



## COMMISSION REGULAR MEETING AGENDA

October 24, 2023

To be held 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](https://meetings.portseattle.org). To listen live, call in at +1 (425) 660-9954 or (833) 209-2690 and Conference ID 232 317 505#

### ORDER OF BUSINESS

10:30 a.m.

#### 1. CALL TO ORDER

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

#### ► 12:00 noon – 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 on items related to the conduct of the Port will have the opportunity to:

**1) Deliver public comment via email:** All written comments received by email to [commission-public-records@portseattle.org](mailto:commission-public-records@portseattle.org) will be distributed to commissioners and attached to the approved minutes.

**2) Deliver public comment via phone or Microsoft Teams conference:** To take advantage of this option, please email [commission-public-records@portseattle.org](mailto:commission-public-records@portseattle.org) with your name and the topic related to the conduct of the Port you wish to speak to by 9:00 a.m. PT on Tuesday, October 24, 2023. (**Please be advised that public comment is limited to topics related to the conduct of the Port 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 items related to the conduct of the Port.

**For additional information**, please contact [commission-public-records@portseattle.org](mailto:commission-public-records@portseattle.org).

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

8a. Approval of Minutes of the Regular and Special Meetings of October 10, 2023. **(no enclosure) (p.4)**

- 8b. Authorization for the Executive Director or Designee to Execute an Amendment to the Airport Network Programming Service Agreement Incorporating Up to Three, Six-Month Extension Option Periods Allowing for Continued Television Programming in the Airport Terminal Gate Hold Areas for the Traveling Public's Entertainment. ([memo](#), [amendment](#), and [presentation](#) enclosed) (p.14)
- 8c. Commission Authorization for Additional Funds in the Amount of \$4,497,000 to Provide for South Correctional Entity (SCORE) Services in Conjunction with the SCORE Interlocal Agreement for Inmate Housing with the Port. ([memo](#), [agreement](#), [amendment](#), and [letter](#) enclosed) (p.28)
- 8d. Authorization for the Executive Director to Authorize \$850,000 to Proceed with Design and Permitting of the Terminal 91 Buildings Demolition Project, Increasing the Total Project Authorization To-Date to \$1,000,000 out of a Total Estimated Project Cost of \$9,100,000. (CIP# C801372) ([memo](#) and [presentation](#) enclosed) (p.55)
- 8e. Authorization for the Executive Director to Execute Termination Agreements; Payout where applicable Net Book Value (NBV) Associated with the Termination Agreement; and Execute New Lease and Concession Agreements for Certain Airport Dining and Retail Tenants Impacted by the Upcoming Concourse C Expansion and Concourse A Duty-Free Projects, in the Amount of \$2,479,145. ([memo](#) and [presentation](#) enclosed) (p.68)
- 8f. Authorization for the Executive Director to Advertise, Award, and Execute a Major Construction Contract for the Baggage Claim 15 and 16 Replacement Project at Seattle-Tacoma International Airport; to Use Port Crews to Assist in the Completion of the Work; and to Include a Project Labor Agreement for the Project, for a Total Requested Amount of \$10,658,000 and a Total Estimated Project Cost of \$14,325,000. (CIP# C801127) ([memo](#) and [presentation](#) enclosed) (p.81)
- 8g. Authorization for the Executive Director to Prepare Design and Construction Bid Documents for the Passenger Loading Bridge (PLB) Renewal Replacement Phase 4 Project; to Purchase Six PLBs and Associated Gate Equipment for Specified Gates; to Use Port of Seattle Crews, and Small and Major Works On-Call Contracts to Support Design Activities and to Perform the Construction Work; and to Advertise, Bid, and Execute Up to Four Major Works Construction Projects, for a Total Requested Amount \$16,850,000 and an Estimated Total Project Cost Not-to-Exceed \$17,000,000. (CIP# C801308) ([memo](#) and [presentation](#) enclosed) (p.94)
- 8h. Authorization for the Executive Director to Advertise and Execute a Construction Contract for 2024 Airfield Projects - Contract 1; to Transfer Budget/Authorization as Necessary Between the 2024 Airfield Projects; to Transfer Budget/Authorization for Gate B11 Passenger Loading Bridge (PLB) Civil Foundation from the PLB Phase 3 Project to the 2021-2025 Airfield Pavement and Supporting Infrastructure Replacement Program; to Procure Long Lead Items; to Include a Project Labor Agreement for the Contract; and to Authorize Use of Port Crews for Abatement Work, for a Total Requested Amount of \$50,500,000 and a Total Estimated Project Cost of \$200,300,000. (CIP# C800930 and C801177) ([memo](#) and [presentation](#) enclosed) (p.107)

## 10. NEW BUSINESS

- 10a. Authorization for the Executive Director to Enter into a Memorandum of Agreement with King County to join the Coalition for Climate Careers in the Amount of \$100,000. (p.129)

[\(memo, agreement, and presentation enclosed\)](#)

- 10b. Authorization for the Executive Director to Sign a Memorandum of Agreement with the City of Seattle Enabling the Port to Provide Funding Up to \$500,000 and Approximately \$50,000 In-Kind Support for Site Characterization, Design, and Permitting of the 8th Avenue S/Gateway Park North Project; and to Authorize Funding in the Amount of \$317,128 to Support City-Led Site Characterization, Design and Permitting Tasks, for a Total Estimated Project Cost of \$2,600,000.

[\(memo, agreement, and presentation enclosed\)](#) (p.148)

## 11. PRESENTATIONS AND STAFF REPORTS

- 11a. Tax Levy Draft Plan of Finance for 2024-2028 Briefing.

[\(memo and presentation enclosed\)](#) (p.169)

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

## 13. ADJOURNMENT



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

**APPROVED MINUTES  
COMMISSION SPECIAL MEETING OCTOBER 10, 2023**

The Port of Seattle Commission met in a special meeting Tuesday, October 10, 2023. The meeting was held at the Port of Seattle Headquarters Building, P69, Commission Chambers, located at: 2711 Alaskan Way, Seattle, Washington. Commissioners Calkins, Cho, Felleman, Hasegawa, and Mohamed were present.

**CALL to ORDER**

Pursuant to RCW 42.30 and Article IV, Section 8, of the commission bylaws, the meeting convened at 9:00 a.m. for the purpose of holding a study session on the 2024 Aviation Division operating and capital budgets.

**ITEMS OF DISCUSSION**

**2024 AVIATION DIVISION OPERATING AND CAPITAL BUDGETS**

Presenters:

Lance Lyttle, Managing Director, Aviation Directors Office  
Hiedi Popochock, Director, Aviation Finance and Budget

The presentation addressed:

- the Century Agenda's role in the budget process;
- budget strategies;
- SWOT analysis;
- Aviation Division strategic focus areas;
- 2024 division priorities;
- regulatory mandates;
- budget goals;
- the passenger recovery forecast;
- strong operating revenue recovery;
- preparing for major growth of the capital program;
- budget summary and key indicators;
- summary of total airport expense;
- operating expense budget changes;
- budget requests by strategic focus;
- largest approved budget requests;



- approved new full-time employees to achieve key initiatives;
- 2024 operating budget uncertainties;
- Commission 2024 budget priorities;
- aeronautical and non-aeronautical net operating income;
- Aviation Division capital program objectives;
- 2024 – 28 preliminary capital forecast;
- major projects driving the capital program;
- summary of new projects;
- aviation financial forecast objectives;
- 2024 – 28 preliminary financial forecast and metrics;
- equity in spending highlights; and
- 2024 aviation preliminary budget key takeaways.

Discussion ensued regarding:

- measuring customer satisfaction;
- if shifting from expense to capital extends time for payment;
- factors accounting for increase in non-aeronautical revenues;
- planning FTEs to support the budget and operational demands;
- how cost increases are factored into contract negotiations;
- staffing assessments performed periodically and accounting for workforce challenges at the airport when they arise like in times of need for the Transportation Security Administration;
- the status of investigating polyfluoroalkyl substances (PFAS);
- grant funding for a decarbonization study;
- Commissioner priorities represented the budget – including for childcare study for airport workers and provision of free hygiene products for employees and passengers at the airport;
- maintaining the schedule to Capital Improvement Plan projects;
- showing Commission priorities at a higher level in the budget;
- forecast assumptions;
- the importance of thinking long-term and regionally;
- the status of pre-conditioned air, assessing performance, and implementing the program;
- and
- the status of sustainable aviation fuels inclusion in the budget.

Members of the Commission thanked staff, the finance team, and Executive Director Metruck for the briefing.

### **ADJOURNMENT**

There being no further business, the meeting adjourned at 10:53 a.m.

Prepared:

Attest:

\_\_\_\_\_  
Michelle M. Hart, Commission Clerk

\_\_\_\_\_  
Fred Felleman, Commission Secretary

Minutes approved: October 24, 2023.

DRAFT



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

**APPROVED MINUTES  
COMMISSION REGULAR MEETING**

**October 10, 2023**

The Port of Seattle Commission met in a regular meeting Tuesday, October 10, 2023. The meeting was held at the Port of Seattle Headquarters Building Commission Chambers located at: 2711 Alaskan Way, Seattle, Washington, and virtually on Microsoft Teams. Commissioners Calkins, Cho, Felleman, Hasegawa, and Mohamed were present.

**1. CALL to ORDER**

The meeting was convened at 12:05 p.m. by Commission President Cho who led the flag salute.

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

No Executive Session was held.

**3. APPROVAL of the AGENDA**

The agenda was approved as amended without objection.

**In favor: Calkins, Cho, Felleman, Hasegawa, and Mohamed (5)**

**Opposed: (0)**

**4. SPECIAL ORDERS OF THE DAY**

No Special Orders of the Day were presented.

**5. EXECUTIVE DIRECTOR'S REPORT**

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

**6. COMMITTEE REPORTS**

Commission Strategic Advisor, Erica Chung, provided the committee reports.

**Highline Forum**

The Highline Forum met on September 27, 2023. Community Co-Chair, Des Moines Mayor Mahoney chaired the meeting with Port Co-Chair Commissioner Felleman attending. The forum

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

received an update from the host city of Des Moines regarding the economic development focus in the city, public infrastructure investments, and efforts to bring people to the city by energizing the waterfront. The Port's Director of Aviation Business Intelligence, Michael Drollinger, provided an update on SEA activity and travel outlook for 2023, with travel being close to a record 51.8 million passengers this year and surpassing that milestone in 2024. Guadalupe Torres, from the Port's Office of Equity, Diversity, and Inclusion, and Ilays Aden and AJ McClure, Port's Community Engagement staff, provided an update on the work products from the South King County Community Impact Fund and announced that the fourth round of environmental grant applications are currently being solicited until the October 30, 2023, deadline. Aviation Director Lance Lyttle provided the StART update (SEA Stakeholder Advisory Round Table) from the August 23, 2023, meeting, and reported on the most recent StART Steering Committee meeting, where they agreed to have the StART's Aviation Noise Working Group take on the responsibilities of SEA Airport's forthcoming Technical Review Committee for the next Part 150 Noise Study. The study is expected to launch in Spring 2024. As part of the roundtable sharing, Commissioner Felleman noted the arrival of the Hōkūle'a Polynesian Voyagers to Puget Sound in late August, and eco-tourism pilot projects being discussed. Director Lyttle noted monitoring a potential federal government shutdown and planning to manage anticipated impacts. Local Government Relations Manager Dave Kaplan noted the Port's partnership with other jurisdictions on the September 29, 2023, "Green Jobs, Green Futures" summit, and SEA Airport again being certified as 'salmon-safe' in its practices to protect water quality and habitat.

#### SEAC Committee

On Wednesday October 4, 2023, Commissioners Hasegawa and Felleman convened the Sustainable, Environment, and Climate Committee, where they were briefed on the Scope 1 and Scope 2 greenhouse gas emissions (GHG) results from 2022 for the Maritime and Aviation divisions. Staff shared that in 2022, Maritime Scope 1 and 2 GHG emissions decreased by 17 percent from the 2005 baseline, which accounts for 14 percent of portwide emissions, and Aviation Scope 1 and 2 GHG emissions decreased by 48 percent from the 2005 baseline, which accounts for 86 percent of portwide emissions. Commissioners discussed the importance of tracking and communicating the investments the Port is making and health benefits to the community. Commissioners were also briefed on the Duwamish Parks assessment strategy, which will include a strong community engagement component.

#### **7. PUBLIC COMMENT**

- The following person spoke regarding democratic process: Alex Tsimerman.
- The following person thanked the Port for the 2023 cruise season and spoke regarding crew life and data for Royal Caribbean Group: Michael Jaworski.
- The following people spoke in support of Agenda Item 11a, South King County Community Impact Fund Annual Report and Evaluation: Violet Vega; Ruth Harmony; Adam Powers (*written comments attached*); Nyambura Ruhui; Chris Pierson; Angela Ngiangi Dian-Sasila; and Santa Tamsang.

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

#### **8. CONSENT AGENDA**

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

- 8a. Approval of Minutes of the Regular Meeting of September 26, 2023.**
- 8b. Approval of the Claims and Obligations for the Period September 1, 2023, through September 30, 2023, Including Accounts Payable Check Nos. 949989 through 950358 in the Amount of \$14,929,671.83; Accounts Payable ACH Nos. 058329 through 059214 in the Amount of \$63,656,138.66; Accounts Payable Wire Transfer Nos. 016137 through 016152 in the Amount of \$13,650,008.09; Payroll Check Nos. 208789 through 209322 in the Amount of \$213,803.50; and Payroll ACH Nos. 1153809 through 1158540 in the Amount of \$15,182,251.54, for a Fund Total of \$107,631,873.62**

Request document(s) included an agenda memorandum.

- 8c. Monthly Notification of Prior Executive Director Delegation Actions September 2023.**

Request document(s) included an agenda memorandum.

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

**In favor: Calkins, Cho, Felleman, Hasegawa, and Mohamed (5)**

**Opposed: (0)**

**10. NEW BUSINESS**

- 10a. Authorization for the Executive Director to Advertise, Award and Execute a Major Public Works Contract, and Fund Construction for Sound Insulation on Places of Worship Program in an Amount Not-to-Exceed \$3,500,000 of the Total Program Cost of \$25,872,000. (CIP #C200098)**

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

Presenter(s):

Stephen St. Louis, Capital Project Manager V, AV Project Management Group

Clerk Hart read Item 10a into the record.

Executive Director Metruck introduced the item and presenters.

The presentation addressed:

- the authorization request – to support acceleration of the program; authorize construction of three eligible places of worship properties; and funding in the amount of \$3.5m of construction authorization;
- places of worship milestones; and
- sound insulation programs status update.

Discussion ensued regarding:

- collection of data on failed installations;

- a consultant hired and targeted program kick-off in early 2024;
- potential federal funding;
- understanding the scope of failed packages in our region;
- defining further what the noise program is and federal approval of the program;
- potential state legislators' interest in state funding for this purpose and use of the Port's equity tool to guide prioritization;
- trying to see if there are any trends in where previous packages may have failed; and
- reporting back regarding the assessment.

**The motion, made by Commissioner Mohamed carried by the following vote:**

**In favor: Calkins, Cho, Felleman, Hasegawa, and Mohamed (5)**

**Opposed: (0)**

**10b. Authorization for the Executive Director to Approve Additional Design Funding to Execute the Remaining Service Agreements for Professional Design and Port-Related Cost for all Project Elements and Improvements Necessary to Complete Design, and Inclusion of a 1 Percent Art Program Investment, for the T91 Uplands Development Project in the Amount of \$4,500,000 and a Total Estimated Project Cost of \$84,000,000. (CIP# C800158).**

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

Presenter(s):

Dave McFadden, Managing Director, Economic Development Division  
Kyra Lise, Director of Real Estate Development and Economic Development  
Stefan Wynn, Capital Project Manager IV, Waterfront Project Management

Clerk Hart read Item 10b into the record.

Executive Director Metruck introduced the item and presenters.

The presentation addressed:

- the project location;
- providing new facilities to support maritime manufacturers and suppliers;
- changes to the project since inception and major phased development;
- project scope and details;
- application of the Sustainable Evaluation Framework and environmental elements to achieve LEED certification; and
- project risks, development schedule; project estimate; and plan status.

Discussion ensued regarding:

- added square footage and new infrastructure upgrades;
- lease income once facilities are occupied;
- providing for better mobility;
- updating data regarding manufacturing areas;
- strategic location of the property to shoreline access;
- goals around dark sky compliance;

- truck traffic; and
- input and involvement from the NAC.

*(Commissioner Calkins exited the meeting at 1:30 p.m.)*

**The motion, made by Commissioner Hasegawa carried by the following vote:**

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

**Opposed: (0)**

## **11. PRESENTATIONS AND STAFF REPORTS**

### **11a. South King County Community Impact Fund Annual Report and Evaluation.**

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

Presenter(s):

Bookda Gheisar, Senior Director, Equity, Diversity and Inclusion  
Guadalupe Torres, Community Investments Program Manager, Equity, Diversity, and Inclusion  
Ilays Aden, Environment Program Coordinator, External Relations  
Marie Bravo, Latino Civic Alliance  
Jaci Lomeli, Latino Civic Alliance  
Armaye Eshete, Serve Ethiopians of WA

Clerk Hart read Item 11a into the record.

The presentation addressed:

- fund mission and vision;
- program background;
- economic recovery;
- partner sharing – pathways to established pre-apprenticeship training programs;
- measuring progress towards economic recovery;
- WMBE/small business support programs;
- environmental grants program overview;
- environmental program Cycle 2 and 3 projects;
- environmental partner sharing – stewardship model;
- environmental improvement project outcomes;
- process improvements;
- community capacity building and outreach;
- fund evaluation and assessment; and
- recommendations.

Discussion ensued regarding:

- gratitude to the organizations who came to speak about the program and to those participating in the program;
- mapping of trees and tracking by city parks departments;
- how projects are prioritized;
- the opportunity to expand the Port's reach in this area of work;



- coming to agreement of what a consensus process will look like;
- grant matches;
- the grant application process;
- possibly incorporating outdoor ecotourism opportunities in the program, recognizing that projects would need to meet the criteria to be a public improvement;
- current status of applying for this grant cycle; and
- expectations in year four of the program.

**11b. 2024 Maritime and EDD Operating and CIP Budgets Briefing.**

Presentation document(s) included agenda memorandum and presentation.

Presenter(s):

Dave McFadden, Managing Director, Economic Development Division  
Kelly Zupan, Director, Seaport Finance and Budget  
Stephanie Jones Stebbins, Managing Director, Maritime Division Administration

Clerk Hart read Item 11b into the record.

Executive Director Metruck introduced the item.

The presentation addressed:

- the 2024 budget timeline;
- 2024 Maritime Division budget;
  - budget drivers
  - SWOT analysis
  - equity in budgeting highlights
  - 2024 priorities
  - financial trends
  - net operating income by business
  - maritime revenues and expenses
  - cruise operations data
  - recreational boating data
  - Elliott Bay fishing and commercial operations data
  - ship cancel fishing and operations
  - maritime portfolio management
  - grain terminal data
  - maritime maintenance
  - waterfront project management
  - maritime environment and sustainability
  - consultant support for environmental
  - security
  - full-time employees requests.
- joint venture and stormwater utility summary;
  - port interest in Northwest Seaport Alliance
  - stormwater utility budget.
- Economic Development Division;

- budget drivers
- SWOT analysis
- equity in budgeting highlights
- economic development revenues and expenses
- financial trends
- portfolio management financial trends
- diversity in contracting
- tourism
- real estate development and management
- innovation and partnerships.
- Seaport;
- maritime and economic development Capital Improvement Plans (CIP); and
  - CIP timelines
  - projects by status
  - updates on major projects underway
  - key projects postponed
  - future capital funding factors.
- next steps.

Discussion ensued regarding:

- providing all rate comparisons for recreational boating to the Commissioners for their information;
- grain terminal production demand decline;
- acquiring land in the Duwamish area for staff working in that area;
- how mid-cap projects are defined; and
- Elliott Bay revenue from fishing.

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

Members of the Commission and Executive Director Metruck recognized Rudy Caluza, Director of Accounting and Financial Reporting, for his career in public service, for his years in service to the Port of Seattle, and for his accomplishments during this time.

## **13. ADJOURNMENT**

There was no further business and the meeting adjourned at 4:05 p.m.

Prepared:

Attest:

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Michelle M. Hart, Commission Clerk

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Fred Felleman, Commission Secretary

Minutes approved: October 24, 2023



**COMMISSION  
AGENDA MEMORANDUM**

**Item No.** 8b

**ACTION ITEM**

**Date of Meeting** October 24, 2023

**DATE :** September 7, 2023

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

**FROM:** Jeffrey Wolf, Director, Aviation Commercial Management  
Geoffrey Foster, Interim Sr. Manager, Aviation Commercial Management  
Jason Berg, Property Manager

**SUBJECT: Airport Network Programming Service Agreement Amendment for Extension**

**Amount of this request:** \$ 0

**ACTION REQUESTED**

Request Commission authorization for the Executive Director, or his designee pursuant to the Delegation of Authority, to execute an amendment to the Airport Network Programming Service Agreement incorporating up to three (3), six (6)-month extension option periods allowing for continued television programming in the airport terminal gate hold areas for the traveling public’s entertainment.

**EXECUTIVE SUMMARY**

In January 2019, AC Holdings, Inc dba CNN Airport Network entered into a 5-year agreement with the Port of Seattle (Port) to provide in-terminal content services (television programming) in designated gate hold areas at Seattle-Tacoma International Airport (SEA). This agreement was then assigned to Travel Content, LLC dba ReachTV (ReachTV) through a Conditional Consent to Assignment on March 31, 2021, as CNN Airport Network was exiting this line of business across all airports they served. ReachTV is a Minority-owned Business Enterprise (MBE) that also contracts with local telecommunications contractors certified as a Disadvantaged Business Enterprise (DBE) and an Airport Concessionaire Disadvantaged Business Enterprise (ACDBE) to manage the on-site daily operations.

The current agreement is set to expire on December 31, 2023, and does not contain a holdover provision or additional options to extend. Adding limited options to extend to the current agreement would allow for continued television programming in the gate hold areas while work continues on the future of the in-terminal content services program. The current revenue structure will remain in place during any extension period with a Minimum Annual Guarantee (MAG) of \$150,000.

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**JUSTIFICATION**

ReachTV currently provides 24 hours a day television programming service in 33 designated gate hold areas at SEA. Their programming consists of a mix of national news, sporting events (local, regional and national broadcasts), business news, entertainment, as well as short local documentary spots. The Port currently has control of up to six, one-minute segments per available hour during the day (“Local Spots”), with content provided by our External Relations team.

This extension would ensure the Port continues this service to the traveling public at the airport beyond the original agreement expiration date, as well as continue a revenue stream for the Port. This service contributes to the Port’s Century Agenda goal of advancing the region as a leading tourism destination and business gateway by continuously improving the customer experience at SEA.

**DETAILS**

This authorization would enable the execution of an amendment adding three, 6-month extensions to the existing agreement at the current revenue levels. The maximum this agreement would extend is June 30, 2025. This extension would allow the Port to continue work on the future of the in-terminal content services while maintaining customer service levels through gate lobby entertainment and sporting events.

**ALTERNATIVES AND IMPLICATIONS CONSIDERED**

**Alternative 1** – Allow the agreement to expire on December 31, 2023.

Cost Implications: \$50,000 plus reduced revenue

Pros:

- (1) Provides Port an opportunity to manage in-terminal content directly.

Cons:

- (1) Loss of \$150,000 in annual revenue.
- (2) Approximately \$50,000 expenditure to purchase replacement TVs in designated gate hold areas where existing ReachTV-owned TVs will be removed.
- (3) Extended period where traveling public will be without any in-terminal content, including sports broadcasts, which will decrease the customer experience at SEA.

This is not the recommended alternative.

**Alternative 2** – Issue an RFP for In-Terminal Content Services without extending current agreement.

Cost Implications: \$0

Pros:

- (1) Opportunity to find alternatives to programming of in-terminal content services.

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Cons:

- (1) Time to solicit and award a new agreement will extend beyond current agreement, resulting in period of no in-terminal content services.
- (2) Uncertain revenue stream levels due to changing market conditions in airport terminal content services

This is not the recommended alternative.

**Alternative 3** – Amend current agreement to allow for up to three (3), six (6)-month extension periods.

Cost Implications: \$0

Pros:

- (1) Continued revenue stream to the Port at current levels.
- (2) Continuation of in-terminal content services, including sports broadcasts, for the traveling public’s entertainment which enhances the customer experience at SEA.
- (3) Allow time to further develop future in-terminal content services program.

Cons:

- (1) Port not able to fully manage in-terminal content in-house.

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

**FINANCIAL IMPLICATIONS**

There are no costs to the Port for this Amendment. All costs will be incurred by the provider.

***Financial Analysis and Summary***

|   |   |
|---|---|
| Project cost for analysis                               | \$0   |
| Business Unit (BU)                                      | Aviation Commercial Management  |
| Effect on business performance (NOI after depreciation) | This is a revenue-generating agreement with \$150,000 in annual revenue. There would be a total of \$225,000 in revenue over the three (3), six (6)-month extension periods if exercised. |
| IRR/NPV (if relevant)                                   | N/A   |
| CPE Impact  | N/A   |

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

The total MAG revenue for this lease is \$150,000. Each 6-month extension would generate \$75,000 each period for a total MAG revenue, spanning all extension periods, of \$225,000.

Meeting Date: October 24, 2023

**ATTACHMENTS TO THIS REQUEST**

- (1) Draft Amendment
- (2) Presentation

**PREVIOUS COMMISSION ACTIONS OR BRIEFINGS**

None

**THIRD AMENDMENT  
TO  
AIRPORT NETWORK PROGRAMMING SERVICE AGREEMENT  
(Agreement No. 002445)**

THIS THIRD AMENDMENT TO AIRPORT NETWORK PROGRAMMING SERVICE AGREEMENT (hereinafter referred to as the “Third Amendment”) is made effective as of \_\_\_\_\_, 2023 at \_\_\_\_\_ Pacific Standard Time, by and between the PORT OF SEATTLE, a Washington municipal corporation (the “**Port**”) and Travel Content, LLC (trading as ReachTV), a Delaware limited liability company (“**ReachTV**”) (as successor to AC Holdings, Inc. (“**Previous Party**”)).

**RECITALS**

WHEREAS, the Port and Previous Party were parties to that that certain CNN Airport Network Programming Service Agreement with an effective date of January 1, 2019, as amended (the “Agreement”), pertaining to the delivery and display of programming and content on specified display screens in the Seattle-Tacoma International Airport (“Airport”);

WHEREAS, Previous Party assigned to ReachTV and ReachTV assumed all of Previous Party’s rights and obligation under the Agreement (the “Assignment”);

WHEREAS, in connection with the Assignment, the Port and ReachTV executed that certain First Amendment to the Agreement dated effective March 31, 2021 (the “First Amendment”); and

WHEREAS, in connection with the Assignment, the Port and ReachTV executed that certain Second Amendment to the Agreement dated effective October 29, 2021 (the “Second Amendment”); and

WHEREAS, the Agreement expires December 31, 2023; and

WHEREAS, the Port and ReachTV wish to amend the Agreement in accordance with the terms and conditions set forth in this Third Amendment;

NOW, THEREFORE, in consideration of their mutual promise, the parties hereto do hereby mutually agree as follows:

1. Term. Section 3 (Term) of the Agreement is hereby deleted in its entirety and replaced as follows:
  3. TERM.



3.1 Original Term. The original term of this Agreement shall be five (5) years, commencing on the Effective Date and expiring on December 31, 2023 (“Original Term”).

3.2 Extension Term(s). The Agreement shall automatically extend for a period of six (6) months immediately upon expiration of the Original Term (the “First Extension Term”) and, following expiration of the First Extension Term (if any), for an additional period of six (6) months (the “Second Extension Term”) and, following expiration of the Second Extension Term (if any), for an additional period of six (6) months (the “Third Extension Term”), without any gap or further action by the parties, unless one party gives the other party written notice of its intent not to extend at least sixty (60) days prior to the expiration of the Original Term, or if applicable, the First Extension Term or Second Extension Term, respectively.

3.3 Term. The Original Term together with the First Extension Term, if applicable, and the Second Extension Term, if applicable, and the Third Extension Term, if applicable, shall constitute the term of the Agreement (“Term”).

2. No further Modification. Except as amended by this Third Amendment, all other terms, covenants and conditions of the Agreement shall remain in full force and effect. Other than as specifically revised in this Third Amendment, capitalized terms used herein shall have the meaning ascribed to them in the Agreement.

3. Counterparts. This Third Amendment may be executed in counterparts, each of which will be deemed an original, and all of which, together, will constitute one and the same instrument. This Third Amendment may be accepted and signed by a physically signed document, scanned and transmitted via electronic mail and each party’s electronic acceptance and signature will be deemed binding between the parties. Each party acknowledges and agrees it will not contest the validity or enforceability of this Third Amendment, including under any applicable statute of frauds, because it was accepted and/or signed in counterpart and/or scanned and transmitted via electronic mail. Further, each party shall, upon the request of the other party, promptly provide the requesting party, via United States mail or overnight courier, an originally executed copy of the executed document that it previously signed, scanned, and transmitted via electronic mail.

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

PORT OF SEATTLE  
A Washington municipal corporation

TRAVEL CONTENT, LLC  
A Delaware limited liability company

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

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

STATE OF \_\_\_\_\_ )  
 ) ss.  
COUNTY OF \_\_\_\_\_ )

On this \_\_\_\_ day of \_\_\_\_\_, 2023, before me, personally appeared \_\_\_\_\_ to me known to be the \_\_\_\_\_ of TRAVEL CONTENT, LLC, a Delaware limited liability company, the entity that executed the foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said entity, for the uses and purposes therein mentioned, and on oath stated that he/she was duly authorized to execute the same.

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

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

STATE OF WASHINGTON )  
 ) ss.  
COUNTY OF KING )

On this \_\_\_\_ day of \_\_\_\_\_, 2023, before me, personally appeared \_\_\_\_\_ to me known to be the \_\_\_\_\_ of the PORT OF SEATTLE, a municipal corporation, the corporation that executed the foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that he/she was duly authorized to execute the same.

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

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

# Airport Network Programming Service Agreement Amendment

Jason Berg, Property Manager  
Aviation Commercial Management

Geoffrey Foster, Interim Senior Manager  
Aviation Commercial Management

# Agenda

- Background & Current Programming
- Current Agreement
- Proposed Amendment



# Terminal Content Background

- Jan 2019 – CNN Airport Network/Port new 5-year agreement for content services at SEA
- Mar 2021 – ReachTV assumes agreement as CNN Airport Network leaves market
- ReachTV is a Minority-owned Business Enterprise (MBE)
  - Subcontracts with local telecommunications Disadvantaged Business Enterprises (DBE) and Airport Concessionaire Disadvantaged Business Enterprise (ACDBE) to manage on-site daily operations



# Current Programming

## ReachTV Current Programming

- 33 TV display screens in designated gate areas, providing 24/7 programming
- National & Business news, Sports (local, regional & national), Entertainment, etc.

## Port “Local Spots”

- Six, one-minute segments per available hour



**“Local Spots”**

# Current Agreement

- Initial Term with renewal options
  - 3 years initial term, effective from January 1, 2019
  - 2-year automatic renewal upon expiration of initial term
- Expiration
  - December 31, 2023 with no holdover provision
- Revenue provided via Minimum Annual Guarantee & advertising revenues
  - Revenue in 2022: \$194,111
  - Revenue estimated in 2023: \$152,192



# Proposed Amendment

- Proposed Amendment
  - Adds three, 6-month extension periods with Port's consent, which:
    - Enables continued television programming in airport terminal beyond current lease expiration
    - Maintains current revenue stream for Port
    - Minimum Annual Guarantee would remain at current level
- Staff will continue to develop future state of terminal content services program

Thank You for Your Time!

Questions?

[RETURN TO AGENDA](#)



**COMMISSION  
AGENDA MEMORANDUM**

**Item No.** 8c

**ACTION ITEM**

**Date of Meeting** October 24, 2023

**DATE:** October 5, 2023  
**TO:** Stephen P. Metruck, Executive Director  
**FROM:** Thomas Bailey, Police Commander  
**SUBJECT:** SCORE Public Safety Funding 2023-2026

**Amount of this request:** \$4,497,000  
**Original interlocal agreement estimated cost:** \$2,000,000  
**Revised total cost estimate:** \$6,497,000

**ACTION REQUESTED**

Request Commission authorization for additional funds in the amount of \$4,497,000 for services provided by South Correctional Entity (SCORE) in conjunction with the SCORE Interlocal Agreement for Inmate Housing with the Port

**EXECUTIVE SUMMARY**

In October of 2021, the Commission approved the 2021-2026 Interlocal Agreement South Correctional Entity (SCORE) and the Port of Seattle for Jail Services. The estimated total project cost for the five-year ILA was \$2,000,000. Jail costs have escalated beyond our original projections due to increases in jail costs and bookings. We are projecting we will exhaust the original \$2,000,000 before the end of 2023. Therefore, we need additional funds to continue to receive jail services.

We are forecasting jail costs for the remainder of 2023 to exceed our original authorization by \$177,000, and we are estimating annual expenses in 2024, 2025, and 2026 at \$1,440,000 per year. While the average monthly costs are \$120,000, we have spent over \$200,000 in a month (March 2023.) We are therefore requesting the Commission authorize an additional \$4,497,000 that is necessary if we are to continue our current enforcement and booking practices through the remainder of this ILA, which expires in October 2026.

**JUSTIFICATION**

In October of 2021, the Commission approved the 2021-2026 Interlocal Agreement between SCORE and the Port of Seattle for Jail Services. This was due to booking restrictions in King County which severely impacted the Port’s ability to keep SEA safe. The estimated total project cost for the five-year ILA, beginning October 2021, and ending October 2026, was \$2,000,000. This amount was insufficient as passenger loads continue to fully recover from the pandemic

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slowdowns, there is increased criminal activity in King County, and jail costs continue to rise each year.

During the term of this ILA, bookings have as follows:

| Daily Housing Rates (original)                      | 2021     | 2023     |
|---|----------|----------|
| General Population – Guaranteed Beds No. of Beds: 2 | \$128.00 | \$142.58 |
| General Population – Non-Guaranteed Beds            | \$184.00 | \$204.97 |
| Daily Rate Surcharges:                              |          |          |
| Mental Health – Residential Beds                    | \$159.00 | \$163.77 |
| Medical – Acute Beds                                | \$217.00 | \$223.51 |
| Mental Health – Acute Beds                          | \$278.00 | \$286.34 |
| Booking Fee   | \$35.00  | \$65.00  |
| Transport/ security fee                             | \$65.00  | \$85/ hr |

Additionally, arrestees booked into SCORE are held until their initial appearance, thus preventing them from immediately returning to the airport, as we often experienced. Additionally, many individuals we book into SCORE must also be held in an individual cell due to their threat to other prisoners and receive mental health and medical care, which increases the costs.

As a result of the increased bookings, we have spent approximately \$1.7 million of the \$2 million we requested for the original ILA with SCORE.

When the SCORE ILA was approved in 2021, the POSPD compared cost and feasibility to King County Jail, and other local facilities. To recap the benefits of SCORE, we highlighted the following:

To explore improvements in efficiency as well as cost savings, the Port of Seattle Police requested a proposed ILA from the South Correctional Entity (SCORE). SCORE is located approximately 3.5 miles south of SeaTac Airport, in Des Moines Washington, and is the primary booking entity for most South King County law enforcement agencies. In addition to much closer proximity and efficiency, usage of SCORE represents a potential cost savings to the Port of Seattle as shown in Table 1.

Table 1: King County Jail versus SCORE daily cost comparison

| COST                    | KING COUNTY | SCORE  |
|-------------------------|-------------|--|
| BOOKING                 | 212.78      | 128.00 (GUARANTEED BED)<br>184.00 (NON-GUARANTEED) |
| MAINTENANCE (DAILY FEE) | 202.75      |  |
| INFIRMARY               | 320.73      | 217.00   |

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|                            |                 |  |                                |
|----------------------------|-----------------|--|--------------------------------|
|                            |                 |  |                                |
|                            |                 | In-facility care                       | included                       |
|                            |                 | Co-payments                            | Inmate responsibility          |
|                            |                 | Outside medical svcs                   | Contract agency billed         |
|                            |                 | Emergency care                         | Contract agency billed         |
|                            |                 | Pharmaceuticals                        | Meds billed to contract agency |
| PSYCH/<br>MENTAL<br>HEALTH | 339.88          | 159.00 (RESIDENTIAL)<br>278.00 (ACUTE) |                                |
| PSYCH OTHER                | 92.81 (KC ONLY) |  |                                |
| WORK<br>RELEASE            | 149.82          |  |                                |

The current ILA between the Port of Seattle and King County Jail expires in 2020, and the Police Department will seek to renew that agreement (in conjunction with the SCORE ILA) to provide more efficient booking options for our waterfront officers.

Approval of the SCORE ILA will improve efficiency and potentially provide cost savings to the Police Department.

The other facilities we considered were not feasible due to their location, lack of capacity, and conditions.

In 2022, our total booking costs were \$668,315.79 (an average of 55,692.98/month). In 2023, from January to June, our costs due to increased bookings were \$789,392.55 (average 131,565/month.)

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**2022 SCORE Booking Stats**

| <b>Bookings, Length of Stay, Average Daily Population</b> |    |                                 |      |
|---|----|---------------------------------|------|
| <b>Port of Seattle PD</b>                                 |    |                                 |      |
| <b>Oct/Nov/Dec 2022</b>                                   |    |                                 |      |
| <b>Bookings</b>   |    | <b>Total Bookings</b>           |      |
| October   | 37 | 125                             |      |
| November  | 40 | <b>Average Length of Stay</b>   |      |
| December  | 48 | 9 days                          |      |
| <b>Length of Stay</b>                                     |    | <b>Average Daily Population</b> |      |
| 1-3 days  | 51 | October                         | 11.2 |
| 4-10 days   | 37 | November                        | 11   |
| 11-30 days  | 31 | December                        | 13.9 |
| GT 30 Days  | 6  |                                 |      |

**2023 SCORE Booking Stats**

| <b>Bookings, Length of Stay, Average Daily Population</b> |    |                               |     |                                 |       |
|---|----|-------------------------------|-----|---------------------------------|-------|
| <b>Port of Seattle PD</b>                                 |    |                               |     |                                 |       |
| <b>CY2023 To Date</b>                                     |    |                               |     |                                 |       |
| <b>Bookings</b>   |    | <b>Total Bookings</b>         |     | <b>Average Daily Population</b> |       |
| January   | 45 | 409                           |     | January                         | 12.81 |
| February  | 49 | <b>Average Length of Stay</b> |     | February                        | 15.5  |
| March   | 78 | 10 days                       |     | March                           | 25.65 |
| April   | 62 | <b>Length of Stay</b>         |     | April                           | 17.93 |
| May   | 57 | 1-3 days                      | 179 | May                             | 17.35 |
| June  | 39 | 4-10 days                     | 111 | June                            | 16.67 |
| July  | 46 | 11-30 days                    | 97  | July                            | 13.19 |
| August  | 33 | GT 30 days                    | 22  | August                          | 13.16 |

Comparing similar time periods, it is clear there has been a sharp increase in bookings. Of the 409 bookings so far in 2023, approximately 73% were charged with Criminal Trespassing. The remainder were booked on warrants and other charges.

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With the benefit of nearly two years of booking data for SCORE, we believe we should estimate approximately \$1,440,000 in jail expenses per year, or \$120,000 per month. While we will continue to seek solutions besides booking for individuals in our jurisdiction, we must maintain the ability to book individuals into SCORE when there are no other alternatives.

The Port of Seattle’s mission and agenda include maintaining a safe gateway for travelers coming through the airport and seaport. Unfortunately, that requires, at times, that when a crime is committed, we arrest and book persons into SCORE. As stated above, the number of arrests and fees have increased. While it is difficult to determine the number of people we will book in any given year, we have no reason to suspect that the cost will decrease.

We have spent approximately \$1,149,392 this year. By year-end, we can expect to exceed our original allocation of \$2 million by \$177,000. Therefore, we need additional funds to continue to receive jail services.

With thirty-nine months remaining on the SCORE ILA, we are requesting an additional \$4,497,000.

**DETAILS**

***Scope of Work***

If the authorization is granted, jail services will continue under the current ILA without interruption.

A new ILA between SCORE and the Port of Seattle will be proposed in 2026 for jail services for the proceeding years.

**ALTERNATIVES AND IMPLICATIONS CONSIDERED**

Another alternative is to arrest and book fewer persons. Officers currently screen each arrest to determine if there are alternatives to booking and will continue to do so unless funding is not approved. With rises in crime in King County, however, this is likely not feasible.

***This is not the recommended alternative.***

**FINANCIAL IMPLICATIONS**

| <b><i>Cost Estimate/Authorization Summary</i></b> | Capital | Expense     | Total       |
|---|---------|-------------|-------------|
| <b>COST ESTIMATE</b>                              |         |             |             |
| Original estimate                                 | \$0     | \$2,000,000 | \$2,000,000 |
| Current change                                    | 0       | \$4,497,000 | \$4,497,000 |
| Revised estimate                                  | 0       | \$6,497,000 | \$6,497,000 |



Meeting Date: October 24, 2023

| <b>AUTHORIZATION</b>                         |     |             |             |
|--|-----|-------------|-------------|
| Previous authorizations                      | 0   | 2,000,000   | 2,000,000   |
| Current request for authorization            | 0   | 4,497,000   | 4,497,000   |
| Total authorizations, including this request | 0   | 6,497,000   | 6,497,000   |
| Remaining amount to be authorized            | \$0 | \$4,497,000 | \$4,497,000 |

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

The Police Department budgets for jail services each year. It originally budgeted \$2,000,000 for the five-year SCORE ILA. In 2024, the SCORE budget has been increased to \$1,350,000. If additional costs are accrued, the department will absorb the increase.

**ATTACHMENTS TO THIS REQUEST**

- (1) Interlocal Agreement Between SCORE and the Port of Seattle for Jail Services
- (2) 2024 Rates and Housing Agreement Amendment
- (3) Amendment Notice Letter

**PREVIOUS COMMISSION ACTIONS OR BRIEFINGS**

October 12, 2021 – The Commission authorized a five-year interlocal agreement with SCORE for jail services. The total cost for this agreement was approximately \$2,000,000

## INTERLOCAL AGREEMENT FOR INMATE HOUSING

THIS INTERLOCAL AGREEMENT FOR INMATE HOUSING (hereinafter "Agreement") is made and entered into by and between the SOUTH CORRECTIONAL ENTITY, a governmental administrative agency formed pursuant to RCW 39.34.030(3) ("SCORE") and the PORT OF SEATTLE a municipal corporation organized under the laws of the State of Washington (hereinafter the "Contract Agency" together with SCORE, the "Parties" or individually a "Party").

### RECITALS

WHEREAS, SCORE was formed by its Owner Cities (as defined herein) as a governmental administrative agency pursuant to RCW 39.34.030(3) to operate and maintain a consolidated correctional facility located in the city of Des Moines (the "SCORE Facility") to serve the Owner Cities, federal and state agencies and other local governments that contract with SCORE from time to time to provide correctional services essential to the preservation of the public health, safety and welfare; and

WHEREAS, the Contract Agency desires to transfer custody of certain inmates to SCORE to be housed at the SCORE Facility; and

WHEREAS, this Agreement is entered into by and between the Parties pursuant to chapters 39.34 and 70.48 RCW, which provide for interlocal agreements for sharing of correction/detention facilities between local governments;

In consideration of the mutual covenants, conditions, and promises contained herein, the Parties hereto mutually agree as follows:

### SECTION 1. DEFINITIONS.

Terms defined in the recitals of this Agreement are incorporated herein as if fully set forth in this Agreement. Capitalized terms used herein shall have the following meanings. Terms not otherwise defined herein shall have the meanings set forth in the Interlocal Agreement.

Detainer means a legal order authorizing or commanding another agency a right to take custody of a person.

Commencement Date means November 1, 2021

Contract Agency Inmate means a person or persons subject to the Contract Agency's custody who is transferred to SCORE's custody under this Agreement.

Daily Bed Rate means the daily rate the Contract Agency is charged to occupy a general population bed, as set forth in Exhibit A.

Daily Surcharge Rates means any of the following special charges as defined in Exhibit A: Daily Surcharge Rates: Medical-Acute; Mental Health-Acute; and Mental Health-General Population.

Guaranteed Bed Rate means a reduced Daily Bed Rate - Guaranteed, as set forth in Exhibit A.

Inmate means a person or persons transferred to SCORE's custody to be housed at the SCORE Facility. The term "Inmates" includes Contract Agency Inmates.

Interlocal Agreement means the Amended and Restated SCORE Interlocal Agreement dated as of October 1, 2009 and amended December 11, 2019, executed among the parties thereto for the purpose of forming SCORE.

Mental Health - Residential Beds means Inmates clinically determined by SCORE Health Services Provider, or its successor charged with the same duties, as needing ongoing mental health care services and specialized housing in SCORE's Mental Health - Residential Unit.

Medical – Acute Beds means an Inmate clinically determined by SCORE Health Services Provider, or its successor charged with the same duties, as needing the level of medical services and housing provided in SCORE's medical clinic.

Mental Health – Acute Beds means an Inmate clinically determined by SCORE Health Services Provider, or its successor charged with the same duties, as needing the level of psychiatric services and specialized housing in SCORE's Mental Health - Acute Unit.

Owner City has the meaning set forth in the Interlocal Agreement.

Non-Guaranteed Bed Rate means a higher daily housing bed rate and subject to availability, as set forth in Exhibit A.

SCORE Facility means the correctional facility maintained and operated by SCORE located at 20817 17<sup>th</sup> Avenue South, Des Moines, WA 98198.

Termination Date means November 1, 2026

## **SECTION 2. TERM.**

This Agreement shall commence at 12:00 a.m. PST on the Commencement Date and terminate at 11:59 p.m. PST on the Termination Date, unless sooner terminated by either Party in accordance with this Agreement. This Agreement may be renewed for any successive period by written addendum under terms and conditions acceptable to the Parties.

## **SECTION 3. INMATE HOUSING AND SERVICES.**

Subject to the terms of this Agreement, SCORE hereby agrees to accept Contract Agency Inmates and to provide housing, care, and custody of those Contract Agency Inmates pursuant to SCORE policies and procedures. Additional related services and associated fees, if any, to be provided to Contract Agency Inmates and/or the Contract Agency are listed in Exhibit A.

To the greatest extent permitted by law, SCORE shall have the right to refuse to accept an individual in custody of the Contract Agency or to return any Contract Agency Inmate to the Contract Agency for any reason, including but not limited to if, in the sole discretion of SCORE, such individual presents a substantial risk of escape, of injury to self or other persons or property, of adversely affecting or significantly disrupting the operations of the SCORE Facility, and/or has a medical illness or injury that makes housing such individual not in the best interest of SCORE or other Inmates as described in Exhibit D. Final acceptance of an individual based on illness or injury is determined upon approval of medical staff at the time of booking.

## **SECTION 4. COMPENSATION.**

In consideration of SCORE's commitment to provide housing and related services for Contract Agency Inmates, the Contract Agency agrees to pay SCORE the fees and charges set forth in Exhibit A.

Such fees and charges may include, but are not limited to, booking, daily bed rate, medical and specialty, mental health, transportation, security, other charges and/or negotiated fees.

SCORE may from time to time revise the fees and charges for housing and related services under this Agreement during the term of this Agreement. SCORE shall give advance notice of any change to its fees and charges for such service in order to allow the Contract Agency sufficient time to adjust its annual budget. Unless otherwise agreed to by the Parties hereto, any new fees and charges under a new fee schedule shall become effective on January 1 of the following year.

The Contract Agency shall acknowledge receipt of the rates and charges schedule in writing and such acknowledgement shall be deemed to be an amendment to this Agreement and incorporated as if fully set forth herein without the necessity of a formal amendment or separate approval by the legislative authority of the Contract Agency or the Administrative Board of SCORE.

#### **SECTION 5. TRANSPORTATION, BOOKING, CLASSIFICATION, DISCIPLINE AND RELEASE PROCEDURES.**

- A. Transportation. The Contract Agency is responsible for the transportation of Contract Agency Inmates to the SCORE Facility, including all costs associated therewith.
- B. Booking. Contract Agency Inmates shall be booked pursuant to SCORE's booking policies and procedures. Pursuant to RCW 70.48.130, and as part of the booking procedure, SCORE shall obtain general information concerning the Contract Agency Inmate's ability to pay for medical care, including insurance or other medical benefits or resources to which a Contract Agency Inmate is entitled. The information is used for third party billing.
- C. Classification. Contract Agency Inmates shall be classified pursuant to SCORE's classification policies and procedures, and within the sole discretion and reasonable judgment of SCORE. The Contract Agency shall provide sufficient information regarding each Contract Agency Inmate as needed to allow SCORE to make such classification. Contract Agency Inmates shall be assigned to housing pursuant to SCORE's policies and procedures, and within the sole discretion and reasonable judgment of SCORE as provided in Exhibit F.
- D. Inmate Discipline. SCORE shall discipline Contract Agency Inmates according to SCORE policies and procedures and in the same manner which other Inmates are disciplined; provided, however, nothing contained herein shall be construed to authorize the imposition of a type of discipline that would not be imposed on a comparable Inmate, up to and including the removal of earned early release credits as approved by the Contract Agency.
- E. Release. Except for work programs or health care, and during emergencies, Contract Agency Inmates shall not be removed and/or released from the SCORE Facility without written authorization from the Contract Agency or by the order of a court of competent jurisdiction. Other jurisdictions may "borrow" a Contract Agency Inmate according to policies and procedures of SCORE and as listed in Exhibit G.

Contract Agency Inmates will be transported at the time of release as follows: SCORE will release each Contract Agency Inmates to the Contract Agency at a mutually agreeable location. Alternatively, SCORE will provide transportation upon release to either the closest Owner City of arrest, or the Owner City of residence, whichever is closer, unless confirmed transportation is available at the time of release. Additional fees, if any, for transportation outside of King County are included in Exhibit A.

Contract Agency Inmates for whom bail is posted, or who otherwise have a right to be released, may choose to remain in custody at the SCORE Facility by signing written waiver and return to the Contract Agency by the regularly scheduled transport, be released to a family Owner or friend with confirmed transportation, or be released via private taxi.

#### **SECTION 6. INMATE MEDICAL RECORDS, CLOTHING, BEDDING, PROPERTY AND WORK PROGRAMS.**

- A. Inmate Medical Records. Should a Contract Agency Inmate receive medical care for injuries or illness at the time of arrest and prior to booking at the SCORE Facility, the Contract Agency shall provide medical documentation pertaining to injury or illness to SCORE at the time of booking if the Contract Agency has access to such records. If the Contract Agency cannot provide such records, SCORE, in its sole discretion, may refuse to accept a Contract Agency Inmate.
- B. Inmate Property. SCORE agrees to provide each Contract Agency Inmate with necessary or appropriate clothing and essential hygiene items. SCORE shall accept, hold and handle, and return any Contract Agency Inmate property in accordance with SCORE's policies and procedures, and shall be responsible only for Contract Agency Inmate property actually delivered into SCORE's possession. In the event a Contract Agency Inmate is being transported from a Contract Agency designated detention or correction facility, it will be the responsibility of the Contract Agency to process the Contract Agency Inmate's property not delivered and accepted into SCORE's possession as provided in Exhibit E.
- C. Work Programs. SCORE may assign Contract Agency Inmates to work programs such as inside and outside work crews, kitchen and facility duties, and other appropriate duties pursuant to SCORE's policies and procedures and within the sole discretion and judgment of SCORE.
- D. Visitation. SCORE shall provide reasonable scheduled visitation for Contract Agency Inmates. Inmate visitation may be accessible via video connection by third party provider at off-site locations for an access fee. Complimentary video visit access is available at the SCORE Facility. Confidential telephones or visitation rooms shall be available to a Contract Agency Inmate to communicate with his or her legal counsel.
- E. Inmate Accounts. SCORE shall establish and maintain a non-interest bearing account for each Contract Agency Inmate. Upon returning custody of a Contract Agency Inmate to the Contract Agency, SCORE shall transfer the balance of that Contract Agency Inmate's account that is not subject to charges, to the Contract Agency Inmate or to the Contract Agency in the form of cash, check, debit card or other agreed upon method in the name of the Contract Agency Inmate.

#### **SECTION 7. HEALTH CARE.**

SCORE shall provide in-facility medical care commonly associated with corrections operations as guided by American Correctional Association (ACA) or National Commission on Correctional Health Care (NCCHC).

Contract Agency Inmates shall be responsible for co-payment for health services according to SCORE policy. The Contract Agency shall not be responsible to SCORE for Contract Agency Inmate co-payments. No Contract Agency Inmate shall be denied necessary health care because of an inability to pay for health services.

In-facility medical, dental, and mental health services are included in the daily rate set forth in Exhibit A. Should a Contract Agency Inmate require medical, mental health, dental, and/or other medical services at an outside medical or health care facility, SCORE shall notify the Contract

Agency's designee (either by written or electronic means) within a reasonable time period before the Contract Agency Inmate receives such medical, mental health, dental or any other medical services. Notwithstanding the foregoing, the Contract Agency acknowledges that such notice may not be reasonably possible prior to emergency care.

Except to the extent that a Contract Agency Inmate can pay pursuant to Section 5.B, the Contract Agency shall pay for all medical, mental health, dental or any other medical services or equipment that are required to care for Contract Agency Inmates outside of the SCORE Facility in addition to the charges listed in Exhibit A. Lack of prior notice shall not excuse the Contract Agency from financial responsibility for such expenses, and shall not be a basis for imposing financial responsibility for related medical expenses on SCORE. SCORE shall bear the expense of any such medical care necessitated by improper conduct of SCORE, or of its officers or agents.

If a Contract Agency Inmate is admitted to a hospital, the Contracting Agency will be responsible for hospital security unless other arrangements are made with SCORE. SCORE, in its sole discretion, may, or at the request of the Contract Agency shall, provide hospital security services for an additional charge as provided in Exhibit A.

#### **SECTION 8. DETAINERS.**

Warrants and Contract Agency Inmates in a "Detainer" status shall be handled according to SCORE policies and procedures and as provided in Exhibit B attached hereto.

#### **SECTION 9. RELEASE OF HOLDS AND COURT APPEARANCES.**

If a court of limited jurisdiction releases a hold on a Contract Agency Inmate still incarcerated at the SCORE Facility, SCORE will not facilitate further court appearances of that Contract Agency Inmate except if the Contract Agency wishes to use the video arraignment system at the SCORE Facility.

#### **SECTION 10. ESCAPE; DEATH.**

If a Contract Agency Inmate escapes SCORE's custody, SCORE shall notify the Contract Agency as soon as reasonably possible. SCORE shall use all reasonable efforts to pursue and regain custody of escaped Contract Agency Inmates.

If a Contract Agency Inmate dies while in SCORE custody, SCORE shall notify the Contract Agency as soon as reasonably possible. The King County Medical Examiner shall assume custody of the Contract Agency Inmate's body. Unless another agency becomes responsible for investigation, one or more Owner City shall investigate and shall provide the Contract Agency with a report of its investigation. The Contract Agency may participate in the investigation. If another agency becomes responsible for investigation, SCORE shall serve as a liaison or otherwise facilitate the Contract Agency's communication with and receipt of reports from the other agency.

The Contract Agency shall provide SCORE with written instructions regarding the disposition of the Contract Agency Inmate's body. The Contract Agency shall pay for all reasonable expenses for the preparation and shipment of the body. The Contract Agency may request in writing that SCORE arrange for burial and all matters related or incidental thereto and the Contract Agency shall be responsible for all costs associated with this request.

#### **SECTION 11. REPORTING AND INSPECTION.**

SCORE agrees to use reasonable efforts to work with the Contract Agency to provide access to and/or reports from jail management systems that provide statistical information about Inmates. The Contract Agency shall have the right, upon reasonable advance notice, to inspect the SCORE

Facility at reasonable times. During such inspections, the Contract Agency may interview Contract Agency Inmates and review Contract Agency Inmates' records. The Contract Agency shall have no right to interview Inmates housed for other jurisdictions or to review their records, unless Contract Agency is properly authorized to do so by the Inmate or the other jurisdiction.

**SECTION 12. TECHNOLOGY.**

SCORE and the Contract Agency may each permit the other continuous access to its computer database regarding all Contract Agency Inmates housed by SCORE. This continuous access feature may be accomplished through a computer link between a computer(s) designated by the Contract Agency and appropriate computer(s) of SCORE.

**SECTION 13. BILLING AND PAYMENT.**

SCORE shall provide the Contract Agency with monthly statements itemizing the name of each Contract Agency Inmate; the number of days of housing, including the date and time booked into the SCORE Facility and date and time released from SCORE; and itemization of any additional charges including a description of the service provided, date provided and reason for service. Payment shall be due to SCORE within 30 days from the date the bill is received. SCORE may bill the Contract Agency electronically. Payments not received by the 30th day shall bear interest at the rate of 1% per month until payment is received. Any fees or charges for Inmates housed on charges from multiple agencies (including but not limited to outside medical care) will be divided equally among those agencies.

**SECTION 14. BILLING DISPUTE RESOLUTION.**

The Contract Agency must provide written notice of dispute to SCORE within 60 days of billing or other disputed charges. SCORE shall respond in writing to such disputes within 60 days of receipt of such disputes. SCORE and the Contract Agency shall attempt to resolve the dispute by negotiation. If such negotiation is unsuccessful, either Party may refer the dispute to the SCORE Operations Board for resolution. The decision of the SCORE Operations Board is the final internal administrative remedy the Contract Agency must exhaust before pursuing other contractual, legal, equitable, or alternative dispute resolutions.

**SECTION 15. INDEPENDENT CONTRACTOR.**

In providing services under this Agreement, SCORE is an independent contractor and neither it nor its officers, nor its agents nor its employees are employees of the Contract Agency for any purpose, including responsibility for any federal or state tax, industrial insurance, or Social Security liability. Neither shall the provision of services under this Agreement give rise to any claim of career service or civil service rights, which may accrue to an employee of the Contract Agency under any applicable law, rule or regulation. Nothing in this Agreement is intended to create an interest in or give a benefit to third persons not signing as a Party to this Agreement.

**SECTION 16. HOLD HARMLESS, DEFENSE, AND INDEMNIFICATION.**

SCORE shall hold harmless, defend, and indemnify the Contract Agency, its elected officials, officers, employees, and agents from and against any and all suits, actions, claims, liability, damages, judgments, costs and expenses (including reasonable attorney's fees) (also including but not limited to claims related to false arrest or detention, alleged mistreatment, alleged violation of civil rights, injury, or death of any Contract Agency Inmate, or loss or damage to Contract Agency Inmate property while in SCORE custody) that result from or arise out of the acts or omissions of SCORE, its elected officials, officers, employees, and agents in connection with or incidental to the performance or non-performance of SCORE's services, duties, and obligations under this Agreement.

The Contract Agency shall hold harmless, defend, and indemnify SCORE, its elected officials, officers, employees, and agents from and against any and all suits, actions, claims, liability, damages, judgments, costs and expenses (including reasonable attorney's fees) (also including but not limited to claims related to false arrest or detention, alleged mistreatment, alleged violation of civil rights, injury, or death of any Contract Agency Inmate, or loss or damage to Contract Agency Inmate property while in SCORE custody) that result from or arise out of the acts or omissions of the Contract Agency, its elected officials, officers, employees, and agents in connection with or incidental to the performance or non-performance of the Contract Agency's services, duties, and obligations under this Agreement.

In the event the acts or omissions of the officials, officers, agents, and/or employees of both the Contract Agency and SCORE in connection with or incidental to the performance or non-performance of the Contract Agency's and or SCORE's services, duties, and obligations under this Agreement are the subject of any liability claims by a third party, the Contract Agency and SCORE shall each be liable for its proportionate concurrent negligence in any resulting suits, actions, claims, liability, damages, judgments, costs and expenses and for their own attorney's fees.

Nothing contained in this section or this Agreement shall be construed to create a right in any third party to indemnification or defense.

SCORE and the Contract Agency hereby waive, as to each other only, their immunity from suit under industrial insurance, Title 51 RCW. This waiver of immunity was mutually negotiated by the Parties hereto.

The provisions of this section shall survive any termination or expiration of this Agreement.

#### **SECTION 17. INSURANCE.**

SCORE and the Contract Agency shall provide each other with evidence of insurance coverage, in the form of a certificate or other competent evidence from an insurance provider, insurance pool, or of self-insurance sufficient to satisfy the obligations set forth in this Agreement.

SCORE and the Contract Agency shall each maintain throughout the term of this Agreement coverage in minimum liability limits of one million dollars (\$1,000,000) per occurrence and two million dollars (\$2,000,000) in the aggregate for its liability exposures, including comprehensive general liability, errors and omissions, auto liability and police professional liability. The insurance policies shall provide coverage on an occurrence basis.

Each Party shall provide to the other Party at least 30 days advance notice of any cancellation, suspension or material change in coverage.

#### **SECTION 18. TERMINATION.**

Either Party may terminate this Agreement, with or without cause, by providing the other Party with 90 days written notice of termination as provided in RCW 70.48.090.

#### **SECTION 19. RECORDS.**

The Parties hereto shall maintain all records, reports, and documents created, held or maintained under this Agreement and the services to be provided hereunder in accordance with chapter 42.56 RCW (the Washington Public Records Act), chapter 40.14 RCW (Preservation and Destruction of Public Records) and all other applicable federal, state and local laws and regulations.



## **SECTION 20. OPERATION OF SCORE FACILITY; PRISON RAPE ELIMINATION ACT.**

SCORE shall manage, maintain, and operate the SCORE Facility in compliance with all applicable federal, state, and local laws and regulations. SCORE acknowledges and complies with the terms of the Prison Rape Elimination Act regarding custodial sexual misconduct as set forth in Exhibit C.

## **SECTION 21. HIPAA AND HITECH COMPLIANCE.**

The Parties shall comply with all requirements of the Federal Health Insurance Portability and Accountability Act of 1996 (HIPAA) and the Federal Health Information and Technology for Economic and Clinical Health Act (HITECH Act) as applicable, which relate to the Parties' responsibilities under this Agreement, as well as state laws and regulations including chapter 70.02 RCW.

## **SECTION 22. EQUAL OPPORTUNITY.**

Neither Party shall discriminate against any person on the grounds of race, creed, color, religion, national origin, sex, age, marital status, sexual orientation, veterans and military status, political affiliation or belief or the presence of any sensory, mental or physical handicap in violation of any applicable federal law, Washington State Law Against Discrimination (chapter 49.60 RCW) or the Americans with Disabilities Act (42 USC 12110 *et seq.*).

## **SECTION 23. MISCELLANEOUS.**

- A. Real or Personal Property. It is not anticipated that any real or personal property will be acquired or purchased by the Parties solely because of this Agreement.
- B. Assignment. This Agreement, or any interest herein, or claim hereunder, shall not be assigned or transferred in whole or in part by a Party to any other person or entity without the prior written consent of the other Party. In the event that such prior written consent to an assignment is granted, then the assignee shall assume all duties, obligations, and liabilities of the assigning Party stated herein.
- C. Non-Waiver. The failure of either Party to insist upon strict performance of any provision of this Agreement or to exercise any right based upon a breach thereof or the acceptance of any performance during such breach shall not constitute a waiver of any right under this Agreement.
- D. Severability. If this Agreement, or any portion of this Agreement, is held invalid by a court of competent jurisdiction, the remainder of the Agreement shall remain in full force and effect.
- E. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Washington. If any dispute arises between the Parties under any of the provisions of this Agreement, resolution of that dispute shall be available only through the jurisdiction, venue and rules of the King County Superior Court, King County, Washington.
- F. Attorneys' Fees. In any claim or lawsuit for damages arising from the Parties' performance of this Agreement, each Party shall be responsible for payment of its own legal costs and attorney's fees incurred in defending or bringing such claim or lawsuit; however, nothing in this subsection shall limit the each Parties' right to indemnification under this Agreement.
- G. Approval and Filing. Each Party shall approve this Agreement by resolution, ordinance, motion or otherwise pursuant to the laws of the governing body of each Party. The signatures of the authorized signatories below shall constitute a presumption that such approval was properly obtained. A copy of this Agreement shall be filed and/or posted pursuant to chapter 39.34 RCW.

- H. Amendment. Except as otherwise provided in Section 4 of this Agreement, no waiver, alteration, or modification of any of the provisions of this Agreement shall be binding unless evidenced in writing signed by duly authorized representatives of both Parties.
- I. No Joint Venture or Partnership. No joint venture, separate administrative or governmental entity, or partnership is formed as a result of this Agreement
- J. Compliance with Applicable Laws and Standards. SCORE agrees to manage the Contract Agency Inmates and the SCORE Facility in accordance with applicable federal and state laws and regulations and to maintain staffing levels at the SCORE Facility in sufficient numbers and rank to maintain the safety of the public, staff, Inmates, and to reasonably carry out the provisions of this Agreement.
- K. Continuation of Performance. In the event that any dispute or conflict arises between the Parties while this Agreement is in effect, the Parties hereto agree that, notwithstanding such dispute or conflict, they shall continue to make a good faith effort to cooperate and continue work toward successful completion of assigned duties and responsibilities. Provided that if the Contract Agency fails to pay for the services provided by the SCORE, SCORE can cease providing such services until payment is made.
- L. Representatives; Notices. The individuals listed below the signature blocks included in this Agreement are designated as representatives of the respective Parties. The representatives shall be responsible for administration of this Agreement and for coordinating and monitoring performance under this Agreement. In the event such representatives are changed, the Party making the change shall notify the other Party. Any notice or other communication given hereunder shall be deemed sufficient, if in writing and delivered personally to the addressee, or sent electronically or by certified or registered mail, return receipt requested, addressed as provided after the signature blocks included in this Agreement, or to such other address as may be designated by the addressee by written notice to the other Party.
- M. Entire Agreement. This Agreement, together with any subsequent amendments, constitutes the entire Agreement between the Parties and supersedes all prior agreements for inmate housing between the Parties.

#### **SECTION 24. EXECUTION.**

This Agreement shall be executed by the Parties hereto by their duly authorized representative. This Agreement may be executed in one or more counterparts.

THIS AGREEMENT is hereby effective as of the Commencement Date.

SOUTH CORRECTIONAL ENTITY

Devon Schrum  
Signature

9-21-2021  
Date

PORT OF SEATTLE  
Contract Agency Name

APM/ML  
Signature Stephen P. Metruck, Executive Director

10/20/2021  
Date

ATTESTED BY:

Michael Villa  
Signature Michael Villa, Interim Chief of Police

NOTICE ADDRESS:

SOUTH CORRECTIONAL ENTITY  
20817 17th Avenue South  
Des Moines, WA 98198

**Attention:** Devon Schrum, Executive Director  
**Email:** dschrum@scorejail.org  
**Telephone:** (206) 257-6262  
**Fax:** (206) 257-6310

DESIGNATED REPRESENTATIVE FOR PURPOSES OF THIS AGREEMENT:

Name: Devon Schrum

Title: Executive Director

NOTICE ADDRESS:

Port of Seattle Police Department  
PO Box 68727  
Seattle, WA 98168

**Attention:** Michael Villa  
**Email:** villa.m@portseattle.org  
**Telephone:** (206) 450-1601  
**Fax:** (206) 787-7134

DESIGNATED REPRESENTATIVE FOR PURPOSES OF THIS AGREEMENT:

Name: Michael Villa

Title: Interim Chief of Police

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**Exhibit A**

**FEES AND CHARGES AND SERVICES**

2021 Daily Housing Rates:

|  |          |                              |
|--|----------|------------------------------|
| General Population – Guaranteed Beds     | \$128.00 | Number of Beds: <u>  2  </u> |
| General Population – Non-Guaranteed Beds | \$184.00 |                              |

2022 Booking Fee:<sup>1</sup> \$35.00

2022 Daily Housing Rates:

|  |          |                              |
|--|----------|------------------------------|
| General Population – Guaranteed Beds     | \$131.84 | Number of Beds: <u>  2  </u> |
| General Population – Non-Guaranteed Beds | \$189.52 |                              |

Daily Rate Surcharges:<sup>2</sup>

|                                  |          |
|----------------------------------|----------|
| Mental Health – Residential Beds | \$159.00 |
| Medical - Acute Beds             | \$217.00 |
| Mental Health – Acute Beds       | \$278.00 |

Health Care Services:<sup>3</sup>

|                          |                                       |
|--------------------------|---------------------------------------|
| In-Facility Care         | Included                              |
| Co-Payments              | Inmate responsibility                 |
| Outside Medical Services | Contract Agency billed                |
| Emergency Care           | Contract Agency billed                |
| Pharmaceuticals          | Medications billed to Contract Agency |

Transportation Fees:

|  |                  |
|--|------------------|
| SCORE Officer Transport                      | \$65.00/per hour |
| Released at Owner City <sup>4</sup> Location | Included         |

Security Services:

|                   |                  |
|-------------------|------------------|
| Hospital Security | \$65.00/per hour |
|-------------------|------------------|

Video Court:

|                        |          |
|------------------------|----------|
| In-Custody Arraignment | Included |
|------------------------|----------|

Other Terms & Conditions:

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<sup>1</sup> Charged to the jurisdiction responsible for housing the inmate

<sup>2</sup> Surcharges are in addition to daily housing rates and subject to bed availability

<sup>3</sup> Guided by American Correctional Association(ACA) and/or National Commission on Correctional Health Care (NCCHC)

<sup>4</sup> Auburn, Burién, Des Moines, Renton, SeaTac, Tukwila

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**Exhibit B**

**WARRANTS/OTHER COURT ORDERS/DETAINERS**

The following shall apply to Contract Agency Inmates who are subject to warrants from other jurisdictions or to other court orders for confinement or detainers:

1. When receiving a Contract Agency Inmate, the booking officers at SCORE shall review all paperwork provided by the Contract Agency for all grounds to hold the Contract Agency Inmate.
2. Prior to releasing a Contract Agency Inmate, SCORE shall check the NCIC and WACIC systems to determine if the Contract Agency Inmate is subject to any valid warrants or other detainers.
  - a) If the Contract Agency Inmate is subject to a warrant that is limited to King County, SCORE will, upon receiving written permission (e-mail) from the Contract Agency, transport the Inmate to the custodial agency for the jurisdiction that issued the warrant. However, SCORE will not assume responsibility to serve any such warrants.
  - b) If the Contract Agency Inmate is subject to a warrant from a western Washington jurisdiction outside King County, SCORE will either process the Inmate for transfer on the Cooperative Transport Chain or provide transfer to a jurisdiction that participates in Cooperative Transport Chain.
  - c) If the Contract Agency Inmate is subject to a warrant from an eastern Washington jurisdiction, SCORE will send the Inmate to a jurisdiction that participates in the Cooperative Transport Chain.
  - d) If, upon return from SCORE to the Contract Agency, the Inmate is subject to a warrant that provides for statewide extradition, SCORE will either transport the Inmate to the detention/correction facility in King County designated by the agency/jurisdiction that issued the warrant if it is in King County, or will send the Inmate to the agency/jurisdiction that issued the warrant on the Mini- Chain.

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**Exhibit C**

**PREA ACKNOWLEDGMENT - CUSTODIAL AND SEXUAL MISCONDUCT**

1. **Compliance**  
SCORE agrees to ensure that all of its employees, contractors, vendors, and volunteers that have contact with Contract Agency Inmates comply with all federal and state laws regarding sexual misconduct including, but not limited to:
  - a) The Prison Rape Elimination Act of 2003 (PREA)
  - b) The standards for adult Prisons and Jails or Community Confinement Facilities, whichever is applicable, as promulgated by the US Attorney, and
  - c) Zero tolerance toward all forms of sexual abuse and sexual harassment.
  
2. **Monitoring**  
SCORE agrees to provide the Contract Agency documented compliance with the Federal Prison Rape Elimination Act standards. Monitoring may include, but is not limited to:
  - a) Site visits,
  - b) Access to facility data, and
  - c) Review of applicable documentation.
  
3. **Contract Agency may terminate this Agreement**
  - a) Should SCORE fail to provide documentation that demonstrates that the SCORE is actively and effectively working toward and is making substantive progress toward achieving compliance; or
  - b) Should SCORE fail to maintain PREA compliance between auditing periods, after being given a reasonable opportunity to cure.
  
4. **The Contract Agency will terminate this Agreement**
  - a) Should SCORE elect to discontinue pursuit of PREA compliance;
  - b) Should SCORE be found in noncompliance through a PREA Audit and fail to cure such noncompliance within the identified time-frames; or
  - c) Should SCORE be found to be in egregious violation of PREA.

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**Exhibit D**

**MEDICAL ACCEPTABILITY**

SCORE shall determine the medical and mental acceptability of Inmates for booking or housing using the following guidelines. However, final acceptance is based upon approval of medical staff at the time of booking. Excluding criteria include but are not limited to:

1. Signs of untreated broken bones or dislocated joints.
2. Any injury or illness requiring emergency medical treatment.
3. Unconsciousness.
4. Inmates unable to stand and walk under their own power, unless they normally use an assistive device, such as a wheelchair, for mobility.
5. Bed bound individuals.
6. Individuals with attached IV or requiring IV medications.
7. Individuals requiring the use of oxygen tanks.
8. AMA (Against Medical Advice) from the hospital.
9. Individuals having had major invasive surgery within the last 72 hours. Non-invasive surgery such as oral surgery, laser-eye surgery and minor surgery may be evaluated on a case by case basis.
10. Wounds with drainage tubes attached.
11. Persons with Alzheimer's, dementia or other psychological conditions to the point where the Inmate cannot perform activities of daily living ("ADL's") or who do not have the capacity to function safely within a correctional environment.
12. Persons who are diagnosed as developmentally delayed and who do not have the capacity to function safely within a correctional environment or who cannot perform ADL's.
13. Persons undergoing chemotherapy and/or radiation treatment.
14. Persons undergoing dialysis.
15. Persons with suicidal ideations or gestures within the past 72 hours.
16. Persons, if prescribed, who have not taken psychotropic medications for at least 72 hours.
17. Persons who have by self-disclosure, admitted to attempting suicide within the last 30 days.
18. Persons who have attempted suicide during their current incarceration.
19. Persons displaying current psychotic episode.

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**Exhibit E**

**PROPERTY**

1. SCORE will *not accept or transport* the following:
  - a) Backpacks, suitcases, etc.
  - b) Unpackaged food products.
  - c) Food products in packaging that have been opened.
  - d) Any type of weapon (includes pocket knives).
  - e) Liquids.
  - f) Helmets or any kind.
  - g) Large items that will not fit into a common paper grocery bag.
  - h) Material deemed to be contraband.

SCORE will limit property returned with the Inmate to the Contract Agency according to these criteria.



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**Exhibit F**

**CLASSIFICATION**

SCORE maintains a classification plan to guide staff in the processing of individuals brought into the facility. The plan includes an initial screening process, as well as a process for determining appropriate housing assignments (28 CFR 115.42) and uses an objective screening instrument and procedures for making decisions about classification and housing assignments. The plan includes, and not limited to, an evaluation of the following criteria:

1. Behavior during arrest and intake process
2. Potential risk of safety to others or self
3. Medical needs
4. The inmate's own perception of his/her vulnerability
5. Any other criteria as deemed appropriate by the Executive Director or designee

The Contract Agency shall supply SCORE with the following Classification related information, if known to or in possession of the Contract Agency:

1. If the Contract Agency Inmate has been classified to a special housing unit.
2. If the Contract Agency Inmate has been classified as protective custody.
3. If the Contract Agency Inmate:
  - a) Is a violent offender or has displayed violent behavior during present or past incarcerations
  - b) Is identified as a threat to law enforcement
  - c) Is an escape risk

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**Exhibit G**

**BORROWING**

One contracting agency may "borrow" another Contract Agency's Inmate as follows:

1. If a Contract Agency requests the transport of another contracting agency's Inmate from SCORE the requesting agency must notify each agency with rights to custody of the Inmate, and if each agency with rights to custody of the Inmate notifies SCORE in writing (e-mail) of its approval, SCORE shall provide the requested transport to the requesting agency. SCORE will complete a custody transfer form that lists all outstanding detainers. The custody transfer paperwork will accompany the Inmate.
2. Once custody of the Inmate has been transferred to the requesting agency, it is the responsibility of the requesting agency to determine whether the Inmate shall be returned to the custody of SCORE, and if so, the requesting agency shall make all necessary and proper arrangements with SCORE and any agency with rights to custody of the Inmate, for the Inmate's return according to the terms of this Agreement. The requesting agency, to the full extent permitted by law, defend, indemnify, save and hold harmless SCORE as provided in Section 16 of the Agreement.
3. SCORE will not track the Inmate once he or she has left the SCORE Facility.
4. If the Inmate is returned to the custody of SCORE, the requesting agency shall provide SCORE with sentencing/charge information. The requesting agency shall supply all pre-sentence, and post-sentence paperwork from agreeing agencies that authorized the borrowing of the Inmate. This will aid SCORE in determining split billing and release dates.
5. SCORE will transport the Inmate only to an agency that also contracts with SCORE for Inmate housing.

**AMENDMENT TO ORIGINAL AGREEMENT FOR INMATE HOUSING**

**(Amending Exhibit A: Fees and Charges and Services. Amending Housing Agreement: Section 7.)**

THIS AMENDMENT TO INTERLOCAL AGREEMENT FOR INMATE HOUSING (this “Amendment”), dated \_\_\_\_\_, is made and entered into by and between the South Correctional Entity, a governmental administrative agency formed pursuant to RCW 39.34.030(3) (“SCORE”) and \_\_\_\_\_, a [municipal corporation] organized under the laws of the State of Washington (hereinafter the “Contract Agency” together with SCORE, the “Parties” or individually a “Party”).

**RECITALS**

**WHEREAS**, the Parties previously entered into an Interlocal Agreement for Inmate Housing dated \_\_\_\_\_, as amended and as may be further amended from time to time (the “Original Agreement”) pursuant to which SCORE provides housing, care and custody of Contract Agency inmates housed at the SCORE consolidated correctional facility located in the City of Des Moines (the “SCORE Facility”); and

**WHEREAS**, the Parties now desire to amend Exhibit A to the Original Agreement (as amended by this Amendment, the “Agreement”) with regard to fees and charges for such services as provided herein;

**Section 1. Definitions.** Terms not otherwise defined herein (including in the recitals, which are incorporated herein by this reference) shall have the meanings set forth in the Original Agreement.

**Section 2. Amendment.**

**(1) Amendment to Exhibit A.** Daily Housing Rates, Daily Rate Surcharges, Booking Fee, and Transport Fee in Exhibit A to the Original Agreement are hereby replaced in their entirety as follows:

Daily Housing Rates

|  |          |                    |
|--|----------|--------------------|
| General Population – Guaranteed Beds     | \$142.58 | No. of Beds: _____ |
| General Population – Non-Guaranteed Beds | \$204.97 |                    |

Daily Rate Surcharges:

|                                  |          |
|----------------------------------|----------|
| Mental Health – Residential Beds | \$163.77 |
| Medical – Acute Beds             | \$223.51 |
| Mental Health – Acute Beds       | \$286.34 |

Booking Fee \$65.00

Transport/Security Fee \$85.00/hr.

Daily Rate Surcharges are in addition to the daily bed rates and subject to bed availability. The Booking Fee will be charged to the jurisdiction responsible for housing the inmate. Fees, charges, and services will be annually adjusted each January 1<sup>st</sup>.

**(2) Amendment to the Housing Agreement. Section 7 – Healthcare.** following language has been removed from the original housing agreement:

- a) Paragraph 2 "Contract Agency Inmates shall be responsible for co-payment for health services according to SCORE policy. The Contract Agency shall not be responsible to SCORE for Contract Agency Inmate co-payments. No Contract Agency Inmate shall be denied necessary health care because of an inability to pay for health services."
- b) Paragraph 4 "Except to the extent that a Contract Agency Inmate can pay pursuant to Section 5.B,".

**Section 3. Effective Date of Amendment.** The amendments to rates and charges set forth in Section 2 hereof shall become effective on January 1, 2024 at 12:01 a.m.

**Section 4. Entire Agreement.** Except as hereby amended by this Amendment, the remaining terms and conditions of the Original Agreement are hereby ratified and confirmed in all respects.

**Section 5. Severability.** The invalidity or unenforceability of any provision hereof as to any one or more jurisdictions shall not affect the validity or enforceability of the balance of the Agreement as to such jurisdiction or jurisdictions, or affect in any way such validity or enforceability as to any other jurisdiction.

**Section 6. Headings.** The captions in this Amendment are for convenience of reference only and shall not define or limit the provisions hereof.

**Section 7. Execution.** This Agreement shall be executed the Parties hereto by their duly authorized representative. This Amendment may be executed in one or more counterparts.

SOUTH CORRECTIONAL ENTITY

\_\_\_\_\_  
Signature

Title/Name Executive Director Devon Schrum

NOTICE ADDRESS:

SOUTH CORRECTIONAL ENTITY  
20817 17th Avenue South  
Des Moines, WA 98198  
Attention: Devon Schrum

Email: dschrum@scorejail.org  
Telephone: 206-257-6262

\_\_\_\_\_  
Signature

Title/Name: \_\_\_\_\_

NOTICE ADDRESS:





## SOUTH CORRECTIONAL ENTITY

*Serving the Cities of: Auburn, Burien, Des Moines, Renton, SeaTac, and Tukwila*

June 29, 2023

Sent Electronically – June 29, 2023

Chief Michael Villa  
Port of Seattle Police Department  
PO BOX 68727  
Seattle, WA 98111

Dear Chief Michael Villa:

Attached you will find SCORE's 2024 Housing Agreement Amendments:

- 1) SCORE's daily rates for guaranteed and non-guaranteed beds, effective January 1, 2024. For continued services in 2024, please sign and return the contract amendment by October 31, 2023.

SCORE 's Administrative Board adopted a daily bed rate increase of 3% and increased the booking fee to \$65.00. SCORE will also be charging, on a monthly basis, the Non-Guaranteed Rate for any beds that exceed the use of guaranteed beds. SCORE surcharges for specialty beds remain the same. The hourly rate for transports/hospital security was increased to \$85.00/hr.

These rate increases better support the increasing costs of providing 24-hour medical coverage and mental health services. Approximately 90% of SCORE's population requires either medical or mental health services while in custody.

- 2) SCORE has not charged inmates for medical co-pays since 2020. This following language has been removed from the original housing agreement, Section 7 – Healthcare;
  - a) Paragraph 2 "Contract Agency Inmates shall be responsible for co-payment for health services according to SCORE policy. The Contract Agency shall not be responsible to SCORE for Contract Agency Inmate co-payments. No Contract Agency Inmate shall be denied necessary health care because of an inability to pay for health services."
  - b) Paragraph 4 "Except to the extent that a Contract Agency Inmate can pay pursuant to Section 5.B,".

Please contact me if you have any questions. I can be reached either via email or phone at [dschrum@scorejail.org](mailto:dschrum@scorejail.org) or 206-257-6262.

Sincerely,

Devon Schrum, Executive Director  
South Correctional Entity (SCORE)  
Mission: to provide the highest quality public safety services to those we serve.

Enclosure (1)

054

**RETURN TO AGENDA**



**COMMISSION  
AGENDA MEMORANDUM**

**Item No.** 8d

**ACTION ITEM**

**Date of Meeting** October 24, 2023

**DATE :** October 17, 2023

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

**FROM:** Jennifer Maietta, Director of Real Estate Asset Management  
Lily Ninburg, Real Estate Manager  
Julie Yun, Waterfront Capital Project Manager

**SUBJECT:** Terminal 91 Buildings (M-39, W-28, M-19) Demolition (CIP# C801372)

**Amount of this request:** \$850,000  
**Total estimated project cost:** \$9,100,000

**ACTION REQUESTED**

Request Commission authorization for the Executive Director to authorize \$850,000 in funding to proceed with Design and Permitting of the Terminal 91 Buildings (M-39, W-28, M-19) Demolition project. This request would increase the total project authorization to date to \$1,000,000 out of a total estimated project cost of \$9,100,000.

**EXECUTIVE SUMMARY**

This project addresses the need for demolition of three buildings—W-39, M-28, and M-19—at Terminal 91. These buildings were originally built in in 1920s-1940s for varied industrial uses, including cold storage (W-39), food processing and maintenance shop (M-28), and industrial warehouse (M-19). All three buildings are considered past design life (e.g., roofing, electrical, mechanical, and fire life safety systems etc.), carry safety hazards and liability associated with hazardous materials and fire suppression safety, and have no revenue generating potential identified in their current condition. Recent condition assessments and planning evaluations around retrofit alternatives have demonstrated that demolition is the recommended option. Demolishing these 3 buildings will remove existing hazards, protect the Port of Seattle from potential liabilities, and eliminate continued cost of maintaining unleaseable vacant buildings. The design and permitting effort will include hazardous material abatement and safe disposal, isolation of all utilities, and coordination with transportation agencies regarding temporary and permanent impacts to transportation and transit infrastructure.

**JUSTIFICATION**

This project supports the following Century Agenda goals:

- (1) Goal 3: Responsibly invest in the economic growth of the region and all its communities.

Meeting Date: October 24, 2023

*Objective 7: Advance maritime industries through innovation, strategic investment, and capable management of Port facilities.*

(2) Goal 6: Be a Highly Effective Public Agency.

*Objective 19: Set the standard for high quality, cost-effective, and timely delivery of capital programs.*

This demolition will eliminate high cost of maintaining vacant and unleasable buildings and create potential revenue through yard storage and laydown lease opportunities. This project will precede future planning efforts to evaluate the overall use of Terminal 91.

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

The project team is in collaboration with the Diversity in Contracting Department to establish a Women and Minority-owned Business Enterprise (WMBE) aspirational goal for the project-specific design services contract. Historically, design services contracts of similar project scope have utilized aspirational goals between 10-16% and this project is anticipated to arrive within a similar range.

### **DETAILS**

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

This authorization will allow for the procurement of a design services consultant that will support the Design and Permitting effort. The project team will pursue a Project-Specific contract to meet design support needs while also expediting the project schedule (versus the alternate option to sustain delays by procuring design support through a new IDIQ contract).

The project scope includes, but is not limited to, the following key elements:

- (1) Demolish 3 buildings (W-39, M-28, and M-19) down to slab level.
- (2) Abate and dispose of hazardous materials.
- (3) Decommission substation 10 inside building W-39.
- (4) Disconnect and/or relocate all utilities and equipment as appropriate.
- (5) Demolish W-39 apron connection to the Magnolia Bridge. Restore appropriate pedestrian access and safety barriers.
- (6) Coordinate temporary and permanent relocation of transportation infrastructure in good faith to the public and to collaborating transportation agencies (Seattle Department of Transportation and King County Metro).
- (7) Coordinate with Washington Department of Ecology pertaining to conditions of the Agreed Order at Terminal 91.

#### ***Schedule***

The demolition of the three buildings at Terminal 91 will be in close coordination with external coordinating agencies as well as with Port stakeholders and other projects being executed near



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the project area. Demolition of the three buildings will be sequenced to minimize impact to facility operations and simultaneous projects within the project vicinity.

*Activity*

|                                       |         |
|---------------------------------------|---------|
| Commission Design Authorization       | 2023 Q4 |
| Design Start                          | 2024 Q2 |
| Commission Construction Authorization | 2025 Q2 |
| Construction Start                    | 2025 Q3 |
| In-use Date                           | 2026 Q1 |

**Cost Breakdown**

|              | This Request | Total Project |
|--------------|--------------|---------------|
| Design       | \$850,000    | \$1,000,000   |
| Construction | \$0          | \$8,100,000   |
| Total        | \$850,000    | \$9,100,000   |

**ALTERNATIVES AND IMPLICATIONS CONSIDERED**

**Alternative 1** – Defer the scope of work identified for this authorization request.

Cost Implications: Preservation of expense funds in the amount of \$850,000.

Pros:

- (1) Preservation of expense funds towards other operations/projects.

Cons:

- (1) Continued cost of maintaining 3 vacant, non-operational, and unleasable buildings within the Port Real Estate portfolio.
- (2) Potential liability due to security, vandalism, and fire risks associated with vacant buildings.
- (3) Potential liability due to hazardous material exposure, fire suppression inadequacies.
- (4) Potential for reactive and uncontrolled demolition project due to future structural and electrical failure.

*This is not the recommended alternative.*

**Alternative 2** – Demolition of less than full scope of 3 buildings.

Cost Implications: Preservation of expense funds up to \$850,000.

Pros:

- (1) Preservation of expense funds towards other operations/projects.

Cons:

- (1) Loss of schedule and cost efficiencies due to separate design and construction efforts.

*This is not the recommended alternative.*

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**Alternative 3** – Proceed with the demolition of the 3 buildings as proposed.

Cost Implications: Allocation of \$850,000 in operating expense.

Pros:

- (1) Eliminate hazards and liabilities of maintaining 3 vacant, non-operational, and unleaseable buildings.
- (2) Eliminate cost of maintaining 3 vacant, non-operational, and unleaseable buildings.
- (3) Gained efficiency in coordinating design and construction of 3 building demolitions, versus individual demolition projects.
- (4) Creation of potential revenue generating opportunity via ground lease space in the near term and other future uses.

Cons:

- (1) Temporary construction impacts.

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

**FINANCIAL IMPLICATIONS**

***Cost Estimate/Authorization Summary***

|  | Capital | Expense     | Total       |
|--|---------|-------------|-------------|
| <b>COST ESTIMATE</b>                         |         |             |             |
| Original estimate                            | \$0     | \$9,100,000 | \$9,100,000 |
| <b>AUTHORIZATION</b>                         |         |             |             |
| Previous authorizations                      | \$0     | \$150,000   | \$150,000   |
| Current request for authorization            | 0       | \$850,000   | \$1,000,000 |
| Total authorizations, including this request | 0       | \$1,000,000 | \$1,000,000 |
| Remaining amount to be authorized            | \$0     | \$8,100,000 | \$8,100,000 |

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

This project has been included in the draft 2024 Budget with a non-operational expense of \$1.825 million in 2024. The total cost of the project is included in the draft 2024 Capital Plan as a major expenditure under C801372.

This project is funded by the General Fund.

***Financial Analysis and Summary***

|   |   |
|---|---|
| Project cost for analysis                               | \$9,100,000   |
| Business Unit (BU)                                      | Maritime Portfolio Management   |
| Effect on business performance (NOI after depreciation) | This project will increase non-operational expenses by \$9.1 million over the project period. |
| IRR/NPV (if relevant)                                   | N/A   |
| CPE Impact  | N/A   |

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**ADDITIONAL BACKGROUND**

None.

**ATTACHMENTS TO THIS REQUEST**

- (1) Presentation slides.

**PREVIOUS COMMISSION ACTIONS OR BRIEFINGS**

None.



Item No.: 8d\_Supp

Date of Meeting: October 24, 2023

M-39

W-28

M-19

# Terminal 91 Buildings (M-39, W-28 & M-19) Demolition (CIP #C801372)

Jennifer Maietta, Director of Real Estate Asset Management

Lily Ninburg, Real Estate Manager

Julie Yun, Waterfront Capital Project Manager





# Commission Request

## Action Requested:

Request Commission authorization for the Executive Director to authorize \$850,000 in Design Authorization funding to proceed with Design and Permitting of the Terminal 91 Buildings (M-39, W-28, M-19) Demolition project. This request would increase the total project authorization to date to \$1,000,000 out of a total estimated project cost of \$9,100,000.

# Overview



# Project Drivers

1. Buildings are past design life (electrical, roofing, mechanical)
2. Buildings pose hazards and potential liability risk associated with hazardous materials, fire safety, and security.
3. Buildings have no future revenue-generating opportunity in current condition (compliance, safety, and configuration).
4. Evaluated retrofit alternatives were not recommended based on complexity and cost.
5. Demolition will avail ground- and yard lease space for potential revenue generation.

# Scope of Work

- Demolish 3 buildings (W-39, M-28, and M-19) down to slab level.
- Abate and dispose of all hazardous materials.
- Disconnect and/or relocate all utilities and equipment.
- Demolish W-39 apron connection to the Magnolia Bridge. Restore appropriate pedestrian access and safety barriers.
- Coordinate temporary and permanent impacts to transportation infrastructure with local agencies.
- Coordinate with Washington Department of Ecology pertaining to conditions of the Agreed Order at Terminal 91.



# Project Timeline

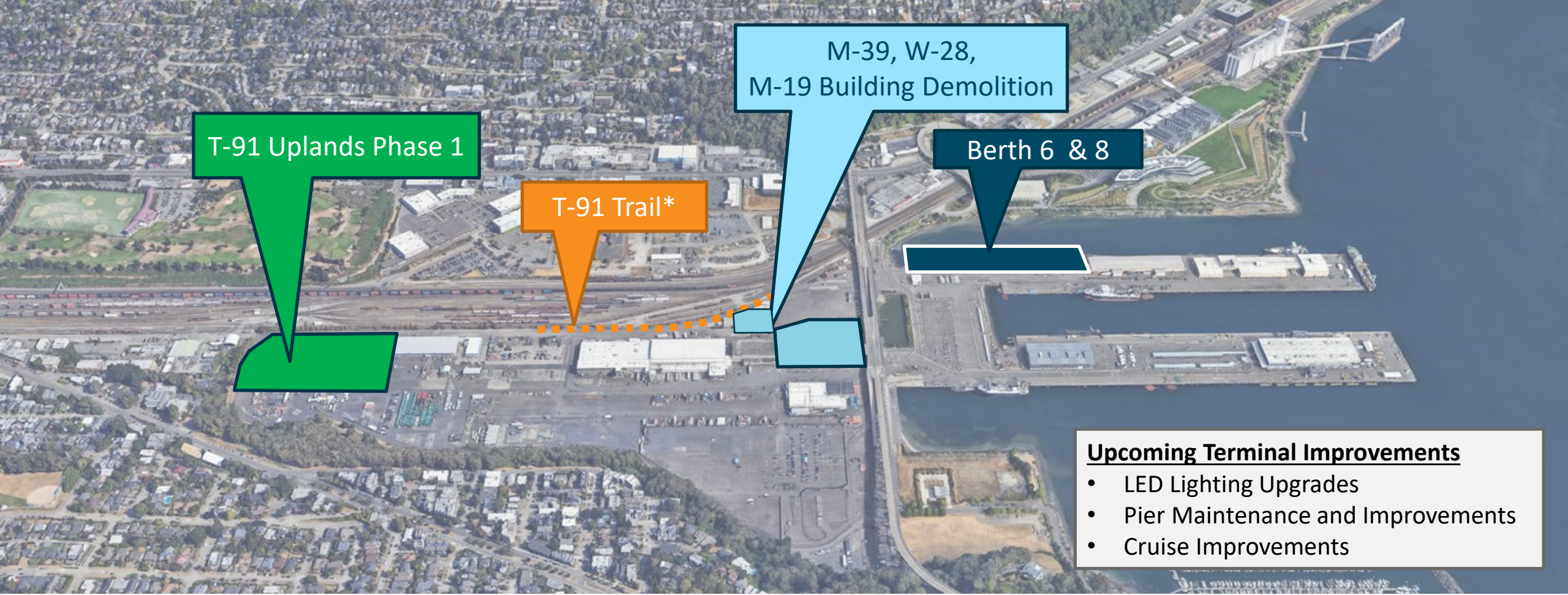
| <b>Milestone</b>                             | <b>Date</b> |
|--|-------------|
| <b>Commission Design Authorization</b>       | 2023 Q4     |
| <b>Design Start</b>                          | 2024 Q2     |
| <b>Commission Construction Authorization</b> | 2025 Q2     |
| <b>Construction Start</b>                    | 2025 Q3     |
| <b>In-use Date</b>                           | 2026 Q1     |



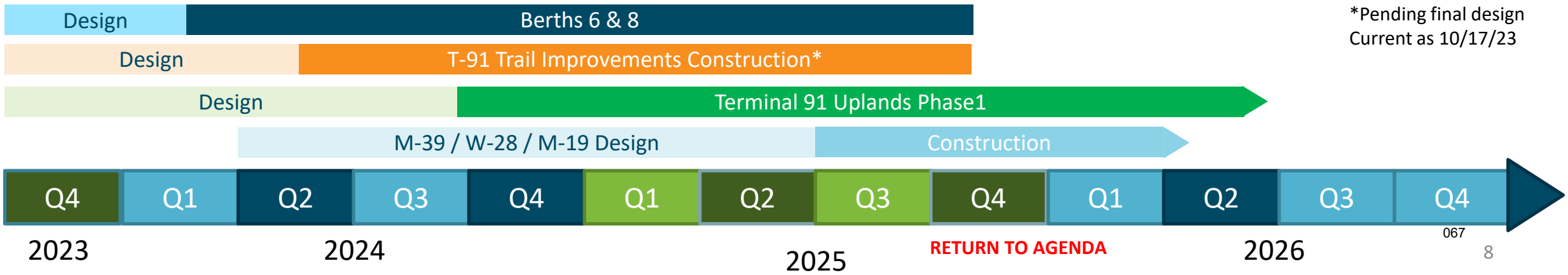
# Questions?







- Upcoming Terminal Improvements**
- LED Lighting Upgrades
  - Pier Maintenance and Improvements
  - Cruise Improvements





**COMMISSION  
AGENDA MEMORANDUM**

**Item No.** 8e

**ACTION ITEM**

**Date of Meeting** October 24, 2023

**DATE:** September 12, 2023

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

**FROM:** Jeffrey Wolf, Director, Aviation Commercial Management  
Khalia Moore, Senior Manager, Airport Dining and Retail

**SUBJECT:** Lease and Concession Termination Agreements for Airport Dining and Retail (ADR) locations affected by the Concourse C Expansion Project (CCE) and Concourse A Duty-Free (Duty-Free) Construction.

**Amount this request: \$2,479,145**

**ACTION REQUESTED**

Request Commission authorization for the Executive Director to (1) execute Termination Agreements; (2) payout where applicable Net Book Value (NBV) associated with the Termination Agreement; (3) execute new Lease and Concession Agreements for certain ADR Tenants impacted by the upcoming CCE and Duty-Free projects.

**Termination Agreements**

Termination Agreements associated with the CCE project effective January 8, 2024:

- Seattle Air Ventures JV, locations CC-03 (Hudson) and CC-04 (Elliot Bay Books)
- Terminal Getaway Spa Seattle, LLC location CC-05 (Terminal Getaway Spa)
- LaTrelle’s Express, Inc., location CC-06A (Subway)
- Beecher’s Homemade Cheese, LLC, locations CC-06B (Beecher’s Handmade Cheese) and CC-07 (Beecher’s Beer & Wine)
- Planewear, location CT-27 (Planewear)
- Host BF Foods, location CT-06 (Stonehouse Café)

Termination Agreements associated with the Duty-Free Expansion Project anticipated to be December 31, 2025 (actual termination date will be determined following the completion of the Duty-Free Request for Proposal process throughout 2024):

- Terminal Getaway Spa Seattle, LLC location CA-03 (Terminal Getaway Spa)
- InMotion SEA, LLC location CA-07 (InMotion Entertainment)
- Stellar Bambuza SEA, LLC location CA-09 (Swarovski)

Meeting Date: October 24, 2023

**NBV Amounts**

NBV buyout Amounts for the applicable Lease and Concession Agreements broken out by project impact are as follows:

**CCE Project**

|   |                    |
|---|--------------------|
| Seattle Air Ventures JV:                  | \$1,000,318        |
| <u>Terminal Getaway Spa Seattle, LLC:</u> | <u>\$ 482,756</u>  |
| <b>Total Concourse C Expansion Buyout</b> | <b>\$1,483,074</b> |

**Concourse A Duty Free**

|   |                    |
|---|--------------------|
| InMotion SEA, LLC:                        | \$ 211,155         |
| Stellar Bambuza SEA, LLC:                 | \$ 402,008         |
| <u>Terminal Getaway Spa Seattle, LLC:</u> | <u>\$ 382,908</u>  |
| <b>Total Concourse A Duty-Free Buyout</b> | <b>\$ 996,071</b>  |
| <b>Total Buyout</b>                       | <b>\$2,479,145</b> |

**New Lease and Concession Agreements**

New Lease and Concession Agreements associated with the CCE project:

- Planewear: Replaces the current location, CT-27, impacted by CCE construction.

New Lease and Concession Agreement associated with the Concourse A Duty-Free Expansion Project:

- SeaTac Bar Group, LLC replaces the impacted location, CA-04
- Sun’s Inc. replaces the impacted location, CA-06

**EXECUTIVE SUMMARY**

**CCE Project:**

On March 10, 2020, April 12, 2022, and September 26, 2023, Commission was provided a public briefing on the status of the Concourse C Expansion project. In addition, on September 26, 2023, Commission was briefed in 2:2:1 on the release of an RFP for the new ADR locations being created as part of the CCE project as well as additional locations in areas surrounding Concourse C.

As construction is anticipated to begin in January of 2024 for CCE, early termination of the affected spaces is required. Affected locations that will be required to permanently close due to this construction project include (lease term in parentheses):

On February 14, 2023, Commission authorized a Tenant Reimbursement Agreement with Planewear, LLC to relocate their space from CT-27 to CT-09. This request is specifically for the

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Executive Director to execute a new Lease and Concession Agreement for Planewear in the new location.

| Space Number | Tenant Name                  | Locaton Name             | Contract Term Expiration | Status                       |
|--------------|------------------------------|--------------------------|--------------------------|------------------------------|
| CC-03        | Seattle Air Ventures, JV     | Hudson                   | December 31 ,2027        | NBV Buyout                   |
| CC-04        | Seattle Air Ventures, JV     | Elliot Bay Books         | December 31 ,2034        | NBV Buyout                   |
| CC-05        | Terminal Getaway Spa Seattle | Terminal Getaway Spa     | September 30, 2031       | NBV Buyout                   |
| CC-06A       | Beecher's Handmade Cheese    | Beeher's Handmade Cheese | December 31 ,2023        | Natural Expiration-No Buyout |
| CC-06B       | Latrelles Express, Inc.      | Subway                   | December 31 ,2023        | Natural Expiration-No Buyout |
| CC-07        | Beecher's Handmade Cheese    | Beecher's Beer and Wine  | December 31 ,2023        | Natural Expiration-No Buyout |
| CT-06        | Host BF Foods                | Stonehouse Cafe          | December 31 ,2023        | Natural Expiration-No Buyout |
| CT-27        | Planewear                    | Planewear                | December 31 ,2034        | Replacement Space            |

**Concourse A Duty-Free Project:**

On October 26, 2021, Commission authorized the completion of a Project Definition Document (PDD) for the Concourse A Duty-Free Project as well as authorized the release of a Request for Proposal (RFP) to select a Duty-Free Operator.

The remaining term of the impacted areas is as follows:

| Space Number | Tenant Name                  | Locaton Name                 | Contract Term Expiration | Status            |
|--------------|------------------------------|------------------------------|--------------------------|-------------------|
| CA-03        | Terminal Getaway Spa Seattle | Terminal Getaway Spa Seattle | September 30, 2034       | NBV Buyout        |
| CA-04        | Sun's Inc.                   | Manchu Wok                   | December 31, 2026        | Replacement Space |
| CA-06        | Seatac Bar Group, LLC        | Africa Lounge                | December 31, 2026        | Replacement Space |
| CA-07        | InMotion SEA, LLC            | InMotion Entertainment       | June 30, 2031            | NBV Buyout        |
| CA-09        | Stellar-Bambuza SEA JV       | Swarovski                    | January 31, 2031         | NBV Buyout        |

The construction of the Concourse A Duty-Free Expansion is anticipated to begin in Q4 2025/Q1 2026, therefore early termination of these impacted locations is required. Per the Lease and Concessions Agreement for CA-03, Terminal Getaway Spa, CA-07, InMotion Entertainment and CA-09, Swarovski, the Port is required to pay Net Book Value of the initial investment if the space is reclaimed prior to the natural expiration of the lease.

As part of the Lease and Concession Agreement Amendments dated June 22, 2016, for spaces CA-04, Manchu Wok and space CA-06, Africa Lounge, the Port is required to provide a new location should the Port reclaim the space prior to the natural termination of the agreement. This request is for the Executive Director to execute new Lease and Concession Agreements for replacement space for SeaTac Bar Group, LLC and Sun’s Inc.

**Net Book Value Payout:**

As part of the early termination, the Port is required to reimburse the affected tenants the remaining Net Book Value for their space based on their initial investment. In some cases, the

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affected tenants’ investments have been fully amortized for their location (Stonehouse Café) therefore a Net Book Value reimbursement is not required and in other cases the natural contract expiration is December 31, 2023 (Beecher’s, Beecher’s Beer and Wine, and Subway)

**JUSTIFICATION**

As stated in previous briefings and authorizations to Commission, the completion of both the Concourse A Duty-Free Expansion and the Concourse C Expansion projects will augment the overall ADR program by providing more offerings to various passenger demographics, provide new opportunities for businesses at the airport and enhancing the overall customer experience. Although permanently closing locations within the airport is not always ideal, staff did consider all options before seeking authorization for these projects.

Staff has committed to providing the affected tenants a least sixty (60) days’ notice before termination and closure of their location. Staff will delay the closures of the units until there is certainty from the general contractor that work is to begin: anticipated closure for Concourse C Expansion is currently January 2024, and Q4 2025 for Concourse A Duty Free. Staff has worked closely with the affected tenants and most of the concessionaire employees impacted by these unit closures will be retained within other locations operated by the impacted tenants. Any concessionaire employees not directly transferred to other ADR concession locations will be placed in the employee continuity pool with Port Jobs. Planewear, LLC; SeaTac Bar Group, LLC; and Sun’s Inc. have been offered and have accepted comparable locations.

**ALTERNATIVES AND IMPLICATIONS CONSIDERED**

Staff is recommending the second, preferred alternative described below.

**Alternative 1 – Relocate all affect tenants into the CCE Project**

Cost Implications: \$0

Pros:

- (1) Doesn’t require the Port to undergo the RFP process.

Cons:

- (1) This option inhibits the process of fair competition for leasing opportunities.
- (2) Port will not get the benefits of a competitive process and innovations available with the RFP process.
- (3) No new opportunities will be available to new businesses interested in entering or growing within the ADR program.
- (4) This option does not follow the Lease and Concessions agreement stipulations for taking back space for operational need.

This is not the recommended alternative.

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**Alternative 2 – Issue the Termination Agreements**

Cost Implications: \$2,479,145

Pros:

- (1) Follows the process identified in the affected tenants Lease and Concession Agreements
- (2) Will not delay the start of construction for the CCE project.

Cons:

- (1) May result in the loss of some staff currently within the airport.

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

**FINANCIAL IMPLICATIONS**

***Financial Analysis and Summary***

|   |   |
|---|---|
| Project cost for analysis                               | \$2,479,145 (buyout amount)                             |
| Business Unit (BU)                                      | Airport Dining and Retail (ADR)/Commercial Management   |
| Effect on business performance (NOI after depreciation) | Included as part of the CCE and Duty-Free project costs |
| IRR/NPV (if relevant)                                   | N/A   |
| CPE Impact  | N/A   |

**ATTACHMENTS TO THIS REQUEST**

- (1) Presentation

**PREVIOUS COMMISSION ACTIONS OR BRIEFINGS**

- March 10, 2020
- October 26, 2021
- April 12, 2022
- February 14, 2023
- September 26, 2023



# Concourse C and A Termination Agreement

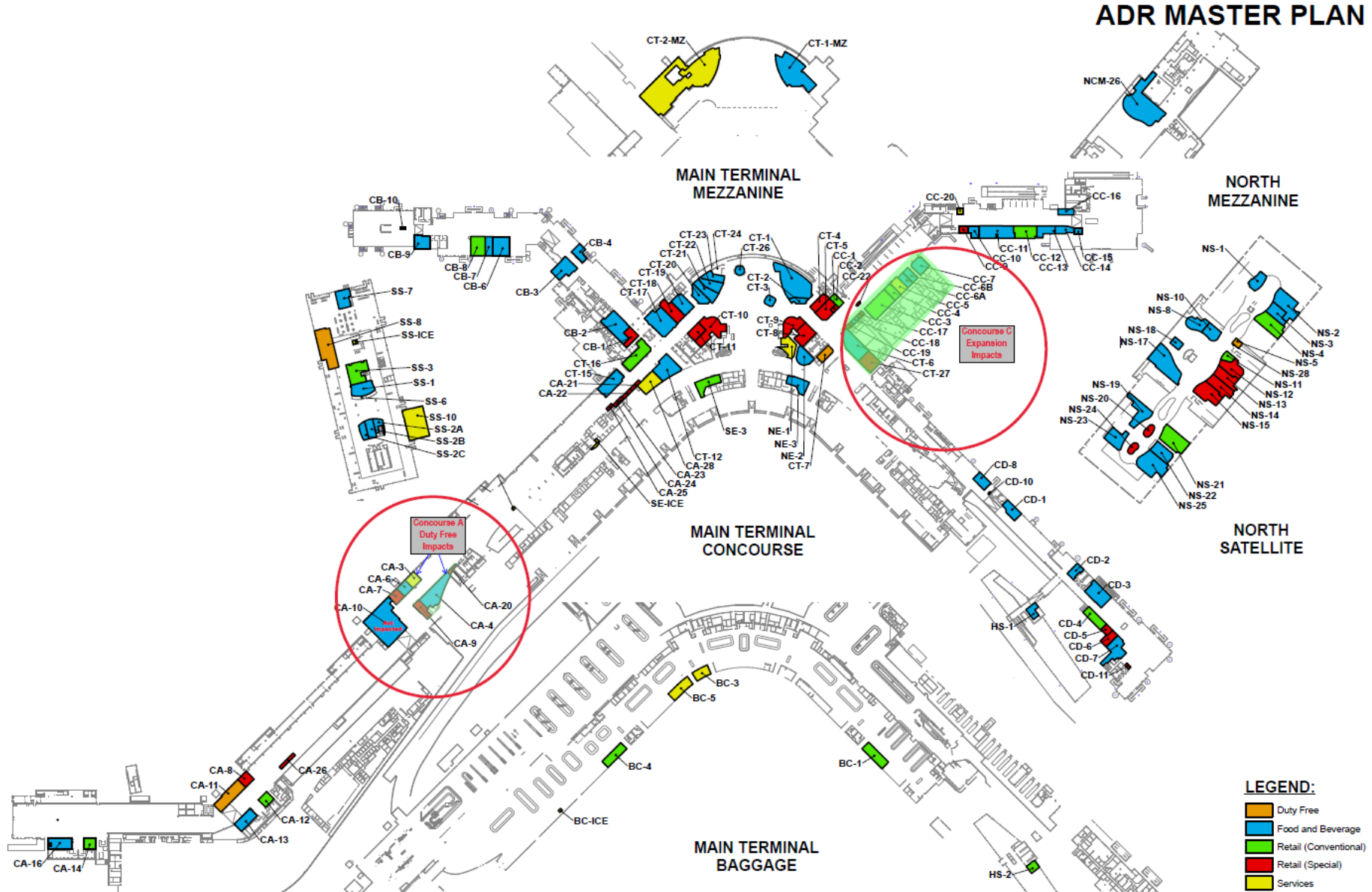
Jeffrey Wolf, Director  
Aviation Commercial Management

Khalia Moore, Senior Manager  
Airport Dining and Retail

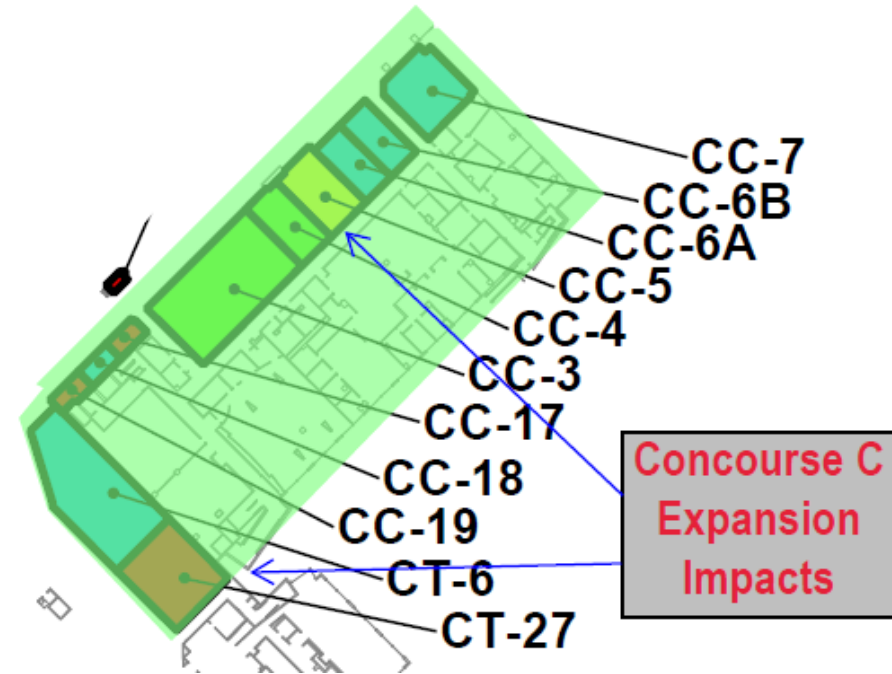
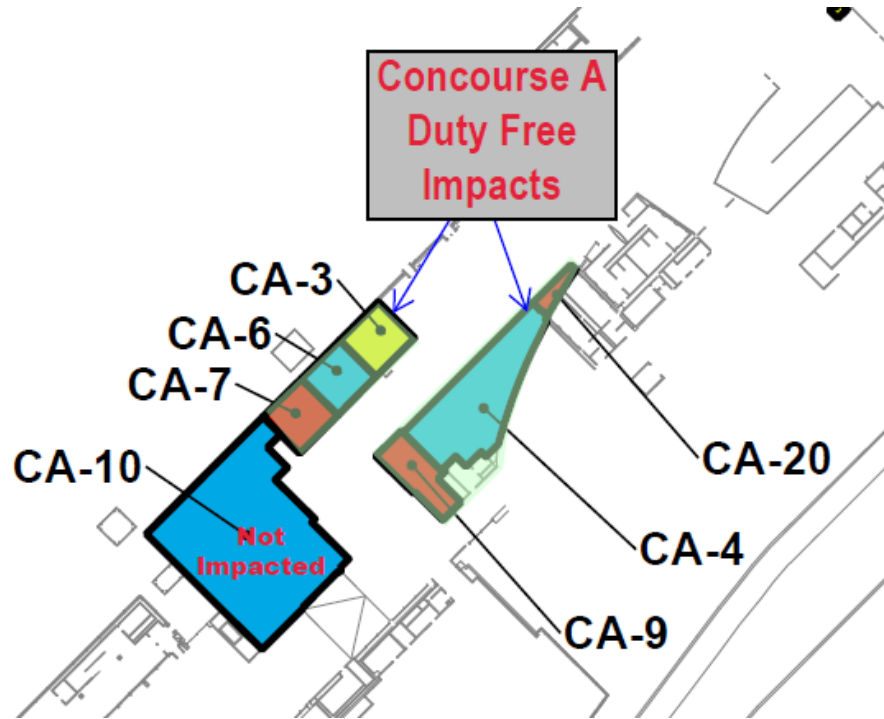
# Request for Approval

- Executive Director execution Termination of ADR contracts associated with Concourse C Expansion and Concourse A Duty-Free Expansion.
- Executive Director execution of one (1) new lease for space impacted by Concourse C Expansion.
  - TRA for the relocation of this tenant was approved by Commission on February 14, 2023.
- Executive Director execution of two (2) new leases for spaces impacted by Concourse A Duty-Free Expansion.
  - Per the lease and concessions amendment, these locations are required to receive a replacement space for impact to operations.

# Impacted Spaces At-A-Glance



# Impacted Spaces At-A-Glance



# Financial Implications

- ***Concourse C:***
  - Seattle Air Ventures JV (Hudson and Elliot Bay Books): \$1,000,318
  - Terminal Getaway Spa: \$482,756
- ***Concourse A:***
  - InMotion Entertainment: \$211,155
  - Stellar Bambuza SEA: \$402,008
  - Terminal Getaway Spa Seattle: \$382,908
- **Total: \$2,479,145**

# Concourse C Expansion Employee Impacts

- ***Hudson (Buyout)***: Most concessions employees will be retained at other operations throughout the airport.
- ***Elliot Bay Books (Buyout)***: Most concessions employees will be retained at other operations throughout the airport.
- ***Terminal Getaway (Buyout)***: Concessions employees will be retained at other operations throughout the airport.
- ***Planewear (Relocation)***: Concessions employees will be retained at other operations throughout the airport.
- ***Stonehouse Café (No Buyout-Fully Depreciated)***: Most concessions employees will be retained at other operations throughout the airport.

# Concourse C Expansion Employee Impacts

- ***Subway (Natural Expiration):*** Concessions employees will be retained at other concessions tenant operations throughout the airport.
  - Natural Contract Expiration of contract is 12/31/2023
- ***Beecher's/Beecher's Beer and Wine (Natural Expiration):*** Many concessions employees will be retained at other company operations offsite while others may choose to remain within the airport at other operations.
  - Natural Contract Expiration of contract is 12/31/2023
- ***Introductory Kiosks:***
  - Natural expiration of current tenant operations is 12/31/2023.
  - Available locations will be replaced and doubled as a part of the CCE project.

# Concourse A Duty-Free Impacts

- ***Swarovski (Buyout)***: Concessions employees will be retained at other operations throughout the airport.
- ***InMotion Entertainment (Buyout)***: Concessions employees will be retained at other operations throughout the airport.
- ***Terminal Getaway Spa (Buyout)***: Concessions employees may be retained at other operations throughout the airport and will be placed in the Port Jobs Employee Pool.
- ***Africa Lounge (New Space)***: Concessions employees will be retained at other operations throughout the airport.
- ***Manchu Wok (New Space)***: Some concessions staff may enter the employee continuity pool while other staff will be retained for the operation of the new location.

[RETURN TO AGENDA](#)





**COMMISSION  
AGENDA MEMORANDUM**

**Item No.** 8f

**ACTION ITEM**

**Date of Meeting** October 24, 2023

**DATE:** October 13, 2023

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

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

**SUBJECT: Baggage Claim 15 & 16 Replacement Project Construction Authorization (CIP #801127)**

**Amount of this request:** \$10,658,000

**Total estimated project cost:** \$14,325,000

**ACTION REQUESTED**

Request Commission authorization for the Executive Director to (1) advertise, award, and execute a major construction contract for the Baggage Claim 15 & 16 Replacement project at Seattle-Tacoma International Airport; (2) use Port crews to assist in the completion of the work; and (3) include a Project Labor Agreement (PLA) for the project. The amount requested under this authorization is \$10,658,000 for a total authorization of \$14,325,000.

**EXECUTIVE SUMMARY**

Baggage claims 15 and 16 are the oldest claim devices which were originally installed in 1975-1985 and rebuilt in 1998. The useful life for a flat plate device is 15 years and multiple components are showing signs of needing replacement. The existing devices also have had increasing maintenance and reliability issues. The intent of this project is to replace the existing devices with slope plate devices to be consistent with the rest of the baggage claim and improve reliability.

**JUSTIFICATION**

The existing baggage claim 15 & 16 are flat plate devices and are well beyond their useful life of 15 years. They are both outdated, multiple components are showing signs of needing replacement, and require customized parts for repairs. Replacement parts for these devices are not readily available due to the age and have a 2–3-week lead time for fabrication. If the Maintenance shop does not have the parts on hand or there are too many part failures, then the claim device will be unavailable until the parts are received. Unexpected claim outages due to failure are a direct impact to both Airline operations and the travelling passenger experience. New devices are quieter and have better aesthetics while also being more energy efficient with improved controls.

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This project will also solve a safety concern in the bag well by installing the new claim input belts closer to the existing wall to allow for a wider tug driving lane. This creates space for the airline employees to drop off baggage onto the claim device input belt.

An additional benefit of the project is 1,000 square feet of tenant space build out in the bag claim area that will meet our tenant business needs.

***Diversity in Contracting***

There will be a five percent Women and Minority Business Enterprise (WMBE) aspirational goal for this project.

**DETAILS**

The project will replace the existing baggage claim 15 & 16 with updated slope plate devices. This includes all feed conveyor, fire security doors, and controls. The project will also build out 1,000 square feet of move in ready tenant lease space. Total project costs are estimated to be \$14,325,000 with \$3,667,000 previously authorized for the design phase and current request of \$10,685,000 for the construction phase.

***Scope of Work***

The scope of work will include the following:

- (1) Design and replace baggage claims 15 & 16 with new slope plate devices.
- (2) Modify existing HVAC to allow for conveyor right of way.
- (3) Patch wall penetrations for existing baggage claim 15 & 16 devices (4 locations).
- (4) Reconfigure feed conveyor to transport baggage from above.
- (5) Improve bag well tug traffic safety by moving the drop off belt closer to the wall for both claims, creating a wider drive lane; and
- (6) Create new tenant lease space for future tenants.

***Schedule***

Construction on Baggage Claim 15 & 16 cannot begin until current North Main Terminal Redevelopment Project is complete in the north baggage claim area, currently scheduled for Q3 2024. In addition, current long lead times for conveyor equipment result in early procurement in order to have all equipment on site before construction begins. The construction of the claim devices will be sequences such that only one claim device is out of service at a time to minimize impacts to operations and passenger experience.

***Activity***

|                                 |                |
|---------------------------------|----------------|
| Advertise for Construction Bids | 2024 Quarter 1 |
| Procure Long Lead Items         | 2024 Quarter 2 |
| Construction start              | 2024 Quarter 4 |
| In-use date                     | 2025 Quarter 3 |

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| <b>Cost Breakdown</b> | <b>This Request</b> | <b>Total Project</b> |
|-----------------------|---------------------|----------------------|
| Design                | \$0                 | \$3,667,000          |
| Construction          | \$10,658,000        | \$10,658,000         |
| Total                 | \$10,658,000        | \$14,325,000         |

**ALTERNATIVES AND IMPLICATIONS CONSIDERED**

**Alternative 1** – Do not proceed with this project.

Cost Implications: Approximately \$1,500,000

Pros:

- (1) Lowest cost alternative.
- (2) No construction in the bag claim area and no impact to claim capacity.

Cons:

- (1) Equipment condition will continue to be a concern with an increasing risk of failure.
- (2) Increased risk over time of equipment failure which impacts Airline operations and travelling passenger experience.
- (3) No improvement to bag well operation safety conditions.
- (4) Does not add tenant lease space.
- (5) The cost for soft cost, design and notebook development would need to be expensed.

This is not the recommended alternative.

**Alternative 2** – Replace claims 15 & 16.

Cost Implications: \$14,325,000

Pros:

- (1) Replaces the oldest baggage claim devices to reduce maintainability and increase reliability.
- (2) Increases tug traffic safety in the bag well.
- (3) Creates more tenant lease space.

Cons:

- (1) Impact to operations while replacing.

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

Meeting Date: October 24, 2023

**FINANCIAL IMPLICATIONS**

| <i>Cost Estimate/Authorization Summary</i>   | Capital      | Expense | Total        |
|--|--------------|---------|--------------|
| <b>COST ESTIMATE</b>                         |              |         |              |
| Original estimate                            | \$11,000,000 | \$0     | \$11,000,000 |
| Budget increase                              | \$3,325,000  | \$0     | \$3,325,000  |
| Revised estimate                             | \$14,325,000 | \$0     | \$14,325,000 |
| <b>AUTHORIZATION</b>                         |              |         |              |
| Previous authorizations                      | \$3,667,000  | \$0     | \$3,667,000  |
| Current request for authorization            | \$10,658,000 | \$0     | \$10,658,000 |
| Total authorizations, including this request | \$14,325,000 | \$0     | \$14,325,000 |
| Remaining amount to be authorized            | \$0          | \$0     | \$0          |

**Annual Budget Status and Source of Funds**

This project, CIP C801127, was included in the 2023-2027 capital budget and plan of finance with a budget of \$14,325,000. The funding sources will be the Airport Development Fund (ADF) and revenue bonds. This project received Majority-In-Interest (MII) approval from the airlines on August 24, 2022.

**Financial Analysis and Summary**

|   |  |
|---|--|
| Project cost for analysis                               | \$14,325,000   |
| Business Unit (BU)                                      | Baggage  |
| Effect on business performance (NOI after depreciation) | NOI after depreciation will increase due to inclusion of capital (and operating) costs in airline rate base. |
| IRR/NPV (if relevant)                                   | N/A  |
| CPE Impact  | \$.05 in 2026  |

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

With both claim devices being well beyond their 15-year useful life span and existing maintainability concerns, there would be no long-term savings by going with the alternative option and not proceeding with the project. The systems also run the risk of complete failure due to age which would result in Airline operations and passenger experience impacts.

**ATTACHMENTS TO THIS REQUEST**

- (1) Presentation slides

Meeting Date: October 24, 2023

**PREVIOUS COMMISSION ACTIONS OR BRIEFINGS**

September 27, 2022 – The Commission authorized the Executive Director to design and prepare construction documents for the Baggage Claim 15 & 16 Replacement Project in the amount of \$3,667,000. At that time, the total estimated project cost was \$14,325,000.

# Baggage Claim 15 & 16 Replacement Project Construction Authorization (C801127)

October 24, 2023

# Project Purpose / Scope

## Purpose:

- Replace the oldest baggage claim devices 15 & 16.
- Increase maintainability and reliability with new equipment.
- Increase tug lane width in the bag well to improve safety during drop off.
- Creates additional tenant lease space.

## Scope:

- Design and construct replacement of baggage claims 15 & 16 flat plate devices with updated slope plate devices.
- Build 1000sf of flex space in the bag claim area for future tenants.

# Existing Claims Devices

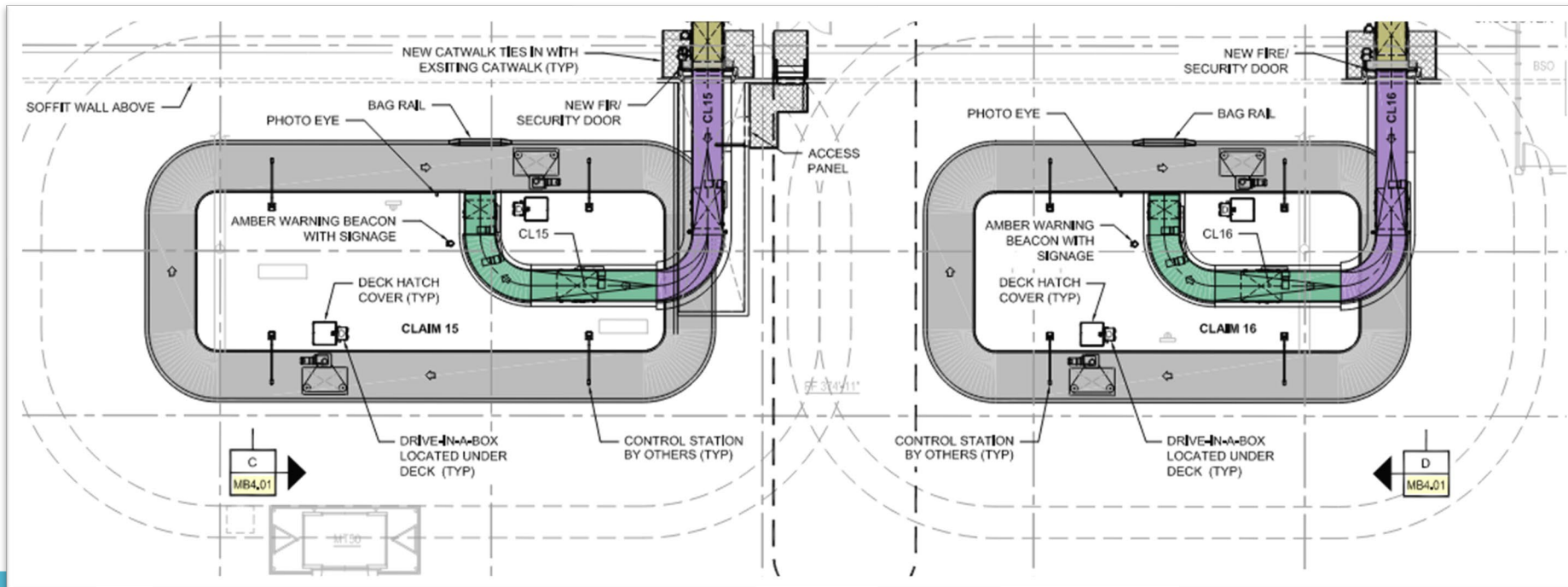
- Existing claims 15 & 16 have a total of 492 linear feet of claim frontage.
- Flat plate devices do not allow for double stacked baggage.





# New Claim Devices

- Slope plate design has 321 linear feet of claim frontage
- Slope plate width is 5 feet which allows for double stacked bag storage, increasing overall capacity



# Preliminary Construction Schedule

| <u>Event</u>                                  | <u>Date</u> |
|---|-------------|
| Advertise for Construction Bids               | Q1 2024     |
| Procure Long Lead Items                       | Q2 2024     |
| Construction Begin (Notice to Proceed)        | Q4 2024     |
| Substantial Completion (Both Claims Complete) | Q3 2025     |

# Project Budget

| <u>Phase</u> | <u>Cost</u>  |
|--------------|--------------|
| Design       | \$3,667,000  |
| Construction | \$10,658,000 |
| Total        | \$14,325,000 |

# Project Benefits

- ✓ Replaces the oldest baggage claim devices
- ✓ Reduces maintainability and reliability issues
- ✓ Increases tug traffic safety in the bag well
- ✓ Creates more tenant lease space

# Thank You!



# SEA

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**COMMISSION  
AGENDA MEMORANDUM**

**Item No.** 8g

**ACTION ITEM**

**Date of Meeting** October 24, 2023

**DATE:** October 12, 2023

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

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

**SUBJECT: PLB Renewal & Replacement Phase 4 (CIP# 801308) – Design & Construction Authorization**

**Amount of this request:** \$16,850,000

**Total estimated project cost:** \$17,000,000

**ACTION REQUESTED**

Request Commission authorization for the Executive Director to (1) Prepare design and construction bid documents for the Passenger Loading Bridge (PLB) Renewal Replacement Phase 4 project; (2) Purchase six PLBs and associated gate equipment for specified gates; (3) Use Port of Seattle crews, and small and major works on-call contracts to support design activities and to perform the construction work; and (4) Advertise, bid, and execute up to four major works construction projects. The amount of this request is \$16,850,000 for an estimated total project cost not to exceed \$17,000,000.

**EXECUTIVE SUMMARY**

This project will replace the next set of six (6) passenger loading bridges that are at the end of their functional service. This project will remove the existing PLBs, including columns, and install new aspects that will bring the systems up to current design standards. The foundations for each PLB column will also be modified/replaced to comply with the current seismic code. To improve the customer experience, acrylic coating paint will be applied to up to two of the new PLBs to evaluate the thermal effect in hot weather scenarios. The existing ancillary equipment will be removed and reinstalled as-is.

**JUSTIFICATION**

Seattle-Tacoma International Airport (SEA) is among the busiest airports in the United States with over approximately 46 million passengers processed yearly (2022). In 2022, each PLB serviced approximately 520,000 passengers including loading and unloading operations. In July of 2023,

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we observed a single day record of approximately 198,000 passengers travelling through SEA, illustrating the regional growth and importance of airport facilities. Reliable, well-operating PLBs are critical to airline and airport operations. With an expected service life of approximately 25 years, replacing these PLBs at the appropriate time is important in maintaining smooth airport operations. Any unplanned gate outages, due to PLB or fixed walkway failure, impacts the airports' ability to properly process the growing number of passengers that are travelling through SEA.

Due to the extended manufacturing time for PLBs, maintaining a phased schedule is critical for reducing the gate outage time during replacement. The work for this project will replace existing assets that are highly utilized by customers and employees as they travel through the airport. Disruption to the bridge operations have direct impact to airport-wide operations.

***Diversity in Contracting***

The design services will be completed using an existing IDIQ contract that was established in 2020 which has a 24% WMBE participation utilization requirement.

**DETAILS*****Scope of Work***

- (1) Replacement of a total of six (6) PLBs, support columns, rotunda columns, and associated control boxes. PLBs to be replaced for this project:
  - A1
  - A2
  - A3
  - A4
  - A5
  - A14
- (2) Modify existing column foundations, where applicable, to meet current seismic code requirements.
- (3) Installation of bridge telecommunication connections to the MDC or COM room.
- (4) Install new 400Hz gate boxes for Gates A1, A2, A5, and A14.
- (5) Reconnect hydronics and electrical power to bridge systems.
- (6) Regulated Materials Management (RMM) – Coordination and containment.
- (7) Disconnect and reinstall existing equipment if necessary or required, which includes PC Air Units (install isolation valves, if necessary), Potable Water Cabinet (PWC), and charging equipment for electric servicing vehicles.
- (8) Apply Acrylic Coating Paint on exterior of up to two (2) PLBs to evaluate effect on thermal properties. This was originally created as standalone project (C801323) but will be merged with this project.

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**Schedule**

*Activity*

|  |         |
|--|---------|
| Design complete                            | Q4 2024 |
| Construction Notice to Proceed (First PLB) | Q1 2025 |
| Substantial completion (Final PLB)         | Q2 2027 |

**Cost Breakdown**

|              | This Request | Total Project |
|--------------|--------------|---------------|
| Design       | \$4,752,000  | \$4,902,000   |
| Construction | \$12,098,000 | \$12,098,000  |
| Total        | \$16,850,000 | \$17,000,000  |

**ALTERNATIVES AND IMPLICATIONS CONSIDERED**

**Alternative 1** – Status Quo. Do not proceed with the project.

Cost Implications: Approximately \$150,000 for Notebook Development and preliminary design investigations would be expensed.

Pros:

- (1) Defers capital investment.

Cons:

- (1) Passenger Loading Bridges will be operating beyond their service life.
- (2) Passenger Loading Bridges will be operating with foundations under old seismic code, posing significant risks in the case of a seismic event.
- (3) Emergency PLB replacements will cost more and have a greater impact to operations.
- (4) Increased risk of unplanned gate outages.
- (5) Smaller separate project will be needed to replace components of PLB to keep it operational.
- (6) Outdated technology may not support other bridge improvements (Safedock, Jetdock).

***This is not the recommended alternative.***



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**Alternative 2** – Proceed with project as scoped. PLB Replacement, 400Hz Gatebox Replacement, PLB Replacements/Modifications

Cost Implications: \$17,000,000 in capital costs.

Pros:

- (1) Replace all six PLBs that area nearing their end of service life.
- (2) Upgrade PLB foundations to adhere to current code requirements.
- (3) Replace four aging 400Hz gate boxes.
- (4) Install new equipment with capacity for future improvements.

Cons:

- (1) Capital costs.

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

**FINANCIAL IMPLICATIONS**

| <b><i>Cost Estimate/Authorization Summary</i></b> | <b>Capital</b> | <b>Expense</b> | <b>Total</b>  |
|---|----------------|----------------|---------------|
| <b>COST ESTIMATE</b>                              |                |                |               |
| Original estimate                                 | \$24,800,000   | \$0            | \$24,800,000  |
| Current change                                    | (\$7,800,000)  | \$0            | (\$7,800,000) |
| Revised estimate                                  | \$17,000,000   | \$0            | \$17,000,000  |
| <b>AUTHORIZATION</b>                              |                |                |               |
| Previous authorizations                           | \$150,000      | \$0            | \$150,000     |
| Current request for authorization                 | \$16,850,000   | \$0            | \$16,850,000  |
| Total authorizations, including this request      | \$17,000,000   | \$0            | \$17,000,000  |
| Remaining amount to be authorized                 | \$0            | \$0            | \$0           |

The change in cost from the original Status 2 estimate is due to (1) a reduction in the number of PLB replacements for this project; (2) further scope clarification regarding each PLBs foundation requirements (modification vs. full replacement); and (3) better accuracy of scope and activity costs, based on lessons learned from previous PLB Renewal and Replacement phases.

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

The PLB Renewal & Replacement Phase 4 (CIP #C801308) was included in the 2023-2027 capital budget and plan of finance with a budget of \$24,800,000. The capital decrease of \$7,800,000 was transferred to the Aeronautical Allowance<sup>1</sup> CIP C800753 resulting in no net change to the Airport capital budget. This project will be submitted for Majority-In-Interest approval from the airlines

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<sup>1</sup> The Aeronautical Allowance is included in the Capital Improvement Plan to ensure funding capacity for unspecified projects, cost increases for existing projects, new initiatives, and unforeseen needs. This ensures funding capacity for unanticipated spending within the dollar amount of the Allowance CIP.

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in December 2023. The funding sources will be the Airport Development Fund and revenue bonds.

***Financial Analysis and Summary***

|   |   |
|---|---|
| Project cost for analysis                               | \$17,000,000  |
| Business Unit (BU)                                      | Passenger Loading Bridges   |
| Effect on business performance (NOI after depreciation) | NOI after depreciation will increase due to inclusion of capital (and operating) costs in airline rate base |
| IRR/NPV (if relevant)                                   | N/A   |
| CPE Impact  | \$0.05 in 2028  |

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

This project will likely have no impact on Aviation Maintenance operating & maintenance (O&M) costs. This is a renewal and replacement project that replaces PLBs that are old. Replacement will require a similar level of maintenance. Therefore, there will not be a material impact on Aviation O&M costs.

**ATTACHMENTS TO THIS REQUEST**

- (1) Presentation slides.

**PREVIOUS COMMISSION ACTIONS OR BRIEFINGS**

None.

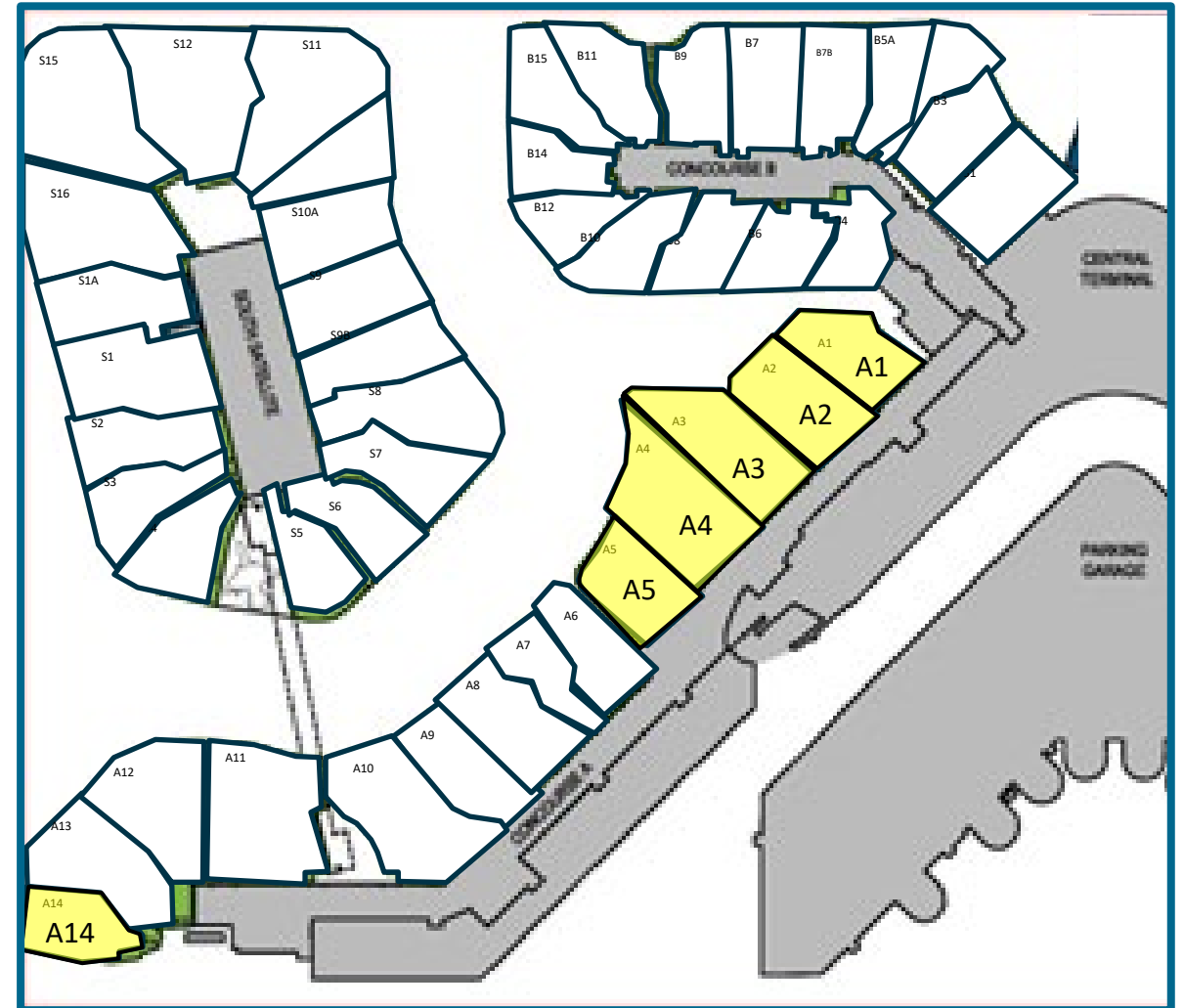
# PLB Renewal & Replacement Phase 4

Natasha Jabbour  
AV F&I – Mechanical  
Intermediate Engineer

Presenter: Tyler Salisbury - AV PMG  
Project Manager: Christian Venturino -  
AV PMG

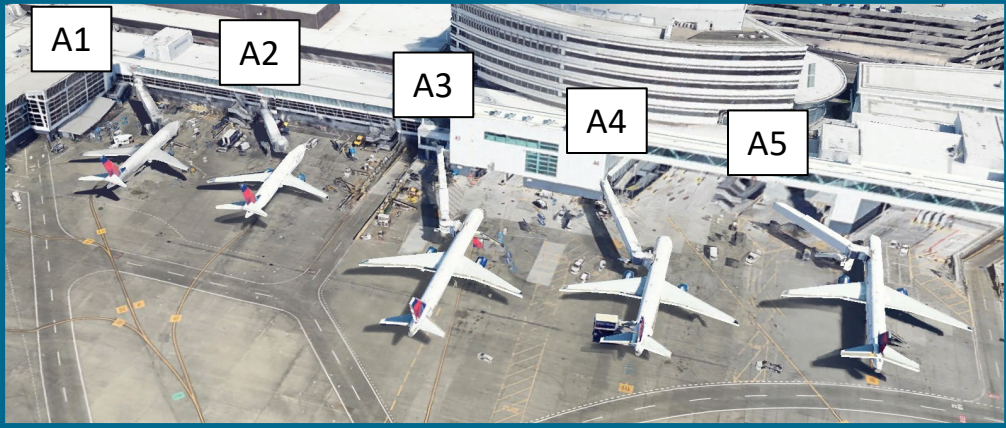
# Project Scope

1. Replacement of a total of six (6) PLBs.
2. Modify/Replace applicable existing column foundations to meet current seismic code requirements.
3. Install four (4) new 400Hz gate boxes and associated feeder cables.
4. Apply Acrylic Coating Paint on exterior of up to two (2) PLBs.





# Project Scope



# Project Schedule

| Milestone  | Date    |
|--|---------|
| Commission Authorization for Design & Construction | Q4 2023 |
| Design Complete – First PLB (A2)                   | Q3 2024 |
| Design Complete – Final PLB (A14)                  | Q3 2026 |
| Substantial Completion – Final PLB (A14)           | Q2 2027 |

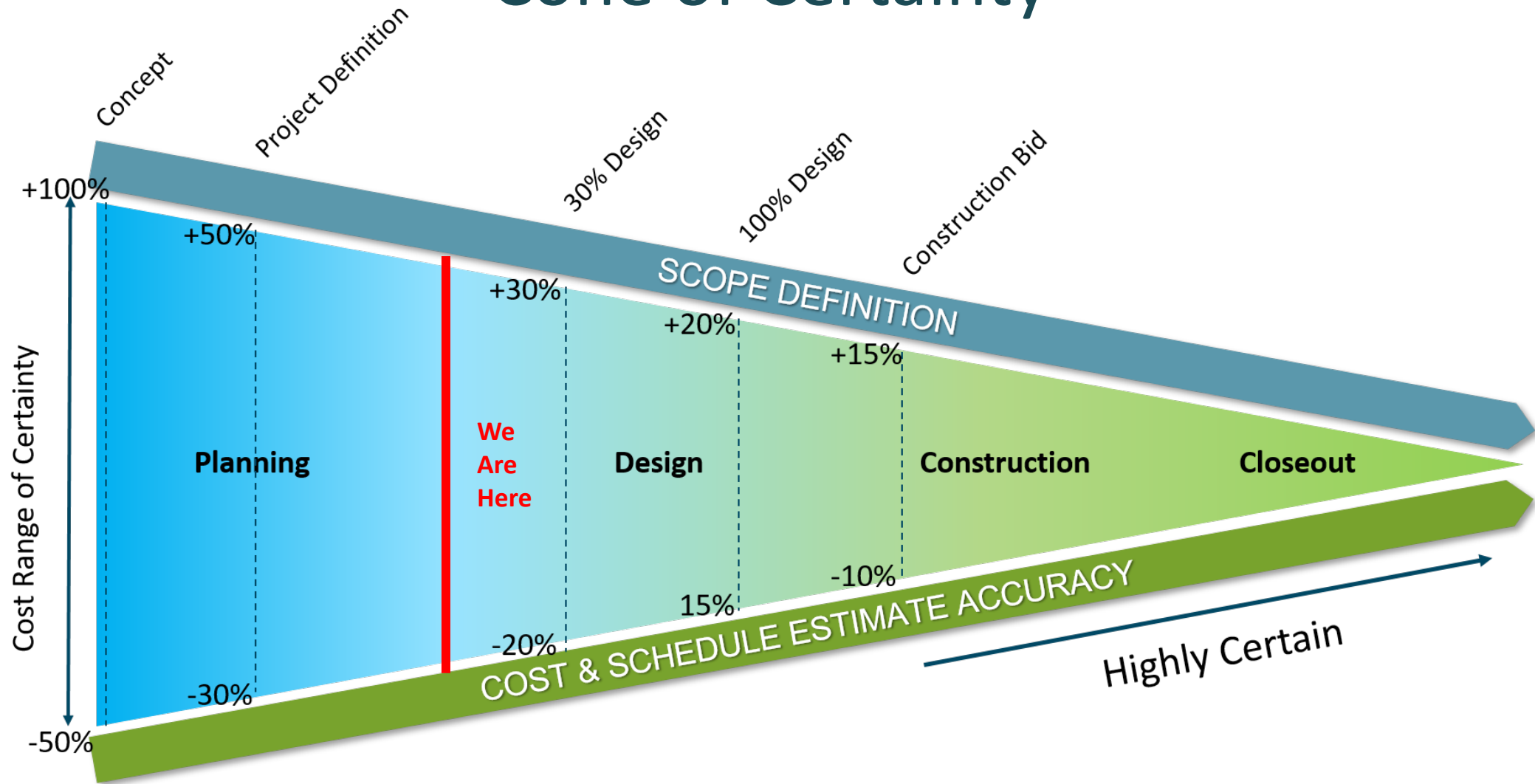
| PLB Gate | 2023 |    | 2024   |    |    |        | 2025     |          |    |    | 2026   |          |          |    | 2027   |          |          |    |  |
|----------|------|----|--------|----|----|--------|----------|----------|----|----|--------|----------|----------|----|--------|----------|----------|----|--|
|          | Q3   | Q4 | Q1     | Q2 | Q3 | Q4     | Q1       | Q2       | Q3 | Q4 | Q1     | Q2       | Q3       | Q4 | Q1     | Q2       | Q3       | Q4 |  |
| A2       |      |    | Design |    |    | Const. | Closeout |          |    |    |        |          |          |    |        |          |          |    |  |
| A3       |      |    | Design |    |    |        | Const.   | Closeout |    |    |        |          |          |    |        |          |          |    |  |
| A4       |      |    |        |    |    |        | Design   |          |    |    | Const. | Closeout |          |    |        |          |          |    |  |
| A5       |      |    |        |    |    |        |          | Design   |    |    |        | Const.   | Closeout |    |        |          |          |    |  |
| A1       |      |    |        |    |    |        |          |          |    |    | Design |          |          |    | Const. | Closeout |          |    |  |
| A14      |      |    |        |    |    |        |          |          |    |    |        | Design   |          |    |        | Const.   | Closeout |    |  |



# Project Budget

| Authorization                                | Capital      | Expense | Total        |
|--|--------------|---------|--------------|
| Previous authorizations                      | \$150,000    | \$0     | \$150,000    |
| Current request for authorization            | \$16,850,000 | \$0     | \$16,850,000 |
| Total authorizations, including this request | \$17,000,000 | \$0     | \$17,000,000 |
| Remaining amount to be authorized            | \$0          | \$0     | \$0          |

# Cone of Certainty





# Action Requested

- Prepare design and construction bid documents for the PLB Renewal and Replacement Phase 4 project.
- Purchase six (6) PLBs and associated gate equipment for the specified gates.
- Utilize Port of Seattle crews, and small and major works on-call contracts to support design activities and to perform the construction work.
- Advertise, bid, and execute up to four major works construction projects.
- Request to authorize \$16,850,000.
  - Estimated total project cost not to exceed \$17,000,000.

# Questions?

**RETURN TO AGENDA**



**COMMISSION  
AGENDA  
MEMORANDUM**

**ACTION ITEM**

**Item No.** 8h

**Date of Meeting** October 24, 2023

**DATE:** October 12, 2023

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

**FROM:** Eileen Francisco, Director Aviation Project Management  
Laurel Dunphy, Director Airport Operations  
Keri Stephens, Director Aviation Facility and Capital Program

**SUBJECT: 2024 Airfield Projects - Contract 1 (CIP# C800930 and C801177)**

**Amount of this request:** \$50,500,000

**Total estimated project cost:** \$200,300,000

**ACTION REQUESTED**

Request Commission authorization for the Executive Director to (1) advertise and execute a construction contract for 2024 Airfield Projects - Contract 1; (2) transfer budget/authorization, as necessary, between the 2024 Airfield Projects; (3) transfer budget/authorization for Gate B11 Passenger Loading Bridge (PLB) civil foundation from CIP C801180 PLB Phase 3 Project to CIP C800930 2021-2025 Airfield Pavement and Supporting Infrastructure Replacement Program; (4) procure long lead items; (5) include a Project Labor Agreement for the contract; and (6) authorize use of Port crews for abatement work.

2024 Airfield Projects – Contract 1 encompasses federally funded pavement and utility infrastructure. The amount of this authorization request is \$50,500,000.

**EXECUTIVE SUMMARY**

This construction contract is comprised of two interdependent Capital Improvement Projects (CIPs). These projects have overlapping work areas and design functionality, interdependent operational impacts, and share 2024 schedule milestones. They both encompass federally funded pavement and utility infrastructure scope. As such they were planned, designed, and phased to be delivered concurrently for purposes of Airfield safety, efficiency, and minimization of operational impacts.

The below table details the CIPs and corresponding authorizations requested. The total estimated project cost for each CIP is also included. Total authorizations to date for each of these CIP is included in the Financial Implications section of this memo.

Meeting Date: October 24, 2023

| CIP Name/#  | Amount of this Request | Total Estimated Project Cost |
|---|------------------------|------------------------------|
| 2021-2025 Airfield Pavement and Supporting Infrastructure Replacement Program C800930 | \$32,620,000           | \$160,027,559                |
| Airfield Utility Improvement C801177  | \$17,880,000           | \$40,272,441                 |
| <b>Total</b>  | <b>\$50,500,000</b>    | <b>\$200,300,000</b>         |

The capital projects (C800930 & C801177) receive federal grant funding for eligible items meeting FAA standards with an anticipated FAA grant reimbursement of \$8,000,000 for the year 2024 and a total of \$50,000,000 expected for the life of the program.

**JUSTIFICATION**

The two projects being co-delivered via the 2024 Airfield Projects - Contract 1 consist of a variety of physically and functionally interdependent Capital Improvements designed to renew and replace failing infrastructure, ensure continued operational safety and security, and meet SEA’s regulatory requirements. The purpose of each project (CIP) is summarized below:

- The 2021-2025 Airfield Pavement and Supporting Infrastructure Replacement Program is an ongoing program of airfield pavement replacement and is required to provide safe and efficient conditions for aircraft operations and meet Federal Aviation Administration (FAA) requirements.
- Airfield Utility Improvement (AUI) is an ongoing project to replace aging, failing, and over-capacity utility systems serving the existing terminal and apron areas.

This request includes authorization to transfer Gate B11 PLB civil foundation scope and authorization from the PLB Phase 3 project to the 2021-2025 Airfield Pavement and Supporting Infrastructure Replacement Program to align scope, construction schedule and minimize impacts to airfield operation. The gate B11 civil foundation was authorized by Commission on April 18<sup>th</sup>, 2023, for design and construction under CIP C801180 with the amount of \$600,000.

***Diversity in Contracting***

The project staff, in coordination with the Diversity in Contracting Department, have established a federal Disadvantaged Business Enterprises (DBE) goal at 8%. 2024 Airfield Projects – Contract 1 will include the DBE goal in the procurement of the construction contract. The DBE achievement for 2021 airfield project was 10.46%, and 2022 projects was 10.78%. The 2023 projects are under construction with a DBE goal of 8%.

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**DETAILS**

These projects will interface with other projects and airline operations. Continual coordination with Airport Operations, Airlines, and related Tenants will ensure the least possible operational impact during construction.

A project labor agreement will be used for these projects based on the importance of labor continuity and the need to minimize any risk of impact to operations during construction.

***Scope of Work***

The 2021-2025 Airfield Pavement and Supporting Infrastructure Replacement Program replaces distressed airfield pavements, joint sealant, and supporting infrastructure at the Airport. Airfield work under this program in 2024 includes Taxilane W pavement, apron joint sealant, and supporting infrastructure between Concourse B and the Central Terminal. Staff will procure long lead items including miscellaneous frames and covers for airfield utilities.

The AUI project is a three-year project to replace aging, failing, and over-capacity utility systems serving the existing terminal and apron areas. The 2024 AUI scope is located on the north side of the South Concourse, Concourse B and the Central Terminal and includes sanitary sewer, domestic water, power, communications, and the Industrial Wastewater System (IWS).

***Schedule***

*Activity*

| Construction Contract # | Contract #1    |
|-------------------------|----------------|
| Construction start      | 2024 Quarter 2 |
| In-use date             | 2024 Quarter 4 |

***Cost Breakdown***

This Request

Total Project

| <b>2021-2025 Airfield Pavement and Supporting Infrastructure Replacement Prog. (C800930)</b> |                     |                      |
|--|---------------------|----------------------|
| Design   | \$0                 | \$16,000,000         |
| Construction   | \$32,620,000        | \$144,027,559        |
| <b>Total</b>   | <b>\$32,620,000</b> | <b>\$160,027,559</b> |
| <b>Airfield Utility Improvements (C801177)</b>   |                     |                      |
| Design   | \$0                 | \$4,283,000          |
| Construction   | \$17,880,000        | \$35,989,441         |
| <b>Total</b>   | <b>\$17,880,000</b> | <b>\$40,272,441</b>  |

**ALTERNATIVES AND IMPLICATIONS CONSIDERED**

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**Alternative 1** – Proceed only with Airfield Pavement and Supporting Infrastructure Replacement Program scope. Do not proceed with the project scope in the Airfield Utility Improvements which includes sanitary sewer main pipe, domestic water, power, and the Industrial Wastewater System (IWS)

Cost Implications: \$32,620,000 in Capital Cost for 2024 Airfield Pavement and Supporting infrastructure Replacement Project.

Pros:

- (1) Reduced capital spending in 2024.
- (2) Less construction impacts to airport/airline operations in 2024.
- (3) Grant funded pavement renewal and replacement work still proceeds.

Cons:

- (1) Risk of both: a failed sanitary sewer and water system to Main Terminal and South Concourse operations.
- (2) Sewer capacity will not meet current or future needs of the Main Concourse C, and South Concourse.
- (3) Will cause future operational impacts to repair, replace, or install other utilities in the same areas.

This is not the recommended alternative.

**Alternative 2** – Construct each individual project with separate construction contracts.

Cost Implications: \$54,000,000 in Capital Cost to deliver the projects via two major construction contracts, \$3,500,000 more than delivering via one major construction contract as proposed by the recommended alternative.

Pros:

- (1) Less complexity for budget tracking during construction.

Cons:

- (1) Reduced efficiencies due to rework and separate jurisdictional coordination such as with the FAA.
- (2) Additional labor costs for contractor on-boarding and mobilizations, double-project ramp up and close out.
- (3) Increased coordination required between overlapping projects.
- (4) Increased construction safety risk due to overlapping work areas.
- (5) Additional and recurring impacts to airfield operations until all efforts are completed.

This is not the recommended alternative.

**Alternative 3** – Move forward to construct both projects as a single coordinated effort.

Cost Implications: \$50,500,000

Pros:

- (1) Reduces safety risks, minimizes operational impacts and increases efficiencies as coordination and construction is managed as a single effort.

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- (2) Minimizes time to completion, limiting exposure to future cost increases, while delivering benefits expeditiously.
- (3) Programmatic replacement of aged and distressed pavements and related infrastructures.

Cons:

- (1) Earlier capital spending in 2024.

*This is the recommended alternative.*

**FINANCIAL IMPLICATIONS**

**2021-2025 Airfield Pavement and Supporting Infrastructure Replacement Program (C800930) - Cost Estimate/Authorization Summary**

| <i>Cost Estimate</i>                         | Capital       | Expense   | Total         |
|--|---------------|-----------|---------------|
| <b>COST ESTIMATE</b>                         |               |           |               |
| Original estimate                            | \$155,740,000 | \$560,000 | \$156,300,000 |
| Previous changes – net                       | \$3,727,559   | \$0       | \$3,727,559   |
| Revised estimate                             | \$159,467,559 | \$560,000 | \$160,027,559 |
| <b>AUTHORIZATION</b>                         |               |           |               |
| Previous authorizations                      | \$113,062,000 | \$360,000 | \$113,422,000 |
| Current request for authorization            | \$32,620,000  | \$0       | \$32,620,000  |
| Total authorizations, including this request | \$145,682,000 | \$360,000 | \$146,042,000 |
| Remaining amount to be authorized            | \$13,785,559  | \$200,000 | \$13,985,559  |
|  |               |           |               |

**Airfield Utility Improvements (C801177) – Cost Estimate/Authorization Summary**

| <i>Cost Estimate</i>                         | Capital      | Expense | Total        |
|--|--------------|---------|--------------|
| <b>COST ESTIMATE</b>                         |              |         |              |
| Original estimate                            | \$34,592,000 | \$0     | \$34,592,000 |
| Previous changes – net                       | \$5,680,441  | \$0     | \$5,680,441  |
| Revised estimate                             | \$40,272,441 | \$0     | \$40,272,441 |
| <b>AUTHORIZATION</b>                         |              |         |              |
| Previous authorizations                      | \$5,267,641  | \$0     | \$5,267,641  |
| Current request for authorization            | \$17,880,000 | \$0     | \$17,880,000 |
| Total authorizations, including this request | \$23,147,641 | \$0     | \$23,147,641 |

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|                                   |              |     |              |
|-----------------------------------|--------------|-----|--------------|
| Remaining amount to be authorized | \$17,124,800 | \$0 | \$17,124,800 |
|                                   |              |     |              |

**Annual Budget Status and Source of Funds**

The capital projects (C800930 & C801177) receive federal grant funding for eligible items meeting FAA standards with an anticipated FAA grant reimbursement of \$8,000,000 for the year 2024 and a total of \$50,000,000 expected for the life of the program.

**2021-2025 Airfield Pavement and Supporting Infrastructure Replacement Program (CIP C800930)**

This project was included in the 2022-2026 capital budget and plan of finance with a budget of \$152,940,000. The capital increase of \$6,527,559 was transferred from the Aeronautical Allowance<sup>1</sup> CIP C800753 resulting in no net change to the Airport capital budget. This project has a Majority-In-Interest approval from the airlines in January 2020. The funding sources will be the Airport Development Fund, AIP grants, and revenue bonds.

**Airfield Utilities Improvements (AUI) - (CIP C801177)**

This project was included in the 2022-2026 capital budget and plan of finance with a budget of \$46,200,000. The capital decrease of \$5,927,449 was transferred to the Aeronautical Allowance<sup>1</sup> CIP C800753 resulting in no net change to the Airport capital budget. This project has a Majority-In-Interest approval from the airlines in September 2021. The funding sources would be Airport Development Fund and Airport Revenue Bonds.

**Financial Analysis and Summary**

**C800930 2021-2025 Airfield Pavement and Supporting Infrastructure Replacement Program**

|   |   |
|---|---|
| Project cost for analysis                               | \$159,467,559   |
| Business Unit (BU)                                      | Airfield movement and Airfield apron  |
| Effect on business performance (NOI after depreciation) | NOI after depreciation will increase due to inclusion of capital (and operating) costs in airline rate base |
| IRR/NPV (if relevant)                                   | N/A   |
| CPE Impact  | Total project cost CPE of 0.35 in 2026; annual CPE of 0.10  |

**C801177 Airfield Utility Improvements**

|                           |              |
|---------------------------|--------------|
| Project cost for analysis | \$40,272,441 |
|---------------------------|--------------|

<sup>1</sup> The Aeronautical Allowance is included in the Capital Improvement Plan to ensure funding capacity for unspecified projects, cost increases for existing projects, new initiatives, and unforeseen needs. This ensures funding capacity for unanticipated spending within the dollar amount of the Allowance CIP.



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|   |   |
|---|---|
| Business Unit (BU)                                      | Airfield movement and airfield apron  |
| Effect on business performance (NOI after depreciation) | NOI after depreciation will increase due to inclusion of capital (and operating) costs in airline rate base |
| IRR/NPV (if relevant)                                   | N/A   |
| CPE Impact  | \$0.13 in 2026  |

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

2021-2025 Airfield Pavement and Supporting Infrastructure Replacement Program (CIP C800930)

The AIP project will not have an impact on annual Aviation Maintenance Operating and Maintenance (O&M) costs for the pavement assets. This project may lead to a reduction in the amount of time currently spent by the Port Maintenance team on joint seal and pavement spall repairs. After implementing the project, the improved portions of the pavement will have a renewed 40-year asset life and a greatly reduced risk of the pavement producing loose gravel and rock Foreign Object Debris (“FOD”) that could be picked up by vehicle tires or blown by jet engine exhaust and spread across the apron, taxiways and runways.

Airfield Utilities Infrastructure (AUI) (CIP C801177)

The AUI project will not have an impact on annual Aviation Maintenance O&M costs for mechanical or electrical systems and may lead to a reduction in the amount of time currently spent by the field crew on pipe inspections due to the current condition of the water and sewer systems. After implementing the project, the improved portions of the water and sewer systems will have a renewed 50-year asset life and a greatly reduced risk of failures, emergency repair and maintenance work, and impacts to operations.

**ATTACHMENTS TO THIS REQUEST**

- (1) Presentation slides

**PREVIOUS COMMISSION ACTIONS OR BRIEFINGS**

2021-2025 Airfield Pavement and Supporting Infrastructure Replacement Program (CIP C800930)

October 25, 2022 – The Commission authorized the Executive Director to (1) advertise, execute two separate construction contracts, and transfer budget/authorization, as necessary, among the 2023 Airfield Projects; (2) procure long lead items; (3) include a Project Labor Agreement for both contracts; (4) authorize use of Port crews for abatement work. The amount of this authorization request is \$67,153,000. The total estimated cost for all projects included in this authorization is \$255,945,000.

Meeting Date: October 24, 2023

November 16, 2021 - The Commission authorized the Executive Director to (1) advertise and execute a major works construction contract and (2) include a Project Labor Agreement for the 2022 Airfield Pavement and Supporting Infrastructure Replacement Project, at the Seattle-Tacoma International Airport. This authorization is for \$24,000,000 with a total authorized to date of \$79,195,000 and a previously approved total 2021-2025 program budget of \$153,500,000.

August 10, 2021 – The Commission authorized the Executive Director to advertise and award a major public works contract to replace the North Runway Protection Zone Culvert (NRPZ Culvert), a year 2022 component of the 2021 to 2025 Airfield Pavement and Supporting Infrastructure Replacement Program. This construction authorization is for \$3,800,000 for a total program authorization to date of \$55,195,000. The total 2021-2025 program cost is \$153,500,000.

November 10, 2020 – The Commission authorized the Executive Director to (1) advertise and execute a major works construction contract and (2) include a project labor agreement for the replacement of distressed pavements and supporting infrastructure for the 2021 portion of the 2021-2025 Airfield Pavement and Supporting Infrastructure Replacement Program at the Seattle-Tacoma International Airport. This construction authorization is for \$37,900,000 for a total authorization to date of \$51,395,000. The total 2021-2025 program cost is \$153,500,000.

October 22, 2019 – The Commission authorized the Executive Director to authorize design and preparation of construction documents for the 2021-2025 Airfield Pavement and Supporting Infrastructure Replacement Projects at the Seattle-Tacoma International Airport in the amount of \$16,000,000 and approve the use of a project labor agreement (PLA) for each year’s construction contract.

#### Airfield Utilities Infrastructure (AUI) (CIP C801177)

October 25, 2022 – The Commission authorized the Executive Director to (1) advertise, execute two separate construction contracts, and transfer budget/authorization, as necessary, among the 2023 Airfield Projects; (2) procure long lead items; (3) include a Project Labor Agreement for both contracts; (4) authorize use of Port crews for abatement work. The amount of this authorization request is \$67,153,000. The total estimated cost for all projects included in this authorization is \$255,945,000.

August 10, 2021 – The Commission authorized the Executive Director to (1) complete design and prepare construction documents for the Airfield Utilities Infrastructure (AUI) project at Seattle-Tacoma International Airport (SEA) and (2) enter into reimbursable agreements with the Federal Aviation Administration. This design authorization is for an amount of \$6,300,000 out of a total estimated project cost of \$46,200,000.

#### Passenger Loading Bridge (PLB) Renewal and Replacement Phase 3 (CIP C801180)

Meeting Date: October 24, 2023

April 18, 2023 – The Commission authorized the Executive Director to (1) Increase the project scope and associated budget by \$1,000,000 for a final revised total budget of \$15,000,000 and, (2) Purchase one PLB and associated equipment for Gate B11.

|                 |                  |
|-----------------|------------------|
| Item No.        | 8h_supp          |
| Date of Meeting | October 24, 2023 |

# 2024 Airfield Projects

## Contract 1 (CIP# C800930, C801177)

Seattle-Tacoma  
International Airport



# 2024 Airfield Projects Contract 1

- Request Commission authorization for the ED to
  - advertise and execute a construction contract for 2024 Airfield Projects - Contract 1, and transfer budget/authorization, as necessary, among the 2024 Airfield Projects;
  - transfer budget/authorization for Gate B11 Passenger Loading Bridge (PLB) civil foundation from CIP C801180 PLB Phase 3 Project to CIP C800930 2021-2025 Airfield Pavement and Supporting Infrastructure Replacement Program;
  - procure long lead items;
  - include a Project Labor Agreement for both contracts;
  - authorize use of Port crews for abatement work.
- The amount of this authorization request: \$50,500,000

# 2024 Airfield Projects Contract 1

This construction contract is federally funded and comprised of two Capital Improvement Projects (CIP) with overlapping work areas and design functionality, interdependent operational impacts, and share 2024 schedule milestones.

- 2024 Airfield Pavement and Supporting Infrastructure Replacement (C800930)
- 2024 Airfield Utility Improvements (C801177)
- Anticipate FAA grant reimbursement of \$8,000,000 for the year 2024 and a total of \$50,000,000 expected for the life of the program
- 2023 & 2024 DBE Goals – 8%
- DBE program achievements: 10.46% in 2021 and 10.78% in 2022.

# 2021-25 Airfield Pavement and Supporting Infrastructure Replacement Program (CIP C800930)

- Purpose
  - Replaces distressed airfield pavement, joint sealant, related and supporting infrastructure at the Airport to provide safe and efficient conditions for aircraft operations and meet FAA requirements.
- 2024 scope
  - Pavement and drainage work at Taxiway W, Central Terminal, A, and B Concourses aprons.



# Airfield Utility Improvements (CIP C801177)

- Purpose
  - Ongoing program to replace aging, failing, and over-capacity utility systems serving the existing terminal and apron areas
- 2024 Scope
  - Sanitary sewer, domestic water, power and industrial wastewater system located on the airside of the Central Terminal, B, and South Concourse





# 2024 Airfield Projects Contract 1 Locations



# 2024 Airfield Projects Contract 1 Schedule

| Schedule           |                |
|--------------------|----------------|
| Construction start | 2024 Quarter 2 |
| In-use date        | 2024 Quarter 4 |

# 2024 Airfield Projects Contract 1 Budget

| CIP Name/#   | Amount of this Request | Total Estimated Project Cost |
|--|------------------------|------------------------------|
| <b>2021-2025 Airfield Pavement and Supporting Infrastructure Replacement Program C800930</b> | \$32,620,000           | \$160,027,559                |
| <b>Airfield Utility Improvement C801177</b>  | \$17,880,000           | \$ 40,272,441                |
| <b>Total Authorization of this Request</b>   | <b>\$50,500,000</b>    | <b>\$200,300,000</b>         |



# Thank You!



# SEA

Seattle-Tacoma  
International  
Airport

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Operated by the  
Port of Seattle

FlySEA.org



# APPENDIX

# 2024 Airfield Projects

## Communication & Outreach

- Developed a Communication Plan for the 2024 Airfield construction season to ensure FAA, Air Traffic Tower/Ramp Tower planning, Tenant and Air Carrier awareness.
- Included:
  - AAAC Meetings and MII Process
  - Safety Risk Management Panel
  - Airline Station Manager Meetings
  - Regular coordination meetings with impacted air carriers and tenants

# 2024 Airfield Projects Risks

| RISKS              | DESCRIPTION  | PROBABILITY | IMPACT | MITIGATION   |
|--------------------|--|-------------|--------|--|
| Labor Action       | There is a potential that labor and supplier agreement negotiations might impact construction if there is a strike | Med ●       | Med ●  | Contingency dollars could be used to implement targeted acceleration, as necessary   |
| Weather delays     | Potential delay to the overall construction project due to inclement weather                                       | Low ●       | Med ●  | Contingency dollars will be used for targeted acceleration when weather is favorable   |
| Material Lead Time | long lead times could potentially have impact on the schedule.   | Med ●       | High ● | Self-procure low-risk materials (e.g., Manhole cover); Phase projects to maximize lead times for contractor procured and installed segment |

# Questions?

[RETURN TO AGENDA](#)





**COMMISSION  
AGENDA MEMORANDUM**

**Item No.** 10a

**ACTION ITEM**

**Date of Meeting** October 24, 2023

**DATE:** October 24, 2023

**TO:** Executive Director Steve Metruck

**FROM:** Tiffany Sevilla, Workforce Development Program Manager, OEDI

**SUBJECT: Joining the Coalition for Climate Careers (C3)**

**Amount of this request:** \$100,000

**Total estimated cost:** \$100,000

**ACTION REQUESTED**

Request Commission authorization for the Executive Director to enter into a Memorandum of Agreement with King County to join the Coalition for Climate Careers.

**EXECUTIVE SUMMARY**

The Coalition is a strategic collaboration among public and private organizations and frontline communities, dedicated to establishing an inclusive and prosperous green workforce in King County. The Coalition will prioritize frontline communities and workers affected by the green economy transition, providing policy guidance, funding for public-private workforce partnerships, promoting green career opportunities, and fostering cross-community collaboration.

Together, the Coalition aims to promote equitable investment from both public and private sectors, addressing the underrepresentation of women and BIPOC communities in crucial green economy sectors.

This Memorandum of Agreement (MOA) enters the Port of Seattle into the Coalition for Climate Careers and forms a partnership with King County whereby both parties will contribute financial support to the Coalition’s work.

**JUSTIFICATION**

The Port of Seattle’s workforce development policy directive per Commission Resolution No. 3776 states that the Port shall “Foster partnership with community-based organizations, educational institutions, labor, industry stakeholders, and government agencies to maximize the workforce development impact of the Port of Seattle.” An organized, community-centric coalition for equitable worker training makes our region more competitive for emerging

Meeting Date: October 24, 2023

funding opportunities. Without partnerships, our region could miss out on or fail to equitably utilize these opportunities. Additionally, participation in a regional coalition improves the impact of our workforce development efforts by facilitating exchange of ideas and preventing silos.

***Diversity in Contracting***

The procurement process for the contracted entity to do the technical work of the Coalition will be overseen by King County, which has Business Development and Contract Compliance goals.

**DETAILS**

Over the course of a few months, a 16-member Steering Committee comprising government, industry, labor unions, and academia was formed to establish governance, financial framework, and initial focus areas. This Committee's work has kickstarted the Coalition's efforts to develop a thriving green economy, emphasizing frontline communities' access to living wage jobs and strategies to reduce climate impacts.

The Coalition will be led by an executive steering committee that will set funding priorities, oversee project implementation, and meet quarterly for decision-making and planning. The committee will also direct a contracted coordinator(s) to execute coalition priorities and expand the membership network. The Coalition will also have a fiscal sponsor, a 501(c)3 organization that will be responsible for managing contributions and ensuring compliance with regulations. The fiscal sponsor will be aligned with the work of the Coalition and have prior experience with federal grants and private funders. The Coalition is expected to launch in early 2024.

**FINANCIAL IMPLICATIONS**

The Port will contribute \$100,000 to the Coalition, which will be paid to King County as part of the shared cost of a contracted facilitator to coordinate Coalition efforts. The funding will secure membership on the Executive Steering Committee for two years, through 2026, for a Port of Seattle representative.

**ATTACHMENTS TO THIS REQUEST**

- (1) Memorandum of Agreement
- (2) Presentation

**PREVIOUS COMMISSION ACTIONS OR BRIEFINGS**

December 13, 2022 – The Commission authorized the Executive Director to enter into a Memorandum of Agreement with King County for a FUSE Corps fellowship who coordinated a steering committee that set the governance and financial framework for the Coalition.

## Memorandum of Agreement

### Between the Port of Seattle and King County

#### Relating to the Coalition for Climate Careers

This Agreement is made and entered into by King County (“King County”) and the Port of Seattle (“Port”), municipal corporations of the State of Washington, individually a “Party” and collectively referred to as the “Parties.”

#### RECITALS

WHEREAS, the Port and King County have mutual interests in equitable green jobs workforce development; and

WHEREAS, the Port, pursuant to RCW 53.08.245, declares that port-related workforce development provides a substantial public benefit consistent with the port commission's economic development goals; and

WHEREAS, under the Port’s Century Agenda, the Port has committed to advance regional workforce development in port-related industries to provide equitable access to quality careers; and

WHEREAS, King County is committed to a Green Jobs Strategy, focused on connecting frontline communities experiencing the effects of climate change to living wage opportunities to build a diverse and skilled workforce, which includes the creation of the Coalition for Climate Careers (“C3”).

WHEREAS, the Port desires to join C3.

NOW, THEREFORE, the Parties agree as follows:

#### TERMS AND CONDITIONS

1. **Port of Seattle.** The Port of Seattle shall:

- a) Transmit \$100,000 in the form of a one-time lump-sum payment to King County for contracted services rendered by a coordinator per the Coalition’s governance document within sixty (60) days of the execution of this contract; and
- b) Commit to an initial two-year term on the Executive Steering Committee of the Coalition for Climate Careers (C3) and all the related responsibilities as outlined in the Coalition’s governance document; and
- c) Collaborate with public and private organizations and frontline communities to establish an inclusive and prosperous green workforce in King County, providing policy guidance, funding for public-private workforce partnerships, promoting green career opportunities, and fostering cross-community collaboration. This includes green careers in Port-related sectors such as construction, as identified in the 2023 [King County Green Jobs Strategy Report](#).

2. **King County.** King County shall:

- a) Procure a contract for a coordinator to support the work of the Coalition per the Coalition’s governance document. This coordinator will be directed by the Executive Steering Committee. The costs for the

contract will be shared among King County and the Port of Seattle and other possible entities identified later.

3. **Budget.** The Port agrees to pay \$100,000 to King County to support the Coalition for Climate Careers work. This funding will be used for projects and priorities that support deliverables outlined above and that are jointly determined by the Coalition for Climate Careers. The Coalition will be led by an executive steering committee that will set funding priorities, oversee project implementation, and meet quarterly for decision-making and planning. The Coalition will also have a fiscal sponsor, a 501(c)3 organization that will be responsible for managing contributions. The prospective timeline for further development of the Coalition can be found in attachment A. The scope of work for the coordinator contract can be found in attachment B.
4. **Property.** Upon termination of this Agreement, each Party will retain ownership of any real or personal property acquired in its own name prior to execution of this Agreement.
5. **Additional Services:** The Parties can negotiate additional and non-standard services. These services must be agreed to in writing prior to implementation.
6. **Termination of Agreement:** Either Party may terminate this Agreement upon thirty days written notice to the other Party. King County shall refund the Port a pro-rated portion of any payment if the Agreement is terminated prior to completion of the 11<sup>th</sup> month of a one-year period.
7. **Dispute Resolution:** Any disputes or questions of interpretation of this Agreement that may arise between the Port and King County shall be governed under these Dispute Resolution provisions. The Port and King County agree that cooperation and communication are essential to resolving issues efficiently. If disputes about the implementation of this Agreement arise, the designated contact persons for the Port and King County shall meet to discuss the issues and attempt to resolve the dispute in a timely manner. If the designated contact persons are unable to resolve the dispute, then the Parties may pursue any legal remedies. At all times prior to resolution of the dispute, the Parties shall continue to perform and make any required payments under this Agreement in the same manner and under the same terms as existed prior to the dispute.
8. **Term of Agreement:** The initial term of this Agreement shall begin on December 1, 2023. The Agreement shall remain in effect unless terminated by the Termination clause above.
9. **Indemnification:** To the maximum extent allowed by law, the Parties shall protect, defend, indemnify, and save harmless each other, their officers, officials, employees, and agents, while acting within the scope of their employment, from any and all costs, claims, judgments, penalties, and/or awards of damages, arising out of or in any way resulting from the Parties' own negligent acts or omissions in connection with performance of activities under the terms of this Agreement. Each Party agrees that its obligations under this provision extend to any claim, demand, and/or cause of action brought by, or on behalf of, any of its employees or agents. For this purpose, each Party, by mutual negotiation, hereby waives, with respect to the other Party only, any immunity that would otherwise be available against such claims under

the Industrial Insurance provisions of Title 51 Revised Code of Washington (RCW). In the event that a Party incurs any judgment, award, and/or cost, including attorneys' fees, to enforce the provisions of this , all such fees, expenses, and costs shall be recoverable from the responsible Party to the extent of that Party's culpability. This indemnification shall survive the termination of this Agreement.

10. **Notification:** Any notice required or permitted to be given pursuant to this Agreement shall be in writing, and shall be sent by email or U.S. Mail to the following addresses unless otherwise indicated by the Parties to this Agreement:

**For King County:**

**Michael Carter**

Green Jobs Program Manager  
Department of Natural  
Resources and Parks  
King Street Center  
201 S Jackson St Rm 5700  
Seattle, WA 98104-3855  
Email: \_\_micarter@kingcounty.  
gov\_\_\_\_\_

**For the Port of Seattle:**

**Tiffany Sevilla**

Program Manager and Data Analyst, Workforce Development  
Port of Seattle  
2711 Alaska Way  
Seattle, WA 98121  
Email: \_\_\_\_\_ sevilla.t@portseattle.org\_\_\_\_\_

All notices that are mailed shall be deemed received three (3) business days after mailing. Email notices shall be deemed complete upon sending.

11. **Amendment:** Either Party may request changes to the provisions contained in this Agreement including adding more parties. Any change to this Agreement must be mutually agreed to by both Parties, in writing and executed with the same formalities as the original Agreement.
12. **Applicable Law:** This Agreement shall be governed by and construed in accordance with the laws of the State of Washington.
13. **Jurisdiction and Venue:** The King County Superior Court in Seattle, Washington shall have exclusive jurisdiction and venue over any legal action arising under this Agreement.
14. **Severability:** If any court determines that any provision of this Agreement is invalid or unenforceable to any extent, the remainder of the Agreement shall not be affected thereby

and each other term, covenant or condition of this Agreement shall be valid and enforced to the fullest extent permitted by law.

- 15. **Waiver of Default:** Waiver of any default by either Party shall not be deemed to be a waiver of any subsequent default. Waiver of breach of any provision of this Agreement shall not be deemed to be a waiver of any other or subsequent breach. Waiver of any default or breach shall be interpreted or construed to constitute a modification of the terms of this Agreement, unless so stated in writing and signed by both Parties.
  
- 16. **Entire Agreement:** This Agreement and the Exhibits attached hereto, and by this reference incorporated herein, set forth the entire Agreement of King County and the Port, and there are no other agreements or understandings, oral or written, between King County and the Port concerning this Agreement.
  
- 17. **Mutual Negotiation:** The Parties agree that the terms and provisions of this Agreement have been negotiated, that the Agreement shall be deemed to be mutually negotiated and mutually drafted by both Parties, and the language in the Agreement and Exhibits shall, in all respects, be construed according to its fair meaning and not strictly for or against either Party.
  
- 18. **Legal Obligations.** This Agreement does not relieve either Party of any obligation or responsibility imposed upon it by law. No third-party beneficiaries are intended to be created by this Agreement and no third party, by law or equity, may enforce this Agreement against the Port or King County, their officers or elected officials, or any person.
  
- 19. **Counterparts:** The Parties may execute this Agreement in counterparts, (including electronically delivered copies), and may be executed by electronic signature, each of which shall be deemed an original and all of which shall be deemed one and the same Agreement.

EXECUTED BY THE UNDERSIGNED PARTIES effective as of the date last below written

**Port of Seattle:**

**King County:**

Signature \_\_\_\_\_

Signature \_\_\_\_\_

Printed Name Stephen P. Metruck

Printed Name Maurin (Mo) McBroom

Title Date  
\_\_\_\_\_  
Executive Director

Title Date  
\_\_\_\_\_  
Deputy Department Director,  
Department of Natural Resources and  
Parks

Approved as to form

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Attorney for King County

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Date

### **Attachment A: Coalition for Climate Careers Milestone Schedule**

- Secure a 501(c3) Fiscal Sponsor for the Coalition before the end of quarter 4 of 2023.
- Develop a contract with a consultant for administrative support and technical assistance for coalition recruitment, strategic planning, and meeting facilitation between initial sponsoring entities of the City of Seattle, Port of Seattle, and King County by January 2024.
- Recruit diverse participants across all relevant organizations, including members of frontline communities, community-based organizations, employers, labor partners, local government entities, education and training providers, and schools to the Coalition.
- Establish a Coalition Executive Steering Committee of 15 members as outlined in the C3 Governance Model before the end of quarter 1 of 2024.
- Launch and host the first Coalition Meeting, with representation from members of frontline communities, community-based organizations, employers, labor partners, local government entities, education and training providers, and schools in attendance by the end of quarter 1 of 2024.



## **Attachment B: C3 Coordinator Scope of Work**

The C3 Coordinator will support the Climate Careers Coalition (C3) for a period of no longer than two years after the start of the contract. Under the direction of the Executive Steering Committee, the C3 Coordinator will:

- A. Develop and guide the strategic planning process to identify the coalition's initial strategic priorities and work plan, including any associated agreements between coalition members that are relevant to the coalition's mission and vision.
- B. Plan and convene Coalition and Executive Council meetings, including preparing meeting notes and agendas in accordance with the recommendations of the Executive Steering Committee.
- C. Conduct outreach to recruit new coalition and executive steering committee members.
- D. Track coalition membership (including record keeping) and retain executive steering committee membership.
- E. Manage the logistics and processes for securing public and private funding associated with the coalition's strategic priorities.
- F. Highlight the work of the Coalition including but not limited to media engagement, as directed by the coalition's executive steering committee.
- G. Make budgetary recommendations for coalition spending for review by the Executive Steering Committee and the coalition's fiscal sponsor.
- H. Assist in the development of policy guidance in accordance with the coalition's strategic priorities for the review of the executive steering committee.
- I. Provide technical assistance to coalition members across relevant areas of work associated with the coalition's work plan and strategic priorities.
- J. Perform other duties as relevant or outlined in the Climate Careers Coalition governance model.

# MOA with King County for The Coalition for Climate Careers

Tiffany Sevilla  
Workforce Development

# Background



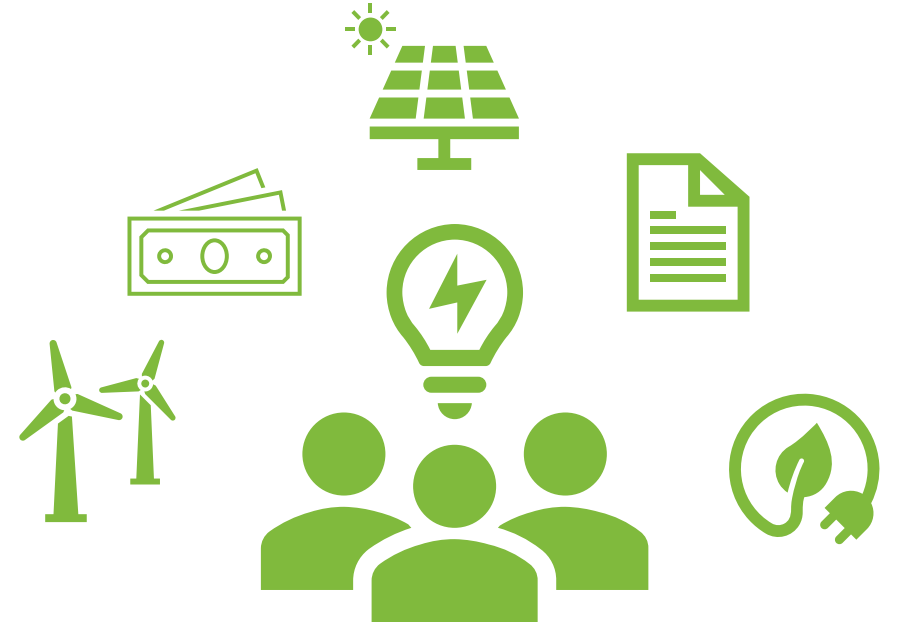
# Steering Committee

- A 16-member Steering Committee comprising government, industry, labor unions, and academia was formed to establish governance, financial framework, and initial focus areas
- Staff-level representatives from each government agency (Tiffany Sevilla from Workforce Development represented the Port)



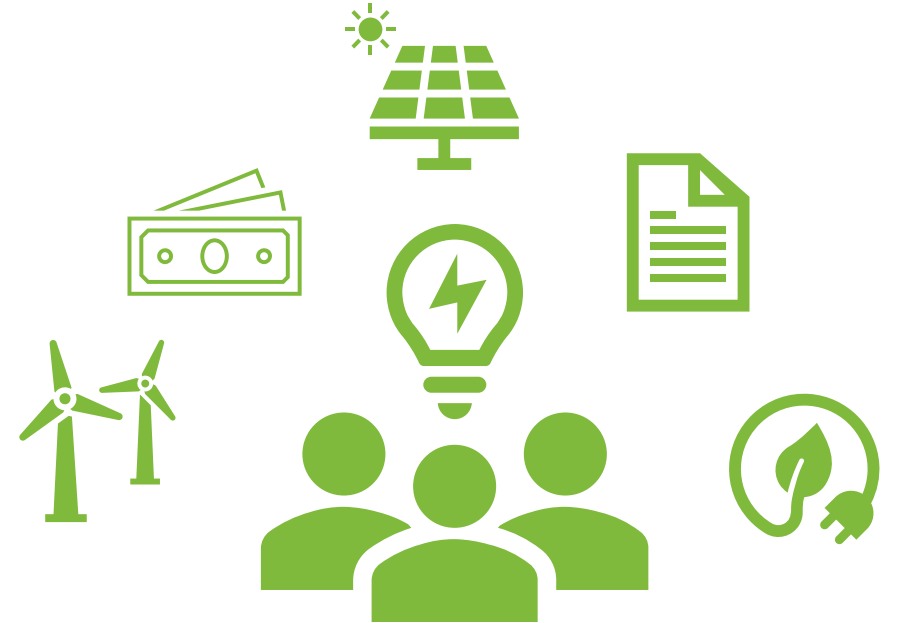
# The Coalition for Climate Careers (C3)

Mission Statement: A strategic collaboration among public and private organizations and frontline communities, dedicated to establishing an inclusive and prosperous green workforce in King County.



# Goals

- Secure public and private funding for C3.
- Engage frontline communities in the development of the green economy and change the narrative about green careers.
- Expand access to green careers for frontline communities to green career opportunities.
- Build a broader coalition encompassing surrounding counties, i.e., Pierce County, Snohomish County and Kitsap County.
- Foster relationships with employers to attract green businesses to the region.
- Lead nationally in climate mitigation and green workforce development.
- Conduct research on the green economy and forecast workforce development demands.



# Coalition Members

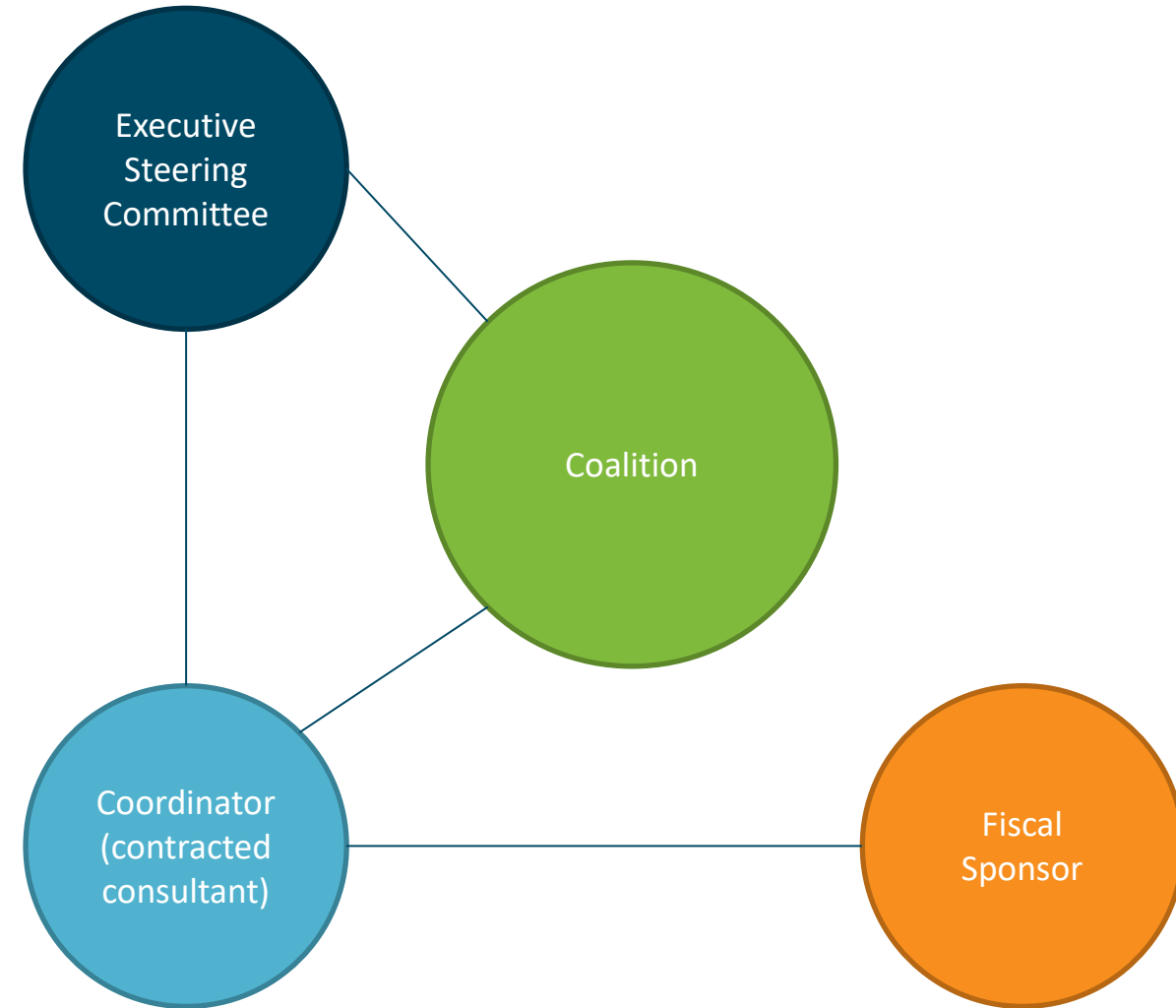
- The Coalition shall be open to the general public (The Community) and organizations who are residents of or located in King County.
- Types of Organizations considered are:
  - Workforce development,
  - Labor unions,
  - Community-based organizations,
  - Educational institutions,
  - Employers and
  - Local government



Students craft bee houses at the ANEW demo station at the Green Jobs Green Futures Summit. Image credit: ANEW

# Governance and Financial Framework

- Led by an executive steering committee that will set funding priorities, oversee project implementation, and meet quarterly for decision-making and planning.
- The committee will also direct a contracted coordinator(s) to execute coalition priorities and expand the membership network
- A fiscal sponsor, a 501(c)3 organization that will be responsible for managing contributions and ensuring compliance with regulations.





# Justification

- “Foster partnership with community-based organizations, educational institutions, labor, industry stakeholders, and government agencies to maximize the workforce development impact of the Port of Seattle.” – Port of Seattle Workforce Development Resolution no. 3776
- Increase competitiveness for emerging green jobs funding opportunities

"If you want to go fast, go alone. If you want to go far, go together."

# Financial Implications

- \$100,000.00 paid by the Port (funding already identified in Workforce Development Budget) to King County as part of the shared cost of a contracted facilitator to coordinate Coalition efforts
- C3's strategy:
  - securing one-time seed funding from three government agencies in 2023 and 2024, formalizing partnerships through MOAs.
  - A fiscal sponsor will manage funds and host C3 as one of its programs, primarily focusing on grant-making and private funding.
  - A balanced public and private funding strategy will be developed to fund C3's future, with a particular emphasis on expanding access to clean energy projects.
- In 2024, C3 plans to pursue federal, state, and local funding to grow the green economy across King County, and to subgrant funds to coalition members for on-the-ground work.

# C3 Coordinator Scope of Work (abbreviated)

The C3 Coordinator will support the Climate Careers Coalition (C3) for a period of no longer than two years after the start of the contract. Under the direction of the Executive Steering Committee, the C3 Coordinator will:

- Develop and guide the strategic planning process to identify the coalition's initial strategic priorities and work plan
- Plan and convene Coalition and Executive Council meetings
- Conduct outreach to recruit new coalition and executive steering committee members.
- Track coalition membership (including record keeping)
- Manage the logistics and processes for securing public and private funding associated with the coalition's strategic priorities.
- Highlight the work of the Coalition
- Make budgetary recommendations for coalition spending
- Provide technical assistance to coalition members

[RETURN TO AGENDA](#)



**COMMISSION  
AGENDA MEMORANDUM**

**Item No.** 10b

**ACTION ITEM**

**Date of Meeting** October 24, 2023

**DATE :** September 25, 2023

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

**FROM:** Sarah Ogier, Director-Maritime Environment & Sustainability  
Jon Sloan, Sr. Manager-Maritime Environment & Sustainability  
Danielle Butsick, Environmental Program Manager  
Julie Yun, Capital Project Manager

**SUBJECT: 8th Avenue S/Gateway Park North Memorandum of Agreement with City of Seattle & Project Funding Authorization (C801270)**

**Amount of this request:** \$317,128

**Total estimated project cost:** \$2,600,000

**ACTION REQUESTED**

Request Commission authorization for the Executive Director to (1) sign a Memorandum of Agreement (MOA) with the City of Seattle enabling the Port to provide funding up to \$500,000 and approximately \$50,000 in-kind support for site characterization, design, and permitting of the 8th Avenue S/Gateway Park North Project; and (2) authorize funding in the amount of \$317,128 to support City-led site characterization, design and permitting tasks. Note that \$232,872 was previously authorized for this project.

**EXECUTIVE SUMMARY**

The Gateway Park North Project site is along the right bank of the Duwamish River adjacent to the Georgetown neighborhood. The site includes a City of Seattle street-end and has for decades provided informal water access for the community. The uplands of the site are adjacent to and surrounded by industrial land. However, the Georgetown community has envisioned this site as its only river access park, to include restored shoreline habitat, attractive and accessible landscaping, and corridor improvements. Today’s action builds on years of Port engagement with community members and cooperation with the City of Seattle. City and Port staff have discussed options for making these improvements and believe the best approach is for the City to lead project management and for the Port to contribute funds and in-kind support.

This Memorandum of Agreement commits the Port of Seattle to contribute up to \$500,000 plus approximately \$50,000 in in-kind support including staff time to the City of Seattle’s 8th Avenue S/Gateway Park North public access project for site characterization, design, and permitting

Meeting Date: October 24, 2023

tasks. The project site is on the Duwamish River in Georgetown and consists of a City of Seattle Parks Department parcel, City of Seattle Department of Transportation right-of-way, and a portion of the former Commercial Waterway District #1 property. This site has been envisioned as a park by the Georgetown community for over 40 years. The Port’s support of this City of Seattle park project delivers on a commitment the Port made in the *Duwamish Valley Community Benefits Commitment* (2019) and also contributes to Century Agenda objectives related to equity, diversity and inclusion, as well as habitat restoration in the Green-Duwamish Watershed.

**JUSTIFICATION**

This Memorandum of Agreement supports the following Century Agenda goals and objectives:

- 1) Goal 4: Be the greenest and most energy-efficient port in North America;  
*Objective 12: Restore, create, and enhance 40 additional acres of habitat in the Green-Duwamish*
- 2) Goal 5: Become a model for equity, diversity, and inclusion;  
*Objective 14: Ensure that all internal and external programs, structures, and practices provide equitable opportunities for all*

This Memorandum of Agreement delivers on a commitment that was included in the *Duwamish Valley Community Benefits Commitment*, which identifies the 8<sup>th</sup> Avenue S/Gateway Park North project as an action area to improve public parks and green space under the Healthy Environment and Communities goal. Support for the 8<sup>th</sup> Avenue S/Gateway Park North project is also a priority for the Port Community Action Team (PCAT), along with selection of a Port liaison to the project, accomplished via the in-kind support commitment in the MOA.

***Diversity in Contracting***

Not applicable.

**DETAILS**

The project site is on the Duwamish River in Georgetown and consists of a Seattle Parks Department parcel, Seattle Department of Transportation right-of-way, and a small portion of former Commercial Waterway District #1 property. This site has been envisioned as a public access site by the Georgetown community for decades. The Port’s support of this project delivers on the item pertaining to the 8th Avenue S site in the *Duwamish Valley Community Benefits Commitment* and may contribute to the Century Agenda objective to restore, create, and enhance 40 additional acres of habitat in the Green-Duwamish Watershed.

The Memorandum of Agreement (MOA) between the Port of Seattle and the City of Seattle will define roles and responsibilities for completing site characterization, design, and permitting tasks for the Georgetown community-driven 8<sup>th</sup> Avenue S/Gateway Park North public access project. The MOA commits the Port of Seattle to contribute up to \$500,000 for these tasks. Additionally, in-kind contributions include use of the Port’s Duwamish River Community Hub for project team and public outreach meetings; staff technical expertise for permitting and habitat

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restoration design; and provision of habitat materials such as large wood, native plants, topsoil, and mulch. The City of Seattle has already initiated site characterization, design, and permitting for the project, and will be responsible for managing and funding consultant contracts and all permit fees. Note that this MOA is specific to the initial phase of work and does not include funding for project construction. Staff anticipates that the City is likely to request additional port contribution for construction support in the amount of approximately \$2 million plus further in-kind support of up to \$50,000; if so a second MOA will be prepared at that time and brought to Commission for approval. A rough estimate of the total project cost including construction is approximately \$15 million to \$20 million (funded primarily by the City of Seattle).

***Scope of Work***

The MOA articulates roles and responsibilities for Phase 1 of the 8<sup>th</sup> Avenue South/Gateway Park North project, including contracting, site characterization, design, permitting, interagency coordination, and public outreach tasks associated with the planned public access, shoreline restoration, and corridor improvements.

The Funding Authorization request, if approved, will provide Public Expense funds to the City of Seattle to undertake design and permitting tasks associated with the 8<sup>th</sup> Avenue S/Gateway Park North public access project, per the terms of the MOA. The funding authorization request in the amount of \$317,128, combined with previously authorized amount of \$232,872, will account for both the \$500,000 contribution to the City of Seattle per the MOA as well as \$50,000 in Port in-kind support.

This is the first of two potential MOA’s; this MOA pertains primarily to the design, and permitting phase, while a second MOA (or amendment) is anticipated to provide construction support which is currently estimated at approximately \$2 million of the total project cost. The decision regarding whether and how much support to provide for construction will be part of a future Commission authorization request. This agreement terminates in 2028 if not amended.

***Schedule***

Design of the Project, by the City, is expected to start in Q4 2023 with a goal of completion of site characterization, design and permitting tasks by Q4 2025. Permitting is likely to take a substantial amount of time for this project due to complex site ownership and in-water work components. Future likely construction dates are shown for reference only and are not part of this phase of work.

***Activity***

|   |         |
|---|---------|
| Commission authorization for MOA and funding              | Q4 2023 |
| Design start by City                                      | Q4 2023 |
| Commission authorization for MOA and construction funding | Q3 2026 |

Meeting Date: October 24, 2023

|                            |         |
|----------------------------|---------|
| Construction start by City | Q3 2026 |
| In-use date                | Q4 2028 |

| <b>Cost Breakdown *</b> | This Request | Previous Authorizations | Total Project      |
|-------------------------|--------------|-------------------------|--------------------|
| Design                  | \$317,128    | \$232,872               | \$550,000          |
| Construction            | \$0          | \$0                     | \$2,050,000*       |
| <b>Total</b>            | <b>\$0</b>   | <b>\$0</b>              | <b>\$2,600,000</b> |

\*Estimated Port of Seattle costs only. City of Seattle’s total project cost is approximately \$15-\$20m.

**ALTERNATIVES AND IMPLICATIONS CONSIDERED**

The following alternatives were evaluated pertaining to the 8<sup>th</sup> Avenue S/Gateway Park N project:

**Alternative 1** – Proceed with design, permitting and construction of the bankline habitat restoration work independently of and parallel to the City’s public access project.

Cost Implications: \$2,700,000

Pros:

- (1) Port maintains control over the contracting, design, and construction of the bankline habitat restoration project.
- (2) Depending on timing, Port may have an opportunity to use habitat restoration on the site as mitigation for construction projects with endangered species or wetland impacts.

Cons:

- (1) Highest cost alternative; significant costs relative to project scope and benefits.
- (2) Significant uncertainties due to permitting, property ownership, and parallel design process for upland public access project.
- (3) Inefficiencies in design and construction due to separate upland and in-water projects.

This is not the recommended alternative.

**Alternative 2** – Do nothing.

Cost Implications: None

Pros:

- (1) Lowest cost alternative; no Port expenditure required.
- (2) Resources may be allocated to other bankline habitat restoration projects.

Cons:

- (1) Would not fulfill the 8<sup>th</sup> Ave S/Gateway Park N commitment to the Duwamish Valley community stipulated in the *Duwamish Valley Community Benefits Commitment*, Resolution 3767 (2019).

This is not the recommended alternative.

Meeting Date: October 24, 2023

**Alternative 3** – Authorize Executive Director to sign Memorandum of Agreement with City of Seattle to provide up to \$500,000 funding and approximately \$50,000 in in-kind support for City-sponsored 8<sup>th</sup> Avenue S/Gateway Park N project. Authorize additional expense funds to support the permitting and design phase of the project.

Cost Implications:

Current Request: \$317,128

Future Total: \$2,050,000 (pending future request for contribution from City of Seattle and separate Commission authorization)

Pros:

- 1) Supports Century Agenda objectives related to equity, diversity and inclusion as well as habitat restoration in the Green-Duwamish Watershed.
- 2) Supports a commitment in the *Duwamish Valley Community Benefits Agreement* (Resolution 3767) to improve habitat and public access on the 8th Avenue South/Gateway Park North site.
- 3) Improves efficiency and cost-effective use of public funds compared to stand-alone bankline habitat restoration project alternative constructed in parallel with City project.
- 4) Leverage’s Port’s habitat restoration and permitting expertise to be used in City public access project for community benefit.
- 5) Reduces permitting risk and costs relative to stand-alone bankline habitat restoration project alternative due to combined permitting efforts.

Cons:

- 1) Port supporting rather than leading the project reduces opportunity for design input; Port does not direct consultant work.
- 2) Project may not advance to construction if design and permitting phase uncovers fatal flaw.

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

**FINANCIAL IMPLICATIONS**

The following summarizes the cost implications of the recommended alternative, including previous authorizations and the current request. It also reflects future funding authorization requests.

| <b><i>Cost Estimate/Authorization Summary</i></b> | Capital | Expense   | Total     |
|---|---------|-----------|-----------|
| <b>COST ESTIMATE</b>                              |         |           |           |
| Original estimate                                 | \$0     | \$0       | \$0       |
| <b>AUTHORIZATION</b>                              |         |           |           |
| Previous authorizations                           | 0       | \$232,872 | \$232,872 |
| Current request for authorization                 | 0       | \$317,128 | \$317,128 |



Meeting Date: October 24, 2023

|  |     |              |              |
|--|-----|--------------|--------------|
| Total authorizations, including this request | 0   | \$550,000    | \$550,000    |
| Remaining amount to be authorized (Est.)     | \$0 | ~\$2,050,000 | ~\$2,050,000 |

The current authorization request is for the permitting and design phase only. Further funding authorizations will be needed in the future to support construction of the habitat and public access site.

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

The Approved 2023 Budget includes \$150,000 for this project and the draft 2024 Budget includes an additional \$250,000 for this project. The project was included in the 2023 Capital Plan under C801270 Gateway Park North with a total project cost of \$2,700,000 (Public Expense).

This project will be funded by the Tax Levy.

***Financial Analysis and Summary***

N/A

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

If the design and permitting phase is successful and the Port and City choose to proceed with the project, a request for an approximately \$2 million additional contribution from the Port is anticipated, along with approximately \$50,000 in in-kind support, including staff time. Any future project constructed as a result of the present design and permitting effort would be owned and maintained by the City of Seattle.

**ATTACHMENTS TO THIS REQUEST**

- (1) Draft Memorandum of Agreement
- (2) Presentation

**PREVIOUS COMMISSION ACTIONS OR BRIEFINGS**

N/A

**MEMORANDUM OF AGREEMENT BETWEEN  
PORT OF SEATTLE AND CITY OF SEATTLE  
REGARDING  
8<sup>th</sup> Ave S/Gateway Park North Project**

This Memorandum of Agreement (the “MOA”) is made and entered into by the PORT OF SEATTLE, a port district and municipal corporation of the State of Washington (“Port”), and the CITY OF SEATTLE, a municipal corporation of the State of Washington (“City”). The Port and the City are also referred to in this MOA collectively as “the Parties”, and individually as a “Party.” As used in this MOA, “Project” means design and permitting for the construction of improvements along 8<sup>th</sup> Avenue S, Gateway Park North, and at the street end area along the Duwamish River.

**RECITALS**

**WHEREAS** The Gateway Park North site (“Site”) consists of a Seattle Department of Transportation (“SDOT”) street-end right-of-way, a Seattle Parks & Recreation (“SPR”) parcel, and a silver parcel (“Sliver”) of the former Commercial Waterway District No. 1 of King County, to which the Port is the successor in interest, located at the 8<sup>th</sup> Avenue S street end area along the Lower Duwamish Waterway in Seattle;

**WHEREAS** The site is envisioned by the community as a street-end park with river access, a vision pursued by the Georgetown Community for over 40 years;

**WHEREAS** This Project was initiated as a result of Georgetown Open Space Committee and community advocacy, and was supported and funded by Seattle City Council;

**WHEREAS** In December 2019 the Port of Seattle Commission adopted the Duwamish Valley Community Benefits Commitment, a long-term commitment to equity and Port investment in the Duwamish Valley, and the Gateway Park North Project advances the goals set out in this commitment through application of the Port’s expertise in estuarine habitat restoration;

**WHEREAS** The Port of Seattle Century Agenda compels the Port to restore, create, and enhance 40 additional acres of habitat in the Green/Duwamish watershed and Elliott Bay;

**WHEREAS** Both Parties agree that the Gateway Park North Project (“Project”) proposed improvements would be beneficial to the City, the Port, and the community;

**NOW, THEREFORE**, in consideration of mutual promises and covenants contained herein, the Parties hereby agree as follows:

**I. SCOPE OF WORK**

Project Title: 8th Ave South/Gateway Park North Improvements

Description: The Project includes sampling, design, and permitting for public access, bankline stabilization, and habitat restoration work at the Site. Elements of the scope include:

- Soil sampling work, including contracting, planning, and implementing soil sampling and characterization at the Site to support design and permitting.
- Design work, including bankline stabilization design, public access design, and corridor improvement design.

- Permitting work, including local, state, and federal permitting for in-water and upland Project components.
- Anticipated Schedule: Design of the Project is expected to start in Q2 2023 with a goal of completion of design and permitting by Q4 2025.

## II. ROLES AND RESPONSIBILITIES

### 1. City of Seattle Obligations

- The City is responsible for soil sampling, design, permitting, and all related costs for the Project. All contracts will be executed and managed by the City.
- The City, at its sole cost and expense, shall secure and maintain in effect, all federal, state and local permits and licenses required for the construction of the Project, including, without limitation, crossing, zoning, building, health, environmental, and communication permits and licenses. The City shall be solely responsible for compliance with such permits and licenses.
- The City will complete all environmental review and permitting and resolve any appeal or legal challenge.
- The City will engage the Port to solicit comments, coordinate, and work together in good faith to deliver all aspects of the Project. The City and the Port shall meet on a mutually agreed upon, scheduled basis at a frequency appropriate to the phase and status of the Project.
- The City shall be responsible for the public involvement and/or community outreach process for the Project. The City shall develop a Community Outreach Plan for the Project with the input of the Port and other stakeholders in the Project.
- Except for the Port's contributions as herein described, all Project costs shall be borne by the City, including but not limited to the costs of design and permit review of the project; environmental investigation, clean up, and any remedial action and long-term monitoring costs; and replacement, repair, relocation of utilities made necessary by construction of the Project. The City shall be solely responsible for any costs associated with non-compliance or alleged non-compliance and any cost overruns.
- The City will invoice the Port for bankline stabilization and habitat restoration design costs, which will be itemized separately by the City's contractor. The City will also invoice the Port for 50% of permitting costs as they are incurred on a quarterly basis. Invoices will be itemized to show total charges, City portion, and Port portion. Payment will be made by the Port within sixty (60) days of receipt of such properly submitted invoices and supporting documentation (e.g., subcontractor invoices).

### 2. Port of Seattle Obligations

- The Port will support the City's Project design work and Project permitting through in-kind support, to include staff time and permitting and design expertise. Other in-kind support including materials or use of the Port's Duwamish Valley Community Hub may also be provided, to be determined by availability and project need.

- b. The Port will contribute \$500,000 to be used by the City toward costs related to bankline restoration design and 50% of overall permitting costs up to \$500,000. The Port's total contribution toward the Project's design and permitting costs will not exceed \$500,000.

### **III. AMENDMENT**

Either Party may request changes to the provisions contained in this MOA. Any changes to this MOA must be mutually agreed to by both Parties in writing.

### **IV. NOTIFICATION**

Any notice required or permitted to be given pursuant to this MOA shall be in writing, and shall be sent via email and postage prepaid by U.S. Mail, return receipt requested, to the following addresses unless otherwise indicated by the Parties to this MOA:

To the City: Attn: CJ Holt, Project Manager  
Seattle Department of Transportation  
PO Box 34996  
Seattle, WA 98124-4996  
cj.holt@seattle.gov

To the Port: Attn: Danielle Butsick, Environmental Program Manager  
Port of Seattle  
2711 Alaskan Way  
Seattle, WA 98121  
Butsick.d@portseattle.org

A copy of the notice, demand, or communication may be sent simultaneously to the email addresses provided above, but shall not be deemed sufficient for notice under this Agreement.

### **V. RECORDS RETENTION AND AUDIT**

During the progress of the work on the Project and for a period not less than six (6) years from the date of the completion of the Project or final payment by the Port to the City, whichever is later, the records and accounts pertaining to the Project and accounting thereof are to be kept available for inspection and audit by the Port and the City shall provide the Port with copies of all records, accounts, documents, or other data pertaining to the Project upon the Port's request. If any litigation, claim, or audit is commenced, the records and accounts along with supporting documentation shall be retained until all litigation, claims, or audit findings have been resolved, even though such litigation, claim, or audit continues past the typical six-year retention period. This provision is not intended to alter or amend records retention requirements established by applicable state and federal laws.

### **VI. INDEMNIFICATION AND HOLD HARMLESS**

To the extent permitted by law and except as provided in Paragraph VII. Environmental Indemnity below, the City and the Port shall protect, defend, indemnify, and save harmless each other, their respective officers, officials, employees, and agents, while acting within the scope of their employment as such, from any and all costs, claims, judgment, and/or awards of damages, arising out of, or in any way resulting from, Indemnifying Party's negligent or other wrongful acts or omissions, or the negligent or other wrongful acts or omissions of its employees, agents, contractors, consultants, licensees, or invitees, while acting within the scope of their employment, contract, license, or invitation, related to this MOA. Neither the City nor the Port will be required to indemnify, defend, or save harmless each other if the claim, suit, or action for injuries, death, or damages is caused by the sole negligence or other wrongful act or omission of the other party. Where such claims, suits, or actions result from concurrent negligence or

other wrongful acts or omissions of the City and the Port or their employees, agents, contractors, consultants, licensees, or invitees, while acting within the scope of their employment, contract, license, or invitation, the indemnity provisions provided herein shall be valid and enforceable only to the extent of the City's or the Port's own negligence or other wrongful act or omission, or the negligence or other wrongful act or omission of its employees, agents, contractors, consultants, licensees, or invitees, while acting within the scope of their employment, contract, license, or invitation, related to this MOA. The City and the Port agree that their respective obligations under this subsection extend to any claim, demand, and/or cause of action brought by, or on behalf of, any of its employees or agents. For this purpose, the City and the Port, by mutual negotiation, hereby waive, with respect to the other party only, any immunity that would otherwise be available against such claims under the industrial insurance provisions of Title 51 RCW, and all other applicable Industrial Insurance / Worker's Compensation Acts or their equivalent in the applicable jurisdiction. Further, the indemnification obligations under this MOA shall not be limited in any way by any limitations on the amount or type of damages, compensation, or benefits payable to or for any third party under Worker's Compensation Acts, Disability Benefit Acts, or other Employee Benefit Acts. In the event that the City or the Port incurs any judgment, award, and/or cost arising therefrom, including attorneys' fees, to enforce the provisions of this section, all such fees, expenses, and costs shall be recoverable by the prevailing party. This indemnification shall survive the termination of this MOA.

**VII. ENVIRONMENTAL INDEMNITY**

This MOA does not alter jurisdictional responsibilities and does not bind either jurisdiction to go forward with construction. The parties agree indemnification provisions will be included in any future construction agreement.

**VIII. OTHER PROVISIONS**

1. Severability. A determination by a court of competent jurisdiction that any provision of this MOA or any part thereof is illegal or unenforceable shall not invalidate the remainder of such provision(s) of this MOA, which shall remain in full force and effect
2. Survival. Paragraphs VI. Indemnification and Hold Harmless, and VII. Environmental Indemnity shall survive the expiration or any earlier termination of this agreement.
3. Joint Drafting Effort. This Contract shall be considered for all purposes as prepared by the joint efforts of the Parties and shall not be construed against one Party or the other as a result of the preparation, substitution, submission or other event of negotiation, drafting or execution hereof.
4. Third Party Beneficiaries. Nothing in this MOA is intended to, nor shall be construed to give any rights or benefits in the MOA to anyone other than the Port and the City, and all duties and responsibilities undertaken pursuant to this MOA will be for the sole and exclusive benefit of the Port and the City and not for the benefit of any other party.

**IX. EFFECTIVENESS AND DURATION.** This MOA is effective upon the date of execution by both Parties and will remain in effect until completion of the Project, unless otherwise stated herein or unless amended or terminated.

**X. TERMINATION.** If the Parties mutually agree to discontinue work on the Project, or if approval cannot be obtained by other regulatory agencies with jurisdiction, or if the Project cannot otherwise proceed as defined in Paragraph I. Scope of Work and cannot advance to construction for whatever reason by January 1, 2028, this MOA shall immediately terminate.

1. Termination for Convenience

Either party may terminate this MOA upon 30 days' prior written notification to the other party. If this MOA is so terminated, the Port shall be responsible for payment of properly submitted invoices accepted prior to the effective date of termination.

2. Termination for Cause

If for any cause, either party does not fulfill in a timely and proper manner its obligations under this MOA, or if either party violates any of these terms and conditions, the aggrieved party will give the other party written notice of such failure or violation. The responsible party will be given the opportunity to correct the violation or failure within fifteen (15) business days. If failure or violation is not corrected, this MOA may be terminated immediately by written notice of the aggrieved party to the other.

**XI. DISPUTES.** The designated representatives under Paragraph IV. Notification shall use their best efforts to resolve disputes between the Parties. If the designated representatives are unable to resolve a dispute, then the responsible Project senior managers for each Party shall review the matter and attempt to resolve it. If the Project senior managers are unable to resolve the dispute, the matter shall be reviewed by the department director of each Party or his or her designee.

**XII. VENUE.** This MOA shall be deemed to be made in King County, State of Washington, and the legal rights and obligations of the City and Port shall be determined in accordance with the laws of the State of Washington. All legal actions in connection with this MOA shall be brought in King County Superior Court.

1. Counterparts. This Agreement may be executed in counterparts constituting two (2) duplicate originals, each of which is deemed to be an original and constitutes the entire understanding and agreement of the Parties.

2. Exhibits. This Agreement consists of following the following exhibits, each of which is incorporated herein:

Exhibit A – Vicinity Map and Site Plan

Exhibit B – Potential Design Concept

3. Entire Agreement. This Agreement and the Exhibits attached hereto, and by this reference incorporated herein, set forth the entire agreement of the Parties regarding the Project, and there are no other agreements or understandings, oral or written, between the Parties concerning this Project.

IN WITNESS WHEREOF, the Parties hereto have executed this MOA which shall be effective upon the date of recording.

PORT OF SEATTLE

CITY OF SEATTLE

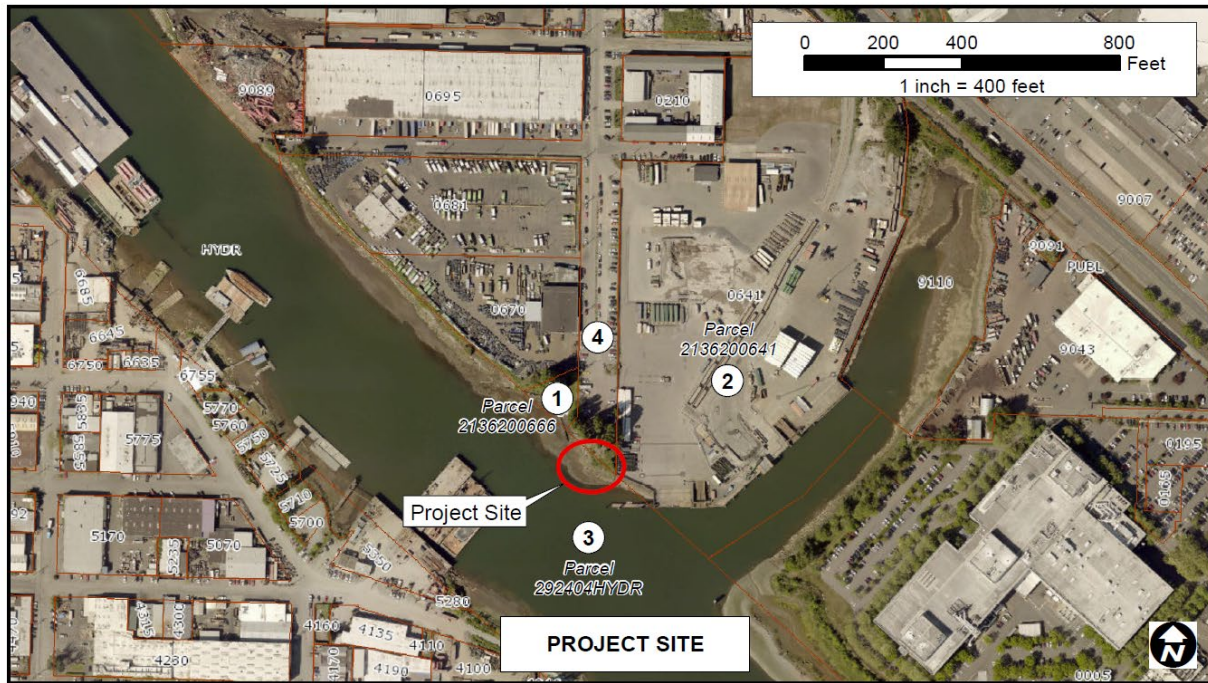
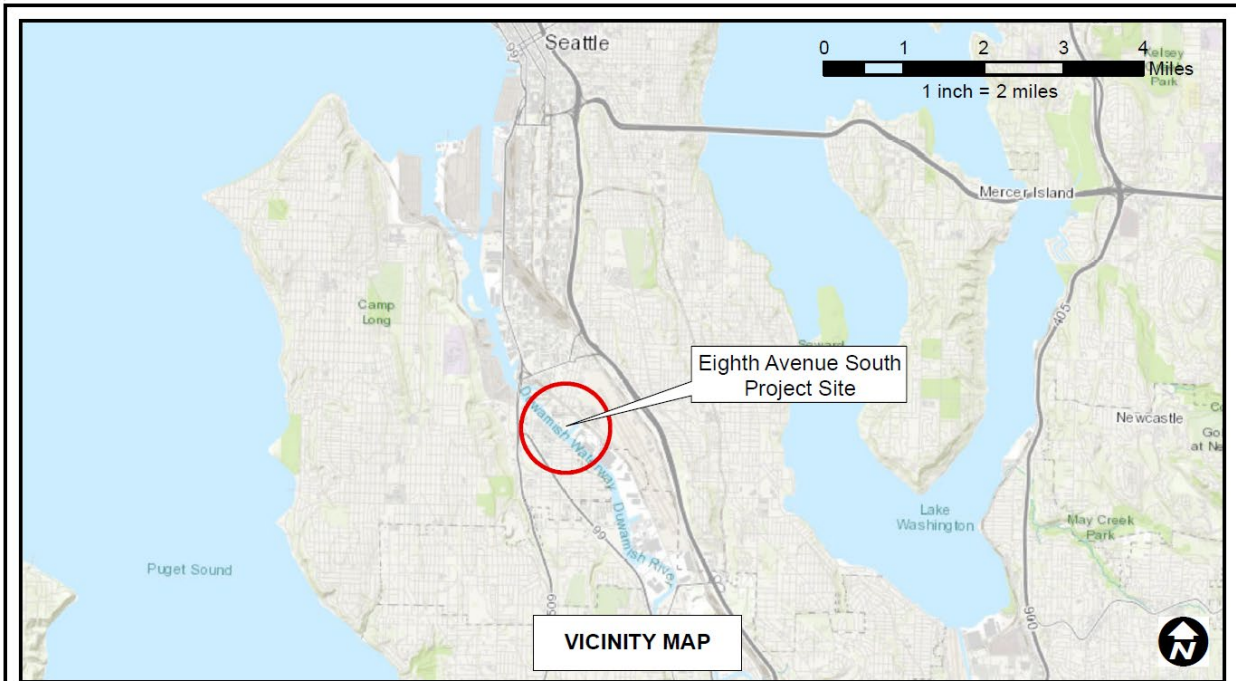
\_\_\_\_\_  
Stephen P. Metruck, Executive Director

\_\_\_\_\_  
Greg Spotts, Director  
Seattle Department of Transportation

Date: \_\_\_\_\_

Date: \_\_\_\_\_

**EXHIBIT A: Vicinity Map and Site Plan**



**PURPOSE:** Eighth Avenue South, Shoreline Rehabilitation

**DATUM:** MLLW = 0.0 feet

**ADJACENT PROPERTY OWNERS:**

- ① City of Seattle Department of Parks and Recreation
- ② Eighth Avenue Terminals Inc.
- ③ Commercial Waterway No. 1
- ④ Seattle Department of Transportation



Port of Seattle  
P.O. Box 1209  
Seattle, WA 98111

**FACILITY ADDRESS:**

EIGHTH AVENUE SOUTH  
SEATTLE, WA 98108

**PROJECT DESCRIPTION:** Eighth Avenue South, Shoreline Rehabilitation

**SHEET TITLE:** Vicinity Map

**IN:** Seattle, King County

**AT:** Eighth Avenue South

**COUNTY OF:** King **STATE OF:** Washington

**APPLICATION BY:** Port of Seattle

**SHEET 1 OF 1** **DATE:** 3/2023



EXHIBIT B: Potential Design Concept





# Project Authorization & Memorandum of Agreement (MOA):

## 8<sup>th</sup> Ave South/Gateway Park North Project

Sarah Ogier, Director Maritime Environment and Sustainability

Jon Sloan, Sr. Manager, Environmental Programs

Danielle Butsick, Environmental Program Manager

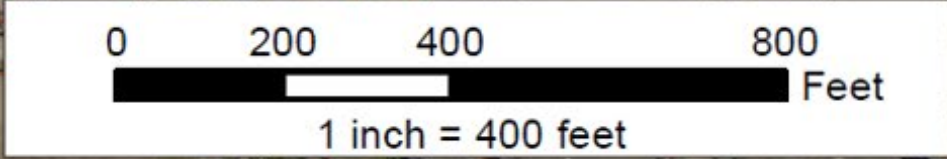
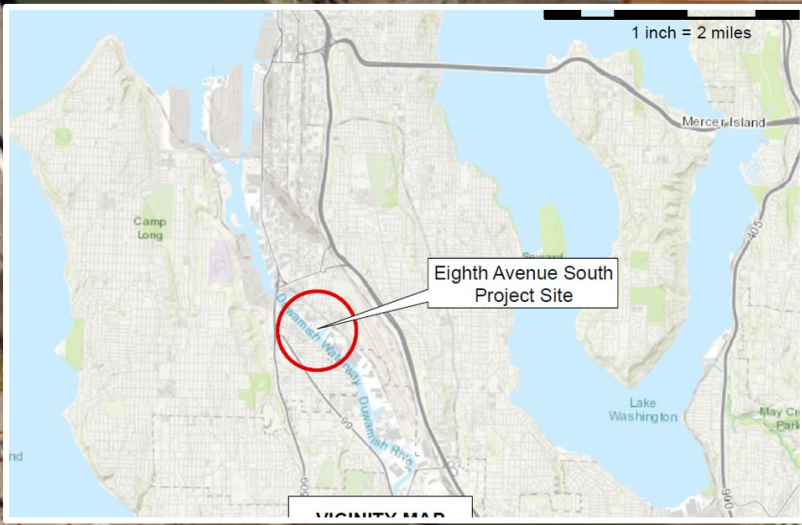
Julie Yun, Waterfront Capital Project Manager



# Request

- Project authorization and Memorandum of Agreement (MOA) for site characterization, design, and permitting tasks associated with City of Seattle's Gateway Park North project:
  - Provide funding to City of Seattle to complete tasks (NTE \$500k)
  - Contribute in-kind support (NTE \$50k)
  - Increases current authorization of \$232,872 to \$550,000 (increase of \$317,128)
- Anticipate future request for project construction (~\$2m) plus ~\$50k in-kind support
- Project is associated with the *Duwamish Valley Community Benefits Commitment, Resolution 3767* (2019), and PCAT priorities





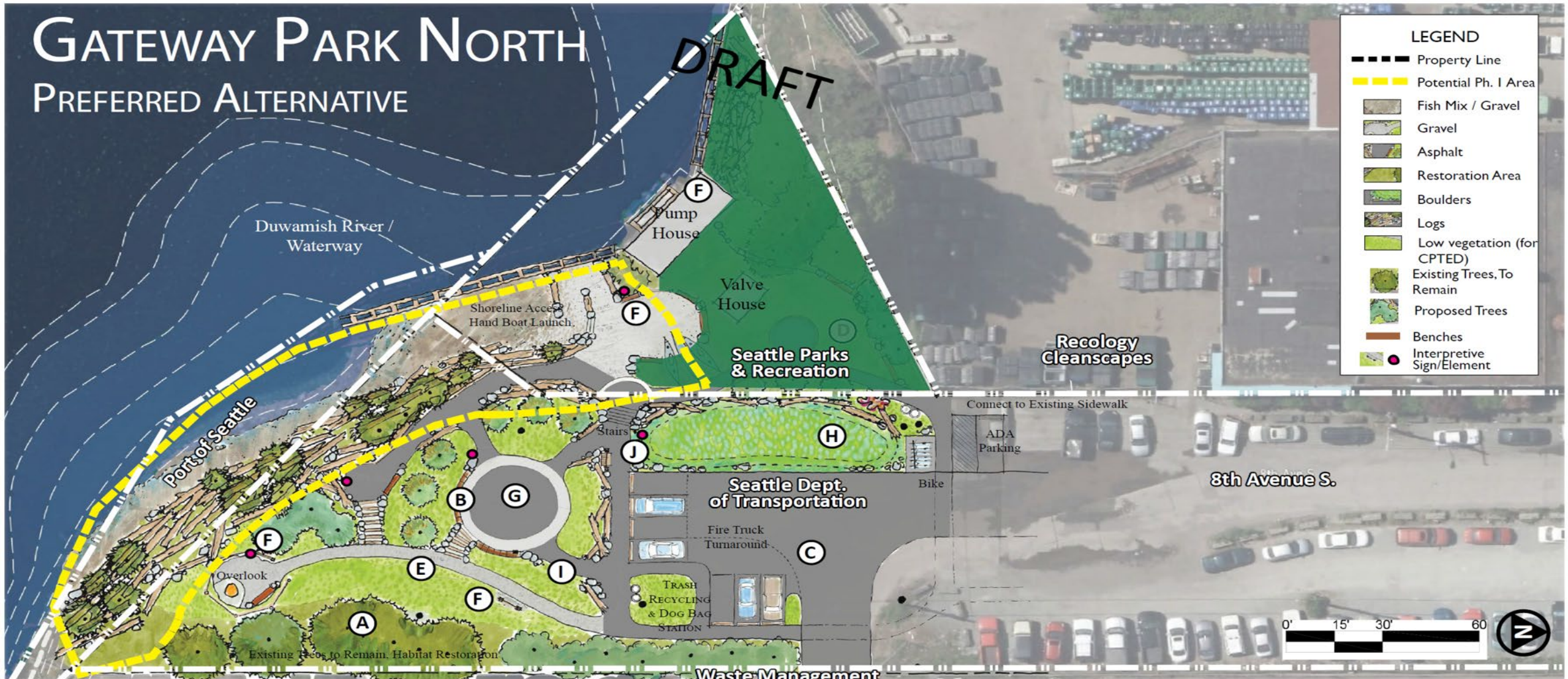
1. City Parks Department Parcel
2. Crowley parcel (Ecology cleanup site)
3. Former Commercial Waterway District #1
4. City of Seattle Right-of-Way



# GATEWAY PARK NORTH

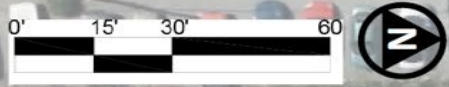
## PREFERRED ALTERNATIVE

DRAFT



**LEGEND**

- Property Line
- Potential Ph. I Area
- Fish Mix / Gravel
- Gravel
- Asphalt
- Restoration Area
- Boulders
- Logs
- Low vegetation (for CPTED)
- Existing Trees, To Remain
- Proposed Trees
- Benches
- Interpretive Sign/Element





# MOA: City of Seattle Role & Responsibilities

- **Scope:** Site characterization, design, and permitting tasks
- **Role:** Project lead
- **Responsibilities (to be completed by Q4 2025):**
  - Site characterization: contracting, planning, sampling, analysis, agency coordination
  - Design: shoreline restoration, public access area, corridor improvements
  - Permitting: local, state, tribe, federal approvals
  - Outreach



# MOA: Port of Seattle Role & Responsibilities

- **Scope:** Provide funding and in-kind support for City-led tasks
- **Role:** Project partner
- **Responsibilities:**
  - Funding for site characterization, design, permitting tasks (NTE \$500k)
  - In-kind support (NTE \$50k)
    - Staff: Provide subject matter expertise for permitting and habitat design
    - Space: Duwamish River Community Hub for outreach, project meetings
    - Materials: Contribution of large wood, plants, soil, mulch
- **Future:** Request for Phase 2, construction support ~\$2m + ~\$50k in-kind support (under separate MOA or amendment)



# Design Authorization

Requesting project authorization and approval to execute Memorandum of Agreement (MOA) with City of Seattle for site characterization, design, and permitting tasks associated with 8<sup>th</sup> Ave South/Gateway Park North project:

- Provides funding to City of Seattle to complete tasks (NTE \$500k)
- Contributes in-kind support (NTE \$50k)
- Increases current authorization of \$232,872 to \$550,000 (increase of \$317,128)



# Questions?

[RETURN TO AGENDA](#)





**COMMISSION  
AGENDA MEMORANDUM**

**Item No.** 11a

**BRIEFING ITEM**

**Date of Meeting** October 24, 2023

**DATE:** October 6, 2023

**TO:** Stephen Metruck, Executive Director

**FROM:** Elizabeth Morrison, Director Corporate Finance  
Scott Bertram, Manager, Corporate Financial Analysis

**SUBJECT: Briefing on the Tax Levy Draft Plan of Finance for 2024-2028**

**EXECUTIVE SUMMARY**

This briefing is intended to inform the Commission’s decision on the amount of the tax levy for the 2024 budget year and to inform the Commission on the Port’s funding of its 2024-2028 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 2024 tax levy amount and uses. For the 2023 budget, the Commission authorized a levy of \$82.66 million. The Draft Plan of Finance incorporates a levy amount that is 75% of the maximum amount the Port is allowed to levy within statutory limits; this brings the 2024 tax levy to \$86.7 million a 4.8% increase from 2023.

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 2024 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.

Meeting Date: October 24, 2023

**ATTACHMENTS TO THIS BRIEFING**

- (1) Presentation slides –Tax Levy and Draft Plan of Finance 2024-2028

**PREVIOUS COMMISSION ACTIONS OR BRIEFINGS**

October 10, 2023 – Maritime and EDD CIP and Operating Budgets Briefing

October 10, 2023 – Aviation Division CIP and Operating Budgets Briefing

September 26, 2022 – 2023 Central Services Preliminary Budget and Portwide Rollup Briefing

July 27, 2023 – Commission Budget Retreat

June 24, 2023 – Commission Budget Retreat

Item No. 11a\_supp

Date of Meeting: October 24, 2023

# Draft Plan of Finance 2024-2028 and Tax Levy Briefing

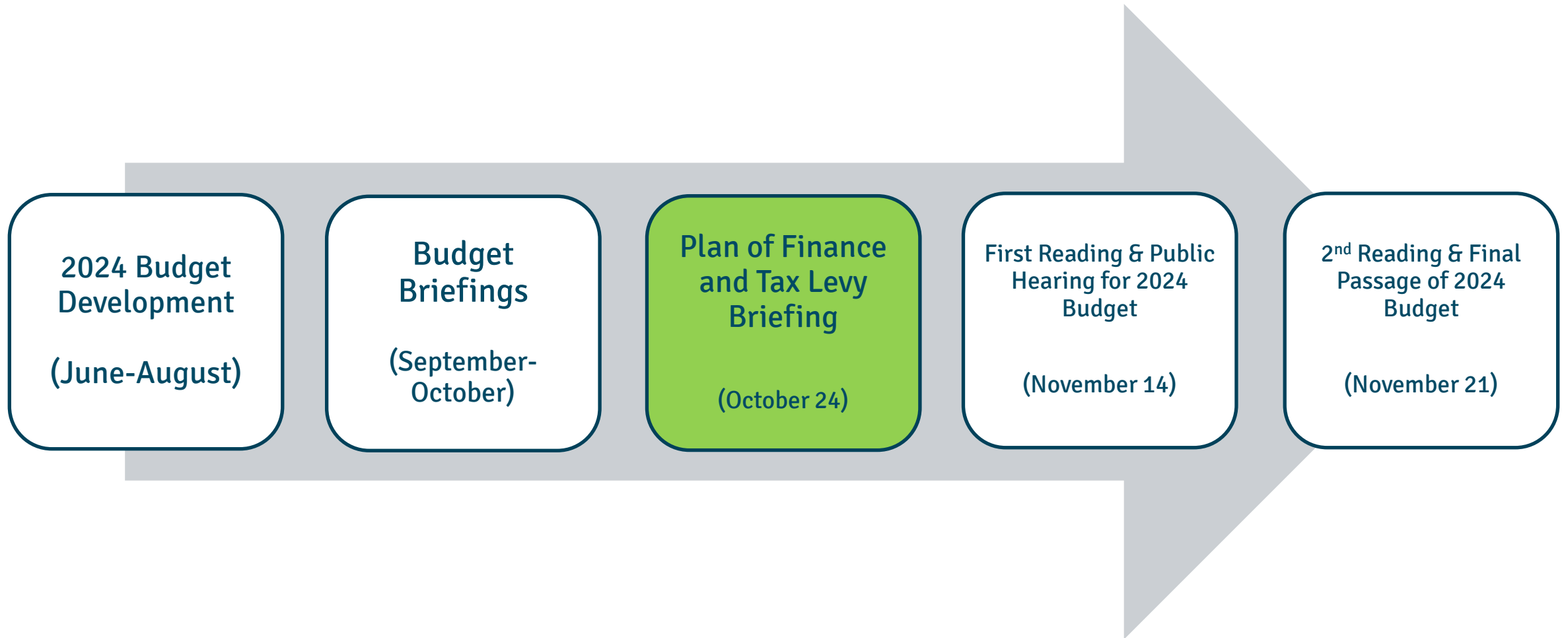
October 24, 2023



# Overview

- Budget Process Timeline
- Bottom line Up Front
- Tax Levy Background and Update
- Draft Plan of Finance 2024-2028
- Looking Beyond 2028
- Recommendation
- Finance Initiatives
- Appendix

# 2024 Budget Process



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

# Bottom Line Upfront

## Implement Recommendations that came out of the June and July Budget Retreats

- Continue to steward resources to prepare for the future
  - Growing operational and regional needs
  - Environmental remediation
  - Potential economic uncertainty
- Consider beginning to earmark funds to pay for the Port's environmental responsibilities
- Annual levy proposed at 75% of the Port's maximum allowable levy
  - The 2024 levy of \$86.7 million; represents a 4.8% increase from 2023
  - Provides an additional \$4 million in levy cash in 2024



# Tax Levy Background and Update

2024 Preliminary Budget

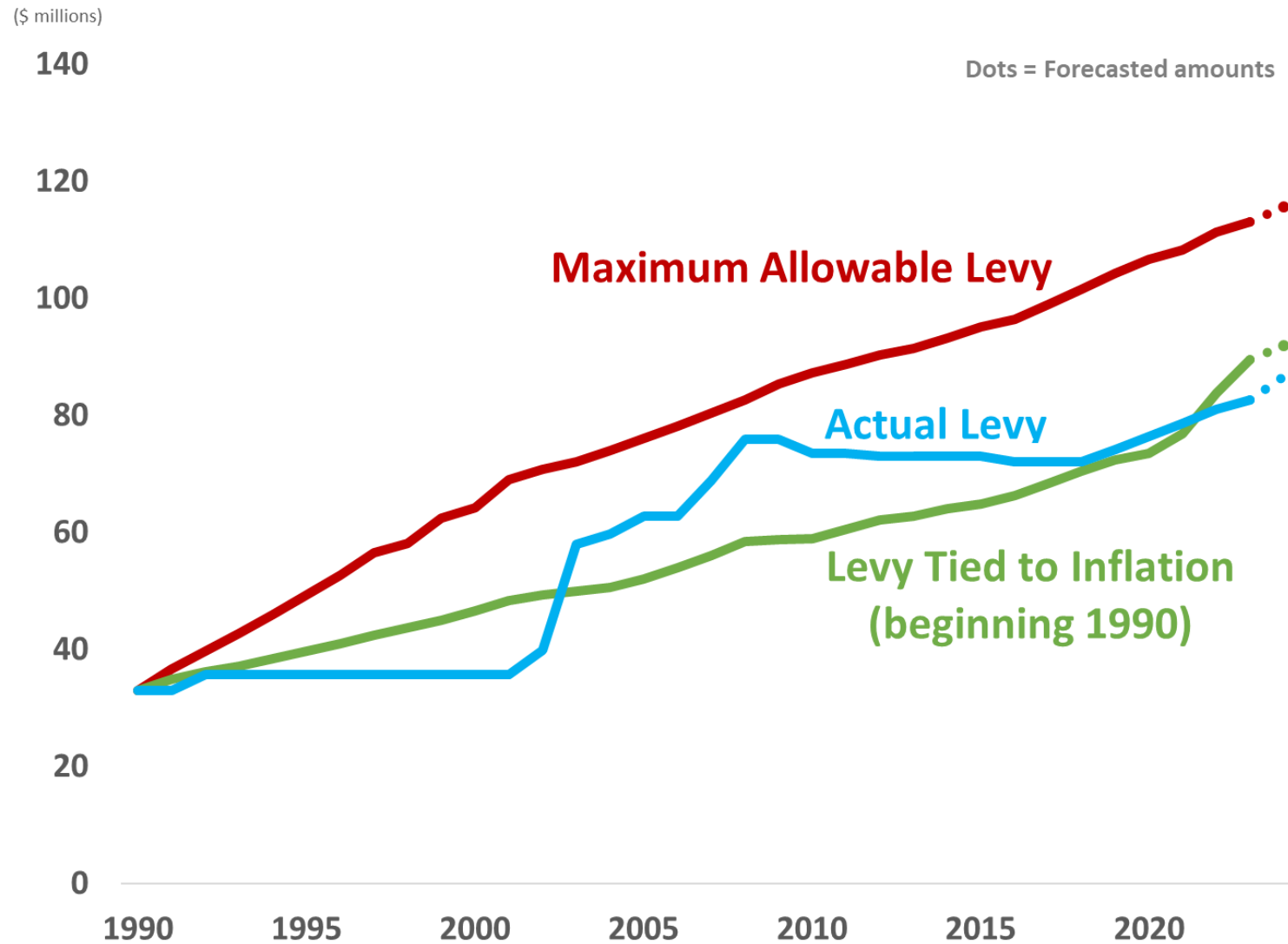
October 24, 2023

# Tax Levy Background

- Governed by State Law: Washington Ports permitted to levy property taxes
- Levy amount is approved annually by the Commission
- Levy can be leveraged by issuing General Obligation (G.O.) bonds
- Current Levy uses:
  - G.O. bond debt service
  - Environmental remediation and sustainability
  - Regional transportation mobility
  - Community: equity, workforce, economic development
  - Investments in maritime infrastructure
- The Port may approve a levy amount up to the maximum allowable within statutory limits (\$115.6 million in 2024)



# Levy History



# 2024-2028 Proposed Approach

- Levy amount set at 75% of the maximum levy
  - Preserves levy capacity for potential times of future stress
  - Maintains Port's strong credit ratings – a benefit to Airport as well as Non-Airport businesses
- Legacy environmental remediation is a top priority after debt service
  - Continue to use the tax levy to fund
  - Use G.O. bonds to fund as needed
- Fund certain community program costs
- Any remaining levy funds Non-Airport capital





# Taxpayer Impact

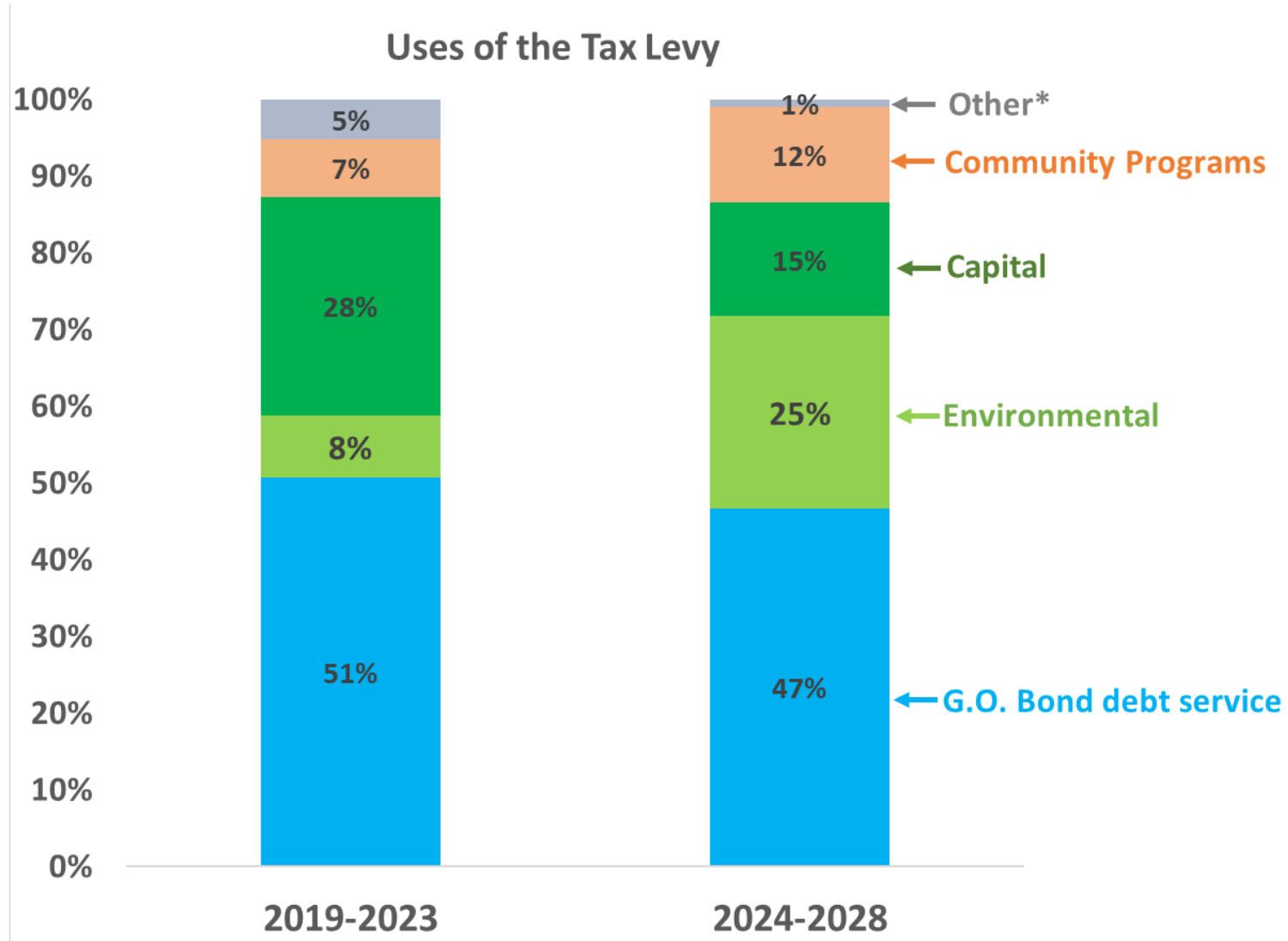
|                                       | 2023    | 2024 preliminary |
|---------------------------------------|---------|------------------|
| Tax Levy (\$ million)                 | 82.7    | 86.7             |
| Estimated millage rate (\$/1000)      | 0.0943  | 0.1059           |
| Median home value (\$) <sup>(1)</sup> | 853,000 | 853,000          |
| Estimated median home Port tax (\$)   | \$80    | \$90             |

(1) 2023 per King County; 2024 data is not yet available

- The Port's levy increases by 4.8% in 2024, but assessed valuation decreased by 7%, thus the millage rate and median taxpayer tax increase
- The Port's levy was approximately 1.2% of total property taxes levied in King County in 2023



# Use of the Tax Levy is Shifting



**\*Note:** Other includes Airport NOISE projects and NWSA membership contribution



# Draft Plan of Finance 2024-2028

2024 Preliminary Budget

October 24, 2023

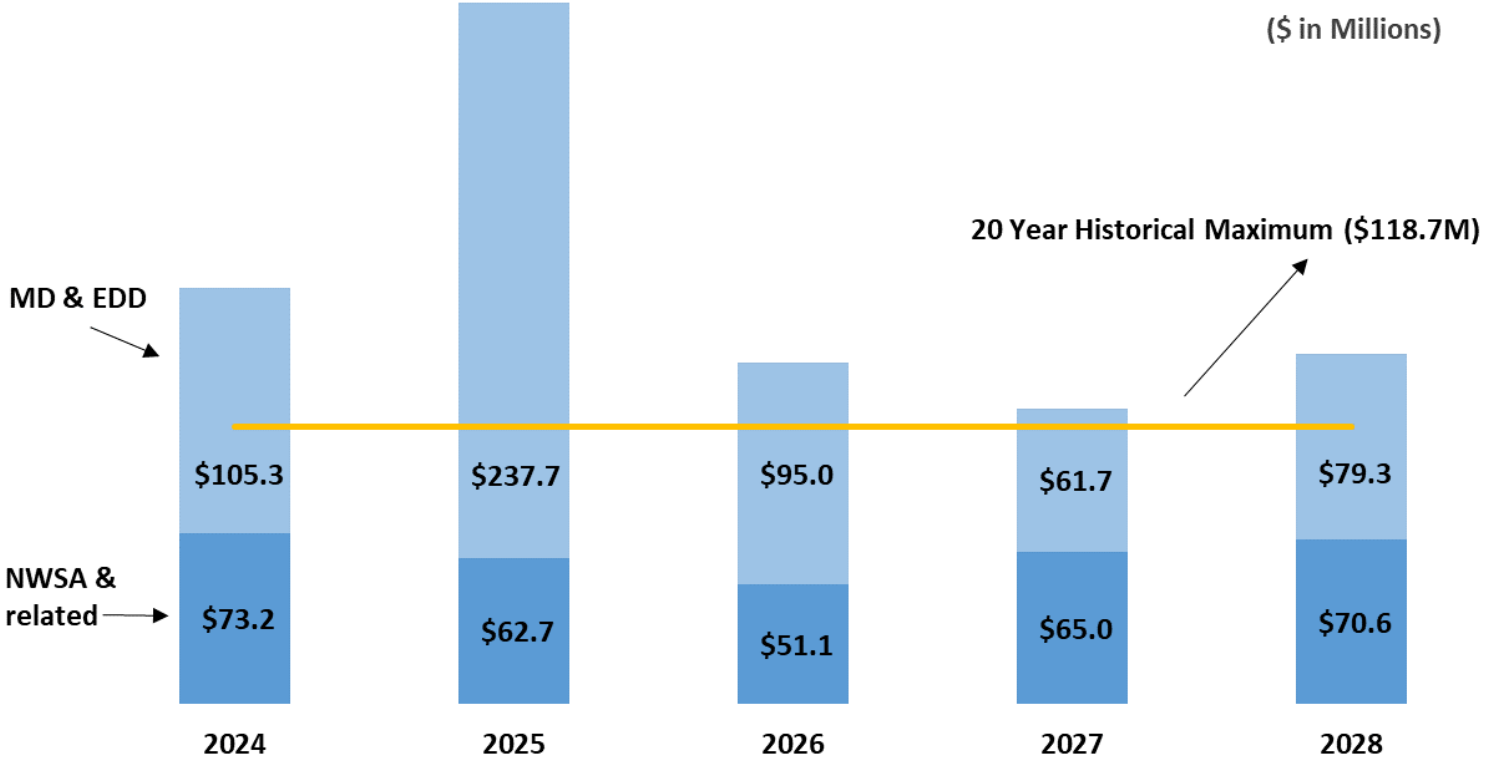
# The Draft Plan of Finance

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

# Non-Airport Capital Spending Forecast - \$913 million

Capital Spending Forecast vs. Historical Maximum

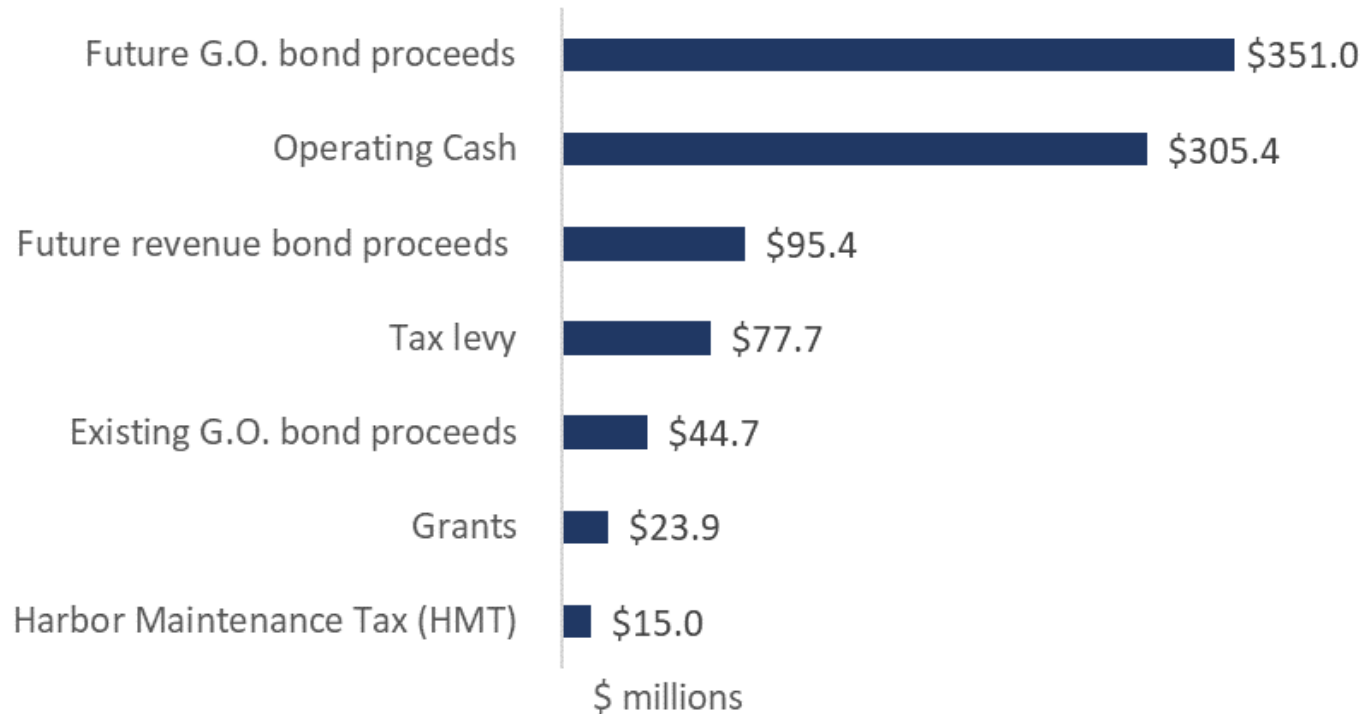


**Note:** Graph excludes \$11.5 million of Central Services CIP allocated to Non-Airport businesses

- Spending forecast to exceed prior maximum (2009) in every year
- NWSA \$322.6M includes
  - Port’s 50% share of NWSA CIP \$210.4M
  - Projects related to NWSA \$112.2M
- Stormwater Utility is self-funded and not included in the Plan of Finance
- 2023-2027 CIP was \$849 million
- Timing of spending can affect funding plan

# Non-Airport Capital Funding 2024-2028

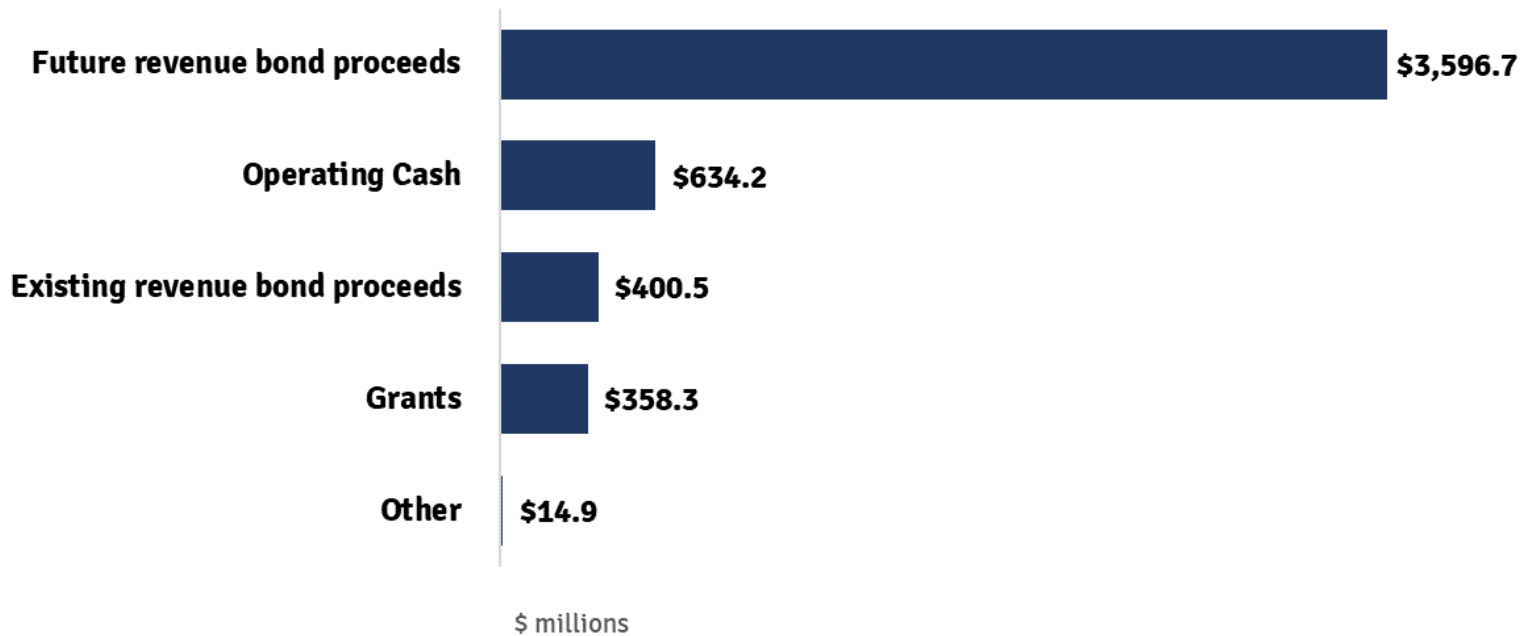
## Non-Airport Funding - \$913.1 million



- 44% of funding from operating sources:
  - Includes cash funding and revenue bonds paid from operating cash
  - Income is primarily from NWSA
- 52% is from tax levy related sources:
  - Tax levy cash
  - G.O. bonds paid by the tax levy
  - Funding plan approach includes a levy is set at 75% of maximum allowable each year
- 4% from other sources including grants and Harbor Maintenance Tax (HMT)
  - Funding sources limited to eligible projects

# Airport Funding 2024-2028

## Airport Funding \$4,955.7 million



- 93% funded from operating cash flow and revenue bonds
- \$358M capital grants (AIP)
  - S Concourse Evolution, NOISE insulation projects, Checkpoint 1 Relocation, other
- Other funding includes:
  - Customer Facility Charges after the payment of CFC eligible debt service
  - Tax Levy funding for single remaining Highline School project (not eligible for airport funding)
- PFC's not used to fund Airport CIP directly, but are used to pay revenue bond debt service

# Looking Beyond 2028

## Assumptions

- Airport and Non-airport business are separately funded
- No major disruptions to steady income growth
- Environmental remediation expenses increase
- Continued need for capital investments
  - Airport renewal
  - Include the \$400 million of Maritime and EDD deferred projects
- Continued support for community programs

## Results

- Funds \$700M Non-Airport CIP from 2029-2033
  - Includes most the \$400M of deferred Maritime/EDD projects
- Use of new G.O. bonds and revenue bonds is maximized – Port is fully leveraged
- Ability to respond to adverse events or unanticipated needs may require reducing expenses or increasing the levy beyond 75% of maximum



# Recommendation

- Continue to manage the tax levy in a way that provides financial resilience and supports the Port's good credit over the long term
- Preserve some levy capacity: Higher environmental spending or adverse changes to income could require an increase in the tax levy above the 75% target
- Consider setting aside funds for environmental remediation

# Finance Initiatives

- Revenue and G.O. bonds
  - Issue new debt as needed to fund a portion of the CIP
  - Refund existing bonds for debt service savings
    - 2013 Intermediate Lien Revenue bonds are callable next year
    - 2013 Airport Special Facility bonds are callable next year
    - Monitor other potential candidates
- Manage variable rate debt credit agreements and renewals
- Complete financial advisory procurement
- Continue to evaluate funding alternatives, e.g. federal loans

# Appendix

2024 Preliminary Budget  
October 24, 2023

# Contents

| <b>Pages</b> |  |
|--------------|--|
| 21           | Additional Tax Levy Information                  |
| 33           | Industrial Development District Levy Information |
| 36           | CIP and Funding                                  |
| 40           | Revenue Bond Coverage and 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 lessor of 1% or inflation
  - New construction is added
  - The maximum levy for 2024 is estimated to be ~\$115.6 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 2023, this limit would translate to ~\$363.7 million
  - Excludes the amount needed to pay G.O. bond debt service

# 2023 Tax Levy Fund Sources and Uses

(\$ million)

## **SOURCES OF TAX LEVY FUNDS**

|                                  | <b>2023</b>     |
|----------------------------------|-----------------|
| Prior Year Tax Levy Fund Balance | \$ 26.2         |
| Projected Tax Levy Collection    | 82.7            |
| Environmental Receipts           | 10.2            |
| Investment Interest Income       | 1.3             |
| <b>Total Sources</b>             | <b>\$ 120.4</b> |

## **USES OF TAX LEVY FUNDS**

|  |                |
|--|----------------|
| G.O. bond debt service (Existing)                  | \$ 34.7        |
| Non-Airport Capital Investments                    | 19.4           |
| NW SA Membership Interest Contribution             | 5.0            |
| Environmental Remediation Liability (Non-Aviation) | 4.6            |
| Community Programs                                 | 11.2           |
| <b>Total Uses</b>                                  | <b>\$ 75.0</b> |

|  |                |
|--|----------------|
| <b>Projected Ending 2023 Levy Fund Balance</b> | <b>\$ 45.4</b> |
|--|----------------|

- In addition to the tax levy, Commission established:
  - Transportation Infrastructure fund (TIF) for regional mobility participation



# 2024-2028 Tax Levy Fund Sources and Uses

(\$ million)

## SOURCES OF TAX LEVY FUNDS

|                                  |  |
|----------------------------------|--|
| Prior Year Tax Levy Fund Balance |  |
| Projected Tax Levy Collection    |  |
| Environmental Receipts           |  |
| <b>Total Sources</b>             |  |

| 2024 - 2028 |              |
|-------------|--------------|
| \$          | 45.4         |
|             | 450.4        |
|             | 29.6         |
| <b>\$</b>   | <b>525.4</b> |

## USES OF TAX LEVY FUNDS

|   |  |
|---|--|
| G.O. bond debt service (Existing)                         |  |
| G.O. bond debt service (New)                              |  |
| Non-Airport Capital Investments                           |  |
| Environmental Remediation Liability (Non-Aviation)        |  |
| Non-Aviation Public Expense                               |  |
| Aviation Capital Investments (Highline School Insulation) |  |
| Community Programs  |  |
| <b>Total Uses</b>   |  |

|           |              |
|-----------|--------------|
| \$        | 153.4        |
|           | 91.9         |
|           | 77.7         |
|           | 131.6        |
|           | 4.4          |
|           | 1.0          |
|           | 65.5         |
| <b>\$</b> | <b>525.5</b> |

**Projected Ending 2028 Levy Fund Balance**

|           |              |
|-----------|--------------|
| <b>\$</b> | <b>(0.2)</b> |
|-----------|--------------|

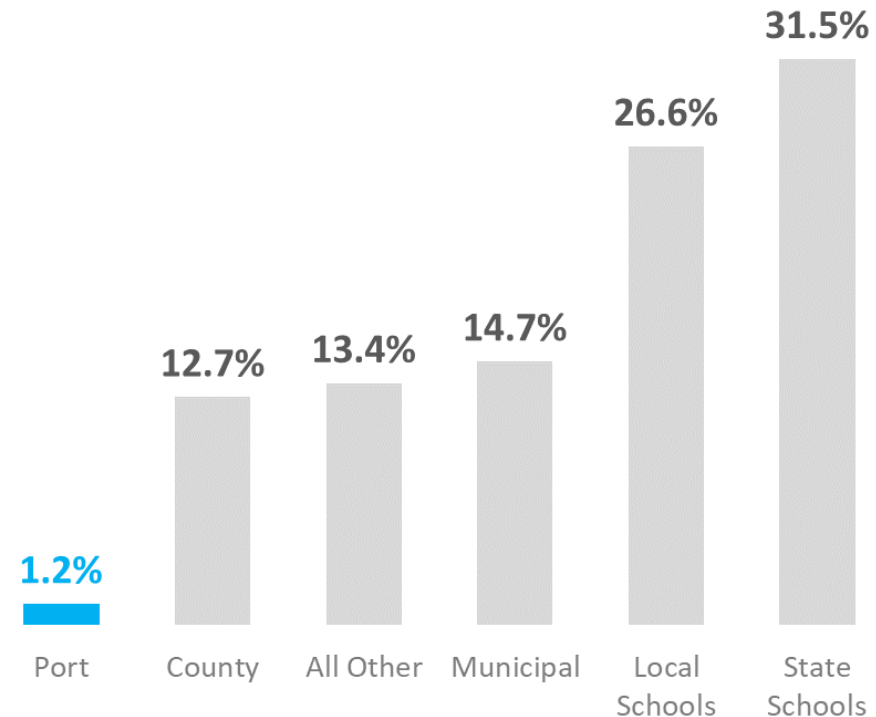
## Tax Levy Fund - Assumptions

- 4.8% annual increase in 2024; maintain levy at 75% of maximum allowable from 2025-2028
  - Maximum levy increases approximately 2% per year
- Future insurance recoveries for environmental remediation
- Existing and new G.O. bonds to fund \$396 million of non-airport capital investments in addition to the \$78 million paid by tax levy cash

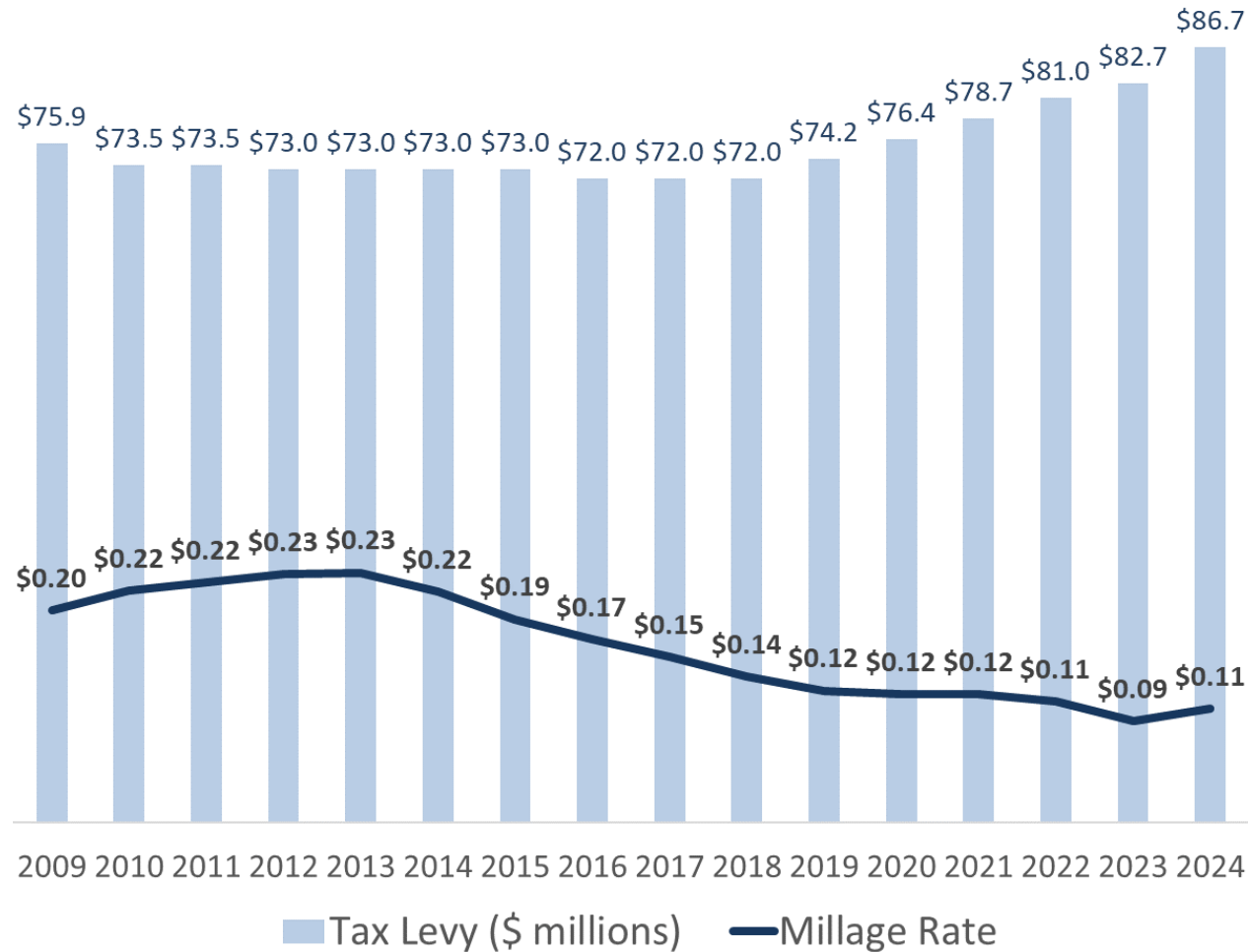
# Overall Taxpayer Impact – 2023

- Of the \$7.1 billion of property taxes paid in King County, less than 1.2% goes to the Port
- In 2023, the median homeowner paid \$7,380 in total property tax with **\$80 going to the Port**

Only 1.2% of King County taxes go to the Port

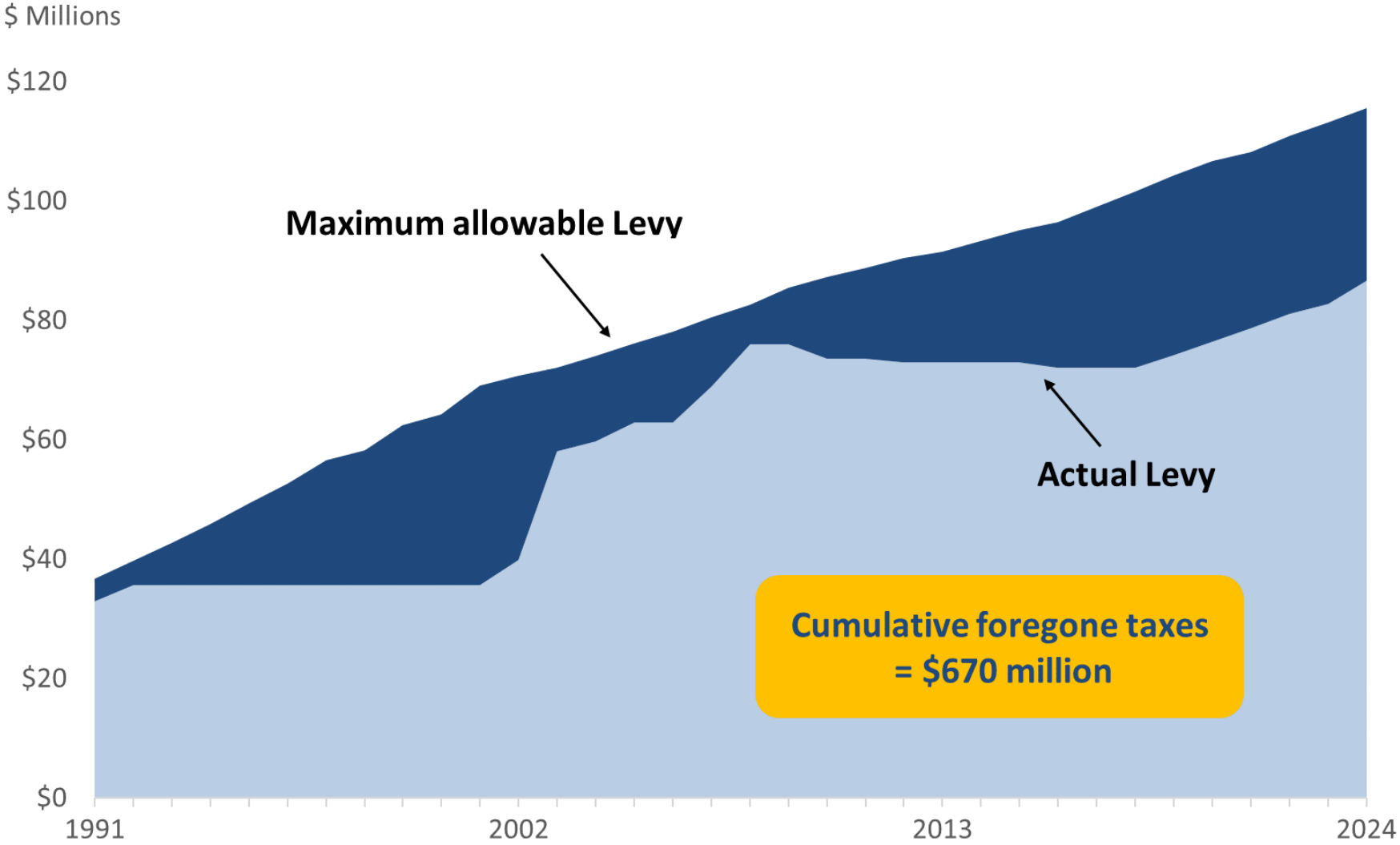


# 2009-2024 Tax Levy & Millage Rate (1)

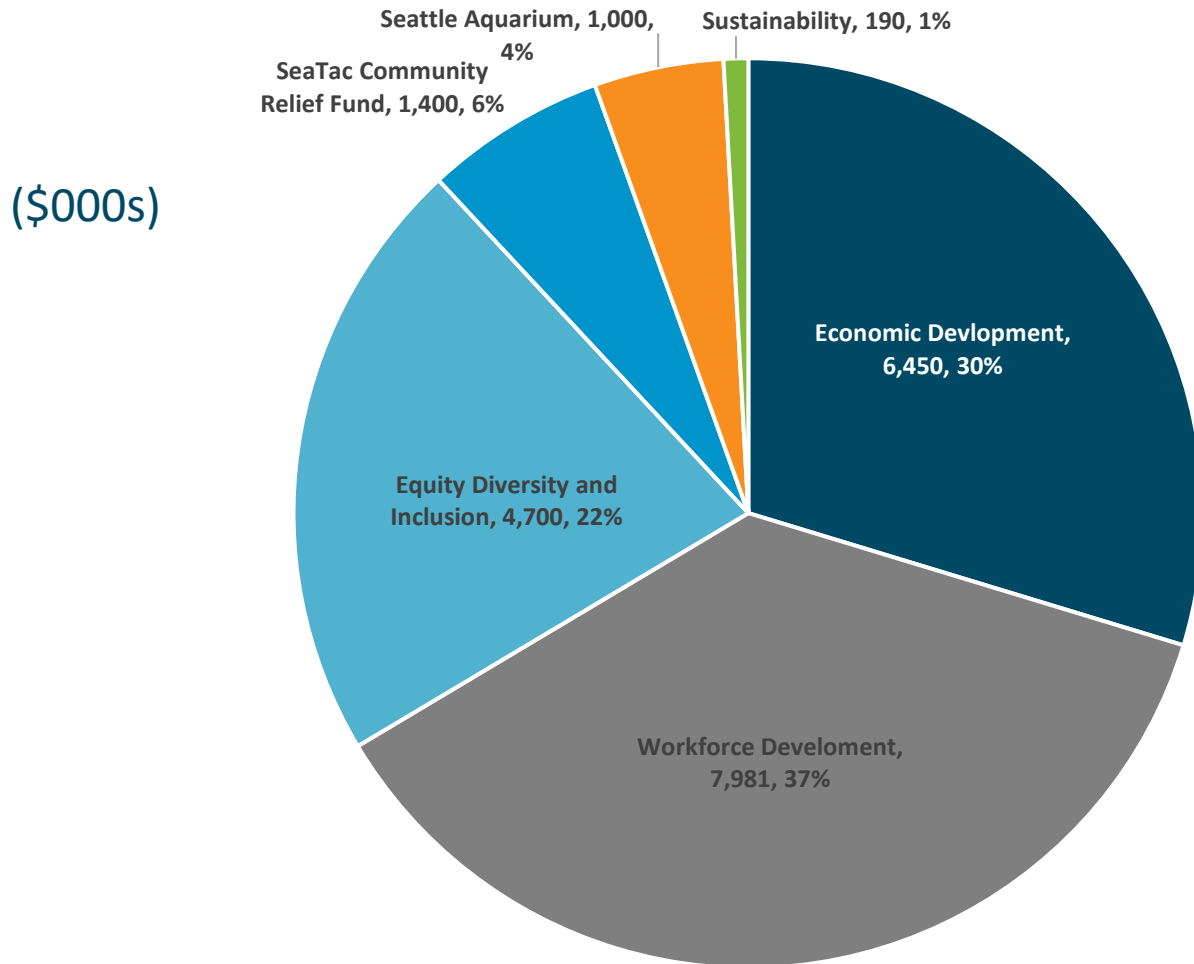


(1) Millage rate represents the amount per every \$1,000 of assessed valuation

# Actual vs. Maximum Allowable Levy



# 2024 Port Community Program Funding by Activity



## Economic Development

- Tourism Marketing Support - \$1.9M
- Spotlight Advertising - \$466K
- Community Business Connector - \$380K
- Diversity in Contracting - \$2.3M
- Maritime Blue - \$175K

## Workforce Development

- Workforce Development Department - \$5.1M
- High School Interns - \$486K

## Equity, Diversity & Inclusion

- South King County Fund - \$2.2M
- OEDI Department - \$2.0M
- Duwamish Community Equity program – \$471K

## SeaTac Community Relief

- \$1.4M

## Seattle Aquarium

- \$1.0M

## Sustainability

- Ace Fund - \$40K
- Low Carbon Fuel Standards- \$150K

# Community Programs and Other Non-Capital

| Program (in \$000)  | 2022 Budget   | 2023 Budget   | 2024 Proposed Budget | 2024 Budget Funded by the levy | % of the 2024 Budget Funded by the levy |
|---|---------------|---------------|----------------------|--------------------------------|---|
| 1) Energy & Sustainability Fund                               | 160           | 120           | -                    | -                              | -                                       |
| 2) Airport Community Ecology (ACE) Fund                       | 135           | 40            | 40                   | 40                             | 100%                                    |
| 3) South King County Community Impact Fund (SKCCIF)           | 2,195         | 2,214         | 2,214                | 2,214                          | 100%                                    |
| 4) Duwamish Valley Community Equity Program                   | 387           | 462           | 471                  | 471                            | 100%                                    |
| 5) EDD Partnership Grants                                     | 1,200         | 850           | 950                  | 950                            | 100%                                    |
| 6) Tourism Marketing Support Program                          | 1,750         | 1,830         | 1,875                | 300                            | 16%                                     |
| 7) Airport Spotlight Ad Program*                              | 466           | 466           | 466                  | 466                            | 100%                                    |
| 8) City of SeaTac Community Relief*                           | 1,400         | 1,400         | 1,400                | 1,400                          | 100%                                    |
| 9) Maritime Blue (formerly Maritime Innovation Center)        | 150           | 150           | 175                  | 175                            | 100%                                    |
| 10) Workforce Development                                     | 4,390         | 5,186         | 5,077                | 3,863                          | 76%                                     |
| a. Youth Career Launch Program (formerly OYI) <sup>1</sup>    | 1,000         | 1,000         | 900                  | 900                            | 100%                                    |
| b. Airport Employment Center                                  | 1,096         | 1,517         | 1,517                | 303                            | 20%                                     |
| 11) High School Internship Program                            | 496           | 457           | 486                  | 259                            | 53%                                     |
| 12) Diversity in Contracting                                  | 1,836         | 2,299         | 2,304                | 300                            | 13%                                     |
| a. Small Bus. Accelerator under SKCCIF <sup>2</sup>           | 250           | 250           | 250                  | 250                            | 100%                                    |
| b. DBE/ACDBE/WMBE Training Consultants & Outreach             | -             | 50            | 50                   | 50                             | 100%                                    |
| 13) Equity, Diversity & Inclusion                             | 1,366         | 1,767         | 2,015                | 203                            | 10%                                     |
| 14) Sustainable Aviation Fuels & Air Emissions Program        | 200           | 100           | -                    | -                              | -                                       |
| 15) Low Carbon Fuel Standard Initiative                       | 110           | 150           | 150                  | -                              | -                                       |
| 16) Community Biz Connector (Regional Small Biz Partnerships) | 150           | 350           | 380                  | 380                            | 100%                                    |
| 17) Public Market Study                                       | -             | 100           | -                    | -                              | -                                       |
| 18) Seattle Aquarium Partnership                              | -             | 1,000         | 1,000                | 1,000                          | 100%                                    |
| <b>Sub Total</b>  | <b>16,142</b> | <b>18,691</b> | <b>18,753</b>        | <b>11,772</b>                  | <b>63%</b>                              |
| <b>Payroll charged to the Levy <sup>3</sup></b>               | <b>483</b>    | <b>433</b>    | <b>589</b>           | <b>589</b>                     | <b>100%</b>                             |
| <b>Grand Total</b>  | <b>16,625</b> | <b>19,124</b> | <b>19,342</b>        | <b>12,361</b>                  | <b>64%</b>                              |

- Tax levy will fund
  - ~\$12 million of community programs in 2024
  - ~\$66 million 2024-2028
- 2024-2028, the levy will also fund
  - \$245 million G.O. bond debt service
  - \$132 million environmental remediation

**Notes:**

- 1 Youth Career Launch Prgm budget rolls up to Workforce Development total (item 10).  
 2 \$250K Small Business Accelerator under Diversity In Contracting (DIC) is included in DIC total (Item 12) and SKCCIF (item 3).  
 3 2024 Payroll only for CPO & Ext. Rel. Other payroll from HS Interns, WFD, EDI are included in the individual items above.



# Levy & G.O. Bond Funded Capital Investments

## Spending Primarily in 2024

NWSA - T5 (50% Share)\*

Fishermen's Terminal Maritime Innovation Center

Salmon Bay Marina Docks A-C Roof Safety

Terminal 46 Substation 1 Replacement

Highline School Insulation

Other

## Spending Primarily in 2025+

NWSA - Other North Harbor (50% Share)

Terminal 91 Uplands Development Phase I

Terminal 91 Berth 6 & 8 Redevelopment

Fishermen's Terminal NW Dock West Improvements

West Waterway Deepening

Terminal 91 P90/91 Dock Rehabilitation

Maritime Climate and Air Action Plan Phase I

Seattle Waterfront Clean Energy Strategy

East Waterway Deepening

Terminal 91 Infrastructure

Sustainable Evaluation Framework Reserve

Fishermen's Terminal (multiple)

Other

\* Includes funding with 2022 G.O. bond proceeds

Projects that may be funded whole or in part with tax levy and/or G.O. bond proceeds

## Funding Includes:

- \$78 million tax levy cash
- \$45 million of 2022 G.O. bond proceeds
- \$351 million future G.O. Bonds

# Transportation and Infrastructure Fund (TIF)

| <b>TIF (\$ million)</b>    | <b>2024-2028</b> | <b>Post 2028</b> |
|----------------------------|------------------|------------------|
| Beginning Balance          | \$ 63.7          | \$ 17.1          |
| Transportation Investments | (46.6)           | (9.3)            |
| Ending Balance             | 17.1             | 7.8              |

| <b>TIF Funded Projects (\$ million)</b> | <b>2024-2028</b> | <b>Post 2028</b> |
|---|------------------|------------------|
| Seattle Heavy Haul Network              | \$ 10.5          | \$ 9.3           |
| Fast Corridor II                        | 0.8              | -                |
| West Seattle Bridge                     | 3.0              | -                |
| Safe and Swift                          | 2.3              | -                |
| Puget Sound Gateway (SR 509)            | 30.0             | -                |
|   | \$ 46.6          | \$ 9.3           |

# Current Levy Policies and Practices

- Manage General Obligation (G.O.) debt service to no more than 75% of the annual levy
- Capital investment criteria
- Pay for legacy environmental costs
- Limited Airport use
- Retain tax levy flexibility
  - The difference between the actual levy and the maximum reserves “dry powder” for future resiliency
  - Supports Port’s strong credit ratings

# Commission Established Levy Use Criteria for Capital Investments

**Uses: Established in 2015, updated in 2018**

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

# 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 \$2.3 billion over a period of up to 20 years
    - Average amount = \$113 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.

# Airport CIP and Funding

|   | <b>2024-2028<br/>(\$ million)</b> |
|---|-----------------------------------|
| Airport CIP                                     |                                   |
| Baggage Optimization                            | \$ 514.2                          |
| C Concourse Expansion                           | 326.6                             |
| SEA Gateway                                     | 458.6                             |
| S Concourse Evolution                           | 792.9                             |
| Main Terminal Improvement                       | 199.4                             |
| Other Capital Projects                          | 1,847.1                           |
| SAMP Preliminary Planning/Design <sup>(1)</sup> | 175.2                             |
| Proposed New Projects                           | 115.9                             |
| CIP Reserves                                    | 525.8                             |
| <b>TOTAL</b>                                    | <b>\$ 4,955.7</b>                 |
| Allocated Central Services CIP                  | 48.9                              |
| <b>Total Airport Funded CIP</b>                 | <b>\$ 5,004.6</b>                 |
| <b>(1) Sustainable Airport Master Plan</b>      |                                   |

|  | <b>2024-2028<br/>(\$ million)</b> |
|--|-----------------------------------|
| Airport Funding Sources  |                                   |
| Operating Cash <sup>(1)</sup>  | \$ 634.2                          |
| Tax levy <sup>(2)</sup>  | 1.0                               |
| Customer Facility Charge (CFC)   | 13.9                              |
| Grants   | 358.3                             |
| Existing revenue bond proceeds   | 400.5                             |
| Future revenue bond proceeds   | 3,596.7                           |
| <b>Total Airport Funding</b>   | <b>\$ 5,004.6</b>                 |
| Airport CIP  | \$ 4,955.7                        |
| Allocated Central Services CIP   | 48.9                              |
| <b>Total Airport Funded CIP</b>  | <b>\$ 5,004.6</b>                 |
| <b>(1) Includes airport income available after payment of revenue bond debt service.</b> |                                   |
| <b>(2) Highline Schools noise insulation.</b>  |                                   |
| <b>Note: totals may not add due to rounding</b>  |                                   |

# Non-Airport CIP and Funding

|  | <b>2024-2028<br/>(\$ million)</b> |
|--|-----------------------------------|
| <b>Non-Airport CIP</b>   |                                   |
| Maritime & Economic Development CIP  | \$ 579.0                          |
| NWSA - 50% Share (North & South Harbor)  | 210.4                             |
| NWSA - Reserve & Port Projects <sup>(1)</sup>  | 112.2                             |
| <b>TOTAL</b>   | <b>\$ 901.6</b>                   |
| Allocated Central Services CIP   | 11.5                              |
| <b>Total Non-Airport Funded CIP</b>  | <b>\$ 913.1</b>                   |
| <small>(1) Includes North Harbor channel deepening and other 100% Port legacy costs in North Harbor.</small> |                                   |
| <small>Note: totals may not add due to rounding</small>  |                                   |

|  | <b>2024-2028<br/>(\$ million)</b> |
|--|-----------------------------------|
| <b>Non-Airport Funding Sources</b>   |                                   |
| Operating Cash <sup>(1)</sup>  | \$ 305.4                          |
| Grants   | 23.9                              |
| Harbor Maintenance Tax (HMT)   | 15.0                              |
| Tax levy <sup>(2)</sup>  | 77.7                              |
| Existing G.O. bond proceeds  | 44.7                              |
| Future G.O. bond proceeds  | 351.0                             |
| Future revenue bond proceeds   | 95.4                              |
| <b>Total Non-Airport Funding</b>   | <b>\$ 913.1</b>                   |
| <small>(1) Includes non-airport income available after payment of revenue bond debt service.</small> |                                   |
| <small>(2) Annual levy forecasted at 75% of the Port's maximum allowable levy</small>                |                                   |
| <small>Note: totals may not add due to rounding</small>  |                                   |

# Draft 2024 to 2028 CIP: \$579M

Cash Flows in \$000s

| Primary LOB                             | Project                             | Status* | 2024           | 2025           | 2026          | 2027          | 2028          | 5Y Total       | Project Total |
|---|-------------------------------------|---------|----------------|----------------|---------------|---------------|---------------|----------------|---------------|
| Cruise                                  | P66 Shore Power                     | 5       | 27,752         | 1,560          | 0             | 0             | 0             | 29,312         | 41,000        |
|   | T91 New Cruise Gangway              | 5       | 3,040          | 5,786          | 0             | 0             | 0             | 8,826          | 9,000         |
|   | P66 Fender Replacement              | 5       | 2,382          | 1,839          | 0             | 0             | 0             | 4,221          | 7,616         |
|   | P66 New Cruise Passenger Gangway    | 2       | 950            | 5,000          | 0             | 0             | 0             | 5,950          | 6,000         |
| Fishing,<br>Commercial &<br>Rec Boating | T91 Berth 6 & 8 Redevelopment       | 5       | 19,223         | 51,000         | 2,371         | 0             | 0             | 72,594         | 75,600        |
|   | FT NW Dock West Improvements        | 2       | 270            | 450            | 930           | 7,800         | 30,000        | 39,450         | 56,000        |
|   | FT S Wall Fender Replacement        | 2       | 0              | 0              | 0             | 700           | 2,000         | 2,700          | 24,700        |
|   | T91 P90/91 Dock Rehab               | 2       | 800            | 10,350         | 10,000        | 0             | 0             | 21,150         | 21,200        |
|   | Harbor Mooring Dolphins             | 3       | 0              | 40             | 120           | 6,800         | 10,500        | 17,460         | 18,000        |
|   | FT W Wall N Fender Replacement      | 2       | 0              | 0              | 500           | 1,500         | 7,000         | 9,000          | 16,500        |
|   | HIM Dock-E Improvements             | 5       | 2,350          | 1,893          | 0             | 0             | 0             | 4,243          | 5,350         |
| Real Estate                             | T91 Uplands Dev Phase I             | 4       | 18,409         | 55,901         | 4,005         | 0             | 0             | 78,315         | 82,471        |
|   | FT Maritime Innovation Center       | 5       | 14,789         | 10,906         | 0             | 0             | 0             | 25,695         | 29,320        |
|   | P69 Concrete Dock Rehabilitation    | 2       | 1,000          | 10,000         | 10,000        | 5,995         | 0             | 26,995         | 27,000        |
|   | T91 Uplands Phase II Infrastructure | 2       | 500            | 6,500          | 3,250         | 0             | 0             | 10,250         | 10,350        |
|   | P66 Grand Staircase Replacement     | 2       | 50             | 4,400          | 3,888         | 0             | 0             | 8,338          | 8,338         |
|   | P69 HVAC System Modernization       | 2       | 100            | 2,618          | 3,711         | 1,545         | 0             | 7,974          | 7,974         |
|   | MIC Electrical Replacements         | 4       | 411            | 6,100          | 0             | 0             | 0             | 6,511          | 7,179         |
|   | P66 Retail HVAC Upgrade             | 3       | 0              | 4              | 219           | 2,485         | 4,161         | 6,869          | 6,928         |
|   | Bell Street Bridge Refresh          | 2       | 0              | 0              | 5             | 3,400         | 1,948         | 5,353          | 5,353         |
| Environmental                           | Smart Electric Meters               | 2       | 667            | 467            | 3,204         | 3,204         | 3,204         | 10,746         | 10,883        |
|   | Waterfront EV Infrastructure        | 3       | 230            | 1514           | 1,514         | 1,514         | 0             | 4,772          | 4,817         |
|   | Mid-Cap                             |         | 27,860         | 21,367         | 11,145        | 6,132         | 4,724         | 71,228         |               |
|   | Small                               |         | 3,669          | 1,650          | 1,550         | 1,550         | 1,550         | 9,969          |               |
|   | Fleet                               |         | 5,428          | 4,700          | 5,350         | 3,550         | 1,200         | 20,228         |               |
|   | Reserves/Cash Flow Adjustment       |         | (24,694)       | 33,703         | 33,215        | 15,479        | 13,000        | 70,703         |               |
| <b>Total Funded</b>                     |                                     |         | <b>105,186</b> | <b>237,748</b> | <b>94,977</b> | <b>61,654</b> | <b>79,287</b> | <b>578,992</b> |               |

Project Categories: Large >\$5M, Mid \$1M to \$5M, Small <\$300K

\*Status: 5=Construction, 4=Design, 3=Pre-Design, 2=Business Plan Prospective

# Non-Airport Operating Cash Flow Available for Capital

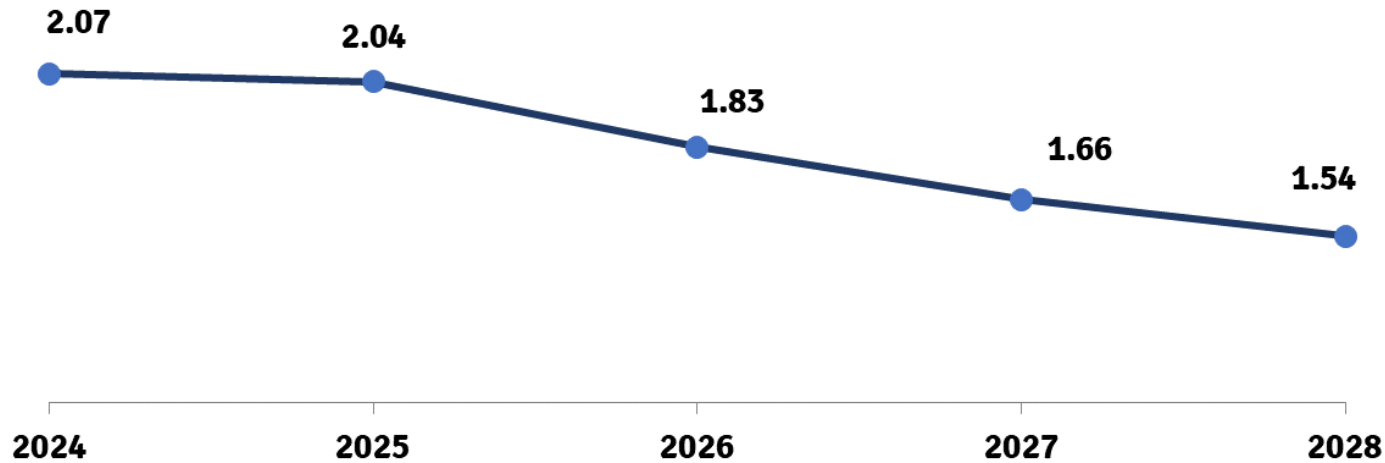
| (\$ million)   | <u>2024</u>    | <u>2025</u>    | <u>2026</u>    | <u>2027</u>    | <u>2028</u>    | <u>TOTAL</u>    |
|--|----------------|----------------|----------------|----------------|----------------|-----------------|
| Distributable Cash (adjusted) from NWSA <sup>(1)</sup>   | \$ 59.2        | \$ 60.7        | \$ 66.0        | \$ 68.3        | \$ 68.7        | \$ 322.9        |
| Maritime net income                                      | 13.8           | 16.0           | 17.6           | 18.4           | 19.0           | 84.8            |
| EDD net income   | (9.0)          | (10.3)         | (11.3)         | (11.8)         | (12.3)         | (54.7)          |
| Revenue bond debt service and adjustments <sup>(2)</sup> | (21.1)         | (27.8)         | (23.8)         | (14.6)         | (16.4)         | (103.6)         |
| <b>TOTAL</b>   | <b>\$ 42.8</b> | <b>\$ 38.6</b> | <b>\$ 48.5</b> | <b>\$ 60.4</b> | <b>\$ 59.1</b> | <b>\$ 249.4</b> |

(1) Excludes NWSA capital grants, which are reflected separately as a funding source of NWSA capital

(2) Adjustments include certain non-operating revenues and expenses and reimbursements for tax levy & other funded EDD and Corporate expenses

# Port-wide Revenue Bond Debt Service Coverage Forecast

**Debt Service Coverage**



- Represents net income from Airport and Non-Airport businesses divided by all revenue bond debt service
- Tax levy after payment of G.O. bond debt service adds to coverage
- 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
  - This is expected, and Port-wide DS coverage levels remain strong

# Revenue Bond Debt Service Coverage

- Key metric of income available to pay debt service
  - Net income/debt service
- Management targets provide financial resilience
  - Airport 1.25x-1.40x
  - Non-Airport 1.80x
- Legal obligation to investors
- Use of PFCs and CFCs to pay debt service improves coverage

| Coverage Calculation |   |
|----------------------|---|
|                      | Airport & Non-Airport Revenues                        |
| Minus                | <u>Expenses adjusted for tax levy <sup>(1)</sup></u>  |
| Equals               | Available for debt service                            |
| Divide               | Debt service net of payment from PFCs and <u>CFCs</u> |
| Equals               | Debt Service Coverage                                 |

(1) Tax levy net of G.O. bond debt service is deemed to reduce expenses



# Financial Targets Provide Resiliency

- Tool for managing on-going uncertainty
- Provides a cushion for income variability

|             | <b>Minimum Revenue Bond Coverage</b> | <b>Minimum Fund Balance</b> |
|-------------|--------------------------------------|-----------------------------|
| Airport     | 1.25x debt service <sup>(1)</sup>    | 18 months <sup>(2)</sup>    |
| Non-Airport | 1.80x debt service                   | 12 months                   |

(1) Target is 1.4

(2) By 2025

# Current Credit Ratings

|                                     | <u>Fitch</u> | <u>Moody's</u> | <u>S&amp;P</u> |
|-------------------------------------|--------------|----------------|----------------|
| General Obligation Bonds            | AA-          | Aaa            | AA             |
| First Lien Revenue Bonds            | AA           | Aa2            | AA             |
| Intermediate Lien Revenue Bonds     | AA-          | A1             | AA-            |
| Subordinate Lien Revenue Bonds      | AA-          | A2             | A+             |
| Fuel Hydrant Special Facility Bonds |              | A1             | A+             |

## Noted Credit Strengths:

- 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

**RETURN TO AGENDA**