: _____

(ACKNOWLEDGEMENT FOR ASSIGNEE)

STATE OF _____)
) ss.
COUNTY OF _____)

On this ____ day of _____, 20____, before me, personally appeared _____ to me known to be the _____ of Oceania Cruises Ltd., the corporation that executed the foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that he/she was duly authorized to execute the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year first above written.

Notary Public in and for the State of _____
Residing at: _____
My commission expires: _____

(ACKNOWLEDGEMENT FOR ASSIGNEE)

STATE OF _____)
) ss.
COUNTY OF _____)

On this ____ day of _____, 20____, before me, personally appeared _____ to me known to be the _____ of Seven Seas Cruises Ltd., the corporation that executed the foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that he/she was duly authorized to execute the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year first above written.

Notary Public in and for the State of _____
Residing at: _____
My commission expires: _____

POS Conditional Consent to Assignment

A-5

Norwegian Cruise Line Holdings Ltd., Agr #00XXXX

Assigned to NCL (Bahamas) Ltd., Oceania Cruises Ltd. & Seven Seas Cruises Ltd.

Date



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?





**COMMISSION
AGENDA MEMORANDUM**

Item No. 10b

ACTION ITEM

Date of Meeting May 26, 2026

DATE: May 14, 2026

TO: Stephen P. Metruck, Executive Director

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

SUBJECT: Main Terminal Improvement Program (MTIP) – Emergency Power (CIP# C801266)

Amount of this request: \$7,000,000

Total estimated project cost: \$350,000,000

ACTION REQUESTED

Request Commission authorization for the Executive Director to approve 30% design development for the Emergency Power scope of work of the Main Terminal Improvement Program (MTIP). Upon completion of the 30 percent design, the program will return for full authorization for design and construction. This request is for \$7 million of a total estimated project cost of \$350,000,000.

EXECUTIVE SUMMARY

While the airport does have emergency power, it does not have capacity for a fully pressurized smoke control system, which is the Airport’s ultimate safety goal for the Main Terminal and concourses.

The MTIP Emergency Power Program will provide emergency power needed to energize the smoke control systems of the Main Terminal, Concourses, including the C Concourse Expansion (CCE) project and the SEA Gateway program.

The Sustainability Framework identified this program as a tier one project, as this all-electrical work will provide two, three-megawatt generators southeast of the parking garage, with pads for two future generators. The larger electrical load will be routed to the airport from the north and south electrical sub stations. Terminal equipment replacement and concourse distribution rooms will also be included in this highly regulated work.

Meeting Date: May 26, 2026

JUSTIFICATION

This project will provide required emergency power loads to the Main Terminal and Concourses B, C, and D to provide smoke control systems for the SEA Gateway program, CCE and the Concourse HVAC Renewal/Replacement project.

Diversity in Contracting

In coordination with the Diversity in Contracting Department, 15% WMBE aspirational goal has been set for this early step of the program. The goal will be reevaluated as the program proceeds to procuring the design builder.

DETAILS

The Main Terminal Improvement Program – Emergency Power project is required to support a terminal and concourse wide smoke control program.

The scope of work is to provide 700, 701 and 702 emergency power loads to the Main Terminal, concourses and parking garage. The CCE will connect to this new infrastructure emergency power.

Scope of Work

- Provide two (2) three-megawatt generators with future expansion up to four (4) generators, located along a paved drive and grassy area adjacent to the parking garage’s southernmost helix. These generators will provide required emergency power loads to the Main Terminal and concourses.
- Deliver emergency power loads from the South Main Service Point (SMS) on 188th Street and from the North Main Service Point (NMS) on International Blvd between 170th and 176th streets.

Remove decommissioned generators and existing switchgear and install new distribution centers.

- Project constructs emergency power switchboards and transformers into the existing concourses.

Schedule

Commission design authorization	2026 Q2
Design start	2027 Q1
Commission construction authorization	2027 Q3
Construction start	2029 Q4

Meeting Date: May 26, 2026

In-use date	2032 Q1
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Cost Breakdown	This Request	Total Project
Design	\$7,000,000	80,000,000
Construction	0	270,000,000
Total	\$7,000,000	\$350,000,000

ALTERNATIVES AND IMPLICATIONS CONSIDERED

Alternative 1 –

Build the full Main Terminal Improvement Program. This includes emergency power, a fully pressurized smoke control system, new sprinklers and rework of existing, and a comprehensive architectural renovation including ceiling, lighting and wall and floor renovations.

Cost Implications: \$1.3-\$1.5B

Pros:

- (1) Increase infrastructure capacity and have an architecturally refreshed Main Terminal.

Cons:

- (1) High cost.
- (2) Large impacts on customer service and operations within the Main Terminal.

This is not the recommended alternative.

Alternative 2 – Build out the emergency power, smoke control and fire sprinkler systems only, in the Main Terminal.

Cost Implications: \$600-800M

Pros:

- (1) This alternative would provide emergency power and a fully functioning, pressurized smoke control system in the Main Terminal, as well as sprinkler updates and provide limited architecture updates to accommodate the new work (ceiling, lights, some signage, etc.)

Cons:

- (1) This strategy has extensive ancillary construction work that balloons the project cost. For example, by removing the ceiling for the sprinklers and smoke control, the project would be required to fully abate the structural deck and systems. The project would not be able to re-use the old ceiling, so a new one would be required. This alternative would also require new lighting, security cameras and signage.
- (2) The cost exceeds budget capacity.
- (3) Construction is highly impactful to customer service and operations.

This is not the recommended alternative.

Meeting Date: May 26, 2026

Alternative 3 – MTIP Emergency Power

Cost Implications: \$200 - \$350M

Pros:

- (1) Provides required emergency power for both existing and planned smoke control systems in the Main Terminal and Concourses.
- (2) Meets affordability requirements.

Cons:

- (1) Does not provide smoke control in the Main Terminal.

This is the recommended alternative.

FINANCIAL IMPLICATIONS

MTIP was included in the 2026 plan of finance under CIP C801266.

<i>Cost Estimate/Authorization Summary</i>	Capital	Expense	Total
COST ESTIMATE			
Original estimate	\$778,000,000	\$22,000,000	\$800,000,000
Current change	-\$428,000,000	-\$22,000,000	-\$450,000,000
Revised estimate	\$350,000,000	0	\$350,000,000
AUTHORIZATION			
Previous authorizations	\$5,000,000	0	\$5,000,000
Current request for authorization	\$7,000,000	0	\$7,000,000
Total authorizations, including this request	\$12,000,000	0	\$12,000,000
Remaining amount to be authorized	\$338,000,000	\$0	\$338,000,000

Annual Budget Status and Source of Funds

This project, CIP C801266, was included in the 2026-2030 capital budget and plan of finance with a budget of \$800,000,000. A budget decrease of \$450 million was transferred to the Aeronautical Allowance CIP (C800753) resulting in zero net change to the Aviation capital budget. The funding sources will be revenue bonds and Airport Development Fund (ADF).

Meeting Date: May 26, 2026

Financial Analysis and Summary

Project cost for analysis	\$350,000,000
Business Unit (BU)	Terminal Building
Effect on business performance (NOI after depreciation)	NOI after depreciation will increase due to inclusion of capital (and operating) costs in airline rate base.
IRR/NPV (if relevant)	N/A
CPE Impact	\$0.81 in 2033

Future Revenues and Expenses (Total cost of ownership)

It is anticipated that there will be increased costs to ongoing operating and maintenance work performed by Aviation Maintenance (AVM) in the renovated Main Terminal space. AVM will continue to work through design challenges while also anticipating increased O&M costs.

ADDITIONAL BACKGROUND

Available in the attachments.

ATTACHMENTS TO THIS REQUEST

- (1) Presentation slides

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

September 22, 2020, Item 9B, Commission received a briefing on The Main Terminal Infrastructure Project.

October 13, 2020, Item 6B, Commission authorized \$4,850,000 to begin A and E services to examine the extent of the work.

November 9, 2021 – Item 10e, Commission received a request for additional scope authorization.

Main Terminal Improvement Program – Emergency Power

Presenter and Capital Program Leader – Kristofer Casselman
May 26, 2026



Project Purpose & Objectives

- The Main Terminal Improvement Program – Emergency Power (MTIP) will provide emergency power to the Main Terminal and Concourses B, C, and D. The emergency power is required by code and drives the smoke control systems of the Main Terminal and concourses, ultimately improving the safety of the airport.
- This Sustainability Framework Tier One project is electrical in nature and due to its emergency use condition, is driven by National Electric Code requirements.
- The project requests to move forward to 30% design at a cost of **\$7M**. At completion of 30%, the team will be back to ask for the remaining amount.

Project Scope



Southern edge of the garage, with potential generator routes shown in red dash.

The project will provide two (2) 3MW generators adjacent to the parking garages' southernmost helix.

Project Scope



Existing North and South service point routes show in green.

The project will deliver power loads from the South Main Service Point (SMS) and another from the North Main Service Point (NMS).

Project Scope



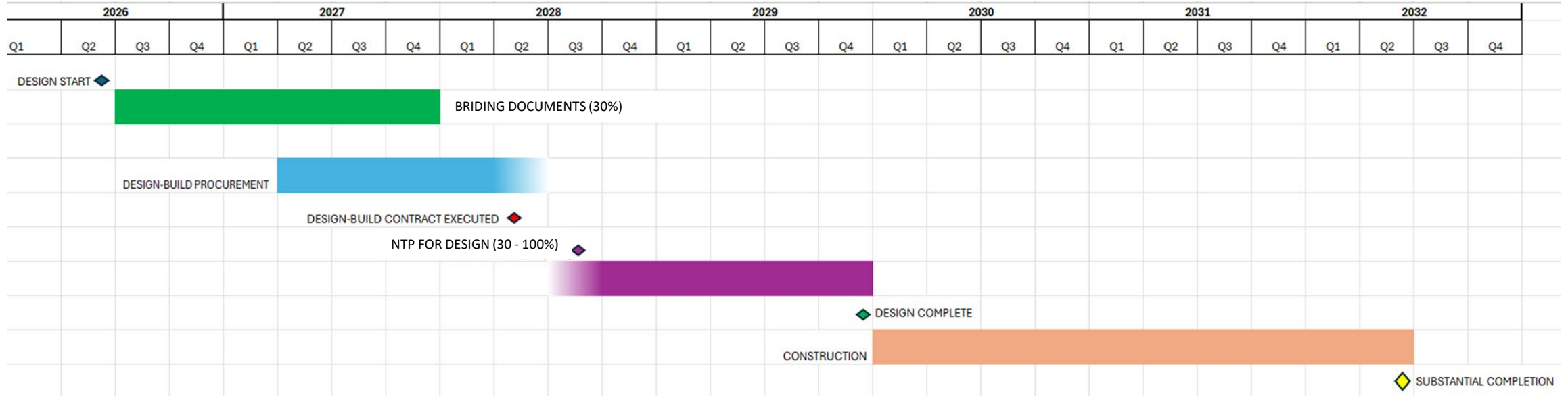
Generators (yellow).



Generator (green).

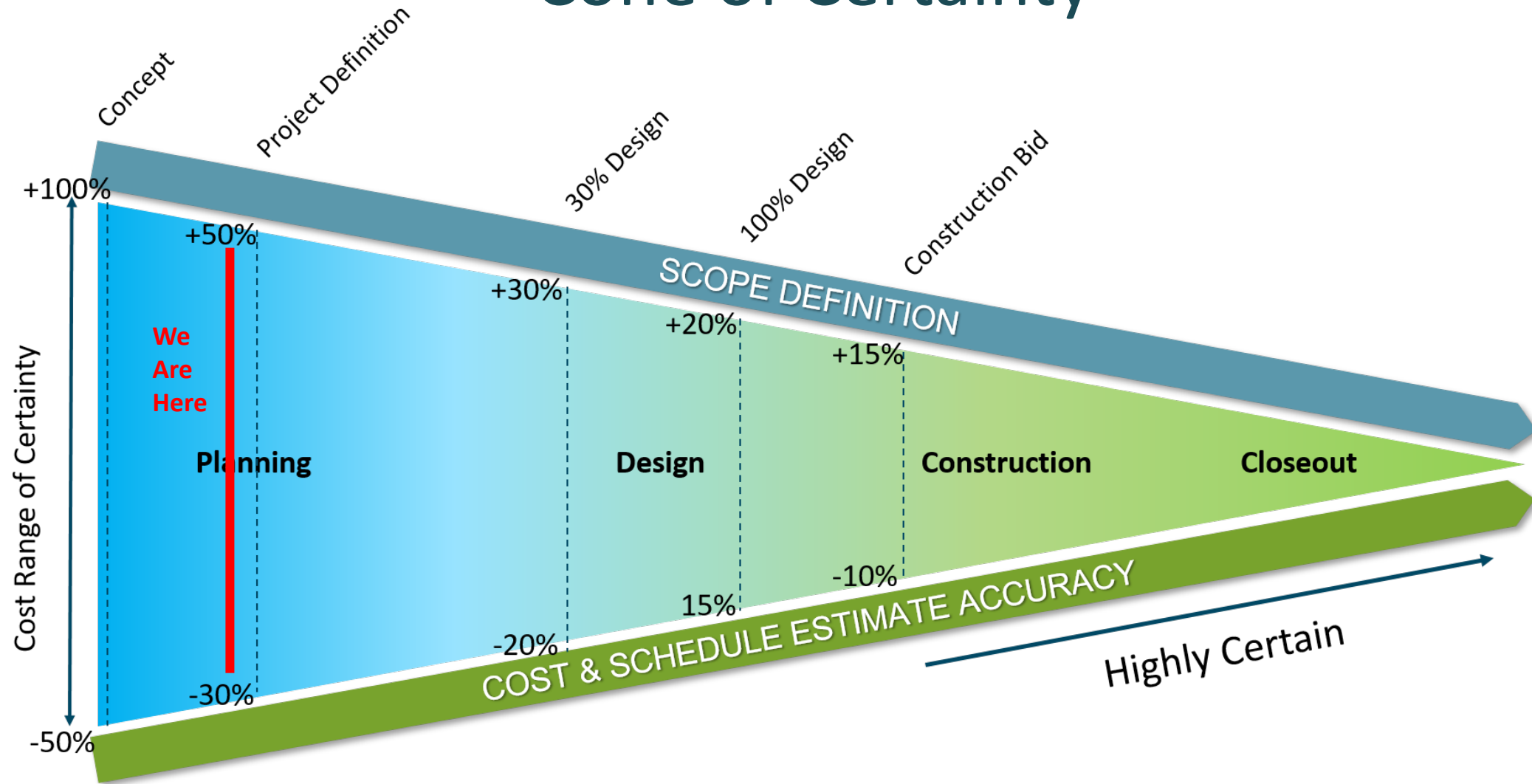
The project will remove decommissioned generators and install new distribution centers.

Schedule Overview



Delivery Method:
Design Build

Cone of Certainty



Action Requested

- Commission authorization for \$7,000,000 to complete 30% design of this project.

Questions?



**COMMISSION
AGENDA MEMORANDUM
BRIEFING ITEM**

Item No. 11 a
Date of Meeting May 26, 2026

DATE: May 14, 2026
TO: Stephen P. Metruck, Executive Director
FROM: Eric Schinfeld, Sr. Manager, Federal and International Government Relations
SUBJECT: SEA Childcare Center Feasibility Study Initial Briefing

EXECUTIVE SUMMARY

On February 11, 2025, the Port of Seattle Commission passed Order No. 2025-04, to direct the Executive Director to conduct a feasibility study for increasing childcare access that is accessible, affordable, and/or flexible for SEA workers and to establish the Childcare Navigator program for Seattle-Tacoma International Airport (SEA) workers.

On May 26, Port staff and consultants will provide an update on the progress of the first item – the SEA Childcare Center Feasibility Study. Since July 2025, the Port has been working with Executives Partnering to Invest in Children (EPIC), a consultancy based on Denver, Colorado that specializes in helping employers evaluate and implement childcare solutions. In particular, EPIC has expertise working with airports on this issue, having completed a similar feasibility study for Denver International Airport.

The May 26 briefing will provide an overview of the initial findings from the feasibility study – based on a substantial amount of work, ranging from site visits to other airports that have childcare facilities to interviews and surveys of potential childcare demand from SEA workers. The goal of the briefing will be to not only inform Commissioners about progress, but also to get feedback on any outstanding questions before the work is completed by September 2026.

BACKGROUND

One of the key drivers of the Port of Seattle’s success in operating Seattle-Tacoma International Airport (SEA) and meeting growing travel demand is the ability of the airport and its tenants to attract and retain a high-quality workforce. However, it is becoming increasingly clear that lack of affordable, accessible childcare is a growing barrier to those efforts. The location of the airport away from sufficient childcare facilities, the 24/7 nature of airport shift work, and the overall dearth of affordable, accessible childcare are all contributing factors to this challenge, and lead to increased risk that airport operations will be negatively impacted by lack of sufficient workforce.

To that end, Port of Seattle conducted a preliminary study in 2024 to further examine the how childcare access impacts the successful recruitment and retention of the airport workforce at Seattle-Tacoma International Airport (SEA); furthermore, it commissioned an analysis of various options that could potentially increase affordable, accessible, and flexible childcare for SEA workers as a way to support and strengthen SEA operations.

Meeting Date: May 26, 2026

The completed study contained recommendations for further investigation; in particular, two options identified in the report seem particularly promising:

- 1) The development of a Port Child Care Center, or set of centers, proximate to SEA that are created explicitly to serve the needs of airport workers; and
- 2) The provision of technical assistance that offers comprehensive, in-language support to help SEA workers navigate subsidy applications and find available childcare solutions that support continued employment at SEA.

In February 2025, the Port Commission directed the Executive Director to 1) conduct a feasibility study for a childcare facility that would increase accessible, affordable, flexible childcare services for SEA workers and to 2) establish a “childcare navigator” program at Seattle-Tacoma International Airport for airport workers.

In particular, the Commission directed the Childcare Center Feasibility Study to include the following data:

- Additional data collection and engagement with employers and employees at SEA to understand the impact of childcare on the successful recruitment and retention of airport workers;
- Operational models for how affordable, accessible, flexible childcare could be delivered to SEA employees, including potential partnerships with local jurisdictions and/or agreements with for-profit or non-profit childcare providers;
- Best practices from other airports offer childcare services to airport workers, including the creation of a list of local and national providers who can offer such services at SEA;
- Financial modeling that examines the costs of building a childcare facility on-site or off-site and/or bringing an existing building space up to licensing standards and code requirements;
- Funding opportunities available through federal, state, and local resources to both build and/or operate such a facility;
- Information about the physical requirements for childcare facilities in Washington state that would inform decisions about future siting at or near SEA; and
- Any additional data or analysis that provides necessary insights into the feasibility of siting and operating a childcare facility on-site at or near SEA, subject to Washington state requirements and federal restrictions on use of airport funds.

Port staff have worked with EPIC to fulfill this direction, and are at a point where initial findings are ready to be presented to the Commission for feedback and next steps.

ATTACHMENTS TO THIS PRESENTATION -

- (1) Presentation slides

Meeting Date: May 26, 2026

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

- **February 11, 2025** – The Commission approved Order No. 2025-04, to direct the Executive Director to conduct a feasibility study for increasing childcare access that is accessible, affordable, and/or flexible for SEA workers and to establish the Childcare Navigator program for Seattle-Tacoma International Airport (SEA) workers.
- **July 9, 2024** – SEA Childcare Services Evaluation Project briefing

Item No. 11a_supp
Meeting Date: May 26, 2026



Seattle-Tacoma International Airport Child Care Facility Feasibility Study

Agenda



- Approach to Evaluating Child Care Feasibility at SEA
- What Peer Airports Show is Possible
- What We Heard from SEA Employees and Employers
- Ongoing Affordability Model and Funding Approach
- Real Estate Site Options
- Next Steps

A Child Care Center at SEA is Feasible – With Significant Investment



Child Care Challenges Affect SEA Workforce and Operations

- Airport employees face **limited access to reliable, affordable child care**, especially for nonstandard hours
- Gaps **reduce workforce reliability and impact operations** across SEA (retention, recruitment, attendance, productivity)



Opportunity to Address Gaps With Child Care Center

- A dedicated center can **align care with airport workforce needs** (hours, location, affordability)
- This coordinated approach can **support employees while strengthening airport operations**
- Peer airports have **successfully implemented** similar models and **offer proven lessons** on what works



What Makes a Child Care Center Feasible

- Sustained **airport investment combined with a diverse mix of funding sources** can help ensure long-term sustainability
- Potential **partnerships also offer opportunities** to strengthen the center's financial viability

Work to Date Has Yielded Actionable Insights to Inform SEA's Path Forward

- ✓ Assessed the child care landscape around SEA, including provider capacity and affordability gaps
- ✓ Launched and analyzed an employee survey to identify workforce child care needs
- ✓ Benchmarked peer airport models (LAWA, PIT, PHX, SFO), including site visits to SFO and PIT
- ✓ Designed a test fit for STOC - a Port-owned office building across the street from SEA - as a potential site and started exploring additional locations for review
- ✓ Developed enrollment and sizing scenarios to inform financial and operational planning
- ✓ Engaged stakeholders across the ecosystem to validate needs and operating considerations

Together, these efforts are shaping key decisions on the feasibility and design of a child care center at SEA.

Agenda



- Approach to Evaluating Child Care Feasibility at SEA
- What Peer Airports Show is Possible
- What We Heard from SEA Employees and Employers
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Peer Airport Benchmarks Share Common Themes Around Enrollment and Funding

Airport	Capacity	# Badged Employees	Population Served	Capital Funding	Operational Funding	Tuition
Los Angeles (LAX) <i>Since 1998</i>	90	50K	<ul style="list-style-type: none"> LAWA and LAX employees (~30%) Community 	<ul style="list-style-type: none"> Owned land and constructed center (~\$4.3M) 	<ul style="list-style-type: none"> Free rent 	<ul style="list-style-type: none"> LAWA: 20% discount LAX: 10% discount Hoping to provide ~\$400 subsidy per employee
Phoenix (PHX) <i>Est. 2026/27</i>	~100 (estimated)	47K	<ul style="list-style-type: none"> Badged employees Community if spots remain 	<ul style="list-style-type: none"> ~\$3M for shell (airport revenue) ~\$3M for improvements (AARP funding) 	<ul style="list-style-type: none"> Rent starts in year 6 at ~\$10-11/sq. ft. Operator manages finances 	<ul style="list-style-type: none"> 10% discount
San Francisco (SFO) <i>Since 1993</i>	161	45K	<ul style="list-style-type: none"> Airport-based employees (~30%) San Mateo County (SMC) employees Community 	<ul style="list-style-type: none"> SFO acquired facility and donated to SMC via eminent domain 	<ul style="list-style-type: none"> \$7M over five years for subsidies, tuition offsets, meals, and extended hours 	<ul style="list-style-type: none"> Employees qualifying for public subsidies: Operator covers difference Employees not qualifying: Receive 10%+ discount depending on income
Pittsburgh (PIT) <i>Since 2023</i>	54	7K	<ul style="list-style-type: none"> All badged employees 	<ul style="list-style-type: none"> Owned land and Constructed center 	<ul style="list-style-type: none"> Free rent ~\$175K annual management fee 	<ul style="list-style-type: none"> 20% below market rate Accepts PA subsidy

SFO and PIT Visits Illustrated Different Approaches to Child Care Center Model



	SFO (Co-investment Model)	PIT (Airport-led Operator Model)
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Differences

Structure	Tri-party model between SFO, San Mateo County, and Palcare	Direct contract between PIT and La Petite Academy
Airport Investment	~\$1.4M annual investment	~\$175K annual management fee + free rent
Employee Cost Model	State subsidy + airport-funded sliding-scale subsidies and discounts	State subsidy + 20% below market rate tuition

Similarities

Both **use airport revenue** to invest in child care operations (PIT uses primarily non-aero revenue, SFO uses aero revenue).

Both **enroll (or are planning to enroll) community families** to fill remaining enrollment beyond their airport workforce.

Both **prioritize affordability of care to airport workforce** via state and federal subsidies and airport-funded discounts.

Agenda

- Approach to Evaluating Child Care Feasibility at SEA
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Employee Survey Highlighted Child Care Demand and Needs

Due to limited sample size, findings should be interpreted directionally.

Survey Participation

Of 740 survey respondents, **104 respondents (14%) reported having children under 5 or anticipating a child care need** over the next year.

Demand and Interest

Of the 104 respondents with a child care need, 53 respondents (51%) shared additional details on their child care needs and **indicated interest in enrolling 75 children overall.**

Affordability Needs

Nearly **40% of the 53 respondents report household incomes under \$61K**, and survey responses across income levels indicate **limited willingness to pay above ~\$1,500 per month** for full-time care.

Hours and Commute

Employees strongly **prefer extended-hour care** and are **sensitive to adding more than 10 minutes to their commute.**

Impact to Workforce

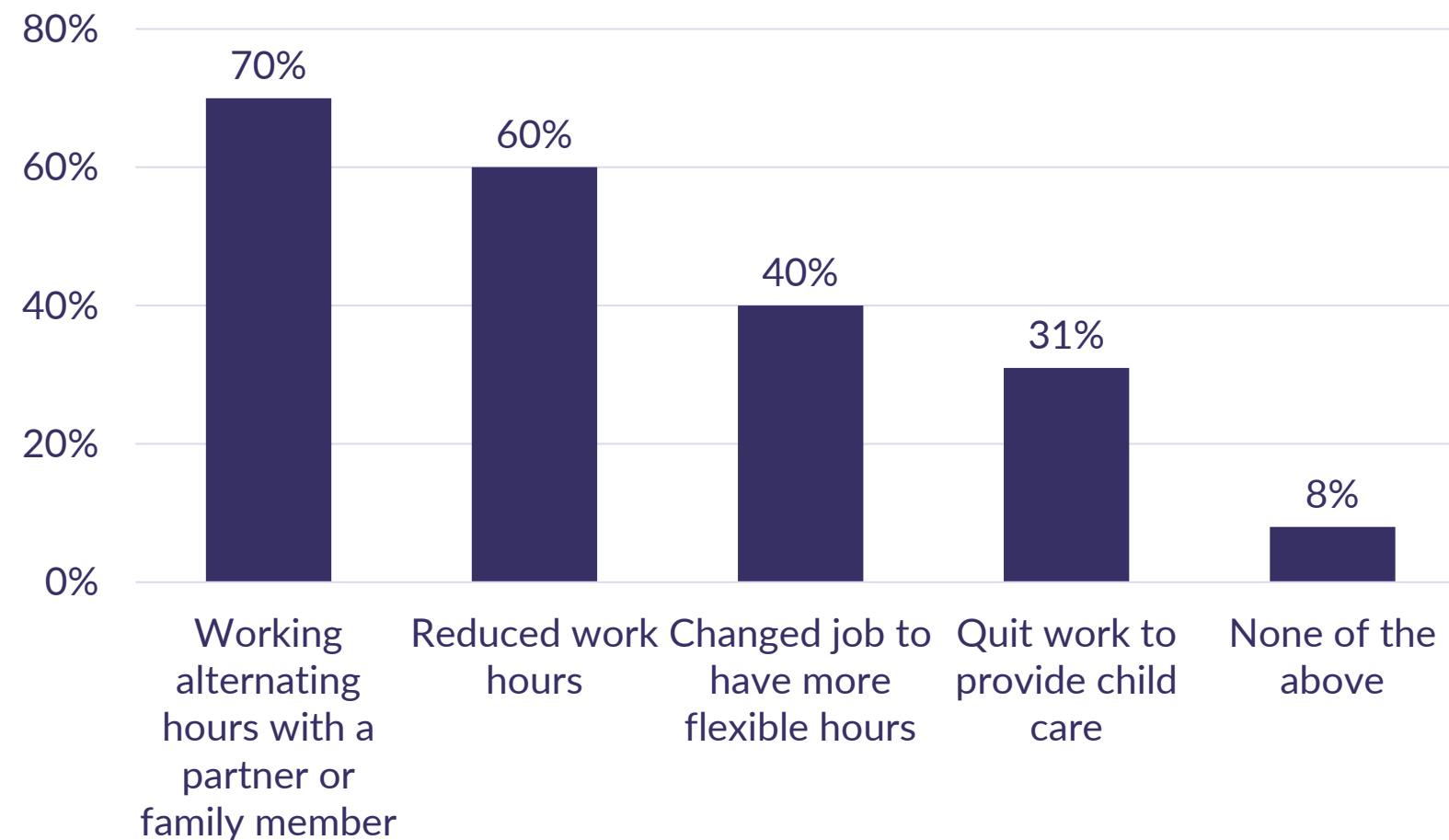
110 (15%) of the 740 respondents **reported having stress related to child care** cost and/or access.

Source: 2026 SEA Employee Survey (N=740)

SEA Employees Report Job Changes Due to Child Care Needs

Employees report changing or decreasing work hours and leaving their jobs due to child care issues

Percent of respondents who made changes to their employment due to child care challenges



Employees describe having to quit due to the accessibility and affordability burden of child care

*“Not having child care has put me in a position a lot of times to **decide if I should quit my job.** I’ve been in this airport for 20 years and this place has become my second home. I do not want to work anywhere else, and I hope that one day the PoS would invest in child care here at the airport.”*

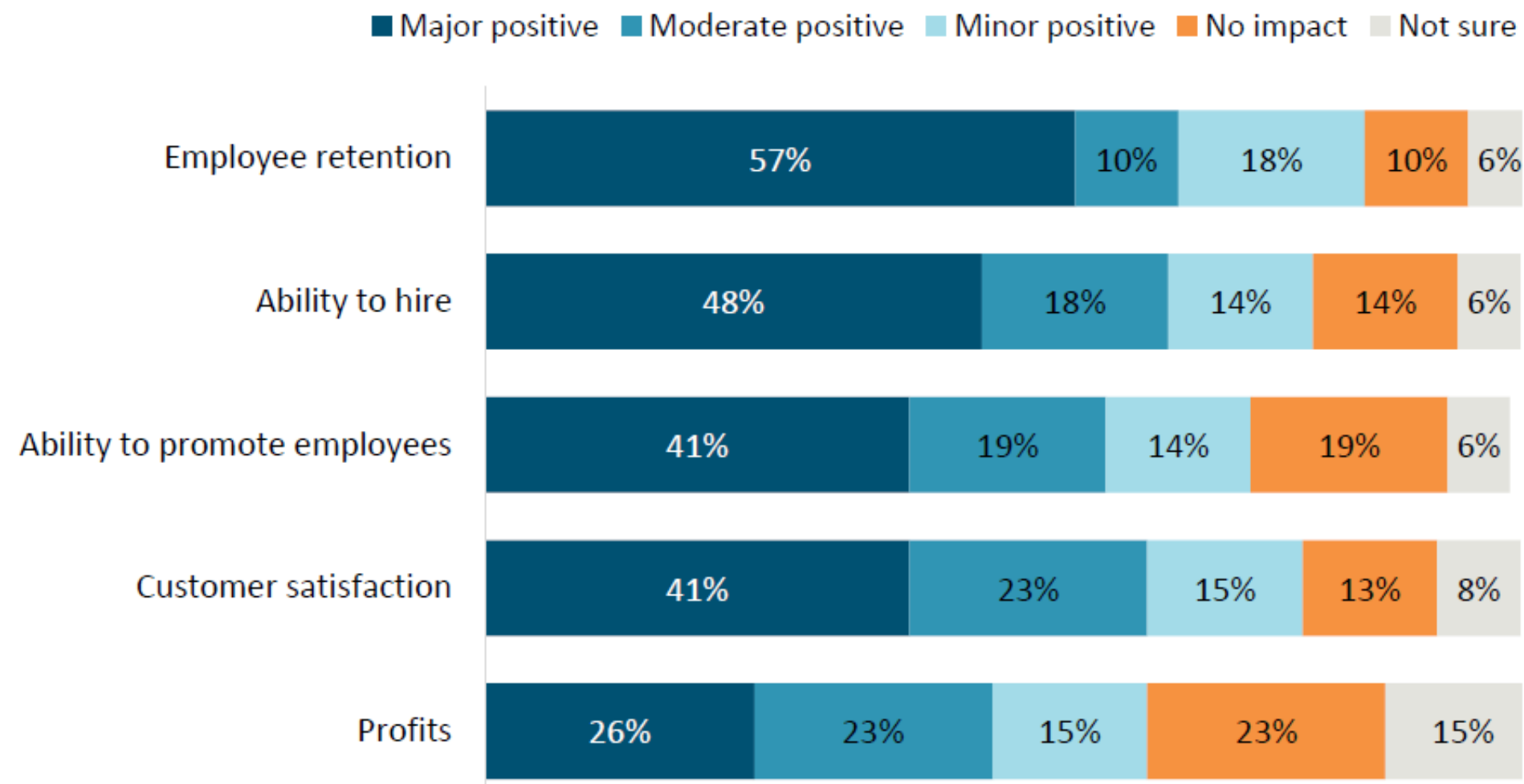
*“In the past my wife and I have **quit jobs due to the fact that we were paying so much in child care that it did not make sense for both of us to work anymore.**”*

Source: Port of Seattle 2023 Employee Survey (N=457)

SEA Employers Believe Child Care Would Have a Positive Business Impact

At least half of employers believe that removing child care barriers would have a major or moderate positive impact across all dimensions

Employers convey the positive effect child care at SEA would have on their business



Retention & Attendance

“If Port of Seattle runs a successful child care center, more people wouldn’t call out or quit their job.”

Recruitment & Productivity

*“Providing child care to current and prospective employees would be a HUGE benefit. This would **attract more employees and uplift the overall mood** of our staff.”*

Impact is strongest for retention and hiring, with positive effects across all areas – at least 64% of employers report a minor, moderate, or major positive impact.

Source: Port of Seattle 2024 Employer Survey (N=64)

Agenda



- Approach to Evaluating Child Care Feasibility at SEA
- What Peer Airports Show is Possible
- What We Heard from SEA Employees and Employers
- Ongoing Affordability Model and Funding Approach
- Real Estate Site Options
- Next Steps

Three Models Show Potential to Meet SEA Child Care Goals



Approach	<ul style="list-style-type: none"> Develop a child center and contract directly with an operator to deliver services to SEA employees 	<ul style="list-style-type: none"> Partner with other public entities to jointly develop and support a shared child care center 	<ul style="list-style-type: none"> Provide targeted financial support to an existing center in return for affordable and accessible care for employees
Key Benefits	<ul style="list-style-type: none"> Provides greater control over location, design, access, and alignment with airport workforce needs Ensures dedicated capacity for SEA employees 	<ul style="list-style-type: none"> Distributes cost and risk across partners while expanding access to multiple workforces 	<ul style="list-style-type: none"> Expands access with lower upfront investment and reduced financial exposure
Considerations	<ul style="list-style-type: none"> Requires significant upfront investment and ongoing financial risk 	<ul style="list-style-type: none"> Requires coordination across partners, which can slow decision-making Limits control over location, design, operations, and access 	<ul style="list-style-type: none"> Requires similar ongoing investment to a Port-led center Limits control over location, design, operations, access, and long-term performance Does not add new child care supply to the community

Working Model for Analysis of Port-Led Child Care Center

General Operating Model

- **Capacity & Size:** ~100-120 FTE children, ~8-15K sq. ft.
- **Ages Served:** 6 weeks to 5 years (infants, toddlers, and preschoolers)
- **Hours:** M-F from ~6:00am to ~9:00pm, with potential weekend and flexible hours based on demonstrated need
- **Location:** ~5-10-minute drive from North Employee Parking Lot (NEPL), prioritizing a site south of the airport and/or near a light rail station
- **Population served:** Airport employees and nearby community members

Program & Governance Structure

- **Day-to-day operations:** Partnering with an operator to run the center, potentially in collaboration with a municipality
- **Income-Based Tuition:** Optimize for affordability through public subsidies and income-based discounts on tuition
- **Access:** Full-time and part-time care, with the potential for limited drop-in/backup care
- **Equity priorities:** Provide multilingual, culturally-responsive care for families and include meals to reduce participation barriers

Affordable Tuition Would Not Cover Full Cost for a Port-Led Child Care Center



	Annual Cost per Child to Provide Care	Market Rate Tuition <i>(community families not receiving public subsidies)</i>	Affordable Tuition <i>(airport employees with 85-105% SMI*)</i>
<i>Infant (6 wk - 11 mo)</i>	\$47,500	\$26,500	\$17,000
<i>Toddler (12 - 29 mo)</i>	\$32,500	\$24,000	\$15,500
<i>Preschool (30 mo - 5 yrs)</i>	\$29,000	\$20,500	\$13,000

(*) SMI = State Median Income
 Notes: Table reflects full market rate for community families. Financial model assumes ~50/50 enrollment split between airport and community families. The center will also accept WCCC- and BSK-eligible community families whose tuition will vary by subsidy type and income band.

Diverse Funding Sources Can Help Sustain a Port-Led Child Care Center

Ongoing Operating Investments

Recurring contributions

- **Federal** food subsidies (CACFP)
- **Airport** operating support and/or rent relief
- **Philanthropic** operating support (e.g., reserves, endowment contributions)
- Operating contributions from **potential partners** (e.g., operating support, rent relief)

Capital Funding Sources

One-time, upfront investments

- **State and federal** earmarked funding
- **Department of Child, Youth, and Families** (DCYF) grants
- **Philanthropic** start-up grants and donations
- **Airport capital investment** (e.g., for real estate or tenant improvement (TI))
- Capital contributions from **potential partners** (e.g., for real estate or TI)

These sources are intended to close the gap between tuition revenue and the true cost of care.

Year 5/Ongoing Profit and Loss Estimate for Port-Led Child Care Center



Revenue		Notes
Enrollment-based revenue (private pay)	\$1,243,000	Tuition similar to others in area (~\$20,500-\$26,500) and projected enrollment includes vacancy of 5-15%.
Enrollment-based revenue (subsidies)	\$1,241,000	Assumes ~50% of children are subsidy-qualified and ~20% of kids attend 30+ nonstandard business hours/month. Includes annual average family copay of ~\$1,500/child.
CACFP funding (meals)	\$73,000	Food assistance based on number of toddlers and preschoolers receiving meals.
Additional investment for affordability and priority registration for airport families	\$822,000*	Necessary operational investment to ensure long-term sustainability could be addressed through different funding strategies, including through the operator.
Total Revenue	\$3,379,000	
Expenses		
Staffing	\$2,471,000	Based on licensing needs and market rate wages and benefits.
Rent	\$360,000	Assumes an 11,000 sq. ft. facility at market rent.
Facility Costs (excl. rent)	\$142,000	Includes utilities, insurance, maintenance and repairs, etc.
Food	\$222,000	Cost of food for toddlers and preschoolers.
Supplies and Equipment	\$50,000	Includes classroom supplies & equipment, office supplies, etc.
Business Costs	\$134,000	Includes insurance, administrative infrastructure, background checks, staff PD, community events, etc.
Total Expenses	\$3,379,000	
Net Profit	\$0	Breakeven due to additional investment line item.

*\$462K in direct cash outlay if rent provided in-kind

Agenda

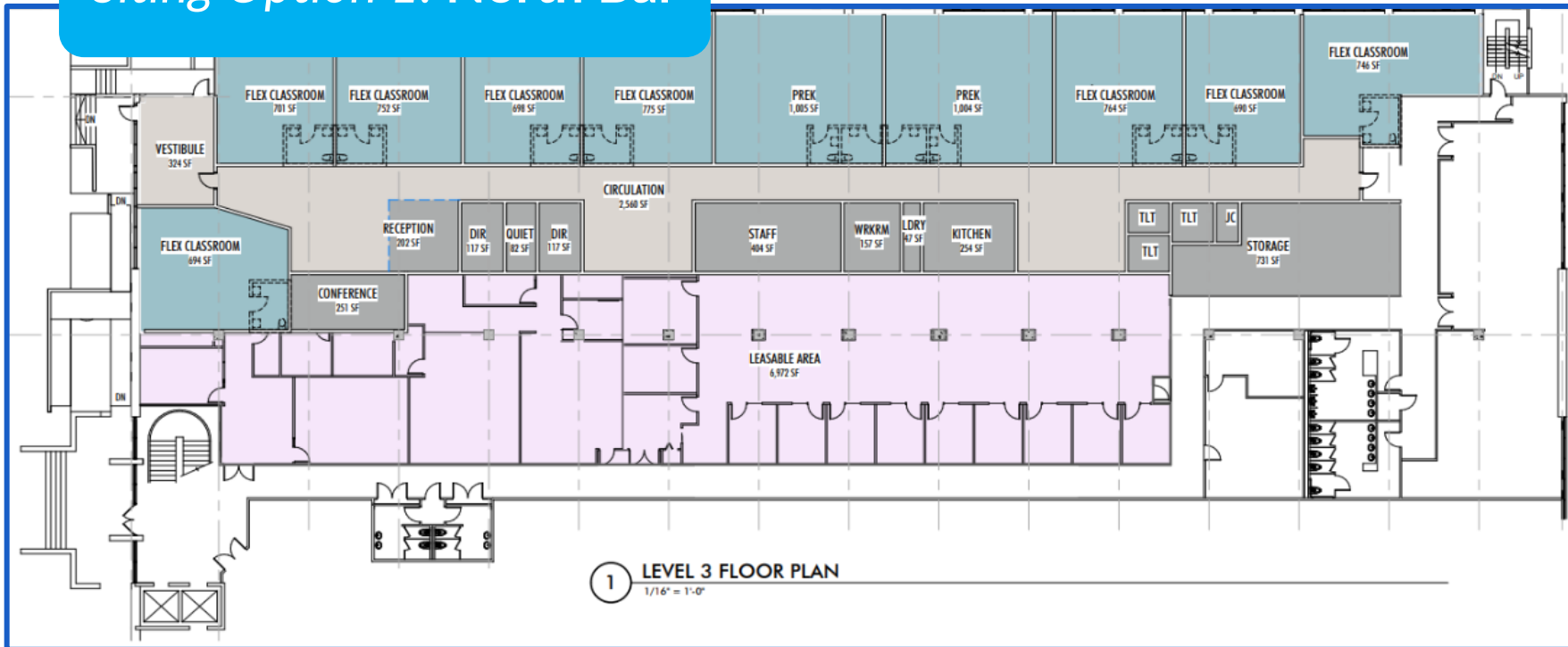


- Approach to Evaluating Child Care Feasibility at SEA
- What Peer Airports Show is Possible
- What We Heard from SEA Employees and Employers
- Ongoing Affordability Model and Funding Approach
- Real Estate Site Options
- Next Steps

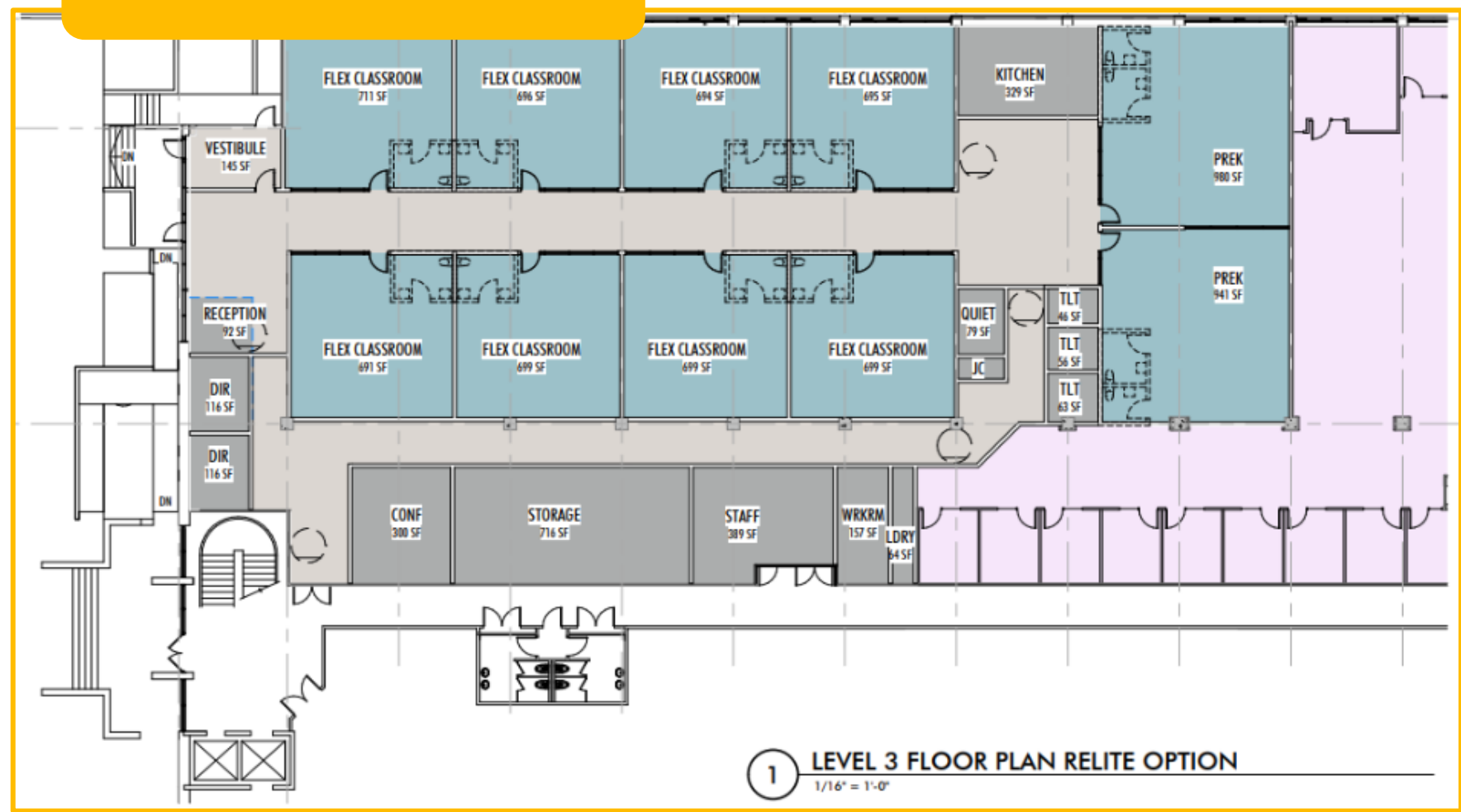
STOC Is the Closest but Potentially the Most Expensive Siting Option

Build-out cost per model is ~\$15M

Siting Option 1: North Bar



Siting Option 2: Relite



Additional, likely less expensive site options will be evaluated at non-Port owned facilities.

Agenda

- Approach to Evaluating Child Care Feasibility at SEA
- What Peer Airports Show is Possible
- What We Heard from SEA Employees and Employers
- Ongoing Affordability Model and Funding Approach
- Real Estate Site Options
- Next Steps

SEA Visit Will Advance Feasibility Planning, Design, and Next Steps

On May 26 and 27 we will present to the Commission, conduct focus groups, and evaluate additional site opportunities.



Commission Meeting

Align on the strategic path forward for ongoing feasibility analysis

- Share **initial feasibility findings** and next steps
- Gather **commissioner feedback** on priorities and direction



Focus Groups

Refine the working model based on employee voice and demand

- Engage SEA employees to validate survey findings and **center assumptions**
- Understand **employee priorities** related to affordability, hours, location, and enrollment



Additional Site Visits

Identify viable site options that balance feasibility and accessibility

- Assess sites that may **reduce development complexity** and capital investment
- Evaluate how sites support **employee access and enrollment demand**

Questions?



**COMMISSION
AGENDA MEMORANDUM**

Item No. 11b

BRIEFING ITEM

Date of Meeting May 26, 2026

DATE: May 8, 2026

TO: Stephen P. Metruck, Executive Director

FROM: Sarah Cox, Director, Aviation Environment and Sustainability
Steve Rybolt, Senior Environmental Program Manager, Aviation Environment and Sustainability

SUBJECT: Sustainable Airport Master Plan Near-Term Projects Environmental Review – SEPA Draft Environmental Impact Statement and Public Comment Period

EXECUTIVE SUMMARY

This briefing will provide an overview of the State Environmental Policy Act (SEPA) Draft Environmental Impact Statement (DEIS) findings for the SAMP NTPs that will be published on May 22, 2026. This will include a summary of the rigorous and thorough analysis that was completed for the sixteen SEPA elements of the environment categories that are required to be evaluated by the Port’s SEPA Policy (Commission Resolution No. 3650) and State of Washington’s SEPA provisions (Washington Administrative Code [WAC] 197-11). It will also provide an overview of the outreach and engagement plan for the 60-day public comment period that will occur between May 22, 2026, to July 21, 2026. It is anticipated that SEPA will be completed by the end of 2026.

DETAILS

The Port of Seattle has completed the SEPA DEIS of the SAMP NTPs. The SEPA DEIS built upon the rigorous Environmental Assessment (EA) that was completed by the Federal Aviation Administration (FAA) under the National Environmental Policy Act (NEPA). The purpose of SEPA and this DEIS is to assess if the NTPs have the potential to result in impacts to sixteen different SEPA element of the environment resource categories. When impacts were identified, the analysis evaluates the extent of those impacts, and if required, identified ways to reduce, avoid, or mitigate them. The following SEPA elements of the environment categories were evaluated:

Meeting Date: May 26, 2026

- Air Quality
- Plants and Animals
- Climate
- Recreation
- Hazardous Materials, Solid Waste, and Spill Prevention
- Historical Architectural, Archeological, and Cultural Resources
- Land and Shoreline Use
- Energy and Natural Resources
- Noise
- Socioeconomics and Environmental Justice
- Surface Transportation
- Aesthetics, Light, and Glare
- Water Resources
- Public Services and Utilities
- Earth
- Housing

The DEIS identified that surface transportation had significant impacts, but these impacts can be mitigated. There were other impacts identified, however these impacts did not exceed regulatory or human health standards and do not require any additional action. For many of these categories, the Port has incorporated minimization measures that currently minimize and will further reduce impacts into the future. For example, if these projects move forward there will be increases in air emissions that do not exceed the National Ambient Air Quality Standards (i.e., standards that meet human health requirements). The Port has many programs to minimize air emissions at SEA such as providing pre-conditioned air to aircrafts or implementing efficiencies to the central mechanical plant, both of which minimize fossil fuel use.

There will be four public meetings in the cities of SeaTac, Burien, Des Moines, and Federal Way on June 22, 23, 25, and 27, as well as two virtual public meetings. These meetings will allow agencies and the public to speak with subject matter experts and submit comments. Agencies and the public will also have the option to provide comments during the 60-day public comment period by email, the project website (sea-samp.com), and by mail.

The Port will provide a thorough and broad outreach that will include, and is not limited to, local, BIPOC (Black, Indigenous, and People of Color), and underrepresented communities. This includes using variety of media outlets, information on the project website, community meetings, and translating materials into multiple languages.

Once the public comment period closes, the Port will review and respond to comments received and these comments will be considered within SEPA Final Environmental Impact Statement (FEIS). It is expected that the SEPA FEIS will be published in in late 2026.

SCHEDULE

Quarter 2 2026	SEPA Draft EIS released for public comment (5/22) + comment period (60 days: 5/22 – 7/21)
Quarter 4 2026	SEPA EIS Final Document & Determination (Port issues decision document) + 21-day appeal period

Meeting Date: May 26, 2026

ATTACHMENTS TO THIS BRIEFING

- (1) Presentation slides

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

- March 24, 2026 – Commission Action: “Sustainable Airport Master Plan (SAMP) Near-Term Projects Environmental Review – Additional Contract Authorization”
- October 22, 2025 – Commission Briefing: “Sustainable Airport Master Plan Near-Term Projects Environmental Review - Draft NEPA Environmental Assessment Findings and Public Comment Period”
- June 27, 2023 – Commission Action: “Sustainable Airport Master Plan (SAMP) Near-Term Projects Environmental Review – Update and Budget Increase”
- February 25, 2020 – Commission Action: “Sustainable Airport Master Plan (SAMP) Near-Term Projects (NTP) Environmental Review Briefing and Request for Additional Funds”
- January 28, 2020 – Commission Briefing: “Sustainable Airport Master Plan (SAMP) Near-Term Projects (NTP) Environmental Review Briefing – Forecast and Schedule Update”
- February 26, 2019 – Commission Briefing: “Sustainable Airport Master Plan (SAMP) Near-Term Projects (NTP) Environmental Review Briefing – Scoping Report”
- May 8, 2018 – Commission Briefing: “Sustainable Airport Master Plan (SAMP) Planning and Environmental Update”
- February 13, 2018 - Commission Briefing: "Sustainable Airport Master Plan (SAMP) Planning Update"

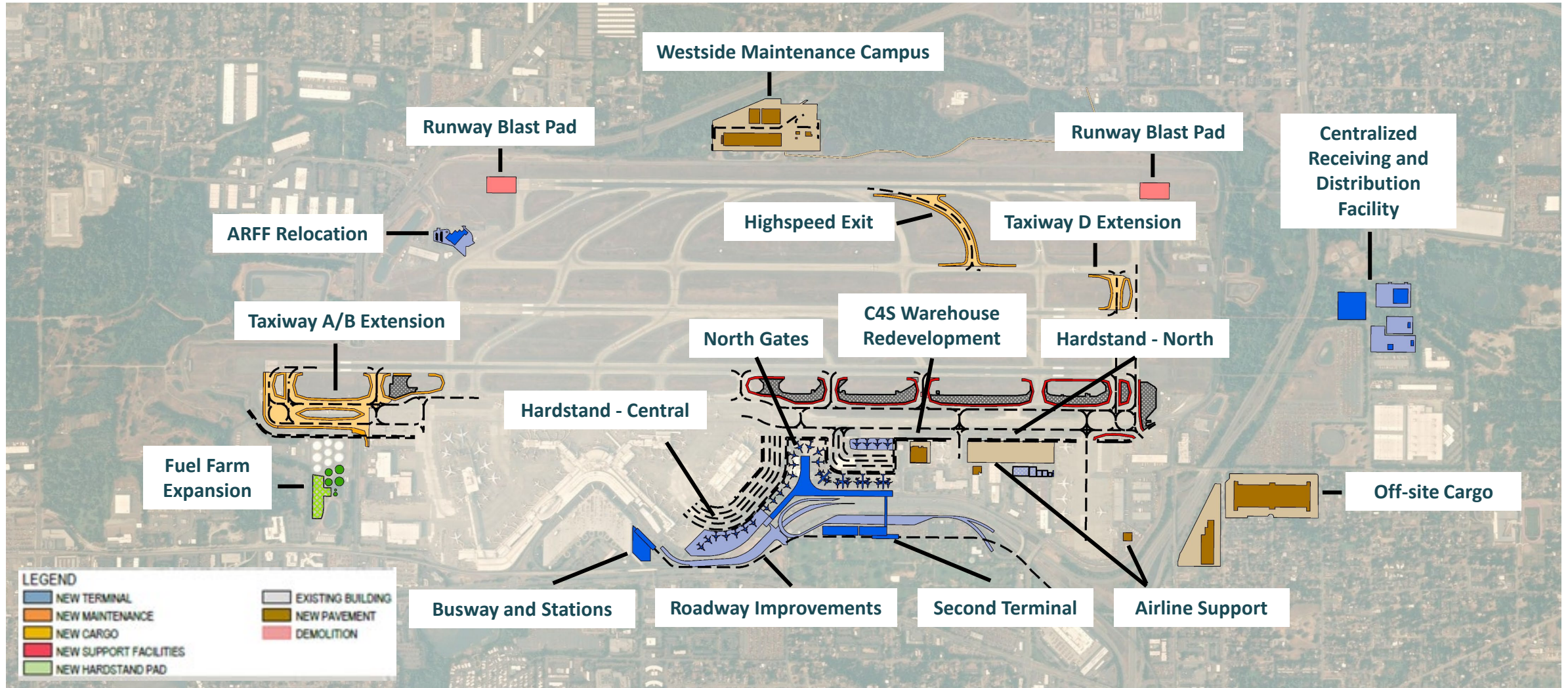
Sustainable Airport Master Plan Near-Term Projects

State Environmental Policy Act
Draft Environmental Impact Statement and Next Steps

AGENDA

- **Near-Term Projects (NTP)**
- **National Environmental Policy Act (NEPA)**
 - Final Environmental Assessment
 - FAA Finding of No Significant Impact and Record of Decision
- **State Environmental Policy Act (SEPA)**
 - What is required
 - Draft SEPA Environmental Impact Statement (EIS)
- **Next Steps**
- **Outreach and Engagement**

SAMP Near-Term Projects



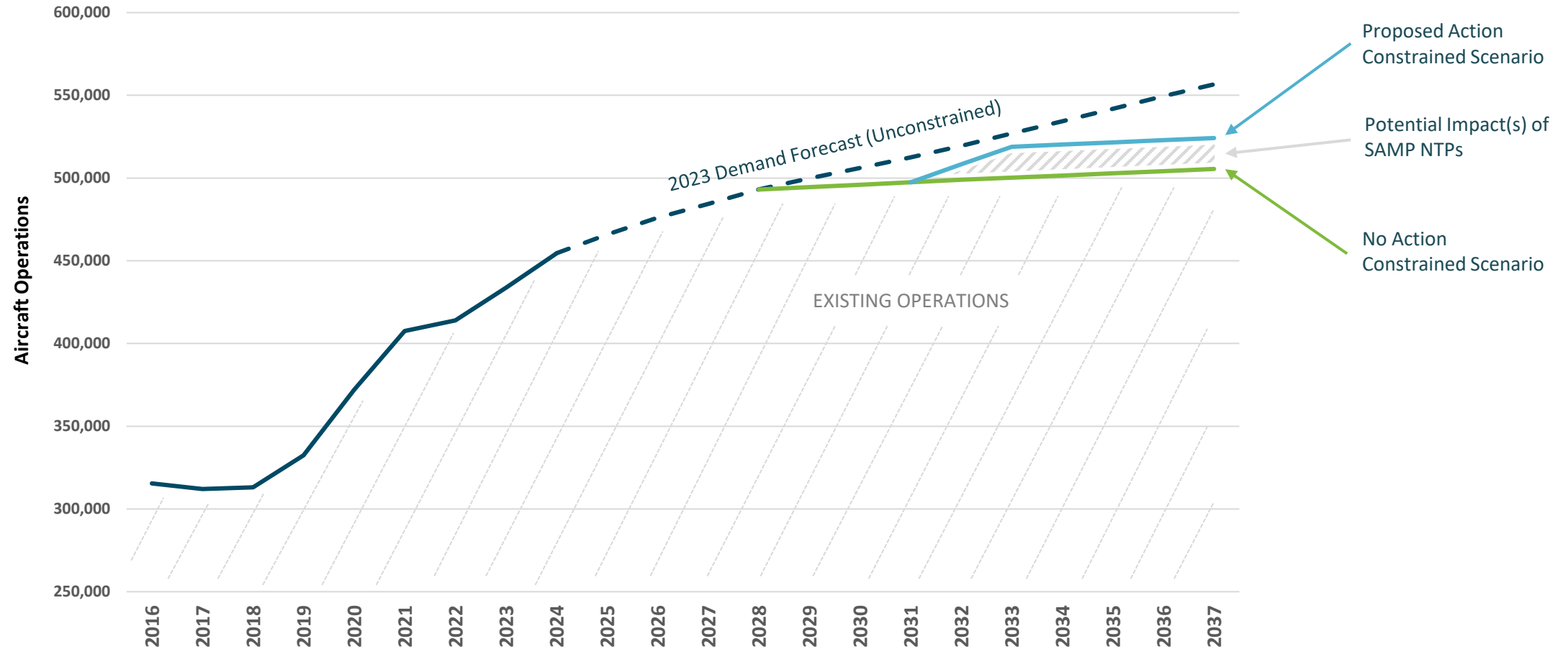
Purpose of Environmental Reviews

Purpose. To assess the potential environmental impacts of a proposed project (e.g., SAMP NTPs) before it is undertaken and inform decision makers.

Process. Assess how proposed projects may impact the environment in a variety of categories as determined by the federal government (NEPA) and the state government (SEPA).

Impacts. If impacts are identified, the analysis evaluates the extent of those impacts, and if required, identifies ways to reduce or avoid them.

How Environmental Review Impacts are Analyzed



Port Policies & Programs Minimize Impacts

SAMP Near-Term Projects

The NTPs are being analyzed under regulatory frameworks to identify potential environmental impacts and mitigate for any significant impact.

Port Policies and Programs

SEA has many voluntary programs in place to reduce its overall impacts on the community that do not require an environmental evaluation to enact. These include:

- Emissions reductions
- Noise management and sound insulation
- Community capacity building and South King and Port Community Fund grants
- Workforce development
- Sustainability features

Environmental Review Leads

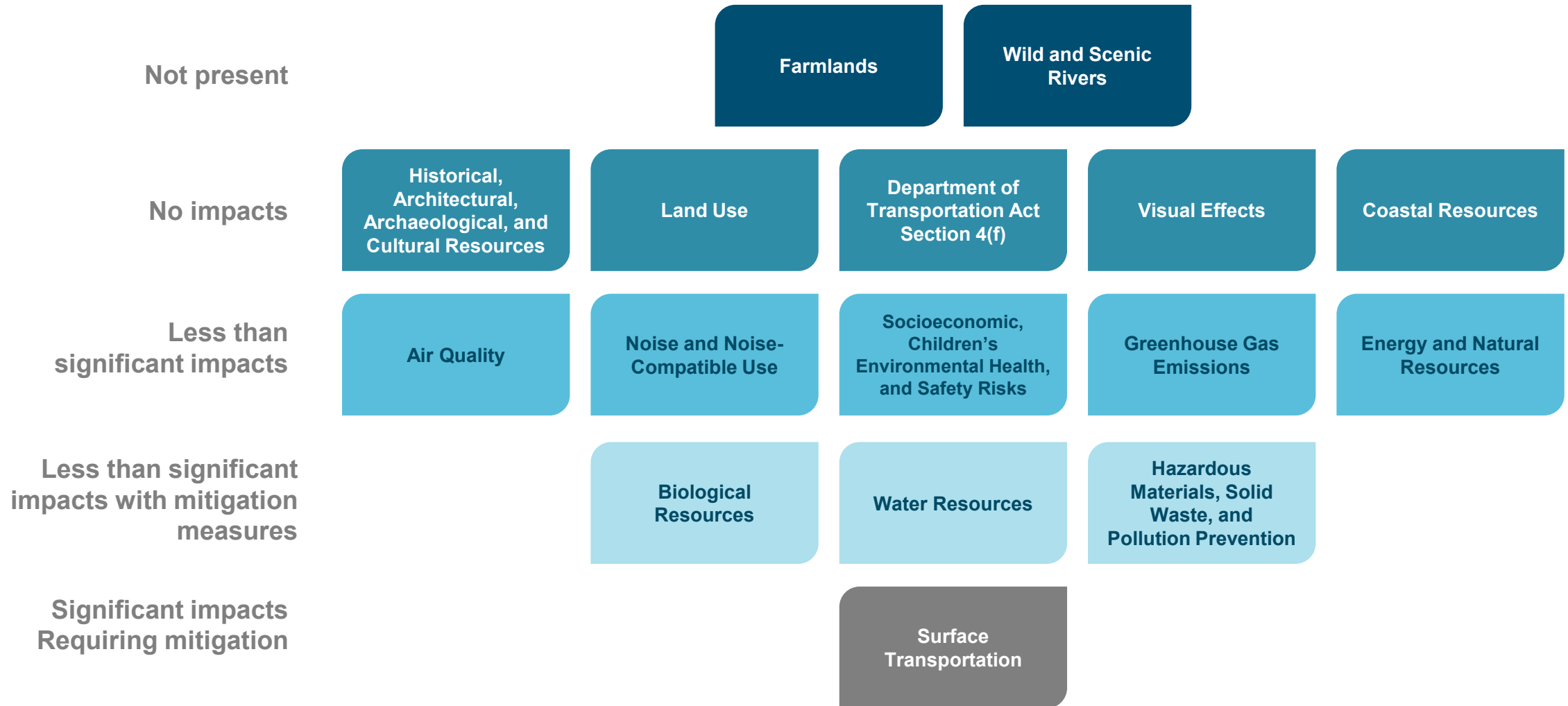
National Environmental Policy Act (NEPA)

- Lead Agency: Federal Aviation Administration (FAA)
- Sponsor: Port of Seattle/SEA
- Document: Environmental Assessment (EA)

State Environmental Policy Act (SEPA)

- Lead Agency: Port of Seattle
- Responsible Official: Port's Director of Aviation Environment & Sustainability
- Document: Environmental Impact Statement (EIS)

FINAL NEPA Environmental Assessment



Conditions in the FAA Record of Decision

18 conditions were identified that must be adhered to in the following resource categories:

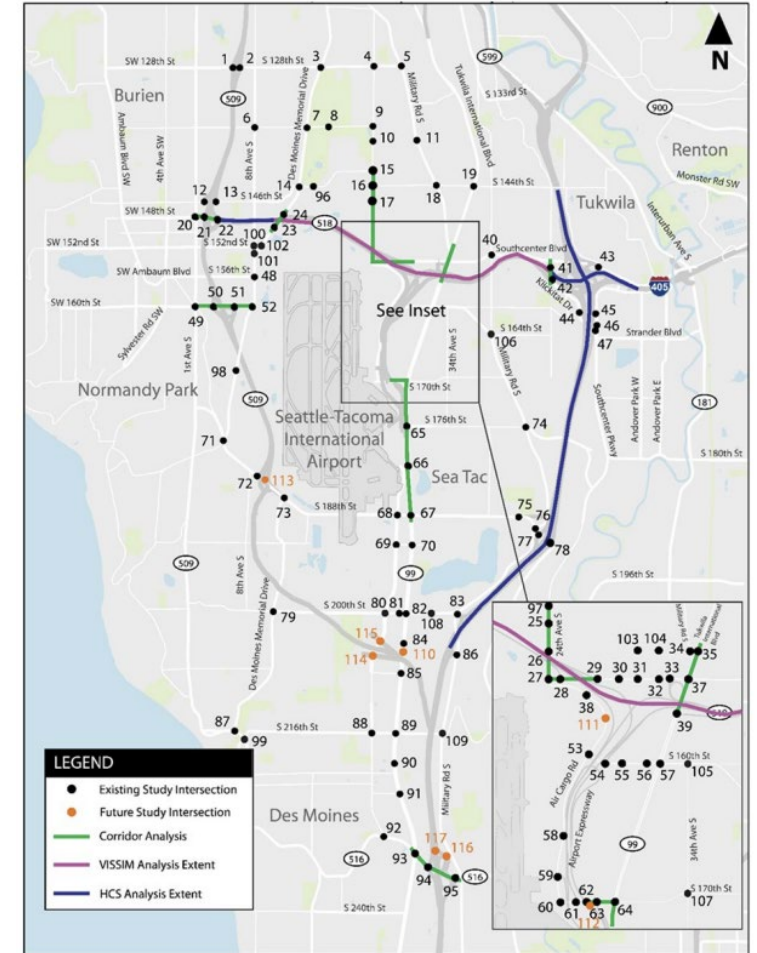
- Surface Transportation
- Historical, Architectural, Archeological and Cultural Resources
- Biological Resources
- Water Resources
- Hazardous Materials, Pollution Prevention, and Solid Waste

Surface Transportation Mitigation

Mitigation identified for Category 1 and 2 intersections according to each jurisdiction's requirements by 2032.

- 10 Category #1 Intersections
 - Physical improvements
- 16 Category #2 Intersections
 - Physical improvements, payment (proportionate), or improvements planned

Cost: ~\$40M in transportation improvements



Additional Analyses and Requirements in SEPA

SEPA technical analyses was conducted to complement the rigor of the NEPA EA

Additional *required* analyses:

- GHGs and Climate, Earth, Transportation, Housing, Plants, Animals, and Cumulative Impacts

Additional *voluntary* analyses:

- Air Quality, Noise, Human Health, and Environmental Justice

Addressing Impacts

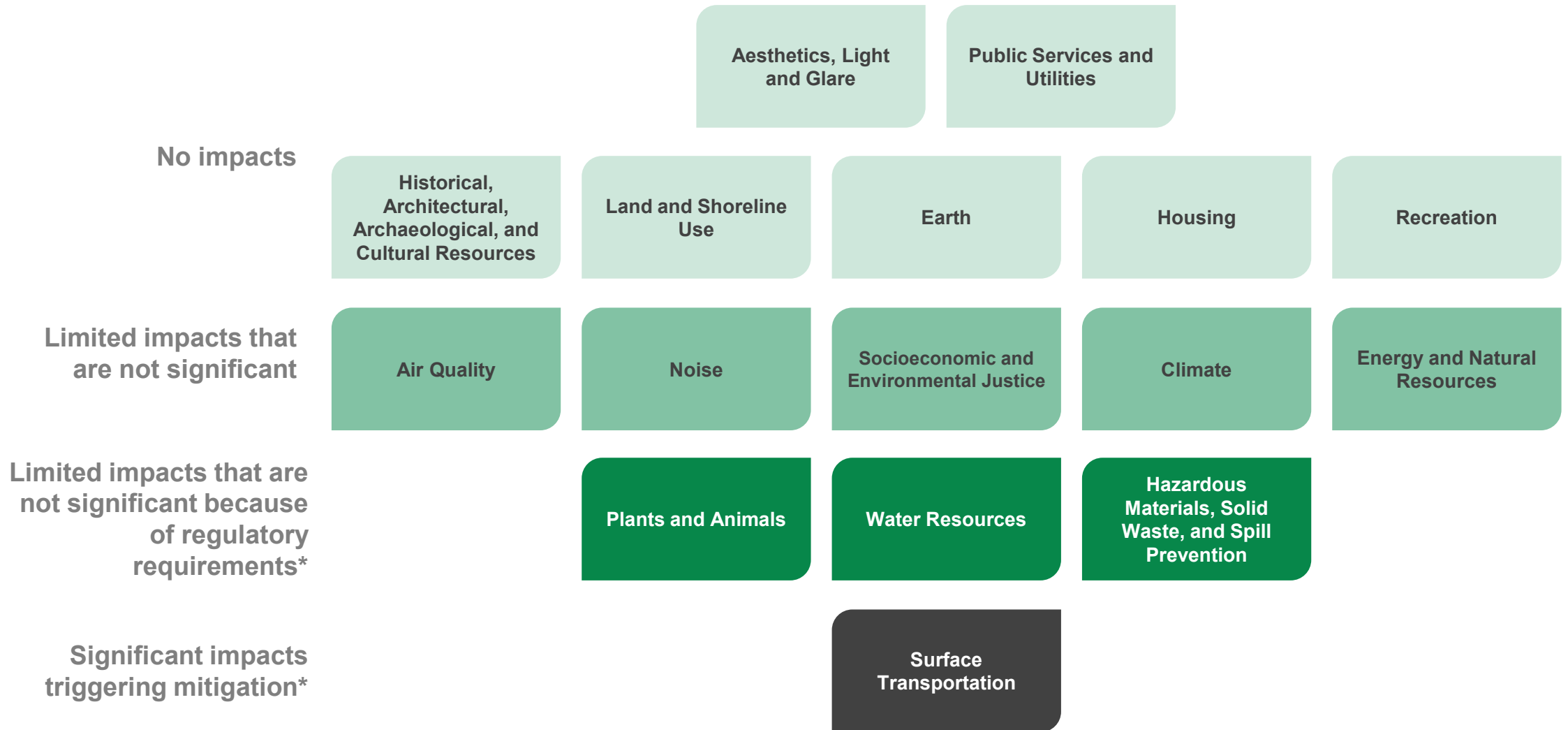
Mitigation. Triggered when impacts exceed significance thresholds

- Example: Surface Transportation and level of service improvements

Minimization Measures. Existing SEA programs (regulatory and voluntary) intended to reduce impacts now and in the future.

- Examples: Air quality and emission reduction programs, stormwater Best Management Practices (BMPs), Sustainable Evaluation Framework, and the Land Stewardship Plan.

Draft SEPA Environmental Impact Statement

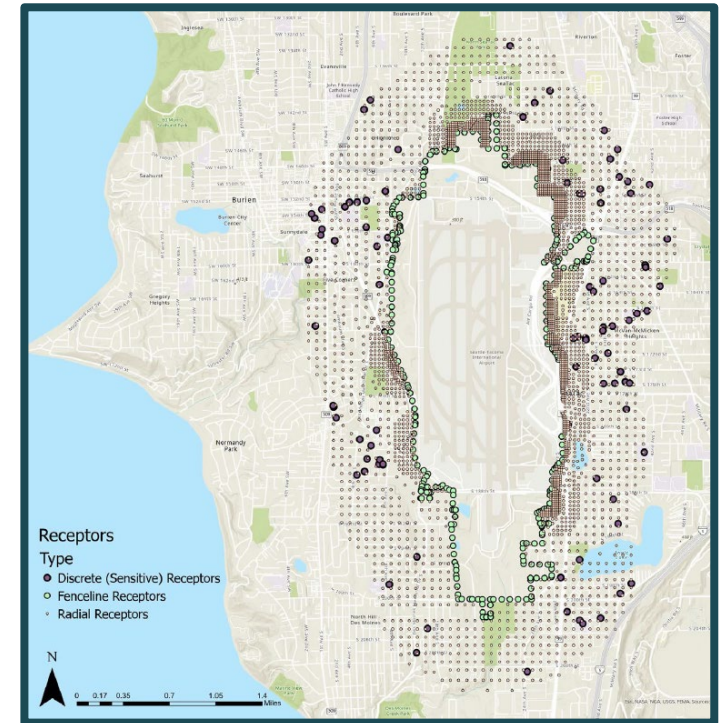


*Mitigation identified in the NEPA EA was carried forward into the DRAFT SEPA EIS

Air Quality Updates

Methodology. Updated NEPA emissions inventories. Conducted additional analysis in SEPA. Both include construction and operations.

Findings. Temporary construction-related emissions during the buildout period and small, long-term increases in operational emissions. Consistent with magnitude of change in NEPA EA. Limited impacts.



Air Quality and Human Health Updates

Methodology. Conducted a Human Health Risk Assessment focused on toxic air pollutant exposure and cancer risks

Findings. Emissions would not exceed health-based air quality standards



Air Quality Impact Reductions

Construction

- Implement Best Management Practices (BMPs) that include required maintenance and repair of equipment, minimizing idling, and equipment specifications

Operations

- Pre-conditioned air (PC Air), ground power, electric ground support equipment (eGSE), renewable natural gas, alternative fuel fleet/airside vehicles, and public alternative transportation strategies

Particulate Matter and Human Health Updates

What Was Done

- Literature review on recent research and gaps in potential health effects from exposure to ultrafine and ultra-ultrafine particulate matter

Findings

- The current state of the science does not support independent causal ultrafine particulate effects to human health
- Lack of broad-scale, multi-year epidemiological studies on aviation emissions

Climate Updates

Methodology: Adhere to Commission Resolution No. 3650. Conducted a new and enhance analysis in SEPA to calculate GHG emissions and assess risk to facilities

Findings: Modest increase in emissions (2032: 2.1% and 2037: 7.7%). No large-scale risks to Port facilities identified.

Climate Impact Reductions

Construction

- Implement Best Management Practices (BMPs) that include required maintenance and repair of equipment, minimizing idling, and equipment specifications

Operations

- Pre-conditioned air (PC Air), ground power, electric ground support equipment (eGSE), renewable natural gas, alternative fuel fleet/airside vehicles, and public alternative transportation strategies

Noise and Human Health Updates

What Was Done

- Literature review on recent research on potential health effects from exposure to aviation noise

Findings

- Aircraft noise exposure can have effects on levels of annoyance and sleep disturbance (no regulatory standard)
- Lack of broad-scale aviation-focused studies to understand health effects of aviation noise

Noise Impact Reductions

Construction

- Adherence to Port's Construction General Requirements, State of Washington, and City of SeaTac BMP requirements

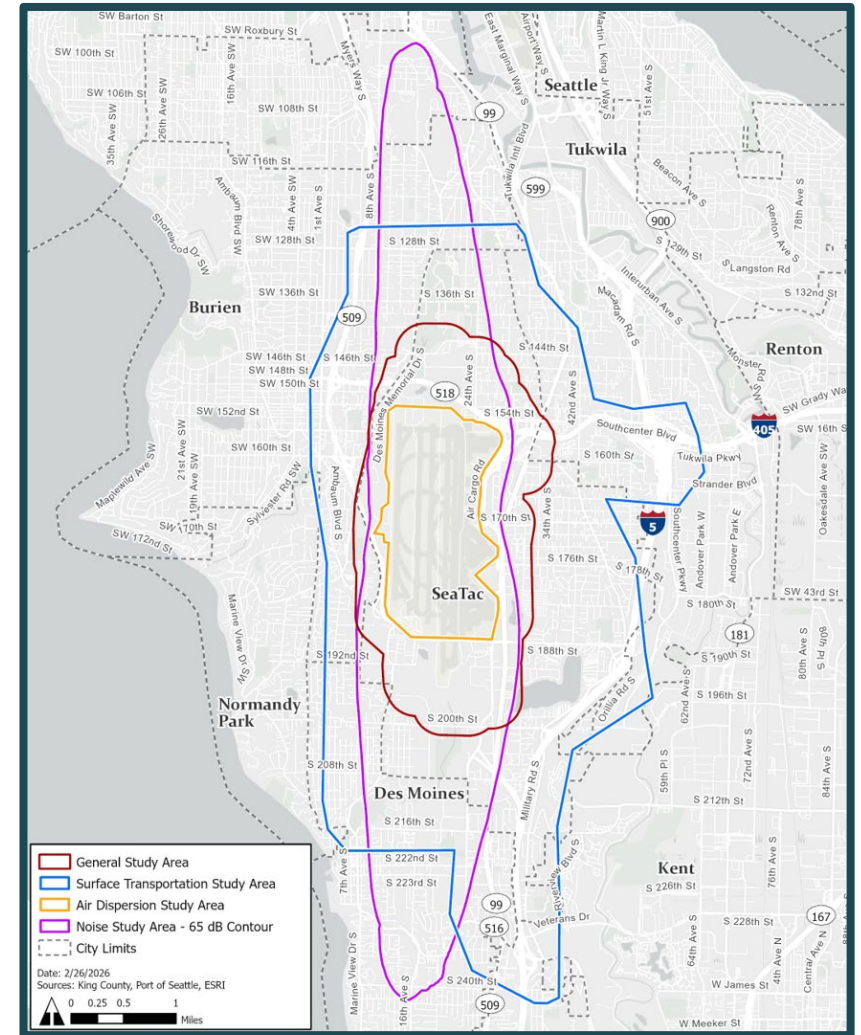
Operations

- Fly Quiet Incentive Program, Late Night Noise Limitation Program, restrictive Aircraft Engine Runups, and Part 150 programs (past and present)

Environmental Justice Updates

Methodology. WADOH's Environmental Health Disparities Map and Port's Equity Index

Findings. The SAMP NTPs would not substantially contribute to any of the factors or indicators analyzed. No significant adverse impacts to environmental justice communities.



Environmental Justice Impact Reductions

Mitigation and other impact reduction measures identified in all SEPA Elements of the Environment, including air quality, plants and animals, surface transportation, socioeconomics, noise, hazardous materials, and water resources would minimize impacts to environmental justice communities

Cumulative Impacts

Methodology: Consider direct and indirect impacts of past, present, and reasonably foreseeable future projects in conjunction with the SAMP NTPs.

Findings: The SAMP NTPs, when combined with past, present, and reasonably foreseeable future projects, would not result in significant cumulative environmental impacts.

Next Steps



Agency and Public Comment Period

30-day Public Notice

- April 22

Public comment period

- May 22 – July 21 (60 days)

Public Meetings

- June 22; 6:00PM – 8:00PM (SeaTac)
- June 23; 6:00PM – 8:00PM (Des Moines)
- June 25; 6:00PM – 8:00PM (Federal Way)
- June 27; 10:00AM – Noon (Burien)

Outreach and Engagement

- **Use plain, accessible language when communicating**
- **Communicate via multiple tools to reach various audiences**
 - Website, email updates, presenting at community meetings, and in-person and virtual meetings
- **Remove barriers to participation**
 - Translation tools online and printed materials in ten languages
- **Partner with community leaders**
 - Briefings at community meetings, present to area cities, and partner with community-based organizations

Outreach and Engagement

Public Meetings: Four in-person public meetings

Virtual Meetings: Virtual meetings with translation capabilities

Media: Social media, press releases, and existing Port email newsletters about the 30-Day Notice, Publication, and the official comment process

Online Resources: SAMP- and SEPA-specific website

Take Aways

- Substantial **new technical analyses** for air quality, noise, human health, and environmental justice
- **No new significant impacts** identified in the DRAFT SEPA EIS
- **DRAFT SEPA EIS** will be **published May 22**
 - Public comment period May 22 to July 21 (60 days)

Questions?





**COMMISSION
AGENDA MEMORANDUM**

Item No. 11c

BRIEFING ITEM

Date of Meeting May 26, 2026

DATE: May 26, 2026
TO: Stephen P. Metruck, Executive Director
FROM: A. Bounjaktha, Managing Director, Economic Development Division
Mian Rice, Director, Diversity in Contracting
SUBJECT: Diversity in Contracting 2025 Annual Report

EXECUTIVE SUMMARY

The Diversity in Contracting Annual Report to the Commission provides the Port’s division/department 2025 Women and Minority Business Enterprise (WMBE) results from administering affirmative efforts to assure equality of contracting opportunities. 2025 was the seventh full year of Diversity in Contracting program operations in which Port divisions and departments established WMBE utilization goals.

In combined construction and non-construction spend, 15.3% (\$151M) of the Port’s spend of \$990M went to WMBE firms– shy of the 2025-2029 goal of 16% utilization, but achieving a historic high for this metric and in continuation of the generally positive trend seen since 2019. The historic high was driven in part by an increase in both total construction spend as well as construction percent spent with WMBEs.

The Port worked with 400 WMBE firms, short of achieving our 2025-2029 goal of working with 500 WMBE firms annually, while also achieving a historic high for this metric and in continuation of the generally positive trend seen since 2019.

BACKGROUND AND GOALS

On January 9, 2018, the Port Commissioners adopted a new Diversity in Contracting (DC) policy directive with a supporting Resolution, to advance equity in Port contracting. The policy was developed over the years of 2016-2017, using 2016 as the baseline for what was eventually passed. 2019 was the first full year the program and goals came into effect.

The purpose of this policy directive is to provide the maximum practicable opportunity for increased participation by minority and women owned and controlled businesses in Port contracting for public works, consulting services, supplies, materials, equipment, and other services to create the opportunity to leverage Port spending to increase WMBE utilization.

Meeting Date: May 26, 2026

As part of the Diversity in Contracting policy directive, the Port Commission established utilization goals for both the amount of contracting dollars paid to WMBE firms as well as the number of WMBE firms under contract to the Port using 2016 baseline utilization results.

2019-2023 Five-Year Goals

- (1) Triple the number of WMBE firms that contract with the Port annually (354 firms), and
- (2) Increase to 15% the percentage of dollars spent on WMBE contracts

The policy also directed the establishment of:

- Executive level accountability that drives performance across the Port
- Port-wide goal setting and reporting processes, requiring Divisions/Departments to establish annual WMBE Plans that include aspirational goals and performance targets
- Clear lines of responsibility and accountability for implementation with designated WMBE liaisons for each division
- Enhanced compliance and tracking of key performance objectives and incorporation of WMBE goals into the Port’s Long Range Plan
- Categories of contracts where inclusion plans and other tools will be used
- Implementation and monitoring procedures to ensure prompt payment and change order processes
- Expanded technical assistance for WMBE firms, coordination with external partners, and support for internal training to Port staff

2025 (July) -2029 Five Year Goals

In 2024, the Diversity in Contracting team prepared for new five-year goals by evaluating the program, drafting updates to the policy, and engaging the community through internal and external listening sessions to identify procurement barriers. This produced new 2025-2029 five-year goals which were adopted by the Port Commission on July 8, 2025.

2025-2029 Port-wide Goals:

- (1) Achieve 500 WMBE businesses utilized annually, and
- (2) 16% of dollars spent on WMBE contracts

2025 RESULTS

In 2025, construction accounted for **62%** of the Port’s spend while non-construction accounted for **38%** of Port spend which was consistent with the distribution of spend in 2024. For construction and non-construction projects combined, **15.3%** of the Port’s spend of **\$990M** went to WMBE firms (**\$151M**) – short of the 2025 goal of 16% utilization but surpassing its WMBE utilization in 2024 of 13.3% (\$124M).

Meeting Date: May 26, 2026

An increase in both total construction spend as well as construction percent spent with WMBEs resulted in a much larger construction spend with WMBE firms. WMBE construction firms received \$21M more on projects in 2025 than in 2024 (a 33% increase).

The major driver for the increase in percent spent with WMBEs on major construction projects is attributable to an increase in total spend on GC/CM projects, as well as an increase in percent spent with WMBEs on GC/CM projects.

The following table provides total spend information by division.

2025 Total Utilization (Construction and Non-Construction Combined)

Division	Total Spend (\$ Millions)	WMBE Spend (\$ Millions)	WMBE %	WMBE Firm Count
Aviation	645	110	17.0	270
Corporate	188	19	10.1	106
Economic Development Division	3	0.2	7.3	14
Maritime Division	153	22	14.4	99
Northwest Seaport Alliance*	1.4	0.6	44.8	1
Total	990	151	15.3	400

* To prevent double-counting, this reflects NWSA data that excludes NWSA dollars and firm counts that are already accounted for under the category of Maritime Division

For construction, DC staff establishes WMBE aspirational goals on a project-by-project basis. In 2025, **13.8%** of the Port’s construction spend of **\$611M** went to WMBE firms (**\$85M**) – surpassing the 2025 WMBE construction goal of 13% as well as its WMBE utilization in 2024 of 11.2%. The following table provides construction spend information by division.

2025 Construction Utilization

Division	Total Spend (\$ Millions)	WMBE Spend (\$ Millions)	WMBE %	WMBE Firm Count
Aviation	412	68	16.5	119
Corporate	113	1	1.2	9
Economic Development	0	0	-	-
Maritime	86	15	17.4	42
Northwest Seaport Alliance*	0.1	-	-	-
Total	611	85	13.8	148

* To prevent double-counting, this reflects NWSA data that excludes NWSA dollars and firm counts that are already accounted for under the category of Maritime Division

Meeting Date: May 26, 2026

For non-construction, per the DC policy directive, every division and department establishes WMBE aspirational goals prior to the beginning of the year. Non-construction procurements include procurements for service agreements (professional services and personal services) and purchasing (goods and services, and P-card purchases). In non-construction, **17.6%** of the Port’s spend of **\$379M** went to WMBE firms (**\$67M**) - surpassing both its 2025 WMBE non-construction goal of 16%, as well as its WMBE utilization in 2024 of 16.6%. The following table provides non-construction spend information by division.

2025 Non-Construction Utilization

Division	Total Spend (\$ Millions)	WMBE Spend (\$ Millions)	2024 WMBE Goal %	2024 WMBE Actuals %	WMBE Firm Count
Aviation	232	41	14	17.8	156
Corporate	75	18	16	23.4	97
Economic Development	3	0.2	10	7.3	14
Maritime Division	67	7	14	10.5	62
Northwest Seaport Alliance*	1.3	0.6	-	48.3	1
Total	379	67	16	17.6	264

* To prevent double-counting, this reflects NWSA data that excludes NWSA dollars and firm counts that are already accounted for under the category of Maritime Division

WMBE Firm Partnerships

The Port worked with **400 WMBE firms**, short of achieving its 2025 goal of working with 500 WMBE firms annually but showing an increase from the 388 WMBE firms it worked with in 2024.

2026 DIVISION/DEPARTMENT WMBE GOALS

The Port’s Diversity in Contracting goals for 2026 is **16%** spend with WMBE firms and 500 WMBE firms utilized annually.

For 2026, the Port-wide construction WMBE goal is **14%**. As demonstrated in 2025, achieving higher construction utilization is necessary to advance Port-wide (construction and non-construction) WMBE utilization.

For 2026, the non-construction WMBE goal is **16%**, representing an estimated **\$34 million** in WMBE spend based on a projected **\$227 million** in non-construction spend. The following table provides the 2026 WMBE aspirational percent goals per division. The goals and figures below are estimates and we expect not all spending may be realized, and actual results may vary.

Meeting Date: May 26, 2026

2026 Non-Construction WMBE Goals

Division	Projected Total Spend (\$ Millions)*	2026 WMBE Projected Spend (\$ Millions)*	2026 WMBE Goal
Aviation Division	140.1	19.6	14%
Corporate	57.2	10.2	18%
Economic Development Division	4.2	0.2	5%
Maritime Division	25.2	3.5	14%

**Figures above are estimated, actual amounts may vary*

CONCLUSION

Under the Diversity in Contracting (DC) Policy Directive, amended July 8, 2025, the Port’s efforts in setting and meeting annual non-construction goals by division continue to be successful.

Port total spend on non-construction has steadily risen for the past five years from \$206M in 2021, to arrive at \$379M in 2025, accompanied by consistently high WMBE utilization ranging from 15.4% to 17.6% in those respective years.

Regarding construction, total spend continued to grow rapidly year-over-year for the past four years from \$202M spend in 2022, to triple that to \$611M in 2025. Construction WMBE utilization had also trended upward year-over-year during that time from 8.5% in 2022 to 13.8% in 2025. The historical peak reached in 2025 was made possible by the alternative delivery projects like General Construction/Construction Management (GC/CM) projects.

Although the Port did not achieve the 16% overall WMBE utilization goal, the Port’s spend with WMBE businesses reached the historic high of 15.3%, as well as a historic high of working with 400 WMBE firms.

ATTACHMENTS TO THIS BRIEFING

- (1) Presentation slides

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

- June 24, 2025- Introduction Resolution 3836 Diversity in Contracting Directive
- May 27, 2025- Diversity in Contracting Annual Report
- April 16, 2024 – Diversity in Contracting Annual Report and 5 Year Review
- January 23, 2024 – Commission Order to update the Port’s Diversity in Contracting goals for 2024
- April 12, 2023 – Diversity in Contracting Annual Report
- April 12, 2022 – Diversity in Contracting Annual Report
- April 13, 2021 – Diversity in Contracting Annual Report

Meeting Date: May 26, 2026

March 26, 2019 – Diversity in Contracting Annual Report

June 12, 2018 – Commission briefing on Diversity in Contracting program development

January 8, 2018 – Diversity in Contracting 2nd reading policy & passage of resolution 3737

December 19, 2017 – Diversity in Contracting Policy Review

December 12, 2017 - Women and Minority Business Enterprise Policy Review – Resolution 3737
(first reading)

December 5, 2017 - Women and Minority Business Enterprise Policy Review

November 28, 2017 –Women and Minority Business Enterprise Policy Review

October 24, 2017 - Women and Minority Business Enterprise Policy Review

July 12, 2017 – Commission Budget Priorities, Building Economic Opportunity in
Underserved Communities

March 28, 2017 – Small Business Development Update

March 22, 2016 – Small Business Utilization briefing

December 14, 2014 – Disparity Study briefing

August 19, 2014 – Small Business Utilization briefing

January 26, 2010 – Adoption of Resolution No. 3618 concerning small business utilization

Diversity in Contracting 2025 Annual Report



Mian Rice, Director, Diversity in Contracting
Lawrence Coleman, Program Manager, Diversity in Contracting
Emily Ho, Program Manager, Diversity in Contracting

May 26, 2026



2025 WMBE Results

2026 WMBE Goals

2026 Next Steps

Purpose:

Advance equity and address contracting disparities by increasing the utilization of Women Minority Business Enterprises and other disadvantaged firms

Previous Goals 2019-2023 – Resolution 3737

- Increase the amount of spend on WMBE contracts to 15%
- Increase the number of WMBE firms doing business with the Port to 354

Gap Year Goals 2024

- Increase the amount of spend on WMBE contracts to 15%
- Increase the number of WMBE firms doing business with the Port to 400

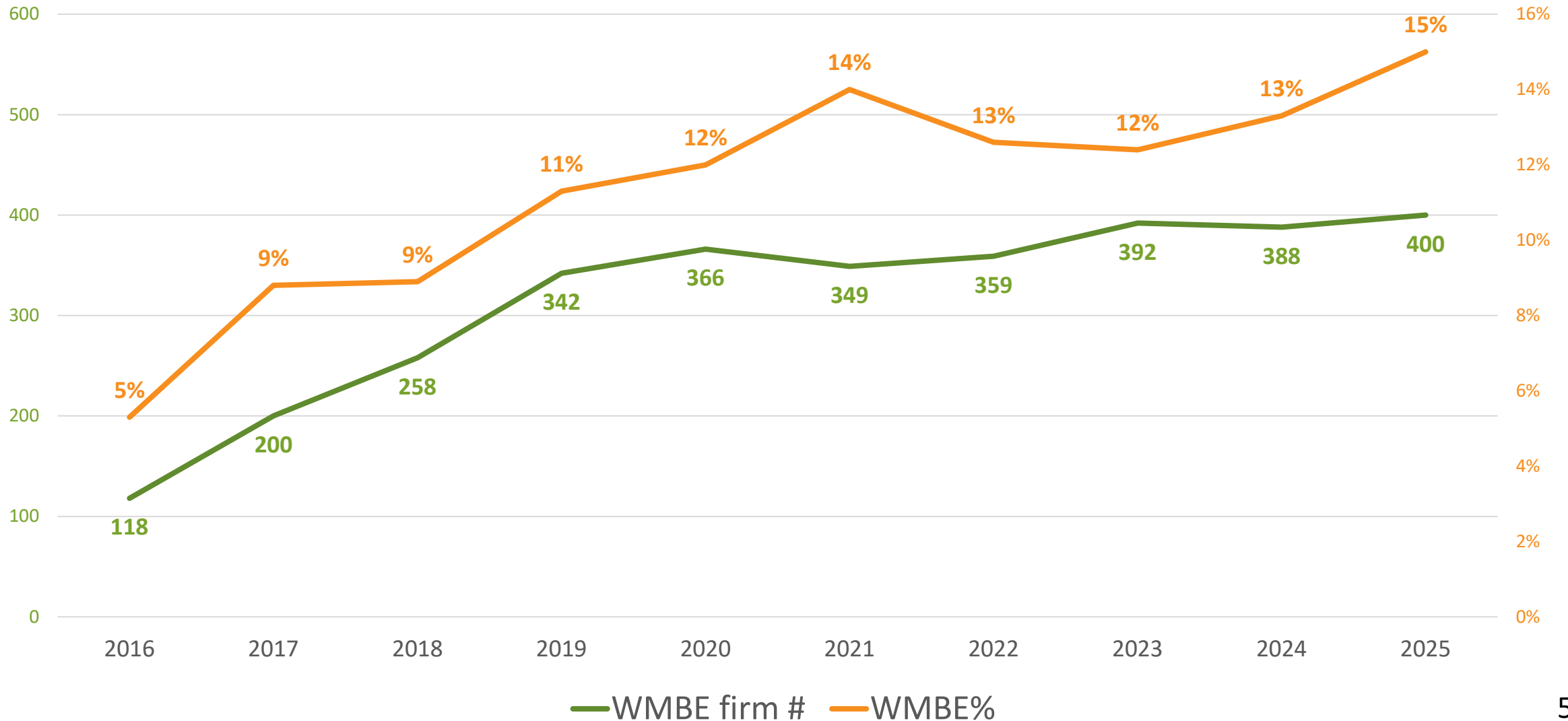
Current Goals 2025 – 2029 - Resolution 3836 passed July 2025:

- Increase the amount of spend on WMBE contracts to 16%
- Increase the number of WMBE firms doing business with the Port to 500

2025 WMBE Results



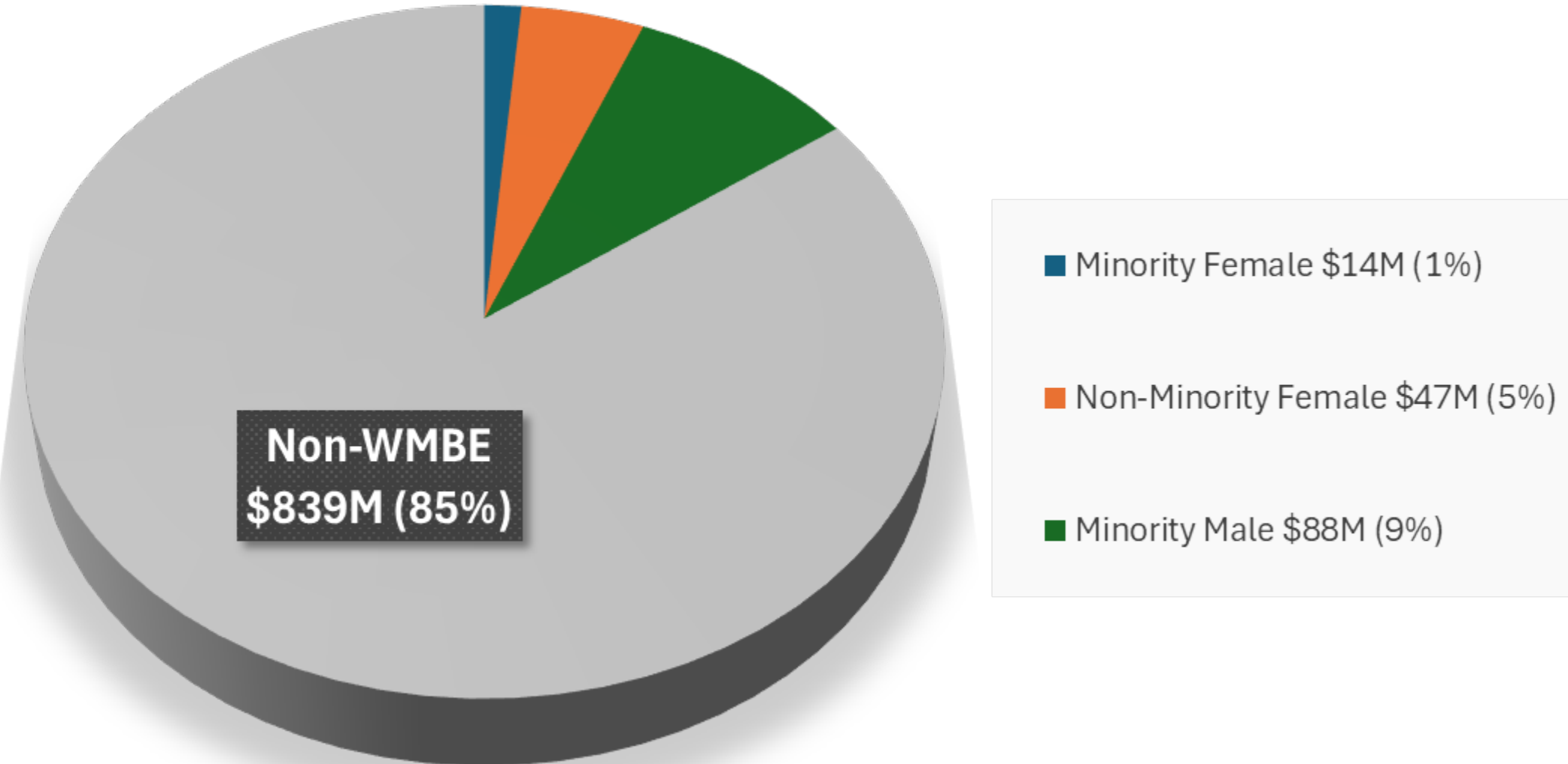
2016-2025 Port-wide WMBE Utilization



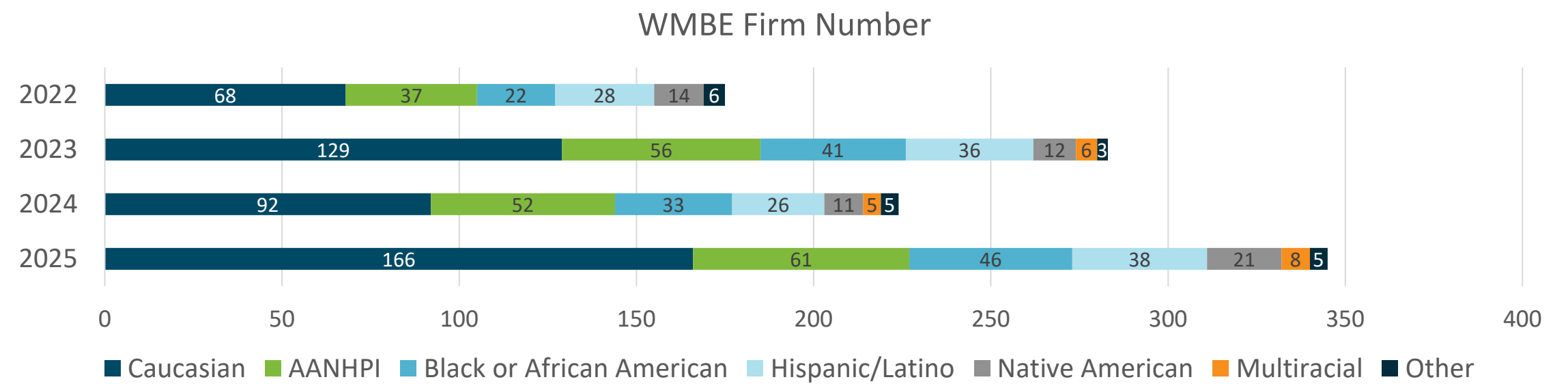
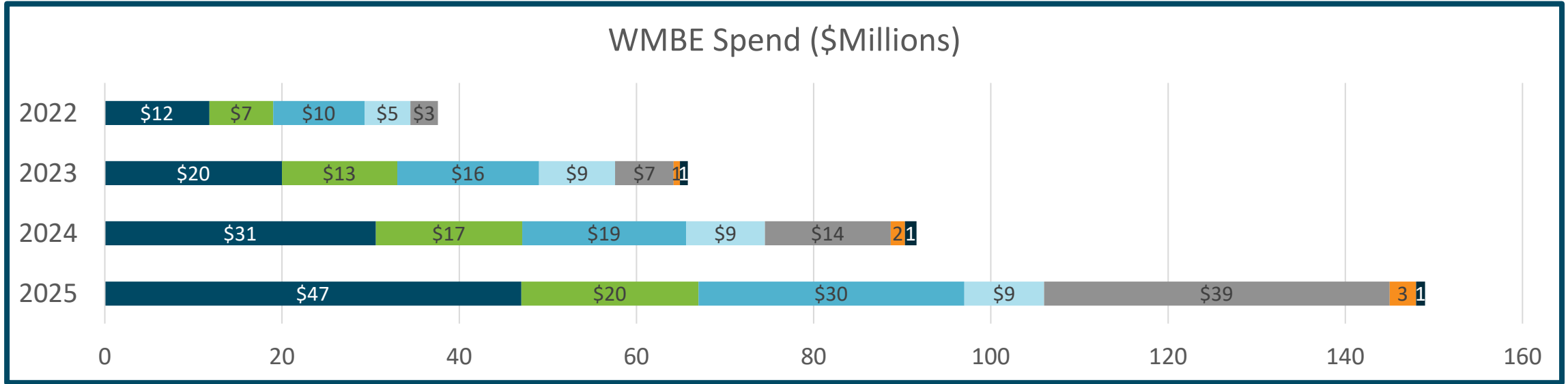
2025 Port-wide WMBE Utilization

Category	Total Port Spend (\$ Millions)	WMBE Spend (\$ Millions)	WMBE Utilization
Public Works (Construction)	611	85	13.8%
Non-Construction	379	67	17.6%
Total	990	151	15.3%

2025 Port-wide Spend Distribution



WMBE Utilization by Ethnicity 2022-2025



2025 Division Goal Attainment (Non-Construction)

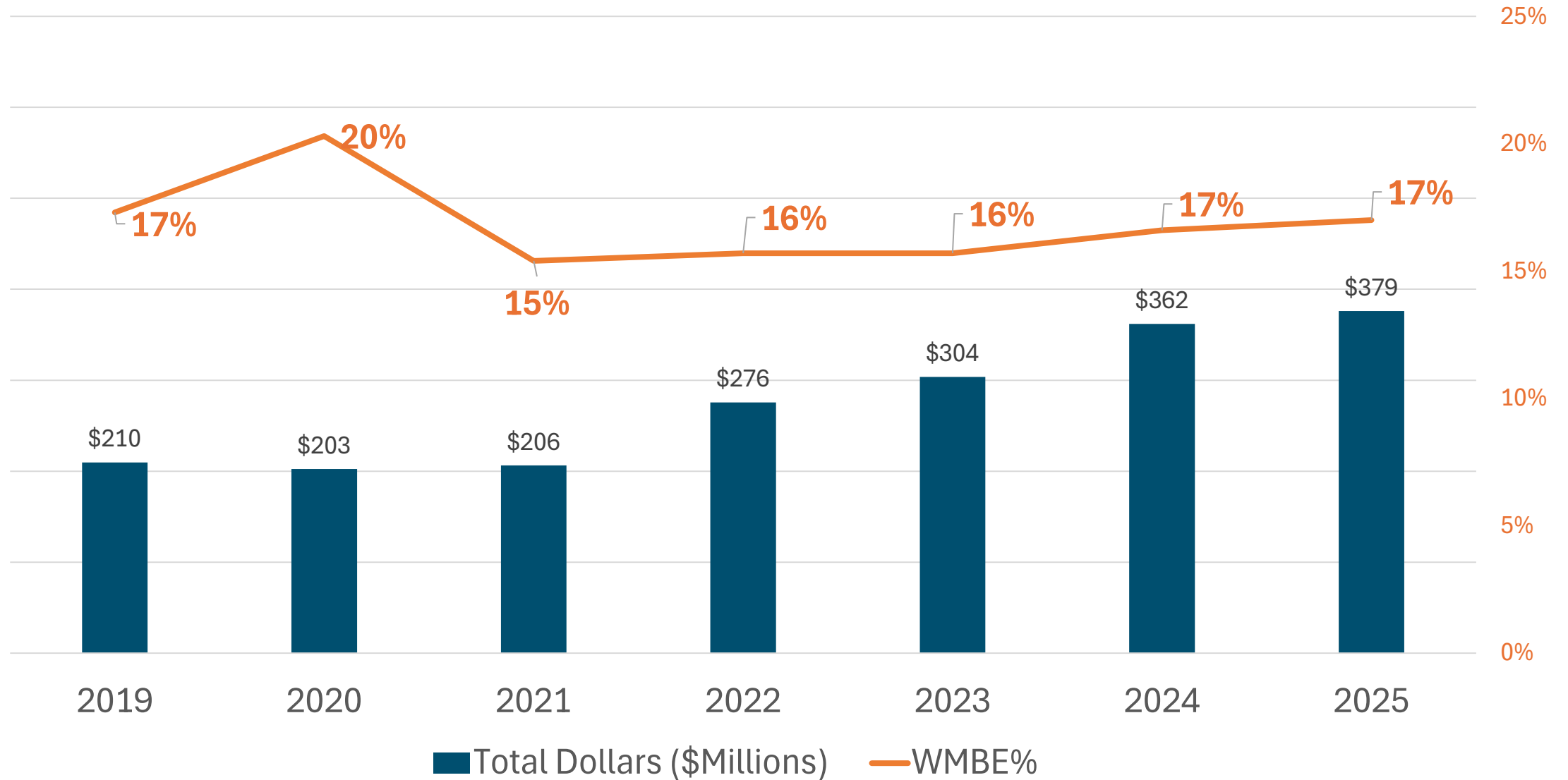
Division	Total Spend (\$Millions)	WMBE Spend (\$ Millions)	2025 WMBE Goal	WMBE Actuals
Aviation	232	41	14%	17.8%
Corporate	75	18	16%	23.4%
Maritime	67	7	14%	10.4%
Economic Development	3	0.2	10%	7.3%

2025 Corporate Departments Goal Attainment (Non-Construction)

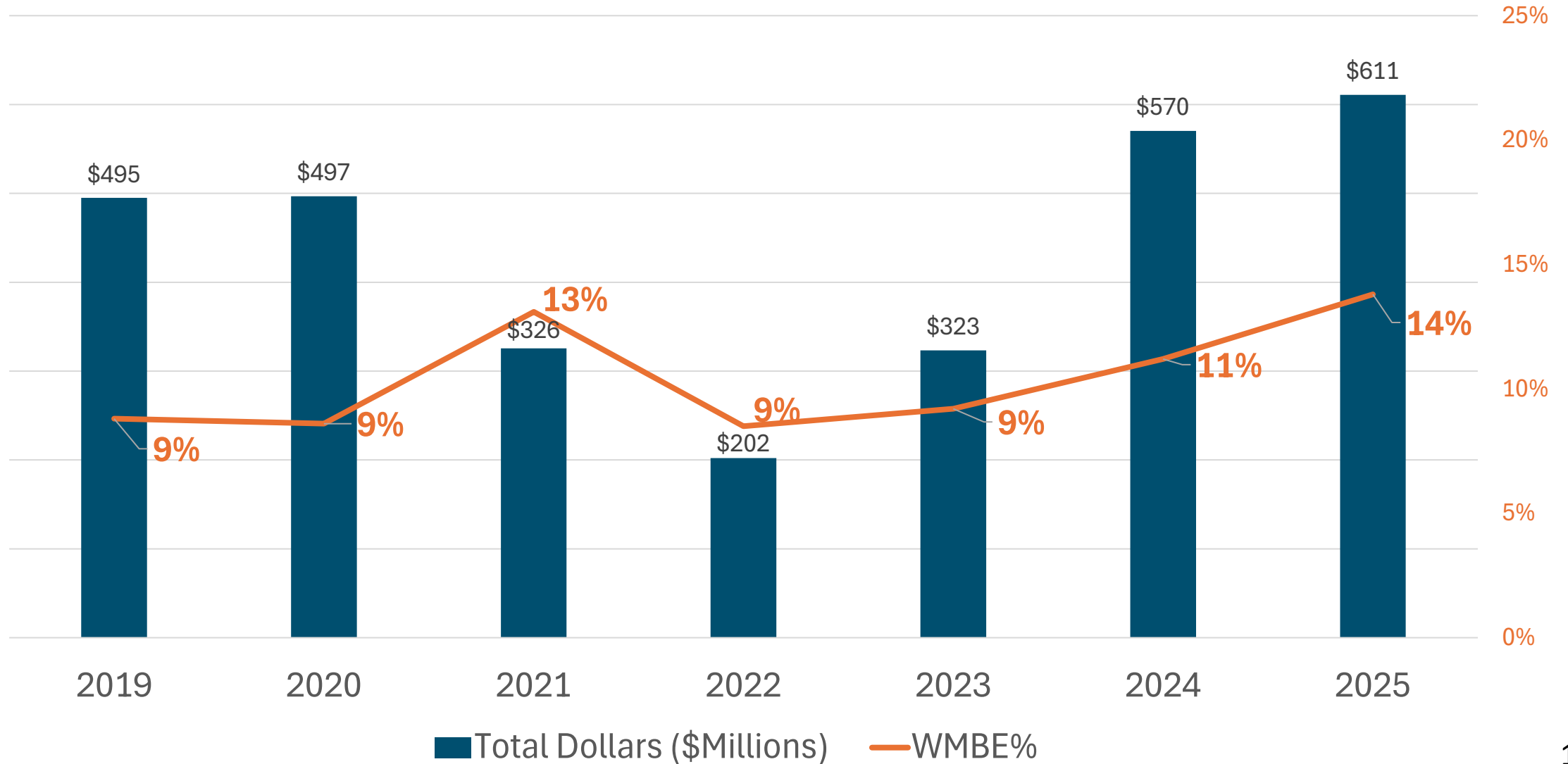
Department	Total Spend (\$ Millions)	WMBE Spend (\$Millions)	WMBE Goal	WMBE Actuals
Chief Financial Office Group	22.56	6.67	30%	30%
Engineering	20.78	4.98	25%	24%
Environmental	8.08	3.00	20%	37%
Legal	4.66	0.30	2%	7%
External Relations	4.44	1.35	18%	30%
Police	4.25	0.03	8%	1%
Port Construction Services	4.18	0.27	26%	7%
Equity / Workforce	2.81	0.19		7%
Human Resources	1.12	0.20	21%	18%
Equity / EDI	0.45	0.13	21%	28%
Executive Director	0.26	0.04	5%	15%
Central Procurement Office	0.20	0.07	15%	36%
Internal Audit	0.17	0.12	20%	71%
Commission	0.07	0.01	10%	19%
Strategic Initiatives	0.05	0.05	50%	94%
Labor Relations	0.02	0.00	5%	6%

- Construction produced 62% of WMBE dollars in 2025.
- Port construction delivered approximately \$85M in WMBE spend (13.8% of \$661M total spend). Record construction WMBE attainment.
 - GC/CM spend doubled, and GC/CM WMBE utilization increased from 10% to 16% resulting in an additional \$23M to WMBE in 2025.
- Highly specialized contracts limit WMBE participation regardless of intent.
- Direct WMBE vendor relationships provide the most consistent results.
- 2024 service agreement performance helped set the stage for 2025 construction results.
- Large service contracts (e.g., \$39M janitorial/facilities maintenance) drive consistent multi-million dollar WMBE outcomes.

Non-Construction Use 2019-2025



Construction Use 2019-2025



2025 Training and Events Results

- PortGen Events:
 - Organized and hosted: 16 events
 - Participants: 284 WMBE firms
 - **NEW** – PortGen 101 Webinars
- Advanced PortGen: 27 WMBE/small
- Accelerator: 13 graduates
- **NEW** – Small Business Recognition

2025 Outreach Results

- Community engagement events: 10
- VendorConnect registrations: 137 new WMBE firms
- **NEW** – Tabor 100 weekly office hours



Virtues

- Total WMBE utilization reached a record high of 15.3%
- Construction WMBE utilization reached a record high of 13.8%
- Port spent a record amount with WMBE firms (\$151 M)

Challenges

- Federal impacts to DBE Program
- Specialized work – High dollars but low WMBE availability
- Training fatigue
- Increasing the number of firms partnered with annually

2026 Goals



2025-2029 Port-Wide Goals

- Number of WMBE Firms Utilized: **500**
- Non-Construction and Construction Percent Spend with WMBE firms: **16%**
- Sub-Goal - Construction Percent Spend: **14%**

Division Goals (Non-Construction)	2026 Goal
Aviation (AV)	14%
Economic Dev. (EDD)	5%
Maritime (MD)	14%
Corporate	18%

Learning Opportunities

- PortGen 101 Videos On-Demand with monthly live Q&A
- Capacity Building Mentorship Program

Events

- Construction Industry Day
- Architecture and Engineering Industry Day
- Goods and Services Vendor Day

Internal Training and Engagement of Port Buyers

- Relationships with Port teams that spend a lot
- Port-wide resources on how to find WMBE firms



- Expand Small Business and WMBE participation in specialized scopes
- Expand direct contracting opportunities with A&E firms
- Cash Flow: Improve prompt payment procedures for construction projects (in collaboration with CMG and CPO) -Change Order Focus
- Improve insurance flexibility for small businesses (in collaboration with Risk Management)
- Provide continued technical assistance to WMBE/DBE and small businesses - particularly on Project Labor Agreements, and Badging Requirements
- Continued partnership with partner governmental entities (e.g WSDOT, Sound Transit, King County, City of Seattle) - Federal DBE program
- Economic uncertainties may impact capital project spend and small/diverse business community

Thank You