



Port of Seattle Regular Commission Meeting

October 27, 2026



COMMISSION SPECIAL MEETING AGENDA

October 27, 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 864 098 467#

ORDER OF BUSINESS

9:30 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 business 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. All written comments must identify the purpose of the writing is for public comment at a Commission meeting.

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 Wednesday, October 27, 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 October 13, 2026. **(no enclosure)**

8b. Approval of the Claims and Obligations for the Period of September 1, 2026, through September 30, 2026, Including Accounts Payable Check Nos. 965558 through 965997 in the Amount of \$10,004,857.22; Accounts Payable ACH Nos. 088309 through 089204 in the Amount of \$79,550,796.67; Accounts Payable Wire Transfers Nos. 069757 through 069776 in the Amount of \$11,767,562.74; Payroll Check Nos. 230912 through 231004 in the Amount of \$114,469.76; and Payroll ACH Nos. 1338968 through 1344141 in the Amount of \$19,940,003.10, for Total Payments of \$121,377,689.49. **(memo enclosed)**

8c. Commission Approval of International Travel Requests for Known Travel in the Fourth Quarter of 2026. **(memo enclosed)**

8d. Authorization for the Executive Director to Execute a New Collective Bargaining Agreement Between the Port of Seattle and the International Brotherhood of Electrical Workers Local 46, EL01 Electricians Assigned to the Port of Seattle Aviation Maintenance, Marine Maintenance and Port Construction Services Divisions, Covering the Period from June 1, 2026, Through May 31, 2029. **(memo and agreement enclosed)**

8e. Authorization for the Executive Director to Execute a New Memorandum of Understanding Between the Port of Seattle and the International Association of Fire Fighters Local 1257, Covering the Period from Ratification Through December 31, 2028, or When a Successor Agreement Has Been Reached, Whichever is First. **(memo and agreement enclosed)**

8f. Authorization for the Executive Director, or Designee, to Execute a Contract for Airline Technical Representative Services in an Amount Not-to-Exceed \$5,500,000 for a Duration Up to Five Years at Seattle-Tacoma International Airport to Support Airlines that are Part of the Current Signatory Lease and Operating Agreement for 2025-2034. **(memo enclosed)**

8g. Commission Approval of the Project Budget for the Construction of the Terminal 91 (T91) West Cruise Maintenance Dredge Project in the Requested Amount of \$2,050,000, for a Total Project Authorization of \$3,350,000, including \$550,000 in Environmental Remediation Liability Funding. **(memo and presentation enclosed)**

- 8h. Authorization for the Executive Director to Competitively Procure and Award a Contract for Curbside Passenger and Baggage Handling Services for a Period of Five Years in the Amount Not-to-Exceed \$6,000,000 Supporting Curbside Boarding and Alighting Operations for Airport Transit Operations Shuttle Buses to Transport Rental Car Customers Between SEA and the Rental Car Facility. **(memo and presentation enclosed)**

9. UNFINISHED BUSINESS

- 9a. Authorization for the Executive Director or his Designee to Execute a Lease and Concession Agreement for a Non-Aeronautical Financial Institution (Credit Card) Lounge on A Concourse with AD Partnership, LLC, Operating a Chase Sapphire Lounge. *(Postponed from September 22, 2026)* **(memo and presentation enclosed)**
- 9b. Authorization for the Executive Director to Execute a Contract for Security Services to Support Employee Parking Operations at the North Employee Parking Lot and Three New Leased Parking Lots Known as Lots A, C, and M for a Total Estimated Cost of \$6,200,000.00 Over Five Years, and Request for \$700,000 to Fund and Maintain Existing Security Coverage for the Duration of the Request for Proposal Process and Through the Contract's Final Extension (October 2027), for a Total Authorization Requested of \$6,900,000. *(Postponed from October 13, 2026)* **(memo and presentation enclosed)**

10. NEW BUSINESS

- 10a. Authorization for the Executive Director to Execute an Amendment for the North Employee Parking Lot Attendant Service Contract, with Kingdom Security, Inc., in the Amount Not-to-Exceed \$900,000, for a New Contract Value of \$2,850,000 **(memo enclosed)**
- 10b. Adoption of Resolution No. 3857: A Resolution Appointing Eloise Olivar, Assistant Director – Disbursement Administration, Accounting and Financial Reporting Department, as Port Auditor for the Port of Seattle pursuant to RCW 53.36.010 and RCW 42.24.080 *(Consolidation of resolution readings is requested to allow adoption on the same day as introduction.)* **(memo, resolution, and presentation enclosed)**

11. PRESENTATIONS AND STAFF REPORTS

- 11a. Tax Levy and Draft Plan of Finance for 2027-2031 Briefing. **(memo and presentation enclosed)**

12. QUESTIONS on REFERRAL to COMMITTEE and CLOSING COMMENTS

13. ADJOURNMENT

COMMISSION
AGENDA MEMORANDUM

Item No. 8b

ACTION ITEM

Date of Meeting October 27, 2026

DATE: October 12, 2026
TO: Steve Metruck, Executive Director
FROM: Eloise Olivar, Assistant Director of Disbursements & Port Auditor
SUBJECT: **Claim and Obligations – September 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 September 01 through 30, 2026 as follows:

Payment Type	Payment Reference Start Number	Payment Reference End Number	Amount
Accounts Payable Checks	965558	965997	\$10,004,857.22
Accounts Payable ACH	088309	089204	\$79,550,796.67
Accounts Payable EFT	069757	069776	\$11,767,562.74
Payroll Checks	230912	231004	\$114,469.76
Payroll ACH	1338968	1344141	\$19,940,003.10
Total Payments			\$121,377,689.49

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: October 27, 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 September 2026, over \$101,323,216.63 in payments were made to nearly 692 vendors, comprised of 2,592 invoices and over 9,964 accounting expense transactions. About 94 percent of the accounts payable payments made in the month fall into the Construction, Employee Benefits, Contracted Services, Payroll Taxes, Utility Expenses, Janitorial Services, Sales Taxes, Software, Maintenance Inventory and Legal. Net payroll expense for the month of September was \$20,054,472.86.

Top 10 Payment Category Summary:

Category	Payment Amount
Construction	53,679,549.68
Employee Benefits	11,772,472.21
Contracted Services	8,454,314.08
Payroll Taxes	8,079,282.47
Utility Expenses	3,787,849.56
Janitorial Services	3,140,395.85
Sales Taxes	2,192,379.67
Software	1,905,266.23
Maintenance Inventory	1,379,276.35
Legal	1,180,212.39
Other Categories Total:	5,752,218.14
Net Payroll	20,054,472.86
Total Payments	\$121,377,689.49

Meeting Date: October 27, 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 October 27, 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

Item No.

8c

ACTION ITEM

Date of Meeting

October 27, 2026

DATE: October 5, 2026

TO: Stephen P. Metruck, Executive Director

FROM: Karin Zaugg Black, Manager, International Relations and Protocol
LeeAnne Schirato, Commission Deputy Chief of Staff
Aaron Pritchard, Commission Chief of Staff

SUBJECT: Approval of Commission International Travel – Fourth Quarter 2026

ACTION REQUESTED

Commission approval of international travel requests for known travel in the fourth quarter of 2026.

EXECUTIVE SUMMARY

Article III(5)(h) of the Commission's Bylaws and Rules of Procedure requires approval of Commissioner international travel requests by Commission authorization. The authorization shall include: the number of commissioners traveling (if applicable), the port-related reason for travel, and the dates and destination of travel. International travel requests shall be submitted to the Commission Office 21 days in advance of each calendar quarter. Travel change requests for previously approved international travel shall again be put before the full Commission for review and action. Commissioners not receiving advanced travel authorization for international travel shall report to the Commission regarding the purpose of their travel, dates of travel, location of travel, benefit received by the Port through the travel, and shall seek majority approval of the post-travel authorization in order to submit claims for travel expense reimbursement. Travel requests of Commissioners should be equitable to all members and consistent with the interests of the Port. Domestic travel requests are approved by the Commission President consistent with the requirements of Article III(5)(h).

The following are known travel requests for approval as of this authorization date:

Meeting Date: October 27, 2026

Travel Dates	No. of Attendees	Reason for Travel	Destination	Other Information
Oct 28-30	1	Korea Maritime Week	Busan, South Korea	Commissioner Cho will present at Korea Maritime Week on the topic of port cooperation initiatives to advance maritime decarbonization in our sister port of Busan, South Korea, and meet key Korean green shipping corridor partners to further the objectives of our multi-port memorandum. Korea Maritime Week is a major maritime convention that brings together experts, government officials, industry representatives, and the general public to discuss maritime affairs, innovations, and policies. The event features forums, workshops, seminars, and exhibitions covering a wide range of maritime topics, including shipping, marine technology, and ocean sustainability.
Nov 2-6	1	International Association of Ports and Harbours (IAPH)'s World Port Conference	London, United Kingdom	Commissioner Calkins will represent the Port at IAPH's annual World Ports Conference. This international gathering of key ports around the world allows Port of Seattle to learn from and share best practices with key sister port partners, such as Rotterdam, Netherlands; Singapore; Busan, South Korea; and Kobe, Japan. Seminar topics cover a wide range, such as climate resilience, multi-fuel bunkering, cyber resilience, trade tariffs, energy hubs, and re-imagining urban waterfronts.

Meeting Date: October 27, 2026

Nov 8-11	1	Association of Washington Business (AWB) Trade Mission to South Korea and Japan	Seoul, South Korea	Commissioner Cho will represent the Port of Seattle on the AWB's trade mission for the South Korea portion of their mission. AWB, in partnership with Lt. Gov. Denny Heck and the Washington State Departments of Commerce and Agriculture, will foster relationships with our key trading partners of South Korea and Japan, focusing on industry sectors that positively impact Washington's economy, with a strong focus on trade policy, aerospace, manufacturing, agriculture, and energy.
Nov 8-15	1	Cascadia Sustainable Aviation Accelerator (SAF)	Tokyo, Nagoya, Osaka, Japan	Commissioner Felleman will join the Cascadia SAF study mission to Japan with other elected officials and leaders from WA state to study the Japanese ecosystem of Sustainable Aviation Fuels (SAF) in order to bring back best practices and ideas for fostering the SAF ecosystem and supporting our global aerospace sector in the Pacific Northwest and Washington State.
Nov 9-11	1	United Nations Framework Convention on Climate Change (UNFCCC)—31 st Conference of Parties (COP 31)	Antalya, Turkey	Commissioner Calkins will represent the Port of Seattle at the COP 31 meetings. COP 31 will bring together world leaders, scientists, and other stakeholders to negotiate and accelerate action on climate change. Topics include: Decarbonization of maritime, aviation, and heavy industries; financing mitigation and adaptation; sustainability; and ocean health.

Meeting Date: October 27, 2026

ATTACHMENTS TO THIS REQUEST

None.

**COMMISSION
AGENDA MEMORANDUM**

Item No.

8d

ACTION ITEM

Date of Meeting

October 27, 2026

DATE: September 28, 2026

TO: Stephen P. Metruck, Executive Director

FROM: Michael Miskell, Labor Relations Manager
Milton Ellis, Assistant Director of Labor Relations

SUBJECT: New collective bargaining agreement between the Port of Seattle and the International Brotherhood of Electrical Workers Local 46 (IBEW Local 46), representing EL01 Electricians (ELE)

Total Port Cost Increase for the Duration of the Agreement: \$5,309,678

ACTION REQUESTED

Request Commission authorization for the Executive Director to execute a new collective bargaining agreement (CBA) between the Port of Seattle and the International Brotherhood of Electrical Workers Local 46, EL01 Electricians (ELE) assigned to the Port of Seattle Aviation Maintenance, Marine Maintenance and Port Construction Services divisions, covering the period from June 1, 2026, through May 31, 2029.

EXECUTIVE SUMMARY

Good faith bargaining between the International Brotherhood of Electrical Workers Local 46 (IBEW Local 46) representing EL01 Electricians (ELE), and the Port of Seattle resulted in a fair collective bargaining agreement consistent with the Port's priorities.

There are currently seventy-eight (78) EL01 Electricians (ELE) at the Port of Seattle who perform electrical maintenance work, as traditionally performed by Port maintenance electricians on Port owned premises, including additions, alterations, repair and renovation as directed or assigned to Port maintenance electricians by the Port. Aviation Maintenance electricians maintain the airfield lighting system, power distribution system and facility lighting and power systems, HVAC, passenger load bridges, STS. Marine Maintenance electricians maintain dock power equipment and facility lighting and power systems, fire alarm systems, and HVAC on waterfront properties.

This agreement is for three years, covering the period from June 1, 2026, through May 31, 2029. The estimated total additional cost for wages and benefit increases is \$5,309,678. The estimated additional cost per year of the contract is: year one, \$994,118; and year two, \$1,759,983; and year three \$2,555,577.

Meeting Date: October 27, 2026

Other changes include transitioning the probationary period to hours worked instead of a set six (6) month period, clarifying language for probationary employee's access to leave, updated the compensation rate when management transitions employees to a new workweek schedule, adding language clarifying the duration of appointment for temporary supervisors, removing the requirement for employees to supply certain tools, updating the telematics language to remove the reference to a Memorandum of Understanding, and updating the grievance timeline language.

JUSTIFICATION

RCW Chapter 41.56 requires the Port of Seattle to collectively bargain wages, hours and conditions of employment with the exclusive bargaining representative designated by the employees.

DETAILS

Term of the Agreement

Retroactive to June 1, 2026, through May 31, 2029

FINANCIAL IMPLICATIONS**Wages**

Classification	Current Base Rate	Effective 6/1/26 Base Rate	Effective 6/1/27 Base Rate	Effective 6/1/28 Base Rate
EL01 Electrician	\$72.46	\$75.36	\$78.37	\$81.51
Electrical Supervisor	\$79.71	\$82.90	\$86.21	\$89.66
General Electrical Supervisor	\$86.95	\$90.43	\$94.04	\$97.81

A four percent (4%) increase each year of the collective bargaining agreement.

Pension/Retirement

The current Port contribution to the Puget Sound Electrical Workers Pension Trust on behalf of each employee is \$10.16 for each hour compensated. This new agreement will increase the Port's contribution for each hour compensated to \$10.27 in year 1 of the agreement, \$10.39 in year 2 of the agreement, and \$10.52 in year 3 of the agreement.

Meeting Date: October 27, 2026

Port contribution to the National Electrical Benefit Fund remains at three percent (3%) of gross monthly labor payroll.

Port contribution to the Puget Sound Electrical Workers Annuity/401K remains at four and one-half percent (4.5%) of gross monthly labor payroll.

Healthcare

The current Port contribution to the Puget Sound Electrical Workers Healthcare Trust Fund for each employee constitutes a lump sum amount of \$1,400 per month. Port contribution to the Fund will increase to \$1,745 on June 1, 2026, \$1,800 on June 1, 2027, and \$1,850 on June 1, 2028.

Other Changes

- Transitioned the probationary period from a set six (6) months to one thousand and forty (1040) working hours.
- Clarified when probationary employees have access to leave.
- Updated the compensation rate when management transitions employees to a new workweek schedule
- Added language clarifying the duration of appointment for temporary supervisors.
- Removed the requirement for employees to supply certain tools.
- Updated the telematics language to remove the reference to a Memorandum of Understanding.
- Updated grievance timeline language.

Cost Impact \$	Year 1	Year 2	Year 3
Pay	\$581,482	\$1,184,969	\$1,816,929
Benefits	\$412,637	\$575,014	\$738,647
Total New Money	\$994,118	\$1,759,983	\$2,555,577
Total Cumulative Cost	\$994,118	\$2,754,102	\$5,309,678

The estimated total cumulative cost to the Port of Seattle for the duration of the contract is \$5,309,678.

ATTACHMENTS TO THIS REQUEST

1. Collective Bargaining Agreement

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

None

COLLECTIVE BARGAINING AGREEMENT

BY AND BETWEEN

THE PORT OF SEATTLE

AND

**INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS
LOCAL UNION #46**

REPRESENTING EL01 ELECTRICIANS

JUNE 1, 2026 – May 31, 2029

TABLE OF CONTENTS
LOCAL 46 ELECTRICIANS
EL01 ELECTRICAL MAINTENANCE AGREEMENT

<u>ARTICLE</u>	<u>PAGE</u>
Article 1: Purpose -----	3
Article 2: Non-Discrimination -----	3
Article 3: Union Recognition and Membership -----	4
Article 4: Management Rights -----	4
Article 5: Classifications and Rates of Pay -----	5
Article 6: Hours of Work -----	8
Article 7: Overtime -----	10
Article 8: Holidays -----	12
Article 9: Paid Time Off (PTO) and Sick Leave -----	13
Article 10: Leaves of Absence -----	17
Article 11: Benefits -----	19
Article 12: Medical, Dental and Life Plan -----	21
Article 13: Seniority - Shift Selection -----	21
Article 14: Miscellaneous -----	23
Article 15: Grievance Procedure -----	28
Article 16: Work Stoppages and Employer Protection -----	29
Article 17: Savings Clause -----	29
Article 18: Duration -----	30
Article 19: Apprenticeship -----	30
Article 20: Footwear -----	31

**PORT OF SEATTLE ELECTRICAL MAINTENANCE AGREEMENT
BETWEEN THE
PORT OF SEATTLE
AND
INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS
LOCAL UNION NO. 46**

Effective June 1, 2026 through May 31, 2029

These articles constitute a maintenance agreement, the terms of which have been negotiated in good faith between the Port of Seattle and the International Brotherhood of Electrical Workers (IBEW) Local 46. This agreement shall be subject to approval by the Commissioners of the Port of Seattle.

The Port of Seattle maintenance divisions covered by this agreement provide maintenance, additions, alterations, repair, and renovation on Port owned facilities. The Port of Seattle as owner and operator of Seattle-Tacoma International Airport, and numerous Seaport properties in the geographic area between the Duwamish waterway to Shilshole Bay Marina, is responsible for continuous safe operation of a great variety of facilities with numerous complex electrical systems seldom encountered in a construction environment, which are essential to commerce, health and safety of people who travel through and reside in King County Washington. This agreement reflects the mutual intent of the parties to facilitate the performance of maintenance electrical work in a critical operations environment, which contributes to this effort.

Employees working under this agreement perform electrical maintenance work traditionally performed by Port maintenance electricians on Port owned premises, including additions, alterations, repair and renovation as directed or assigned to Port maintenance electricians by the Port in the applicable Port Job Analysis (Bock Consulting October 27, 2025) or the applicable Port Job Description. In the event the Port changes the duties of the members of this bargaining unit due to technological advancements or future automation, the Port will meet with the union to discuss training opportunities, reassignment, or other possibilities prior to changing any duties of these employees for these reasons.

ARTICLE 1: PURPOSE

The purpose of this Agreement is to promote the continued improvement of the relationship between the Port and its employees through their Union. The articles of this Agreement set forth the wages, hours, and working conditions for the bargaining unit employees.

ARTICLE 2: NON-DISCRIMINATION

The Port and the Union will not tolerate discrimination against any persons on the grounds of age, race, color, national origin/ancestry, ethnicity, religion, disability, Family Medical Leave Act, (FMLA) use, pregnancy, sex/gender, sexual orientation, whistleblower status, military affiliation, marital status, worker's compensation use, transgender status, political beliefs, or any other protected status as guaranteed by local, state, and federal laws.

The Port and the Union are committed to promoting equity, diversity and inclusion in the workplace. The Port refers to equity as the fair treatment, access, opportunities, and advancement for all people

while striving to identify and eliminate barriers that have prevented the full participation of historically oppressed communities.

ARTICLE 3: UNION RECOGNITION AND MEMBERSHIP

- 3.1 **Recognition** – The Port recognizes the Union as the exclusive bargaining representative of all employees whose job classifications are in the work units listed in this agreement.
- 3.2 **Membership Rights** – All employees working in the bargaining unit shall have the right to become a union member upon hire. When possible, the Port will strive to refer questions from employees about union membership directly to the union.
- 3.3 **Notice** – The Port shall advise the Union of the names and addresses of new Port employees covered by this Agreement within seven (7) calendar days following the date of employment.
- 3.4 **Automatic Payroll Deduction** - Upon receipt of written authorization individually signed by the employee, the Port will deduct from the pay of such employee the amount of dues and initiation fees as certified by the Union. The Port shall transmit such fees to the Union once each month on behalf of the members involved.
- 3.5 **Dues Deduction Cancellation** – An employee may cancel their payroll deduction of dues and fees by written notice to the Union and to the Employer. The Port will make every effort to end the automatic dues deduction effective on the first pay period but no later than the second pay period after receipt of the written cancellation notice.
- 3.6 **Indemnification** - The Union will indemnify and hold the Port harmless against any claims made and against any suit instituted against the Port on account of any check-off of dues and initiation fees for the Union. The Union agrees to refund to the Port any amounts paid to it in error upon presentation of proper evidence thereof.
- 3.7 **Hiring Procedure** – The Port of Seattle is a public employer subject to the requirements of Chapter 53.18 RCW and Chapter 41.56 RCW regarding employment relations, collective bargaining, and ability to hire personnel. In accordance with Chapter 53.18.060 the parties agree that this labor agreement does not restrict the right of the Port of Seattle in its discretion to secure its regular or steady employees from the local community, according to the Port's internal hiring procedures. All new employees hired in this manner are subject to the terms and conditions of this Agreement.

ARTICLE 4: MANAGEMENT RIGHTS

- 4.1 **General** - The Union recognizes the prerogatives of the Port to operate and manage its affairs in all respects in accordance with its responsibilities and powers of authority, subject to the terms and conditions of this Agreement.
- 4.2 **Rights Enumerated** – Unless modified by this Agreement, the Port shall have the right to determine staffing levels and work locations; determine any given employee's job classification consistent with this Agreement; recruit, examine, hire, appoint, promote, demote, train, transfer,

assign, layoff, and discipline and discharge seniority employees for just cause; direct and assign the work; develop and modify classification specifications consistent with this Agreement; allocate positions to those classifications; allocate employees to those positions; determine work shifts and work schedules; schedule and assign overtime work; establish the methods, means and processes and personnel by which work is performed; establish rules; secure its seniority and probationary employees from the local community, specify certain employees as seniority employees, subcontract work as allowed by this agreement, allow tenants and leaseholders doing business with the Port to do the work covered by this agreement on their leased premises only, and the right to take whatever actions are necessary in emergencies in order to assure the proper functioning of the work unit. Probationary employees may be terminated without just cause and without recourse to the grievance procedure regarding termination.

Due to the unique nature of the operations of the Port of Seattle, the demands for skilled electricians are highly variable in specific skills and equipment, numbers of crew and required response time. The parties have negotiated in good faith on the subject of subcontracting, with the interest of IBEW being maintaining job security and the interest of the Port of Seattle being the ability to adapt to the ever-changing maintenance requirements of the complex systems maintained by the Port of Seattle as well as public statutes and policies regarding purchasing of goods and services as a public entity. To this end the parties have recognized the difficulty of adopting specific language limiting the right of the Port of Seattle to subcontract, if the need arises, work traditionally performed by employees covered by this agreement. Although, if the Port subcontracts, then the employees working under this agreement shall not be laid off, transferred, or suffer loss of regular work hours due to subcontracting as allowed in this Agreement.

ARTICLE 5: CLASSIFICATIONS AND RATES OF PAY

- 5.1 Classifications** – Electrical work under this Agreement shall be performed by the following classifications: EL01 Journey level Electrician, Apprentice, Electrical Supervisor and Electrical General Supervisor.
- 5.2 Base Rates of Pay** – The following day shift rates of pay shall apply:

<u>Effective Date</u>	<u>June 1, 2025</u>
EL01 Journey level Electrician	\$72.46
Electrical Supervisor (10% above EL01 Journey level Electrician)	\$79.71
Temporary Assigned Electrical Supervisor (10% above EL01 Journey level Electrician)	\$79.71
General Electrical Supervisor (20% above EL01 Journey level Electrician)	\$86.95

Project Support Electrician (10% of Journey level)

\$79.71

Apprentice

According to Puget Sound JATC

The following premium pays shall be applied to classification base rates as listed above and as they may change over the life of the agreement (exclusive of shift differential) for hours worked in these capacities.

Cable Splicer	10% above EL01 Journey level Electrician
Capital Projects Premium	10% above EL01 Journey level Electrician
FA1 and NICET II Premium	10% above EL01 Journey level Electrician
Welder	5% above EL01 Journey level Electrician
CDL	5% above EL01 Journey level Electrician
High Time	5% above EL01 Journey level Electrician

Effective June 1, 2026, the base wage of the EL01 Journey level Electrician shall be increased by four percent (4%) (\$75.36).

Effective June 1, 2027, the base wage of the EL01 Journey level Electrician shall be increased by four percent (4%) (\$78.37).

Effective June 1, 2028, the base wage of the EL01 Journey level Electrician shall be increased by four percent (4%) (\$81.50).

- 5.3 Wage Reopener:** Effective August 7, 2028, if the current day shift wage rate for EL01 Journey level Electrician rate is less than 90% of the NECA hourly wage rate for the day shift, then Article 5 RATES OF PAY (Base Rates of Pay) will be available for a 30-day wage reopener upon the request of either party.

5.4 Shift Pay

5.4.1 Swing Shift – the pay rate for an employee assigned to swing shift will be their base hourly rate of pay plus ten (10) percent. An employee who is regularly assigned to the swing shift will have all compensable time paid at the swing rate of pay.

5.4.2 Graveyard Shift – the rate for an employee assigned graveyard shift will be their base hourly rate of pay plus fifteen (15) percent. An employee who is regularly assigned to the graveyard shift will have all compensable time paid at the graveyard rate of pay.

5.5 Definitions

Division – This Agreement applies to those two divisions of the Port of Seattle known as Maritime Division and Aviation Division.

Electrical Supervisor – Whenever an employee is assigned the responsibility of the supervision of employees or the coordination of subcontractors on a project or routine work assignment, they will be paid at least the Electrical Supervisor scale. Electrical Supervisors shall perform duties with regards to: supervision, assignments, track and report on performance, safety and compliance, and other duties as assigned.

Electrician General Supervisor - Whenever an employee is assigned the responsibility of supervision of multiple crews and/or multiple shifts, where other Electrical Supervisors have been assigned to manage crews, they will be paid at least the Electrical General Supervisor scale. An Electrical General Supervisor has the responsibility of supervision/coordination of multiple Electrical Supervisors and/or multiple shifts.

Capital Projects – are defined as new construction or large remodel projects performed at the Port of Seattle, led by a capital project team or assigned by management as a capital project to the electrician group. Contractors on capital projects would be subject to pay prevailing wage and benefits as according to RCW 39.12.

When a Port journey-level Electrician performs: 1) construction-type installations on capital projects as defined above; 2) capital project plan review with comments that would directly affect specs of the electrical department; or 3) warranty work other than their normal work duties in support of a capital project, will be paid a 10% premium. In order for this premium to apply, this work shall be accompanied by a Capitol Account work order or project number to be charged to. Regular job duties are not eligible for the premium and are excluded (e.g., assigning work, scheduling capital project work, escorts, etc.).

Electrical Supervisors who are assigned full-time duty to direct, perform work, and lead a capital project crew will be paid the additional 10% premium.

High Time – When working at heights over 75 feet on lift equipment or scaffolding, Electricians shall receive a premium of 5% per hour.

EL01 Journey Level Electrician – A journey level electrician must possess a valid Washington State EL01 Electrician Certificate.

Probationary Employee – A probationary employee is an employee employed by the Port of Seattle who has not attained Seniority status. In order to attain Seniority status, a probationary employee must successfully complete a probationary period of one thousand and forty (1,040) working hours in the same position. The probationary period may be extended by management, but only with agreement of the Union. If the probationary time period is extended, the employee only has to successfully complete the remaining time left before attaining Seniority status. Probationary employees are at-will, meaning their employment can be terminated without a showing of cause. Probationary employees do not accrue seniority. A probationary employee is eligible to take leave as specified in Article 9 (Paid Time Off (PTO) and Sick Leave) and Article 10 (Leave of Absence) of this agreement.

Seniority Employee – A seniority employee is an employee employed by the Port of Seattle who has successfully completed their probationary period. Once an employee attains seniority employee status, seniority shall be retroactive to their date of hire in the classification. Seniority employees are eligible to take PTO, Sick, and other approved leave.

Project Support Electrician – A classification that may be established and discontinued at the discretion of management, assigned to a seniority level EL01 Journey Level Electrician or Electrical Supervisor, after interview and acceptance by the Port, to provide a full scope of project support services to Port engineering and project management staff. The Port may limit the duration of assignment of employees to this classification. Employees shall have the right of return to their bid position without loss of seniority. Escorting by bargaining unit employees shall not be considered assigned to performing the duties of this classification.

Notice to Union – New Employees – The Port will notify the Union within one (1) week when it hires any new employee. The notice will include the classification, division hired, basis for the hire, and expected length of employment.

Electrical Support Dispatch Process Lead Craft Designation – Port management commits to work with the Union through the Business Partnership Committee meetings to review and modify Standard Operating Guideline Craft Dispatches where necessary.

Emergency Responder Designation – The Port agrees to address Security and Response issues via a reopener or through the Business Partnership Committee.

ARTICLE 6: HOURS OF WORK

6.1 Standard Five-Eight (5x8) Work Schedule – The standard workweek shall be five (5) consecutive days Monday through Friday on the basis of eight (8) consecutive hours per day, with a thirty (30) minute meal period. Alternative schedules are permitted to be filled and added under the conditions stated in 6.5, 6.6 and 6.7 below. No employee shall be required to work both Saturday and Sunday.

6.2 Standard Shift Hours

6.2.1 Day Shift – An employee assigned to work on a shift beginning between the hours of 6:00 A.M. and 8:00 A.M. will be considered to be on day shift.

6.2.2 Swing Shift - An employee assigned to work on a shift beginning between the hours of 2:00 P.M. and 4:00 P.M. will be considered to be on swing shift.

6.2.3 Graveyard Shift – An employee assigned to work on a shift beginning between the hours of 9:00 P.M. and 11:00 P.M. will be considered to be on graveyard shift.

6.3 Changes to Shift - Changes to work schedules will require one (1) week notice to affected employees. If the employer does not meet notification requirements, the employee will be paid at the higher shift rate until the notification requirement is met.

6.4 Changes to Workweek Schedule – Changes to workweek schedule will require a minimum of seven (7) days’ notice. If the transition to the new workweek schedule provides less than two consecutive days off, the employee shall be paid time and one-half for the first day of their new workweek and double time for the second day of their new workweek. Effective upon ratification, and for the contract term June 1, 2026, through May 31, 2029, if the transition to a new workweek schedule provides less than two consecutive days off, the employee shall be paid double time for the first and second day of their new workweek.

6.5 Optional Four-Ten (4x10) Work Schedule at the Maritime Division – In the Maritime Division of the Port, with the agreement of the employee, may schedule workweeks, which consist of four (4) consecutive work days of ten (10) consecutive hours each, exclusive of the meal period and not to exceed forty (40) hours per workweek. An established four-ten (4x10) work schedule will provide for three (3) days off which will be consecutive days, with at least one (1) day being a Saturday or Sunday, except when transitioning between a 4x10 and 5x8 schedule. The employee may opt out of a four-ten (4x10) schedule with two (2) weeks notice to the employer.

Management at the Maritime Division may schedule five-eight (5x8) and four-ten (4x10) work schedules with different shift start times on the same shift at its discretion. LDE’s may request a four-ten (4x10) schedule for approval by management but only after all other Seniority employees on their same shift have been granted a four-ten (4x10) schedule, if requested.

6.6 Airport – At the Airport, at the request of the employee and agreement of management, the Port may schedule a four-ten (4x10) workweek within the employee’s previously bid five-eight (5x8) workweek schedule. This four-ten (4x10) schedule will consist of four (4) consecutive work days of ten (10) consecutive hours each, exclusive of the meal period and not to exceed forty (40) hours per workweek. An established four-ten (4x10) schedule will provide for three (3) consecutive days off, with at least one (1) day being a Saturday or Sunday, except when transitioning between a four-ten (4x10) and five-eight (5x8) schedule. The employee may opt out of a four-ten (4x10) schedule after six months of working the requested schedule with two weeks’ notice to the employer and thereafter return to their previously bid five-eight (5x8) schedule. Employees working a regular shift that includes a weekend day will need to include their regularly scheduled weekend day in their four-ten (4x10) schedule. An employee may request a four-ten (4x10) schedule that includes both weekend days under the same conditions. Returning to a five-eight (5x8) bid schedule within less than six months may occur with mutual agreement between management and the employee. Management reserves the right to return an employee to the employees regular five-eight (5x8) bid shift as per 6.3 above.

Management at the Aviation Division may schedule five-eight (5x8) and four-ten (4x10) work schedules with different shift start times within the limits of 6.2 above, on the same shift, at its discretion.

Establishment of any four-ten (4x10) schedule shall not impact the schedules of employees who wish to stay on their five-eight (5x8) schedule that they previously bid. Employees who wish to work a four-ten (4x10) schedule will submit their request through the chain of command to

management. Every effort will be made to respond to requests timely and, when approved, facilitate timely and smooth transitions to the four-ten (4x10) shift. Probationary employee's may request a four-ten (4x10) schedule for approval by management but only after all other Seniority employees on their same shift have been granted a four-ten (4x10) schedule if requested.

6.7 Alternative Workweek Schedule

AVIATION DIVISION: Alternative workweek schedules shall be five (5) consecutive days of either of the following schedules: Tuesday through Saturday, Sunday through Thursday.

The Port agrees that beginning 1/1/14 there shall be no more than six (6) maintenance electricians on Saturday day shift, no more than six (6) on Saturday swing shift; no more than six (6) on Saturday graveyard shift. There shall be no more than six (6) maintenance electricians on Sunday day shift, no more than six (6) on Sunday swing shift, and no more than six (6) on Sunday graveyard shift.

ARTICLE 7: OVERTIME

- 7.1 Overtime** - All work performed outside of the regularly scheduled working hours shall be considered overtime. When employees on eight (8) hour work shifts are required to work more than three (3) hours of overtime beyond their established shift, the employee shall be allowed a paid thirty (30) minute meal period prior to or during the overtime period. When employees on a ten (10) hour shift are required to work more than one (1) hour of overtime, exclusive of any unpaid meal period, the employee shall be allowed a paid thirty (30) minute meal period prior to or during the overtime period. Employees required to work continuous overtime beyond their regular work shift shall be provided paid meal periods. During work of a continuous nature, successive meal breaks must occur every five (5) hours from the end of the preceding meal period. Paid meal periods shall be scheduled by the Employer.
- 7.2 Scheduled overtime work** – Scheduled overtime shall be defined as overtime with at least twenty-four (24) hours of advance notice to the employee before the overtime will begin, except when an employee is notified of a shift extension request prior to leaving work. Scheduled overtime work will be offered to seniority employees prior to all other employees on the same shift except in those instances where seniority employees are not readily available. Readily available is defined as the employee not being on a leave status and is present at work or at home when called at the time the overtime work is being scheduled and is in the division in which the overtime will be worked. When probationary employees are used as part of a crew involved in a specific work task, they will be allowed to work the overtime that is involved with that specific work task. Probationary employees are eligible for the overtime rotation assignments after completing their probationary period as provided in Article 5.7 (Definitions) and shall be inserted in the seniority rotation list based on their seniority date. A minimum shift for scheduled overtime shall be four (4) hours, unless the scheduled overtime is immediately before or after a regularly scheduled daily shift. When employees report for management approved scheduled overtime and are told not to start work, the employee shall receive four (4) hours of applicable overtime pay.

7.3 Shift Extension – A shift extension shall be defined as one of the following:

- (a) where an employee is provided at least twenty-four (24) hours of notice before an early start time or notified prior to the end of their current shift to report early for their next shift; or
- (b) where an employee is notified prior to the end of their current shift to stay late on that shift.

7.4 Overtime Rates of Pay

7.4.1 Time and One-half Overtime (1½) Rates - During the regular five-eight (5x8) work week the first two (2) hours of scheduled overtime worked shall be at one and one half (1½) times the regular shift rate.

7.4.2 Double Time Overtime Rates – All other overtime beyond the hours specified in Section 7.4.1 and on the fifth (5th), sixth (6th), or seventh (7th) day of a 4x10 schedule or the sixth (6th) or seventh (7th) day of a 5x8 schedule shall be paid at double (2x) the shift rate. For the 4x10 shift employee, all hours worked beyond their normal shift end time shall be paid at double (2x) the employee's regular shift rate of pay.

7.5 Unscheduled emergency overtime work – In the event of unscheduled emergency overtime work, i.e. work management is not aware of in advance, management may offer overtime to whomever is most available. However, when possible, management will make a good faith attempt to offer this overtime to seniority employees, who are in the same division in which the overtime will be worked, prior to probationary employees.

7.6 Overtime Authorization – All overtime will be authorized in advance by the manager/designee in writing, except in emergencies.

7.7 Callout – A “callout” will be defined as overtime where less than twenty-four (24) hours of notice is provided to the employee, prior to the start of the work being requested. This applies when an employee has ended their normal shift and has left the premises, not to a Shift Extension. A minimum of four (4) hours at the employee's double time (2x) shift rate will be paid for each callout. Employees, who are still on the jobsite working during the four (4) hour call-out period, may be required to take other emergency calls, if the call occurs during the four (4) hour call-out period. Where such overtime exceeds four (4) hours, the actual hours worked will be paid at the employee's double time (2x) shift rate.

7.8 Off-Duty Time – The Port and the Union recommend at least eight (8) hours of off-duty time for any employee who moves to a different shift or who works overtime before or after a shift. However, at the option of the employee, the employee may take PTO, LWOP, or work their regularly scheduled daily shift after working overtime before or after their shift. Due to safety concerns, the Port may require employees to take off-duty time.

7.9 Phone and Computer Consultation Pay – With approval or direction from an Electrical Supervisor, to call, email, or text an employee outside of their shift to seek technical advice or support, the employee giving the advice over the phone shall be compensated at the double (2x) time rate in one-half (.5) hour intervals per phone call. Phone consultations to employees outside

their regular shift in regards to scheduling or other non-technical support shall not result in any compensation. Multiple calls within a thirty (30) minute interval shall not be compensated as separate calls.

ARTICLE 8: HOLIDAYS

- 8.1 Designated Holidays** - The following eleven (11) days shall be observed and recognized as paid holidays for employees: New Year's Day, Martin Luther King Jr. Day, President's Day, Memorial Day, Juneteenth, Fourth of July, Labor Day, Thanksgiving, the day after Thanksgiving, the day before or the day after Christmas Day and Christmas Day as observed by the Port.

Effective January 1, 2021, and each year going forward, one Floating Holiday will be added for each Employee. The Floating Holiday must be used in the same year that they are posted.

- 8.2 Pay for Time Worked on Holidays** – Employees who perform work on any of the above holidays shall be paid the actual time worked at double the employee's regular shift rate.

- 8.3 Other Holiday Observance Considerations** - Whenever any of the above holidays fall on an employee's normal day off, either the last scheduled workday of the employee's previous workweek or the first scheduled workday of the following week shall be observed as the holiday and paid for accordingly. In such an instance, the Port shall decide whether the last preceding workday or the first workday of the following week is to be observed.

- 8.4 Holiday Pay Rate and Qualifications** - Each employee shall receive eight (8) hours or ten (10) hours (if working a 4x10 workweek) holiday pay at their hourly shift rate of pay for the holidays designated in 8.1 above, provided:

8.4.2 Employees who are absent due to an industrial injury and who receive Washington State Workers' Compensation for the date of the holiday shall be compensated with supplemental holiday pay, provided the total daily or weekly amount of benefits received does not exceed their daily or weekly base wage rate.

8.4.3 Eligibility for Holiday Pay - In order to be eligible for holiday pay, an employee must be on Port payroll for the thirty (30) consecutive days preceding the holiday.

- 8.5 Holidays and Paid Time Off** - If a holiday falls within the PTO period of an employee, the employee shall be paid as set forth above provided the employee works the last scheduled workday prior to and the first scheduled workday following the employee's PTO period unless otherwise excused by management.

Holidays and PTO shall be administered separately and neither holiday nor PTO time shall be forfeited in the event that holidays and PTO are scheduled during the same period.

ARTICLE 9: PAID TIME OFF (PTO) AND SICK LEAVE

9.1 Paid Time Off –

- (a) **Accrual Rates:** Paid Time Off (PTO) is earned at varying rates based upon tenure and straight-time hours paid. The number of earned PTO days shown below is based on full-time, straight-time hours paid. Part-time employees earn a proportional share of hours. Upon the Union's request only, the Port agrees to open on the issue of PTO accrual rates in the event the Port changes the rates through the Salary and Benefit Resolution.

Years of Service	Days Per Year	Accrual Rate Per Hour
0 – 3	19.6	.07538
4 – 7	24.6	.09462
8 - 11	27.1	.10423
12 – end of employment	29.6	.11385

- (b) **Accumulating and Taking Paid Time Off:**

Employees shall be allowed and encouraged to take at least two work weeks of Paid Time Off each year. Paid Time Off may be taken up to the accrued balance, after the completion of the probationary period as provided in Article 5.7 (Definitions) and following management approval of a request made at least one week in advance.

- (c) **Maximum PTO Accumulation and Automatic Cash-out for Employees Hired Before 12/20/98:**

Maximum accumulation for employees hired before 12/20/98 is 1,400 hours in 2005. This limit will decrease by 100 hours each successive January until January 2014, when it will decrease from 600 to 480 hours. Balances over the limit will be cashed out 100% at the employee's current hourly rate of pay during the first pay period of the payroll year. Subsequent accruals over the limit will be cashed out quarterly at the employee's current hourly rate of pay. Employees may request that the cash-out be postponed by up to two pay periods to accommodate a pre-scheduled vacation.

- (d) **Maximum Paid Time Off Hours Accumulation for Employees Hired On or After 12/20/98:**

For employees hired on or after 12/20/98, the maximum accumulation is 480 hours. Accruals will cease when the limit is reached and will resume only when the balance is below 480 hours. Accruals over the limit are not cashed out.

- (e) **Voluntary Cash-out of PTO Hours While an Active Employee:**

Effective **January 1, 2019** employees will be subject to the Port of Seattle PTO Cash Out Policy and Procedure.

Cash-outs shall be processed at the employee's current hourly rate of pay as recorded in the payroll system. A "Paid Time Off Cash-Out Request and Waiver" form must be submitted to Payroll by the payroll deadline.

9.2 Sick Leave

Effective June 1, 2019, employees will accrue Sick Leave at the rate of .027 hours accrued per hours compensated. Sick Leave may accumulate with no maximum limit. In the event of illness, Sick Leave up to the accrued balance may be used after employment of at least 30 days.

Sick Leave will accrue in two banks.

Bank 1) Protected Sick Leave .027 per hour worked will accrue as Washington Protected Sick Leave. Employees may utilize this leave in accordance with the minimum requirements of the Washington State Sick Leave Law, RCW 49.46.210. Employee's shall be notified on each paystub of the amount of Protected Sick Leave they are entitled to use for authorized purposes as defined by the law. There is no limit on the amount of Protected Sick Leave that may be accrued in a calendar year

Bank 2) Paid Sick Leave .027 will accrue as Paid Sick Leave per hour compensated, but not worked.

On January 1st of every calendar year Protected Sick Leave in excess of forty (40) hours will be transferred to Bank 2.

Probationary employees shall accrue Paid Sick Leave, but may not use sick leave from Bank 2 until after employment of at least 30 days.

Sick leave will be used as provided by law. For absences exceeding three (3) days, management may require verification that an employee's use of paid sick leave is for an authorized purpose.

9.3 Paid Family Leave. The Port shall comply with the requirements of the Washington Paid Family and Medical Leave Act and shall have full discretion on meeting those requirements (e.g. Voluntary Plan), which shall not be subject to the grievance procedure or to any other provision of this Agreement or to negotiation by the Union. However, the Port agrees, that for the term of this agreement, the Port shall make contributions to the chosen plan (i.e. State, Approved Voluntary) on the employee's behalf. Port Paid Family and Medical Leave (PPFML) shall be paid according to the calculations and maximums set forth under the program outlined in Port Policy. If the employee is eligible for shift differential at the time of absence, they will also be paid shift differential on the hours eligible for PPFML benefit payment for an approved leave. This applies only to shift differential and not any other differentials or additional pay the employees are eligible for at the time they are absent from work for an approved leave.

9.4 Payment for Accrued Leave at Termination

(a) Sick Leave:

Upon termination or retirement immediately following five consecutive years of active employment with the Port of Seattle, an eligible employee shall be compensated for 50% of their Sick Leave accrued balance at the employee's hourly rate of pay in effect at termination or retirement.

(b) Paid Time Off:

Upon termination, an employee who has successfully completed their probationary period as provided in Article 5.7 (Definitions) will receive one hundred percent (100%) of their accrued Paid Time Off balance at the employee's hourly rate at termination. Employees who have not been terminated for cause have the option of receiving their Paid Time Off hours:

- (a) as a lump sum (all rights to insurance benefits, pension benefits and leave accruals during the period in which the PTO leave would have been used as service time are waived)
- (b) as service time after their last day worked (this includes healthcare benefits, continuation of PTO and Sick Leave accruals, and service credit time)
- (c) as a combination of cash and service time.

NOTE: PTO cannot be used as service time in the year following the employees last Port of Seattle workday.

An employee who terminates active employment before satisfactorily completing their probationary period as provided in Article 5.7 (Definitions) shall receive no Paid Time Off pay.

An employee who is terminated for cause shall receive a lump sum payment for 100% of their Paid Time Off accrued balance at the hourly rate of pay in effect at termination. The employee is not eligible to use Paid Time Off as service time after the last day worked unless authorization is received from Human Resources and Development Management.

Emergency hire employees at Marine Maintenance who work a minimum of thirty (30) days shall be compensated for 100% of their Paid Time Off accrued balance at the employee's hourly rate of pay at termination. Compensation shall be made in a lump sum payment.

9.5 Leave Without Pay (LWOP) – When an employee requests leave without pay in conjunction with any other leave, the requests should be combined so the employee's manager may assess the consequences of the entire period of time off being requested. Requests for LWOP may not be approved unless it will occur after all appropriate paid leave accruals are exhausted. When the absence is for personal reasons, all paid time off must be exhausted. If illness is involved, all extended illness, long-term sick leave, and paid time off leave must be exhausted.

Suspensions or unpaid time for disciplinary reasons may result in LWOP while there are payable leave balances. If LWOP is requested in conjunction with paid time off, compensation may be arranged to be paid over the entire period off at a reduced amount or schedule. This arrangement

requires advance notice and a Request for Personnel Action form to advise Accounting of the change in schedule.

9.6 General Leaves Without Pay

Approval of a leave under the conditions and limits stated in this section assumes the employee's right to reinstatement without loss of seniority in the same position and pay held before the leave. However, if a reduction in force should occur during a period of leave, the returning employee would be subject to the action which would have taken place if the employee had remained at work.

A department director within the conditions and limits indicated may authorize the following types of leave:

9.6.1 Personal Leave Without Pay:

A request for time off the job without pay for non-military or non-medical reasons will be considered a request for personal leave without pay. Approval of personal leave is not automatic. Personal Leave Without Pay is not available to employees who have not completed their probationary period as provided in Article 5.7 (Definitions). Port management considers leaves extending beyond an employee's accrued vacation as a special consideration to be granted only after careful evaluation. A request for personal leave without pay should be made only when an employee intends to return to work for the Port following such leave. Each request for personal leave will be considered on its own merits, and the factors to be considered by the department director shall include:

(a) The purpose and length of the requested leave; (b) The employee's length of service; (c) The effects of such an extended absence on the operational efficiency of the department; (d) The contribution of the employee to the organization.

A personal leave without pay in which there is mutual benefit for the Port and the employee would receive greater priority, for example, than a request for time off to travel. After such an evaluation, a manager who is willing to accept the employee upon return may authorize up to a six (6) week LWOP to a regular employee whose performance and attendance is satisfactory.

9.7 Supplemental Pay During Workers Compensation Time Loss Periods - An employee may use extended illness leave during approved workers compensation time-loss periods. Extended illness supplements will be paid in amounts sufficient to bring the total pay up to the normal bi-weekly rate. When extended illness leave is exhausted, paid time off leave may be paid in the same proportion as described for extended illness leave to bring total pay up to the normal bi-weekly rate.

9.8 Disability Case Management – To comply with the law and as provided by the Disability Case Management Procedure HR-6, the Port of Seattle will provide all employees with reasonable accommodation and return-to-work assistance as determined on a case-by-case basis. Appropriate Port of Seattle personnel will work with the employee to comply with any and all

legal requirements and insurance policies. Such legal requirements and insurance policies may include the Americans with Disabilities Act (ADA), the Family and Medical Leave Act (FMLA), the Family Care Act (FCA), workers compensation and long term disability insurance.

ARTICLE 10: LEAVE OF ABSENCE

- 10.1 General** - The Port shall comply with the Family Medical Leave Act and State Family Care Act. These benefits shall be available to domestic partners of employees as well as those persons required by these statutes. For purposes of this Article, domestic partnership shall mean a heterosexual or same sex couple as defined by Port of Seattle.
- 10.2 Failure to Return to Work** - Failure to return to work from an approved Medical or Family leave of absence by the expiration date of the leave of absence may be cause for termination of employment.
- 10.3 Bereavement Leave** - Any employee who suffers a death in the employee's immediate family shall be allowed three (3) days paid leave compensated at the employee's regular shift rate as a result of the employee's absence. The employee may be allowed up to two (2) days of additional paid leave in consideration of distance to the funeral or the extent of the employee's involvement with arrangements for the deceased. Immediate family shall be defined as wife, husband, daughter, son, mother, father, sister, brother, mother-in-law, father-in-law, grandparents, grandchildren, stepmother, stepfather, sister-in-law, brother-in-law, daughter-in-law, and son-in-law, aunts, uncles, domestic partner and their respective relatives listed above. New employees shall be eligible for bereavement leave after thirty (30) days of continuous employment.
- 10.4 Jury Duty** – An eligible employee who serves on jury duty shall receive full regular compensation.
- Employees on swing and/or graveyard shall receive jury duty pay (in lieu of working) for their shift immediately preceding the start of jury duty. If the employee's next scheduled Port of Seattle work shift starts less than 12 hours after the end of jury duty, and there is not jury duty schedule for the next day (e.g., on a weekend or at the completion of jury duty), the employee shall receive jury duty pay (in lieu of working) for the number of hours required to provide the employee with a 12-hour break. For example, if jury duty ends at 4:00 p.m. and the employee's work shift begins at 10:00 p.m, the employee may receive jury duty pay in lieu of working from 10:00 p.m. to 4:00 a.m.
- 10.5 Shared Leave** – An employee may donate any amount of paid time off or extended illness leave at a 100% rate, or hour-for-hour to another employee (or employee's child, spouse, domestic partner or parent) suffering from an extraordinary or severe illness, injury, impairment, or physical or mental condition which has caused, or is likely to cause, the employee to take leave without pay or terminate their employment. Administration of the shared leave program will be determined by the Port.
- 10.6 Military Leave** – With appropriate military orders, employees called for active training duty in military reserve units shall be allowed up to 21 working days per Federal fiscal year (October through September) of paid military leave as provided in and limited by RCW 38.40.060.

Employees called for active duty beyond the 21 working days will be placed on Paid Leave of Absence/Military status. This status will provide supplemental pay and a continuation of benefits to keep the employee “whole” in cases their military pay and benefits are less than what the Port provides. An example is the guidelines requested of the Port Commission for activations following September 11, 2001. In all cases, the Uniformed Services Employment and Reemployment Rights Act (USERRA) provides the minimum definition of benefits guaranteed to employees called for active duty.

- 10.7 Other Leave Entitlements** – The Port shall provide other leave as may be provided by law, such as under the Washington State Pregnancy Disability Leave Act, the Washington Family Care Act, the Washington State Military Family Leave Act, and the Washington State Domestic Violence Leave Act. The Port shall comply with all legal requirements to continue health insurance benefits during eligible statutory leave.
- 10.8 Subpoenaed Witness Leave** – When an eligible employee is subpoenaed as a witness under circumstances which are determined by Human Resources to constitute Port duty, the same pay and conditions listed for jury duty shall apply.
- 10.9 Maintenance of Benefits** - For employees with less than five years of service with the Port, their insurance benefits will be maintained for at least the first 30 days of medical LWOP (after FMLA leave is exhausted). If the employee cannot return to work within the next 15 days, they will be responsible for paying the premiums for the benefits they wish to retain while on LWOP as of the 31st day of LWOP (after FMLA leave is exhausted).

For employees with more than five years of service with the Port immediately preceding the disability, their medical and life insurance benefits will be maintained for the first six months of medical LWOP (after FMLA leave is exhausted). The employee will have the option to pay for dental and dependent medical insurance during this time. After six months, the employee will be responsible for paying all the premiums for the benefits they wish to retain.

- 10.10 Medical Leave Without Pay Covering Periods of Disability** - A disability period is the time an employee is unable to perform the duties of their position due to illness, injury or disability, as determined and certified by a licensed physician in writing to the Port. For the purposes of this procedure, the normal definition of illness includes, but is not limited to disabilities related to pregnancy or childbirth, conditions related to alcoholism, drug addiction, and psychological disorders. When time off the job without pay is requested in excess of the certified period of disability, it is handled in the same manner as any other request for personal Leave Without Pay. For example, an absence for maternity reasons is a combination of medical leave and a personal leave when a female employee is authorized time off beyond the period of disability following childbirth. This is intended to be consistent with the Washington State Maternity Regulation, WAC 162-30-020 and also with the USEEOC Employment Policies Relating to Pregnancy and Childbirth, 29 CFF 1694.10.

Under this section, medical leaves which are required to cover certified periods of disability may be granted to regular, post-probationary employees suffering from either job-related or non-job-

related disabilities for up to six months. When disability conditions continue into the fifth month since the first day of unpaid leave, the department director and Human Resources and Development Management shall make a determination concerning appropriate action. Medical leaves in excess of six months are covered under Special Leave Without Pay Considerations.

10.11 Unpaid Leave of Absence Exceeding Maximum Time Period - Personal unpaid leave in excess of six weeks and medical leave in excess of six months shall be granted only upon the recommendation of the employee's manager and with the approval of Human Resources and Development Management. The decision of Human Resources and Development Management shall be based upon the special circumstances of the case, such as doctor's recommendations when considering medical leave particularly in the case of job-related illness or injury, the length of approved leave shall be carefully considered in the light of the doctor's recommendations. Refer to the Disability Case Management Procedure HR-6 for more details. Employment longevity, the employee's performance record, and the mutual benefit to the Port and the employee shall receive appropriate consideration when reviewing personal leave without pay requests.

10.12 Paid Parental Leave – The Port shall continue to provide Paid Parental Leave to members of this bargaining unit. Eligibility, participation, and terms of the Paid Parental Leave shall be as provided to non-represented employees as outlined in Port Policy HR-5. The Port may change or modify its Paid Parental Leave policy and/or procedure. If the Port desires a change/modification, the Port agrees to provide the Union with advance notice of any change. The same benefit shall be extended to this bargaining unit as provided to other bargaining units and non-represented employees, as may be changed, at the discretion of the Port.

ARTICLE 11: BENEFITS

11.1 Puget Sound Electrical Workers Pension Trust - The Port shall contribute the following amounts for each hour compensated for each employee covered by this agreement, except as provided for Apprentices, to the Puget Sound Electrical Workers Pension Trust Fund, a jointly trustee pension trust created pursuant to Section 3.02(c) of the Labor-Management Relations Act of 1947 (Taft-Hartley). (Refer to Section 8.5)

Effective 6/1/2026 the Port will contribute \$7.26/hr + 4% of the EL01 Journey-level regular day shift rate (e.g. \$10.27/hr).

Effective 6/1/2027 the Port will contribute \$7.26/hr + 4% of the EL01 Journey-level regular day shift rate (e.g. \$10.39/hr).

Effective 6/1/2028 the Port will contribute \$7.26/hr + 4% of the EL01 Journey-level regular day shift rate (e.g. \$10.52/hr).

11.2 National Electrical Benefit Fund

It is agreed that in accord with the Employees Benefit Agreement of the National Electrical Benefit Fund (NEBF), as entered into between the National Electrical Contractors Association

EL01 Electricians Collective Bargaining Agreement June 1, 2026 – May 31, 2029

Page 19 of 34

and the International Brotherhood of Electrical Workers on September 3, 1946, as amended, and now delineated as the Restated Employees Benefit Agreement and Trust, that unless authorized otherwise by the NEBF the Port will forward monthly three percent (3%) of gross monthly labor payroll paid to, or accrued by the Employee in this bargaining unit and a complete payroll report prescribed by the NEBF.

The payment shall be made by check or draft and shall constitute a debt due and owing to the NEBF on the last day of each calendar month, which may be recovered by suit initiated by the NEBF or its assignee. The payment and the payroll report shall be mailed to reach the office of the appropriate local collection agent not later than fifteen (15) calendar days following the end of each calendar month.

The Port hereby accepts, and agrees to be bound by, the Restated Employees Benefit Agreement and Trust. If the Port fails to remit as provided above, it will additionally be subject to having this Agreement terminated upon seventy-two (72) hours' notice in writing upon being served by the Union, provided the Port fails to show satisfactory proof the required payment has been paid to the appropriate local collection agent.

The failure of the Port to comply with the applicable provision of the Restated Employees Benefit Agreement and Trust shall also constitute a breach of the Labor Agreement.

- 11.3 Annuity/401K – Puget Sound Electrical Workers Annuity/401K** - The Port shall contribute the following amounts, for each hour compensated for each employee covered by this agreement to the defined contribution plan of the Puget Sound Electrical Workers Retirement Annuity/401K Trust Fund. (Refer to Section 8.5)

Effective 6/1/2019 the Port will contribute an amount equal to 4.5% of gross pay per month

- 11.5 Payment Due Date** - Payment shall be due on the fifteenth (15) of the month following the month in which the hours were worked. Each remittance shall be accompanied by a form, which will be made available for this purpose.
- 11.6 Trust Terms** - The Port agrees to be bound by the terms and provisions of the Trust Agreement governing the Puget Sound Electrical Workers Pension Trust effective June 1, 1973, and all amendments or revisions hereafter adopted and further agrees as its representatives the current Employer Trustees and their lawfully appointed successors.

The failure of the Port to comply with the applicable provisions of the Trust Agreement governing the Puget Sound Electrical Workers Pension Trust shall also constitute a breach of this Labor Agreement.

- 11.7 Deferred Compensation** - Full-time, eligible employees shall be eligible for participation in the Port of Seattle's Deferred Compensation Plan as revised December 8, 1981. Eligibility and participation of employees shall be subject to the terms and conditions of such plan including any plan amendments, revisions, or possible cancellation. It is further agreed that content of the plan itself, plan administration, and any determinations made under the plan shall not be subject to grievance or arbitration procedures or to any other provisions of this Agreement or to negotiation by the Union.

ARTICLE 12: MEDICAL, DENTAL, AND LIFE PLAN

The Port agrees to contribute the following amounts for each Employee performing work covered by this Agreement to the Puget Sound Electrical Workers Healthcare Trust Fund, a jointly trustee welfare trust created pursuant to Section 3.02(c) of the Labor-Management Relations Act of 1947 (Taft-Hartley).

Effective June 1, 2026, the Employer will contribute a lump sum amount of \$1745 per month.

Effective June 1, 2027, the Employer will contribute a lump sum amount of \$1800 per month.

Effective June 1, 2028, the Employer will contribute a lump sum amount of \$1850 per month.

Payment shall be due on the fifteenth of the month following the month in which the hours were worked. Each remittance shall be accompanied by a form, which will be made available for this purpose.

The Port agrees to be bound by the terms and provisions of the Trust Agreement governing the Puget Sound Electrical Workers Healthcare Trust Fund, effective January 1, 1976, and all amendments or revisions hereafter adopted, and further agrees to accept as its representatives the current Employer Trustees and their lawfully appointed successors. Except monthly contributions by the Port shall not exceed the negotiated amounts above.

The failure of the Port to comply with the applicable provisions of the Trust Agreement governing the Puget Sound Electrical Workers Healthcare Trust Fund shall also constitute a breach of this Labor Agreement.

ARTICLE 13: SENIORITY – SHIFT SELECTION

- 13.1 Division Seniority Rights** - Seniority employees will be afforded the right to utilize their division seniority as hereinafter defined for the purposes of shift selection.
- 13.2 Layoffs/Reductions in Force** – Any layoffs of seniority employees shall be done by reverse seniority within the Division. When layoffs occur, all probationary employees shall be laid off before any seniority employees within the Division. After all probationary employees have been laid off then layoffs of seniority employees if need be shall be laid off in reverse seniority order within the Division subject to possessing necessary special qualifications required in the Division, as established by the Division labor management committee.
- 13.3 Recall from Layoff** – In the event of a layoff, seniority employees shall be placed on a preferential hire list for six (6) months from date of layoff. Openings in a Division shall first be filled in seniority order from the employees on the preferential hire list from that Division at the time the opening is posted, subject to possessing necessary special qualifications required in the Division. Employees accepting recall from layoff shall be allowed a minimum of two (2) weeks to transition into the Port position, or more time by mutual agreement. If no employees from the Division are on the preferential hire list at the time the opening is posted, the position shall be filled from the remaining employees on the preferential hire list in seniority order subject to the employee possessing necessary special qualifications required in the Division.

13.4 Retention of Seniority Status – In the event a seniority employee is hired or recalled to another division, seniority shall begin from date of hire in the new Division. In the event a seniority employee is re-hired into the same division within six (6) months after a layoff, the employee retains all previous seniority. However, that employee shall retain seniority status and will not be reverted to probationary status.

13.4.1 Special Qualifications – In laying off employees, recalling employees to their Division or hiring employees to another Division, special qualifications as established by the Division Business Partnership Committee may be required for a specific job assignment.

13.5 Bid Postings - All newly established work schedules, on-going work schedules (days of work), shifts (hours of work) and vacant positions in the Division work unit will be posted. Employees within the specific classification in the Division will have the opportunity to bid by Division seniority for the work schedule, shift or vacancy. Absent adequate interest, employees will be assigned in reverse seniority order. The employer agrees to identify all open positions by shift and work schedules prior to bidding on open positions. At the Airport all work schedule postings will be posted as five day, eight hours per day, work schedules for bidding purposes. A position that was changed from a five-eight (5X8) schedule to a four-ten (4X10) schedule will revert back to its original five-eight (5X8) schedule for future bidding purposes, if that position becomes open for bid. This section only applies to the EL01 Journey level Electrician classification. Electrical Supervisors are not allowed to bid on open Electrical Supervisor positions but can apply for and interview for open supervisor positions.

13.6 Seniority Lists - The Port will transmit to the Union a current listing of all Division employees in June of each contract year. Such list will indicate the name of the employee, job classification, and Division seniority date. The Port and the Union shall mutually agree on a seniority list.

13.7 Filling Vacant Shifts on a Temporary Basis

13.7.1 Intent - The Union and the Port understand that, from time to time, a Seniority Electrician Employee on a weekend shift may take temporary leave due to injury or illness, or a vacancy that may occur due to retirement or other separation of employment of a bargaining unit employee. The Union and the Port recognize their mutual interests in not disrupting the regular flow of work or disrupting an individual employee's permanent shift with a transfer. With these mutual interests in mind, the parties agree to follow the procedure below in filling temporary shift vacancies.

13.7.2 Temporary Shift Vacancy Definition - A temporary weekend shift vacancy occurs when: 1) a Seniority Employee, who has bid on and occupies their shift permanently, will take temporary leave from work for more than two (2) weeks due to injury, illness or FMLA reasons, not including vacation leave; and 2) when a vacancy, intended to be filled occurs, such as, but not limited to a retirement or separation of employment.

The Parties agree to fill a temporary shift vacancy using the following procedure:

13.7.3 Options to fill a temporary shift vacancy not to exceed 90-days duration.

Option 1. If there is one or more Probationary Employees on the crew, a Probationary Employee may be assigned to fill the temporary vacancy.

Option 2. If no Probationary Employee is assigned, volunteers from all Monday through Friday (M-F) shifts may be considered provided shift coverage can still be met. Volunteers from the same shift as the vacancy shall be preferred.

Option 3. If no volunteers come forward, then the least senior Seniority Employee from the Monday through Friday (M-F) schedule, on the same shift as the vacancy, may be assigned. No Seniority Employee shall be involuntarily assigned to temporarily fill a vacant weekend shift for more than ninety (90) days in a twelve-month period.

Option 4. If there are additional temporary vacancies that occur during the same twelve-month period Option 3 will involve the least senior employee who has not been involuntarily assigned to fill a temporary vacancy for more than ninety (90) days in a twelve (12) month period.

No Seniority Employee will lose their permanently bid shift, if they volunteer or are assigned to a temporary shift.

13.8 Temporary Position Assignments – No employee will be assigned by management as a temporary Electrician Supervisor or a temporary Electrician General Supervisor for more than six (6) months unless an extension is deemed necessary by management due to operational needs. Operational needs for purposes of this section shall be defined as the following:

- Unexpected or unpredictable situations that disrupt normal operations
- Situations that could not reasonably be anticipated or scheduled
- Coverage for an existing employee that is out on long-term leave
- Coverage for a single, specific project that is expected to last longer than six (6) months

ARTICLE 14: MISCELLANEOUS

14.1 Election to Union Office - An employee elected or appointed to a position in the Union that requires a part or all of their time will be given an unpaid leave of absence up to one (1) year upon written application.

14.2 Business Partnership Committee(s) - The Port and the Union recognize the importance of a collective bargaining and employee relations climate in the Port that encourages cooperative efforts and joint problem-solving amongst all involved parties to better serve the public, increase productivity, reduce waste, improve safety, improve morale, and recruit, train and retain quality employees. In the interest of meeting these challenges, the Port and the Union agree to establish

a joint labor-management Business Partnership Committee to continue the collaborative process during the term of the agreement.

14.2.1 The Aviation Committee will be made up of three (3) Port representatives and three (3) Union electrician representatives, plus the Union Business Representative. The Port's Labor Relations Staff will be available to assist the Committee. The Real Estate Committee shall be made up of two (2) Port representatives and two (2) Union electrician representatives, plus the Union Business Representative.

14.2.2 The Committee will not discuss pending grievances, which shall be processed in accordance with Article 19 of the Agreement.

14.2.3 The separate Committees shall meet on a bi-monthly basis, unless mutually agreed to meet on a more frequent or less frequent basis.

14.2.4 The Port and the Union commit to provide sufficient resources to the Committees so that it can adequately carry out its mission.

- 14.3** **Biweekly Payroll** – Pay shall be distributed on a biweekly basis consistent with the payroll procedures for non-represented employees. As a condition of employment, all employees are required to participate in the Port's direct deposit program for payroll purposes. A pay card option will be provided to members of this bargaining unit if such option is made available to other Port employees.

The Port shall not remove money from any employee's direct deposit account.

The parties agree to work together in labor/management partnership with the Port's labor relations, payroll and human resources departments to make visible to bargaining unit employees all of the Port's benefits contributions made on behalf of employees.

- 14.4** **Bulletin Boards** - The Port agrees to permit the Union shop stewards and business representatives to post on designated Port bulletin boards the Union's announcement of meetings, election of officers, and other Union approved material.
- 14.5** **Shop Stewards** - The Union shall appoint a shop steward for each division and assistant shop stewards for each shift. Shop stewards may conduct representational responsibilities including, but not limited to, attending grievance, Weingarten and Loudermill meetings during their regular scheduled shift, without a loss of regular compensation, if excused from work by the employee's manager/designee. Port management must approve use of Port facilities for Union business outside of these processes in advance and employee attendance will be on unpaid time.
- 14.6** **Safety** - The Port, Union and employees agree to comply with all applicable safety laws and regulations. In the event an employee discovers or identifies an unsafe condition they will immediately notify the manager/designee. No employee will be disciplined for reporting an unsafe condition. No employee will be required to use unsafe equipment or work in an unsafe environment.

- 14.7 Posting of Vacant Positions** - Prior to the initiation of any open competitive process to fill a vacant bargaining unit position, the Port will provide notice of the vacancy to all employees within the bargaining unit and to the Union. Posting on the Port's Website satisfies this requirement of notice to the Union. Electrical Supervisor and Electrical General Supervisor position vacancies will be posted internally, by Division, as internal promotional opportunities for bargaining unit employees in the Division where the vacancies are to be filled. For journey level Electrician openings, current seniority bargaining unit employees from another Division, other than the Division in which the opening exists, may apply and will be provided an opportunity to be interviewed, provided the applicant documents meeting minimum qualifications in the application process.
- 14.8 Journey Level Electrician Tool Requirements** – The Port shall provide all tools it requires employees to use in the performance of their duties.
- 14.9 Parking** – In the event employees are not allowed to park in the parking garage or park free of charge, the Port agrees to negotiate such impact on the employees.
- 14.10 Flexible Spending Account** - Employees shall be eligible for participation in the Port of Seattle's Flexible Spending account program. Eligibility and participation of employees shall be subject to the terms and conditions of such plan including any plan amendment, revision or possible cancellation. It is further agreed that content of the plan itself, plan administration and any determination made under the plan shall not be subject to the grievance or to any other Provision of this Addendum or to negotiation by the Union.
- 14.11 Employee File** – In regard to an employee's file and disciplinary history, written warnings and other evidence of discipline shall be expunged from the file after twenty-four (24) months, unless there is a repetition of the offense within that period. In the case of repetition, the twenty-four (24) month period begins anew.
- 14.12 Notice of New Policies and Policy Changes** – The Port shall promptly notify the Union and unit members of all new policies and changes to existing policies that affect bargaining unit members.
- 14.13 Employee Learning and Development** – The Union and the Port will work together to identify, prioritize and deliver job related training to all staff within Division budget constraints through labor/management and workplace forums and other forums as the parties may establish to convene at mutually agreeable locations.

Employees may submit requests to their manager for educational assistance for professional development, which may include requests for tuition reimbursement, by August 1, in advance of the annual budget process, for consideration of approval. It is up to the employee to request assistance, and approval will be made at the discretion of the Port.

To provide career development opportunities to bargaining unit employees, the Union and management will continue to support employee participation in the Port's internship programs.

Successful applicants to internship programs shall remain members of the bargaining unit and retain all rights and benefits under the collective bargaining agreement, except that temporary schedule adjustments and/or alternate work schedules to accommodate internship activities shall be allowed as agreed between the participating departments and the intern.

Beginning January 1, 2018, the Employer shall contribute twenty cents (\$.20) to the IBEW Local 46/Port of Seattle Electrician Training Fund. The Port and the Union will work together to identify the technical training classes necessary and oversee the implementation of each class. The parties will conduct a yearly review of the success of the training classes and the status of the Fund.

Telework Program - Any telework schedule will be reviewed and discussed on a weekly basis to determine the upcoming week's work schedule expectation. Seniority employees requesting to telework need to review and agree to telework requirements and complete the Port's telework agreement. Employees may submit a training plan to complete Port issued trainings (i.e. on LMS or other learning management systems). The manager will review submitted training plans and assess for approval. If work or a project requires on-site support work, employee may be asked to reschedule training. On telework days employees will remain available (i.e. voice, text, email) during their regular shift while teleworking.

14.13.1 Beginning January 1, 2020, the Parties agree to discontinue the twenty cents (\$.20) per hour Employer contribution into the IBEW 46/Port of Seattle Electrician Training Fund. The Parties agree to instruct the Trustees of the Port of Seattle Electrician Training Fund to terminate the Trust Fund no later than May 31, 2022. The Trustees are instructed to use the remaining money in the Fund prior to termination for Port of Seattle Electrician training classes and other expenses necessary to terminate the Fund.

14.13.2 Beginning January 1, 2020, the Employer agrees to allocate ten cents (\$.10) of the discontinued Training Fund to the Puget Sound Electrical Workers Pension hourly contribution, in addition to any other money negotiated as part of this agreement.

14.13.3 Beginning January 1, 2020 the Employer agrees to contribute ten cents (\$.10) per hour into the Greater Puget Sound Electrical Worker Training Fund (GPSEW). The money will be earmarked by GPSEW and expended for Port of Seattle electrician training classes only. The parties agree to request GPSEW to teach the specific classes to Port of Seattle Electricians each year.

The Port will schedule at least two class series per year for Port electricians to be taught by GPSEW, preferably in the months of March and October. The classes will be offered to all shifts and to all Port electricians.

The Business Partnership Committee will review the list of classes to be offered and will help schedule the classes and time with Port Managers and the General Electrical Supervisor. The classes shall be chosen from the following list:

NFPE 70

Transformer Installation

First Aid
RCW/WAC Update
NEC Code Update
Other Classes approved by the Business Partnership Committee

Hazardous Locations
Electrical Safety in Confined Spaces
AC Theory

- 14.14 Regional Catastrophic Events** – In the event of a “regional catastrophic event” as declared by the state or federal government, contract compliance issues shall be held in abeyance until such time as the situation is declassified as such by state and/or federal government. Examples: Nisqually Earthquake/Hurricane Katrina/Sandy, or tsunamis.
- 14.15 License Reimbursement** – The Port will reimburse regular employees for EL01, FA1, NICET I, and NICET II license and license/certificate renewals if required by the Port.
- 14.16 The One Regional Card for All (“ORCA Card”) Program** - The Port offers ORCA cards to eligible employees at a substantially reduced cost for transportation on multiple regional transit systems. Employees who participate in the ORCA card program may also be eligible for additional subsidized transportation services. The availability of the ORCA program, annual cost, potential tax consequences for employees, and other provisions are subject to change based on guidelines provided by agencies with whom the Port contracts for the ORCA program benefits, IRS requirements, as well as at the Port’s discretion.

Ferry Reimbursement - Employees who use the Washington State Ferry System for all or part of their work commute are eligible for reimbursement of ferry commuting costs up to a monthly maximum. This monthly maximum reimbursement amount is determined by the Port. Amounts and procedures can be found on the Total Rewards Compass Page and may be subject to tax.

The Port shall have full and exclusive discretion to administer, change, amend, modify and/or discontinue either and/or both the ORCA program and the Ferry Reimbursement benefit. The same benefit shall be extended to this bargaining unit as provided to non-represented employees.

The Port agrees to provide advance notice to the Union of any changes to the commuter benefits covered in this article.

- 14.17 Telematics**
1. Telematics is primarily intended to provide the Port of Seattle with the tools necessary to achieve the following objectives:
 - Reductions in carbon emissions
 - Reductions in fuel costs
 - Reductions in maintenance events
 - Streamlining maintenance
 - Strategic vehicle/asset dispatching
 - Improved customer service
 - Improvements in both vehicle maintenance compliance and safety

The Port will not randomly or routinely review in real time the telematics data solely for disciplinary purposes, or as part of targeted surveillance for “fishing.”

2. Telematics data relative to an investigation/complaint involving an employee shall be made available to the Union upon request in accordance with the terms and conditions of the Collective Bargaining Agreement (CBA) and/or all relevant laws and/or statutes.
3. Any information gleaned from telematics used to support the Port's position relative to a disciplinary action and/or actions shall only be used in accordance with the CBA.

14.18 Aviation Surface Area Management System (SAMS) – the SAMS technology which uses GPS technology to provide real-time location, movement, and maintenance data and information derived from that in each vehicle that moves on the airfield in an effort to support the safe and efficient movement of all stakeholders that operate there. The SAMS technology is intended to provide, and make visible, critical data about each vehicle, in real-time, to assist the Port in managing the movement of the many, many vehicles, including aircraft, that operate within the perimeters of the airfield. The SAMS system will be limited to vehicles operating on the Seatac Aircraft Movement Area (AMA) only.

The Port's management of the SAMS technology is not intended to supersede the provisions of the CBA. Further, the intended purpose of the SAMS is not for general surveillance of employees or discipline.

The Port does not intend to randomly or routinely review SAMS technology information solely for disciplinary purposes but to reference it as supportive or corroborative information for use in case of incidents on the AMA.

ARTICLE 15: GRIEVANCE PROCEDURE

It is the Port and the Union's goal that all employer/employee disputes be addressed as quickly as possible. With this goal in mind, the parties agree to attempt to settle employer/employee disputes prior to filing an official written grievance.

Disputes between employees and management arising during the term of this Agreement and not resolved prior to filing an official written grievance shall be referred to a Business Representative of the Union and to the Port within the timelines established below. A grievance not brought within the time limit prescribed in Step 1, shall not be considered timely and shall be void. The time limits may be waived at each step by mutual agreement, in writing, by the Union and the appropriate management representative.

Step 1: The Union's Business Representative shall present the grievance in writing to the Employer's representative. The written grievance shall contain a statement of the relevant facts, the specific section(s) of the Agreement allegedly violated, or other issues in dispute and the remedy sought. Any complaint, dispute or grievance not filed in writing by the complaining party within twenty (20) calendar days from the date either party knew or reasonably should have known of the alleged violation shall be waived. The Union Business Representative and the Employer Representative shall meet to resolve the grievance within five (5) working days from date of filing. The Employer shall provide a written response to the Union within fourteen (14) calendar days after the Step 1 meeting.

Step 2: If a settlement is not reached in the manner above described, the Union may refer the grievance to Step 2 by notification to the Port within fifteen (15) calendar days of receipt of the Port's written response to the Step 1 grievance. If the grievance is moved to Step 2, the dispute shall be referred to a Joint Conference Committee that shall be set up under this Agreement and shall consist of two (2) representatives of management and two (2) representatives of the Union. This committee shall select its own chairman and secretary from within the committee, one from the Union and the other from Management and shall meet at such times and places as it may decide. It must meet within five (5) working days after a dispute is referred to it for resolution. However by mutual consent, the parties may extend the meeting deadline. If the grievance is not resolved by the Step 2 Committee, the Employer shall provide a written response to the Union within fourteen (14) calendar days after the Step 2 meeting.

Step 3: In the event the grievance is not resolved in Step 2, and the Union desires to pursue the matter further, it may refer the grievance to arbitration by notification to the Port within fifteen (15) calendar days of receipt of the Port's written response to the Step 2 grievance. Representatives of the Labor-Management Committee, one from each side, shall meet within five (5) working days and select an arbitrator by alternately striking from a list of five (5) names supplied by the Federal Mediation and Conciliation Service. The arbitrator shall not have the right to add to or subtract from any terms of this Agreement and all decisions must be within the scope and terms of this Collective Bargaining Agreement. The Labor-Management Representatives shall meet with the arbitrator and present their cases. They shall have the right to override the arbitrator during this meeting. In the event they cannot reach a decision, the decision of the arbitrator shall be final and binding.

Each party will bear its own costs of presenting grievances under this agreement, including attorney's fees. The Arbitrator's fee shall be shared equally by the Union and the Employer.

ARTICLE 16: WORK STOPPAGES AND EMPLOYER PROTECTION

- 16.1 Work Stoppages** - There shall be no stoppage of work either by strike or lockout because of any proposed changes in this Agreement or dispute over matters relating to this Agreement. All such matters shall be handled using the grievance/arbitration procedure in this Agreement.
- 16.2 Discipline** - Any employee participating in such work stoppage or in other ways committing an act prohibited in this Article may be subject to disciplinary action up to and including discharge, suspension, or other disciplinary action as may be deemed applicable to such employee.

ARTICLE 17: SAVINGS CLAUSE

Should any part hereof or any provisions herein contained be rendered or declared invalid by reason of any existing or subsequently enacted legislation or by any decree of a court of competent jurisdiction, such invalidation of such part or portions of this Agreement will not invalidate the remaining portions hereof; provided however, upon such invalidation the parties will meet and negotiate such parts or provisions affected. The remaining parts or provisions will remain in full force and effect.

ARTICLE 18: DURATION

- 18.1 Duration** – This Agreement will become effective upon full and final approval by the Union and the Port of Seattle Commission and will cover the period from June 1, 2026, through May 31, 2029.
- 18.2 Modification and Re-opener Clause** – Contract negotiations for the succeeding contract may be initiated by either party by providing to the other written notice of its intention to do so at least sixty (60) days prior to the expiration date.

ARTICLE 19: APPRENTICESHIP

- 19.1** The Parties to this Agreement shall be bound by the Puget Sound Joint Apprenticeship and Training Trust Fund Agreement, which shall conform to Section 3.02 of the Labor-Relations Act of 1947 as amended, ERISA and other applicable regulations.
- 19.2** The Employer and the Union have agreed to utilize the Joint Apprenticeship Training Council (JATC) for maintenance apprenticeship training. When apprentices are utilized, the Employer, the Union and Apprenticeship agree to be bound by all the rules and regulations of the JATC Program. The ratio of apprentices to Journey Level Electrician shall be consistent with the JATC standards.
- 19.3** Although an Apprentice is required to work under the supervision of a Journey Level Electrician at all times, the Journey Level Electrician is not required to constantly work with the Apprentice, but is to lay out all work required and is permitted to leave the work without being accompanied by the Apprentice who is assigned to work under their supervision. The Journey Level Electrician has overall supervision of the Apprentice and will give direction, on-the-job training, and supervise work in progress.
- 19.4 Apprenticeship and Training Funds Contributions** - The Employer shall contribute twenty cents (\$.20) per hour worked by all Journey Level Electricians and registered Apprentices to the Puget Sound Electrical Joint Apprenticeship Training Trust Fund. Beginning January 1, 2018, the Employer shall contribute twenty cents (\$.20) to the IBEW Local 46/Port of Seattle Electrician Training Fund.

The Apprenticeship contribution shall be due to the Trust Fund by the 15th day of the month following the month in which the hours were worked.

Beginning January 1, 2020, the Employer agrees to contribute ten cents (\$.10) per hour into the Greater Puget Sound Electrical Worker Training Fund (GPSEW). The money will be earmarked by GPSEW and expended for Port of Seattle electrician training classes only. The Training contribution shall be due to the GPSEW Training Fund by the 15th day of the month following the month in which the hours were worked.

- 19.5** Apprentices shall be rotated from the Port to another employer after two years of service.

ARTICLE 20: FOOTWEAR

The Port shall pay a stipend to post-probationary employees on June 1 of each contract year for the purchase or repair of footwear meeting the minimum standard of ASTM F2413-05 as follows:

- June 1, 2026 - \$200
- June 1, 2027 - \$200
- June 1, 2028 - \$200

Stephen P. Metruck, Port of Seattle
Executive Director

Date: _____

Mark Davis, IBEW Local 46
Business Manager and Financial Secretary

Date: _____

MEMORANDUM OF UNDERSTANDING
BETWEEN IBEW LOCAL 46 AND PORT OF SEATTLE
AV/M OVERTIME DISTRIBUTION PROCESS FOR ALL SHIFTS

The Port will endeavor to equalize overtime in the AV/M Electric Shop. The AV/M Electric Shop will keep a list of the amount of overtime hours for individuals within each shift. The “Maximo Overtime Hours Report” will be used weekly to update the Overtime List and will be posted by a Electrician General Supervisor /Supervisor and with Shop Stewards’ awareness.

Overtime will be offered first to the person with the least amount of overtime hours within the affected Shift. If that person declines, then the person with the next least amount of overtime hours within the affected shift will be offered the overtime. This will continue until someone on the affected shift accepts the overtime. **If no one within that shift is available for the overtime**, the opportunity will be made available to the person with the least amount of overtime within the Electric Shop, regardless of what shift that person works.

The following procedure shall be used:

- Calls shall be sequenced based on the individual's position within the overtime list.
- Calls shall proceed from the individual with the lowest amount of overtime hours awarded to the highest until the shift(s) are filled.
- Individuals being called to fill a shift will receive one telephone call, to a designated telephone number. It is the individual's responsibility to designate the telephone number for such calls, and ensure the correct number is on the telephone call list.
- As overtime is accepted, the employee’s hour bank will be updated to reflect the overtime that employee worked. In the case that the employee is unable to work the overtime they accepted, that time will be deducted the following Tuesday.
- After an individual works OT, their name shall be placed below others with equal OT hours on the Overtime List, excluding the Reset.

All overtime will be offered off the list first. If Leadership (Manager, Electrician General Supervisor, and/or Electrical Supervisor) deems the OT requires a special skill, a person with special skills will be offered OT **in addition** to the person off the list. **Examples of special skills** are welding, cable splicing, or extensive experience with a specific system or piece of equipment.

The overtime list will be reset every Feb. 1st. The order of the list will not change with the reset of hours. The list will reflect that everyone will have zero (0) overtime hours.

When a Probationary Employee becomes a Seniority Employee and has been assigned to a permanent shift, an Electrician General Supervisor/Electrical Supervisor will average the number of hours on their shift and assign them to the new Seniority Employee (total hours of that shift's overtime hours worked divided by number of employees on shift).

When a Seniority Employee changes a shift permanently, their overtime hours will follow them. If the employee is on a shift temporarily (more than 2 weeks) they will use this process. When a Seniority Employee moves to the temporary shift, their hours will follow them. When they move back to their permanent shift, their hour bank will follow.

The Electrician General Supervisor / Electrical Supervisor assigning the overtime will keep a running list of hours for each individual accepting the overtime, which the Shop Stewards may review. The list will be updated on **Wednesday** before the OT is assigned. These hours will count towards the overall hours in the overtime distribution and tracked/updated on the current overtime sheet.

Disputes regarding the application and results of this procedure shall be referred to the Business Partnership Committee for resolution. The BP Committee can resolve disputes regarding this MOU at more frequent intervals than waiting for their regularly scheduled BP meetings.

Refinements and modifications may be made by mutual agreement between the parties (i.e. Labor Relations, shop stewards, and Union Reps.) during the term of this Agreement.

For the Port

Stephen P. Metruck, Port of Seattle
Executive Director

Date:

For the Union

Mark Davis, IBEW Local 46
Business Manager/Financial Sec.

Date:

**COMMISSION
AGENDA MEMORANDUM**

Item No.

8e

ACTION ITEM

Date of Meeting

October 27, 2026

DATE: September 29, 2026

TO: Stephen P. Metruck, Executive Director

FROM: Michael Miskell, Labor Relations Manager
Milton Ellis, Assistant Director of Labor Relations

SUBJECT: New Memorandum of Understanding between the Port of Seattle and the International Association of Fire Fighters Local 1257 (IAFF Local 1257), representing Fire Fighters (FIR/FIR2)

Total Port Cost Increase for the Duration of the Agreement: \$62,112

ACTION REQUESTED

Request Commission authorization for the Executive Director to execute a new memorandum of understanding (MOU) between the Port of Seattle and the International Association of Fire Fighters Local 1257, covering the period from ratification through December 31, 2028, or when a successor agreement has been reached, whichever is first.

EXECUTIVE SUMMARY

Good faith bargaining between the International Association of Fire Fighters Local 1257 (IAFF Local 1257) representing Fire Fighters (FIR/FIR2), and the Port of Seattle resulted in a fair MOU consistent with the Port's priorities.

The Firefighters are assigned to the Port of Seattle Fire Department. There are four (4) Battalion Chiefs, sixteen (16) Captains and seventy-two (72) firefighters in the bargaining unit.

This agreement covers the period from ratification through December 31, 2028, or when a successor agreement has been reached, whichever is first. The estimated total additional cost for wages and benefit increases is \$62,112.

JUSTIFICATION

RCW Chapter 41.56 requires the Port of Seattle to collectively bargain wages, hours and conditions of employment with the exclusive bargaining representative designated by the employees.

Meeting Date: October 27, 2026

DETAILS

Term of the Agreement:

Upon ratification through December 31, 2028, or when a successor agreement has been reached, whichever is first.

The parties' current collective bargaining agreement (CBA) does not address wildland fire mobilization. There have been changes in State, Federal and Department of Natural Resources (DNR) mobilization. It is anticipated there will be an increase in the need for emergency response to wildfires.

The MOU details the process for deployment, employee compensation during deployment and the process for employees returning from deployment.

Port Risk Management reviewed and authorized the MOU on September 29, 2026.

FINANCIAL IMPLICATIONS

The estimated total cumulative cost to the Port of Seattle for the duration of the contract is \$62,112.

ATTACHMENTS TO THIS REQUEST

1. Memorandum of Understanding

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

None

MEMORANDUM OF UNDERSTANDING
by and between
PORT OF SEATTLE
And
INTERNATIONAL ASSOCIATION OF FIRE FIGHTRS
LOCAL UNION #1257

Re: Wildland Fire Mobilization

THIS MEMORANDUM OF UNDERSTANDING ("MOU") is entered into by and between the Port of Seattle, Washington ("Port") and the International Association of Fire Fighters, Local 1257 ("Union"), collectively referred to as "the Parties".

WHEREAS, the Parties ratified a Collective Bargaining Agreement (CBA) expiring on December 31, 2027.

WHEREAS, the Parties current CBA does not address wildland fire mobilization.

WHEREAS, there have been changes in the State, Federal and Department of Natural Resources (DNR) Mobilization.

WHEREAS, it is anticipated that there will be an increase in the need for emergency response to wildfires.

NOW THEREFORE, the Parties agree as follows:

1. Management Rights for Deployment
 - a. The Port of Seattle Fire Department's participation in Federal, State and DNR mobilizations shall be at the sole discretion of the Fire Chief or their designee.
2. Eligibility for Deployment
 - a. To be eligible for deployment an employee must be a member of the Port of Seattle Fire Department and maintain a current wild-land (Red card) certification as identified in the Federal, State and DNR Mobilization requests.
3. Staffing for Deployments
 - a. The minimum staffing and apparatus type (type 1) deployed shall meet the criteria of the requesting agency or jurisdiction and shall be comprised of 4 Port of Seattle Firefighters (1 Captain or Acting Captain, 1 Certified Driver and 2 Firefighters), if available. If unable to fill all four seats with red card certified Port of Seattle Firefighters, remaining spots may be filled with certified Firefighters from other zone 3 departments. Port of Seattle Firefighters may also be assigned to be "seat fillers" on other zone 3 deploying apparatus if needed. The maximum deployment length shall be no more than fourteen (14) days.
4. Selection for Deployment

- a. Deployment under this MOU shall be limited to employees who satisfy the qualifications of the requesting agency and volunteer for the deployment. In addition, those employees who meet the qualifications of the assignment must be signed up in Telestaff on the wildland call-back list. At no point will wildland deployment become mandatory for any employee.
5. Employee Compensation for Deployments
 - a. For out-of-zone 3 resource mobilizations, participating employees will be compensated at the rate of one and one-half times the employees' regular rate of pay, including travel time to and from the event, and while actively employed at the event for 16 hours per 24-hour day. During periods of rest, up to a maximum of 8 hours per 24-hour day, employees shall not be compensated. An employee will be compensated at their normal hourly rate for the 24-hour days that fall on that employee's normally scheduled duty shift of 24 hours on duty.
6. Injury, Illness, Family Emergency During Deployment
 - a. During the time of deployment, all employees shall be covered by any and all applicable benefits, as would normally occur if the employee was working within their normal assignment.
 - b. During the time of deployment, if an employee has a Family Emergency, the employer will make all arrangements to return the employee back from where they are deployed to the Port of Seattle station #1. The employer will also make the arrangements to deploy a replacement employee to complete the assignment, in compliance with sections 3 and section 4 of this agreement.
7. Holiday Pay for Day Staff During Deployment
 - a. If an employee is assigned to days and is deployed during a holiday that employee will receive their normal eight (8) or ten (10) hours holiday pay, day shift firefighters who work on the holiday will also receive time and one-half for hours worked in accordance with Section 20.2 of the collective bargaining agreement that ends on December 31, 2027, and the corresponding section of any successor agreement.
8. Debit Day During Deployment
 - a. If an employee has a debit day or debit day off during deployment, the debit day will be reflected and a normal day worked. The employee's pay will be reflected as such. In the instance the employee has a debit day off, the employee will not receive an additional debit day and will not be paid overtime for the scheduled debit day off.
9. Trades During Deployment
 - a. If an employee has a trade to pay back during a deployment, the employer will cover the shift in a manner consistent with the overtime policy and that employee will owe the department those hours back within 6 months of returning from their deployment.
 - b. If the employee has a trade paid forward during deployment the employer will cover the shift in a manner consistent with the overtime policy and that employee will be paid straight time for that workday.
10. Rest Period After Mobilization
 - a. Personnel on mobilization under this MOU will be allowed a rest period prior to returning to their scheduled shift. Those who have been deployed for greater than

seventy-two (72) hours and up to one hundred sixty-eight (168) hours shall be granted a rest period of one (1) normal shift (24 hours) the day immediately after their return from mobilization. Those deployed more than one hundred sixty-eight (168) hours shall be granted a rest period of two (2) normal shifts (48 hours) to be observed the two (2) days immediately after their return from mobilization. An Employee shall not be eligible for overtime during their rest period.

11. Equipment and Training
- a. The employer shall provide tools/equipment and PPE necessary for deployment in accordance with WAC 296-305
 - b. The employer shall provide all necessary training for wildland firefighting in accordance with NWCG courses and WAC 296-305
 - c. Likewise, employees shall be proficient with such tools/equipment and complete the necessary training defined by the Port of Seattle Wildland training program prior to any deployment.
 - d. The employer shall provide food and shelter while employees are actively deployed.
12. This Memorandum of Understanding is written exclusively for the purpose of outlining the agreement between the parties for deployment of personnel responding to Federal, State, or DNR mobilizations. Unless otherwise agreed, this agreement will expire on December 31, 2028, or when a successor agreement has been reached, whichever is first.
13. This constitutes the entire agreement between the parties regarding the subject matter herein and all parties acknowledge that there are no side agreements, written, oral, or otherwise. No modification to this Agreement is valid unless in writing and signed by the parties.
14. The venue for any action to enforce this Agreement shall be through the grievance process provided in the applicable collective bargaining agreement between the Port and the Union.
15. This Agreement is effective when signed by both parties.

Stephen P. Metruck, Executive Director
Port of Seattle

Date

Joseph Pierotti, Union President
IAFF Local #1257

Date

**COMMISSION
AGENDA MEMORANDUM**

Item No. 8f

ACTION ITEM

Date of Meeting October 27, 2026

DATE : September 30, 2026

TO: Stephen P. Metruck, Executive Director

FROM: Rick Duncan, Director, Aviation Business and Properties

SUBJECT: Airline Technical Representative Contract

Amount of this request: \$5,500,000

ACTION REQUESTED

Request Commission authorization for the Executive Director, or designee, to execute a contract for Airline Technical Representative (ATR) services for an amount not to exceed \$5.5 million for a duration up to five years (three-year base with two one-year renewal options) at Seattle-Tacoma International Airport (SEA).

EXECUTIVE SUMMARY

The ATR contract is a Port of Seattle (POS) consulting contract to support airlines that are part of the current Signatory Lease and Operating Agreement (SLOA) for 2025-2034. The Port is required under the current SLOA to retain one or more ATR and the contract is paid through rates and charges to the airlines.

The ATR contract provides engagement on behalf of the 43 SEA Signatory airlines on SEA capital project planning and business/operational issues. An ATR representative is needed because most airline corporate properties representatives are not local to Seattle (24 passenger-airlines headquartered outside the US). This contract allows them to have an in-person liaison to represent their interests and support them in staying abreast of issues of interest to SEA Airlines. The current ATR contract expires March 16, 2027.

JUSTIFICATION

SEA continues to see strong passenger and airline service growth. At the same time, the lack of additional gate capacity and the airport's constrained footprint means constant engagement with airline partners is critical. Current operational levels often exceed the design capacity of SEA, and our facilities and infrastructure continue to need significant renewal and replacement investments. Additionally, the major construction soon underway at the S Concourse requires close airline coordination over the life of the project. An effective ATR contract is vital to ensure

Meeting Date: October 27, 2026

appropriate airline engagement and involvement as the airline business contends with issues outside SEA (e.g. fuel price increases, tariffs, etc.).

Diversity in Contracting

A WMBE aspirational goal of 12% has been agreed upon with the Port's Diversity in Contracting team for this procurement.

Scope of Work

The ATR will be responsible for serving as a single point of contact for both the airlines and SEA as it relates to coordinating the airline industry's input and involvement during the facility planning, design, construction, and activation/commissioning phases of projects that are to be implemented as part of SEA's Capital Improvement Program. Additionally, the ATR may be requested to facilitate airline/Port input on key business and/or operational issues. In the capital support capacity, the ATR Office will facilitate communications between the airlines and airport, coordinate airline industry review of various program-related technical submittals (i.e. pre-design white papers, scoping documents, project technical requirements, in-progress design drawings and specifications, reports, cost estimate and schedule summaries, etc.) and provide input on behalf of the airlines to the airport staff and consultants for their review, consideration and approval to incorporate into the program.

In providing business and operational support, the ATR supports collaboration with both local and corporate airline representatives to work through areas of conflict or challenge between the Port and airlines. Some representative examples would be engagement of relevant airline/Port staff to mediate area(s) of conflict or desired collaboration, research approved business and/or operational issues, identify alternatives and ensure appropriate stakeholders are engaged or represented. Ultimately, the purpose of the ATR is to serve as representatives, on behalf of all SEA Airlines, to participate in various discussions to offer an airline perspective when airline representatives themselves are unable to participate directly. Additionally, the ATR acts as a liaison between the airlines and the Port to facilitate the quarterly and ad hoc AAAC meetings where the Port provides airline updates about operations, safety/security, the capital program, and budget for SEA.

Schedule

Advertisement scheduled for October 30, 2026, with award in Q1 2027.

ALTERNATIVES AND IMPLICATIONS CONSIDERED

Article 6.5 of the 2025 – 2034 Signatory Lease and Operating Agreement requires one or more Airline Technical Representatives be retained by the Port or a consortium formed by the Signatory Airlines. In either event, the Port pays for the Airline Technical Representative services and includes recovery of such costs through rates and charges to the Airlines as a pass-through. As such, it is preferable for the Port to procure the ATR services.

Meeting Date: October 27, 2026

FINANCIAL IMPLICATIONS

Annual spending under the contract will be approved through the annual budget cycle. The 2027 budget for the existing contract includes \$290K for expense related scope of work and approximately \$250K is anticipated for capital projects. The cost is paid through cost recovery via rates and charges to the airlines.

ATTACHMENTS TO THIS REQUEST

None

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

- January 28, 2025 – Commission authorized an amendment to the Airline Technical Representative Services contract
- December 10, 2024 – Commission authorized the 2025-2034 Signatory Lease and Operating Agreement between the Port and various Airlines operating at SEA.
- October 27, 2020 – Commission authorized a contract for Airline Technical Representative services for up to six years.
- April 26, 2016 – Commission authorized a contract for Airline Technical Representative services up to five years.

**COMMISSION
AGENDA MEMORANDUM**

ACTION ITEM

Item No.

8g

Date of Meeting

October 27, 2026

DATE : October 20, 2026

TO: Stephen P. Metruck, Executive Director

FROM: Linda Springmann, Director of Cruise & Elliott Bay Operations
Dario Marcolin, Cruise Technical & Systems Operations Manager
Julie Yun, Capital Project Manager, Waterfront Project Management

SUBJECT: Terminal 91 West Cruise Dredging (EXP N10739) – Construction Authorization

Amount of this request: \$2,050,000

Total estimated project cost: \$3,350,000

ACTION REQUESTED

Request Commission approval of the project budget in the amount of \$2,050,000 for the construction of the Terminal 91 (T91) West Cruise Maintenance Dredge project for a total authorization of \$3,350,000, including \$550,000 in Environmental Remediation Liability (ERL) funding.

EXECUTIVE SUMMARY

This project along with the T91 Cruise Shore Power Extension project will contribute toward readiness to satisfy Commission Order No. 2024-08 for full shore power connectivity at the T91 West Cruise berth by 2028 Cruise season start. The maintenance dredge will be performed to a depth of -35' MLLW at the West Cruise berth (berths H/I/J) of Pier 91 to allow cruise vessels the maneuverability and flexibility to connect to shore power on both port- and starboard sides. The proposed dredging is considered an Interim Action by the Washington State Department of Ecology under the Model Toxic Control Act (MTCA) Agreed Order No. DE24768 for the Terminal 91 Submerged Lands Cleanup Site.

JUSTIFICATION

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

Meeting Date: October 27, 2026

on both port- and starboard sides, the maintenance dredge to -35' MLLW will also allow for vessels to adjust their position at the dock to accommodate bollards, gangways, shell doors, shore power connection, and all necessary points for operation.

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

Diversity in Contracting

Construction will be performed by utilizing an existing Major Construction Unit Price contract for dredging construction services. No WMBE aspirational goal will be established due to the low availability of WMBE firms in the highly specialized dredging and disposal fields.

DETAILS***Scope of Work***

The following tasks will be performed on this project:

- (1) Dredge approximately 3,000 CY of sediment at the main & west channel to a maintenance dredge elevation of -35' MLLW and dispose upland at an approved facility.
- (2) Fulfill all requirements of the Final Interim Action Work Plan approved by Ecology, including post dredge sampling and laboratory analysis, and preparing an Interim Action Completion Report.

Since the previous Commission Authorization, the project scope no longer includes dredging of the high spots on the pier face and will proceed with the main dredge footprint only. This is the result of the following two considerations:

- (1) The project team worked closely with the T91 Cruise Shore Power Extension project team due to the overlapping project footprint at the T91 west cruise berth. The teams concluded that the berth face dredging scope would present critical schedule risk to permanent shore power delivery at T91 West Cruise berth.
- (2) Based on updated bathymetry survey data, it was determined that the high spots along the berth face do not impact standard operation. High spots and topography changes at the west cruise berth will be monitored for change through regular survey.

Given the minimal dredge quantity previously planned at the pier face, removal of this scope did not result in substantive impacts to the project schedule or cost.

Meeting Date: October 27, 2026

Community Outreach

This maintenance dredge project was presented at the September 2026 meeting of the Neighbors Advisory Committee (NAC). The project team will continue to work with Port External Relations to keep the community informed of the project’s progress and minimize construction impacts to the extent possible.

Schedule

In addition to the approval of the MTCA Interim Action, this project is anticipated to receive all authorization for federal and state regulatory compliance through a Nationwide Permit for cleanup activities (NWP-38) and IAWP in October 2026. This work is subject to the 2026-2027 permitted in-water work window and will start after tribal fishery close.

Substantial completion of the maintenance dredge will be delivered in 2027, ahead of permanent shore power extension delivery on the West Cruise berth anticipated by the start of the 2028 cruise season. The dredge work will be coordinated with ongoing shore power construction in the 2026-2027 work window.

Activity

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

Cost Breakdown

	This Request – N10739 EXP	This Request – N10851 ERL	Total Project estimate
Design	\$0	\$0	\$1,050,000
Construction	\$2,050,000	\$0	\$2,300,000
Total	\$2,050,000	\$0	\$3,350,000

ALTERNATIVES AND IMPLICATIONS CONSIDERED

Alternative 1 – Do nothing.

Cost Implications: No additional funds committed to construct the dredging project.

Pros:

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

Cons:

- (1) T91 West Cruise berth will not be operationally ready to comply with Commission Order No. 2024-08 (“shore power mandate”).

Meeting Date: October 27, 2026

- (2) T91 Maintenance Dredging project will not participate in sharing mobilization and DQM costs with the Northwest Seaport Alliance’s Terminal 30 dredging project.

This is not the recommended alternative.

Alternative 2 – Fully fund construction of the T91 Cruise Dredging Project and proceed to project completion.

Cost Implications: Additional funding of \$2,050,000 in Expense funds.

Pros:

- (1) Complete the dredging project thereby contributing to T91 being shore power-ready per the Port Commission’s Order No.2024-08 “Shore power Mandate.”
- (2) Complete the project in accordance with MTCA Agreed Order No. DE24768 for the Terminal 91 Cleanup Site.

Cons:

- (1) Additional funding of \$2,050,000 is required.
- (2) Temporary construction impacts at Pier 91.

This is the recommended alternative.

FINANCIAL IMPLICATIONS

Since the updated design authorization approved February 2026, the project cost estimate has increased to reflect the final dredge design for stability and longevity of the new channel based on updated survey data, corresponding upland disposal quantities, as well as the additional Dredging Quality Management (DQM) requirement imposed by the U.S. Army Corps of Engineers (USACE) as a nationwide industry best practice. Since the original design authorization approved in September 2025 (Delegation of Responsibility & Authority “DORA” Request No. 2274-2025), the total project cost increased beyond \$2,000,000 authorization threshold and has added ERL scope.

Cost Estimate/Authorization Summary

	Capital	Expense	ERL	Total
COST ESTIMATE		(N10739)	(N10851)	
Original estimate	\$0	\$1,800,000	\$0	\$1,800,000
Current change	\$0	\$1,000,000	\$550,000	\$1,550,000
Revised estimate	\$0	\$2,800,000	\$550,000	\$3,350,000
AUTHORIZATION				
Previous authorizations	\$0	\$750,000	\$550,000	\$1,300,000
Current request for authorization	\$0	\$2,050,000	\$0	\$2,050,000
Total authorizations, including this request	\$0	\$2,800,000	\$550,000	\$3,350,000
Remaining amount to be authorized	\$0	\$0	\$0	\$0

Meeting Date: October 27, 2026

Annual Budget Status and Source of Funds

This expense project (N10739) is included within the 2027 Maritime Operating Budget and will be funded with General Fund.

The ERL portion of the project will be funded by the Environmental Legacy Fund.

Financial Analysis and Summary

Project cost for analysis	\$3,350,000
Business Unit (BU)	Cruise Operations
Effect on business performance (NOI after depreciation)	No incremental operating revenue or cost-savings is directly associated with this project.
IRR/NPV (if relevant)	N/A
CPE Impact	N/A

ADDITIONAL BACKGROUND

N/A

ATTACHMENTS TO THIS REQUEST

- (1) Presentation slides

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

February 24, 2026 – Commission approved updated Design Authorization to include the Environmental Remediation Liability (ERL) project in the amount of \$250,000 for a total authorization of \$550,000 ERL and \$750,000 Expense.



Terminal 91 West Cruise Berth Dredge Construction Authorization

Linda Springmann – Director, Cruise & Elliott Bay Operations
Julie Yun – Capital Project Manager, Waterfront Project Management

Agenda

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

Action Requested

Request Commission approval of the project budget in the amount of \$2,050,000 for the construction of the Terminal 91 West Cruise Maintenance Dredging project. This request will result in a total project authorization of \$3,350,000, including \$550,000 in Environmental Remediation Liability (ERL) funding.

Project Objectives



- Work alongside the T91 Cruise Shore Power Extension project to meet Commission Order No. 2024-08 for full shore power connectivity at T91 cruise berth by 2028 Cruise season start. The maintenance dredge project will contribute toward readiness by providing adequate maneuvering depth for both Starboard- and Port-side tie of cruise vessels by 2027 Cruise season start.
- Comply with MTCA Agreed Order No. DE24768 and all MTCA site requirements for Interim Action Work.
- No construction impacts to tribal fishing or Cruise Operations.

Project Scope

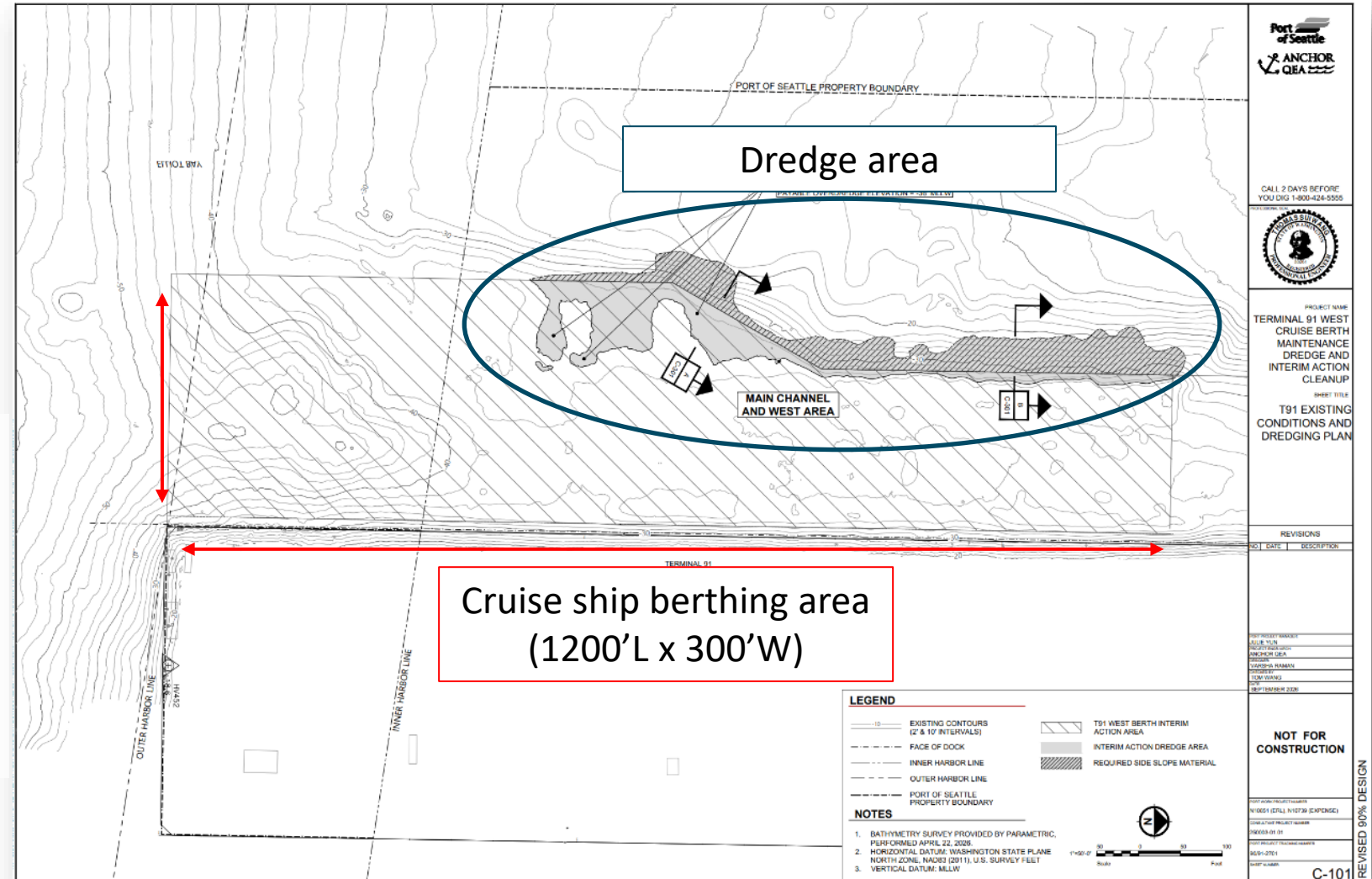
- Perform maintenance dredge of approximately 3,000 CY at Main West channel to restore full under keel clearance in the berthing area to previously dredge depth of -35 ft MLLW.
- Minimize impacts to natural habitat and water quality.
- Complete all survey and reporting requirements per MTCA Agreed Order No. DE24768 and all MTCA site requirements for Interim Action Work.

Project Scope: Dredge Footprint



Note: Previously presented pier face high spots were removed from project scope due to the following:

1. Adds critical schedule risk to T91 Cruise Shore Power Extension project due to shared construction footprint.
2. Confirmation that high spots have no impact to standard cruise operations.



Project Risks

Risk	Description	Probability	Impact	Mitigation
Permit Delay	Federal in-water permit review and approval turnaround time; unforeseen government shutdown/resource constraints	Low	Low	IAWP approved by Ecology. SEPA DNS and NWP-38 approval eta early October. Continued engagement with federal/local agencies, tribes, etc. to ensure awareness of project changes. Schedule buffer in permitted work window to absorb unforeseen permit delays.
Discovery of Discarded Military Munitions (DMM)	DMM discovery during construction will halt work until notification to resume work is issued.	Low	Moderate	Low risk of encounter based on discovery data in dredge area. Port to provide DMM training and safe screening/disposal protocol for GC to implement if DMM's are found. Protocol will implement a construction- and operation-free exclusion zone .
Contract Risk	Existing MC-Unit Price Dredging contract with single general contractor (GC) will be shared across multiple dredge projects.	Low	Low	Proactive communication and coordination between internal Port staff and GC to manage resource capacity and phasing. Work Authorization negotiation in progress.

Project Cost

Item	EXPENSE (N10739)	ERL (N10851)	Total Project
Previous Authorizations	\$750,000	\$550,000	\$1,300,000
Current request for authorization	\$2,050,000	\$0	\$2,050,000
Total authorization, including this request	\$2,800,000	\$550,000	\$3,350,000
Remaining amount to be authorized	\$0	\$0	\$0
Total project cost estimated	\$2,800,000	\$550,000	\$3,350,000

Project Schedule

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

Questions

**COMMISSION
AGENDA MEMORANDUM**

Item No.

8h

ACTION ITEM

Date of Meeting

October 27, 2026

DATE : September 25, 2026

TO: Stephen P. Metruck, Executive Director

FROM: Sabin Mudaliar, Interim Director Airport Operations
Peter Lindsay, Assistant Director Landside Operations
Lisa Rousseau, Manager Landside

SUBJECT: Authorization to Issue a Competitive Solicitation for Airport Curbside Passenger Assistance and Baggage Handling Services

Amount of this request: \$6,000,000.00

Total estimated project cost: \$6,000,000.00

ACTION REQUESTED

Request Commission authorization for the Executive Director to competitively procure and award a contract for curbside passenger and baggage handling services for a period of five years, in an amount not to exceed \$6,000,000. These services support curbside boarding and alighting operations for Airport Transit Operations (ATO) shuttle buses transporting rental car customers between Seattle-Tacoma International Airport (SEA) and the Rental Car Facility (RCF).

EXECUTIVE SUMMARY

Dedicated curbside staff have supported the Rental Car Facility (RCF) busing operation since the activation of the facility in 2012. Under the existing contract dedicated curbside staff manage queues, customer flow coordination, provide wayfinding, assist with baggage handling, and support passengers with disabilities that utilize our rental car busing operation. These activities and services occur at three primary operating locations:

- North terminal arrival bus zone
- South terminal arrival bus zone
- Departing passenger zone at the RCF

Staff recommend continuing this service through competitive procurement. Staff evaluated in-house delivery through a comparative cost analysis and review of staffing and operational responsibilities. The analysis indicated higher anticipated costs for in-house delivery. These

Meeting Date: October 27, 2026

findings, together with the need for reliable coverage and operational flexibility to meet seasonal demands, support continued contracted services.

This action seeks to award a contract for curbside passenger assistance and baggage handling services for a duration of five (5) years through a competitive procurement. Continuation of these services through a single open-order contract provides predictable staffing, operational consistency, and flexibility to respond to peak activity or irregular operations. The requested authorization of \$6,000,000 is fully funded through Customer Facility Charges (CFCs), a statutory fee dedicated to RCF operations.

JUSTIFICATION

Since RCF opened in 2012, curbside passenger and baggage handling services have been essential to maintaining orderly, safe, and efficient shuttle operations. A short interruption in service during 2015–2016 demonstrated noticeable declines in shuttle performance and customer experience. Staff observed increased congestion on the sidewalk, slower passenger throughput, and a significant degradation of customer experience.

Curbside staff organize passenger queues, assist with luggage, and provide direct support to shuttle drivers. Dedicated curbside staffing ensures efficient passenger throughput. Staff are dedicated to mitigating congestion within loading areas and strengthen overall ADA customer service. Dedicated baggage assistance also significantly reduces the physical demands and lowers injury risk for shuttle drivers who otherwise handle baggage. Maintaining these services is foundational to safe and orderly curbside operations at SEA and at the RCF.

The successful vendor would be responsible for recruitment, scheduling, training, and coverage within the Port's service requirements. Conversely, an in-house staffing model would place these additional burdens on Port administration and introduce additional complexities related to addressing seasonal peaks, leave, and absences. Based on comparable positions at the airport, staff estimate that an in-house staff model could increase costs by about \$3 million over the duration of the contract. Staff's financial and operational assessment supports retaining contracted delivery.

Diversity in Contracting

Staff will collaborate with the Diversity in Contracting team to establish meaningful opportunities for WMBE participation in the consolidated solicitation. Early industry outreach, flexible subcontracting structures, and transparent bid requirements will help ensure that small and diverse businesses can competitively participate as primes or subcontractors.

DETAILS

The curbside passenger assistance and baggage-handling contract provides dedicated frontline staffing at SEA's busiest rental car busing arrival and departure locations.

Meeting Date: October 27, 2026

Scope of Work

The proposed contract will cover the following services at the following locations:

- North terminal arrival bus zone
- South terminal arrival bus zone
- Departing passenger zone at the RCF

The proposed Key service elements include:

- (1) **Queue Management:** Maintain orderly passenger lines, manage curbside congestion, and ensure efficient flow at shuttle boarding areas.
- (2) **Baggage Assistance:** Support safe loading and unloading of luggage, reducing injury risk for shuttle drivers.
- (3) **Wayfinding & Customer Support:** Provide clear directions, general assistance, and help ADA customers navigate curbside operations.
- (4) **Operational Readiness:** Adjust staffing to meet peak demand, monitor curb conditions, and support consistent service delivery across all curbside zones.
- (5) **Safety & Customer-Service Training:** Contractor staff must meet Port standards for customer interaction, safety protocols, uniforms, and communication with ATO supervisors.

(The remainder of this page was purposefully left blank)

Meeting Date: October 27, 2026

ALTERNATIVES AND IMPLICATIONS CONSIDERED

Alternative 1 – Discontinue and Eliminate Curbside Passenger and Baggage Staffing

Cost Implications: \$0 – Eliminates the cost of dedicated vendor contract or equivalent in-house staffing costs. Reduces ongoing expenses to zero relating to curbside services.

Pros:

- (1) Eliminates all contract costs associated with curbside passenger assistance.
- (2) Simplifies operations by removing vendor management and coordination responsibilities.

Cons:

- (1) Creates significant curbside congestion, long passenger queues, and slower shuttle throughput.
- (2) Results in poor customer service and inconsistent wayfinding support, especially during peak periods.
- (3) Increases ADA-related risks due to lack of dedicated passenger assistance at curbside.
- (4) Places added physical burden and injury risk on shuttle drivers who would need to assist with baggage.

This is not the recommended alternative.

Alternative 2 – Bring curbside services in-house and add port staff to perform these functions. This option would replace vendor provided staffing services with Port employees and transition responsibility for staffing and service delivery at the terminal and Rental Car Facility (RCF) directly with Airport Transit Operations (ATO).

Cost Implications: Staff performed a comparative financial analysis and carefully evaluated transitioning these services to Port employees. Financial analysis estimates the five-year cost to transition curbside services to Port employees at approximately \$9.2M, compared to the \$6M total authorization requested for services over the same period. This estimated range is based on available Port personnel cost data of current and comparable non-represented airport positions. The analysis includes an evaluation of anticipated wages, benefits, allocated corporate overhead, and other non-payroll associated expenses. The results strongly indicate higher recurring costs for in-house delivery. These findings were considered alongside the operational requirements and administrative responsibilities associated with establishing and maintaining a Port-staffed operation.

An in-house model would require the Port to assume recruitment, training, supervision, and scheduling. Staffing would need to accommodate seasonal fluctuations in rental car activity while maintaining consistent curbside services. These responsibilities would require robust staffing flexibility to maintain services during peak periods, leave, and unanticipated absences and vacancies. These elements would require further development in a detailed staffing model and

Meeting Date: October 27, 2026

implementation plan before transitioning services to Port employees. In effect, potentially resulting in a period of interrupted services.

Additionally, increased operational costs would need to be funded by the Customer Facility Charge (CFCs). Changes to planned CFC expenditures may affect rental car activity and limit flexibility to support planned future improvements supported by the CFC such as bus fleet modernization, bus maintenance facility improvements, and other Rental Car Facility (RCF) infrastructure needs.

Pros:

- (1) Full internal control over staff performance, training, and customer-service standards.
- (2) Direct alignment with Port operational priorities and the ability to adjust service delivery without vendor constraints.
- (3) Enhances customer experience through unified queue management, wayfinding, and ADA-related support.

Cons:

- (1) Substantial ongoing staffing, payroll, scheduling, and training burden placed on Landside Operations.
- (2) Requires building new operational systems (dispatch, supervision, safety programs) that are costly and resource-intensive.
- (3) Creates long-term budget pressure and reduces flexibility to scale staffing up or down based on passenger volumes.
- (4) Creates potential CFC funding requirement changes which could affect customer demand, consortium support, and flexibility to fund other rental car and ATO improvements.

This is not the recommended alternative.

Alternative 3 – Maintain a Single-Vendor Approach for Curbside Operations (Recommended)

Cost Implications: Within the five-year estimated contract cost of \$6,000,000.

Pros:

- (1) Ensures consistent service standards, training, and accountability across all curbside locations.
- (2) Improves operational flexibility, allowing the vendor to adjust staffing and resources quickly based on passenger volumes and irregular operations.
- (3) Enhances customer experience through unified queue management, wayfinding, and ADA-related support.
- (4) Compatible with budget expenditures, forecast CFC estimates and planned capital improvements

Meeting Date: October 27, 2026

Cons:

- (1) Transition to a new vendor (if applicable) will require onboarding and alignment with Port protocols.

This is the recommended alternative.

FINANCIAL IMPLICATIONS

The costs of the Rental Car Facility's Airport Transit Operations (ATO) contracted curbside passenger assistance and baggage handling services are recovered through Customer Facility Charges (CFCs), which are funded by rental car customer transactions collected by rental car companies. CFC revenues support eligible operating expenses, debt service, maintenance, and capital improvements for the Rental Car Facility and its transportation system.

The 2026 CFC rate is \$8.00 per rental transaction. Higher recurring service costs would place additional pressure on CFC rates and could reduce funding flexibility for future improvements such as, but not limited to, planned fleet improvements or facility improvements. These financial impacts must be evaluated alongside potential effects on rental car demand and in coordination with rental car stakeholders.

Annual Budget Status and Source of Funds

The Rental Car operational baseline budget in 2026 includes an approved sum of \$1.1M. Proposed costs for contracted services align with existing baseline budget needs and support required staffing levels for curbside passenger and baggage handling at SEA and the RCF.

Financial Analysis and Summary

Project cost for analysis	\$6,000,000.
Business Unit (BU)	Landside Operations, Rental Cars Airport Transit Operations
Effect on business performance	Funded directly by CFCs. Current rate set \$8.00 per rental customer transition for FY 2026. Higher recurring ATO costs increase pressure on CFC rates and may reduce flexibility to fund future facility and capital improvements.
IRR/NPV (if relevant)	N/A
CPE Impact	N/A

Future Revenues and Expenses (Total cost of ownership)

Current finance and budget analysis forecast approximately \$42.6M in 2026 year-end revenue.

Projected Year-by-Year Costs

Meeting Date: October 27, 2026

Cost Breakdown

This Request

Contract Year 1	\$1.14M
Contract Year 2	\$1.16M
Contract Year 3	\$1.18M
Contract Year 4	\$1.21M
Contract Year 5	\$1.23M
Total Estimated Cost	\$6M

ATTACHMENTS TO THIS REQUEST

(1) Presentation slides

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

September 27, 2022 – The Commission authorized a 5-year contract for Curbside services.

Rental Car Curbside Assistance Contract

October 27, 2026
Port of Seattle Commission



Purpose

Request to Commission: Authorization for a new curbside assistance contract up to five years in duration (1st year with four 1-year options) with a total contract value not to exceed \$6 million.

Scope of Services

Rental car shuttle curbside assistants provide the following services in support of rental car shuttle operations at the Main Terminal and RCF:

- Baggage loading and unloading
- Queue management
- Passenger information and customer service
- Bus parking assistance and logistics
- ADA queuing



Key Facts

- Rental car shuttles serve over **5.2 million passengers** annually
- Current contract expires in **April 2027**
- Curb assistance is available **about 20 hours per day** with season variation.
- Curb assistance is a **Customer Facility Charge-eligible expense**, related to the common busing operation: **Current CFCs \$8.00/transaction day**
- Supports **10+ full-time employees** at the airport
- **Consistent service since inception** with exception in 2015.



Alternatives Analysis

	Self-Perform Alternative	Contract with 3 rd Party Vendor
Estimated Wages, Benefits & OH	\$9.2M	\$6 M

Alt #2: Self-Perform/In-house

Pros

- Internal management control over staff performance and customer service standards
- Immediate and direct alignment with Port priorities

Cons

- Substantive administrative burden on existing operation, impacts on current staffing levels
- Potential new investments in staffing support systems (dispatch and supervision)
- Increased expenditures compared to Alt #3
- Less flexibility with scaling staff levels, seasonality
- Potential impact to CFC funds

Alt #3: Contract with 3rd Party

Pros

- Compatible with budget expenditures, forecast CFC estimates and planned capital improvements
- Flexibility to change staffing levels swiftly with seasonal variability
- Maintains consistent service standards and accountability across all locations

Cons

- Transitioning to a new vendor can require familiarization, vendor training, etc.
- Less direct control over staff performance and customer service standards compared to Alt #2

Recommendation

- **Alt #3: Contracted 3rd party service:** provide sufficient funding to maintain full-time curbside assistance schedule based on current operational needs at the RCF and Main Terminal
 - Addresses need for queue management and in-line customer service
 - In-line with CFC budget expectation and expenditures
 - Congruent with stakeholder expectations
 - Consistent with customer service standards and expectations

**COMMISSION
AGENDA MEMORANDUM**

Item No. 9a

ACTION ITEM

Date of Meeting October 27, 2026

DATE: August 20, 2026

TO: Stephen P. Metruck, Executive Director

FROM: Jeffrey Wolf, Director, Aviation Commercial Management
Khalia Moore-Parkes, Assistant Director, Airport Dining and Retail
Scott Van Horn, Manager of Business Development, Airport Dining and Retail

SUBJECT: **Execution of a Lease and Concession Agreement between the Port of Seattle and AD Partnership, LLC to operate a Non-Aeronautical Financial Institution (Credit Card) Lounge at Seattle-Tacoma International Airport**

ACTION REQUESTED

Request Commission authorization for the Executive Director or his designee to execute a Lease and Concession Agreement for a Non-Aeronautical Financial Institution (Credit Card) Lounge on A Concourse with AD Partnership, LLC, operating a Chase Sapphire Lounge.

JUSTIFICATION

The Airport Dining and Retail (ADR) team issued Request for Information 26-7 (RFI 26-7) for a new non-aeronautical alliance or financial institution lounge located at the end of A Concourse. Based on the submission received, AD Partnership, LLC (Selected Operator) was selected to operate a Chase Sapphire Lounge.

Staff requests authorization for the Executive Director or his designee to execute a Lease and Concession Agreement with the following terms:

- Fifteen (15) years lease term
- Approximately 16,000 square feet (SF)
- Projected Revenue to the Port: Five Hundred Dollars and 00/100 (\$500.00) per square foot per year.
 - This rate will increase on the sixth (6th) and eleventh (11th) year by ten percent (10%).
 - Estimated annual revenue to the Port will be approximately \$7.9 million per year.
- Security Deposit: \$4,000,000

Meeting Date: October 27, 2026

This location on A Concourse was originally planned as an upgraded, Port-owned common use lounge, which would require significant capital investment. However, after additional analysis and review of the lounge program, it was determined that utilizing this space as a non-aero financial institution or airline alliance lounge provided increased financial returns and lower capital burdens for the Port. An alternative location for the current common-use lounge was identified, which required lower investment by the Port and further improves the Port's overall financial performance.

ALTERNATIVES AND IMPLICATIONS CONSIDERED

Alternative 1- Proceed with the previously approved project and build out the full expanded Club SEA footprint provided by the Concourse A Building Expansion for Lounges project in this location.

Cost Implications: Incremental \$24,360,000 plus Port Sunk Costs of \$25.9M (allocated base building costs)

Pros:

- (1) Improve the Port's level of service supporting international operations on Concourse A.

Cons:

- (1) Significant capital cost incurred.
- (2) Breakeven point for investment is expected to be 11 years.

This is not the Recommended Alternative.

Alternative 2- Proceed with the request to execute the Lease and Concessions Agreement with AD Partnership, LLC for a Chase Sapphire Lounge in the A Concourse location.

Cost Implications: Port Sunk Costs: \$25.9M (allocated base building costs) plus previously incurred \$8M attributable to common-use lounge design efforts already undertaken.

Pros:

- (1) Provide lounge capacity to serve passenger growth.
- (2) Provide a significantly higher non-aeronautical revenue growth without additional, unplanned Port investment.
- (3) Decreases in future capital investment and expenses for the Port, which would be incurred with the build-out and operation of the space as previously approved.

Cons:

- (1) The new location for The Club at SEA may require some upgrades and with a set turnover date of the current The Club at SEA space for the Chase Sapphire Lounge, there may be a short period of time that no common-use lounge services will be available on Concourse A.

This is the Recommended Alternative.

Meeting Date: October 27, 2026

FINANCIAL IMPLICATIONS

This authorization will create a new non-aeronautical revenue stream of approximately \$7,900,000 annually to the Port. No additional Port investment will be required.

Analysis Period: 2026-2043	Chase Lounge
Square Footage (approximate)	16,000
Lease Revenue	\$ 131,690,000
Sunk Costs:	\$ -
Common Use Construction Costs	\$ 8,000,000
Allocated Base Building Costs	\$ 25,910,000
Net Income	\$ 97,780,000
Non-Aero Net Present Value	\$ 36,440,000
Payback	4

NPV assumes 7.1% discount rate per Port risk scoring matrix

ATTACHMENTS TO THIS REQUEST

- (1) Presentation slides

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

April 8, 2025 – The Commission authorized \$24,360,000 to complete the A Concourse Shared-Use Lounge Project (Club at SEA).

Item No.	9a_supp
Date of Meeting	October 27, 2026

Concourse A Non-Aeronautical Lounge Commission Briefing

October 27, 2026



Request

Request Commission authorization for the Executive Director or delegates to execute the Lease and Concessions Agreement for the non-aeronautical airport lounge on Concourse A.

Agenda

- Lounge overview - SEA and industry
- Lounge impact on ADR
- Overview of Chase Sapphire
- Chase Sapphire Lounge

LOUNGE OVERVIEW - SEA AND INDUSTRY



SEA Lounge Approach

- SEA Lounge Fundamentals:
 - Ensure passenger and airline demand is met with airline, common-use, and non-airline lounge options.
 - Align with Century Agenda goals to advance this region as a leading tourism destination and business gateway.
 - Strengthen the competitiveness of SEA in the regional and global marketplace.
 - Make Washington a preferred destination for international travelers from countries with which we have direct flights.

Lounge Access

- Lounge types at SEA and access policies

- **Airline lounges:**

- Lounge access is targeted to:
 - Airline Credit Card holders (varying levels)
 - Upper-Tier Airline rewards members
 - First and Business Class ticket holders

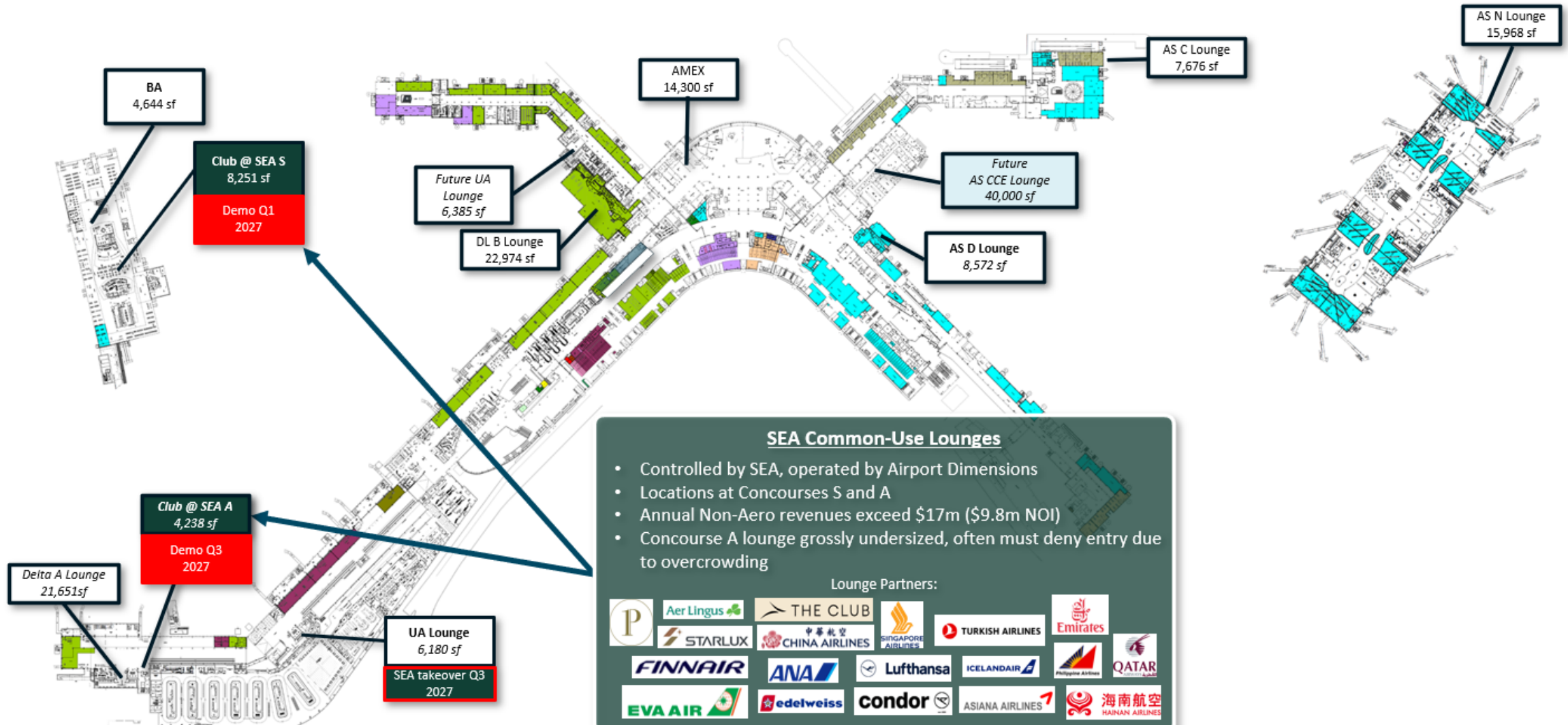
- **Credit Card Lounges:**

- Lounge access and amenities offered are targeted to:
 - Upper-Tier Credit Card holders
 - Special amenities as a part of card benefits

- **Shared-Use Lounges:**

- Targeted demographics to meet international airline needs:
 - International Business and First-Class passengers for carriers without a dedicated lounge amenity availability within the airport.
 - Priority Pass holders

Current Airport Lounge Inventory at SEA



ACI-NA Airport Lounge Survey

- ACI-NA conducted a survey of 65 U.S. and 12 Canadian airports in 2025 regarding the lounge landscape at their airports.

	L	M	S	Canadian	Total
Having Both Types	18	4		7	29
Airline Lounge Only	4	5	3	1	13
Third-Party Lounge Only	2	3	2	1	8
No Lounge		8	16	2	26
Grand Total	24	20	21	11	76

The financial arrangement typically depends on the type of the lounge

- Airline-specific lounge rented under the airline agreement: the rent is typically based on square footage and terminal rental rates
- Airline common use and third-party lounge:
 - Higher of MAG or %
 - Or fixed amount plus a % of sales or per use

Large Hub Airport Lounge Comparisons

SEA VS. SIMILARLY SCALED HUBS

Airport	2025 enplanements (M)	FI network lounges	
DFW	40.8	3	
LAX	36.1	2	
DEN	36.4	2	
JFK	31.0	3	
LAS	26.5	3	
PHX	25.5	2	
SEA	26.0	1	SEA today
SEA	26.0	2	With Chase lounge

Why a 16,000 sq. ft. Chase lounge is additive at SEA

SEA gains scale, choice and commercial value

- 1 Closes the peer gap**
Moves SEA from one to two major FI lounge networks, aligning it with similarly scaled premium hubs.
- 2 Adds meaningful capacity**
At 16,000 sq. ft., the Sapphire lounge helps alleviate wait times frequently exceeding 60+ minutes today.
- 3 Creates direct airport value**
Scaled premium lounges add investment, guaranteed revenue and amenity differentiation; 47% of lounge users route flights by preferred-lounge access.
- 4 Raises premium differentiation**
A dedicated Chase product broadens customer choice beyond existing card-branded and airline-specific offerings.

*FI denotes Financial Institution

Lounge Landscape on Concourse A

- **Current**: 3 lounges at the end of Concourse A as of 2026.
 - Delta, Club @ SEA, United
 - Delta One/Sky Club Lounges opened June 2025 near gate A11.
- **Proposed**: No net change in number of lounges at the end of Concourse A.
 - If approved, convert current Club @ SEA to Chase and convert current United to Club @ SEA.
 - The Chase-allocated space is mezzanine level which is undesirable for ADR operations outside of lounges.

LOUNGE IMPACT ON ADR

BI PETS Surveys

- Recent Business Intelligence (BI) PETS (Passenger Experience Tracking Survey) surveys conducted in April, August, and September 2026 found the following results:
 - Passengers were asked what they purchased at the airport that day. There was no significant difference in the percentage of lounge visitors vs. non-lounge visitors who purchased food/beverage items.
 - Additionally, after removing outliers (those spending over \$700), lounge visitors and non-lounge visitors reported similar average spend amounts across all categories.
 - Lounge visitors were significantly more likely than non-lounge visitors to purchase gifts or souvenirs for others, essential personal care items, and entertainment for the flight.

Concourse A Lounges – ADR Impact

- There is a grouping of lounges at the end of Concourse A including:
 - Delta One/Sky Club
 - United
 - Club@SEA lounges
- Through August of 2026, ADR tenants near these lounges continued to show quarter-over-quarter growth in sales.
- However, there have been intermittent periods for certain tenants with a sales decline.

AMEX Lounge ADR Impacts

- AMEX Centurion Lounge opened in Central Terminal on February 1, 2023.
- Directly following the opening, most ADR tenants in Central Terminal continued to show quarter-over-quarter growth in sales.
- However, there have been intermittent periods for certain tenants with a sales decline.

OVERVIEW OF CHASE SAPPHIRE



JPMorganChase Overview



~87M
Chase customers



Presence in
more than 60 countries



Serves more than
7.5M U.S. small businesses



#1 private bank
in the world



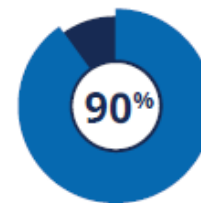
Top 3 consumer
travel provider



#1 credit card issuer in
the U.S. based on sales



J.D. Power perennially
awards the company
top honors in customer
satisfaction across
many business lines



90% of Fortune
500 companies do
business with us



One of Fortune's Top 5
Most Admired Companies
in the World, ranking #5
in 2026 for the fourth
consecutive year

Chase Sapphire Brand

PREMIUM TRAVEL & LIFESTYLE

Chase Sapphire Reserve

Chase's premier travel & lifestyle card — built around partnerships, experiences, and benefits that reflect how Sapphire cardmembers live.

WHY SAPPHIRE RESONATES

Over the past decade, Chase has built one of the most coveted brands in the card industry - Chase Sapphire.

Chase Sapphire Reserve first debuted in 2016, establishing itself as a premier travel and lifestyle credit card. The value Reserve provides goes far beyond earning points, with partnerships, experiences, and benefits that speak directly to its cardmembers' passions. Reserve cardmembers are optimists, and travel forms a fundamental part of their identity - memorable experiences can be found in both the *extraordinary and everyday*, whether discovering a hidden neighborhood taco spot or taking a bucket-list trip. Reserve has been widely awarded, including three consecutive wins from The Points Guy.

CHASE CUSTOMER ENPLANEMENTS

GRAND TOTAL **~3.1M**

12% of all 2025 enplanements in SEA were Chase customers

LOUNGE-ELIGIBLE PREMIUM CARD ENPLANEMENTS

~500K

Leading the way to the lounge experience

Sapphire Reserve cardmembers live for travel — it's who they are. As the #1 U.S. card issuer serving more than half of all U.S. households, Chase is uniquely positioned to drive awareness and utilization of the Sapphire Lounge by The Club at SEA, where cardmember travel contributes to **nearly half a million enplanements annually** out of SEA.

Chase Sapphire Lounge by The Club at SEA — presented by Airport Dimensions.

RESERVE CARDMEMBER BENEFITS

Rewards on every journey. Cardmembers earn elevated points on travel and dining worldwide with strong value when redeeming rewards.

Exceptional travel, built in. Cardmembers enjoy lounge access worldwide, flexible travel credits, premium hotel benefits, and expedited airport security perks.

Confidence wherever they go. From dedicated travel planning and elite hotel status to comprehensive travel protections, Reserve elevates every trip.



JPMorganChase Community Impact

Driving Inclusive Economic Growth

2018

Ascend 2020 expansion

Announced a \$2.5M expansion of Ascend 2020 at the University of Washington's Foster School of Business — growing support for minority-owned small businesses from six to ten U.S. cities. The firm also doubled Small Business Forward from \$75M to \$150M.



2025

\$40M+ for affordable housing

Announced more than \$40M in philanthropic funding — \$20M in grants and \$20M in impact-focused term loans — to advance affordable housing nationwide and help more families access safe, stable homes.



2026

American Dream Initiative

Committed to powering 10 million small businesses with capital, local expertise, end-to-end banking and payments, mission-driven partnerships, and advocacy for policies supporting entrepreneurship and job creation.



JPMorganChase Seattle Community Impact

Since 2021, JPMorganChase has contributed ~\$30M to multiple non-profits across the Seattle region.

~\$15M

20+ nonprofits

Housing access & affordability

Financing and preserving affordable homes, from supportive housing to starter-home innovation.

~\$7.1M

15+ nonprofits

Business growth & entrepreneurship

Capital, coaching, and ecosystem support so small businesses can start, scale, and sustain.

\$1.9M+

9 nonprofits

Career & service skills

Workforce training and pathways that connect talent to in-demand careers.

\$445K+

8 nonprofits

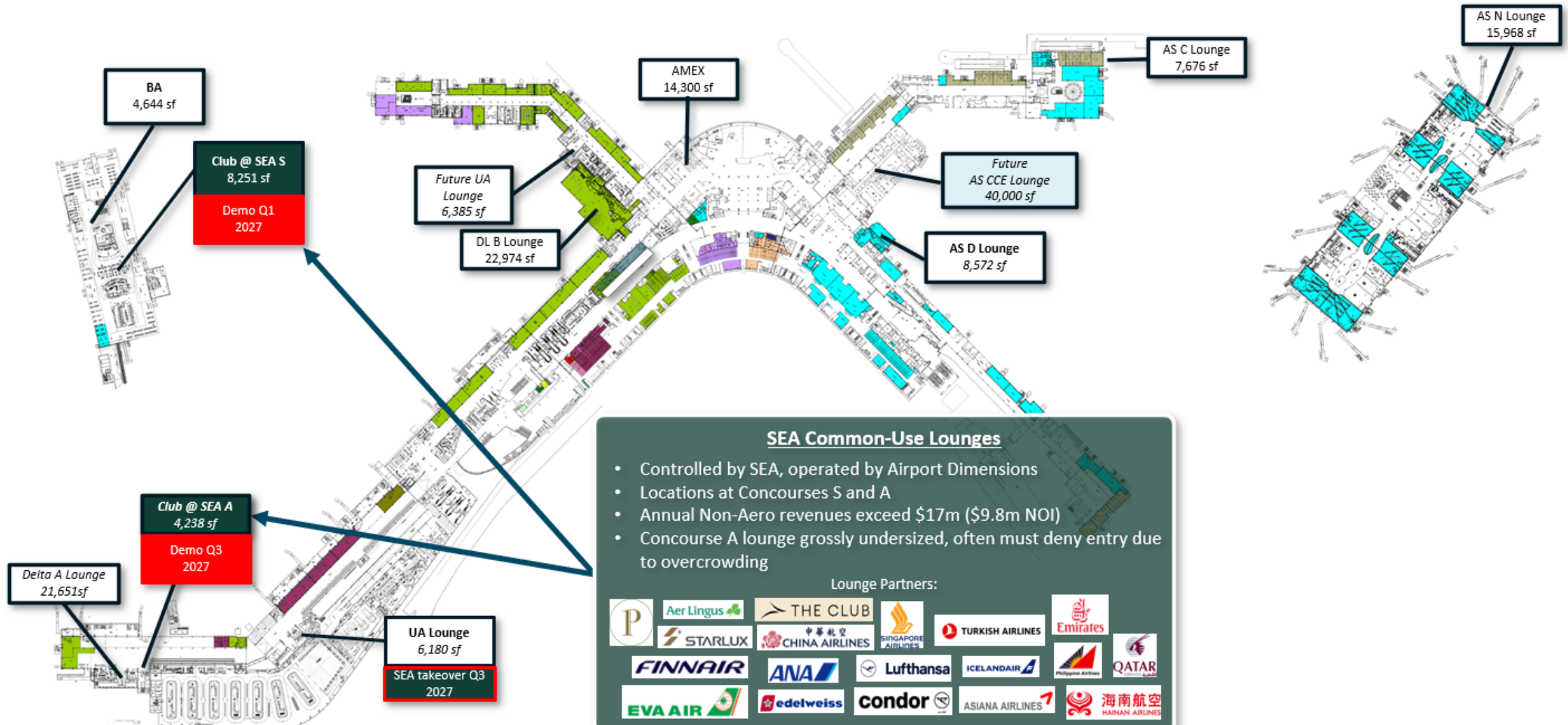
Financial health & wealth creation

Financial education, saving, credit, and homeownership tools to help families build wealth.

CHASE SAPPHIRE RESERVE LOUNGE



Current Airport Lounge Inventory at SEA



Chase at SEA



- Additionally, the Chase Sapphire Reserve lounge by Airport Dimensions submission includes a commitment to 118 represented hourly positions and 10 management positions along with a comprehensive benefits packages for all employees.

Health Benefits

- Medical Insurance
- Dental Insurance
- Vision Plan
- Advocacy Services

Tools for Security

- Disability Insurance
- Flexible Spending Account
- Life Insurance
- 401(k) Retirement Savings Plan
- Credit Unions
- Direct Deposit
- Employee Discounts

Personal Perks

- LifeWorks
- Tuition Reimbursement
- Service Awards
- Paid Vacation and Sick Leave
- Other Types of Leave
- Commuter Stipend
- Holiday Bonus Pay

Lease Terms

- 15-year lease term
- Approximately 16,000 SF
- \$500/SF per year
- 10% rent step in years 6 and 11
- Total tenant investment (Initial Capital Investment and Midterm Refurbishment): \$70M
- Rent to the Port over the 15-year lease term: \$135.6M
- NPV: ~ \$36M, 4 years to recoup all sunk Port costs

QUESTIONS?





**COMMISSION
AGENDA MEMORANDUM**

Item No. 9b

ACTION ITEM

Date of Meeting October 27, 2026

DATE: September 9, 2026
TO: Stephen P. Metruck, Executive Director
FROM: Peter Lindsay, Assistant Director, Airport Operations
SUBJECT: SEA Airport Tenant Employee Parking Security Contract

Amount of this request: \$6,900,000

ACTION REQUESTED

Request Commission authorization for the Executive Director to execute a contract for security services in support of employee parking operations at the North Employee Parking Lot and three new leased parking lots known as Lots A, C, and M for a total estimated cost of \$6,200,000 over five years. The initial contract will be for a 1-year base term with four annual renewal options at the discretion of the Port, for a maximum term of five years. Additionally, requesting \$700,000 to fund & maintain existing security coverage for the duration of the RFP process and through the contract's final extension (October 2027). Total authorization requested is \$6,900,000.

EXECUTIVE SUMMARY

On-site guard services are an expected service and best practice to safeguard tenant employees, Port of Seattle staff, and port assets supporting the airport's employee parking operation. For this procurement, guard services are proposed for the North Employee Parking Lot (NEPL) located north of the airfield and newly leased areas, specifically parking lots A, C, and M—located along International Boulevard in the City of SeaTac. Collectively, these parking facilities provide over 5,500 parking stalls and are designed to accommodate the needs of more than 18,000 airport tenants who work at SEA airport, ensuring they have reliable access to parking for the next decade.

Security guards provide essential support and access control for the airport's employee parking facilities. They continuously monitor the premises, manage access, and report any criminal or suspicious activities with either on-premises surveillance or patrol surveillance. Additionally, these guards oversee traffic control and deliver high-quality customer service to our airport tenant parkers.

This action seeks to award a contract for comprehensive security guard services for a duration of up to five (5) years through an RFP process. The contract will consist of an initial 1-Year term,

Meeting Date: October 27, 2026

with options for four (4) additional 1-Year extensions based on performance and service evaluations such as dependability, customer feedback, and responsiveness.

Guard service staffing is estimated at \$1.2M to \$1.3M annually, expenditures which are recovered through parking fees. The proposed expenditures will be absorbed within the existing phased annual rate plan, which assumes an average year-over-year increase of approximately 7.3% through 2031.

Employee Parking's existing security contract (S-00321204) is scheduled to expire in October 2027. Existing funds are insufficient to support the remaining term of the contract while completing procurement and transition to a successor contract. This authorization is requesting funding to both maintain uninterrupted security services under S-00321204 and procure a new security services contract.

JUSTIFICATION

To maintain a safe operation, security and access control are needed for airport employee parking lots as staff anticipate constant year-round use by employees. Staffing needs call for a constant guard presence, patrol, and on-duty 24-hours, 7-days a week, and 365-days per year with the following key scope elements:

- Ensure only authorized persons have access to the lot
- Assist customers when they have issues with their access cards
- Provide 24-hour surveillance of the lot
- Available security presence on-hand and ready to react to emergent issues if necessary

The airport evaluates multiple factors when deciding to contract services versus assigning duties to Port employees. The primary factors that support the use of contracted services are the type of work, the need to maintain regulatory requirements or financial security, variable operational needs such as seasonality, and connectivity to other departments.

This contract covers a limited range of non-specialized tasks, does not require regulatory procedures or financial transactions, and does not require close coordination with other departments for efficiency or success, making this work a preferred scenario for contracted services.

Contracting also creates opportunities for small businesses and provides many operational and financial advantages for the Port.

The airport can more easily adjust staffing levels of contracted employees to meet emerging needs compared to changing employee job duties or schedules. Maintaining 24-hour, 365-day coverage poses operational challenges for an in-house workforce, as staff call-outs and shortages necessitate overtime or the maintenance of redundant staffing levels to ensure continuous coverage. A vendor specializing in security services is structurally better positioned to absorb

Meeting Date: October 27, 2026

staffing fluctuations, drawing on a broader labor pool and established relief-staffing protocols as a core part of its business model.

The contracting process identifies firms with specialized training, supervision, and employee development programs that are directly tied to the security tasks, making those firms more efficient in delivering the work and avoiding the Port having to build a dedicated internal security management function solely for this purpose.

Contracting gives the Port built-in performance accountability that ensures we continue to meet customer service expectations. Finally, contracting services relieves the Port of equipment acquisition and on-going maintenance requirements.

Contracting non-regulatory services such as airport parking security allows Port staff to focus on regulatory safety and security, such as Aviation Security and SIDA Access Control.

Diversity in Contracting

Staff have contacted the Diversity in Contracting Office, which recommended a 5% women and minority owned-business participation (WMBE). Previous iterations of the contract have successfully added to the Port of Seattle’s diversity in contracting goals, and the current contract holder is a WMBE firm.

DETAILS

This request is to provide site security for the entire employee parking operation, to reduce the risk of criminal activity, provide customer assistance, and monitor access control for facility security. Some units will be located on-site while others will provide mobile patrol surveillance with a vehicle.

Scope of Work

The successful contractor shall provide patrol and on-duty guard services for the NEPL and Lot C. A mobile patrol guard service shall be provided to Lots A and M. The service shall be performed 24-hours, 7-days a week, including holidays. The contractor will ensure only authorized personnel are allowed access to the lot, report any operational issues to the Landside Control Center, maintain a daily log of events, and provide a weekly update to Landside Management.

Specific scope elements include:

- (1) Security Guard Presence – one security guard on-duty throughout the day, including a mobile patrol guard
- (2) Regular Operational Reports and Daily Log – regular communications to advise management of lot activity, irregularities, and concerns
- (3) Access Control – assist with lot access and customer service
- (4) Supplemental Security – enhanced patrols and security evaluations around the lot perimeter

Meeting Date: October 27, 2026

Airport Operations intends to continue offering guard services with increased resources to allow flexibility, greater response for site security, and public safety needs.

Schedule***Activity***

Commission Authorization	2026 Quarter 4
RFP Development	2026 Quarter 4
Solicitation	2027 Quarter 1
Proposal Reviews	2027 Quarter 2
Award Contract	2027 Quarter 3
Contract Start Date	2027 Quarter 4

(The remainder of this page was purposefully left blank)

Meeting Date: October 27, 2026

ALTERNATIVES AND IMPLICATIONS CONSIDERED

Alternative 1 – Add Port staff to perform these functions. This option would eliminate the need for a contract to provide guard services at Employee Parking facilities and task the Port of Seattle and SEA with responsibility for all site-security services.

Cost Implications: Further analysis estimates the five-year cost to transition security services to Port employees at approximately \$8.6M to \$12.2M, compared to the \$6.9M total authorization requested for services over the same period. This estimated range is based on a blended rate of current and comparable airport positions, represented and non-represented. The analysis includes wages and benefits required for a minimum staffing model of 15 full-time employees (FTE) which satisfy three required security posts for 24-hour, 7-days a week, and 365-days coverage.

This analysis factors incremental corporate overhead and other non-payroll operating expenses associated with supporting the additional employees, such as uniforms, equipment, vehicles, fuel, training, and recruitment. The five-year forecast assumes an annual escalation rate of 5.5% for wages, benefits, and corporate overhead, as provided by F&B, and 1% annual escalation of recurring non-payroll expenses beginning in 2028. Initial startup costs associated with onboarding additional employees are also included. The estimates do not account for potential future collective bargaining-related costs or negotiated wage adjustments. These costs would go to annual expenses and are significant.

For 2027 wages, benefits, and overhead alone, Port staffing costs are estimated to range from approximately \$1.6M to \$2.2M, depending on the classification used.

Based on these assumptions, the Port self-perform alternative is estimated to cost approximately \$2.39M to \$5.97M more than the five-year contracted security estimate of approximately \$6.2M.

Pros:

- (1) Port staff are more knowledgeable of Port policies and procedures and Employee Parking procedures and could answer questions and provide improved customer service to Employee Lot customers.

Cons:

- (1) Disruptive to business operations. New staff would be needed to perform this new role, and many lines of business have difficulty filling existing positions. Staff is concerned that business continuity and site security may suffer from a lack of headcount or the inability to find qualified personnel.
- (2) Increase supervisory work. Maintaining a 24/7 coverage program requires additional supervisory work to handle real-time call outs and staffing shortages. Creating this program will add to recruiting, training, development, and supervisory programs.

Meeting Date: October 27, 2026

- (3) Increase operational expenses. The Port will accept responsibility for any equipment required by the new employees.
- (4) Declined Women and Minority Business Enterprise (WMBE) participation. The current security contract is 100% WMBE. Transitioning to a Port of Seattle employment model would eliminate the guard service contract opportunity for WMBE firms.

This is not the recommended alternative.

Alternative 2 – Discontinue dedicated security services at Employee Parking facilities and rely on existing Port passive security measures such as cameras, lighting, access controls, and standard operational reporting procedures.

Cost Implications: Eliminates the cost of a dedicated security contract or equivalent in-house staffing costs. Reduces ongoing expenses to zero relating to security personnel, vehicles, & associated operating costs. May require future investments in security technology or infrastructure enhancements to mitigate reduced on-site presence.

Pros:

- (1) Lowest overall operating costs while also allowing funding to be redirected to other operational or capital priorities.
- (2) Eliminates long-term contractual or staffing obligations while reducing administrative oversight associated with managing a security program.

Cons:

- (1) No site security presence to deter criminal activity or provide immediate response.
- (2) Increased risk of theft, vandalism, trespassing, and customer safety concerns.
- (3) Reduced ability to proactively identify and resolve operational or safety incidents.
- (4) Increases potential for liability and risk following security and safety-related incidents.
- (5) Increased reliance on Port Police or King County law enforcement, which may result in longer response times.

This is not the recommended alternative.

Alternative 3 – Execute a contract for security services. Consistent with existing customer expectations and service levels since the NEPL began operations, this option would maintain the practice of using a contract security firm for NEPL guard services.

Cost Implications: Guard service staffing is estimated at \$1.2M to \$1.3M annually, expenditures which are recovered through parking fees.

Pros:

- (1) Provides operational flexibility to supplement security needs without adding Full Time Equivalent (FTE) employees.
- (2) Efficient use of Port funds as the procurement process helps the business unit attain competitive rates for services.

Meeting Date: October 27, 2026

- (3) Provides opportunity for WMBE contract participation. The current contractor is a 100% WMBE firm.

Cons:

- (1) Variability in guard experience due to third-party scheduling needs and staffing requirements. Although guards are typically dedicated to the operation, at times, personnel are moved between sites.

This is the recommended alternative.

FINANCIAL IMPLICATIONS

As an enterprise, Employee Parking is a cost-recovery business whereby the expenditures necessary to operate and maintain the service are recovered directly from tenant customers and users of the service, inclusive of all necessary taxes and fees. As per existing SLOA agreements, current 2026 monthly parking rates are fixed at \$107 per month; monthly parking rates are projected to increase to \$114 per month for the 2027 calendar year, with the forecasted increase of approximately 7.3% annually through 2031.

Annual Budget Status and Source of Funds

The Employee Parking baseline budget in 2026 includes \$1.19M in 2027 for guard services across all employee parking lots.

Financial Analysis and Summary

Project cost for analysis	\$6,900,000.00
Business Unit (BU)	Landside Operations, Employee Parking
Effect on business performance (NOI after depreciation)	Absorbed in phased annual rate plan per SLOA, assuming average YOY increase of approx. 7.3% through 2031
IRR/NPV (if relevant)	N/A
CPE Impact	N/A

Future Revenues and Expenses (Total cost of ownership)

Current financial analysis forecasts \$14.1M in 2026 year-end revenue. This figure includes revenue generated from the recently opened employee parking lots also known as Lots A and C.

Cost Breakdown***This Request***

Existing Contract (S-00321204) Expires Oct 2027	\$700,000
Contract Year 1 (New Executed Agreement)	\$1,165,000
Contract Year 2	\$1,200,000
Contract Year 3	\$1,236,000

Meeting Date: October 27, 2026

Contract Year 4	\$1,273,000
Contract Year 5	\$1,311,000
Total	\$6,900,000

Note: Total sums are rounded.

ADDITIONAL BACKGROUND

None.

ATTACHMENTS TO THIS REQUEST

- (1) Presentation

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

October 13, 2026 – Action postponed to October 27, 2026, meeting.

September 22, 2026 – Action postponed to October 13, 2026, meeting.

September 9, 2026 – Action postponed to September 22, 2026, meeting.

August 9, 2022 – The Commission authorized a 5-year contract for NEPL security services.

August 4, 2017 – The Commission authorized a 5-year contract for NEPL security services.

SEA Employee Parking Security Contract

SEA Employee Parking Facilities

Locations: Four (4) Remote Parking Sites

- North Employee Parking Lot (NEPL)
- Lot A
- Lot C
- Lot M

Purpose: To provide on site security guard services for 24-hour, 7-days a week, 365-days a year

Scope: Security guard presence; regular operational reports & daily log; Access Control; Supplemental Security

Facility Map



Action Requested

Request Commission authorization for the Executive Director to execute a new contract for security services in Q4 2027 to support employee parking operations at NEPL, Lot A, Lot C, & Lot M for a total estimated cost of \$6,200,000.00 over five (5) years.

Additionally, requesting \$700,000.00 to fund the existing security contract (S-00321204) for the duration of the new contract's RFP process and through the contract's final extension.

Total authorization requested is \$6,900,000.00.

Five-Year Forecast & Cost Basis Comparison

Year	Contract Costs incl. contingency	Port Staff Low Range Comp	Port Staff High Range Comp
2027	\$1,164,624	\$1,585,003	\$2,226,564
2028	\$1,199,562	\$1,610,869	\$2,287,716
2029	\$1,235,549	\$1,698,803	\$2,412,876
2030	\$1,272,616	\$1,791,568	\$2,544,915
2031	\$1,310,794	\$1,889,427	\$2,684,209
Total Costs	\$6,183,146	\$8,575,670	\$12,156,280
5-Year Difference vs Contracted Services		(\$2,392,524)	(\$5,973,133)

Contract Schedule

<i>Cost Breakdown</i>	This Request
Existing Contract (S-00321204) Expires Oct 2027	\$700,000
Contract Year 1 (New Executed Agreement)	\$1,165,000
Contract Year 2	\$1,200,000
Contract Year 3	\$1,236,000
Contract Year 4	\$1,273,000
Contract Year 5	\$1,311,000
Total	\$6,900,000.00

Scheduled Milestones:

- RFP Development – 2026 Q4
- Solicitation & Reviews – 2027 Q1 to Q2

With additional authorization, existing security contract (S-00321204) expected to expire Q3 2027.

Anticipated completion of RFP process and award of new contract Q3 2027.



QUESTIONS?



**COMMISSION
AGENDA MEMORANDUM**

Item No. 10a

ACTION ITEM

Date of Meeting October 27, 2026

DATE: October 27, 2026

TO: Stephen P. Metruck, Executive Director

FROM: Peter Lindsay, Assistant Director, Airport Operations

SUBJECT: **Additional Authorization for Employee Parking Security Services Contract**

Amount of this request: \$900,000

ACTION REQUESTED

Request Commission authorization for the Executive Director to execute an amendment for the North Employee Parking Lot Attendant Service contract, with Kingdom Security, Inc., in the amount not to exceed \$900,000, for a new contract value of \$2,850,000.

EXECUTIVE SUMMARY

On-site guard services are an expected service and best practice to safeguard tenant employees, Port of Seattle staff, and port assets supporting the airport's employee parking operation. Currently, guard services are needed for the North Employee Parking Lot (NEPL) located north of the airfield and newly leased areas, specifically parking lots A, C, and M—located along International Boulevard in the City of SeaTac. Collectively, these parking facilities provide over 5,500 parking stalls and are designed to accommodate the needs of more than 18,000 airport tenants who work at SEA airport, ensuring they have reliable access to parking for the next decade.

Security guards provide essential support and access control for the airport's employee parking facilities. They continuously monitor the premises, manage access, and report any criminal or suspicious activities with either on-premises surveillance or patrol surveillance. Additionally, these guards oversee traffic control and deliver high-quality customer service to our airport tenant parkers.

This action seeks to authorize additional funds to fulfill the original contract term which ends October 31, 2027 and provide security guard services for NEPL and newly acquired lots A, C and M.

Employee Parking's existing security contract (S-00321204) is scheduled to expire in October 2027. The contract was originally intended to focus on the North Employee Parking Lot alone,

Meeting Date: October 27, 2026

however existing funds are insufficient to support the remaining term of the contract and the proposed extension due to the addition of Lots A, C and M.

JUSTIFICATION

To maintain a safe operation, security and access control are needed for airport employee parking lots as staff anticipates constant year-round use by employees. Staffing needs call for a constant guard presence, patrol, and on-duty 24-hours, 7-days a week, and 365-days per year with the following key scope elements:

- Ensure only authorized persons have access to the lot
- Assist customers when they have issues with their access cards
- Provide 24-hour surveillance of the lot
- Available security presence on-hand and ready to react to emergent issues if necessary

This contract covers a limited range of non-specialized tasks, does not require regulatory procedures or financial transactions, and does not require close coordination with other departments for efficiency or success.

FINANCIAL IMPLICATIONS

As an enterprise, Employee Parking is a cost-recovery business whereby the expenditures necessary to operate and maintain the service are recovered directly from tenant customers and users of the service, inclusive of all necessary taxes and fees. As per existing SLOA agreements, current 2026 monthly parking rates are fixed at \$107 per month; monthly parking rates are projected to increase to \$114 per month for the 2027 calendar year, with the forecasted increase of approximately 7.3% annually through 2031.

Cost Breakdown

	This Request
Existing Contract (S-00321204) Expires Oct 2027	\$900,000
Total Contract Value	\$2,850,000

Note: Total sums are rounded.

ADDITIONAL BACKGROUND

None.

ATTACHMENTS TO THIS REQUEST

(1) None



**COMMISSION
AGENDA MEMORANDUM**

Item No. 10b

ACTION ITEM

Date of Meeting October 27, 2026

DATE: October 27, 2026

TO: Stephen P. Metruck, Executive Director

FROM: Diana Benson, Interim Director, Accounting and Financial Reporting

SUBJECT: Resolution No. 3857 – Appointment of Port Auditor pursuant to RCW 53.36.010 and RCW 42.24.080

ACTION REQUESTED

Request introduction and adoption of Resolution No. 3857: A Resolution of the Port Commission of the Port of Seattle appointing Eloise Olivar, Assistant Director – Disbursement Administration, Accounting and Financial Reporting Department, as Port Auditor for the Port of Seattle pursuant to RCW 53.36.010 and RCW 42.24.080.

EXECUTIVE SUMMARY

The Port of Seattle regularly pays its vendors, contractors, and employees as outlined in the monthly Claims and Obligations memo presented to the Commission. RCW 53.36.010 and RCW 42.24.080 require that these payments made by the Port of Seattle be authenticated and certified by a Port Auditor appointed by the Port Commission by resolution. Lisa Lam, former Director, Accounting & Financial Reporting Department, has been performing this role and is concluding her employment with the Port of Seattle after 21 years of service. This resolution formally designates Eloise Olivar, Assistant Director – Disbursement Administration, Accounting and Financial Reporting Department, to carry out the responsibilities effective November 15, 2026.

JUSTIFICATION

The Port has effective and appropriate internal controls in place for payments of claims including procurement/contracting policies and central oversight, proper delegation of authority, payments approval and documentation, perjury statement certifications for all payments, and monitoring of Port spending and against budgets. The Port's financial transactions and internal controls are subject to audit by the Port's Internal Audit office and external audits by both the State Auditor's Office and the Port's independent certified public accounting firm.

RCW 53.36.010 requires all port districts funds to be paid and disbursed upon checks signed by a Port Auditor appointed by the Commission by resolution upon vouchers approved by the Commission. RCW 42.24.080 requires all claims paid to be authenticated and certified that they are just, due and unpaid obligations of the Port. This resolution appoints and formally designates Eloise Olivar, Assistant Director – Disbursement Administration, Accounting & Financial Reporting Department, as Port Auditor to carry out the responsibilities as set forth by the RCW.

Meeting Date: October 27, 2026

The Port Auditor is a statutorily established title with prescribed responsibilities as outlined above. The State Auditor, also statutorily established, conducts public accountability and legal compliance audits of all state, regional and local jurisdictions. Baker Tilly, the Port's external independent Certified Public Accounting firm, conducts the financial statements and federal grants regulatory compliance audits. The Port's Internal Audit office, which reports to the Commission Audit Committee, conducts audits of Port departments, programs, functions, systems, contracts, and activities based on the approved audit plan or specific requests as approved by the Audit Committee.

ATTACHMENTS TO THIS REQUEST

- (1) Draft Resolution No. 3857
- (2) Presentation

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

December 15, 2020 – the Port of Seattle Commission approved and adopted Resolution 3782.

December 8, 2020 – the Port of Seattle Commission approved introduction of Resolution 3782.

January 8, 2019 – the Port of Seattle Commission approved and adopted Resolution 3753.

December 11, 2018 – the Port of Seattle Commission approved introduction of Resolution 3753.

The following is a list of Port Auditors appointed over the years by resolution of the Port Commission. After 1964, there appears to have been a lapse in the practice of appointing auditors in this manner.

Lisa Lam – December 15, 2020 – Resolution 3782
Debbi Browning – January 8, 2019 – Resolution 3753
Edward E. Ainslie – June 23, 1964 – Resolution 2171
John C. Foster – July 25, 1957 – Resolution 1838
J.H. McCutchen – January 3, 1956 – Resolution 1682
P.B. Curry – October 7, 1935 – Resolution 850
C.L. Sorensen – July 3, 1934 – Resolution 811
W.S. Lincoln – January 10, 1913 – Resolution 82

1
2
3 **PORT OF SEATTLE**
4 **RESOLUTION NO. 3857**
5

6 **A RESOLUTION** of the Port of Seattle Commission Appointing Eloise Olivar,
7 Assistant Director - Disbursement Administration,
8 Accounting and Financial Reporting, as Port Auditor
9 pursuant to RCW 53.36.010 and RCW 42.24.080 for the
10 Port of Seattle.
11

12 **WHEREAS,** RCW 53.36.010 requires that all port district funds shall be paid to the
13 treasurer and be disbursed by him or her upon warrants signed by a Port Auditor appointed by
14 the Port Commission, upon vouchers approved by the Commission; and
15

16 **WHEREAS,** RCW 42.24.080 requires that all claims presented against any political
17 subdivision by officers and employees of that subdivision or by persons furnishing materials,
18 rendering services or performing labor, or for any other contractual purpose, shall be audited,
19 before payment, by an auditing officer and the audit form shall provide for authentication and
20 certification by such auditing officer that the materials have been furnished, the services rendered,
21 the labor performed as described, or that any advance payment is due and payable pursuant to a
22 contract or is available as an option for full or partial fulfillment of a contractual obligation, and
23 that the claim is a just, due and unpaid obligation for the political subdivision; and
24

25 **WHEREAS,** RCW 42.24.180 allows that in order to expedite the payment of claims, the
26 Port Commission may authorize the issuance of checks in payment of claims after the designated
27 Port Auditor has signed the checks but before the Port Commission has acted to approve the
28 claims. This is being accomplished through the authority established in Resolution No. 3810
29 along with Executive policy EX-2, which cover administrative, monetary and contractual
30 redelegation of authority. The Port Commission may also stipulate that certain kinds or amounts
31 of claims shall not be paid before the Commission has reviewed the supporting documentation
32 and approved the issue of checks in payment of those claims; and
33

34 **WHEREAS,** the following conditions must be met before such payments are made
35 pursuant to RCW 42.24.180: (1) The designated Port Auditor shall be required to furnish an
36 official bond for the faithful discharge of their duties in an amount determined by the legislative
37 body but not less than fifty thousand dollars (the Port has in effect such a bond for fifty thousand
38 dollars); (2) The Port shall adopt and have in place contracting, purchasing, disbursing, and hiring
39 policies that implement effective internal controls (the Port's CPO policy series fulfill the
40 requirements for contracting and purchasing, the Port's AC policy series fulfill the requirements
41 for disbursing, and the Port's HR policy series fulfill the requirements for hiring); (3) The Port
42 Commission shall provide for its review of the documentation supporting claims paid and for its
43 approval of all checks issued in payment of claims at its next regularly scheduled public meeting
44 (such action is being taken monthly in a Commission meeting); (4) The Port Commission shall
45 require that if, upon review, it disapproves some claims, the Port Auditor shall cause the
46 disapproved claims to be recognized as receivables of the Port and to pursue collection diligently

47 until the amounts disapproved are collected or until the Commission is satisfied and approves the
48 claims; and

49
50 **WHEREAS**, no claim shall be paid without such authentication and certification as
51 described above; and

52
53 **WHEREAS**, the Port of Seattle requires a Port Auditor to be formally designated to carry
54 out the responsibilities set forth in RCW 53.36.010, Chapter 42.24 RCW, and other applicable
55 authorities.

56
57 **NOW, THEREFORE, BE IT RESOLVED** by the Port of Seattle Commission as
58 follows:

59
60 SECTION 1. The Port of Seattle Commission designates Eloise Olivar, Assistant
61 Director-Disbursements Administration, Accounting and Financial Reporting Department for the
62 Port of Seattle, to serve as the Port Auditor for the Port of Seattle effective November 15, 2026.

63
64 **ADOPTED** by the Port of Seattle Commission at a duly noticed public meeting thereof,
65 held this 27 day of October 2026, and duly authenticated in open session by the signatures of the
66 commissioners voting in favor thereof and the seal of the commission.

67
68
69 _____
70 _____
71 _____
72 _____
73 _____
74 _____
75 _____
76 _____
77 _____
78 Port of Seattle Commission

Port Auditor Appointment

Chris Wimsatt, CFO

Eloise Olivar, AFR Assistant Director - Disbursements

10/27/2026



The Request

Staff is Requesting Commission Consideration for the Appointment of Eloise Olivar as Port Auditor

- Designation of a Port Auditor is a Statutory Requirement, and the current designee is leaving Port employment.
- Port Auditors have historically been appointed from among AFR Leadership.
- As Assistant Director – Disbursements, Eloise's role, experience and expertise make her a natural fit for designation.

Statutory Requirement

Washington law requires the Port Commission to appoint a Port Auditor by resolution.

- **RCW 53.36.010** requires a Port Auditor appointed by Commission resolution for the disbursement of Port funds.
- **RCW 42.24.080** requires certification that claims paid are valid obligations of the Port

Responsibilities of the Port Auditor

- Authenticates and certifies claims paid by the Port
- Certifies that obligations are just, due, and unpaid
- Signs and authorizes the statutory payment process
- Supports the Commission's monthly approval of Claims and Obligations

Differences Between Port Auditor & Internal Audit

Port Auditor

- Statutory designation required by Washington law
- Certifies claims and payment obligations
- Supports day-to-day disbursement process
- Located within Accounting & Financial Reporting
- Focuses on authentication and certification of payments

Internal Audit

- Independent assurance and audit function
- Evaluates controls, compliance, operations, and risk
- Conducts audits based on approved audit plans
- Reports to the Commission Audit Committee
- Focuses on oversight and independent examination

Port Auditor Appointments

Appointee	Date	Resolution
Lisa Lam	Dec. 15, 2020	3782
Debbi Browning	Jan. 8, 2019	3753
Earlier appointments date back to 1913		

Request adoption of resolution to appoint Eloise Olivar, Assistant Director – Disbursement Administration, Accounting and Financial Reporting Department, as Port Auditor for the Port of Seattle pursuant to RCW 53.36.010 and RCW 42.24.080 effective 11/15/2026.

**COMMISSION
AGENDA MEMORANDUM**

Item No. 11a

BRIEFING ITEM

Date of Meeting October 27, 2026

DATE: October 12, 2026

TO: Stephen Metruck, Executive Director

FROM: Chris Wimsatt, Chief Financial Officer
Scott Bertram, Interim Director Corporate Finance

SUBJECT: Briefing on the Tax Levy and Draft Plan of Finance for 2027-2031

EXECUTIVE SUMMARY

This briefing is intended to inform the Commission's decision on the amount of the tax levy for the 2027 budget year and on the Port's funding of its 2027-2031 Capital Investment Plan (CIP) - the Draft Plan of Finance.

BACKGROUND

Ports in Washington State have authority to levy taxes on property within the port district, within certain statutory limits; the Port may use this strategic resource for any allowable port purpose other than the payment of revenue bond debt service. As part of the Port's budget process, the Commission establishes the amount of taxes to be levied within the Port district for the budget year. Staff will provide information on the uses of the tax levy and will seek Commission guidance on the establishment of the 2027 tax levy amount and uses.

At the October 27 Tax Levy and Plan of Finance Briefing, the Finance team will recommend a change to our approach for setting the Tax Levy in 2027 and potentially managing the annual levy going forward. Specifically, we will recommend increasing the annual levy from 75% of the maximum amount the Port is allowed to levy within statutory limits to 80%, while reducing maximum leverage (i.e. percentage of the annual levy used to pay G.O. bond debt service) from 75% to 70%. This change provides an increase in tax levy resources (cash) in the near-term while maintaining long-term funding capacity and financial resiliency of the Port.

As context, during the 2026 Budget briefing on the Tax Levy, the Commission charged the Corporate Finance team with analyzing several different levy approaches. Those approaches were subsequently previewed at the March Commission Budget Retreat, where this new levy approach was introduced.

This modest increase in the levy is important for two primary reasons. First, the increase would generate an additional \$67 million in funding capacity over the 10-year Plan of Finance, which

Meeting Date: October 27, 2026

can be used to support growing Seaport capital and on-going environmental efforts. Second, increasing the levy while reducing leverage would result in flat debt capacity, meaning that all new capacity would come in the form of cash funding for CIP and environmental projects. This could help reduce the growth of interest costs in a high-and-rising interest rate environment.

This recommendation results in a 2027 levy amount of ~\$97.59 million, an 8.2% increase from 2026 levied amount of \$90.18 million. In future years, assuming the Port continues with the 80% approach, the tax levy is expected to increase at ~2% annually, which is the approximate rate at which the maximum levy will increase. For taxpayers, the proposal would result in a 2027 tax increase of approximately \$8.

As part of the annual budget process, staff provides a Draft Plan of Finance that is updated each year for the subsequent five-year CIP and provides information on the funding sources available to support the CIP. The Draft Plan of Finance is intended to illustrate the Port's capacity to fund investments based on the projected available resources. Because it incorporates the 2027 operating budgets and forecasts and the tax levy, decisions made as part of the budget process affect funding resources. Staff has developed a Draft Plan of Finance for the Airport as a self-funding enterprise. The Port's non-Airport operations – Maritime, Economic Development and the Port's participation in the Northwest Seaport Alliance (NWSA) - share funding resources and the Draft Plan of Finance incorporates funding for both Port and NWSA CIPs.

ATTACHMENTS TO THIS BRIEFING

- (1) Presentation – Tax Levy and Draft Plan of Finance 2027-2031

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

October 13, 2026 – 2027 Aviation Division Operating and Capital Budgets Briefing

October 13, 2026 – 2027 Maritime and EDD Operating and CIP Budgets Briefing

September 22, 2026 – 2027 Central Services Budget and Portwide Briefing to the Commission

July 14, 2026 – Commission Capital Budget Study Session

March 12, 2026 – Commission (Budget) Retreat

Draft Plan of Finance 2027-2031 and Tax Levy Briefing

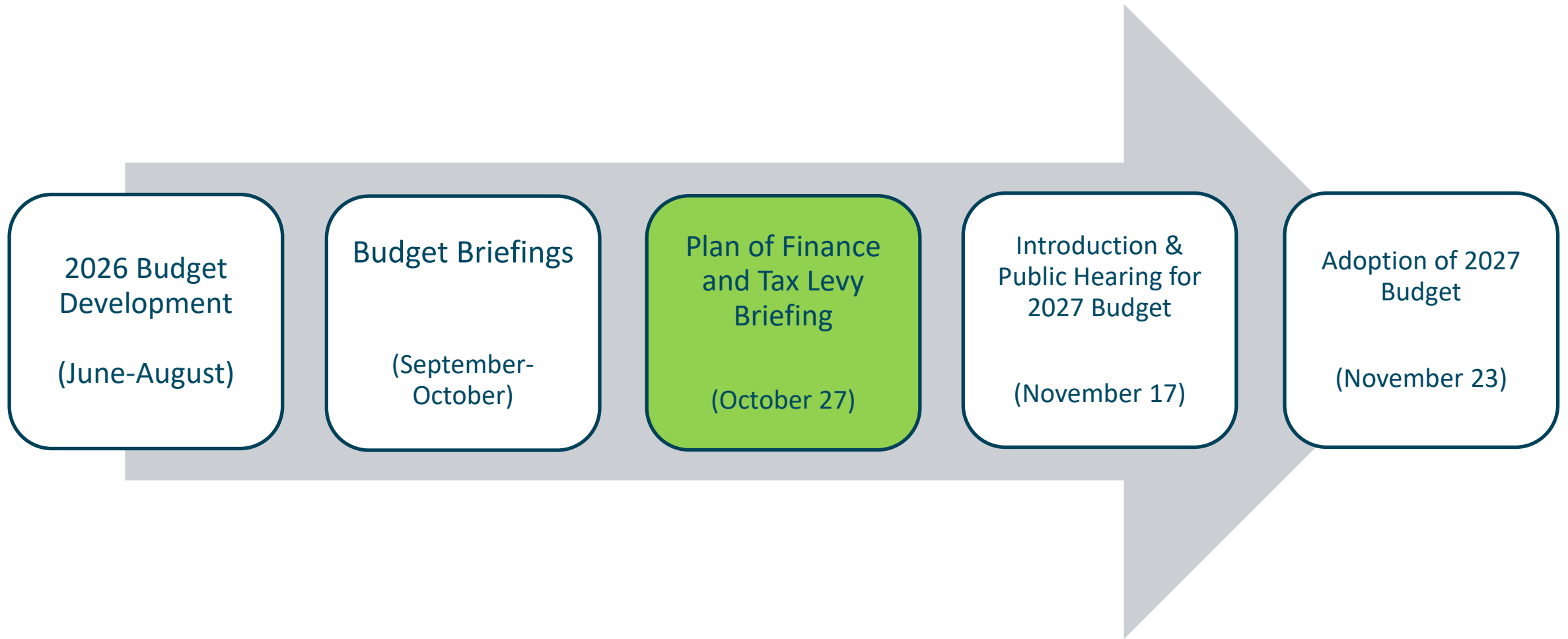
October 27, 2026



Overview

- Tax Levy
- Draft Plan of Finance
- Appendix

2027 Budget Process



Operating and Capital Budget Reviews roll-up into Plan of Finance and Port-wide Budget

Tax Levy Background and Update

2027 Preliminary Budget
October 27, 2026



Managing the Levy Using a Balanced Approach

GOAL

Manage the levy to provide financial financial resilience and to support support the region, today and for for the long term

RECOMMENDATION

Move from **75/75** to **80/70**

- Levy at 80% of the maximum maximum
- Cap G.O. debt service at 70% of 70% of the annual levy

2027 ACTIONS

Set the 2027 levy at \$97.59M

Context of the Levy Discussion

2026 Levy Discussion

- In the 2026 Tax Levy Discussion, the Commission charged Corporate Finance with examining multiple levy scenarios.

March Retreat

- Those scenarios were previewed at the March retreat, as well as a new approach for increasing capacity without increasing debt.

Proposal

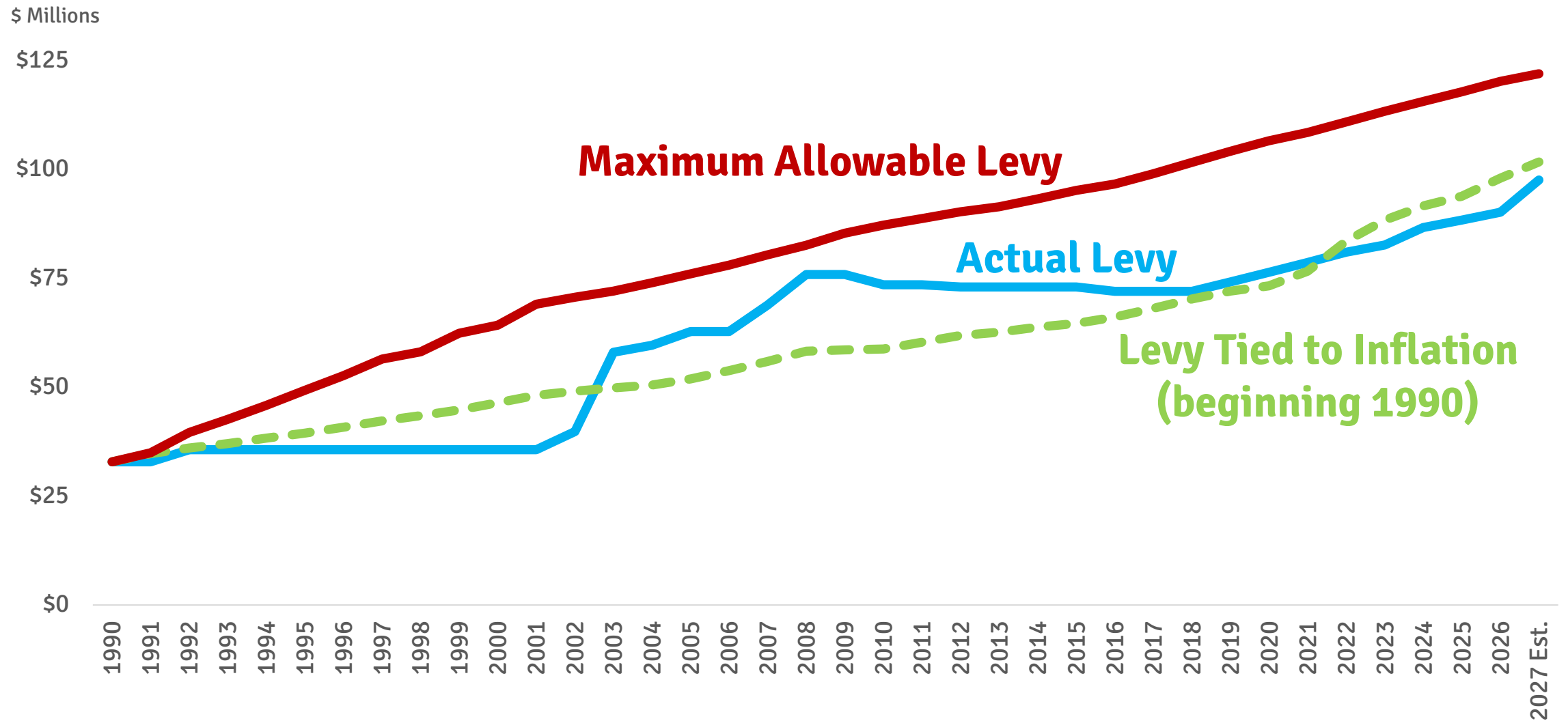
- The new approach previewed in March is today's baseline staff proposal.

Levy Background: A Tool Managed with Discipline

1911	1961	2010	2015	2023	2027
King County voters create the Port as a public port district	State expands the Port's taxing authority	Transportation & Infrastructure Fund created for regional commitments	Commission sets levy use criteria for capital (updated (updated 2018)	Environmental Legacy Fund created; \$62M deposited to date	Proposed: 80/70 to fund resilience and revenue

Throughout, the levy has funded projects that promote resiliency and community benefit: **environmental cleanup, cleanup, community programs, regional transportation (including the SR-99 tunnel) and public waterfront assets. The waterfront assets.** The Commission has chosen to keep it well below the legal maximum.

Levy History



A small share of the property tax bill

1.1%

of the \$8.5B in King County property property taxes went to the Port in in 2026

\$87

Port share of a median homeowner's homeowner's \$8,204 total property property tax bill (2026)

\$90.2M

2026 levy: 75% of the \$120.2M maximum; up 2.0% from \$88.4M

Because assessed value grew faster than the levy in 2026 (~3.5% vs. 2.0%), the millage rate edged down, from \$0.1012 to \$0.0980 per \$1,000.

Two levers set how the levy is used

Lever 1 • How much we levy

A percentage of the statutory maximum. The gap below the maximum is "dry powder" for future needs.

Lever 2 • How much we leverage

The share of the levy committed to G.O. bond debt service. The rest is cash for capital and programs.

THE RULES

- Commission sets the levy each year, up to the legal maximum
- The maximum grows about 2% a year (1% limit plus new construction); 2027 max ≈ \$122.0M
- Usable for any Port purpose except revenue bond debt service
- G.O. bond debt service is the first claim on the levy
- Commission can further restrict uses by policy

The levy punches above its weight

Direct value to the region

- Legacy environmental cleanup: Duwamish, T-108, T-25, T-115
- Community programs, about \$13M a year
- Regional transportation, including SR-99
- Public waterfront capital investments

Indirect value: our credit

- Levy net of G.O. debt service boosts revenue bond coverage
- Diversifies revenue beyond airport and maritime business
- Rating agencies cite "prudent management of the tax levy, including maintaining a cushion"

Up to \$25M

Added debt service from a credit downgrade (5–25 bp) on the new airport debt planned from 2027–2031

Our needs are outpacing the current approach

Infrastructure upgrades & modernization

- T-91 Electrical System Modernization
- Updating Infrastructure for Future fuels
- Waterfront Clean Energy Strategy Implementation
- Enhancing Infrastructure Resiliency

Aging and at-risk assets

- Seismic upgrades
- Pier 69 renewal
- Mooring dolphins
- FT North West Dock
- Salmon Bay Investments
- Bulkhead replacements

Mission opportunities

- Habitat acquisition
- Real Estate Acquisition
- Financial sustainability projects
- Needs beyond 2031, when capital plans assume lower spending

From 75/75 to 80/70: more cash, not more debt

2027, at the ~\$122.0M maximum	Current 75/75	Proposed 80/70	Change
Levy as % of maximum	75%	80%	+ 5 pts
Levy amount	\$91.5M	\$97.6M	+ \$6.1M
Headroom below maximum	\$30.5M	\$24.4M	-\$6.1M
G.O. debt service cap (75% vs. 70%)	\$68.6M	\$68.3M	-\$0.3M
Levy cash after maximum G.O. debt service	\$22.9M	\$29.3M	+ \$6.4M



Debt capacity stays flat. The proportion of our capital funded with cash increases, mitigating growth in interest costs.

The Step Today: 80/70

Option	Taxpayer lens	Investor lens	Added capacity
Current 75/75	Modest annual increases; funds key initiatives	Flexibility from managing levy and leverage	Baseline
Proposed 80/70	Moderate increase; value depends on use	Flexibility maintained through levy and leverage limits	\$67M, 2027–2035

Because the levy base grows each year, the added capacity compounds, while the cushion below the maximum stays in place.

The Long-Term Commitment

Hold the Levy at this level and shape the capital plan to accommodate.

What it means for a typical homeowner

2026 PORT TAX

\$87

median home, levy \$90.2M



2027 Proposal (ESTIMATE)

≈\$95

median home, levy \$97.59M

+\$8 a year

About 67¢ a month. The levy rises 8.2% in 2027, then returns to ~2% annual growth with the maximum

Estimate assumes the median home's assessed value moves with the countywide total. Based on the preliminary assessed value the estimated median home price for 2027 is \$850,000.

The credit strengths investors value stay intact



Governance

Commission policy and use criteria still direct every levy dollar



Cushion kept

20% of capacity, about \$24M a year, stays untapped



Less leverage

G.O. debt service cap tightens from 75% to 70% of the levy



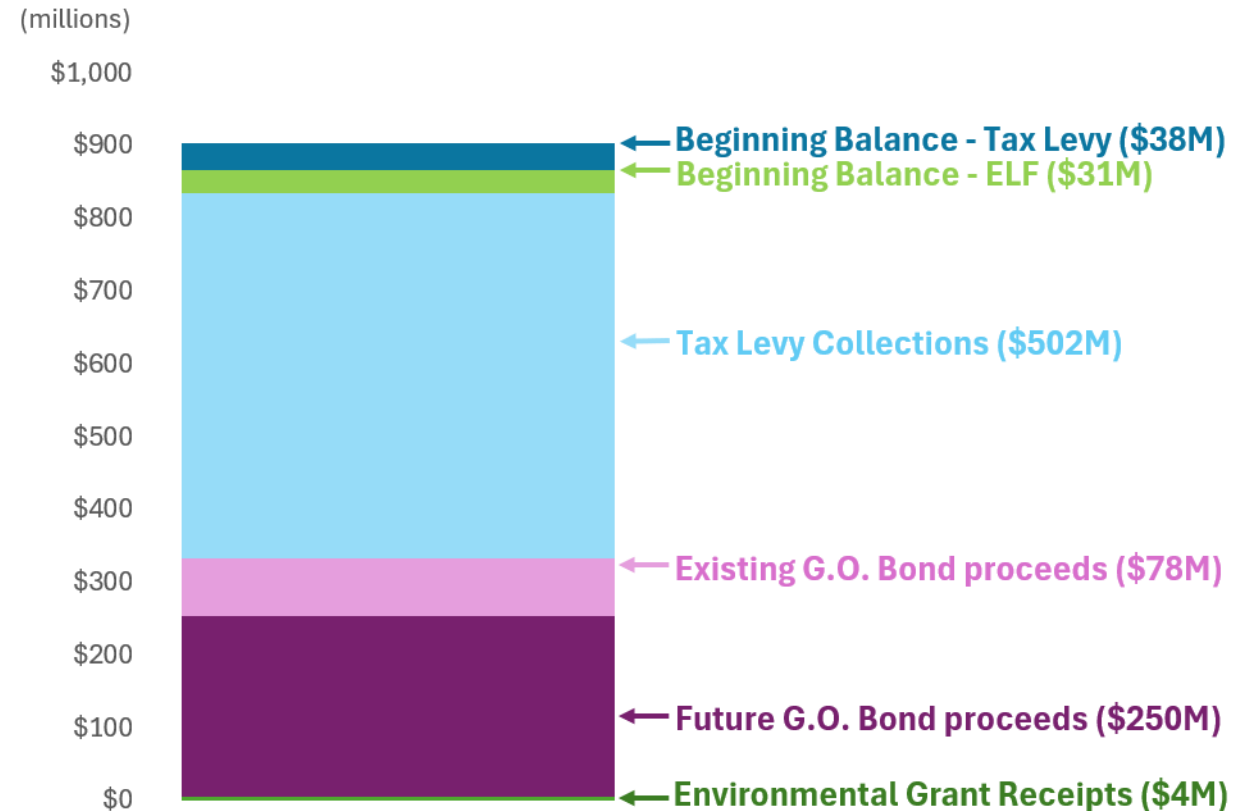
Coverage up

More levy net of G.O. debt service supports revenue bond coverage

Sources of Tax Levy & Related Funding: 2027-2031

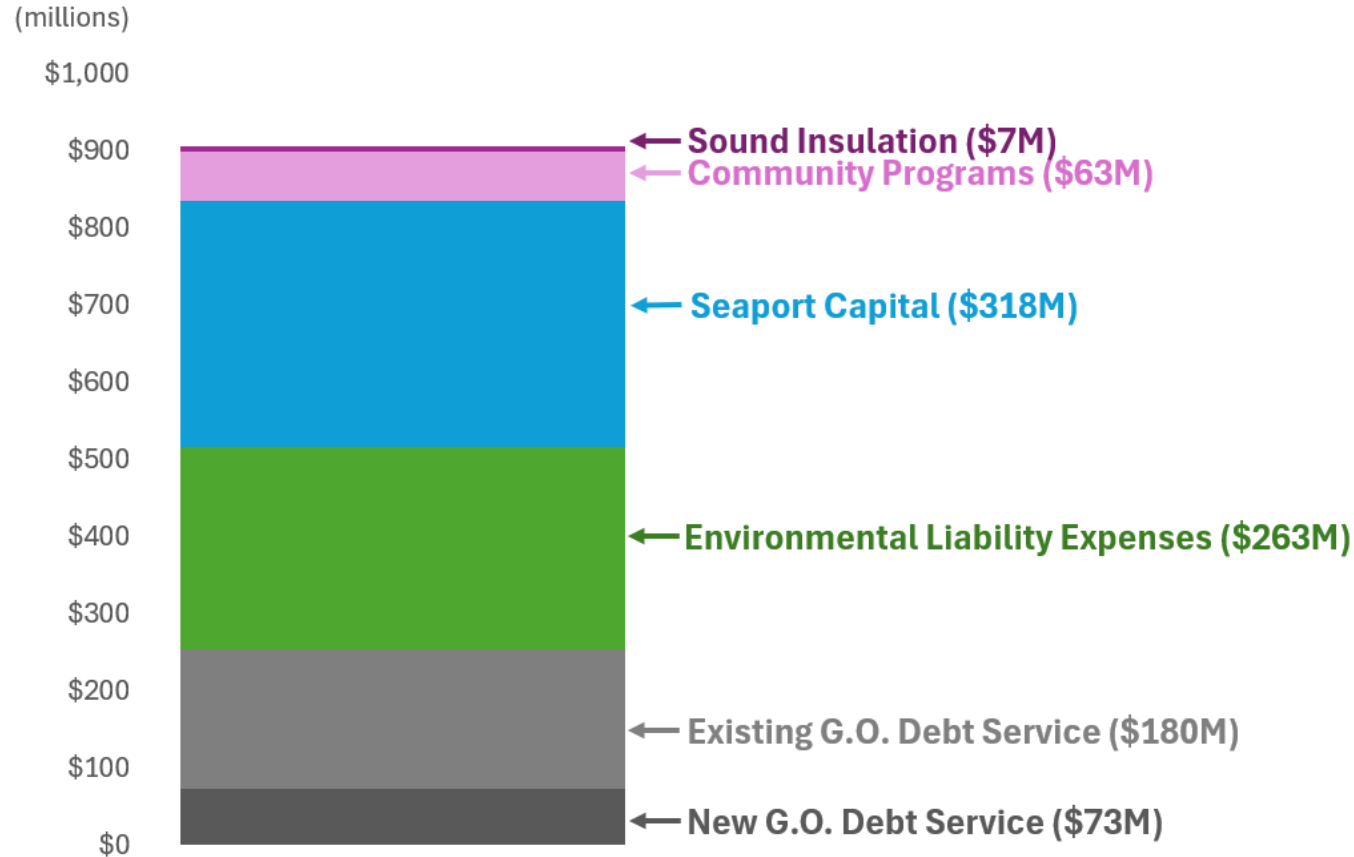
Total Sources - \$904M

- 2027 levy set at 80% of maximum allowable
- Future tax levy collections based on ~2% annual levy growth
- \$78M of existing GO Bond proceeds from issuances in 2022 and 2024
- Forecasts assume \$250M of additional GO Bonds issue over the next 5 years to support capital investments and environmental costs



Note: Excludes TIF funds

Uses of Tax Levy & Related Funding: 2027-2031



Total Uses - \$904M

- Existing GO Bonds DS includes both Seaport capital investments and SR-99 tunnel contribution
- Environmental costs are projected to continue well past 2031, but are fully funded with levy resources including G.O. bonds
- Assumes continuation of levy funded Community Programs at ~\$13M annually

Note: Excludes TIF spending

Managing the Levy Using a Balanced Approach

GOAL

Manage the levy to provide financial resilience and support the region, today and for the long term

RECOMMENDATION

Move from **75/75** to **80/70**

- Levy at 80% of the maximum maximum
- Cap G.O. debt service at 70% of 70% of the annual levy

2027 ACTIONS

Set the 2027 levy at \$97.59M

Draft Plan of Finance 2027-2031

2027 Preliminary Budget
October 27, 2026



The Draft Plan of Finance

The Draft Plan of Finance is a funding plan for the Port's five-year Capital Improvement Program (CIP)

- A tool for the Commission to inform the budget process and long-term capital investment decisions
 - Flexible tool that is updated as circumstances change
 - Plan is developed based on a sustainable financial model
- An important tool for investors
 - Gauge the future financial health of the Port
 - Provides insight into Port's approach to financial stewardship

Funding Resiliency

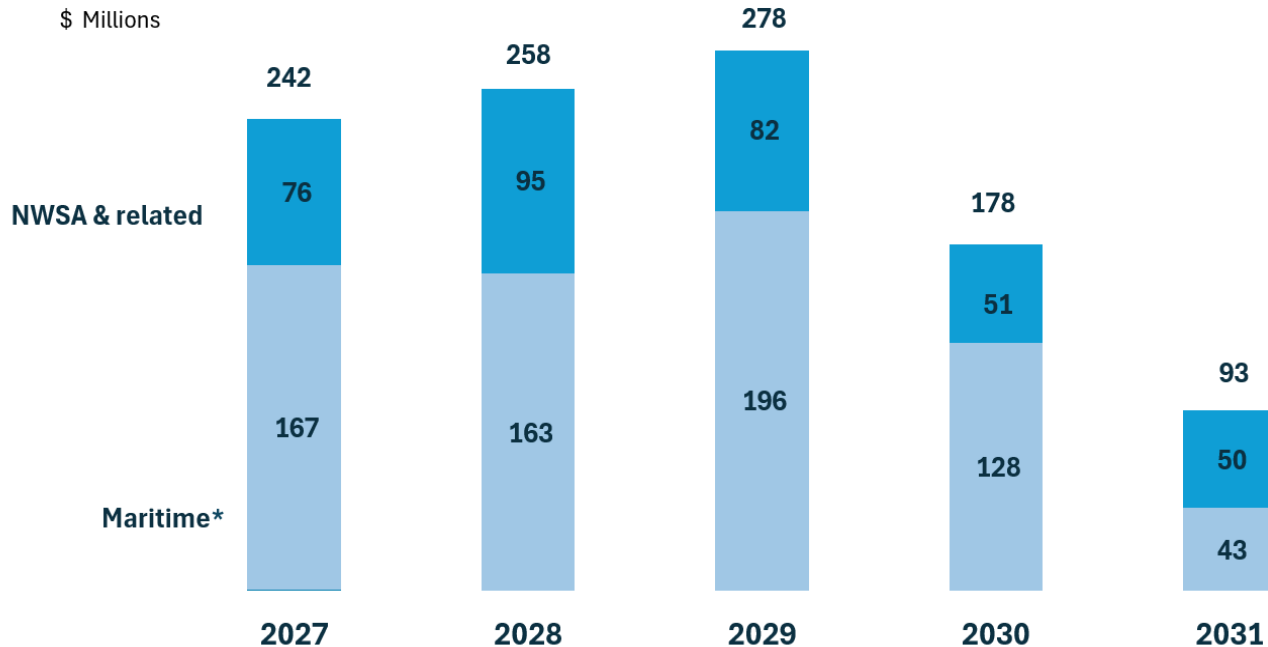
- Establish financial guardrails to manage uncertainty
- Provides a cushion for income variability

	Minimum Revenue Bond Debt Service Coverage	Minimum Fund Balance
Airport	1.40x ⁽¹⁾	18 months
Seaport	1.80x	12 months

(1) Calculation for rates and charges may differ from the calculation for bond compliance

Seaport Capital Spending (2027-2031)

5-year Spending Forecast - \$1.05 billion

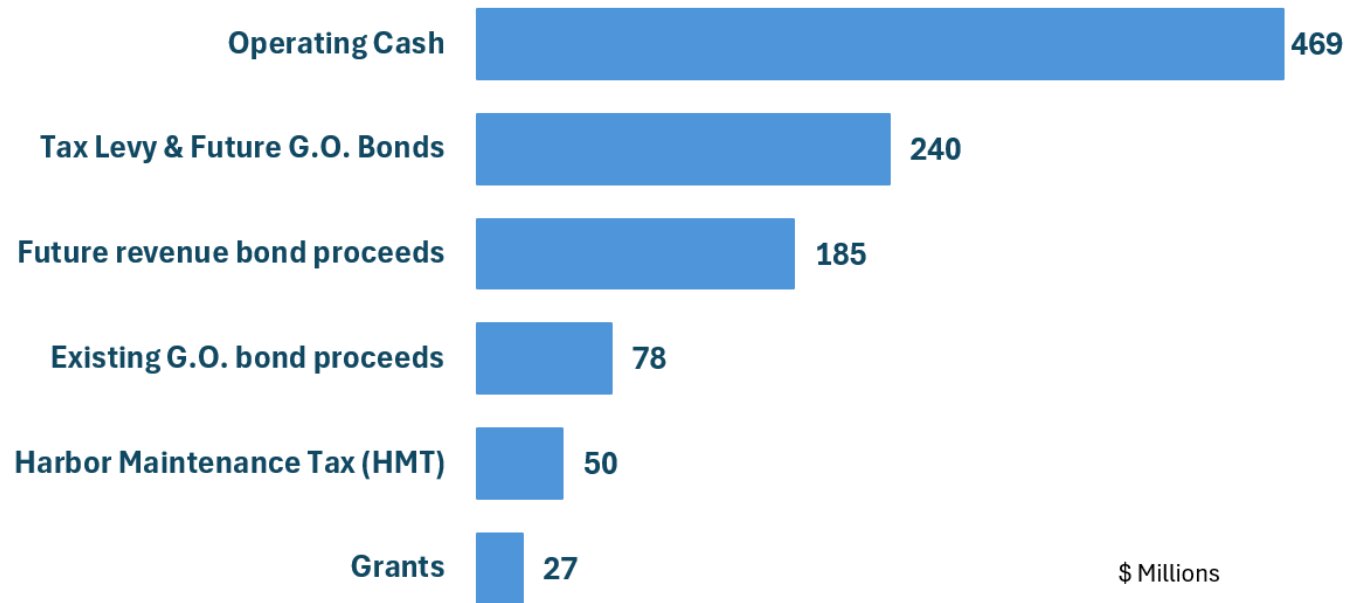


* Includes \$14M of allocated Central Services CIP

- Maritime \$682M
 - 44% in design or construction
 - \$50M (7% of CIP) reserves
- NWSA \$353M includes
 - Port's 50% share of NWSA CIP \$263M
 - Projects related to NWSA \$90M
- 2026-2030 CIP was \$961 million
- Stormwater Utility is self-funded and not included in the Draft Plan of Finance

Seaport Capital Funding (2027-2031)

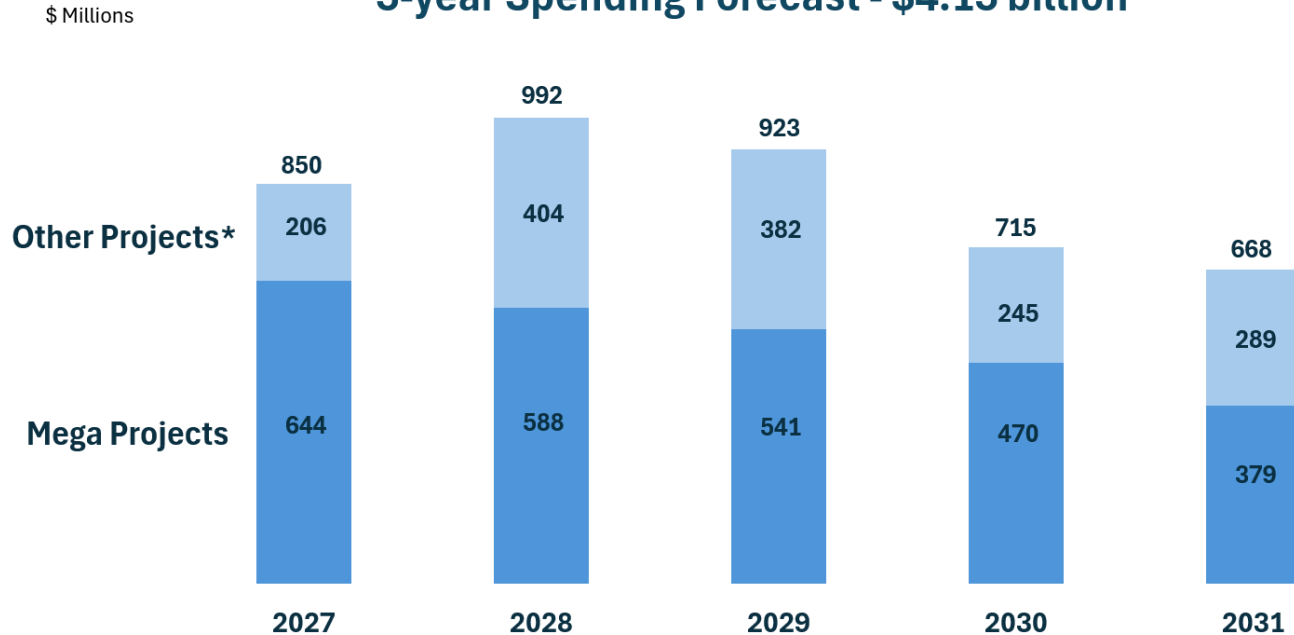
5-year Funding Forecast - \$1.05 billion



- 62% of funding from operating sources:
 - Includes cash funding and revenue bonds paid from operating cash
 - Decrease in existing revenue bond debt service provides funding capacity
- 30% is from tax levy related sources:
 - Tax levy cash
 - G.O. bonds paid by the tax levy
- 7% from other sources including grants and Harbor Maintenance Tax (HMT)/WRDA
 - Funding sources limited to eligible projects

Airport Capital Spending (2027-2031)

5-year Spending Forecast - \$4.15 billion

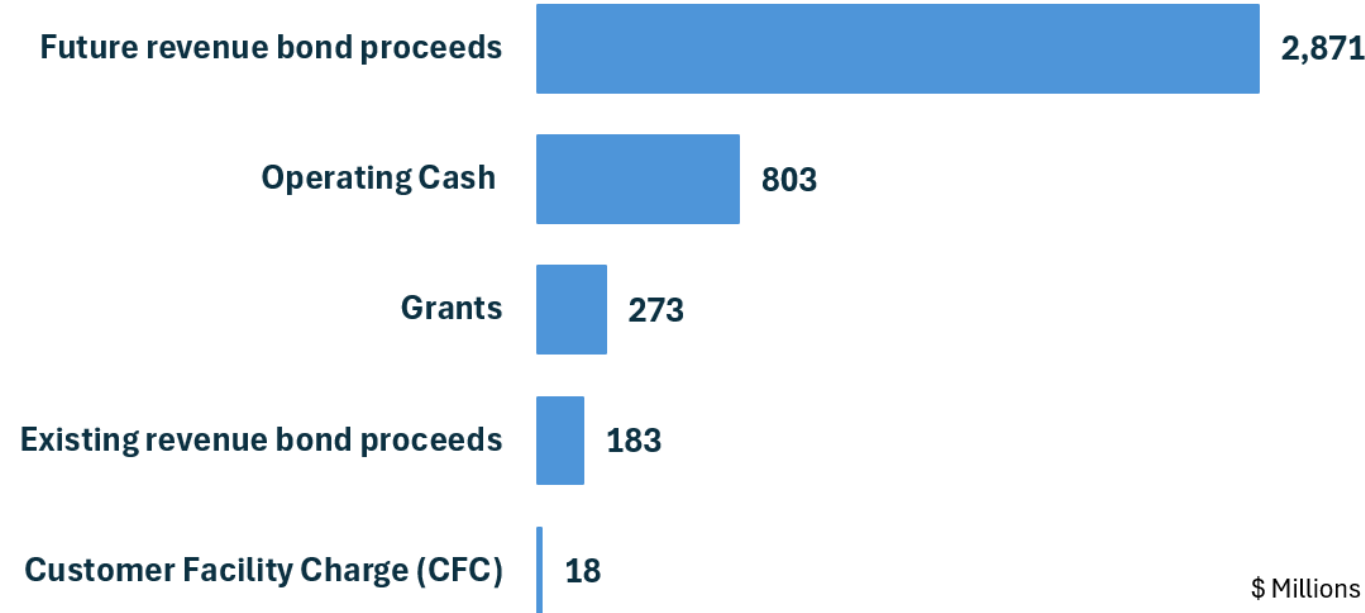


* Includes \$60M of allocated Central Services CIP

- Airport is a self-supporting enterprise
- 78% in design or construction
- \$213M (5.1% of CIP) in reserves for unanticipated needs

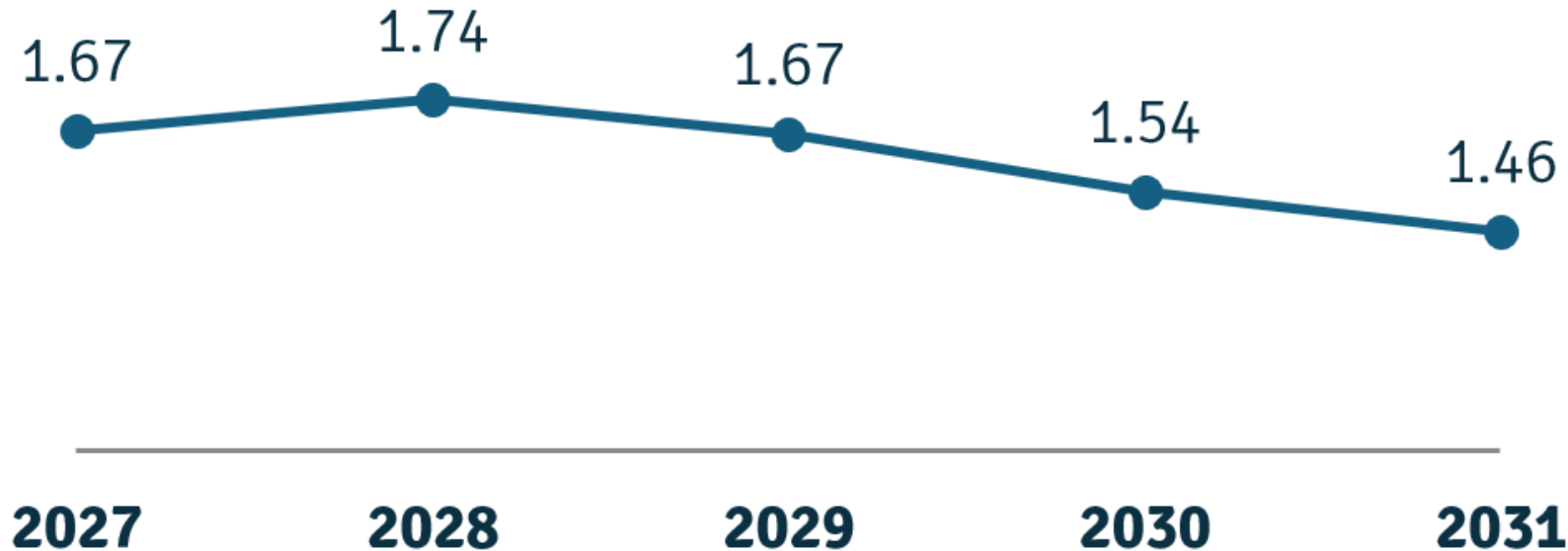
Airport Capital Funding (2027-2031)

5-year Funding Forecast - \$4.15 billion



- 93% funded from operating cash flow and revenue bonds
- \$273M capital grants (AIP, AIG, ATP)
 - S Concourse Evolution, Noise insulation projects, airfield pavement, others
- Other funding includes:
 - Customer Facility Charges after the payment of CFC eligible debt service
- Most PFC's are used to pay revenue bond debt service; remaining PFCs are available to cash fund capital

Port-wide Revenue Bond Debt Service Coverage Forecast



- Represents all net income of the Port (including Airport and Seaport) divided by all revenue bond debt service
- Tax levy after payment of G.O. bond debt service adds to coverage
- Coverage informs debt and capital management and provides a measure of financial sustainability and is critical to investors and rating agencies
- Decreasing Port-wide DS coverage is driven by large Airport capital spending but is consistent with the Port's strong credit rating

2026 Finance Accomplishments

- ✓ Refresh of the Port's Subordinate Lien
 - Adoption of Master Resolution and amendment of (2) Series Resolutions
- ✓ Extension of LOC supporting the Ports 2008 Variable Rate Demand Bonds (VRDBs)
- ✓ 2026 First & Intermediate Lien Revenue Refunding Bonds
 - Par Value: \$251.9 million; **resulted in \$16.4 million of NPV debt service savings**
- ✓ 2026A Subordinate Lien Revenue Bonds (VRDBs)
 - Par Value: \$225 million; proceeds used to fund Airport CIP
- ✓ 2026B Subordinate Lien Revenue Bonds (Direct Bank Loan)
 - Par Value: \$120 million; proceeds used to pay off outstanding commercial paper

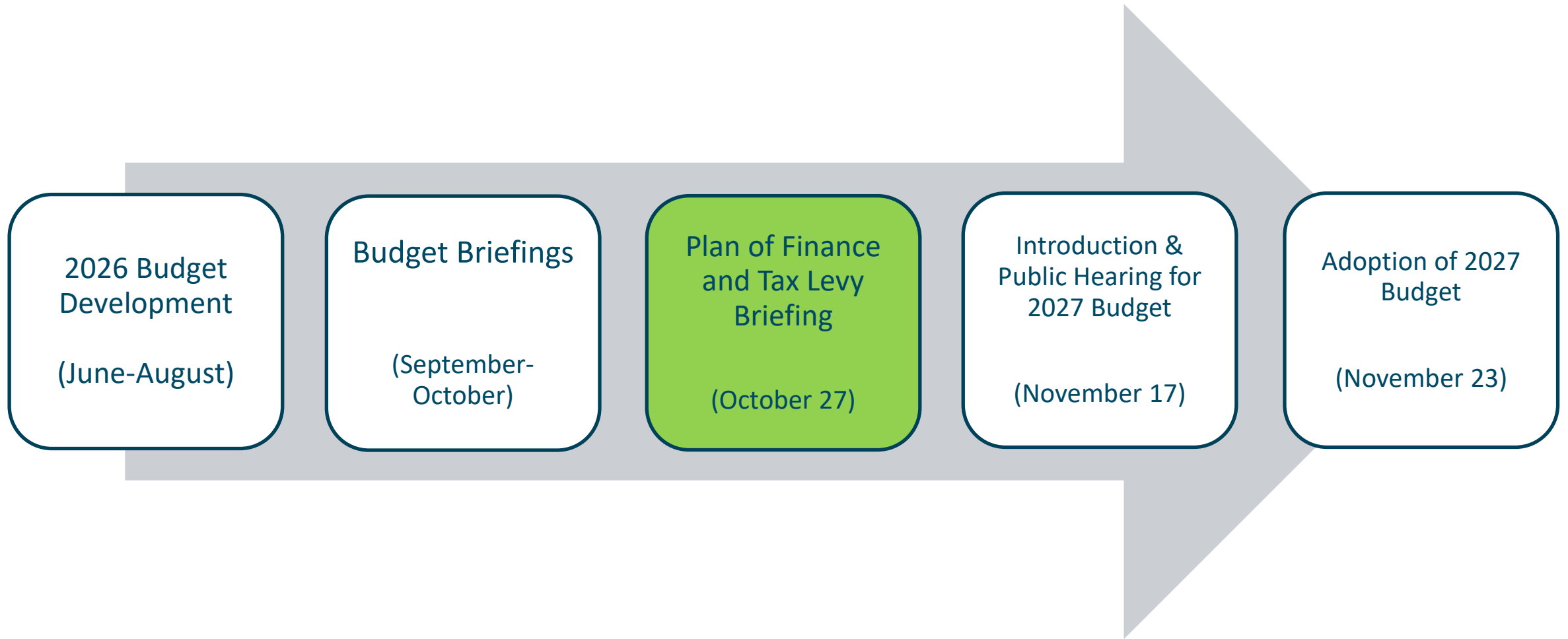
2027 Finance Initiatives

- Issue revenue bonds to continue funding Airport CIP
- Monitor need for new G.O. bonds to support Seaport capital needs
- Monitor opportunities to refund debt for interest savings
 - Port has outstanding Revenue and G.O. Bonds that will be callable in 2027
 - Refunding subject to market conditions and achieving Port debt service savings targets per policy
- Renewal or replacement of expiring letter of credit

Increasing Financial Capacity for the Port of the Future

- **Operating Expenses**
 - continue efforts to reduce growth
- **Operating Revenues**
 - explore opportunities to generate revenues (without significant capital investments)
- **Capital Development**
 - review prioritization and delivery methods
- **Financial Management**
 - maintain strong credit and cost-effective debt issuance
 - ensure rigorous evaluation of investments

2027 Budget Process: Next Steps



Operating and Capital Budget Reviews roll-up into Plan of Finance and Port-wide Budget

Appendix

2027 Preliminary Budget
October 27, 2026

Contents

Pages	
35	Additional Tax Levy Information
54	Industrial Development District Levy & Tax Increment Financing Information
59	POF Support: Airport and Seaport CIP and Funding
61	Credit Ratings

Port's Taxing Authority

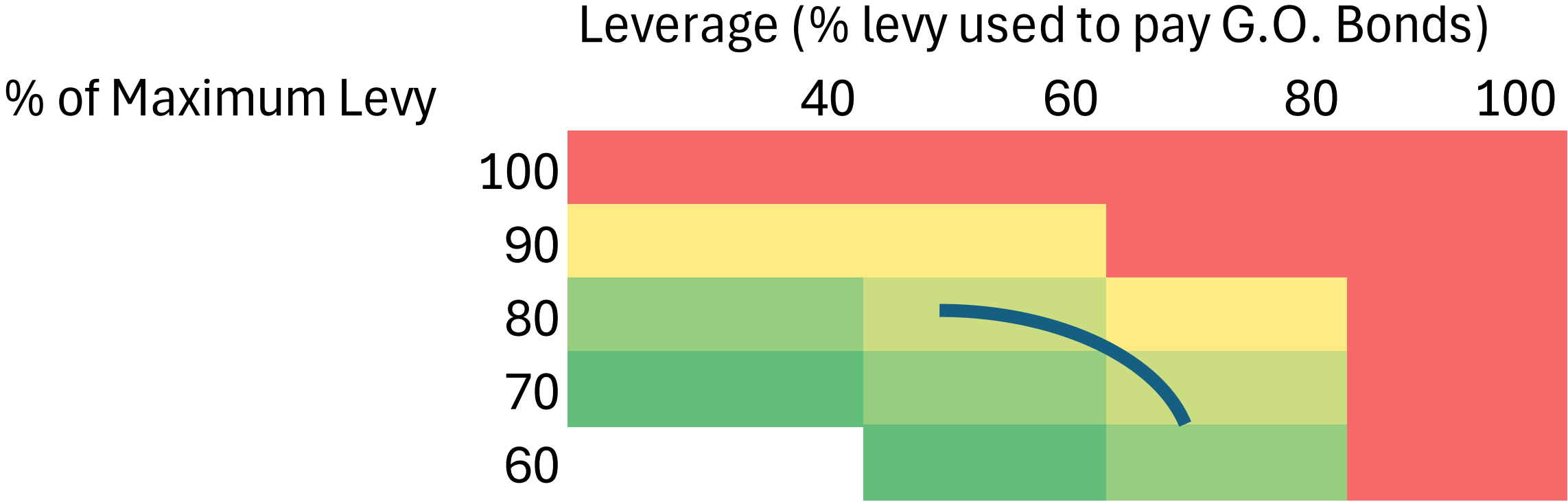
Port taxing limitations: Port is limited by the most restrictive – currently the 1% limit

- **1% limit**
 - The maximum levy is increased each year by the 1% limit factor
 - Prior year's maximum is increased by the lesser of 1% or inflation
 - New construction is added
 - The maximum levy for 2027 is estimated to be ~\$122.0 million
- **45 cent limit**
 - The amount of the tax levy in any given year is limited to 45 cents per \$1000 of assessed value
 - For 2026, this limit would translate to ~\$395.0 million
 - Excludes the amount needed to pay G.O. bond debt service

Levy Policies and Practices – 2027 Update

- Manage General Obligation (G.O.) debt service to no more than **70%** of the annual levy
 - Prior practice was limit G.O. debt service to 75% of annual levy
- Capital investment criteria
- Pay for legacy environmental costs
- Limited Airport use – costs ineligible for Airport funding per FAA
- Retain tax levy flexibility – levy below the statutory maximum
 - 2026 levy at 75% of the maximum; 2027 recommendation at **80%** of the maximum
 - The difference between the actual levy and the maximum reserves “dry powder” for future resiliency
 - Supports Port’s strong credit ratings

Optimizing Financial Flexibility – A Range of Options that Balance the two Levers of Flexibility

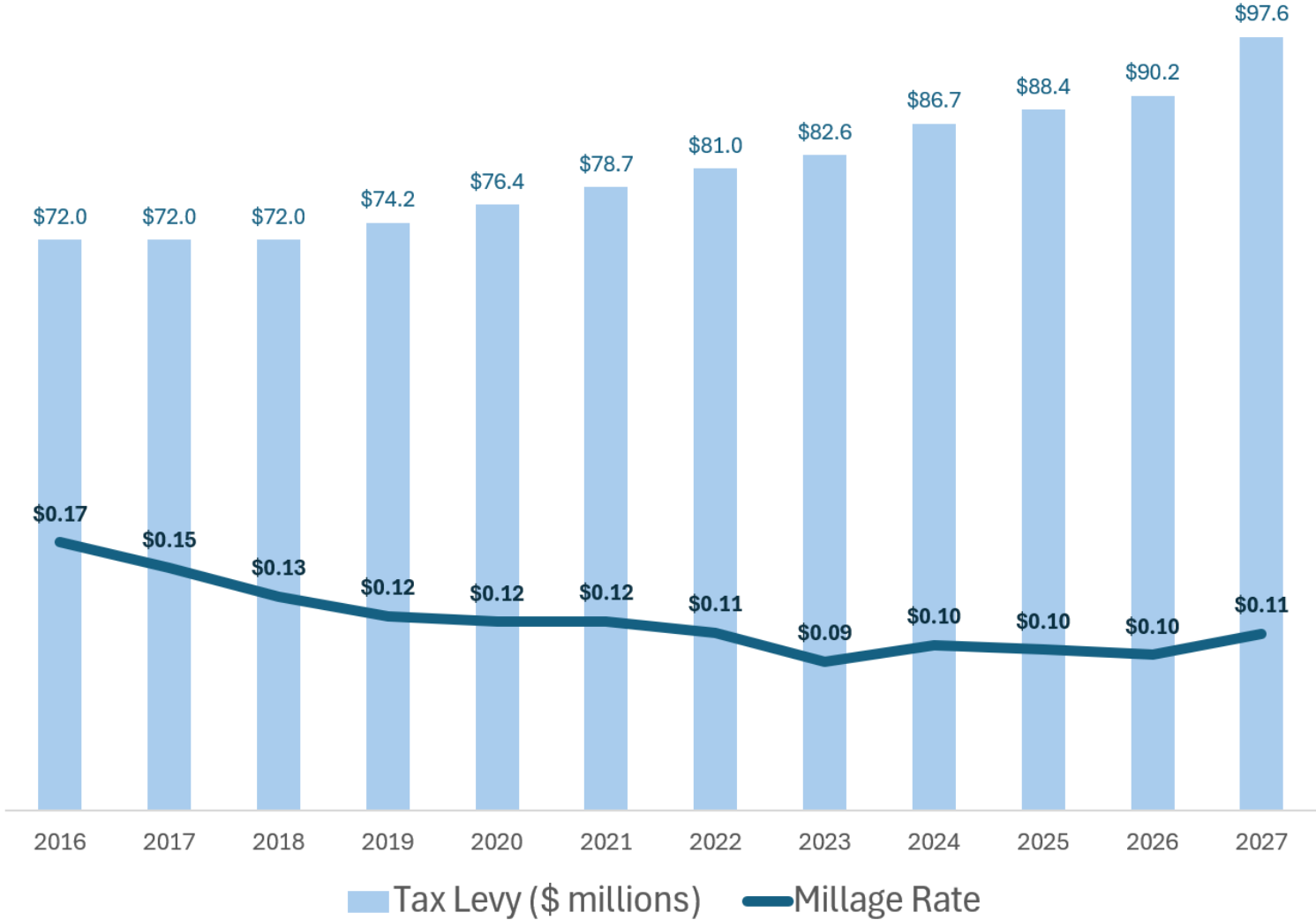


Tax Levy Use Criteria for Capital Investments

Uses: Commission established in 2015; updated in 2018

	Operating Cash	Tax Levy
Asset Renewal	Business income sufficient to support investments	Economic benefit
Strategic Initiatives	Short payback/ Self funding	No or long payback
Location	South Harbor	North Harbor

2016-2027 Tax Levy & Millage Rate (1)



(1) Millage rate represents the amount per every \$1,000 of assessed valuation

Taxpayer Impact

	2026	2027 preliminary
Tax Levy (\$ million)	90.2	97.6
Estimated millage rate (\$/1000)	0.0980	0.1112
Median home value (\$) ⁽¹⁾⁽²⁾	887,000	850,000
Estimated median home Port tax (\$)	\$87	\$95

(1) 2026 per King County; 2027 data is not yet available

(2) 2025 median assessed value was \$844,000

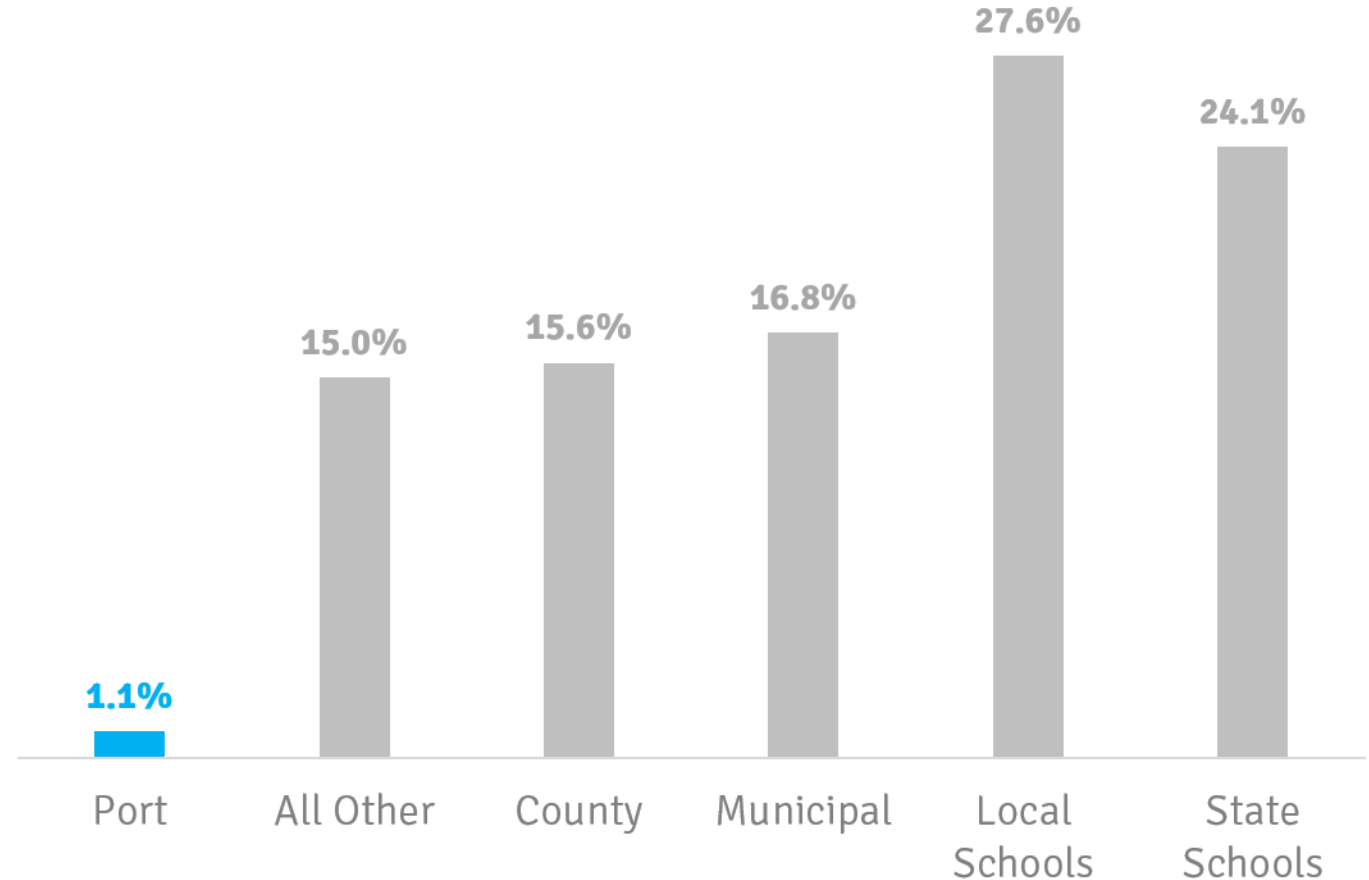
- The Port's levy was approximately 1.1% of total property taxes levied in King County in 2026



Overall Taxpayer Impact – 2026

Only 1.1% of King County taxes went to the Port for 2026

- Of the \$8.5 billion of property taxes paid in King County, about 1.1% goes to the Port
- In 2026, the median homeowner paid \$8,204 in total property tax with **\$87 going to the Port**



Tax Levy & Related Funds

- In addition to the tax levy fund, the Commission has established other related funds that are funded by the tax levy
- These funds are restricted by Port policy, not law, and currently include:
 - **Environmental Legacy Fund (ELF)** - established in 2023 to provide funding for legacy environmental liabilities. Will be used in combination with G.O. Bonds
 - **Transportation & Infrastructure Fund (TIF)** – established in 2010 to provide funding for the Port's various regional transportation commitments. TIF is a stand-alone fund that fully funds current obligations
- The Port is also able to issue **General Obligation (G.O. Bonds)**. The proceeds of the bond sale can be used in lieu of levy cash
 - GO Bond debt service is paid from tax levy fund

Transportation and Infrastructure Fund (TIF)

TIF (\$ million)	<u>2027-2031</u>	<u>Post 2031</u>
Beginning Balance	\$ 45.7	\$ 17.9
Transportation Investments	(27.8)	(4.0)
Ending Balance	17.9	13.9

<u>Transportation Investments (\$ million)</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>	<u>2030</u>	<u>2031</u>	<u>2027-2031</u>	<u>Post 2031</u>
Seattle Heavy Haul Network	\$ 2.5	\$ 2.0	\$ 2.0	\$ 2.0	\$ 2.0	\$ 10.5	\$ 4.0
Fast Corridor II	-	0.8	-	-	-	0.8	-
Safe and Swift	1.5	-	-	-	-	1.5	-
Puget Sound Gateway (SR 509)	15.0	-	-	-	-	15.0	-
TOTAL	\$ 19.0	\$ 2.8	\$ 2.0	\$ 2.0	\$ 2.0	\$ 27.8	\$ 4.0

TIF has provided funding for other regional transportation efforts, including:

- West Seattle Bridge
- FAST Corridor I
- South Park Bridge
- East Marginal Way Grade Separation

Environmental Legacy Fund (ELF)

ELF (\$ million)	<u>2027-2031</u>	<u>Post 2031</u>
Beginning Balance	\$ 31.2	\$ -
Additional Contribution ⁽¹⁾	-	-
Environmental Remediation Liabilities	(34.9)	(8.0)
Environmental Grant Receipts ⁽²⁾	3.7	8.0
Ending Balance	-	-

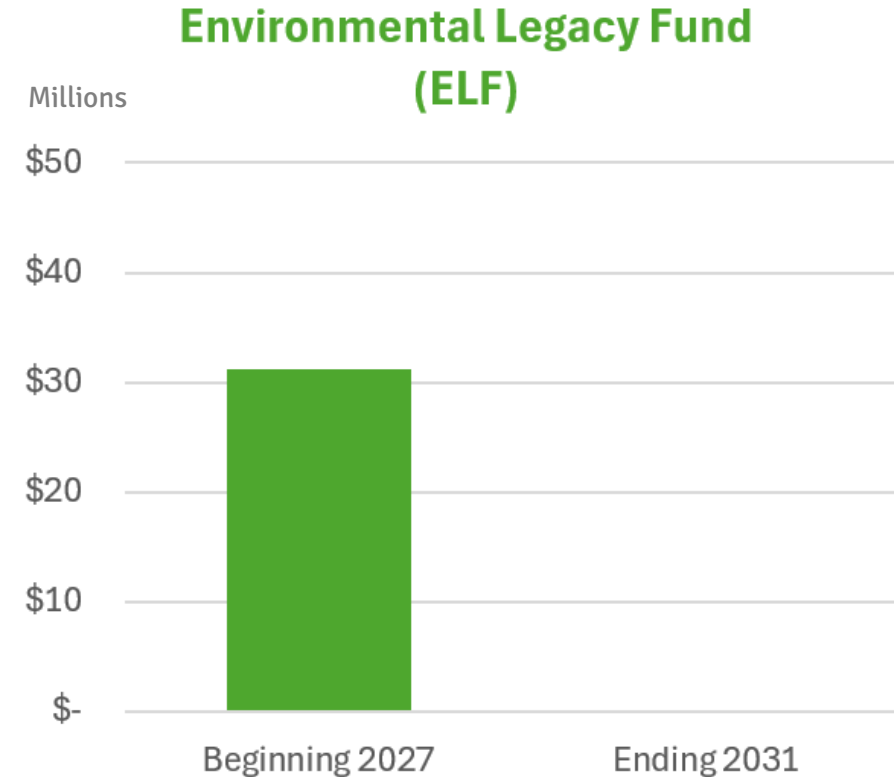
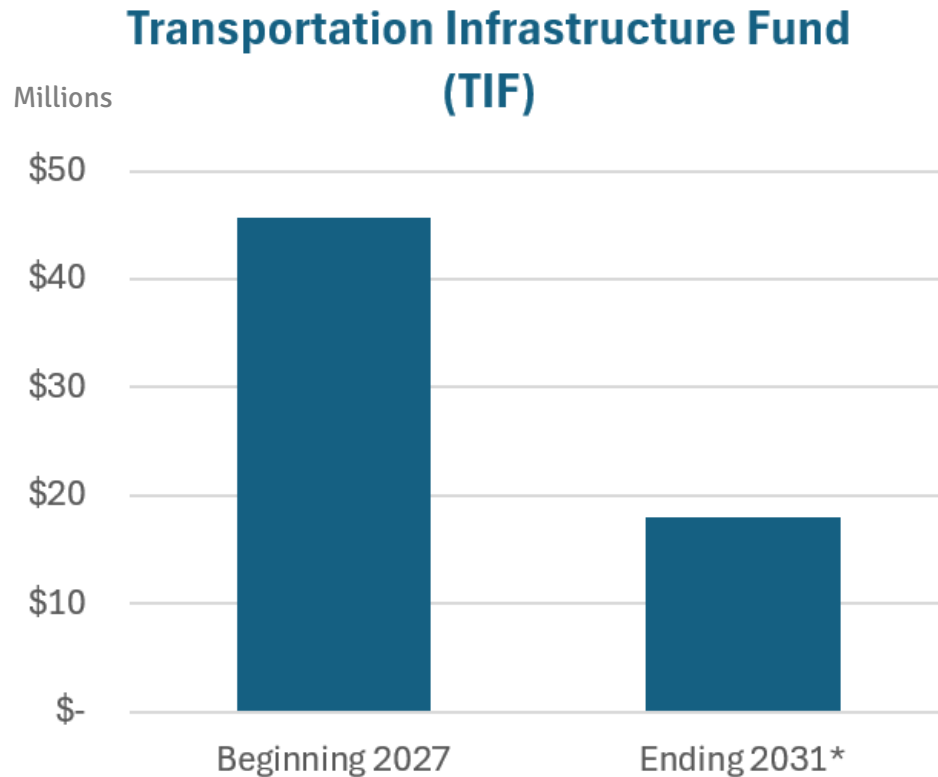
- ELF was established in 2023 to provide funding for legacy environmental liabilities
- Funded an estimated \$50.7 million of Seaport environmental remediation efforts through 2026 (including 2026 forecast)
- Environmental efforts include, but are not limited to:
 - Lower Duwamish Superfund
 - T-108 Chiyoda site
 - Terminal 25 South
 - Terminal 115 (Boeing Plant 1)

(1) No contribution currently assumed for 2027. Additional contributions will be reviewed on an annual basis.

(2) Does not represent all assumed environmental costs during the forecast period. Additional environmental liabilities assumed to be funded with tax levy fund upon depletion of ELF.

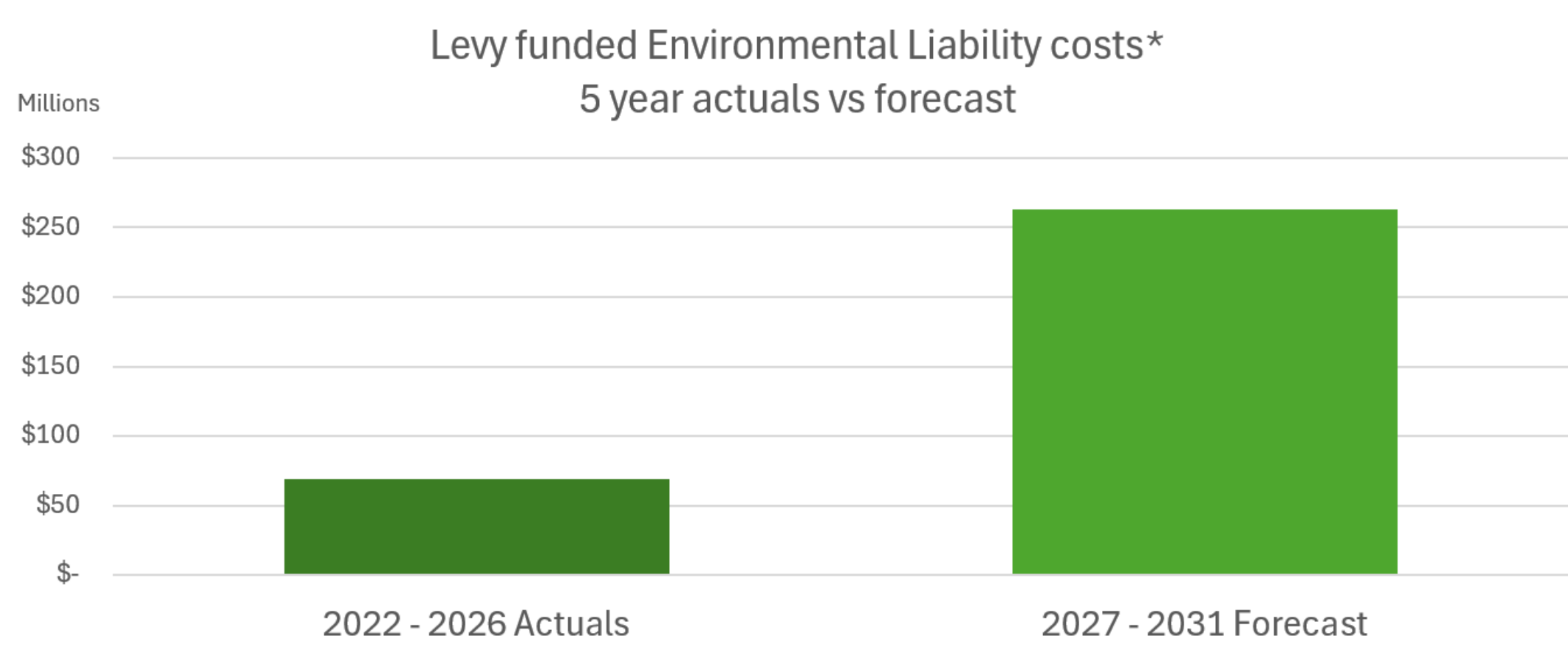
Tax Levy Sub Fund Balances

Established by the Commission to Prepare for Future Obligations



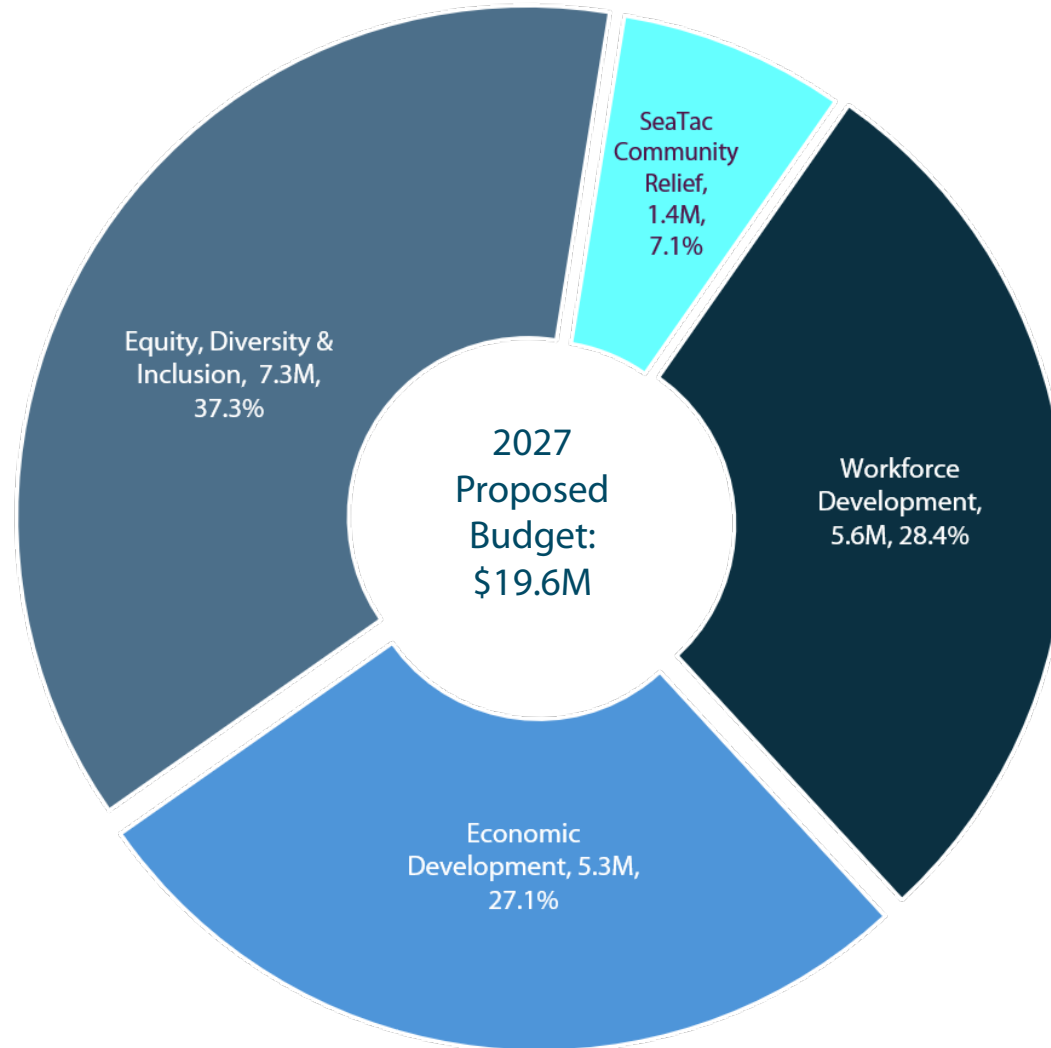
* For future commitments, currently forecast at \$4M

Environmental Spending



* Based on known liabilities only. Includes spending from tax levy, ELF and G.O. bond proceeds (if needed). Additional environmental remediation spending is expected beyond 2031

2027 Port Community Program Funding by Activity



Economic Development

- **Diversity in Contracting** - \$2.4M
- **Tourism Marketing Support** - \$2.1M
- **EDD Partnership Grants** - \$950K
- **Maritime Blue** - \$100K

Workforce Development

- **Workforce Development Department** - \$5.0M
- **High School Interns** - \$550K

Equity, Diversity & Inclusion

- **OEDI Department** - \$4.4M
- **South King and Port Communities Fund** - \$2.6M
- **Friends of the Waterfront** - \$750K
- **Staff Costs supporting DVCEP & SKCCIF** - \$776K
- **Duwamish Community Equity program (DVCEP)** - \$627K

SeaTac Community Relief

- \$1.4M

* Detailed list continued on next slides

2027 Proposed Community Programs

Program (in \$000)	2024 Budget	2025 Budget	2026 Revised Budget	2027 Proposed Budget	2027 Funded by the levy	% of the 2027 Budget Funded by the levy
1) South King and Port Communities Fund ¹	2,214	2,205	2,195	2,648	2,648	100.0%
2) Duwamish Valley Community Equity Program	471	619	617	627	627	100.0%
3) EDD Partnership Grants	950	950	950	950	950	100.0%
4) Tourism Marketing Support Program	1,875	2,154	2,134	2,124	870	41.0%
5) Airport Spotlight Ad Program*	466	518	518	-	-	0.0%
6) City of SeaTac Community Relief*	1,400	1,400	1,400	1,400	1,400	100.0%
7) Maritime Blue (formerly Maritime Innovation Center)	175	175	180	100	100	100.0%
8) Workforce Development	5,077	4,976	4,972	5,018	3,873	77.2%
9) High School Internship Program	486	520	523	550	299	54.4%
10) Diversity in Contracting ²	2,304	2,356	2,463	2,388	300	12.6%
11) Equity, Diversity & Inclusion ³	2,065	2,459	2,540	4,404	2,127	48.3%
12) Friends of the waterfront		750	2,000	750	750	100.0%
Sub Total	18,803	19,591	20,642	18,811	11,796	63%
Payroll charged to the Levy ⁴	589	781	848	776	776	100.0%
Grand Total	19,392	20,372	21,491	19,587	12,572	64.2%

Notes:

1) SKPC budgeted under Ext Rel, EDI, and DIC

2) \$250K Small Business Accelerator under DIC is part of item 1 SKPC

3) \$1.9M for Economic Opportunities for Communities (EOC) under EDI is part of item 1 SKPC

4) 2027 Payroll only for CPO & Ext. Rel. Other payroll from HS Interns, WFD, EDI are included in the individual items above

* Non-Operating Accounts

Community Programs Funded by Tax Levy

Program (in \$000)	2024	2025	2026	2027	Inc/(Dec) from 2026	
	Funded by the levy	Funded by the levy	Funded by the levy	Funded by the levy	Revised Budget \$ Change	% Change
1) South King and Port Communities Fund ¹	2,214	2,205	2,195	2,648	453	17.1%
2) Duwamish Valley Community Equity Program	471	619	617	627	10	1.6%
3) EDD Partnership Grants	950	950	950	950	-	0.0%
4) City of SeaTac Community Relief*	1,400	1,400	1,400	1,400	-	0.0%
5) Maritime Blue (formerly Maritime Innovation Center)	175	175	180	100	(80)	-80.0%
6) Workforce Development	3,863	3,762	3,827	3,873	46	1.2%
7) High School Internship Program	259	280	290	299	9	3.0%
8) Diversity in Contracting ²	300	310	300	300	-	0.0%
9) Equity, Diversity & Inclusion ³	203	226	230	2,127	1,897	89.2%
10) Friends of the waterfront		750	2,000	750	(1,250)	-166.7%
11) Other	806	1,608	1,438	870	(568)	-65.3%
Total	11,772	12,404	13,577	11,796	(1,781)	-15.1%
Payroll charged to the Levy ⁴	580	781	848	776	(72)	-9.3%
Grand Total	12,352	13,185	14,426	12,572	(1,854)	-14.7%

Notes:

1) SKPC budgeted under Ext Rel, EDI, and DIC

2) \$250K Small Business Accelerator under DIC is part of item 1 SKPC

3) \$1.9M for Economic Opportunities for Communities (EOC) is part of item 1 SKPC

4) 2027 Payroll only for CPO & Ext. Rel. Other payroll from HS Interns, WFD, EDI are included in the individual items above

* Non-Operating Accounts

Major Capital Projects Funded with Levy/G.O. bonds

- T91 Berths 6&8 redevelopment and dock rehabilitation
- T91 Uplands development
- Fishermen's Terminal – docks, buildings and site improvements
- East and West Waterway deepening
- NWSA North Harbor projects – 50% share

Funding flexibility supports financial resilience

- Projects may be funded with either tax levy or G.O. bonds depending on funding availability
- Future funding availability may result in some projects being funded with the General Fund or Revenue Bonds



2026 Tax Levy Fund Sources and Uses

(\$ million)

SOURCES OF TAX LEVY FUNDS

2026 Beginning Levy Fund Balance

Annual Tax Levy

Investment Income

Total Sources

2026	
\$	25.0
	90.2
	0.7
\$	115.9

USES OF TAX LEVY FUNDS

G.O. bond debt service (existing)

Community Investments

Seaport Capital Investments

Transfer to ELF

Aviation NOISE

Other

Total Uses

\$	38.9
	15.2
	14.3
	5.0
	4.0
	0.4
\$	77.8

Projected Ending 2026 Levy Fund Balance

\$	38.1
-----------	-------------

Note: Excludes ELF and TIF

5-year Tax Levy Fund Sources and Uses

(\$ million)

SOURCES OF TAX LEVY & RELATED FUNDS

Beginning Balance - Tax Levy

Beginning Balance - ELF

Tax Levy Collections

Existing GO Bond Proceeds

Future GO Bond Proceeds

Environmental Grant Receipts

Total Sources

2027-2031	
\$	38
	31
	502
	78
	250
	4
\$	903

USES OF TAX LEVY & RELATED FUNDS

G.O. Bond Debt Service (existing)

G.O. Bond Debt Service (new)

Environmental Remediation Liability (Non-Airport)

Seaport Capital Investments

Sound Insulation

Community Programs

Total Uses

2027-2031	
\$	180
	73
	263
	318
	7
	63
\$	904

Note: Excludes TIF

Airport and Seaport Benefit from the Tax Levy

Airport	Seaport
Certain Noise Mitigation Projects*	Legacy Environmental Remediation
City of Seatac Safety Payment under ILA (expires 2027)	Capital Investments (including G.O. Bonds)
Tourism	Tourism
Certain Community Programs	Certain Community Programs
Public Expense/Transportation Project	Public Expense/Transportation Project
Supports Revenue Bond Debt Service Coverage	Supports Revenue Bond Debt Service Coverage

* Includes Sound Insulation Repair and Replacement Pilot Program & Highline School District NOISE spending not eligible for airport funding

IDD Levy - Background

- Port can levy property tax within an Industrial Development District (IDD)
 - In addition to regular property tax
 - A port can form multiple districts
 - Coextensive with port district, or
 - Smaller area within the Port district
 - The Port already has two Industrial Development Districts
- Port can implement the levy twice - Port of Seattle implemented first round in 1963
- Purpose is to provide for harbor improvements or industrial development of marginal lands
 - Broadly defined
 - Includes areas of poor planning or declining tax receipts

IDD Levy – Implementation

- Port may implement a second round based on a new formula
 - Maximum of ~\$2.4 billion over a period of up to 20 years
 - Average amount = ~\$125 million (for 20 years)
 - Port can establish a smaller IDD or collect a lesser amount, but cannot bank the unused capacity
- Process to implement
 - Publish notice by April 1 to begin collecting the next year
 - If within 90 days, a petition of 8% of voters (voting in the most recent gubernatorial election) opposes, the Port must hold a special election to approve the levy

IDD Levy Information: “Marginal lands” are defined to include property subject to the following (RCW 53.25.030) conditions:

1. An economic dislocation, deterioration, or disuse resulting from faulty planning.
2. The subdividing and sale of lots of irregular form and shape and inadequate size for proper usefulness and development.
3. The laying out of lots in disregard of the contours and other physical characteristics of the ground and surrounding conditions.
4. The existence of inadequate streets, open spaces and utilities.
5. The existence of lots or other areas which are subject to being submerged by water.
6. By a prevalence of depreciated values, impaired investments, and social and economic maladjustment to such an extent that the capacity to pay taxes is reduced and tax receipts are inadequate for the cost of public services rendered.
7. In some parts of marginal lands, a growing or total lack of proper utilization of areas, resulting in a stagnant and unproductive condition of land potentially useful and valuable for contributing to the public health, safety and welfare.
8. In other parts of marginal lands, a loss of population and reduction of proper utilization of the area, resulting in its further deterioration and added costs to the taxpayer for the creation of new public facilities and services elsewhere.
9. Property of an assessed valuation of insufficient amount to permit the establishment of a local improvement district for the construction and installation of streets, walks, sewers, water and other utilities.
10. Lands within an industrial area which are not devoted to industrial use but which are necessary to industrial development within the industrial area.

Tax Increment Financing

- RCW 39.114 allows certain jurisdictions to form Tax Increment Areas (TIA)
- Maximum area is \$200 million of assessed value
- Port taxes on any increase in assessed value goes to the TIA and not to the Port
- Approximately 40 jurisdictions can form TIAs within the Port's boundaries
- There are currently four active TIAs within King County
- City of Bellevue formed TIA in 2026 – Legislature increased maximum assessed value to \$500 million

Impact on Port Tax Levy	
Port Tax Levy	
Year	Diverted to TIAs (\$)
2024	5,537.98
2025	5,893.00
2026	11,232.79
Total	22,663.77

Managing for a Successful Port of the Future

Risks to the Plan

- Business disruptions – pandemic, recession
- Regulatory and legal requirements
- Federal funding uncertainty
- Aging infrastructure and unanticipated investments
- Limited flexibility to the CIP
- Looking beyond 2031
 - Airport and Seaport capital plans assume lower spending levels

Mitigations

- Conservative budgeting provides upside potential
- Continued Demand for Airport and Cruise businesses
- Greater Cost certainty
 - Environmental Liabilities are being settled
 - Airport mega projects are being completed
- Resilient financial metrics
- Begin efforts to increase capital capacity
- HMT

Risk of over-optimism is greater than the risk of pessimism

Seaport CIP and Funding

Seaport CIP	2027-2031 (\$ million)
Maritime	\$ 681.9
NWSA - 50% Share (North & South Harbor)	263.4
NWSA - Reserve & Port Projects ⁽¹⁾	90.3
Total	\$ 1,035.6
Allocated Central Services CIP	13.8
Total Seaport Funded CIP	\$ 1,049.4
(1) Includes N. Harbor channel deepening and other 100% Port legacy costs in N. Harbor. Note: totals may not add due to rounding	

Seaport Funding Sources	2027-2031 (\$ million)
Operating Cash ⁽¹⁾	\$ 469.2
Grants	26.7
Harbor Maintenance Tax (HMT)	50.2
Tax Levy & Future GO Bond Proceeds ⁽²⁾	240.0
Existing G.O. bond proceeds	78.5
Future revenue bond proceeds	184.8
Total Seaport Funded CIP	\$ 1,049.4
(1) Includes non-airport income available after payment of revenue bond debt service. (2) Annual levy forecasted at 80% of the Port's maximum annual allowable levy. Note: totals may not add due to rounding	

Airport CIP and Funding

Airport CIP	2027-2031 (\$ million)
S Concourse Evolution	\$ 1,579.4
Baggage Optimization	449.0
2026-2030 AFLD PVMNTS	353.2
Main Terminal Improvement	195.8
SEA Gateway	35.1
C Concourse Expansion	9.5
Other Capital Projects	782.9
SAMP Preliminary Planning/Design ⁽¹⁾	161.9
Proposed New Projects	308.4
CIP Reserves	213.2
TOTAL	\$ 4,088.4
Allocated Central Services CIP	59.5
Total Airport Funded CIP	\$ 4,147.9
(1) Sustainable Airport Master Plan	
Note: totals may not add due to rounding	

Airport Funding Sources	2027-2031 (\$ million)
Future revenue bond proceeds	\$ 2,870.6
Operating Cash ⁽¹⁾	803.0
Grants	273.4
Existing revenue bond proceeds	183.3
Customer Facility Charge (CFC)	17.7
Total Airport Funded CIP	\$ 4,147.9
(1) Includes airport income available after payment of revenue bond debt service.	
Note: totals may not add due to rounding	

Current Credit Ratings

	<u>Fitch</u>	<u>Moody's</u>	<u>S&P</u>	<u>Noted Credit Strengths:</u>
General Obligation Bonds	AA-	Aaa	AA	• Diverse asset and revenue base • Airport's market position and enplanement levels • Strong balance-sheet liquidity levels • Conservative debt structure and healthy debt service coverage ratios • Prudent management of the Tax levy including maintaining a cushion • Strong governance and management • Long-range strategic and sustainability plans • Vibrant and resilient area economy
First Lien Revenue Bonds	AA	Aa2	AA	
Intermediate Lien Revenue Bonds	AA-	Aa3	AA-	
Subordinate Lien Revenue Bonds	AA-	A1	AA-	
Fuel Hydrant Special Facility Bonds		A1	A+	