



**COMMISSION  
AGENDA MEMORANDUM**

**Item No.** 8e

**ACTION ITEM**

**Date of Meeting** June 9, 2026

**DATE :** April 27, 2026

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

**FROM:** Krista Sadler, Director ICT Technology Delivery

**SUBJECT: Lease Revenue Management System Replacement (CIP #C801384)**

**Amount of this project request:** \$840,000

**Ten-year contract authorization:** \$3,560,000

**ACTION REQUESTED**

Request Commission authorization for the Executive Director to 1) proceed with the Lease Revenue Management System (LRMS) Replacement project; 2) execute contract(s) for software, vendor services and up to ten years of support and license fees; and 3) use Port staff for implementation. The amount requested for the capital project is \$840,000 and ten-year contract authorization is \$3,560,000.

**EXECUTIVE SUMMARY**

This project will competitively procure and implement a Lease Revenue Management System to replace the current Amadeus PROPworks software. The Port of Seattle uses PROPworks to support property and revenue operations across its Aviation and Maritime Divisions. This software is used to manage roughly 1200 leases, licenses, and permits. The system acts as the foundation for essential business activities, such as managing lease agreements, collecting lease revenues, recovering utility expenses, and tracking compliance with surety and insurance requirements as well as Governmental Account Standards Board (GASB) regulations. Amadeus has announced the upcoming release of PROPworks Version 10, which introduces completely new, cloud-based architecture and a new pricing model. While the vendor has stated that the existing core application will continue to be supported, several critical modules are being removed or offloaded to third-party platforms, including: GASB Statement No. 87 Financial Reporting, Insurance and Surety Compliance, Utility Meter and Billing Management, and Space Management. A new LRMS enables the Port to modernize an aging software solution, improve business process workflows, support evolving business needs, and improve tenant experience.

Information & Communication Technology (ICT), Aviation Lease Management, Maritime Lease Management, Accounting and Financial Reporting (AFR) resources will be utilized along with vendor services to complete this project estimated at \$840,000. The ten-year contract cost is

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estimated at \$3,560,000. This amount includes both the estimated implementation costs and recurring costs as well as contingency for future flexibility. Recurring software license and support costs will be budgeted within the ICT Department operating budget.

**JUSTIFICATION**

This LRMS replacement project will provide a modern, enterprise-grade software solution with full compliance, integration, and scalability for managing the Port’s leases, licenses and permits. Specific benefits include:

- Enables the Port to efficiently manage stewardship, lease administration, and business operations across Aviation, Maritime, and AFR.
- Improves security and compliance exposure of remaining with a legacy system.
- Designed to accommodate future growth and align with the Port’s sustainability goals.

***Diversity in Contracting***

Project staff will work with the Diversity in Contracting Department to determine if a direct women-and-minority-owned business enterprise (WMBE) aspirational goal should be assigned.

**DETAILS**

***Scope of Work***

- (1) Procure enterprise-grade lease and space management system capable of supporting both Aviation and Maritime, replacing PROPworks.
- (2) System interfaces.
- (3) Data migration.
- (4) Decommissioning of PROPworks.

***Schedule***

Commission authorization	2026 Quarter 2
Procurement completed	2027 Quarter 1
In-use date	2028 Quarter 3

***Project Cost Breakdown***

	This Request	Total Project
Vendor services	\$560,000	\$560,000
Port labor	\$280,000	\$280,000
<b>Total</b>	<b>\$840,000</b>	<b>\$840,000</b>

## **ALTERNATIVES AND IMPLICATIONS CONSIDERED**

### **Alternative 1 – Upgrade to PROPworks new platform (v10).**

**Cost Implications:** \$1,000,000

**Pros:**

- (1) Moves to a modern, cloud-hosted environment, improving system availability, disaster recovery, and reducing on-premises infrastructure needs.
- (2) Accelerates implementation compared to sourcing a new solution.
- (3) Retains some continuity in core concepts and terminology, which may reduce training time compared to adopting a new solution.

**Cons:**

- (1) PROPworks v10 removes critical functionality, including GASB 87 compliance, utility billing, space management, and insurance/surety tracking, which are essential for Port operations, requiring the need to spend time on development and ongoing maintenance of manual processes in lieu of the current system, leading to higher labor costs, data integrity issues, and compliance risk.
- (2) Increases reliance on multiple third-party platforms, introduces integration complexity, adds licensing and implementation costs, and increases vendor dependency.
- (3) Lack of clarity on long-term support and functionality introduces sustainability risk.
- (4) Delays modernization and tenant experience improvements, missing a strategic opportunity.

This is not the recommended alternative.

### **Alternative 2 – Build an internal custom solution.**

**Cost Implications:** \$2,000,000

**Pros:**

- (1) Fully customizable to meet unique Aviation and Maritime Division requirements.
- (2) Eliminates reliance on external vendor roadmaps and pricing models.
- (3) Reduced licensing costs if internal resources are effectively utilized.

**Cons:**

- (1) Significant cost and resource commitment for design and development.
- (2) Internal development will take considerably longer than proven vendor solutions to implement, delaying modernization and risking loss of support for PROPworks v9.
- (3) Requires significant ongoing internal support for troubleshooting, updates, and feature enhancements to meet evolving business and regulatory requirements.
- (4) Increases workloads on operations teams to create documentation, governance processes, training and user support, and maintenance resources.

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- (5) Requires expertise to maintain GASB 87 compliance and security standards.
- (6) Lacks industry-driven enhancements, missing best practices and continuous improvements gained from vendor solutions across multiple airports and seaports.

This is not the recommended alternative.

**Alternative 3** – Procure and implement a modern, enterprise-grade lease management solution with full compliance, integration and scalability.

Cost Implications: \$840,000

Pros:

- (1) Consolidates multiple functions currently spread across disparate systems, improving data integrity and reducing integration complexity.
- (2) Incorporates the latest technologies and security standards to protect data and ensure operational resilience.
- (3) Fully supports GASB 87 reporting requirements.
- (4) Ensures comprehensive support to manage contractual obligations such as Consumer Price Index (CPI) adjustments, Fair Market Rent (FMR) calculations, and Minimum Annual Guarantee (MAG) billing, as well as obligations when the Port is the lessee, long-term permit tracking, and easements.
- (5) Automates workflows, reduces manual processes, and maintains accuracy in billing and reporting with the goal of maximum revenue potential of our real estate assets.
- (6) Offers potential for advanced analytics and dashboards for improved decision-making.

Cons:

- (1) Requires significant investment for procurement, implementation, and licensing
- (2) Requires substantial effort for staff training and adaptation to new workflows.
- (3) Full deployment and data migration may take several months, impacting short-term operations.

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

**FINANCIAL IMPLICATIONS**

<i>Project Cost Estimate</i>	Capital	Expense	Total
<b>COST ESTIMATE</b>			
Original estimate	\$840,000	\$3,560,000	\$4,400,000
<b>AUTHORIZATION</b>			
Previous authorizations	\$0	\$0	\$0
Current request for authorization	\$840,000	\$3,560,000	\$4,400,000
Total authorizations, including this request	\$840,000	\$3,560,000	\$4,400,000
Remaining amount to be authorized	\$0	\$0	\$0

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

This project, CIP C801384 – Lease Revenue Management System Replacement, is included in the 2026-2030 Capital Budget and Plan of Finance with an allocated budget of \$840,000. The project will be funded by a combination of the Airport Development Fund (81.3%) and the General Fund (18.7%).

The authorization also includes a ten-year contract with the selected LRMS vendor not to exceed \$3,560,000 that will be funded through the project capital funding and the ICT annual Operating Budget.

***Financial Analysis and Summary***

Project cost for analysis	\$4,400,000
Business Unit (BU)	Administrative (81.3% allocates to Airport)
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	Annual CPE less than \$0.01

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

Average annual software license subscription and support fees estimated at \$260,000 will be budgeted within the ICT operating budget. The total contract amount includes contingency for future flexibility.

**ATTACHMENTS TO THIS REQUEST**

None

**PREVIOUS COMMISSION ACTIONS OR BRIEFINGS**

None