



COMMISSION REGULAR MEETING AGENDA

May 24, 2022

To be held virtually via MS Teams and in person at the Seattle-Tacoma International Airport – Conference Center, International Room, located at 17801 International Blvd, Seattle WA, Mezzanine Level. You may view the full meeting live at meetings.portseattle.org. To listen live, call in at +1 (425) 660-9954 or (833) 209-2690 and Conference ID 578 696 562#

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 will have the opportunity to:

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

2) Deliver public comment via phone or Microsoft Teams conference: To take advantage of this option, please email commission-public-records@portseattle.org with your name and the topic you wish to speak to by 9:00 a.m. PT on Tuesday, May 24, 2022. 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.

For additional information, please contact commission-public-records@portseattle.org.

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

8a. Approval of Minutes of the Special and Regular Meetings of May 10, 2022. **(no enclosure)**

- 8b. Authorization for the Executive Director to Prepare Design and Construction Bid Documents, and Utilize Port of Seattle Crews and Small Works Contracts for the Water Reservation Rehabilitation Project at Seattle-Tacoma International Airport, in the Amount of \$1,000,000 and a total Estimated Project Cost of \$3,169,000. (CIP #C801172) ([memo](#) and [presentation](#) enclosed) (p.4)
- 8c. Authorization for the Executive Director to Execute One Indefinite Delivery Indefinite Quantity (IDIQ) Professional Service Agreement for Civil Design Support Services in Support of Multiple Capital Improvement Program Projects at Seattle-Tacoma International Airport in the Maximum Contract Value Amount of \$5,000,000 and a Contract Ordering Period of Five Years. ([memo](#) enclosed) (p.19)
- 8d. Authorization for the Executive Director to Increase the Perimeter Intrusion Detection System Contract (S-000319688) with Siemens by \$375,000 for a New Contract Amount of \$5,411,000. (CIP #C800844) ([memo](#) enclosed) (p.22)
- 8e. Authorization for the Executive Director to Proceed with the Public Safety Dispatch and Police Records Management Replacement Project and Execute Contract(s) for Software, Equipment, Vendor Services, and Ten Years of Software License and Maintenance Fees, in the Amount of \$2,525,000 and an Estimated Ten-Year Software License and Maintenance Fee of \$2,800,000. (CIP #C801259) ([memo](#) and [presentation](#) enclosed) (p.23)
- 8f. Approval of June 2022 International Commission Travel. ([memo](#) enclosed) (p.33)
- 8g. Authorization for the Port of Seattle Police Department (POSPD) to Renew Participation in the Puget Sound Auto Theft Task Force (PSATTF). ([memo](#) and [agreement](#) enclosed) (p.35)
- 8h. Authorization for the Executive Director to Retain the Existing Agreement for In-Water Permitting with the U.S. Army Corps of Engineers to Expedite the Evaluation of Permits. ([memo](#), [agreement](#), and [presentation](#) enclosed) (p.53)
- 8i. Authorization for the Executive Director to Execute a New Collective Bargaining Agreement Between the Port of Seattle and the International Association of Machinists and Aerospace Workers, Local 289, Representing Auto Machinists at the Port of Seattle Covering the Period from July 1, 2021, through June 30, 2026. ([memo](#) and [agreement](#) enclosed) (p.66)
- 8j. Adoption of Resolution No. 3803: A Resolution Authorizing the Sale of a Portion of the Parcel (#536720-2505) to King County to be Used as a Site for Building a New Combined Sewer Overflow (CSO) Facility, and Apply Boundary Line Adjustment (BLA) to Divide the Parcel Covering both Northwest Seaport Alliance and Port of Seattle Properties into Two Parts – the Bigger and the Majority Part to Remain with the Alliance, the Smaller Part (Southeast corner of SW Michigan St and 2nd Ave SW) to be Sold to King County; and Amend the Port's Comprehensive Scheme to Delete the Smaller Part of the Parcel (#536720-2505; BLA Pending) from Unit 20 of the Port's Comprehensive Scheme and Authorize its Sale to King County Wastewater Treatment Division. ([memo](#), [resolution](#), [agreement](#), [map](#), and [presentation](#) enclosed) (p.97)

- 8k. Order No. 2022-07: An Order Appointing a Public Member to the Port of Seattle Audit Committee. ([order](#) enclosed) (p.154)

9. UNFINISHED BUSINESS

10. NEW BUSINESS

- 10a. Public hearing and Adoption of Resolution No. 3802: A Resolution of the Port of Seattle to amend Unit 18 of the Comprehensive Scheme of Harbor Improvements of the Port of Seattle by Declaring Certain Real Property Surplus and No Longer Needed for Port District Purposes; Deleting Said Property Following a Public Hearing in Accordance with Law, from Unit 18 of the Comprehensive Scheme; and Authorizing the Executive Director to Take All Necessary Steps and Execute all Documents for the Sale of Such Real Property to Bridge Point SeaTac 300, LLC. ([memo](#), [resolution](#), and [presentation](#) enclosed) (p.156)
- 10b. Authorization for the Executive Director to Execute an Interlocal Agreement with King County, City of Seattle, and City of Tukwila for the Duwamish Basin Steward Position. ([memo](#) and [presentation](#) enclosed) (p.169)

11. PRESENTATIONS AND STAFF REPORTS

- 11a. 2021 Workforce Development Annual Report. ([memo](#), [attach 1](#), [attach 2](#), [attach 3](#), and [presentation](#) enclosed) (p.182)
- 11b. 2021 Apprenticeship and Priority Hire Annual Report. ([memo](#) and [presentation](#) enclosed) (p.228)
- 11c. Q1 2022 Financial Performance Briefing. ([memo](#), [report](#), and [presentation](#) enclosed) (p.255)

12. QUESTIONS on REFERRAL to COMMITTEE and CLOSING COMMENTS

13. ADJOURNMENT



**COMMISSION
AGENDA MEMORANDUM**

Item No. 8b

ACTION ITEM

Date of Meeting May 24, 2022

DATE: May 13, 2022

TO: Stephen P. Metruck, Executive Director

FROM: Eileen Francisco, Director, Aviation Project Management

SUBJECT: Water Reservoir Rehabilitation (C801172)

Amount of this request: \$1,000,000

Total estimated project cost: \$3,169,000

ACTION REQUESTED

Request Commission authorization for the Executive Director to (1) prepare design and construction bid documents, and (2) utilize Port of Seattle crews and small works contracts for the Water Reservoir Rehabilitation project at Seattle-Tacoma International Airport. The amount of this request is \$1,000,000. The total estimated project cost is \$3,169,000.

EXECUTIVE SUMMARY

The 2-million-gallon water reservoir at Seattle-Tacoma International Airport is an above ground steel tank that provides water storage for domestic use and firefighting to the entire airport. The recent inspection indicates that severe corrosion has appeared in many areas on the reservoir and, if not addressed, could result in deformation of the structure. Additionally, the presence of rust also puts the water quality into jeopardy. This project will rehabilitate the structure to extend its useful life.

JUSTIFICATION

The Department of Health requires that water reservoirs be kept in good operating condition. The reservoir was built in the year 2000 as a requirement under the National Fire Protection Association 24 code, ensuring the airport has reliable water on hand (in a tank) to fight any fire on the airport. Without the rehabilitation efforts the reservoir is at risk of potential structural failure and water quality degradation.

Diversity in Contracting

This project will utilize the mechanical IDIQ contract P00320719 – AMC Engineers and leverage their established WMBE goal of 17%.

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DETAILS

The water reservoir is located north of the airport off Host Road. The reservoir can hold 2 million gallons of fire and domestic water. It is generally recommended that water reservoirs of this type be inspected and cleaned every 3 to 5 years. Previous inspections include a 2013 dive inspection, 2017 cathodic protection survey, and 2018 dive inspection. The most recent inspections include a 2021 dive inspection, cathodic protection inspection, and 2022 exterior coating test.

The Department of Health requires that water reservoirs be kept in good, operating condition.

During construction, the airport's water source will be switched over from the reservoir to Seattle Public Utilities. Coordination and planning efforts with Aviation Maintenance, Boiler, and the Fire Department are underway for this event, as well as giving contractors access to the tank during construction.

Some scope items require that the water reservoir be drained completely. Due to environmental restrictions, the water cannot be drained directly into the sewer. Therefore, it is likely that storage tanks will be brought onto the site to hold the water during construction.

Scope of Work

The scope for this project includes recommendations from the 2021 dive inspection report. Additional scope items from project stakeholders have also been included. The project scope seeks to rehabilitate the structure and extend the asset's useful life by 20 years by implementing the following improvements:

- (1) Complete replacement of interior and exterior coatings
- (2) Cathodic protection system improvements
- (3) Rebuild interior and exterior access ladders to meet safety codes
- (4) Replace weathered tank hardware including nuts, bolts, cables, and pulleys
- (5) Install tank sampling ports
- (6) Valve vault improvements and repairs
- (7) Cleaning/Removing vegetation between the pavement joints and around the perimeter of the concrete foundation
- (8) Repairing broken concrete curb around the base of the water reservoir

Schedule

Activity

Design start	Q2 2022
Commission construction authorization	Q1 2023
Construction start	Q4 2023
In-use date	Q3 2024

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Cost Breakdown

This Request

Total Project

Design	\$1,000,000	\$1,150,000
Construction	\$0	\$2,019,000
Total	\$1,000,000	\$3,169,000

ALTERNATIVES AND IMPLICATIONS CONSIDERED**Alternative 1** – Proceed with only the scope items outlined in the 2021 Inspection Report.Cost Implications: \$3,024,000Pros:

- (1) Eliminates risk of the tank's structural integrity becoming compromised.
- (2) Eliminates risk of jeopardizing water quality.
- (3) Decreases direct costs over Alternative 1 by \$145K.

Cons:

- (1) These scope items will need to be completed at another date, requiring the water reservoir be drained a second time.
- (2) The project will not include the scope items required by the Washington Administrative Code.

This is not the recommended alternative.

Alternative 2 – Replace the tank entirely.Cost Implications: \$20,000,000Pros:

- (1) Eliminates risk of the tank's structural integrity becoming compromised.
- (2) Eliminates risk of jeopardizing water quality.

Cons:

- (1) Significantly increases project cost with little to no added benefit.
- (2) The reservoir will be out of service for a much longer duration.

This is not the recommended alternative.

Alternative 3 – Proceed with the full scope of the Water Reservoir Rehabilitation project.Cost Implications: \$3,169,000Pros:

- (1) Eliminates risk of the tank's structural integrity becoming compromised.
- (2) Eliminates risk of jeopardizing water quality.
- (3) Some of the additional scope items require the tank be empty. Including them in this project eliminates the need to drain the tank a second time, saving both time and money.

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- (4) Including the additional scope items will fulfill requirements set by the Washington Administrative Code regarding storage requirements and sampling ports for water quality monitoring.

Cons:

- (1) Increases direct costs over Alternative 2 by \$145K.

This is the recommended alternative.

FINANCIAL IMPLICATIONS

<i>Cost Estimate/Authorization Summary</i>	Capital	Expense	Total
COST ESTIMATE			
Original estimate	\$1,572,000	\$0	\$1,572,000
Current change	\$1,571,000	\$26,000	\$1,597,000
Revised estimate	\$3,143,000	\$26,000	\$3,169,000
AUTHORIZATION			
Previous authorizations	\$150,000	0	\$150,000
Current request for authorization	\$974,000	\$26,000	\$1,000,000
Total authorizations, including this request	\$1,124,000	\$26,000	\$1,150,000
Remaining amount to be authorized	\$2,019,000	\$0	\$2,019,000

Annual Budget Status and Source of Funds

This project, CIP C801172, was included in the 2022-2026 capital budget and plan of finance with a budget of \$1,572,000. A budget increase of \$1,571,000 was transferred from the Aeronautical Reserve CIP (C800753) resulting in zero net change to the Aviation capital budget. The funding source will include the Airport Development Fund.

Financial Analysis and Summary

Project cost for analysis	\$3,169,000
Business Unit (BU)	Utilities
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	\$.01 in 2026

Future Revenues and Expenses (Total cost of ownership)

No additional maintenance costs are anticipate following the completion of this project.

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ATTACHMENTS TO THIS REQUEST

- (1) Presentation

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

None.

Water Reservoir Rehabilitation

Commission Presentation

May 24, 2022

Project Location & Justification



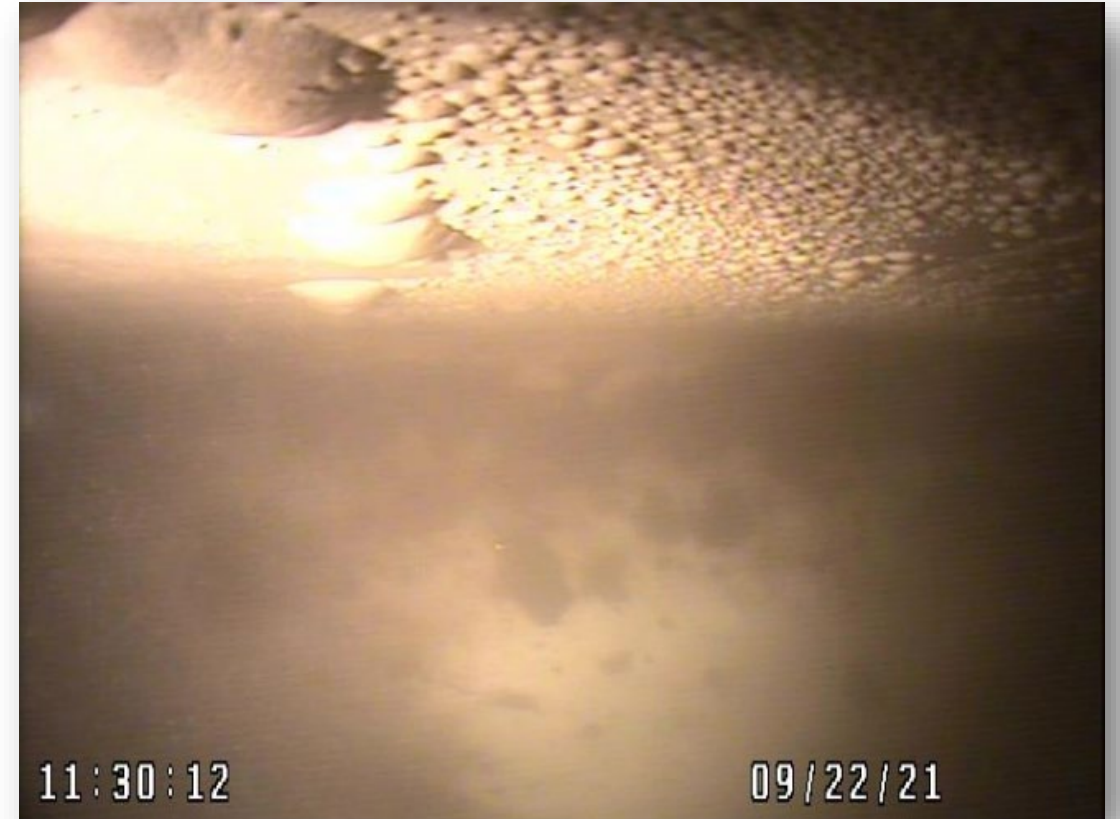
Project Scope

- Replacement of interior and exterior coatings, and several other surfaces
- Cathodic protection system improvements
- Rebuild interior and exterior access ladder to meet safety codes
- Replace hardware including nuts, bolts, cables, and pulleys
- Install tank sampling ports
- Valve vault drain line improvements
- Cleaning/Removing vegetation between the pavement joints and around the perimeter of the concrete foundation
- Repairing broken concrete curb around the base of the water reservoir

Existing Conditions



Significant rust on interior tank surfaces



Bubbling/failing of interior coating

Existing Conditions



Significant rust on interior tank surfaces

Existing Conditions



Cap Vent
Moderate rust needs removal



Telemetry boxes
Deteriorated coating

Existing Conditions



Access Manway

Rusted nuts & bolts need replacement



Outlet Pipe

Deteriorating coating, rusted nuts & bolts

Existing Conditions



Vegetation around perimeter of reservoir



Damaged concrete curb

Risks

● = High ● = Medium ● = Low

Risk	Impact	Probability	Mitigation Plan
Application of reservoir coatings may be time sensitive	●	●	Work with the design team to understand the proper weather conditions the coatings should be applied in and phase the work accordingly.
Encountering lead or asbestos containing materials	●	●	Conduct a Good Faith Survey
Labor and material shortages, and supply chain issues as a result of COVID-19	●	●	Work with design team to anticipate any long lead items

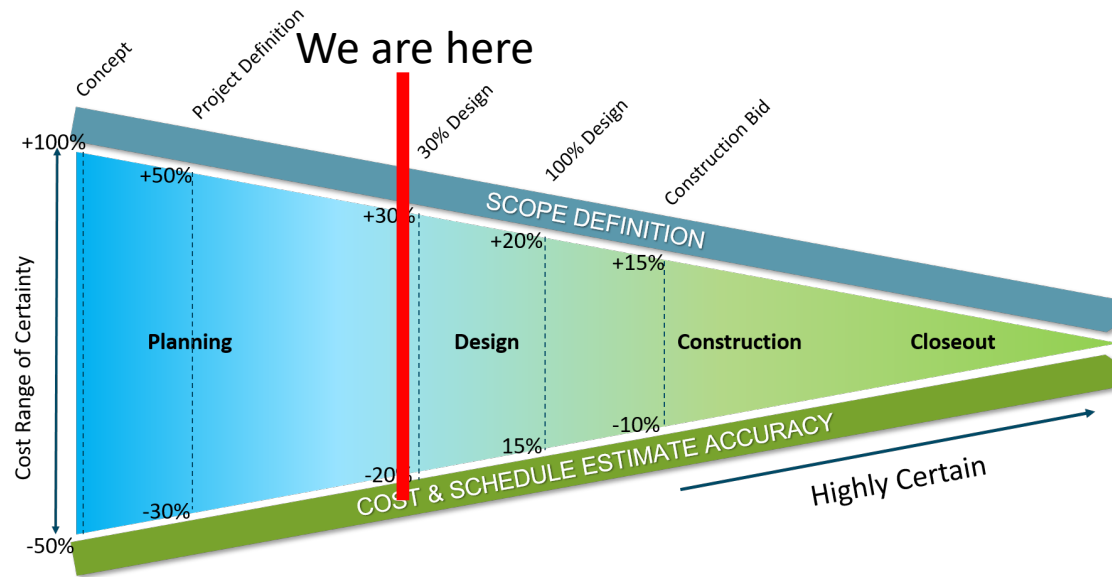
Project Cost and Schedule

Cost Breakdown

This Request

Total Project

Design Phase	\$1,000,000	\$1,150,000
Construction Phase	\$0	\$2,019,000
Total Project	\$1,000,000	\$3,169,000



Schedule

Design Start Q2, 2022

Construction Start: Q4, 2023

Project in Use: Q3 2024

[RETURN TO AGENDA](#)



**COMMISSION
AGENDA MEMORANDUM**

Item No. 8c

ACTION ITEM

Date of Meeting May 24, 2022

DATE: May 13, 2022

TO: Stephen P. Metruck, Executive Director

FROM: Eileen Francisco, Director, Aviation Project Management Group

SUBJECT: Indefinite Delivery Indefinite Quantity (IDIQ) Service Agreement for Civil Design Support Services

Amount of this request: \$0

Total maximum contract cost: \$5,000,000

ACTION REQUESTED

Request Commission authorization for the Executive Director to execute one indefinite delivery indefinite quantity (IDIQ) professional service agreement for civil design support services in support of multiple capital improvement program projects at Seattle-Tacoma International Airport. The maximum value of the contract is \$5,000,000 with a contract ordering period of five years.

EXECUTIVE SUMMARY

There are several capital improvement program projects proposed to occur at Seattle-Tacoma International Airport over the next five years that would require civil design support services. Procuring an IDIQ professional service agreement for civil design support services would support the completion of these projects and minimize overall contract administration costs.

Competitively procured IDIQ contracts are widely used public-sector contracting tools, consistent with the Port's General Delegation of Authority, and governed by CPO-1 policy. There is no funding request associated with this authorization; funding to utilize this contract will come separately from individual project authorizations.

JUSTIFICATION

Traditionally, the Port has utilized larger project-specific professional service agreements or in-house design support to provide civil design support services. Given the growth in the Port's capital improvement program it was determined that a civil IDIQ professional service agreement would be appropriate to supplement these services given the number, size and scope of the capital improvement projects.

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The contract would be available to meet the needs of the Aviation Division and would allow the Port to respond to future design service needs efficiently and cost effectively.

Diversity in Contracting

The Aviation Project Management Group will work with Diversity in Contracting to establish WMBE goals for this contract. The existing civil design support services IDIQ contract has a WMBE goal of 10%.

DETAILS

The contract is intended to provide civil design support services for a range of anticipated projects located on the landside of the Airport. Anticipated design services could include civil, structural, geotechnical, architecture, landscape architecture, mechanical, and electrical disciplines. The range of projects could involve improvements to roadways, surface lots, elevated structures, garage structures, storm drainage facilities, and landscaping.

This request is to execute one contract valued at up to \$5,000,000. The contract will have a five-year contract ordering period during which time services may be separately authorized in a service directive. The Port will not issue any service directives that will exceed the contract's maximum value or after expiration of the contract ordering period.

In April 2021 the Port executed an IDIQ contract to provide civil design support services for a range of anticipated projects located on the landside of the Airport. This contract has a total contract value of \$4,000,000 and is currently supporting five separate projects. Less than ten percent of the contract value remains unprogrammed so additional contract capacity is required.

ALTERNATIVES AND IMPLICATIONS CONSIDERED

Alternative 1 – Separate procurement for each project.

Cost Implications: \$0

Pros:

- (1) Procuring six or more separate contracts would allow more procurement opportunities and more firms may be the prime consultant.

Cons:

- (1) This alternative will increase overhead and administrative cost to the Port as we would need to manage more procurement processes and contracts.
- (2) This alternative would add four to six months to each project schedule to complete the procurement process. IDIQ contracts allow the Port to start the consultant working more quickly.

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- (3) Cost to the consulting community will increase as they are responding to multiple procurements.

This is not the recommended alternative.

Alternative 2 – One solicitation for a single contract.

Cost Implications: \$0

Pros:

- (1) This alternative will minimize the number of procurement processes necessary for timely completion of projects and reduce overhead and administrative cost to the Port.
- (2) Cost to the consulting community would decrease as they are responding to one procurement.
- (3) One contract with a contract value of \$5,000,000 would support better contract utilization given the range of projects potentially supported.

Cons:

- (1) The region's Architectural and Engineering firms have expressed to the Port of Seattle that IDIQ contracts are difficult to support since it is difficult to predict what staff is needed.

This is the recommended alternative.

FINANCIAL IMPLICATIONS

There is no funding request directly associated with this authorization. No work is guaranteed to the selected consultants and the Port is not obligated to pay a selected consultant until a service directive is executed. The budget for work performed under each agreement will come from individual service directives authorizing the consultant to perform specific work on the contract against approved project authorizations and within the total contract amount.

ATTACHMENTS TO THIS REQUEST

None

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

None

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**COMMISSION
AGENDA MEMORANDUM**

Item No.

8d

ACTION ITEM

Date of Meeting

May 24, 2022

DATE: February 16, 2022

TO: Stephen P. Metruck, Executive Director

FROM: Wendy Reiter, Director AV Security
Stacey Unruh, ICT Sr. Project Management

SUBJECT: Increase Technical Vendor Contract (CIP #800844)

Amount of this request: \$0

Total estimated project cost: \$28,500,000

ACTION REQUESTED

Request Commission authorization for the Executive Director to increase the Perimeter Intrusion Detection System contract (S-000319688) with Siemens by \$375,000 for a new contract amount of \$5,411,000. In accordance with Port policy, this request, and a previously executed change order, constitutes notification to the Commission that the amended amount of the technical contract exceeds 10% of the original not to exceed contract.

SUMMARY

In January 2019, the Port Commission authorized a project to procure and implement a Perimeter Intrusion Detection system (PIDS) for the Seattle-Tacoma International Airport (SEA) perimeter. System implementation and construction design are currently in progress with construction authorization estimated for fourth quarter 2022.

This request for a contract increase with Siemens, the PIDS system vendor, is to procure hardware and implementation services to ensure PIDS system redundancy. Dual communication path and hardware redundancy of the in-scope SEA perimeter is required to ensure the system is configured at the highest performance and quality level given the variety of tactical, unplanned, and environmental situations that could occur.

This request utilizes program contingency prior to authorization for construction. Should final construction estimate require additional contingency, it will be requested with construction authorization expected in the fourth quarter of 2022.

There are no attachments to this memo.

RETURN TO AGENDA



**COMMISSION
AGENDA MEMORANDUM**

Item No.

8e

ACTION ITEM

Date of Meeting

May 24, 2022

DATE : May 6 2022

TO: Stephen P. Metruck, Executive Director

FROM: Michael Villa, Acting Police Chief
Krista Sadler, Director Technology Delivery

SUBJECT: Public Safety Dispatch and Police Records Management System Replacement (CIP #C801259)

Amount of this request:	\$2,525,000
Total estimated project cost:	\$2,525,000
Ten-year maintenance contract:	\$2,800,000

ACTION REQUESTED

Request Commission authorization for the Executive Director to 1) proceed with the Public Safety Dispatch and Police Records Management Replacement project and 2) execute contract(s) for software, equipment, vendor services, and ten years of software license and maintenance fees. The amount requested for project implementation is \$2,525,000 and the estimated ten-year software license and maintenance fee is \$2,800,000.

EXECUTIVE SUMMARY

This project will competitively procure and implement a combined solution for Public Safety 911 Dispatch (CAD) and Police Records Management (RMS) that provides additional functionality, improves efficiency and accuracy, and meets all Criminal Justice Information System (CJIS) requirements. The system will interface with approximately ten separate Port and other agency applications including the new evidence and body camera systems as well as state and federal information sources.

CAD and RMS, currently separate software products, are critical tools for our Port of Seattle Emergency response departments to manage, respond, and report on emergency events. Both systems require updates to stay current and there is an opportunity to gain efficiency with a single vendor offering both CAD and RMS features. The CAD system is used by the Port 911 Center to receive calls and dispatch the appropriate emergency response teams. The system will facilitate prioritization, navigation, and information dissemination for simple to complex, multi-organization emergency responses. The RMS system is used by the Port Police Department for additional event documentation and the management of cases, warrants, arrest, booking,

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citations, and other Police business. Modern solutions provide improved spatial features, incident report writing compliance tools, analytics, and information security. Utilizing a combined system will increase productivity, communication, and improve service of the emergency responders.

Information and Communication Technology and the Port of Seattle Police Department will partner to deliver this project. The capital project was included in the 2022-2026 capital budget and plan of finance as a \$4,000,000 Corporate project. During business case development, it was determined that the full original estimate will not be required to deliver the project scope. The estimated capital cost is \$2,500,000 and the estimated cost for training, funded by individual operating budgets, is \$25,000. This authorization also includes a contract for recurring software license and maintenance fees for up to ten years, estimated at \$2,800,000. Recurring license or maintenance fees will be budgeted in annual operating budgets.

JUSTIFICATION

The Port CAD system was competitively procured in 2006 and RMS in 2011. While both systems have been upgraded for security, compatibility, and some functional enhancements, improvements for these types of products have increased over the past several years because of industry changes, leaps in technology, and revamped solutions. Data from these modern systems can now be collected, organized, and mined in ways that make police work more effective. There is an opportunity for new efficiency with a unified CAD and RMS over upgrades of the separate systems. The unified system will eliminate costly and problematic interfaces as well as administrative tasks to keep the systems in sync.

Diversity in Contracting

Project staff will work with the Diversity in Contracting Department to determine if a direct women-and-minority-owned business enterprise (WMBE) aspirational goal should be assigned. Typically, subcontracting opportunities under technology projects are limited.

DETAILS

Scope of Work

- (1) Competitively procure and implement a combined CAD and RMS solution to manage, respond, and report on emergency events.
- (2) Establish interfaces to several Port systems including Evidence Management, Police Body Cameras, and the Fire Station Alerting system as well as several state and federal information sources.
- (3) Migrate historical information from legacy systems.

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Schedule**Activity**

Commission authorization	2022 Quarter 2
Procurement Complete	2023 Quarter 1
In-use date	2024 Quarter 2

This Request

Total Project

Cost Breakdown

Hardware, Software, and Vendor Services	\$2,000,000	\$2,000,000
Port Labor	\$500,000	\$500,000
Total Capital Cost	\$2,500,000	\$2,500,000
Training	\$25,000	\$25,000

ALTERNATIVES AND IMPLICATIONS CONSIDERED

Alternative 1 – Upgrade CAD and RMS systems separately, extending the contracts with current vendors.

Cost Implications: Capital Project Estimate \$2,000,000-\$2,500,000.

Pros:

- (1) This solution will likely require less RMS end-user training and change management.
- (2) The upgrades could be accomplished more quickly than a system replacement.

Cons:

- (1) No productivity or technology efficiencies from a combined solution.
- (2) The current CAD platform is no longer available for a simple version upgrade. The latest version with new architecture would require reimplementation thus retraining and change management is inevitable.

This is not the recommended alternative.

Alternative 2 – Replace CAD and RMS separately, with solutions from multiple vendors.

Cost Implications: Capital Project Estimate \$3,500,000-\$4,000,000.

Pros:

- (1) Systems could have individual feature advantages not found in a combined solution.

Cons:

- (1) Higher project and recurring costs.
- (2) No productivity or technology efficiencies from a combined solution.
- (3) 1 – 2 years more for completion of two separate replacement projects.
- (4) Increased administration to manage required integration.

This is not the recommended alternative.

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Alternative 3 – Procure and implement a combined CAD and RMS from a single vendor.Cost Implications: \$2,500,000Pros:

- (1) Replaces two aging, complex, and critical systems with a modern technology solution.
- (2) Combined solution will increase productivity, communication, and service for critical emergency services.
- (3) Simplified maintenance and administrative processes.

Cons:

- (1) Replacing both systems will require significant investments in staff time.
- (2) Changes to business practices will require thoughtful change management and thorough training plans to minimize disruptions where possible.

This is the recommended alternative.**FINANCIAL IMPLICATIONS**

<i>Cost Estimate/Authorization Summary</i>	Capital	Expense	Total
COST ESTIMATE			
Original estimate	\$4,000,000	\$25,000	\$4,000,000
Current change	(\$1,500,000)	0	(\$1,500,000)
Revised estimate	\$2,500,000	\$25,000	\$2,500,000
AUTHORIZATION			
Previous authorizations	\$0	0	\$0
Current request for authorization	\$2,500,000	\$25,000	\$2,500,000
Total authorizations, including this request	\$2,500,000	\$25,000	\$2,500,000
Remaining amount to be authorized	\$0	\$0	\$0

Annual Budget Status and Source of Funds

The project was budgeted in the 2022-2026 plan of finance as a Corporate project for \$4,000,000. During business case development, it was determined that the full original estimate will not be required to deliver the project scope. Project funding will be 81.3% Airport Development Fund and 18.7% General Fund. Training, estimated at \$25,000, will be funded by individual departments benefiting by the training.

Financial Analysis and Summary

Project cost for analysis	\$2,500,000; allocated to Aviation \$2,033,000
Business Unit (BU)	Police
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

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CPE Impact	\$.01 in 2025
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Future Revenues and Expenses (Total cost of ownership)

Annual recurring service, license, or maintenance fees, estimated at \$2,800,000 for the ten-year term, will be budgeted in annual operating budgets beginning in 2023. This is in addition to the vendor costs for implementation.

ATTACHMENTS TO THIS REQUEST

(1) Presentation

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

None

Public Safety Dispatch and Police Records Management System Replacement Project and Contract Authorization

Commission
May 24, 2022

Project Purpose

- Support Dispatch Emergency Responders with access to robust dispatch and record management systems
- Improve efficiency with a combined system
- Deliver improved spatial features, compliance tools, analytics, and information security controls
- Decommission two legacy applications

Scope

- Competitively procure and implement a combined solution for Public Safety Dispatch and Police Records Management to manage, respond, and report on emergency events
- Interface with several Port systems such as Evidence Management, Police Body Cameras, and the Fire Station Alerting system as well as state and federal information sources
- Migrate legacy data from current systems

Cost/Schedule

Cost Breakdown	This Request	Total Project
Hardware, Software, and Vendor Services	\$2,000,000	\$2,000,000
Port Labor	\$500,000	\$500,000
Total Capital	\$2,500,000	\$2,500,000
Training (Annual Operating Budgets)	\$25,000	\$25,000

System Procurement Complete	2023 Quarter 1
In-use date	2024 Quarter 2

Request

- Proceed with the Dispatch and Records Management project
- Execute contract(s) for software, equipment, vendor services, and up-to ten years of software license and maintenance fees

Total project request is \$2,525,000. The up-to ten-year maintenance and license fee contract is estimated not to exceed \$2,800,000.

[RETURN TO AGENDA](#)

COMMISSION

AGENDA MEMORANDUM

Item No.

8f

ACTION ITEM

Date of Meeting

May 24, 2022

DATE : May 16, 2022**TO:** Stephen P. Metruck, Executive Director

FROM: Karin Zaugg Black, International Business Protocol Liaison
 LeeAnne Schirato, Commission Senior Staff Advisor
 Aaron Pritchard, Commission Chief of Staff

SUBJECT: Approval of Commission International Travel – June 2022ACTION REQUESTED

Commission approval of 2022 international travel requests for known travel in June 2022.

EXECUTIVE SUMMARY

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

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

Meeting Date: May 24, 2022

Travel Dates	No.	Reason for Travel	Destination	Other Information
June 1-4	1	The Future of Post-Pandemic International Trade Conference hosted by the Secretaria de Marina of Mexico	Manzanillo, Mexico	<p>The Port of Seattle (POS), Commission President Ryan Calkins received invitation from the Head Consul of Mexico in Seattle, on behalf of the Port of Manzanillo, to participate in the conference focused on the future of maritime trade.</p> <p>The reason for the visit is to participate in a panel discussion on the topic of competitiveness of seaports and the future of maritime transport and to further strengthen trade relations with Mexico.</p>

ATTACHMENTS TO THIS REQUEST

None.

RETURN TO AGENDA



**COMMISSION
AGENDA MEMORANDUM**

Item No. 8g

ACTION ITEM

Date of Meeting May 24, 2022

DATE: April 8, 2022

TO: Stephen P. Metruck, Executive Director

FROM: Mark Thomas, Deputy Chief

SUBJECT: Puget Sound Auto Theft Task Force Interlocal Agreement

Amount of this request: \$0

Total estimated project cost: \$0

ACTION REQUESTED

Request Commission authorization for the Port of Seattle Police Department (POSPD) to renew participation in the Puget Sound Auto Theft Task Force (PSATTF).

EXECUTIVE SUMMARY

This request allows POSPD participation in the amended and restated interlocal cooperative agreement that establishes and maintains a multi-jurisdictional team to effectively investigate and enforce the laws relating to auto theft. The parties to this Agreement are the Washington State Patrol, Pierce County Sheriff's Office, and the Municipalities of Auburn, Bonney Lake, Buckley, Federal Way, Kent, Lakewood, Puyallup, Tacoma, Tukwila, and the Port of Seattle.

The Task Force's objective is to provide enhanced and efficient use of personnel, equipment, budgeted funds, and training to investigate and aid in the prosecution of prolific or organized auto theft crimes.

The WAPTA grant will fully fund the salary and benefits of the detective assigned to the task force.

JUSTIFICATION

According to a recent report from Washington Association of Sheriff's and Police Chiefs, auto-thefts have continued to rise in the State, with an increase of 50% since July of 2021. Washington State ranked #5 nationally in 2020 for auto thefts. Auto theft in the primary service area of the Puget Sound Auto Theft Task Force (PSATTF), King and Pierce County, totaled 12,620 in 2021, with 149 occurring within Port of Seattle jurisdiction. From 2020 to 2021 the Port experienced a 47% increase in auto thefts, mostly from the Rental Car Facility and the Parking Garage. We know that many of the thefts are committed by the same suspects and criminal

Meeting Date: May 24, 2022

organizations. The PSATTf has the experience and resources to target these groups and has done so successfully in the past.

DETAILS

The Puget Sound Auto Theft Task Force is a multi-jurisdictional team dedicated to investigating and enforcing laws related to auto theft. The task force is funded each year by a grant from the Washington Auto Theft Prevention Authority which was signed into law by Governor Gregoire in 2007. The PSATTf objective is to provide enhanced and more efficient use of personnel, equipment, budgeted funds, and training to investigate and aid in the prosecution of prolific or organized auto theft crimes. Activities include conducting auto theft emphasis in targeted areas, coordinating statewide law enforcement training, investigating auto theft rings and ongoing crime prevention through public service awareness campaigns.

ALTERNATIVES AND IMPLICATIONS CONSIDERED

Alternative 1 – Do not sign the interlocal agreement and do not participate on the Puget Sound Auto Theft Task Force.

Cost Implications: A savings of \$36,000 for 2019 and 2020.

Pros:

- (1) Nothing gained other than a small cost savings.

Cons:

- (1) Loss of the resource of the Puget Sound Auto Theft Task Force.
- (2) Increased demand on current POSPD resources.

This is not the recommended alternative.

Alternative 2 – Sign the interlocal agreement and participate on the task force*.

Cost Implications: \$15,000 annually for non-reimbursed expenditures. No additional funds are being requested.

Pros:

- (1) Leverage resources to reduce auto theft on Port properties.
- (2) WATPA grant reimburses benefits and salaries.
- (3) WATPA grant provides work station and overhead costs.

Cons:

- (1) Small annual cost to keep a detective assigned to the task force.

*The POSPD will not fill this position until patrol staffing has reached an acceptable level, as determined by the Chief of Police.

This is the recommended alternative.

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FINANCIAL IMPLICATIONS

The cost of the program to the Port of Seattle for 2022 will be \$0.

The 2022-2023 salary, overtime and benefits cost for one detective with a begin date of June 1, 2022 is approximately \$298,550. Non-payroll expenses for both years are estimated at \$36,000. Total cost is forecasted as \$334,550.

Payroll expenses will be reimbursed from the WATPA grant.

<i>Cost Estimate/Authorization Summary</i>	Capital	Expense	Total
COST ESTIMATE			
Original estimate	\$0	\$334,550	\$334,550
AUTHORIZATION			
Previous authorizations	0	\$334,550	\$334,550
Current request for authorization	0	0	0
Total authorizations, including this request	0	\$334,550	\$334,550
Remaining amount to be authorized	\$0	\$0	\$0

Annual Budget Status and Source of Funds

Source of funds is authorized from the general fund and WATPA grant with authorization of the interlocal agreement.

Future Revenues and Expenses (Total cost of ownership)

Ongoing net annual cost of approximately \$15,000 as long as a detective is assigned to the task force and salaries are reimbursed through the WATPA grant.

ATTACHMENTS TO THIS REQUEST

- (1) Puget Sound Auto Theft Task Force Interlocal Agreement

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

August 13, 2019 – The Commission authorized Port of Seattle Police Department's participation in the Puget Sound Auto Theft Task Force Interlocal Agreement

**AMENDED AND RESTATED INTERLOCAL COOPERATIVE
AGREEMENT
FOR THE CREATION AND MAINTENANCE OF THE PUGET SOUND
AUTO THEFT TASK FORCE.**

1. PARTIES

The parties to this Agreement are the Washington State Patrol, Pierce County Sheriff's Office, and the Municipalities of Auburn, Bonney Lake, Buckley, Federal Way, Kent, Lakewood, Puyallup, Tacoma, Tukwila, and the Port of Seattle, each of which is a state, county, or municipal corporation operating under the laws of the State of Washington.

Parties may be added or removed by the process outlined in Section 7.

Changes to membership, including any additions or removals, will be reflected as an addendum to this agreement.

2. AUTHORITY

This Agreement is entered into pursuant to Chapters 10.93, 39.34, and 53.08 of the Revised Code of Washington.

3. PURPOSE/FORMATION

The parties to this Agreement wish to establish and maintain a multi-jurisdictional team to effectively investigate and enforce the laws relating to auto theft; hereafter known as the Puget Sound Auto Theft Task Force ("PSATT" or "Task Force" in this Agreement). This Agreement does not replace any previously executed interlocal agreements by the parties to provide backup law enforcement services. The parties do not intend to create a separate legal entity subject to suit through this agreement.

4. STATEMENT OF PROBLEM

The Washington State Legislature recognized that automobiles are an essential part of our everyday lives in passing the Washington Auto Theft Prevention Act in 2007. The family car is typically the second largest investment a person owns, the theft of which causes a significant loss and inconvenience to people, imposes financial hardship, and negatively impacts their work, school, and personal

activities. Appropriate, meaningful, and proportionate penalties should be imposed on those who steal motor vehicles.

King County, Pierce County, and the municipalities therein have experienced increases to urbanization and population densities resulting in a rise in crime associated with auto theft. This increase has stretched the resources of individual police department investigative units.

Historically, law enforcement efforts focused on auto theft were predominately conducted by agencies working independently. A multi-jurisdictional approach to auto theft investigations has many benefits, including: the more effective use of personnel, improved utilization of funds, reduced duplication of equipment, improved training, development of specialized expertise, and improved information sharing. This approach, such as the one detailed in this Agreement, results in improved services for all participating jurisdictions and increase safety for the communities they serve through improved auto theft prosecution.

5. TASK FORCE OBJECTIVES

The assigned personnel from each participating jurisdiction forms the Puget Sound Auto Theft Task-Force, which will serve the combined service areas of all the participating jurisdictions.

PSATT's objective is to provide enhanced and more efficient use of personnel, equipment, budgeted funds, and training to investigate and aid in the prosecution of prolific or organized auto theft crimes. PSATT may respond as able to requests for assistance by any participating jurisdiction or by other law enforcement agencies pursuant to chapter 10.93 RCW.

6. GOVERNANCE

The Task Force shall be governed by an Executive Board ("Board") composed of one member from each participating jurisdiction that has at least one full-time employee assigned to the Task Force ("Board Member"). Each Department Head shall have an equal vote and voice on all Board decisions. All Board decisions shall be made by a majority vote of the Board Members, or their designees, appearing at the meeting where the decision is made. A quorum of the Board must be present for any vote to be valid. A presiding officer shall be elected by the Board together with

such other officers as a majority of the Board may deem appropriate.

A Lead Administrative Agency shall be selected by the Board. The other participating agencies are sub-recipients. The Lead Administrative Agency shall be responsible for establishing proper accounting procedures, an audit-trail, and the collection and provision of required reports and statistics.

The Board shall meet quarterly, unless otherwise determined by the Board. Any Board Member may call extra meetings as appropriate. The presiding officer shall provide no less than forty-eight (48) hours' notice of all meetings to all members of the Board; PROVIDED, however, that in emergency situations, the presiding officer may conduct a telephonic meeting or a poll of individual Board Members to resolve any issues related to such emergency.

The Board may, at its discretion, adopt policies, regulations, and operational procedures that shall apply to Task Force operations. Officers assigned to the Task Force remain employees of their employing agency and are subject to the policies of their employing agency. To the extent that the written policies, regulations, and operational procedures of the Task Force conflict with the written policies, regulations, and operational procedures of the individual jurisdictions, the Task Force members will adhere to the written policies, regulations, and procedures of their employing agency.

7. DURATION, MEMBERSHIP, AND TERMINATION

A. Term.

The term of this Agreement shall be one (1) year, effective upon its adoption and consistent with the Washington Auto Theft Prevention Authority (WATPA) grant period. This Agreement shall automatically extend for consecutive one (1) year terms conditioned upon the receipt of funding through the WATPA grant process.

B. Membership – Additions and Withdrawals.

A majority vote of the Board may approve the addition of an Agency to the Task Force. Each addition will be memorialized in the minutes of the meeting in which the Board approves the addition and be evidenced by an addendum to this agreement.

A participating jurisdiction may withdraw from this agreement by providing thirty (30) days' written notice of its withdrawal to the other participating jurisdictions. A participating jurisdiction's withdrawal prior to the WATPA grant's expiration will be ineligible for related grant funds beyond reimbursement for approved grant expenditures that accrued prior to the participating jurisdiction's withdrawal. Removal of a participating jurisdiction will be evidenced in an addendum to this agreement.

Any membership change addenda must comply with RCW 39.34.030.

C. Termination.

A majority vote of the Board may terminate PSATT. Any vote for termination shall occur only when the Department Head, or his or her designee, of each participating jurisdiction is given reasonable advanced notice of the meeting in which such vote is taken and reasonable advanced notice that a vote to terminate PSATT is forthcoming at the Board meeting. The participating jurisdictions may completely terminate this Agreement by mutual agreement in writing. Upon termination of this Agreement, any assets acquired by the Puget Sound Auto Theft Task-Force with grant funds shall be distributed by the Board upon a majority vote of all Board members or their designees.

Termination of this Agreement or the withdrawal of a party shall not extinguish those obligations described in Section 16 and 17 of this Agreement with respect to the withdrawing party as to any incident occurring before the withdrawal of the party. Those obligations described in Section 16 and 17 shall survive the termination of this Agreement with respect to any cause of action, claim, or liability arising on or prior to the date of termination.

8. COMMAND AND CONTROL

In the event of a mobilizing incident, the primary agency will be the agency in whose jurisdiction the incident has occurred. The primary agency shall appoint a command level officer to serve as Incident Commander to be the officer in charge of the local event. The Incident Commander retains full authority and control throughout the incident and shall make any decision as to the resolution of the incident.

9. TASK FORCE STAFF

Upon adoption of this Agreement, the staff listed below shall be assigned and serve at the pleasure of the Board. The Board shall have authority to determine which participating jurisdictions will contribute staff and shall have authority to approve of staff assigned by a party. The Board may change, eliminate, or add staff positions as deemed appropriate. The Board shall, to the best of its ability, determine which participating jurisdictions may provide staff for the various positions during the previous year's budget cycle. A staff member of the Task Force may be removed from his or her position for any reason by majority vote of the Board or by the chief/sheriff of his or her employing jurisdiction. All Task Force staff members shall be in good standing with their employing jurisdiction at all times during their service on the Task Force.

Commander: A Task Force Commander with the rank of Commander or Captain (or command level equivalent) from his/her employing jurisdiction shall be appointed by the Board. The Commander shall act as the principal liaison between the Board and Task Force staff. The Commander shall operate under the direction of the presiding officer of the Board. The Commander shall be responsible for informing the Board on all matters relating to the function, expenditures, accomplishments, and challenges of the Task Force.

The Commander shall prepare monthly written reports to the Board on the actions, progress, and finances of the Task Force. The Commander shall be responsible for presenting any policies, regulations, and operational procedures and revisions for Board review and approval.

Supervisor: The Task Force shall have two (2) Supervisors with the rank of Sergeant or equivalent from their respective employing jurisdiction; one (1) supervisor position will be funded by WATPA and appointed by the Board, and one (1) non-WATPA-funded supervisor positions will be provided by the Washington State Patrol. The Task Force Supervisors shall act as the first level supervisors for the Task Force and shall report directly to the Commander.

Detective: The Task Force shall have WATPA-funded detectives assigned from participating jurisdictions that are appointed by the Board and non-WATPA-

funded detectives provided by WSP. The number of detectives is dependent on the WATPA grant award and the WSP budget amounts provided to the Task Force.

Crime Analyst: Subject to WATPA funding, PSATT shall have one (1) WATPA-funded crime analyst provided by one of the participating jurisdictions.

Prosecutor: Subject to WATPA funding, PSATT shall have one (1) prosecuting attorney provided by the King County Prosecutor's Office or the Pierce County Prosecutor's Office to provide direct access to legal support for improved communication and prosecution of auto theft cases investigated by the Task Force.

Pursuant to RCW 10.93.040, personnel assigned to the Task Force are considered employees of their employing jurisdiction, which shall be solely and exclusively responsible for that employee. All rights, duties and obligations of the employer shall remain with the employing jurisdiction. Each participating jurisdiction will comply with all applicable employment laws and any applicable collective bargaining agreements or civil service rules and regulations.

10. EQUIPMENT, TRAINING, AND BUDGET

Equipment, training, and eligible expenses will be paid by PSATT as provided in the WATPA grant through the Lead Administrative Agency's finance department. A participating jurisdiction that incurs expenses not provided in the WATPA grant is responsible for those expenses. As provided in the WATPA grant, each participating jurisdiction shall provide a monthly expenditure invoice to the Lead Administrative Agency's finance department documenting those expenses that are eligible for reimbursement through the WATPA grant.

Each participating jurisdiction will provide a vehicle for each full-time Employee assigned by that participating jurisdiction to PSATT. The participating jurisdiction is responsible for the operating costs and maintenance of vehicles provided to its employees assigned to PSATT.

11. OVERTIME

Overtime funds shall not exceed the amount budgeted in the WATPA grant award. A Task Force Supervisor must pre-approve overtime expenditures.

Overtime is eligible for reimbursement only if: (1) a Task Force Supervisor authorized the overtime; (2) the overtime activity is specifically related to auto theft prevention efforts; and, (3) WATPA funds are available. When budgeted overtime funds are depleted, no overtime expenditures will be authorized by the PSATT or WATPA and any overtime incurred by a Task Force staff member shall be the responsibility of the employing jurisdiction.

12. REIMBURSEMENT OF FUNDS

Participating jurisdictions requesting reimbursement for approved expenditures must submit appropriate invoices and itemized receipts monthly, and no more frequently than once each month, for actual expenses incurred. Sub-recipients shall submit all bills for reimbursement to the Lead Administrative Agency to ensure that those bills comply with grant policies and regulations prior to the Lead Agency submitting all reimbursements together to WATPA for payment. Each reimbursement request must contain a completed WATPA reimbursement request expenditure form. Reimbursements will be made for actual expenses based upon the available budgeted amounts provided in the WATPA grant award. The participating jurisdiction is responsible for timely submittal of billing documentation and data reporting to the Lead Administrative Agency. Expenditures made prior to the award date or after the grant expiration date are not authorized and will not be reimbursed.

WATPA will reimburse participating jurisdictions upon submittal of billing documentation, as outlined in the WATPA grant award. Requests for reimbursement for per diem (meal and travel expenditures) must be accompanied by an itemized receipt detailing the item purchased. Copies of timesheets are required for overtime reimbursement. Reimbursement will be made only up to the amount of the WATPA grant award limit for this expense type. Any cost above and beyond the award limit is the responsibility of the employing jurisdiction.

13. RECORDS

Each participating jurisdiction shall maintain and manage records related to PSATT in conformance with the Public Records Act (Chapter 42.56 RCW) and the Washington State Secretary of State's records retention schedule or the

participating jurisdiction's unique records retention schedule so long as such unique retention schedule meets or exceeds the requirements of state law. All records relating to PSATT kept by a participating jurisdiction shall be available for full inspection and copying by any other participating jurisdiction. Records related to PSATT include but are not limited to bi-annual WATPA reporting, invoices, and requests for reimbursement along with supporting documentation.

Any party to this Agreement that receives a Public Records Act request related to PSATT shall notify every other jurisdiction participating in this Agreement of the request within two (2) business-days. All participating jurisdictions will search their records to locate and produce responsive documents in a prompt manner to support meeting notification and response requirements under the Public Records Act and will identify those responsive records produced that are or may be exempt from disclosure under state law.

Criminal investigation reports generated by the Task Force will be maintained in the records systems of the employing jurisdiction of the primary Task Force staff member who created the report. The primary investigator of an incident or case may include in his or her report supplemental reports that are also filed with another agency by Task Force members.

14. POLITICAL ACTIVITIES PROHIBITED

No government funds, including WATPA award funds, may be used for or against ballot measures or the candidacy of any person for public office.

15. PRESS RELEASES

All press releases related to Puget Sound Auto Theft Task-Force activity must be authorized by the Task Force Commander, who will coordinate the press release with the police agencies in whose jurisdictions the incident has taken place. In the event that a press release is associated with a public service announcement or public outreach efforts, the Task Force Commander will coordinate the press release with the Board.

16. LIABILITY AND INDEMNIFICATION

The Task Force staff assigned by the employing jurisdiction shall continue under the employment of that jurisdiction for purposes of any losses, claims, damages, or liabilities arising out of or related to the services provided to the Task Force or the activities of the Task Force. Each participating jurisdiction agrees to hold harmless, defend, and indemnify the other participating jurisdictions in the Task Force in any action arising from the negligence of the employees of that jurisdiction including all costs of defense including attorney's fees.

A. Collective Representation and Defense.

The jurisdictions may retain joint legal counsel to collectively represent and defend the jurisdictions in any legal action. In the event a jurisdiction does not agree to joint representation, that jurisdiction shall be solely responsible for all attorney fees accrued for its individual representation or defense. The jurisdictions and their respective defense counsel shall make a good faith attempt to cooperate with other participating jurisdictions. Cooperation includes, but is not limited to, providing all documentation requested and making Task Force members available for depositions, discovery, settlement conferences, strategy meetings, and trial.

B. Insurance.

Each participating jurisdiction shall maintain adequate insurance through the commercial insurance market, an insurance pool, self-insurance, or a combination thereof. The failure of any insurance carrier or self-insured pooling organization to agree to or follow the terms of this Agreement shall not relieve any participating jurisdiction from its obligations under this Agreement.

17. NOTICE OF CLAIMS, LAWSUITS, AND SETTLEMENTS

In the event a claim is filed or lawsuit is brought against a participating jurisdiction or its employees for actions arising out of its conduct in support of Task Force operations, that jurisdiction shall promptly notify the other participating jurisdictions of the claim or lawsuit. Any documentation, including the claim or legal complaints, shall be provided to each participating jurisdiction within ten (10) calendar days.

18. PRE-CLAIM FILING REQUIREMENTS

Nothing in this Agreement shall be deemed a waiver by any participating

jurisdiction of the requirements set forth in Chapters 4.92 and 4.96 RCW, and a participating jurisdiction providing notice or copies of a claim to another jurisdiction pursuant to Section 17 of this Agreement shall not be deemed compliance with the requirement that a party who files suit against a jurisdiction first file a claim with the jurisdiction in accordance with Chapters 4.92 and 4.96 RCW. Moreover, nothing in this Agreement shall be deemed acceptance of service of a lawsuit, and the fact that a participating jurisdiction provides notice or copies of a lawsuit to another jurisdiction shall not be deemed adequate service of such lawsuit in accordance with the state or federal Rules of Civil Procedure or the Revised Code of Washington.

19. WRITTEN CONSENT TO ENFORCE TRAFFIC AND CRIMINAL LAWS

Pursuant to Chapter 10.93 RCW, this Agreement shall constitute the prior written consent of each sheriff or police chief of each participating jurisdiction to permit the officers of any participating jurisdiction to enforce traffic or criminal laws in any of the participating jurisdictions in pursuit of the purpose of this Agreement.

20. ALTERATIONS

This Agreement may be modified, amended, or altered by agreement of all parties and such alteration, amendment, or modification shall be effective when reduced to writing and executed in a manner consistent with this Agreement.

21. FILING

Upon execution, this Agreement shall be filed with the city clerks of the respective participating municipalities and such other governmental agencies as may be required by law, and each jurisdiction shall, pursuant to RCW 39.34.040, list this Agreement by subject on its official website.

22. SEVERABILITY

If any part, paragraph, section, or provision of this Agreement is held to be invalid by any court of competent jurisdiction, such adjudication shall not affect the validity of any remaining section, part, or provision of this Agreement.

23. AUTHORIZATIONS

Pursuant to RCW 39.34.050, this Agreement shall be executed on behalf

of each participating jurisdiction by its duly authorized representative and pursuant to an appropriate resolution or ordinance of the governing body of each participating jurisdiction. This Agreement shall be deemed effective upon the last date of execution by the last so authorized representative. This Agreement may be executed by counterparts and be valid as if each authorized representative had signed the original document.

By signing below, the signor certifies that he or she has the authority to sign this agreement on behalf of the participating jurisdiction, and the participating jurisdiction agrees to the terms of the Agreement.

[Signature Pages Follow]

Mayor, City of Auburn

City Attorney, City of Auburn

City Clerk, City of Auburn

Mayor, City of Bonney Lake

City Attorney, City of Bonney Lake

Interim City Clerk, City of Bonney Lake

Mayor, City of Buckley

City Attorney, City of Buckley

City Clerk, City of Buckley

Mayor, City of Federal Way

City Attorney, City of Federal Way

City Clerk, City of Tacoma

City Clerk, City of Tukwila

Sheriff, Pierce County

Clerk, Pierce County

Chief, Washington State Patrol

Executive Director, Port of Seattle

Sr. Port Counsel

RETURN TO AGENDA



**COMMISSION
AGENDA MEMORANDUM**

ACTION ITEM

Item No.

8h

Date of Meeting

May 24, 2022

DATE : May 3, 2022

TO: Stephen P. Metruck, Executive Director

FROM: Sarah Ogier, Director-Maritime Environment & Sustainability
Jon Sloan, Sr. Manager, Environmental Programs
Laura Wolfe, Sr. Environmental Program Manager

SUBJECT: Notification to Commission for Continuation of Interagency Agreement (IA) for Permitting Support between Port of Seattle (POS) and the U.S. Army Corps of Engineers (USACE)

Amount of this request: \$0

Total estimated project cost: \$30,000 per year

ACTION REQUESTED

Request Commission authorization for the Executive Director to retain the existing agreement to expedite the evaluation of permits under the jurisdiction of the U.S. Army Corps of Engineers (USACE). No new funding is requested. Funding for the agency staff resources on specific projects will come from capital and expense projects approved by the Commission. Some programmatic planning funds will be provided from the Maritime Environmental operating expense budget.

EXECUTIVE SUMMARY

The Port of Seattle (POS) currently has a Memorandum of Agreement dated July 6, 2006 with the USACE for the acceptance and expenditure of funds contributed by the POS to expedite USACE evaluation of permits as allowed by Section 214 of the Federal Water Resources Development Act (WRDA 2000). The agreement can continue without interruption unless federal authorization for the program sunsets or the POS informs the USACE of a decision to not continue participation in the program. The 2014 Water Resources Reform and Development Act of 2014 amendment to WRDA 2000 made the Section 214 part of the permanent federal code.

The Maritime Environmental Department has requested authorization for the continuation of this agreement since 2001. Staff's last request for authorization to continue this agreement occurred in December 2015. Staff is notifying Commission of its intent to continue this agreement as the services provide enhanced competitiveness and efficiency. No new funding is requested. Funds for assistance would come from the annual operating budget or future individual project authorizations. Some funds for programmatic funding will be provided from the Maritime Environmental operating expense budget.

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Permitting coordination work performed with the USACE will be on behalf of the POS either for POS projects or for federal permitting work managed by POS as homeport on behalf of the Northwest Seaport Alliance (NWSA). Costs for projects needing federal approvals that are under NWSA management will come from capital and expense project design approved by the Managing Members.

JUSTIFICATION

Permit review of port-related projects are more efficient with the aid of this agreement because of the regulatory and technical expertise of the USACE program managers. Early and meaningful collaboration on federal agency requirements and resource issues reduces adverse impacts, avoids costly and time-consuming design changes, and defines appropriate mitigation requirements. The time required to obtain permits from the agencies is reduced. In addition, the ports receive guidance for advance planning and alerts to new issues affecting federal agency review of port operations and permitting. Our competitiveness is enhanced because we can set review priorities and access agency resources to achieve timely permit decision-making.

Diversity in Contracting

A Diversity in Contracting goal has not been established for this Action since it is the continuation of an existing agreement between two specific agencies.

DETAILS

POS currently has a Memorandum of Agreement dated July 6, 2006 with the USACE for the acceptance and expenditure of funds contributed by the POS to expedite the USACE's evaluation of permits under the jurisdiction of the USACE as allowed by Section 214 of the Federal Water Resources Development Act (WRDA 2000). The Maritime Environmental Department is requesting Commission authorization for the Executive Director to retain the existing agreement to expedite the evaluation of permits under the jurisdiction of USACE. No new funding is requested. Funding for the agency staff resources on specific projects will come from capital and expense projects approved by the Commission. Some programmatic planning funds will be provided from the Maritime Environmental operating expense budget.

Scope of Work

USACE Personnel assigned to POS projects:

- (1) Schedule and coordinate ESA consultations; Environmental Protection Agency (EPA) sediment management review; and Washington State Department of Ecology (DOE) water quality certifications; Sec 106 tribal consultation and historic properties pursuant to applicable federal laws;
- (2) Conduct reviews for proposed Port projects requiring federal authorization, funding or approval;
- (3) Mitigate biological and water quality issues with state, federal, tribal and private representatives;
- (4) Interpret federal regulatory and technical information, laws and guidelines; and

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- (5) Determine solutions and make recommendations to problems concerning water quality and biological resources, and participate in the preparation and development and authorization of work or structures within waters of the United States.

Cost Breakdown

No new funding is requested. Funding for liaison staff resources will come from capital project design, permitting and construction cost budgets approved by the Commission for which approvals from USACE are necessary. It is expected that some of liaison costs will be provided from Maritime Environmental expense operating budget that is approved annually by the Commission. Liaison costs for projects needing federal approvals that are under NWSA management will be from capital and expense project design funds approved by the Managing Members.

Costs for permit liaison support with USACE vary year by year depending on number and complexity of permitting actions submitted to the agencies. Since the first agreement in 2001, the Port paid \$230,000 to the USACE between 2001 through 2010. Between 2011 through 2015, the Port has paid \$107,500 or an average of approximately \$21,500 per year. For the last five years (2016 to 2020), the Port has paid approximately \$100,000 or an average of \$20,000 per year. Costs will likely increase to approximately \$30,000 per year as several complex permit actions are pending in the coming years.

ALTERNATIVES AND IMPLICATIONS CONSIDERED

Alternative 1 – Terminate existing liaison agreement

Cost Implications: Will save approximately \$30,000 per year, drawn from project budgets with inwater components, due to no funding of a liaison position, but this option could increase costs during the permitting process due to additional permit revision needs and potential design changes.

Pros:

- (1) Approximately \$30,000 a year saved against inwater projects.

Cons:

- (1) Permitting time and revision costs will increase.
- (2) Knowledge of pending changes in regulations will decrease.
- (3) Likelihood of unanticipated new and costly mitigation and monitoring will increase.

This is not the recommended alternative.

Alternative 2 – Retain existing liaison agreement.

Cost Implications: Will cost approximately \$30,000 per year, drawn from project budgets with inwater components, due to the funding of a liaison position, but will save money during the permitting process due to early design and streamlined agency coordination.

Pros:

- (1) Permitting time and revision costs will decrease.

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- (2) Knowledge of pending changes in regulations will increase.
- (3) Likelihood of unanticipated new and costly mitigation and monitoring will decrease.

Cons:

- (1) Approximately \$30,000 a year charged against inwater projects.

This is the recommended alternative.

FINANCIAL IMPLICATIONS

Annual Budget Status and Source of Funds

Costs will be approximately \$30,000 per year and will be charged back to the capital projects that are worked on. Funding for liaison staff resources will come from capital project design, permitting and construction cost budgets approved by the Commission for which approvals from USACE are necessary. It is expected that some of the liaison costs will be provided from Maritime Environmental expense operating budget that is approved annually by the Commission. Liaison costs for projects needing federal approvals that are under NWSA management will come from capital and expense project design funds approved by the Managing Members.

ATTACHMENTS TO THIS REQUEST

- (1) Agreement
- (2) Presentation

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

Since 2001, the Port of Seattle Commission has authorized the CEO/Executive Director to enter into agreements to support federal agencies by funding or providing additional staff resources at federal resource and regulatory agencies charged with the enforcement of federal law regarding, but not limited to, the Clean Water Act and Endangered Species Act.

December 8, 2015 – The Commission authorized the CEO to retain existing liaison agreements for five additional years to expedite the evaluation of permits under the jurisdiction of the U.S. Army Corps of Engineers (USACE) and from National Oceanic and Atmospheric Administration (NOAA), National Marine Fisheries Service.

December 10, 2010 – The Commission authorized the CEO to continue interagency agreements with USACE to fund staff resources at that agency and enter an agreement with City of Seattle Department of Planning and Development.

January 10, 2006 – The Commission authorized the CEO to amend the original agreement between the POS and the USACE to fund staff resources at that agency expedite permit managed by agency.

February 22, 2005 – The Commission authorized the CEO to execute agreements and amendments for the POS with the Port of Tacoma (POT), NOAA, and the U. S. Fish and

Meeting Date: May 24, 2022

Wildlife Service (USFWS) to fund staff resources at permit agencies to handle ESA. The commission also increased the total expenditure for agency support for an additional \$375,000 for a total of \$975,000.

December 9, 2003 – The original June 21, 2001 authorization was increased to \$600,000 and extended for two years.

June 21, 2001 – The Commission authorized the CEO to execute agreements to fund or provide additional staff resources at the permit agencies (USACE, NOAA) with the costs to be shared between the POS and the POT up to \$300,000.

AMENDED AGREEMENT
BETWEEN
THE PORT OF SEATTLE
AND
THE DEPARTMENT OF THE ARMY

THIS AGREEMENT is entered into this 6th day of July, 2006, by and between the DEPARTMENT OF THE ARMY (hereinafter the "Army"), represented by the U.S. Army Corps of Engineers (Corps), Seattle District Engineer and the PORT OF SEATTLE, represented by its Director of Seaport Finance and Asset Management, (hereinafter the "Port").

WITNESSETH, THAT:

WHEREAS, Section 214 of the Water Resources Development Act of 2000, Public Law No. 106-541 ("WRDA Section 214"), as amended, provides as follows:

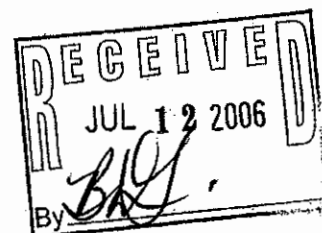
- (a) IN GENERAL. -- The Secretary (of the Army), after public notice, may accept and expend funds contributed by non-Federal public entities to expedite the evaluation of permits under the jurisdiction of the Department of the Army.
- (b) EFFECT ON PERMITTING. -- In carrying out this section, the Secretary shall ensure that the use of funds accepted under subsection (a) will not impact impartial decisionmaking with respect to permits, either substantively or procedurally.
- (c) Duration of Authority.--The authority provided under this section shall be in effect from October 1, 2000, through December 31, 2006.

WHEREAS, Public Law 108-137, was signed into law on December 1, 2003, extending the sunset clause for Section 214 of the WRDA 2000 to September 30, 2005; and

WHEREAS, Public Law 109-209, was signed into law on March 24, 2006, extending the sunset clause for Section 214 of the WRDA 2000 to December 31, 2006; and

WHEREAS, the Secretary of the Army has delegated the responsibility of carrying out this section to the Chief of Engineers and his delegated representatives; and

WHEREAS, the Chief of Engineers, by memorandum dated July 17, 2001, has authorized the Corps' District and Division Engineers to accept and expend funds contributed by non-federal public entities subject to certain limitations including the publishing of public notices; and



WHEREAS, the Seattle District issued an initial Public Notice dated May 15, 2006, regarding its intent to accept and expend funds contributed by non-Federal public entities; and

WHEREAS the Seattle District Engineer has determined that expenditure of funds received from the Port will be in compliance with the Act, and a public notice dated June, 29, 2006, regarding the District Engineer's decision has been issued; and

WHEREAS, the Port is a non-Federal public entity.

NOW, THEREFORE,

ARTICLE I - PURPOSE AND AUTHORITY

Pursuant to Section 214 of WRDA (Pub.L 106-541) ("Section 214"), as amended, this Agreement is entered into by and between the Army and the Port (collectively referred to as "the parties") for the purpose of establishing a mutual framework governing the respective responsibilities of the parties for the acceptance and expenditure of funds contributed by the Port to expedite the evaluation of permits under the jurisdiction of the Army.

ARTICLE II - SCOPE

A. The Port will provide to Seattle District at the beginning of each fiscal year beginning October 1, 2006, an amount, to be agreed upon by the Port and the Seattle District to expedite the evaluation of various Port permits under the jurisdiction of the Seattle District. All funds transfers under this Agreement will be between the Seattle District and the Port. It is understood that the use of funds accepted hereunder will not impact impartial decisionmaking with respect to permits, either substantively or procedurally. The Army Corps of Engineers' regulatory program is funded as a congressionally appropriated line item in the annual Federal budget. Additional funds received from non-Federal public entities will be used to expedite the evaluation of permits.

B. The Seattle District will establish a separate account to track receipt and expenditure of the funds associated with its review of the Port permits. Seattle District regulatory employees will charge their time against the account when they do work to expedite resolution of any Port permit request.

C. Funds contributed by the Port hereunder will mainly be expended on the salaries and overhead of Corps Regulatory Project Managers performing expedited processing activities for the Port. Such activities will include, but not be limited to, the following: application intake review, drawings correction, jurisdictional determinations,

site visits, public notice preparation, preparation of correspondence, conduct of the public interest review, preparation of draft permit decision documents, and meetings with the Port. Funds will also be expended for the administration and tracking of the funds contributed under Section 214. Funds will *not* be expended for review of Project Managers' work by supervisors or other persons or elements of the Seattle District in the decisionmaking chain of command. Enforcement or compliance activities will not be paid for from the funds contributed by the Port hereunder, nor will such funds be used for paying the costs of public hearings and distribution of public notices.

D. Funds may also be expended by other Corps elements (including but not limited to Environmental Resource Section, Engineering Division, PSDDA, etc.) or to hire contractors to perform select duties, such as site visits, technical writing, copying, reviewing drafts of reference general biological assessments for use by the Port and others, preparing regional general permits for use by the Port and others, Essential Fish Habitat determinations, and other technical documents, including draft environmental documents. All activities described in this paragraph and paragraph C. above will be performed in accordance with a management plan to be agreed upon by the parties.

III. IMPARTIAL DECISIONMAKING

A. It is understood and agreed that in order to ensure that the funds will not impact impartial decision making with respect to Port permit applications, the following procedures, mandated from Headquarters, U.S. Army Corps of Engineers, will apply to all cases using additional funds provided by the Port as a participating non-Federal public entity:

1. All final permit decisions for cases where these funds are used must be reviewed at least by one level above the decisionmaker, unless the decisionmaker is the District Engineer. For example, if the decisionmaker is the Chief, Regulatory Branch, then the reviewer would be the Chief, Operations Division.
2. All final permit decisions for cases where these funds are used will be made available on the Seattle District Regulatory web page.
3. The Seattle District will not eliminate any procedures or decisions that would otherwise be required for the type of project and permit application under consideration.
4. The Seattle District shall comply with all applicable laws and regulations.
5. Funds will only be expended to expedite the final decision on the permit application. Funds will not be expended for the review of the decisionmaker's decision. If contracts are used to develop decision documents, such decision documents must be drafts only and be reviewed and adopted by the Corps

regulatory program employees before the decision is made.

ARTICLE IV - COMMUNICATIONS

To provide for consistent and effective communication between the Seattle District and the Port, each party shall appoint a Principal Representative to serve as its central point of contact on matters relating to this Agreement. The Port principal representative is:

Wayne A. Grotheer
Director, Seaport Finance and Asset Management
Port of Seattle
Post Office Box 1209
Seattle, Washington 98111
(206) 728-3190

The principal representative for the Seattle District is:

Michelle Walker, Chief, Regulatory Branch
U.S. Army Corps of Engineers, Seattle District
P.O. Box 3755
Seattle, Washington 98124-3755
(206) 764-6915

Any notice required by this Agreement shall be written and sent to the Principal Representative by first-class mail of recognized overnight courier. Notices shall be deemed delivered (i) on the third day after mailing when sent by first-class mail and the post mark affixed by the United States Postal Service shall be conclusive evidence of the date of mailing; or (ii) on the second business day after deposit with a recognized overnight courier.

ARTICLE V - APPLICABLE LAWS

This Agreement and all documents and actions pursuant to it shall be governed by the applicable statutes, regulations, directives, and procedures of the United States and Washington State.

ARTICLE VI - DISPUTE RESOLUTION

The parties agree that, in the event of a dispute between the parties regarding implementation of this Agreement (excluding any specific permit application/decision), the Port and the Seattle District shall use their best efforts to resolve that dispute in an informal fashion through consultation and communication, or other forms of non-binding alternative dispute resolution mutually acceptable to the parties.

ARTICLE VII - AMENDMENT, MODIFICATION AND TERMINATION

A. This Agreement may be modified or amended only by written, mutual agreement of the parties. Either party may terminate this Agreement by providing written notice to the Principal Representative of the other party at the listed address above. Such termination shall be effective upon the sixtieth (60) calendar day following such notice. In the event of termination, the Port shall continue to be responsible for all costs incurred by the Seattle District under this Agreement prior to the effective date of such termination.

B. This Agreement shall remain in force until Section 214 expires, the Agreement is terminated pursuant to this Article, or until the funds have been expended and not replenished following 60 days notice to the Port, whichever occurs first.

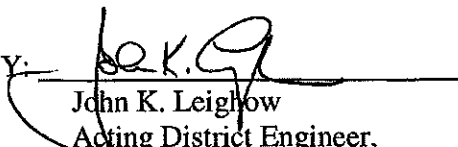
C. Within sixty (60) days of termination, or the expiration of the Agreement, the Seattle District shall conduct an accounting to determine the actual costs of the work. Within thirty (30) days of completion of this accounting, the Seattle District shall return to the Port any funds advanced in excess of the actual costs. Funds may be provided to the Port either by check or by electronic funds transfer.

ARTICLE VIII - EFFECTIVE DATE

This Agreement shall become effective when signed by both the Port of Seattle and the Seattle District, U.S. Army Corps of Engineers.

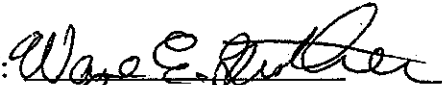
IN WITNESS WHEREOF, the parties hereto have executed this Agreement.

DEPARTMENT OF THE ARMY:

BY: 
John K. Leighow
Acting District Engineer,
Seattle District,
U.S. Army Corps of Engineers

DATE: 7/6/06

PORT OF SEATTLE:

BY: 
Wayne A. Grotheer
Director, Seaport Finance and
Asset Management
Port of Seattle

DATE: 7/5/06

Continuation of Interagency Agreements (IA) for Permitting Support between Port of Seattle (POS) and the U.S. Army Corps of Engineers (USACE)

May 24, 2022



Request

- Request Commission authorization for the Executive Director to retain existing agreement to expedite the evaluation of permits under the jurisdiction of the U.S. Army Corps of Engineers (USACE)
- Total of up to \$30,000 per year funded through future capital and expense projects – no funding is being requested

Background

- POS currently has a Memorandum of Agreement dated July 6, 2006 with the USACE – Agreement continues until terminated
- Improves/expedites reviews for port projects under USACE permit
- Increases knowledge of pending changes in regulations
- Streamlines early design and agency coordination

[RETURN TO AGENDA](#)



**COMMISSION
AGENDA MEMORANDUM**

Item No.

8i

ACTION ITEM

Date of Meeting

May 24, 2022

DATE: May 24, 2022

TO: Stephen P. Metruck, Executive Director

FROM: Mikel O'Brien, Interim Senior Director of Labor Relations
Greg Gauthier, Labor Relations Manager

SUBJECT: New Collective Bargaining Agreement Between the Port of Seattle and the International Association of Machinists and Aerospace Workers (IAM&AW), Local 289, Auto Machinists

Total Port Cost Increase for the Duration of the Agreement: \$4,232,466.87

ACTION REQUESTED

Request Commission authorization for the Executive Director to execute a new collective bargaining agreement (CBA) between the Port of Seattle and the International Association of Machinists and Aerospace Workers, Local 289, representing Auto Machinists at the Port of Seattle covering the period from July 1, 2021, through June 30, 2026.

EXECUTIVE SUMMARY

Good faith bargaining between the International Association of Machinists and Aerospace Workers, Local 289, and the Port of Seattle resulted in a fair collective bargaining agreement consistent with Port's priorities.

There are currently thirty- three (33) Auto Machinists employed at the Port who are assigned to both Marine and Aviation Maintenance Automotive and bus facilities. Auto Machinists perform preventive maintenance, repair, rebuild, and tune-up work on a diverse fleet comprised of over 800 Port of Seattle vehicles and equipment powered by gasoline, diesel, natural gas, electric and hybrid engine/drive systems in support of Port of Seattle operations at Marine Maintenance and at Sea-Tac International Airport.

This agreement is for five years covering the period from July 1, 2021, through June 30, 2026. The estimated total additional cost for wages and benefit increases is \$4,232,466.87. The estimated additional cost per year of the contract is: year one, \$134,870.60; year two \$546,406.66; year three \$941,638.94; year four \$1,146,865.82; year five \$1,462,684.85.

Meeting Date: May 24, 2022

The cost is based upon the following cost of living increases¹

Year 1	No increase
Year 2	CPI-U (0-6%) + 2% ²
Year 3	CPI-U (0-6%) + 0.5%
Year 4	CPI-U (0-6%) + 2% ³
Year 5	CPI-U (0-6%) + 0.5%

The cost also includes estimated healthcare premium increases of 5% each year, increased safety shoe stipends, and the employers required hourly pension rehabilitation contribution of \$11.46 for all hours compensated.

Other changes include the addition of the Juneteenth holiday, enhanced vacation accrual formulas, a change to a lower cost medical plan in 2024, a re-opener in the event of a reduction to the Port's required hourly pension rehabilitation plan contributions, enhanced funeral leave, enhanced sick leave⁴, and overpayment recovery language.

JUSTIFICATION

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

DETAILS

Term of the Agreement

Retroactive to July 1, 2021, through June 30, 2026.

FINANCIAL IMPLICATIONS

Wages

Classification	Current Rate	Effective 7/1/2022 Base Hourly Rate (+8%)
Auto-Machinists	\$43.54	\$47.02

¹ Increases in years 2 through 5 were calculated at highest CPI-U values; if CPI-U is less than 6% on any given year, the estimated costs should be less based upon the model used.

² February 2021 to February 2022 CPI-U 8.1%; Employees to receive max 6% CPI-U + 2% for an 8% increase

³ Plus 2% bargained in conjunction with the employees moving to a less expensive healthcare plan

⁴ One additional day of sick leave

Meeting Date: May 24, 2022

Health and Welfare

Members of the bargaining unit are currently under the IAM&AW Medical Plan 10 where they contribute one hundred dollars (\$100) per month toward the cost of their medical insurance. The current total monthly healthcare premium cost is \$2,138.00. On July 1, 2024, members of the bargaining unit will switch to IAM&AW Medical Plan 14, which is currently 18% less expensive than the current plan.

Pension

Members of the bargaining group are enrolled in the Western Metal Industrial pension plan where they currently share in the cost of improving this pension plan by contributing one hundred dollars (\$100) per month. The Port's contribution for each hour compensated is currently \$19.41⁵.

Cost Impact \$	Year 1	Year 2	Year 3	Year 4	Year 5
Pay	\$ 5,118.29	\$284,290.44	\$545,266.33	\$869,902.37	\$1,154,770.49
Benefits	\$129,752.30	\$ 262,116.23	\$396,372.60	\$276,963.46	\$307,914.36
Total	\$134,870.59	\$546,406.67	\$941,638.93	\$1,146,865.83	\$1,462,684.85

The estimated total additional cost to the Port of Seattle for the duration of the contract is **\$4,232,466.87**.

ATTACHMENTS TO THIS REQUEST

1. Collective Bargaining Agreement

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

Commission Authorization for Executive Director to Approve CBA February 26, 2019

⁵ \$7.96 for pension contribution plus \$11.46 contribution to the pension rehabilitation plan

Item No. 8i_attach Meeting Date: May 24, 2022
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COLLECTIVE BARGAINING AGREEMENT

By and Between

Port of Seattle

And

**INTERNATIONAL ASSOCIATION OF MACHINISTS AND AEROSPACE WORKERS
AFL-CIO
DISTRICT LODGE NO. 160, LOCAL LODGE NO. 289**

Term of Agreement

July 1, 2021 – June 30, 2026

AGREEMENT
 BY AND BETWEEN
 PORT OF SEATTLE
 AND
 INTERNATIONAL ASSOCIATION OF MACHINISTS AND AEROSPACE WORKERS,
 AFL-CIO,
 DISTRICT LODGE NO. 160, LOCAL LODGE NO. 289
 JULY 1, 2021 - JUNE 30, 2026

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AGREEMENT

This mutual agreement is made and entered into between the Port of Seattle, a municipal corporation of the State of Washington, and the International Association of Machinists and Aerospace Workers, AFL-CIO, District Lodge No. 160, Local Lodge No. 289. Wage rates shall be effective as indicated in Article 12. Other conditions shall be effective on the date the Agreement is signed or as specified in the provisions of the agreement. This Agreement is made for the purpose of reaching an equitable wage and working agreement between the parties hereto.

ARTICLE 1 - RECOGNITION, SCOPE AND HIRING

The Port recognizes the Union as the sole and exclusive bargaining agent with respect to wages, rates of pay, hours of work and other conditions of employment for the employees covered by this Agreement. The work to be performed by the Union shall be the various functions of maintenance of Port-owned vehicles, as assigned and in accordance with historical jurisdiction.

Insofar as permitted by law, the Port shall give the Union equal opportunity with all other sources to refer suitable applicants for employment. No applicant will be preferred or discriminated against by the Port because of membership or non-membership in the Union.

The following information will be given in writing by the Port to the Union within seven (7) calendar days from the date of hiring new employees: name and home address, date of hire, classification and rate of pay.

The Port agrees to deduct from the paycheck of each employee covered by this agreement who has so authorized it by signed notice submitted to the Port, the initiation fee, and monthly dues. The Port shall transmit such fees to the Union once each month on behalf of the members involved. If a dues error is identified the error will be addressed as soon as practicable following notice to the Port.

The Union agrees to indemnify and save the Port harmless against any liability which may arise by reason of any action taken by the Port to comply with the provisions of this Article. The Port will promptly notify the Union in writing of any claim, demand, suit or other form of liability asserted against it relating to its implementation of this Article.

This Agreement shall apply to and cover employees as defined herein.

A full-time employee is one who has been continuously on the payroll of the Port for a period of one hundred and twenty (120) calendar days. A probationary employee is one who has not been continuously on the payroll of the Port for a period of one hundred and twenty (120) calendar days.

All terms and conditions of this Agreement are applicable to such full-time and probationary employees except as specifically hereinafter exempted for probationary

employees.

It is agreed and understood in the hiring of employees under this Agreement either operation (Seaport or Airport) may hire directly from the outside if in management's judgment it is in the best interest of the operations. In which case, the Union will be given an equal opportunity to furnish applicants.

The Union recognizes the prerogatives of the Port of Seattle to operate and manage its affairs in all respects in accordance with its responsibilities and powers of authority, subject to the terms and conditions of this Agreement.

ARTICLE 2 - DISCHARGE OF EMPLOYEES

The Port reserves the right to discharge any employee for just cause. The Port shall have the right to suspend any employee for just cause not exceeding a maximum of two (2) weeks. The Union shall be notified in writing of any discharge or suspension within 24 hours thereof.

In the event of dispute as to whether or not "justifiable cause" existed, such dispute may be processed through the grievance procedure contained in this Agreement.

Probationary employees may be terminated at any time during the probationary period at the discretion of the Port, without recourse to the grievance procedure.

ARTICLE 3 - SHOP STEWARDS

The Union shall inform the Port in writing of its selection of authorized Shop Stewards, and the Port agrees to recognize Stewards so designated.

Shop Stewards shall be allowed such reasonable time as is necessary to investigate and process grievances in the shop arising under the terms of this Agreement.

ARTICLE 4 - SENIORITY

There shall be one seniority list for the bargaining unit employees. Seniority shall prevail in the reduction and restoration of forces, provided the senior employee is capable of performing work remaining in the shops. There shall be a distinct and separate seniority list by shop (Marine Maintenance, Aviation Fleet Maintenance and Aviation Bus Maintenance) in the selection of vacation assignments. Seniority shall prevail in the selection of shift assignments when openings occur provided the employee is capable of performing the work.

In the event of a reduction in force, management may reassign employees between the Airport and the Seaport without regard to seniority provided that volunteers get first consideration.

Seniority for permanent positions shall date from day of hire, but no seniority rights shall

accrue therefrom until after a probationary period of one hundred and twenty (120) calendar days. At the end of the probationary period, the employee shall be classified as a full-time employee.

Individuals employed as emergency hires, who are subsequently hired on a permanent basis, shall have their seniority dates adjusted by the time worked during the previous one hundred eighty (180) calendar days.

The total calendar day time period, including weekends, shall be used to compute the adjusted seniority date for an individual who was originally employed as an emergency hire.

However, in the event the Port retains an emergency hire after one hundred and twenty (120) calendar days of continuous employment, such an employee shall be on permanent status. Normal practice shall be to post vacancies for permanent status positions. The Port may not employ an emergency hire for more than two (2) one hundred and twenty (120) day periods (excluding apprentices).

Except for a reduction in force condition, the Port shall give consideration to the employee's seniority in matters of interdepartmental transfer assignments and job opportunities, and Port management shall make the determination at its discretion.

An employee shall lose seniority rights for any of the following reasons:

- (a) termination for just cause,
- (b) on layoff status for more than six (6) months, or
- (c) when an employee does not return to the bargaining unit within six (6) months after accepting a non-bargaining unit position with the Port, they shall lose seniority.

ARTICLE 5 - PAYMENT OF WAGES

The Port will maintain a regular payday. If such regular payday falls on a Saturday, Sunday, or holiday, the employee shall be paid not later than the last regular workday preceding the regular payday. All employees covered by this Agreement shall be paid biweekly. The Port may deviate from this provision with prior approval of the Union.

ARTICLE 6 - SAFETY AND SANITARY CONDITIONS

The Port shall comply with State Safety and Sanitation Laws, where applicable, and shall maintain safe and sanitary conditions in its maintenance shop operations.

Adequate dressing rooms and washing facilities shall be furnished by the Port. All toilets, lunchrooms, and working areas shall be kept in a clean and sanitary condition, properly lighted, heated and ventilated; soap, hot water, and towels shall be furnished. Employees shall cooperate with management in the maintenance of a generally well- kept shop, in the proper use of sanitary facilities, and shall wear and properly use all protective equipment provided by the Port.

The Port shall furnish all safety equipment as required except for safety shoes. Safety glasses shall be reimbursed consistent with Port policy. The Port shall replace rain gear that is accidentally damaged.

Safety Shoes: The Department of Labor and Industries (WAC 296-800-16060, previously WAC 296-24-088[1]) requires workers to wear appropriate foot protection in areas where there is a possibility of foot injury due to falling or rolling objects, piercing/cutting injuries or electrical hazards. In order to comply with this regulation, appropriate foot protection must meet the specifications of the American National Standard Institute (ANSI) for Protective Footwear, Z41-1999 - American National Standard for Personal Protection.

In order to assist with the purchase of the appropriate footwear, effective upon ratification of the agreement, the Port shall provide regular employees with the following stipends paid on the first pay period in July for the purchase price or repair of the ANSI approved footwear for the duration of the agreement:

2021	\$175
2022	\$190
2023	\$195
2024	\$200

All injuries no matter how slight must be reported by the employee to the Foreman/ or Manager and Shop Steward on the day the injury occurs.

In the event of an industrial accident of such nature that does not require an employee to discontinue work but does necessitate further treatment by a doctor at various intervals, the employee will make every effort to schedule such appointments outside of their regular working hours. In the event that the employee is unable to arrange such appointments outside the employee's regular working hours, the employee shall be compensated at their regular shift rate of pay for all time required for treatments during employee's regular working hours.

Any employee suffering an industrial accident shall be entitled to a full day's pay for the

day on which the accident occurs, provided it shall be medically certified by a physician as a disabling accident.

Holiday and/or vacation pay shall not be provided as a duplication of compensation received by an employee on compensated time loss for an industrial injury.

ARTICLE 7 - VISIT TO THE ESTABLISHMENT

Business representatives of the Union, party to this Agreement, shall have access over the area in which any job is located by first making their presence known to management during working hours for the purpose of enforcing the terms of this Agreement.

ARTICLE 8 - GRIEVANCE PROCEDURE

For the purpose of this Agreement, the term "grievance" means any dispute between the Port and the Union; or between the Port and any employee concerning the effect, interpretation, application, claim of breach, or violation of this Agreement; or any dispute that may arise between the parties. All grievances not mentioned within fifteen (15) days after they occur, or first knowledge that a grievance exists, shall be considered as outdated, thus preventing an accumulation of grievances.

All grievances shall be reduced to writing and shall contain a statement of the relevant facts, the specific section(s) of the Agreement allegedly violated and remedy sought and then processed in accordance with the following grievance procedure:

Step 1: The dispute or grievance shall be taken up by the Shop Steward, the aggrieved employee, and the Foreman of the department involved. The Foreman must give his answer within five (5) days.

Step 2: In the event no settlement is reached within the five (5) day period, the employee or the employee's representative shall then, within fifteen (15) days, bring said grievance to the attention of Manager or designee. The manager or designee shall make every effort to resolve the alleged grievance within fifteen (15) days after submission.

Step 3: In the event no settlement is reached within the fifteen (15) day period, the Union shall provide a copy of the written grievance to the Port's Director of Labor Relations or the Director's designee. Representatives of the Union and the Port shall then meet to attempt settlement of the grievance.

Mediation. In the event no settlement is reached by the Union and the Port within thirty (30) days of the Step 3 meeting, upon mutual agreement, the Port and the Union may agree to submit the grievance to a mediator appointed by the Public Employment Relations Commission, or another mutually agreed upon mediator for mediation. If mediation fails to resolve the issue(s), or if both parties do not agree to submit the grievance to mediation, then the matter may be referred to arbitration by the grieving party. Nothing said or done by the parties or the mediator during the grievance mediation

can be used in the arbitration proceeding.

Any of the above steps may be by-passed by mutual agreement of the parties.

Step 4. In the event no settlement is reached by the Union and the Port, within thirty (30) days of the Step 3 meeting or the mediation session, either party shall have the right to submit a demand for arbitration. Within seven (7) days after the demand for arbitration, the Union and the Port shall mutually agree upon an arbitrator. If the parties fail to agree, the grieving party shall, within seven (7) days, request a list of seven (7) qualified neutrals from the Federal Mediation and Conciliation Service (FMCS). Within seven (7) days after receipt of the list, the Union and the Port shall alternately strike the names on the list, and the remaining name shall be the arbitrator. The arbitrator shall not have the power to add to, subtract from, or modify the provisions of this Agreement in arriving at a decision of the issue or issues presented; and shall confine their decision solely to the interpretation, application, or enforcement of this Agreement. The arbitrator shall be confined to the precise issue submitted for arbitration and shall have no authority to determine any other issues not so submitted. The decision of the arbitrator shall be final and binding upon the aggrieved employee, Union, and the Port.

The Port and the Union shall share equally the fees and expenses of the arbitrator. Each party shall bear its own costs of arbitration, including but not limited, to attorneys fees and costs.

The grievance procedure and arbitration provided herein shall constitute the sole and exclusive method of determination, decision, adjustment, or settlement between the parties of any and all grievances as herein defined; and the grievance procedure and arbitration provided herein shall constitute the sole and exclusive remedy to be utilized by the parties hereto for such determination, decision, adjustment, or settlement of any and all grievances as herein defined.

It is the intent of both parties to resolve grievances at the lowest level possible.

Any time specified herein shall not include any time on any Saturday, Sunday, or holiday. Time limits may be extended by mutual agreement.

ARTICLE 9 - SEPARABILITY AND SAVINGS CLAUSE

If any Article or Section of this Agreement should be held invalid by operation of law or by any tribunal of competent jurisdiction or if compliance with or enforcement of any Article or Section should be restrained by such tribunal pending a final determination as to its validity, the remainder of this Agreement, or the application of such Article or Section to persons or circumstances other than those as to which it has been held invalid or as to which compliance with or enforcement of has been restrained, shall not be affected thereby.

Should any Article or Section of this Agreement be held invalid or be restrained as

provided herein, the parties shall immediately meet and negotiate valid alternate and/or substitute provisions to replace and/or modify those provisions so affected.

ARTICLE 10 - PERSONS PROHIBITED

Only Union members, or those eligible to become members, who are Port employees shall do work presently being performed, previously performed, or capable of being performed by Union members and within the jurisdiction of the Union provided that such work does not fall within the historical jurisdiction of Port employees who are not members of Local #289, Automotive Machinists. All other persons are prohibited from performing such work except as provided below:

- (a) Work that is performed outside of Port-operated facilities.
- (b) Work performed within Port-operated facilities that is of an emergency nature, warranty work, or where demonstrations or instructions are provided. The Port has the right to contract such work within the Port's facility.
- (c) When work requirements exceed the normal level, such as major repair. Or when work is of a specialized nature, such as major modifications, said work may be performed by a Port contractor on Port operated facilities. In any event, individuals directly employed by the Port who are not members of the bargaining unit shall be prohibited from performing said work.

The Port will cooperate with the Union to protect prevailing wage rates whenever in the conduct of its business the Port requires work to be done by contract. This condition shall apply when such work is performed both on and off Port operated facilities.

Notwithstanding (a), (b) and (c), this Article does not prohibit the Port from leasing equipment/facilities which may be maintained by the employer to whom the equipment/facilities are leased.

ARTICLE 11 - HOURS OF WORK

Eight (8) hours within nine (9) consecutive hours shall constitute a workday, and five (5) consecutive days shall constitute a workweek of forty (40) hours. There shall be two (2) consecutive days' rest period between workweeks (Friday and Saturday, Saturday and Sunday, or Sunday and Monday). Employees scheduled on a Tuesday through Saturday workweek shall receive pay at the time and one-half (1½) rate for Saturday work. Employees scheduled on a Sunday-through-Thursday workweek shall receive pay at the time and one-half (1½) rate for Sunday work.

Hours of work different from those described above (including 4/10-hour shifts) may be mutually agreed upon by the Port and the Union. There shall be an optional 4/10 operation, provided such schedule is mutually agreed to by the employee and the manager. If either the Employer or employee wishes to discontinue the 4/10 schedule,

thirty (30) days' notice shall be provided prior to resuming 5/8's (unless otherwise mutually agreed to or in the event of an emergency).

The 4/10 shifts shall consist of four (4) consecutive ten and one-half (10½) hour days to include a thirty (30) minute unpaid lunch period. The 4/10 workweek shall consist of four (4) consecutive workdays, Monday to Thursday or Tuesday to Friday.

Paid leave shall be paid at ten (10) hours per day for the four (4) day regularly scheduled workweek.

If a limited number of 4/10 positions are available, seniority shall prevail with respect to the granting of the 4/10 schedule, provided the employee possesses the necessary skills to perform available work.

ARTICLE 12 - RATES OF PAY

(a) Wage Rate Schedule

Effective July 1, 2022, base wages for all employees employed on the first of the month following the execution of this agreement shall be increased by the sum of one hundred percent (100%) of the Seattle/Tacoma/Bellevue CPI-U (All Urban Consumers), with a zero percent (0%) minimum and a six percent (6.0%) maximum plus two percent (2%). The index used shall be the CPI-U, February 2021 through February 2022.

Effective July 1, 2023, base wages for all employees shall be increased by the sum of one hundred percent (100%) of the Seattle/Tacoma/Bellevue CPI-U (All Urban Consumers), with a zero percent (0%) minimum and a six percent (6.0%) maximum plus half of one percent (0.5%). The index used shall be the CPI-U, February 2022 through February 2023.

Effective July 1, 2024, base wages for all employees shall be increased by the sum of one hundred percent (100%) of the Seattle/Tacoma/Bellevue CPI-U (All Urban Consumers), with a zero percent (0%) minimum and a six percent (6.0%) maximum plus two percent (2%). The index used shall be the CPI-U, February 2023 through February 2024.

Effective July 1, 2025, base wages for all employees shall be increased by the sum of one hundred percent (100%) of the Seattle/Tacoma/Bellevue CPI-U (All Urban Consumers), with a zero percent (0%) minimum and a six percent (6.0%) maximum plus half of one percent (0.5%). The index used shall be the CPI-U, February 2024 through February 2025.

Working Leads shall receive five percent (5%) over the regular Automotive Machinists Journeyman scale.

Foremen, including working foremen, shall receive fifteen percent (15%) over the regular Automotive Machinist Journeyman scale.

General Foremen shall receive twenty percent (20%) over the regular Automotive Machinists Journeyman scale.

(b) Work Definitions and Related Conditions

Semiskilled help

Semiskilled help may do tire repairs, mounting of tires on wheels, tire changing, oil changing and lubrication, and may provide parts department assistance. Semiskilled help may perform fueling and may use minor tools to perform lubing.

Working Leads, Foremen and General Foremen

Working Leads, Foremen and General Foremen assignments shall be made at the discretion of the Port.

(c) Other Pay Conditions

Pay for any fraction of a week shall be computed according to the rates set forth above.

Weekly Guarantee: Full-time employees shall be guaranteed forty (40) hours work or pay, with the following exceptions:

- (1) An employee who quits, is terminated, is recalled from layoff, or is hired on other than the first day of his regularly scheduled workweek, shall be paid only for the days worked during that week.
- (2) Employee absence during part of the workweek due to illness, injury, vacation, or personal reasons shall disqualify an employee for the guarantee that week.
- (3) Paid holidays occurring within an employee's regularly scheduled workweek shall be counted as part of the guarantee, and paid at the regular rate.
- (4) In cases where the Port's operations are adversely affected by a work stoppage, Act of God, civil commotion or insurrection the guarantee shall not apply.

(d) Overtime on Other than Regular Shift:

- (1) A regularly assigned day shift worker who is assigned to work a swing or graveyard shift shall be paid overtime at the day shift overtime rate of pay.

- (2) A regularly assigned swing shift worker who is assigned to work a day or graveyard shift shall be paid overtime at the swing shift overtime rate of pay.
- (3) A regularly assigned graveyard shift worker who is assigned to work a day or swing shift shall be paid overtime at the graveyard shift overtime rate of pay.
- (4) Employees performing special work designated as "STS-PM" at Seattle- Tacoma International Airport will be paid at the graveyard rate of pay regardless of their regular shift if the work is performed during graveyard shift hours.

e) Temporary Lead, Foreman and Crew Chief Assignments:

An employee whom management has temporarily assigned to be a lead, crew chief or foreman shall receive the appropriate pay for all compensated holiday, sick and vacation leave hours if:

The employee worked the last scheduled workday prior to and the first scheduled workday following the employee's vacation, sick or holiday as an acting or temporary lead, foreman or crew chief and;

The employee has been working at least thirty (30) days prior to the holiday, sick or vacation leave as an acting or temporary lead, crew chief or foreman and upon return from holiday, sick or vacation leave will resume the acting or temporary foreman, crew chief or lead assignment.

ARTICLE 13 - ADDITIONAL SHIFTS

Starting times for shifts scheduled by the Port shall conform with the following:

First Shift	5:00 a.m. to 9:00 a.m.
Second Shift	1:00 p.m. to 5:00 p.m.
Third Shift	10:00 p.m. to 12:00 midnight

The second shift premium shall be ten percent (10%) more than the first (day) shift rate, and the third shift premium shall be fifteen percent (15%) more than the first (day) shift rate.

Starting time for an individual employee shall be fixed at the same starting time for the entire workweek.

ARTICLE 14 - CALL-IN TIME

The Port shall guarantee four (4) hours call-in time at two times employee's shift rate of pay for emergency call-ins. Emergency call-ins who work in excess of four (4) hours shall also be paid at double the employee's shift rate for time worked in excess of four (4) hours.

There will be no pyramiding of overtime except as provided in Article 15, paragraph 4, where no eight (8) hour break is provided.

ARTICLE 15 - OVERTIME

Double time shall be paid for all work performed on employee's normal rest period between workweeks.

Scheduled overtime will be voluntary when possible by shop (Marine Maintenance, Aviation Maintenance, and Aviation Bus Maintenance) and skill. The Port reserves the right when no volunteers are available to assign overtime by reverse seniority by shop and skill. When practical, employees will be notified by noon on the 4th workday of the overtime required for the 6th or 7th day. Weekend overtime is subject to cancellation by the end of the shift on the 5th workday. No employee will be required to work two consecutive weekends.

Overtime, as it has historically been assigned in the past, will continue to be assigned on the basis of seniority; i.e., the most senior employee has the right of first refusal for overtime. If no one volunteers for the overtime, employees will be assigned from the bottom of the seniority list up. The junior mechanic will be required to work.

Employees required to work overtime past their regular shift, unless relieved from work eight (8) hours before starting work on their next regular shift, shall be paid overtime for such shift.

For those employees on 5/8 shifts, any time worked in excess of eight (8) hours in one day up to eleven (11) hours shall be paid at time and a half; beyond eleven (11) hours shall be paid at double time.

For those employees on a 4/10 shifts, any time worked in excess of ten (10) hours in one day up to eleven (11) hours shall be paid at time a half; beyond eleven (11) hours shall be paid a double time.

The work done on STS PM will also be paid in accordance with the above examples. (See Article 16 for the overtime rate covering employees who work on a holiday.)

ARTICLE 16 - HOLIDAYS

The following holidays shall be recognized by the Port for all regular full-time employees and no salary deductions shall be made for the same:

New Year's Day	January 1
Martin Luther King's Birthday	Third Monday in January. Presidents' Day
Day	Third Monday in February
Memorial Day	Last Monday in May
Juneteenth	Date designated by the Port
Fourth of July	July 4
Labor Day	First Monday in September
Thanksgiving Day	Fourth Thursday in November
Native American Heritage Day	Fourth Friday in November
Day Before or day after Christmas	December 24 or 26 (as designated by the Port)
Christmas Day	December 25
2 Employee Designated Holidays	

Employee Designated holidays will be scheduled with the supervisor's approval.

Holiday pay shall be eight (8) hours for those who work 5/8's shift and ten (10) hours for those who work 4/10's shift at the straight-time shift rate.

If a holiday falls during an employee's regular two-day rest period, the holiday shall be observed on the last normal workday preceding or the first workday following the normal days off, by mutual agreement.

Work performed on holidays shall be at the time and one-half rate in addition to straight-time holiday pay.

It is agreed there shall be twelve (12) holidays each contract year for any eligible employee. Adjustments shall be made to reduce the number of Port designated holidays, where providing such holiday/holidays for the first contract year would result in more than twelve (12) holidays for any employee.

Emergency hires will be eligible for holiday pay after employment on an emergency basis by the Port for thirty (30) calendar days or more.

ARTICLE 17 - VACATIONS

Each employee coming under the jurisdiction of the Union, after having been in the continuous employ of the Port for the following periods, shall be granted vacations as follows:

After 1 year	2 weeks	(80 hours' pay)
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After 5 years	3 weeks	(120 hours' pay)
After 12 years	4 weeks	(160 hours' pay)
After 18 years	5 weeks	(200 hours' pay)

Effective on the first of the month after the execution of this agreement, the above referenced vacation accrual formulas shall be changed to the following:

After 1 year	2 weeks	(80 hours' pay)
After 3 years	3 weeks	(120 hours' pay)
After 10 years	4 weeks	(160 hours' pay)
After 15 years	5 weeks	(200 hours' pay)

Vacation pay shall be at the straight-time shift rate.

An employee shall accrue vacation credit from their hire-in date at the rate of one- twelfth (1/12th) of their next regular vacation for each month in which they were compensated for eighty (80) hours or more. Vacation eligibility shall be based upon the hire date.

Pending vacation approval, employees may take vacation as they accrue it at any time after a six-month period of continuous service has been completed since their hire date.

Termination Benefit: When termination occurs after six continuous months of employment, an employee so terminating shall be paid for any unused vacation credit payable to him/her. Credit shall be toward their next full vacation for any month in which they worked eighty (80) hours or more.

Vacation assignments shall be made at the Employer's discretion, but no vacation period shall be fixed during the months of November, December, January, and February unless the employee entitled to such vacation period prefers their vacation in those months.

If a holiday falls within an employee's vacation period, such holiday shall not be considered as part of the vacation period, and the employee shall receive another day's vacation in lieu thereof.

Vacation checks shall be given to employees in advance, if requested at least two (2) weeks in advance of the vacation.

Employees may cash-out any amount of their accrued vacation hours, provided the employee has a minimum balance of eighty (80) hours remaining immediately following the cash out. Cash-outs shall be processed at the employee's current hourly rate of pay as recorded in the payroll system. A "Paid Time Off Cash-Out Request and Waiver" form must be submitted to Payroll by the payroll deadline. Vacation accumulations shall be limited to 480 hours. Accruals will cease when the limit is reached and will resume only when the balance is below 480 hours. Accruals over the limit are not cashed out.

ARTICLE 18 - HEALTH AND WELFARE PLAN

Eligible employees shall be covered by the Medical, Life Insurance and Long-term Disability Insurance benefits described in paragraphs a, b, and c below.

Effective July 1, 2019 the Employer shall pay the full medical, vision, preventive coverage and dental for each employee in the bargaining unit who is compensated for eighty (80) hours or more for work covered by this Agreement, regardless of Union membership. Such employees shall be enrolled in the following benefit plan currently provided by the Machinists Health & Welfare Trust Fund:

Machinists H&W Plan 10
Vision Service Plan 1
Preventive Coverage

Employees shall pay \$100 per month cost share of health and welfare cost.

Effective July 1, 2024, the Machinists H&W Plan 10 will be deleted from this Agreement and replaced with Machinists H&W Plan 14. The parties agree to begin working together as soon as practicable, but not later than ninety (90) days prior to the effective date, to facilitate a successful transition.

If the benefits provided by the Machinists Health and Welfare Trust become subject to an excise tax or other penalty, the parties agree to meet and discuss the impact.

All payments to the Machinists Health and Welfare Trust Fund shall be paid on or before the 15th day of the month following the month of employment.

The Employer acknowledges receipt of and agrees to be bound by the Agreement and Declaration of Trust, and any amendments thereto, covering the Machinists Health and Welfare Trust Fund, and the Employer ratifies any action taken by the Board of Trustees. The Health and Welfare Trust Fund shall always be maintained as a tax- exempt joint labor-management Trust Fund and administered in accordance with its Agreement and Declaration of Trust and all applicable laws. The Employer accepts, as its representatives, the Employer Trustees serving on the Board of Trustees of the Health and Welfare Trust Fund and their duly appointed successors. Each Employer agrees to abide by all rules and regulations as may be established by the Board of Trustees pertaining to participation in the Health and Welfare Trust Fund.

The Employer will continue to pay contributions for a regular employee who is off work due to an industrial-injury for a maximum of six (6) months beyond the point in time which the employee no longer qualifies under the above criteria for Employer provided Health & Welfare benefits.

Notwithstanding the forgoing provisions, if any employee should be disentitled to any benefits under the Health and Welfare Plan by reason of the Employer's delinquency in the payment of contributions, the Employer shall be liable to such employee in a civil

action for the full amount of the benefits which the employee lost, together with reasonable attorney's fees and costs. Acceptance or collection of delinquent contributions by the Board of Trustees shall not absolve the Employer of this liability.

Life Insurance:

On the first of the month following the date of hire, eligible employees and their eligible dependents shall receive life insurance benefits in the amount of two (2) times their annual base rate and their eligible dependents shall receive life insurance benefits in such amounts and in such manner as are provided in contracts with insurance companies or agencies selected by the Port to provide such benefits. Employees shall also be covered by the Accidental Death and Dismemberment policy provided by the Port.

Long-term Disability:

On the first of the month following the date of hire, eligible employees shall receive long-term disability coverage. The eligibility and other conditions of coverage are established with the insurance company or agency selected by the Port to provide such benefits.

ARTICLE 19 - PENSION PLAN

Effective July 1, 2005, the Port shall pay the following amounts, per compensable hour, to the Western Metal Industry Pension Trust Fund for each bargaining unit employee:

July 1, 2012	\$7.96 and thereafter
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As a result of the Western Metal Industry Pension Fund's critical status for the plan year beginning January 1, 2010 and as required by the Pension Protection Act, the Fund's Board of Trustees adopted a Rehabilitation Plan consisting of a Preferred Schedule and a Default Schedule. The parties have agreed to adopt the Western Metal Industry Pension Fund Rehabilitation Plan - Preferred Schedule. The parties signed a MOU adopting the preferred schedule on December 24, 2013, and by reference is made part of this document.

Effective July 1, 2021, all bargaining unit members will contribute one hundred dollars (\$100) per month toward the cost of the Western Metal Industry Pension Fund Rehabilitation Plan - Preferred Schedule. The one hundred dollars (\$100) per month employee contribution shall be paid by payroll deduction and shall cease when rehabilitation funds are no longer required by the Pension Trust.

Should the Western Metal Industry Pension Fund Rehabilitation plan cease or require less from the employer during the term of this agreement, the Union or Port may, within thirty (30) days from the notification of the change, request to re-open this agreement to discuss the change. Bargaining under this re-opener will be limited to Article 19 (Pension Plan) and Article 12 (Rates of Pay). If the parties are unable to reach an agreement within thirty (30) days from the date of the request to

re-open the agreement, the parties agree to immediately submit the issue to the PERC mediation process.

ARTICLE 20 - DENTAL PLAN

The Port shall pay each month into the Northwest I.A.M. Benefit Trust Fund the amount necessary to fund Plan "125" for each employee who is compensated for eighty (80) hours or more in the preceding month, for the purpose of providing a dental care program for the employees covered by this Agreement. The Port agrees to increase its contribution per employee at the time and in the amount determined necessary by the Trustees of the Plan to maintain the present level of benefits. The details of the program will be determined by the Board of Trustees of the Northwest I.A.M. Benefit Trust Fund in accordance with the Trust Agreement creating the Trust Fund. The Port and the Union agree to be bound by said Trust Agreement and all lawful amendments thereto, and do further agree to accept as their representative the Employer Trustees and the Union Trustees who constitute the Board of Trustees of said Trust Fund and their lawful successors.

- (a) The contribution shall be paid to the Trust Fund by the 10th day of the month following the month in which the contributions were earned. The Trust Fund will furnish transmittal forms.
- (b) The failure of the Port to make the required contributions may result in a collection action by the Board of Trustees and, in such action, the Port shall be obligated to pay liquidated damages, costs and attorney's fees, as provided in the Trust Agreement

ARTICLE 21 - FUNERAL LEAVE

In the event of a death in the family (spouse or domestic partner; the employee's or employee's spouse or domestic partner's parent, sibling, child, foster child, stepchild, stepparent, grandparent, grandchild, aunt, uncle; or sibling's spouse, domestic partner or child), a full-time employee shall be entitled to such time off work, without loss of pay, not to exceed three (3) days, as may be reasonably necessary to attend the funeral and, if required on the part of the employee to make necessary arrangements for the funeral, subject to the following conditions:

- (a) The day for which compensation is sought must fall within the employee's regularly scheduled workweek, and no compensation is payable if such day falls on or during weekends, holidays, vacation, leave of absence, or layoff.
- (b) The employee must attend the funeral to be entitled to compensation.
- (c) The compensable day (which must fall within the employee's regular workweek) is limited to the day of the funeral or the day immediately prior thereto.

- (d) Pay for each compensable day shall be eight (8) hours at the regular straight-time hourly rate.
- (e) The Port may require reasonable proof of funeral attendance or responsibility for making arrangements for the funeral to support the claim for compensation.
- (f) Compensable funeral leave is limited to the relatives specified in this Article.

The employee may be allowed up to an additional two (2) days of paid leave in consideration of the distance to the funeral or the extent of the employee's involvement with arrangements for the deceased.

ARTICLE 22 - SICK LEAVE

Effective the first of the month following the execution of this agreement, employees shall accrue sick leave at the rate of .03846 hours accrued per hour compensated). Management may require a physician's statement to validate use of sick leave as provided by law. Sick Leave will accrue in two banks.

Bank 1) Protected Sick Leave. .025 per hour worked will accrue as Washington Protected Sick Leave. Employees may utilize this leave in accordance with the minimum requirements of the Washington State Sick Leave Law, RCW 49.46.210. Employees shall be notified on each paystub of the amount of Protected Sick Leave they are entitled to use for authorized purposes as defined by the law. Employees shall be entitled to carry over up to a maximum of forty (40) hours of accumulated Protected Sick Leave into the following calendar year.

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

Bank 2) Paid Sick Leave.

- a. .03846 will accrue as Paid Sick Leave per hour compensated but not worked.
- b. .01346 will accrue as Paid Sick Leave for all hours worked.

Unused Paid Sick Leave (Bank 2) shall accumulate in a bank of no more than three hundred twenty (320) hours. Paid Sick Leave (Bank 2) shall be deducted from the bank on an hourly basis and may only be used for regularly scheduled workdays (e.g., employees shall not receive sick leave for holidays or overtime shifts). Accumulated Paid Sick Leave (Bank 2) shall be payable at the employee's regular straight-time rate of pay.

Upon termination, retirement or death, employees with at least five (5) years of continuous service (or the employee's estate or designated beneficiary) may cash out their Paid Sick Leave bank (Bank 2) (within the three hundred twenty (320) hour limit) at 50% of the then current rate of pay.

Employees may use accrued Paid Sick Leave (Bank 2) in instances of non-job related employee illness or injury or to care for a spouse, domestic partner, parent (or one who acted in loco parentis when the employee was a child), sibling, parent-in-law or grandparent who has a serious health condition or an emergency condition or to care for a child or stepchild or foster child who has a serious health condition or an emergency condition or in instances required by law.

Employees collecting Workers' Compensation temporary disability benefits may not receive Sick Leave as herein provided; however, if such Workers' Compensation benefits are less than the amount of sick leave otherwise provided, employees may, in addition to the Workers' Compensation benefits, use accrued sick leave sufficient to equal the amount of sick leave benefits that would otherwise have been received by deducting from the bank the hours required to make up the difference.

Absence from work must be called in to the Foreman/Crew Chief at least thirty (30) minutes prior to the start of shift.

Leave without Pay: Leave without pay may be used for bona fide sick leave purposes once all sick leave accruals are exhausted, not to exceed forty (40) hours per year.

Leave without pay for pre-scheduled appointments, unless emergency in nature must be requested five (5) days in advance.

When the leave is for personal reasons, all vacation must be used before leave without pay will be granted. Total leave without pay for any reason is not to exceed forty (40) hours per year, with the exception of FMLA related absences.

ARTICLE 23 - FAMILY MEDICAL LEAVE

Family Medical Leave. Family leave will be administered in accordance with current Federal and State laws, and applicable Port policies.

Effective upon ratification and for the term of the agreement, the Port shall comply with the requirements of the Washington Paid Family and Medical Leave Act.

ARTICLE 24 – PAID PARENTAL LEAVE

The Port agrees to provide Paid Parental Leave to regular, non-probationary employees for the term of this agreement. Eligibility, participation and terms of the Paid Parental Leave shall be as provided to non-represented employees as outlined in Port policy HR-5. Changes and/or modifications to Paid Parental Leave shall not be a bargainable issue. However, the Port agrees to provide advance notice of any changes to Paid Parental Leave to the Union.

ARTICLE 25 - PAYROLL DEDUCTIONS

Payroll deductions shall be made as specifically required by Federal, State, or Municipal laws. In addition, the Port and the Union agree that payroll deductions for the Machinists' Credit Union and Union dues may be implemented if appropriately authorized by the employee in accordance with Port payroll procedures.

All employees HIRED AFTER the ratification date, are required to participate in the Port's direct deposit program for payroll purposes.

If an employee is overpaid, the Port shall recover the overpayment by deduction through subsequent wages at a rate of five (5) percent of the employee's net pay in a pay period, other than the final pay period; or the amount still outstanding from the employee's net pay in the final pay period. Deductions from wages shall continue until the overpayment is fully recouped. Nothing in this article precludes the employee from agreeing to a larger deduction.

ARTICLE 26 - APPRENTICES' WAGES

1ST YEAR

First 3 months	65% of Journeyman scale
Next 9 months	73% of Journeyman scale

2ND YEAR

Full 12 months	77% of Journeyman scale
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3RD YEAR

First 6 months	80% of Journeyman scale
2 nd 6 months	85% of Journeyman scale

4TH YEAR

First 6 months	90% of Journeyman scale
Second 6 months	95% of Journeyman scale

Apprentices shall be governed by the standards set up by the Greater Puget Sound Area Automotive Machinists Apprenticeship Committee and approved by the Washington State Apprenticeship Council.

Apprentices who receive credit for previous experience shall be paid upon entrance the wage rate of the period to which such credit advances them.

One Apprentice may be employed in any shop where a Journeyman is steadily employed and one additional Apprentice may be employed for each additional four (4) Journeymen employed. Apprentices will constitute the only employees learning the trade, and shall be given every opportunity and encouragement to master it.

The Port agrees to make payments into an Apprenticeship Training Fund not to exceed \$1.75 per month for each eligible employee who works eighty (80) hours or more in the preceding month. Payments will be required as soon as the program is established by Local 289 and other employer groups.

ARTICLE 27 - COVERALLS

All coveralls necessary in the performance of their work shall be furnished and laundered by the Port, up to any combination of eleven (11) items (e.g., six (6) coveralls and five (5) shirts and pants).

ARTICLE 28 - RELIEF PERIOD

Employees shall be entitled to a fifteen (15) minute relief period around the midpoint of each half shift, having due regard for the continuity and nature of the work being performed.

ARTICLE 29 - EMPLOYEE LEARNING AND DEVELOPMENT

To provide career development opportunities to bargaining unit employees, the Union and management will support employee participation in the Port's employee development and internship programs. Successful applicants to internship programs shall remain members of the bargaining unit and retain all rights and benefits under the Collective Bargaining Agreement, except that temporary schedule adjustment and/or alternate work schedules to accommodate internship activities shall be allowed as agreed between the participating departments and the intern.

Educational assistance for employees shall be subject to the approval of the Manager. Employees are eligible to apply for College Degree Tuition reimbursement support under the terms of HR-12.

The Parties understand that the Employee Development and Education Opportunities identified in Article 29 shall not be subject to bargain and are subject to revision by the Port.

ARTICLE 30 - SPECIAL TOOLS, TOOL INSURANCE

All special and heavy-duty tools required by the Port shall be furnished by the Port. The tool kit generally furnished by journeymen shall not be classified as special tools. The Port will reimburse employees for loss of required hand tools due to fire, proven theft, or catastrophe on the Port's premises, less \$25.00 on each occasion of loss. Claims will be honored only for tools which have been listed on an appropriate inventory form and filed with the Port. Employees shall notify management whenever they remove their tools from the Port's premises.

ARTICLE 31 - NON-DISCRIMINATION

It is mutually agreed, between the Port and the Union, that there shall be no discrimination against any employee or applicant for employment or against any Union member or applicant for membership on the basis of their age, race, color, national origin/ancestry, religion, disability, Family Medical Leave Act (FMLA) use, pregnancy, sex/gender, sexual orientation, whistleblower status, marital status, military status, use of workers' compensation, transgender status, political beliefs, or any other category protected by applicable federal, state or local law ("Protected Status"). .

Any use of the masculine gender in the language of this Agreement is intended to apply to both sexes.

The Port and the Union agree to take the necessary steps to remain in compliance with the Americans with Disabilities Act (ADA), and the Family and Medical Leave Act (FMLA). It is further agreed that leave available under FMLA will not necessarily run concurrently with other paid leave available under this Agreement.

ARTICLE 32 - NO STRIKES

The Port is a Municipal Corporation of the State of Washington. Under State law, employees and labor unions do not have the right to strike or picket or engage in other similar activities against a governmental unit such as the Port. Accordingly, the Union recognizes the State law and agrees that neither the Union, the employees it represents, its members, nor others acting for and on its or their behalf, will at any time engage in any strike, picketing, stoppage of work, slow-down, or similar activity against the Port, whether or not this Agreement is in effect.

ARTICLE 33 - DEFERRED COMPENSATION

As provided below in this Article, full-time employees shall be eligible for participation in the Port of Seattle's Deferred Compensation Plan as revised. Eligibility and participation of said employees shall be subject to the terms and conditions of such plan including any plan amendments, revisions, or possible cancellation. It is further agreed that content of the plan itself, plan administration, and any determinations made under the plan shall not be subject to any other provisions of this Labor Agreement or to negotiation by the Union.

ARTICLE 34 – COMMUTER BENEFITS

All Full time, part-time, on-call, and temporary employees, shall be eligible for the following benefits:

The One Regional Card for All ("ORCA Card") Program

The Port offers ORCA cards to eligible employees at a substantially reduced cost for transportation on multiple regional transit systems. Employees who participate in the ORCA card program may also be eligible for additional subsidized transportation

services. The availability of the ORCA program, annual cost, potential tax consequences for employees, and other provisions are subject to change based on guidelines provided by agencies with whom the Port contracts for the ORCA program benefits, IRS requirements, as well as the Port's discretion.

Ferry Reimbursement

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

The Port shall maintain full discretion to modify, change, amend, and/or discontinue either and/or both the ORCA program and the Ferry Reimbursement benefit;

Prior to modifying, changing, amending, and/or discontinuing either and/or both the ORCA program and the Ferry Reimbursement benefit, the Port agrees to provide advance notice to the Union.

ARTICLE 35 - LABOR MANAGEMENT COMMITTEE

The Port and the Union recognize the importance of a collective bargaining and employee relations climate in the Port that encourages cooperative efforts and joint problem-solving amongst all involved parties to better serve the public, increase productivity, reduce waste, improve safety, improve morale, and recruit, train and retain quality employees. In the interest of meeting these challenges, the Port and the Union agree to establish a joint labor-management committee to continue the collaborative process during the term of the Agreement.

The joint labor-management committee will be made up of up to three (3) Port representatives and up to three (3) Union members covered under this Agreement, plus the Union Business Representative. The Port's Labor Relations Staff will be available to assist the Committee. The Committee will not discuss pending grievances. The Committee will meet on a bi-monthly basis, unless mutually agreed to meet on a more frequent or less frequent basis.

ARTICLE 36 - NEW EMPLOYEE ORIENTATION

New Employee Orientation: The Union, through a Union Member, Shop Steward, or Union Representative shall at a mutually agreeable time with the employer have up to thirty (30) minutes during the employer's new hire orientation program to meet with the employee (s).

ARTICLE 37 - ENTIRE AGREEMENT

- (1) This Agreement constitutes the entire agreement between the Port and the Union and no oral statement shall add to or supersede any of its provisions.
- (2) The Port and the Union acknowledge that during negotiations, each had the unlimited right and opportunity to make proposals and bring forth past practices related to subjects of collective bargaining. The results of those negotiations are set forth in this Agreement. For the term of this Agreement, the Port and the Union give up their right to oblige the other party to bargaining with respect to any subject discussed in negotiations whether or not specifically referred to or covered in this Agreement.

ARTICLE 38 - DURATION OF AGREEMENT

The provisions of this Agreement shall become effective July 1, 2021, and the term of this Agreement shall continue through June 30, 2026. This Agreement shall remain in full force and effect from year to year thereafter, provided that either party hereto may reopen this contract by giving the other sixty (60) days' notice in writing prior to any anniversary date. Upon notice being given, the parties shall enter into negotiations and the period from and after the giving of the notice shall be used for negotiating a new agreement. The new agreement shall be effective the first day of July unless mutually agreed to the contrary.

PORT OF SEATTLE

INTERNATIONAL ASSOCIATION
OF MACHINISTS AND AEROSPACE
WORKERS, AFL-CIO,
DISTRICT LODGE NO 160,
LOCAL LODGE NO. 289

By: _____
Stephen P. Metruck
Executive Director
Port of Seattle

By: _____

Title: _____

Date: _____

Date: _____

MEMORANDUM OF UNDERSTANDING

By and between
PORT OF SEATTLE

And

INTERNATIONAL ASSOCIATION OF MACHINISTS AND AEROSPACE WORKERS
AFL-CIO
DISTRICT LODGE NO. 160, LOCAL NO. 289

Re: Port of Seattle COVID-19 Vaccination Policy

The following Memorandum of Understanding (“MOU”) is entered between the Port of Seattle (“Port”) and the International Association of Machinists and Aerospace Workers, AFL-CIO, District Lodge No. 289 (“Union”), referred to herein collectively as the Parties.

WHEREAS, consistent with its duty to provide and maintain a workplace that is free of recognized hazards, the Port of Seattle has adopted a policy making COVID-19 Vaccination a condition of employment; and

WHEREAS, the Port of Seattle COVID-19 Vaccination policy is intended to safeguard the health and well-being of employees and their families, visitors, and others who spend time in the Port’s facilities, from COVID-19 infectious conditions that can be reduced through an effective employee vaccination requirement program; and

NOW THEREFORE, the Parties agree as follows:

1. The Union recognizes the Port’s inherent rights as management and specified rights per the CBA; including the right to amend, terminate, or modify the Port of Seattle COVID-19 Vaccination Policy, HR-34;
2. The Port agrees to notify the Union of any changes to HR-34, and will meet any associated bargaining obligations;
3. Employees will be paid for the time spent getting the required vaccines, including travel time. Employees shall work with their manager to arrange time on shift, when possible. Off-shift compensation will be at the employee’s straight time rate of pay. Vaccination appointments should be scheduled in a manner as not to exceed 2 hours, including travel time;
4. Employees who verify proof of being fully vaccinated (as per HR-34) no later than November 15, 2021, will be eligible for one (1) vaccination incentive day based on their

regular, approved work scheduled, not to exceed ten (10) hours. The COVID-19 incentive day has no cash value, must be used in 2022, cannot be cashed out, cannot be used after the employee's last day worked, and will be forfeited if not used by December 17, 2022;

5. Employees may use up to two shifts (for example: 8 hours each shift) of their Public Health Emergency Leave (PHEL), if available, if they are unable to work their regular scheduled shift due to side effects within 48 hours of being vaccinated;
6. Upon request, from November 16, 2021 through November 16, 2022 employees who resign, or are separated from employment, as a result of this condition of employment may be eligible for rehire, without going through the competitive hire process for a posted, open, and funded position within the bargaining unit, provided the employee is qualified and complies with all policies required of new-hires for that position.
7. Reopener. The union may request to reopen this agreement to meet and discuss any more favorable terms and conditions provided relative to HR-34 to any other non-interest arbitration eligible bargaining units within 30 days of the execution of the other bargaining unit agreements.
8. Upon execution of this agreement, the Port Seattle shall supply the Union with all executed agreements of the other bargaining units relative to HR-34. The Port shall also supply the Union with all future agreements of other bargaining units relative to HR-34, within 7 days of execution.

This Memorandum of Understanding is effective upon signing and shall expire when incorporated into a successor CBA between the Port and the Union.

PORT OF SEATTLE

INTERNATIONAL ASSOCIATION
OF MACHINISTS AND AEROSPACE
WORKERS, AFL-CIO,
DISTRICT LODGE NO 160
LOCAL LODGE NO. 289
COUNCIL OF CARPENTERS

STEPHEN P. METRUCK
Executive Director

Name: _____

Title: _____

Date

Date

RETURN TO AGENDA



**COMMISSION
AGENDA MEMORANDUM**

ACTION ITEM

Item No. 8j

Date of Meeting May 24, 2022

DATE: April 22, 2022

TO: Stephen P. Metruck, Executive Director

FROM: Lily Ninburg, Real Estate Manager, RE Portfolio & Asset Management
Melinda Miller, Director, RE Portfolio & Asset Management

SUBJECT: Surplus and Sale of Terminal 115 Non-Alliance Portion of Property to King County as a Site for Building a Combined Sewer Overflow (CSO) Facility

Amount of this request: \$ sale price of \$2,200,000

Total estimated project cost: \$ NA

ACTION REQUESTED

Adoption of Resolution No. 3803: A resolution of the Port of Seattle Commission authorizing the sale of a portion of the Parcel (#536720-2505) to King County to be used as a site for building a new Combined Sewer Overflow (CSO) facility, and apply Boundary Line Adjustment (BLA) to divide the parcel covering both Alliance and Port of Seattle properties into two parts – the bigger and the majority part to remain with the Alliance, the smaller part (southeast corner of SW Michigan St & 2nd Ave SW) to be sold to King County; and amend the Port’s Comprehensive Scheme to delete the smaller part of the Parcel (#536720-2505; BLA pending) from Unit 20 of the Port’s Comprehensive Scheme and authorize its sale to King County Wastewater Treatment Division.

EXECUTIVE SUMMARY

King County Wastewater Treatment Division wants to purchase a parcel of Port property known as Terminal 115 SE lot, approximately 58,121 sf of unimproved land, to build a required Combined Sewer Overflow (CSO) facility. Staff has been working on this transaction with King County since 2018. In late 2018, King County commissioned an appraisal done by Bates McKee & Eric McKee. The Port then had Kidder Mathews perform an independent review of the McKee Appraisal. The reviewer agreed with the appraiser’s conclusion: \$1,890,000. This price was adjusted to current market rate of \$2,200,000 in April 2022., for the subject unimproved industrial land of 58,121 sf. Given the fair market value purchase offer, the environmental benefits of the project, and the risk of condemnation, we recommend proceeding with surplus and sale of the subject property.

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DETAILS

King County Wastewater is one of many sewer utilities across the nation under a consent decree with the Environmental Protection Agency (EPA). In 2013, King County signed an agreement with the U.S. Department of Justice and the EPA. This agreement known as “Consent Decree” requires King County to complete its CSO Control Plan by 2030. This plan contains a list of “Protecting Our Waters” projects with strict timelines. The CSO control project involving construction of a new CSO facility located at SW. Michigan St./ Terminal 115 is required to meet the critical milestone of “construction completion by December 31, 2025 ”. Based on the preliminary designs, the scope of work, and the time needed to construct this CSO facility, King County would like to acquire this property to ensure meeting the goal and strict timelines set by the Federal Consent Degree. If King County cannot purchase this property from the Port in an amicable manner, they will likely use eminent domain to acquire the property.

King County completed an extensive site selection process in 2017 that included careful evaluation of 17 sites. The result of this process identified the T115 Parcel A property (King County’s title for subject property) as the ideal site for the tank because the majority of the sewer overflow volume required is at the W Michigan St. Regulator Station Overflow, which is directly adjacent to the site and outfall, thus limiting conveyance needs while reducing costs and traffic and property impacts. The T115 Parcel A site is also the ideal shape and size, allows gravity flow into the tank, and minimal conveyance. Additionally, it is a large enough site for the tank size needed with room for on-site landscaping and stormwater treatment and allows for adequate access to perform routine maintenance.

The site evaluation considered the following criteria:

- Above grade impacts to the existing site use.
- Property acquisition process and ability to acquire.
- Facility configurations that will fit on the site.
- Distance from the W Michigan St. Regulator Station and subsequent conveyance requirements and potential need to over-size the facility.
- Other considerations such as road closure requirements, construction staging area, shoreline restrictions, and/or potential to drain the storage facility by gravity.

This process was documented in the Site Selection Technical Memorandum and Alternatives Analysis Report for the West Duwamish CSO Control Project dated April 21, 2017, prepared by HDR/King County.

The purpose of the Combined Sewer Overflow storage tank at the T115 Parcel A location is to control the number of sewage spills from two outfalls (“West Michigan” and “T115”) directly into the Duwamish River, to fewer than one occurrence per year. Reducing uncontrolled sewage spills has significant water quality benefits, including the prevention of debris (including plastics), biodegradable solids, other pollutants and bacteria from entering the Duwamish River. The tank

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location was chosen due to the appropriate size of the parcel and its proximity to an existing wastewater force main and the West Michigan outfall.

The parcel (#536720-2505) covers what is known as Terminal 115. With the formation of Northwest Seaport Alliance in 2013-2014, the majority of Terminal 115 was assigned to the Northwest Seaport Alliance except for a small area we call T115 SE Corner Lot which is separated from the larger T-115 site a by right-of-way, immediately south of 2nd Ave SW.

The Port of Seattle has been leasing this smaller area (T115 SE Corner Lot) for the past few years. The current tenant is American Best Trucking. On multiple occasions Port staff has clearly communicated with American Best Trucking about King County's intent to purchase this lot for the federally required CSO since late 2018. The company has also signed onto multiple agreements with the Port and King County for site access needed for the County's site investigative work. In this context, we have been very clear with the company that we would not be able to renew a long-term lease and that eventually the company would need to relocate.

Given the small size and location of this property, the Port of Seattle does not view it as critical to their current or future operations. Thus, there is no compelling need for the Port to retain ownership of this property.

Kidder Mathews, at the Port's request, provided an independent review of the McKee Appraisal of the subject property in 2018. The reviewer's conclusion of the value of the subject property agrees with the appraiser's conclusion: \$1,890,000 for the unimproved industrial land of 58,121 sf located on the corner of SW Michigan St. and 2nd Ave SW. In April 2022, the sale price was adjusted to current market by applying a 15% increase to a total of \$2,200,000.

The Port and King County have reached an agreement on the substantially agreed-upon version of the Purchase and Sale Agreement which has gone through multiple rounds of internal review.

ALTERNATIVES AND IMPLICATIONS CONSIDERED**Alternative 1 – Status Quo. Do not sell. Retain Port's ownership of subject property.**

Cost Estimate: \$0. No cost to Port.

Pros:

- 1) Continue to bring in yard lease revenue of just over \$105K a year.
- 2) Possibly serve as a site for future redevelopment opportunities.

Cons:

- 1) Creates a challenging situation for King County in meeting and fulfilling its federally mandated goals and milestones for CSO facilities.

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- 2) If fee simple purchase approach, somehow, doesn't materialize, King County still has the option of following acquisition process per eminent domain statutes and have the Port transfer ownership to King County for the purpose of constructing a CSO facility benefiting the general public.
- 3) Would lose an opportunity to use sale revenue to fund other Port asset enhancement projects that align strategically with the Port's Century Agenda's missions and visions.

This is not the recommended alternative.

Alternative 2 – Retain ownership of a portion of the property where the subterranean holding tank will be constructed and sell the portion where above-ground level structures will be built.

Cost Estimate: Cost of separating the space between Port and King County and clarifying the maintenance and repair responsibilities, risks and liabilities associated with the lot are difficult to quantify

Pros:

- 1) May be able to continue leasing a portion out for certain uses barring highly constrained weight and other structural and unforeseen limits and restrictions.
- 2) Possibly redevelop the portion in the future per market needs and trends.

Cons:

- 1) Restrictions on weight and other unforeseen elements for above ground use could create challenges in leasing and redeveloping the above ground space.
- 2) Risks and liabilities between underground tank and above ground Port use could be hard to define and delineate, thus creating complications and higher costs for future management, maintenance and repair responsibilities.

This is not the recommended alternative.

Alternative 3– RECOMMENDED: Sell at market value to King County.

Cost Estimate: \$0. No cost to Port.

Pros:

- 1) Sell to King County at fair market value and bring in net sale revenue for funding other projects and enhancing asset values of other Port properties critical to its growth and Century Agenda goals.
- 2) Cooperate and assist with King County as a public entity in fulfilling its goal and milestones set by the Federal Consent Decree, thus indirectly contributing to and facilitating the

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construction of CSO facility that reduces uncontrolled sewage spills, pollutants and bacteria from entering the Duwamish River while also benefiting the communities that the Port serves.

- 3) Avoids the complicated and expensive process of eminent domain should King County choose to condemn the site for public use.
- 4) Surplus the subject property that's not deemed critical to the Port's future business growth strategies aligned with the overall Century Agenda missions and visions.

Cons:

- 1) Loss of a property that is currently generating some rent revenue with little maintenance and repair cost to the Port.
- 2) Loss of a property that may potentially become a redevelopment site.

This is the recommended alternative.

Financial Summary:

- 1) No cost to the Port other than typical transaction costs involved in sale of a property.
- 2) Net revenue of \$2.2M at fair market value for unimproved land compared to an annual rent revenue of about \$105K with minimal operating expense.

ATTACHMENTS TO THIS REQUEST

- 1) Resolution No. 3803
- 2) Substantially Agreed-upon Draft Purchase and Sale Agreement (PSA)
- 3) Property Map
- 4) Presentation

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

None.

REAL ESTATE PURCHASE AND SALE AGREEMENT

THIS REAL ESTATE PURCHASE AND SALE AGREEMENT (“Agreement”) is made and entered by and between the **PORT OF SEATTLE**, a municipal corporation of the State of Washington (the “Seller”) and **KING COUNTY**, a political subdivision of the State of Washington (the “Buyer”). Seller and Buyer are also referred to herein individually as a “Party” or collectively as “Parties.” This Agreement shall be effective as of the date it has been executed by both Parties (“Effective Date”).

RECITALS

A. Seller is the owner of that certain real property located at 6000 W. Marginal Way SW, King County, State of Washington, the legal description of which is attached hereto as **EXHIBIT A** (collectively, the “Real Property”).

B. Seller desires to sell the Real Property and Buyer desires to purchase the Real Property.

C. The Real Property is for the West Duwamish Combined Sewer Overflow Control Project (the “Project”), which Project is subject to review under the State Environmental Policy Act, Chapter 43.21C of the Revised Code of Washington (“RCW”) (“SEPA”). Nothing in this Agreement is intended to limit King County's SEPA authority.

AGREEMENT

NOW, THEREFORE, in consideration of the promises and mutual covenants contained herein, and other valuable consideration, receipt and sufficiency of which are hereby acknowledged, the Parties hereto covenant and agree as follows:

ARTICLE 1. PURCHASE AND TRANSFER OF ASSETS

1.1. PROPERTY TO BE SOLD. Subject to the terms and conditions of this Agreement, Seller shall sell and convey to Buyer on the Closing Date (as hereinafter defined) and Buyer shall buy and accept from Seller on the Closing Date the following assets and properties:

1.1.1. all of Seller’s right, title and interest in the Real Property as legally described in **EXHIBIT A**;

1.1.2. all of Seller’s right, title and interest in improvements and structures located on the Real Property, if any; and

1.1.3. all of Seller's easements and other rights that are appurtenant to the Real Property including but not limited to, Seller's right, title, and interest in and to, to the extent appurtenant to the Real Property, streets, alleys or other public ways adjacent to the Real Property, sewers and service drainage easements, rights of connection to the sewers, rights of ingress and egress and, to the extent transferable, licenses, government approvals and permits pertaining to the Real Property, and all Seller's right, title and interest in and to any plans, drawings, surveys, and warranty right related to the Real Property.

Hereinafter, the items listed in Section 1.1 are collectively referred to as the "Property."

1.1.4 REQUIRED SHORT SUBDIVISION. The Real Property is part of a larger parcel of real property, referred to as #5367202505. Buyer desires to purchase and Seller desires to sell the Property only on the condition that the Real Property can be lawfully divided from the larger parcel #5367202505 as a separate lot, to allow lawful conveyance of the Real Property to the Buyer, as set forth in Section 5.3 below.

ARTICLE 2. PURCHASE PRICE

2.1. PURCHASE PRICE AND PAYMENT. In consideration of the conveyance of the Property, Buyer shall, in full payment therefore, pay in cash to Seller on the Closing Date a total purchase price of **Two Million Two Hundred Thousand and No/100 Dollars (\$2,200,000)** (the "Purchase Price").

2.2. ESCROW HOLDER. Rainier Title Company ("Escrow Agent" in its capacity as escrow holder and "Title Company" in its capacity as title insurer) has been designated as Escrow Agent hereunder by mutual agreement of Buyer and Seller. Upon mutual execution of this Agreement by the Parties Escrow Agent shall open a closing escrow in accordance with the terms of this Agreement.

ARTICLE 3. REPRESENTATIONS AND WARRANTIES OF THE PARTIES AND CONDITION OF PROPERTY

3.1. WARRANTIES, REPRESENTATIONS AND COVENANTS OF SELLER. As of the date hereof and as of the Closing Date, Seller represents and warrants as follows:

3.1.1. ORGANIZATION. The Seller is a **municipal corporation of the State of Washington** duly organized, validly existing and in good standing under the laws of the State of Washington. Seller has all requisite power and authority to carry on its business as it is now being conducted in the place where such businesses are now conducted.

3.1.2. EXECUTION, DELIVERY AND PERFORMANCE OF AGREEMENT,

AUTHORITY. The execution, delivery and performance of this Agreement by Seller (i) is within the powers of Seller as a **municipal corporation**, and (ii) has been or will be on or before the Closing Date, duly authorized by all necessary action of the Seller's governing authority. This Agreement constitutes the legal, valid and binding obligation of Seller enforceable against Seller in accordance with the terms herein.

3.1.3. NO BROKER. No broker, finder, agent or similar intermediary has acted for or on behalf of Seller in connection with this Agreement or the transactions contemplated hereby, and no other broker, finder, agent or similar intermediary is entitled to any broker's, finder's or similar fee or commission in connection with this Agreement based on an agreement, arrangement or understanding to act for or on behalf of Seller.

3.1.4. NO LITIGATION. Other than as disclosed by Seller to Buyer prior to expiration of the Due Diligence Period, there is no pending, or to Seller's knowledge, threatened claim, lawsuit, litigation, arbitration, investigation or other proceeding pertaining to the Property or any part thereof. There is no pending or, to the best of Seller's knowledge, threatened condemnation or similar proceeding pertaining to the Property or any part thereof.

3.1.5. NO VIOLATIONS. Other than as disclosed by Seller to Buyer prior to expiration of the Due Diligence Period, no governmental entity with jurisdiction or other person or entity has asserted, or to Seller's knowledge, has threatened to assert that the Property or any part thereof is in violation of any applicable legal requirement. To the best of Seller's knowledge, Seller has all certificates of occupancy, permits, and other governmental consents necessary to own and operate the Property for its current use.

3.1.6. CONDITION OF PROPERTY. Other than as disclosed by Seller to Buyer prior to expiration of the Due Diligence Period, to the best of Seller's knowledge, (i) there has been no generation, treatment, storage, transfer, disposal or release of Hazardous Materials, (as defined in **EXHIBIT C**, attached hereto and incorporated herein by this reference), on, in, under or emanating from the Property; and (ii) there are or have been no underground storage tanks on the Property and no underground storage tanks have been removed from the Property. Other than as disclosed by Seller to Buyer prior to expiration of the Due Diligence Period, Seller represents and warrants, to the best of Seller's knowledge, that all operations or activities upon and all use or occupancy of the Property or any portion thereof, by Seller is in compliance with all state, federal and local Environmental Laws (as defined in **EXHIBIT C**) and all regulations governing or in any way related to the generation, handling, storage, use, transportation, discharge, or disposal (whether legal or illegal, accidental or intentional) of any Hazardous Materials (as defined in **EXHIBIT C**). Other than as disclosed by Seller to Buyer prior to expiration of the Due Diligence Period, Seller has not received notice of any proceedings, claims or lawsuits arising out of its or any tenant of the Property's operations on the Property.

3.1.7. NO CONTRACTS. Except for the Permitted Exceptions (defined below), and other than the Administrative Order (as defined below), there are (or as of Closing there will be) no contracts, agreements or other arrangements under which Seller is obligated to sell, exchange, transfer, lease, rent or allow the use of the Property or any part thereof now or in the future, or under which any person or entity has the right to possess or occupy the Property or any part thereof now or in the future.

3.1.8. FUTURE AGREEMENTS. Except as otherwise set forth herein, and other than the Administrative Order, from and after the Effective Date unless this Agreement is terminated in accordance with its terms Seller shall not without the prior written consent of Buyer:

(a) enter into any agreement, contract, commitment, lease or other transaction that affects the Property in any way (other than short term use by license or lease terminable by Seller prior to Closing); or

(b) sell, dispose of or encumber any portion of the Property.

3.1.9. MAINTENANCE OF PROPERTY. Seller shall continue to maintain the Property in its current condition, normal wear and tear expected, and in compliance with all applicable laws and to pay all costs of the Property between the Effective Date and Closing.

3.1.10. FOREIGN PERSON. Seller is not a foreign person and is a “United States Person” as such term is defined in Section 7701 (a) (30) of the Internal Revenue Code of 1986, as amended and shall deliver to Buyer prior to the Closing an affidavit, as set forth in **EXHIBIT E**, evidencing such fact, and such other documents as may be required under the Code.

3.1.11. LEASES. Seller warrants and represents that there are (or as of Closing there will be) no existing leases, tenancies, options, purchase rights, or rights of persons in possession of the Property.

3.1.12 LIMITATION ON SELLER’S REPRESENTATIONS AND WARRANTIES. BUYER ACKNOWLEDGES AND AGREES THAT, EXCEPT AS OTHERWISE EXPRESSLY SET FORTH IN SECTION 3.1 OF THIS AGREEMENT OR IN THE DEED, NEITHER SELLER NOR ANY OF ITS AGENTS OR REPRESENTATIVES HAVE MADE ANY REPRESENTATION OR WARRANTY WHATSOEVER WITH RESPECT TO THE PROPERTY OR ANY PORTION THEREOF. BUYER ACKNOWLEDGES AND AGREES THAT BUYER IS NOT RELYING ON ANY STATEMENT MADE OR INFORMATION PROVIDED TO BUYER BY SELLER OR ANY OF AGENTS OR REPRESENTATIVES, EXCEPT FOR THE REPRESENTATIONS AND WARRANTIES EXPRESSLY MADE BY SELLER IN SECTION 3.1 OF THIS AGREEMENT OR IN THE DEED.

Buyer’s Initials: _____

3.2. REPRESENTATIONS, WARRANTIES AND COVENANTS OF BUYER. As of the date hereof and, as of the Closing Date, Buyer represents and warrants as follows:

3.2.1. ORGANIZATION. Buyer is a political subdivision of the State of Washington, duly organized, validly existing and in good standing under the laws of the State of Washington.

3.2.2. EXECUTION, DELIVERY AND PERFORMANCE OF AGREEMENT, AUTHORITY. The execution, delivery and performance of this Agreement by Buyer has been or will be on or before the Closing Date, duly authorized by all necessary action of the Buyer’s governing authority. This Agreement constitutes the legal, valid and binding obligation of Buyer

enforceable against Buyer in accordance with the terms hereof.

3.2.3. NO BROKER. No broker, finder, agent or similar intermediary has acted for or on behalf of Buyer in connection with this Agreement or the transactions contemplated hereby, and no other broker, finder, agent or similar intermediary is entitled to any broker's, finder's or similar fee or commission in connection with this Agreement based on an agreement, arrangement or understanding to act for or on behalf of Buyer.

3.3. RISK OF LOSS. Until the Closing, the risk of loss relating to the Property shall rest with the Seller. Risk of Loss shall be deemed to include any property damage occurring as a result of an "Act of God," including, but not limited to, fire, earthquakes, tremors, wind, rain or other natural occurrences ("Casualty"). If the Property is destroyed or damaged by Casualty prior to Closing Buyer may terminate this Agreement, or alternatively, Buyer may elect to proceed with Closing, in which case Seller shall deliver to Buyer, on the Closing Date, any proceeds actually received by Seller in connection with such casualty, or assign to Buyer, on the Closing, all of Seller's right, title and interest in any claim to proceeds of any insurance covering such damage (provided that in no event shall Buyer be entitled to receive payment or assignment of such proceeds in an amount greater than the Purchase Price). Buyer shall make its election under this Section 3.3 by written notice to Seller within fifteen (15) business days from Buyer learning of a Casualty and the Closing Date will be extended for the period of time necessary to allow Buyer to make its election; provided that, if Buyer fails to timely deliver such notice to Seller within said 15 business days, Buyer shall be deemed to have elected to terminate this Agreement.

ARTICLE 4. TITLE MATTERS

4.1. CONVEYANCE. Seller shall convey to Buyer the title to the Real Property by Bargain and Sale Deed in substantially the form attached hereto as **EXHIBIT B** (the "Deed"), subject only to the Permitted Exceptions (as defined below), the lien of current real property taxes, fees and/or charges not yet due and payable, rights reserved in federal patents or state deeds, and building or use restrictions general to the governing jurisdiction.

4.2. TITLE COMMITMENT. Seller shall within fifteen (15) business days after the Effective Date obtain and provide to Buyer a preliminary commitment for an owner's standard coverage policy of title insurance (the "Title Commitment") issued by the Title Company, describing the Property, listing Buyer as the prospective named insured and showing as the policy amount the total Purchase Price for the Property. At such time as the Title Company causes the Title Commitment to be furnished to Buyer, the Title Company shall further cause to be furnished to both Seller and Buyer legible copies of all instruments referred to in the Title Commitment as restrictions or exceptions to title to the Property. If Buyer desires extended title insurance and the Title Company requires preparation of an ALTA survey ("Survey"), Buyer shall arrange for procurement of such extended coverage title insurance and any required Survey at Buyer's sole cost and expense.

4.3. REVIEW OF TITLE COMMITMENT. Buyer shall have until sixty (60) days after it has received the Title Commitment (or if Buyer or the Title Company requires a Survey, Title Commitment and Survey (the "Review Period") in which to notify Seller in writing of any

objections Buyer has to any matters shown or referred to in the Title Commitment or Survey (“Buyer’s Objections”). Any exceptions or other items that are set forth in the Title Commitment or Survey and to which Buyer does not object within the Review Period shall be deemed to be permitted exceptions (“Permitted Exceptions”). With regard to items to which Buyer does object within the Review Period, Seller shall notify Buyer within fifteen (15) days after Seller receives Buyer’s Objections of any exceptions to title which Seller will not remove or otherwise resolve (“Seller’s Response”), and Buyer may, at Buyer’s option, either proceed to Closing and thereby waive the Buyer’s Objections not cured, in which case such exceptions to title shall be deemed and shall be included as Permitted Exceptions, or Buyer may terminate this Agreement by notice to Seller within ten (10) days after receipt of Seller’s Response. If the Title Company issues a supplement to the Title Commitment or Survey that identifies new exceptions, the procedure set forth in this Section 4.3 shall apply to such supplement, except that Buyer will have ten (10) days to make Buyer’s Objections to any new exception, Seller shall have seven (7) days to provide Seller’s Response, Buyer shall have ten (10) days to either terminate this Agreement by notice to Seller or proceed to Closing and thereby waive the Buyer’s Objections to the new exceptions not cured, in which case such exceptions to title shall be deemed and shall be included as Permitted Exceptions. The Closing Date will be extended for the period necessary to allow the procedures set forth herein to be completed with regard to a timely objection.

4.4. OWNER’S TITLE INSURANCE POLICY. At the Closing, Seller shall cause an owner’s ALTA policy of standard coverage title insurance to be issued by the Title Company in the full amount of the purchase price, effective as of the Closing Date, insuring Buyer that the fee simple title to the Property is vested in Buyer, subject only to the Permitted Exceptions, the lien of current real property taxes, fees and/or charges not yet due and payable, rights reserved in federal patents or state deeds, and building or use restrictions general to the governing jurisdiction (“Title Policy”). The obligation of Seller to provide the Title Policy called for herein shall be satisfied if, at the Closing, the Title Company has given a binding commitment, in a form reasonably satisfactory to Buyer, to issue the policy in the form required by this Section. Seller shall pay any sum owing to the Title Company for the preliminary and binding Title Commitments and the premium for the Title Policy for issuance of standard coverage and Buyer shall pay the cost of the Survey, if any, any endorsements requested by Buyer and any additional premium required for issuance of extended coverage under the Title Policy.

ARTICLE 5. CONTINGENCIES

5.1. DUE DILIGENCE INSPECTION AND FEASIBILITY. Buyer’s purchase of the Property is expressly contingent upon Buyer’s review and approval, in Buyer’s sole and absolute discretion, that the Property is suitable for Buyer’s intended use, including geotechnical analyses and environmental inspection and assessment pursuant to Section 5.1.1 below (“Due Diligence Contingency”). If Buyer is not satisfied with the condition of the Property, its inspection and testing pursuant to Section 5.1.1. below, Buyer may terminate this Agreement by delivering written notice of termination to Seller within three hundred and thirty (330) days after the Effective Date (“Due Diligence Period”). In such event this Agreement shall terminate, and the Parties shall have no further obligations hereunder. Absent Buyer’s timely delivery of such termination notice, the Due Diligence Contingency shall be deemed waived by Buyer and the Parties shall proceed to Closing, subject to all terms and conditions of this Agreement.

5.1.1. INSPECTIONS AND ENVIRONMENTAL CONTINGENCY. During the Due Diligence Period, and as part of its due diligence review pursuant to this Article 5, Buyer, its designated representatives or agents shall have the right, as limited herein, at its own expense to (a) perform any and all tests, inspections, studies, surveys or appraisals of the Property on any subject deemed appropriate by Buyer; (b) conduct its own Phase I and/or Phase II Environmental Assessment or focused remedial investigation (RI) on the Property, and perform any and all related tests, inspections and studies deemed appropriate by Buyer; (c) examine all Due Diligence Materials (defined below) related to the Property that Buyer may reasonably request from Seller; (d) determine to its satisfaction whether approvals, permits and variances can be obtained under applicable land use and zoning codes for Buyer's intended use or development of the property; and (e) determine whether Buyer's intended use or development of the Property is feasible. Prior to conducting any inspection work on the Property, Buyer shall provide a written investigation work plan to Seller for Seller's review and approval. Buyer's access to the Property shall be contingent on Seller's approval of Buyer's investigation work plan. Seller shall review the investigation work plan and respond within three (3) business days of receipt; approval shall not be unreasonably withheld. Buyer shall subsequently provide to Seller a copy of the data, sampling results, written reports, or other information generated as part of its investigation, including but not limited to data and reports that are submitted to the Washington Department of Ecology ("Ecology"), contemporaneous to its submission to Ecology. In the event Buyer needs a reasonable period of additional time following the Due Diligence Period to finish planned investigative work, Buyer may request a Due Diligence Period extension no more than five (5) days prior to expiration of the Due Diligence period. Any extension will be at the discretion of the Seller.

5.1.2. DUE DILIGENCE MATERIALS. Seller shall provide all documents and materials in Seller's possession or control, if any, related to the Property reasonably requested by Buyer ("Due Diligence Materials"). Seller shall exercise commercially reasonable efforts to deliver to Buyer copies of Due Diligence Materials related to the Property within five (5) days of receiving a written request for such materials from Buyer. In addition, within fifteen (15) days of the Effective Date Seller will deliver to Buyer copies of the following Due Diligence Materials, if any:

- (a) Operating expenses reports;
- (b) Phase I and II and all available environmental/soils reports; all final reports, data, assessments or other documents related in any way to the environmental condition of the Property or possible contamination on the Property, except documents which are attorney-client privileged or otherwise confidential. This includes, but is not limited to all documents related to any review or examination of the Property associated with Department of Ecology Agreed Order No. DE 8099;
- (c) CC&R's;
- (d) Permit and zoning reviews;
- (e) Three year (3) historical operating and capital budgets;
- (f) Debt and/or equity financing documentation;
- (g) Vendor or service contracts;
- (h) Reports of repairs for the last 5 years;
- (j) Plans and permits for capital and other improvements during ownership;

- (k) Existing surveys, title materials, engineering and environmental studies and any other existing studies and reports;
- (l) Original building plans, site improvement plans, and as-builts;
- (m) Leases or similar rental agreements currently in effect; and
- (n) All material documents regarding the operation and condition of the Property.

Documents and materials described above in item (b) are referred to collectively herein as the “Environmental Reports.”

5.1.3. ACCESS TO PERSONNEL. During the Due Diligence Period Seller shall provide Buyer with reasonable access to Seller’s outside consultants and personnel with knowledge of the Property, including entitlements and zoning.

5.1.4. RIGHT OF ENTRY. Buyer and Buyer’s designated representatives or agents, including contractors, shall have the right and Seller hereby grants to Buyer and Buyer’s designated representatives the right to enter the Property and conduct tests, investigations and studies set forth in the access agreement provided in Exhibit F; provided that such right of entry will be limited to those times and dates that will not disrupt Seller’s use of, or Seller’s operations and activities on the Property, and in compliance with and subject to the terms and conditions of the access agreement provided in Exhibit F, as may be amended by written agreement of both Parties. In connection with any such inspections and tests, Buyer agrees to hold harmless, indemnify and defend Seller, its officers, agents and employees, from and against all claims, losses, or liability for (i) injuries, sickness or death of persons, including employees of Buyer or (ii) damage or loss of any property, including cleanup of any discharges or release of Hazardous Materials ((i) and (ii) collectively, “Claims”) caused by or arising out of any act, error or omission of Buyer, its officers, agents, contractors or employees in entering the Property for the above purposes, except to the extent the Claims are caused by or arise out of any act, error or omission of Seller, its officers, agents, contractors, employees or tenants.

5.2 DISCLOSURE STATEMENT. Buyer hereby waives the right to receive a disclosure statement (a “Disclosure Statement”) if required by RCW 64.06. RCW 64.06 provides that a purchaser may waive its right to receive a Disclosure Statement; provided, however, if the answer to any of the questions in the section of the Disclosure Statement entitled “Environmental” would be “yes,” receipt of the “Environmental” section of the Disclosure Statement may not be waived. By executing this Agreement, Buyer acknowledges that it has received the “Environmental” section of the Disclosure Statement attached hereto as **EXHIBIT D**. Buyer waives its right to receive the balance of the Disclosure Statement. Buyer hereby waives any right to receive an updated or revised Disclosure Statement, regardless of the source of any new information. Buyer further warrants that it is a sophisticated purchaser who is familiar with the ownership and development of real estate projects similar to the property it is acquiring and that it has or will have adequate opportunity to complete such independent inspections of such property as it deems necessary, and will acquire such property solely on the basis of and in reliance upon such examinations and not on any information provided in any Disclosure Statement or otherwise provided or to be provided by the other party.

BUYER HEREBY WAIVES, TO THE FULLEST EXTENT PERMISSIBLE BY LAW, THE RIGHT TO RESCIND THIS AGREEMENT PURSUANT TO ANY PROVISION OF RCW 64.06. IT IS THE INTENT OF BUYER THAT ANY DISCLOSURE STATEMENT PROVIDED BY SELLER WILL NOT BE RELIED UPON BY BUYER AND SHALL GIVE BUYER NO RIGHTS WITH RESPECT TO SELLER OR UNDER THIS AGREEMENT. THIS WAIVER OF THE RIGHT TO RESCIND APPLIES TO THE DISCLOSURE STATEMENT PROVIDED BEFORE, ON OR AFTER THE DATE OF THIS AGREEMENT AND APPLIES PROSPECTIVELY TO ANY UPDATED OR REVISED DISCLOSURE STATEMENTS THAT MAY BE PROVIDED BY SELLER TO BUYER.

Buyer's Initials: _____

5.3. SHORT SUBDIVISION. The Property shall have been lawfully divided from the larger parcel #5367202505 to allow lawful conveyance of the Property. On or before execution of this Agreement, Buyer has or will prepare the necessary survey, legal descriptions, drawings and other documentation for submittal of an application to the City of Seattle (the "City") for a short subdivision to establish two separate lots comprised of (i) the Real Property and (ii) the remainder of the larger parcel #5367202505 (the "Short Subdivision"). Buyer will provide Seller the Short Subdivision application materials, including the legal descriptions for the two lots, for Seller's written approval prior to submittal to the City, and upon such approval Seller and Buyer will each be mutually responsible for and shall cooperate and seek the City's approval of the Short Subdivision. Upon final approval of the Short Subdivision by the City, the Parties will cause the legal description for the Real Property, if modified, to be appended to this Agreement as amended Exhibit A. The Parties will further cooperate to submit an application with King County for segregation and assignment of separate tax parcel identification numbers for the resulting two divided lots.

The Parties acknowledge that, although both Parties will cooperate and excise good faith to obtain approval of the Short Subdivision, neither Party can control the timing for review or decision by the City regarding the Short Subdivision application, including the possible requirement by the City that the Real Property be divided by formal subdivision of the Property. Buyer's obligation to purchase, and Seller's obligation to sell, the Property is subject to lawful division of the Property in form and substance satisfactory to both Parties, in each Party's respective sole and absolute discretion; provided, that upon the City's issuance of final approval of the Short Subdivision materials for recording, Buyer and Seller shall each provide written notice to the other party waiving this Short Subdivision contingency, or terminating the Agreement. If the Short Subdivision has not been approved by the City on or before seven hundred and twenty (720) days after the Effective Date, unless otherwise agreed in writing by both Seller and Buyer, either party shall have the right to terminate this Agreement by written notice to the other Party, in which event the Parties shall have no further obligations hereunder.

5.4 ECOLOGY PROSPECTIVE PURCHASER AGREEMENT OR CONSENT DECREE ENTERED IN COURT. The Property is included within the boundary of a proposed site ("Site") for investigation and remedial action pursuant to the Model Toxics Control Act ("MTCA") under Agreed Order No. DE 18064, in re the Matter of Remedial Action by the Port of Seattle and The Boeing Company issued by the Washington Department of Ecology ("Ecology") pursuant to RCW

70.105D.050(1) (“Administrative Order”). Buyer desires to purchase and Seller desires to sell the Property only on the condition that before Closing the Buyer obtains from Ecology a Prospective Purchaser Agreement or a Prospective Purchaser Consent Decree regarding the Property in a form and with terms consistent with this Agreement and acceptable to the Buyer, in the Buyer’s sole discretion, which is filed with and approved by a court of competent jurisdiction. Buyer’s obligation to purchase, and Seller’s obligation to sell, the Property is subject to Buyer’s procurement of the Prospective Purchaser Agreement or a Prospective Purchaser Consent Decree filed with and approved by a court of competent jurisdiction (the “Prospective Purchaser Contingency”). On or before seven hundred and twenty (720) days after the Effective Date, Buyer shall provide Seller written notice that the Prospective Purchaser Contingency is satisfied or waived (the “Prospective Purchaser Contingency Notice”). If Buyer fails to timely deliver the Prospective Purchaser Contingency Notice, Seller shall have the right to terminate this Agreement by written notice to the Buyer, in which event the Parties shall have no further obligations hereunder.

5.5 “AS IS” CONDITION. BUYER ACKNOWLEDGES AND AGREES THAT, EXCEPT FOR THE SPECIFIC REPRESENTATIONS AND WARRANTIES BY SELLER SET FORTH IN SECTION 3.1 OF THIS AGREEMENT, AND THE DEED, SELLER HAS NOT MADE, DOES NOT MAKE AND SPECIFICALLY NEGATES AND DISCLAIMS ANY REPRESENTATIONS, WARRANTIES, PROMISES, COVENANTS, AGREEMENTS OR GUARANTIES OF ANY KIND OR CHARACTER WHATSOEVER, WHETHER EXPRESS OR IMPLIED, ORAL OR WRITTEN, PAST, PRESENT OR FUTURE, OF, AS TO, CONCERNING OR WITH RESPECT TO (a) THE SUITABILITY OF THE PROPERTY FOR ANY AND ALL ACTIVITIES AND USES WHICH BUYER MAY CONDUCT THEREON, INCLUDING THE POSSIBILITIES FOR FUTURE DEVELOPMENT OF THE PROPERTY; (b) THE HABITABILITY, MERCHANTABILITY, MARKETABILITY, PROFITABILITY OR FITNESS FOR A PARTICULAR PURPOSE OF THE PROPERTY; (c) THE MANNER, QUALITY, STATE OF REPAIR OR LACK OF REPAIR OF THE PROPERTY; (d) THE NATURE, QUALITY OR CONDITION OF THE PROPERTY, INCLUDING, WITHOUT LIMITATION, THE WATER, SOIL AND GEOLOGY; (e) THE COMPLIANCE OF OR BY THE PROPERTY OR ITS OPERATION WITH ANY LAWS, RULES, ORDINANCES OR REGULATIONS OF ANY APPLICABLE GOVERNMENTAL AUTHORITY OR BODY; (f) COMPLIANCE WITH ANY ENVIRONMENTAL PROTECTION, POLLUTION OR LAND USE LAWS, RULES, REGULATION, ORDERS OR REQUIREMENTS; (g) THE PRESENCE OR ABSENCE OF HAZARDOUS MATERIALS AT, ON, UNDER, OR ADJACENT TO THE PROPERTY; (h) THE CONFORMITY OF THE PROPERTY TO PAST, CURRENT OR FUTURE APPLICABLE ZONING OR BUILDING REQUIREMENTS; AND/OR ANY OTHER MATTER, INCLUDING BUT NOT LIMITED TO THE AVAILABILITY OF ANY LEASES, EASEMENTS, LICENSES OR ENTITLEMENTS RELATED TO THE PROPOSED OR INTENDED USE OF THE PROPERTY AND/OR THE ADEQUACY, COMPLETENESS OR ACCURACY OF ANY MATERIALS OR DOCUMENTS DELIVERED TO BUYER BY SELLER PURSUANT TO ARTICLE 5 OR OTHERWISE UNDER THIS AGREEMENT, INCLUDING WITHOUT LIMITATION THE ENVIRONMENTAL REPORTS.

BUYER FURTHER ACKNOWLEDGES AND AGREES THAT, BUYER HAVING BEEN GIVEN THE OPPORTUNITY TO INSPECT THE PROPERTY AND REVIEW THE

INFORMATION AND DOCUMENTATION AFFECTING THE PROPERTY, EXCEPT FOR THE SELLER'S EXPRESS REPRESENTATIONS AS SET FORTH IN SECTION 3.1 OF THIS AGREEMENT, BUYER IS RELYING SOLELY ON ITS OWN INVESTIGATION OF THE PROPERTY AND REVIEW OF SUCH INFORMATION AND DOCUMENTATION, INCLUDING ANY INFORMATION PROVIDED OR TO BE PROVIDED BY SELLER. BUYER AGREES THAT TO THE MAXIMUM EXTENT PERMITTED BY LAW, THE SALE OF THE PROPERTY AS PROVIDED FOR HEREIN IS MADE ON AN "AS IS" CONDITION AND BASIS WITH ALL FAULTS.

Buyer's Initials: _____

5.6 Environmental Indemnity by Buyer. Buyer agrees to indemnify, defend, and hold harmless Seller, its officers, employees, agents, successors and assigns, from and against any and all present or future claims or demands and any and all damages, losses, injuries, liabilities, causes of action, costs and expenses (including without limitation fines, penalties, judgments and attorneys' fees) of any and every kind or character, known or unknown (collectively "Losses") that the Seller, its employees, agents, heirs, successors and assigns sustains as a result of claims by third parties, including but not limited to federal, state and local regulatory agencies, for damages or remediation costs related to or arising out of the presence of Hazardous Materials in, at, on, under or originating from the Property. This indemnity does not apply to the extent any such Loss is caused, contributed to, or exacerbated by any new (i.e., occurring after the Effective Date of this Agreement) release(s) of hazardous substances that is caused, contributed to, or exacerbated by Seller, its officers, employees, agents, contractors, tenants, or by any other party for which Buyer would not otherwise be responsible at law.

Losses shall include without limitation (a) the cost of any investigation, removal, remedial or other response or action that is required by any Environmental Law, that is required by judicial order or by order of or agreement with any governmental authority, or that is necessary or otherwise is reasonable under the circumstances, (b) Losses for injury or death of any person and (c) Losses arising under any Environmental Law enacted after transfer. To the extent of the Buyer's indemnity, and except to the extent of the Seller's indemnity, Buyer shall be responsible for all costs associated with the investigation, handling, and disposal of soil and other materials at or from the Property, including, but in no way limited to, any costs, including incremental costs, of disposing of any soils or materials excavated by Buyer from the Property as part of its post-Closing development. Buyer agrees that the foregoing indemnity obligation shall apply notwithstanding any covenant not to sue or other waiver or immunity of Buyer's liability under any prospective purchaser agreement, consent decree or similar settlement arranged by Buyer with a federal, state or local regulatory agency. This indemnification shall be effective upon Closing and shall survive the recording of the Deed.

5.7 Environmental Indemnity by Seller. Seller agrees to indemnify, defend, and hold harmless Buyer, its officers, agents, employees, contractors, successors and assigns, from and against any and all present or future claims or demands and any and all damages, losses, injuries, liabilities, causes of action, costs and expenses (including without limitation fines, penalties, judgments and attorneys' fees) of any and every kind or character, known or unknown (collectively "Losses") that the Buyer, its officers, employees, agents, contractors, successors and assigns sustains as a result of claims by third parties, including but not limited to federal, state and local

regulatory agencies, for damages or remediation costs related to or arising out of the presence of Hazardous Materials in, on, or under the Site, excluding the Property, and except to the extent such Losses were caused, contributed to, or exacerbated by Buyer.

Losses shall include without limitation (a) the cost of any investigation, removal, remedial or other response or action that is required by any Environmental Law, that is required by judicial order or by order of or agreement with any governmental authority, or that is necessary or otherwise is reasonable under the circumstances, (b) Losses for injury or death of any person and (c) Losses arising under any Environmental Law enacted after transfer. Seller agrees that the foregoing indemnity obligation shall apply notwithstanding any covenant not to sue or other waiver or immunity of Seller's liability under any Agreed Order or any settlement arranged by Seller with a federal, state or local regulatory agency. This indemnification shall survive the Closing Date and recording of the Deed.

ARTICLE 6. COVENANTS OF SELLER PENDING CLOSING

6.1. CONDUCT, NOTICE OF CHANGE. Seller covenants that between the Effective Date and the Closing Seller shall take all such actions as may be necessary to assure that the representations and warranties set forth in Section 3.1 hereof will be true and complete as of the Closing (except such representations, warranties and matters which relate solely to an earlier date), and all covenants of Seller set forth in this Agreement which are required to be performed by it at or prior to the Closing shall have been performed at or prior to the Closing as provided for in this Agreement. Seller shall give Buyer prompt written notice of any material change in any of the information contained in the representations and warranties made in Article 3 or elsewhere in this Agreement which occurs prior to the Closing.

6.2 EXCLUSIVITY. Between the Effective Date and Closing or earlier termination of this Agreement, Seller shall not market the Property, make or accept any offers to sell, refinance, or recapitalize the Property, or otherwise solicit any offers to purchase, or enter into any agreement for the sale, refinancing or recapitalization of the Property.

ARTICLE 7. COVENANTS OF BUYER PENDING CLOSING

7.1. CONDUCT, NOTICE OF CHANGE. Buyer covenants that between the Effective Date and the Closing Buyer shall take all such actions as may be necessary to assure that the representations and warranties set forth in Section 3.2 hereof will be true and complete as of the Closing (except such representations, warranties and matters which relate solely to an earlier date), and that all covenants of Buyer set forth in this Agreement which are required to be performed by it at or prior to the Closing shall have been performed at or prior to the Closing as provided in this Agreement. Buyer shall give Seller prompt written notice of any material change in any of the information contained in the representations and warranties made in Article 3.2 or elsewhere in this Agreement which occurs prior to the Closing.

ARTICLE 8.

CONDITIONS PRECEDENT TO BUYER'S OBLIGATIONS

All obligations of Buyer to close on the Closing Date are subject to the fulfillment of all contingencies set forth in this Agreement and each of the following conditions at or prior to the Closing, and Seller, where applicable, shall exert its commercially reasonable efforts to cause each such condition to be fulfilled:

8.1. DELIVERY OF DOCUMENTS. Seller shall have delivered to Buyer or Escrow Agent at or prior to the Closing all documents required by the terms of this Agreement to be delivered by Seller.

8.2. OBLIGATIONS. All obligations required by the terms of this Agreement to be performed by Seller at or before the Closing shall have been properly performed in all material respects.

8.3. TITLE. Seller shall have cured any exceptions to title to which Buyer objected within the Review Period in Section 4.3 and to which Seller agreed to remove or resolve under Section 4.3, and the Title Company shall be irrevocably committed to issue the Title Policy as required by Section 4.4 of this Agreement.

8.4. CONDEMNATION. No portion of the Property shall have been taken or damaged by any public or quasi-public body, and Seller shall not have transferred any portion of the Property to any such body in lieu of condemnation.

8.5. SHORT SUBDIVISION. The Short Subdivision application and the Short Subdivision, including the legal description of the Real Property and amended Exhibit A, shall have been finally approved by the City and this condition removed by Buyer by written notice to Seller.

8.6. Prospective Purchaser Agreement or Prospective Purchaser Consent Decree. Ecology and Buyer shall have entered into a Prospective Purchaser Agreement or Prospective Purchaser Consent Decree or Buyer shall have waived the Prospective Purchaser Contingency in accordance with Section 5.4 above.

ARTICLE 9.

CONDITIONS PRECEDENT TO SELLER'S OBLIGATIONS

All obligations of Seller to close on the Closing Date are subject to the fulfillment of all contingencies set forth in this Agreement and each of the following conditions at or prior to the Closing, and Buyer, where applicable, shall exert its commercially reasonable efforts to cause each such condition to be so fulfilled:

9.1. DELIVERY OF DOCUMENTS. Buyer shall have delivered to Seller or Escrow Agent at or prior to Closing all documents required by the terms of this Agreement to be delivered by Buyer.

9.2. OBLIGATIONS. All obligations required by the terms of this Agreement to be performed by Buyer at or before the Closing shall have been properly performed in all material respects.

9.3 SHORT SUBDIVISION. The Short Subdivision application and the Short Subdivision, including the legal description of the Real Property and amended Exhibit A, shall have been finally approved by the City and this condition removed by Seller by written notice to Buyer.

9.4. Prospective Purchaser Agreement or Prospective Purchaser Consent Decree. Ecology and Buyer shall have entered into a Prospective Purchaser Agreement or Prospective Purchaser Consent Decree or Buyer shall have waived the Prospective Purchaser Contingency in accordance with Section 5.4 above.

ARTICLE 10. CLOSING

10.1. CLOSING/CLOSING DATE. The Closing of the transaction contemplated hereunder (the "Closing") shall take place within sixty (60) days following the removal of the contingencies set forth in Article 5 of this Agreement or such other date as may be mutually agreed upon by the Parties ("Closing Date"). On or before the Effective Date, the Parties shall set up an escrow account with the Escrow Agent. The Escrow Agent shall serve as closing agent for the transaction contemplated herein and Closing shall occur in the offices of the Escrow Agent at 1501 Fourth Avenue #300, Seattle, Washington or such other office of Escrow Agent mutually agreeable to the Parties.

10.2. PRORATIONS AND MONETARY LIENS.

10.2.1. Prorations. Real property taxes and assessments shall be prorated as of the Closing Date. Seller shall pay the cost of one-half (½) of the escrow fee charged by the Escrow Agent, the costs of the preliminary and binding Title Commitments and the premium for the Title Policy for standard coverage, the recording fees for the Deed, any real estate excise or other transfer tax due, and its own attorneys' fees. Buyer shall pay one-half (½) of the escrow fee charged by the Escrow Agent, the cost of the Survey, if any, any endorsements requested by Buyer and any additional premium required for issuance of extended coverage under the Title Policy, and its own attorneys' fees. Except as otherwise provided in this Section 10.2, all other expenses hereunder shall be paid by the Party incurring such expenses.

10.2.2. Taxes. Both Parties are exempt by law from the payment of real property ad valorem taxes, LIDs and assessments on the Property. Further, as a municipal corporation, Seller is exempt from payment of real estate excise tax under Chapter 82.45 RCW and Chapter 458-61A of the Washington Administrative Code.

10.2.3. Monetary Liens. Except for the Permitted Exceptions, Seller shall pay or cause to be satisfied at or before Closing all monetary liens on or with respect to all or any portion

of the Property. If Seller fails to satisfy said liens, the Purchase Price shall be reduced by the amounts due to satisfy and discharge the liens.

10.3. SELLER'S DELIVERY OF DOCUMENTS AT CLOSING. At the Closing, Seller will deliver to Buyer via escrow with the Escrow Agent the following properly executed documents:

10.3.1. The Deed, duly executed by Seller;

10.3.2. A real estate excise tax affidavit ("REET Affidavit"), executed by Seller;
and

10.3.3. A seller's certificate of non-foreign status substantially in the form of **EXHIBIT E**, attached hereto.

10.4. BUYER'S DELIVERY OF PURCHASE PRICE AT CLOSING. At the Closing, Buyer will deliver to Seller via escrow with the Escrow Agent:

10.4.1 cash or immediately available funds in the amount of the Purchase Price;
and

10.4.2 The REET Affidavit, executed by Buyer.

ARTICLE 11. MISCELLANEOUS PROVISIONS

11.1. NON-MERGER. Each statement, representation, warranty, indemnity, covenant, agreement and provision in this Agreement shall not merge in, but shall survive the Closing of the transaction contemplated by this Agreement unless a different time period is expressly provided for in this Agreement.

11.2. DEFAULT AND ATTORNEYS' FEES.

11.2.1. DEFAULT BY BUYER. In the event Closing does not occur due to default by Buyer, Seller's sole and exclusive remedy shall be to terminate this Agreement and bring suit to recover its incidental damages or specifically enforce this Agreement.

11.2.2. DEFAULT BY SELLER. In the event Closing does not occur solely due to default of Seller, Buyer's sole and exclusive remedy shall be to terminate this Agreement and bring suit to recover its incidental damages, including actual costs incurred in connection with its due diligence review, or bring suit to specifically enforce this Agreement.

11.2.3. ATTORNEY'S FEES. Except as otherwise specified herein, in any action to enforce this Agreement, each Party shall bear its own attorney's fees and costs.

11.3. TIME.

11.3.1. TIME IS OF THE ESSENCE. Time is of the essence in the performance of this Agreement.

11.3.2. COMPUTATION OF TIME. Any reference to “day” in this Agreement shall refer to a calendar day, which is every day of the year. Any reference to business day in this Agreement shall mean any calendar day that is not a “Legal Holiday.” A Legal Holiday under this Agreement is a Saturday, Sunday or legal holiday as defined in RCW 1.16.050. Any period of time in this Agreement shall mean Pacific Time and shall begin the calendar day or business day, as the case may be, after the event starting the period and shall expire at 5:00 p.m. of the last calendar day or business day, as the case may be, of the specified period of time, unless with regard to calendar days the last day is a Legal Holiday, in which case the specified period of time shall expire on the next day that is not a Legal Holiday.

11.4. NOTICES. Any and all notices or other communications required or permitted to be given under any of the provisions of this Agreement shall be in writing and shall be deemed to have been duly given upon receipt when personally delivered or sent by overnight courier. All notices shall be addressed to the Parties at the addresses set forth below or at such other addresses as a Party may specify by notice to the other Party and given as provided herein:

If to Seller: Port of Seattle
Real Estate Division
Attn: Melinda Miller
Pier 69, P.O. Box 1209
Seattle, WA 98111
Email: Miller.M@PortSeattle.org

If to Buyer: King County
Wastewater Treatment Division
Attn: Trevor Carr
201 S. Jackson Street, 5th Floor
Seattle, WA 98104-3855
Email: (For notice under Section 5.1.4 only)
Trevor.Carr@kingcounty.gov

11.5. ENTIRE AGREEMENT AND AMENDMENT. This writing (including the Exhibits attached hereto) constitutes the entire agreement of the Parties with respect to the subject matter hereof, and each Party acknowledges that no representations, inducements, promises, or agreements, oral or otherwise, have been made by any Party, or anyone acting on behalf of any Party, which are not embodied herein. This Agreement may not be modified or amended except by a written agreement specifically referring to this Agreement and signed by all Parties.

11.6. SEVERABILITY. In the event any portion of this Agreement shall be found to be invalid by any court of competent jurisdiction, then such holding shall not impact or affect the remaining provisions of this Agreement unless that court of competent jurisdiction rules that the principal purpose and intent of this contract should and/or must be defeated, invalidated or voided.

11.7. WAIVER. No waiver of any breach or default hereunder shall be considered valid unless in writing and signed by the Party giving such waiver and no such waiver shall be deemed a waiver of any prior or subsequent breach or default.

11.8. BINDING EFFECT. Subject to Section 11.14 below, this Agreement shall be binding upon and inure to the benefit of each Party, its successors and assigns.

11.9. LEGAL RELATIONSHIP. The Parties to this Agreement execute and implement this Agreement solely as Seller and Buyer. No partnership, joint venture or joint undertaking shall be construed from this Agreement.

11.10. CAPTIONS. The captions of any articles, paragraphs or sections contained herein are for purposes of convenience only and are not intended to define or limit the contents of said articles, paragraphs or sections.

11.11. COOPERATION. Prior to and after Closing the Parties shall cooperate, shall take such further action and shall execute and deliver further documents as may be reasonably requested by the other Party in order to carry out the provisions and purposes of this Agreement.

11.12. GOVERNING LAW AND VENUE. This Agreement and all amendments hereto shall be governed by and construed in accordance with the laws of the State of Washington applicable to contracts made and to be performed therein, without giving effect to its conflicts of law rules or choice of law provisions. In the event that either Party shall bring a lawsuit related to or arising out of this Agreement, the Superior Court of King County, Washington shall have exclusive jurisdiction and venue.

11.13. NO THIRD PARTY BENEFICIARIES. This Agreement is made only to and for the benefit of the Parties, and shall not create any rights in any other person or entity.

11.14. ASSIGNMENT. Buyer shall not assign this Agreement or any rights hereunder without Seller's prior written consent.

11.15. NEGOTIATION AND CONSTRUCTION. This Agreement and each of its terms and provisions are deemed to have been explicitly negotiated between the Parties and shall not be construed as if it has been prepared by one of the Parties, but rather as if both Parties had jointly prepared it. The language in all parts of this Agreement will, in all cases, be construed according to its fair meaning and not strictly for or against either Party. The Parties acknowledge and represent, as an express term of this Agreement, that they have had the opportunity to obtain and utilize legal review of the terms and conditions outlined in this Agreement. Each Party shall be and is separately responsible for payment of any legal services rendered on their behalf regarding legal review of this Agreement.

11.16. EXHIBITS. The following exhibits described herein and attached hereto are fully incorporated into this Agreement by this reference:

EXHIBIT A	Legal Description
EXHIBIT B	Bargain and Sale Deed
EXHIBIT C	Definitions
EXHIBIT D	Disclosure Statement
EXHIBIT E	Certificate of Non-Foreign Status

[SIGNATURES ON THE NEXT PAGE]

EXECUTED on the dates set forth below.

SELLER: PORT OF SEATTLE

BUYER: KING COUNTY

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

EXHIBIT A.
LEGAL DESCRIPTION

All that portion of real property located in the Southeast quarter of the Northeast quarter of Section 30, Township 24 North, Range 4 East, Willamette Meridian, and City of Seattle Lot Boundary Adjustment No. 2207807 recorded under King County Recording No. 20030211900004, more particularly described as: Lots 10-20 inclusive, Block 19 of the plat of Joseph R. McLaughlin's Water Front Addition to the City of Seattle, recorded in Volume 13 of Plats, page 28, in King County, Washington;

TOGETHER with those portions of adjoining alley and the West half of vacated 1st Avenue SW lying between the Southern right of way line of SW Michigan Street recorded under King County Recording No. 20051129002557, conveyed to the City of Seattle, and Exhibit "T" in Quitclaim Deed recorded under King County Recording No. 20051129002573, conveyed to the State of Washington.

EXCEPT those portions of Tract 2 lying within Lots 15 and 16 in Quitclaim Deed as recorded under King County Recording No. 200511290556, as conveyed to the State of Washington.

AND EXCEPT those portions of Lots 10 and 20, lying within SW Michigan St. per Quitclaim Deed recorded under King County Recording No. 20051129002557.

Situate in the County of King, State of Washington.



EXHIBIT B.

BARGAIN AND SALE DEED

AFTER RECORDING RETURN TO:

KING COUNTY, WASTEWATER TREATMENT DIVISION
ATTN: ENVIRONMENTAL PROGRAMS MANAGING SUPERVISOR
REGULATORY COMPLIANCE & LAND ACQUISITION SVCS
201 S. Jackson Street, SUITE 0505
SEATTLE, WA 98104-3855

Grantor -- Port of Seattle

Grantee -- King County, Washington

Legal - - - TBD

Tax Acct. – 5367202505

The Grantor, Port of Seattle, a municipal corporation of the State of Washington, for and in consideration of mutual benefits, does hereby bargain, sell and convey unto the Grantee, King County, a political subdivision of the State of Washington, the following the real property situate in King County, Washington and described in EXHIBIT A, attached hereto and incorporated herein by this reference, subject to the permitted exceptions set forth in EXHIBIT B.

GRANTOR

GRANTEE

PORT OF SEATTLE

KING COUNTY

BY: _____

BY: _____

TITLE: _____

TITLE: _____

DATE: _____

DATE: _____

NOTARY BLOCKS APPEAR ON NEXT PAGE

NOTARY BLOCK FOR KING COUNTY

STATE OF WASHINGTON)
) SS
 COUNTY OF KING)

On this _____ day of _____, 20__, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared _____, to me known to be the _____, who executed the foregoing instrument and acknowledged to me that SHE or HE was authorized to execute said instrument on behalf of the _____ for the uses and purposes therein mentioned.

WITNESS my hand and official seal hereto affixed the day and year in this certificate above written.

Notary Public in and for the
State of Washington, residing

at _____

City and State _____

My appointment expires _____

NOTARY BLOCK FOR PORT OF SEATTLE

STATE OF WASHINGTON)
) SS
 COUNTY OF KING)

On this _____ day of _____, 20__, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared _____, to me known to be the _____, and who executed the foregoing instrument and acknowledged to me that HE or SHE was authorized to execute said instrument on behalf of the _____ for the uses and purposes therein mentioned.

WITNESS my hand and official seal hereto affixed the day and year in this certificate above written.

Notary Public in and for the
State of Washington, residing

at _____

City and State _____

My appointment expires _____

EXHIBIT C

Definitions

The term “Environmental Laws” includes without limitation, the Federal Resource Conservation and Recovery Act of 1976, 42 U.S.C. Section 6901 et seq., Federal Comprehensive Environmental Response, Compensation, and Liability Act of 1980, 42 U.S.C. Section 9601 et seq., Federal Hazardous Materials Transportation Control Act, 49 U.S.C. Section 1801 et seq., Federal Clean Air Act, 42 U.S.C. Section 7401 et seq., Federal Water Pollution Control Act, Federal Water Act of 1977, 33 U.S.C. Section 1251 et seq., Federal Insecticide, Fungicide and Rodenticide Act, Federal Pesticide Act of 1978, 7 U.S.C. Section 136 et seq., Federal Toxic Substances Control Act, 15 U.S.C. Section 2601 et seq., Federal Safe Drinking Water Act, 42 U.S.C. Section 300f et seq., Washington Water Pollution Control Act, RCW Chapter 90.48, Washington Clean Air Act, RCW Chapter 70.94, Washington Solid Waste Management Recovery and Recycling Act, RCW Chapter 70.95, Washington Hazardous Waste Management Act, RCW Chapter 70.105, Washington Hazardous Waste Fees Act, RCW Chapter 70.95E, Washington Model Toxics Control Act, RCW Chapter 70.105D, Washington Nuclear Energy and Radiation Act, RCW Chapter 70.98, Washington Radioactive Waste Storage and Transportation Act of 1980, RCW Chapter 70.99, Washington Underground Petroleum Storage Tanks Act, RCW Chapter 70.148, and any regulations promulgated thereunder, all as amended from time to time.

The term “Hazardous Materials” shall include without limitation:

(i) Those substances included within the definitions of “hazardous substances,” “hazardous materials,” “toxic substances,” or “solid waste” in the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (42 U.S.C. §§ 9601 et seq.) (“CERCLA”), as amended by Superfund Amendments and Reauthorization Act of 1986 (Pub. L. 99-499, 100 Stat. 1613) (“SARA”), the Resource Conservation and Recovery Act of 1976 (42 U.S.C. §§ 6901 et seq.) (“RCRA”), and the Hazardous Materials Transportation Act, 49 U.S.C. §§ 1801 et seq., and in the regulations promulgated pursuant to said laws, all as amended;

(ii) Those substances listed in the United States Department of Transportation Table (49 CFR 172.101 and amendments thereto) or by the Environmental Protection Agency (or any successor agency) as hazardous substances (40 CFR Part 302 and amendments thereto);

(iii) Any material, waste or substance which is (A) petroleum, (B) asbestos, (C) polychlorinated biphenyls, (D) designated as a “hazardous substance” pursuant to Section 311 of the Clean Water Act, 33 U.S.C. §§ 1251 et seq. (33 U.S.C. §§ 1321) or listed pursuant to Section 307 of the Clean Water Act (33 U.S.C. 1317); (E) flammable explosives, (F) radon gas, (G) lead or lead-based paint, (H) radioactive materials, (I) coal combustion by-products, (J) urea formaldehyde foam insulation; or (k) mold.

(iv) Those substances defined as “dangerous wastes,” “hazardous wastes” or as “hazardous substances” under the Water Pollution Control Act, RCW 90.48.010 et seq., the Hazardous Waste Management Statute, RCW 70.105.010 et seq., the Toxic Substance Control

Act, RCW 70.105B.010 et seq., the Model Toxics Control Act, RCW 70.105D.010 et seq. and the Toxic Substance Control Act, 15 U.S.C., Section 2601 et seq., and in the regulations promulgated pursuant to said laws, all as amended from time to time and;

(v) Such other substances, materials and wastes which are or become regulated as hazardous or toxic under applicable local, state or federal law, or the United States government, or which are classified as hazardous or toxic or dangerous to human health under federal, state, or local laws or regulations, all as amended from time to time.

“Release” shall mean releasing, spilling, leaking, pumping, pouring, flooding, emitting, emptying, discharging, injecting, escaping, leaching, disposing or dumping, Hazardous Materials in or into the air, soil, surface water or ground water in, on, about or under the Real Property.

EXHIBIT D

Disclosure Statement Made by the Port of Seattle (Seller) to King County (Buyer)

NOTICE TO BUYER

THE FOLLOWING DISCLOSURES ARE MADE BY THE PORT OF SEATTLE, A WASHINGTON MUNICIPAL CORPORATION, AS SELLER (SELLER) TO KING COUNTY, A POLITICAL SUBDIVISION OF THE STATE OF WASHINGTON, AS BUYER (BUYER) ABOUT THE CONDITION OF THE PROPERTY LEGALLY DESCRIBED IN EXHIBIT A OF THE PURCHASE AGREEMENT.

SELLER MAKES THE FOLLOWING DISCLOSURES OF EXISTING MATERIAL FACTS OR MATERIAL DEFECTS TO BUYER BASED ON SELLER'S ACTUAL KNOWLEDGE OF THE PROPERTY AT THE TIME SELLER COMPLETES THIS DISCLOSURE STATEMENT. UNLESS YOU AND SELLER OTHERWISE AGREE IN WRITING, YOU HAVE THREE BUSINESS DAYS FROM THE DAY SELLER OR SELLER'S AGENT DELIVERS THIS DISCLOSURE STATEMENT TO YOU TO RESCIND THE AGREEMENT BY DELIVERING A SEPARATELY SIGNED WRITTEN STATEMENT OF RESCISSION TO SELLER OR SELLER'S AGENT. IF SELLER DOES NOT GIVE YOU A COMPLETED DISCLOSURE STATEMENT, THEN YOU MAY WAIVE THE RIGHT TO RESCIND PRIOR TO OR AFTER THE TIME YOU ENTER INTO A SALE AGREEMENT.

THE FOLLOWING ARE DISCLOSURES MADE BY SELLER AND ARE NOT THE REPRESENTATIONS OF ANY REAL ESTATE LICENSEE OR OTHER PARTY. THIS INFORMATION IS FOR DISCLOSURE ONLY AND IS NOT INTENDED TO BE A PART OF ANY WRITTEN AGREEMENT BETWEEN BUYER AND SELLER.

FOR A MORE COMPREHENSIVE EXAMINATION OF THE SPECIFIC CONDITION OF THIS PROPERTY YOU ARE ADVISED TO OBTAIN AND PAY FOR THE SERVICES OF QUALIFIED EXPERTS TO INSPECT THE PROPERTY, WHICH MAY INCLUDE, WITHOUT LIMITATION, ARCHITECTS, ENGINEERS, LAND SURVEYORS, PLUMBERS, ELECTRICIANS, ROOFERS, BUILDING INSPECTORS, ON-SITE WASTEWATER TREATMENT INSPECTORS, OR STRUCTURAL PEST INSPECTORS. THE PROSPECTIVE BUYER AND SELLER MAY WISH TO OBTAIN PROFESSIONAL ADVICE OR INSPECTIONS OF THE PROPERTY OR TO PROVIDE APPROPRIATE PROVISIONS IN A CONTRACT BETWEEN THEM WITH RESPECT TO ANY ADVICE, INSPECTION, DEFECTS OR WARRANTIES.

SELLER IS OCCUPYING THE PROPERTY.

SELLER'S ENVIRONMENTAL DISCLOSURES

If you answer "Yes" to a question with an asterisk (), please explain your answer and attach documents, if available and not otherwise publicly recorded. If necessary, use an attached sheet.

		YES	NO	DON'T KNOW
*A	Have there been any flooding, standing water, or drainage problems on the property that affect the property or access to the property?			
*B	Is there any material damage to the property from fire, wind, floods, beach movements, earthquake, expansive soils, or landslides?			
*C	Are there any shorelines, wetlands, floodplains, or critical areas on the property?			
*D	Are there any substances, materials, or products in or on the property that may be environmental concerns, such as asbestos, formaldehyde, radon gas, lead-based paint, fuel or chemical storage tanks, or contaminated soil or water?			
*E	Is there any soil or groundwater contamination?			
*F	Has the property been used as a legal or illegal dumping site?			
*G	Has the property been used as an illegal drug manufacturing site?			

VERIFICATION

The foregoing answers and attached explanations (if any) are complete and correct to the best of Seller's knowledge and Buyer has received a copy hereof.

SELLER:

THE PORT OF SEATTLE, a Washington municipal corporation

By: _____

Its: _____

Dated: _____

BUYER'S ACKNOWLEDGMENT

Buyer hereby acknowledges that:

A. Buyer has a duty to pay diligent attention to any material defects that are known to Buyer or can be known to Buyer by utilizing diligent attention and observation.

B. The disclosures set forth in this statement and in any amendments to this statement are made only by Seller and not by any real estate licensee or other party.

C. Buyer acknowledges that, pursuant to RCW 64.06.050(2), real estate licensees are not liable for inaccurate information provided by Buyer, except to the extent that real estate licensees know of such inaccurate information.

D. This information is for disclosure only and is not intended to be a part of the written agreement between Buyer and Seller.

E. Buyer (which term includes all persons signing the "Buyer's acceptance" portion of this disclosure statement below) has received a copy of this Disclosure Statement (including attachments, if any) bearing Buyer's signature.

DISCLOSURES CONTAINED IN THIS DISCLOSURE STATEMENT ARE PROVIDED BY SELLER BASED ON SELLER'S ACTUAL KNOWLEDGE OF THE PROPERTY AT THE TIME SELLER COMPLETES THIS DISCLOSURE STATEMENT. UNLESS BUYER AND SELLER OTHERWISE AGREE IN WRITING, BUYER SHALL HAVE THREE BUSINESS DAYS FROM THE DAY SELLER OR SELLER'S AGENT DELIVERS THIS DISCLOSURE STATEMENT TO RESCIND THE AGREEMENT BY DELIVERING A SEPARATELY SIGNED WRITTEN STATEMENT OF RESCISSION TO SELLER OR SELLER'S AGENT. BUYER MAY WAIVE THE RIGHT TO RESCIND PRIOR TO OR AFTER THE TIME BUYER ENTERS INTO A SALE AGREEMENT.

BUYER HEREBY ACKNOWLEDGES RECEIPT OF A COPY OF THIS DISCLOSURE STATEMENT AND ACKNOWLEDGES THAT THE DISCLOSURES MADE HEREIN ARE THOSE OF SELLER ONLY, AND NOT OF ANY REAL ESTATE LICENSEE OR OTHER PARTY.

BUYER:

KING COUNTY, a political subdivision of the State of Washington

By: _____

Its: _____

Dated: _____

EXHIBIT E

Seller's Certification of Non-Foreign Status under Foreign Investment in Real Property Tax Act (26 U.S.C. 1445)

Section 1445 of the Internal Revenue Code provides that a transferee of a U.S. real property interest must withhold tax if the transferor is a foreign person. For U.S. tax purposes (including Section 1445), the owner of a disregarded entity (which has legal title to a U.S. real property interest under local law) will be the transferor of the property and not the disregarded entity. To inform the transferee that withholding of tax is not required upon the disposition of a U.S. real property interest by _____ ("Transferor"), the undersigned hereby certifies the following on behalf of Transferor:

1. Transferor is not a foreign corporation, foreign partnership, foreign trust, or foreign estate (as those terms are defined in the Internal Revenue Code and Income Tax Regulations);
2. Transferor is not a disregarded entity as defined in Section 1.1445-2(b)(2)(iii);
3. Transferor's U.S. employer identification number is 91-6001327;
4. Transferor's office address is King County Facilities Management Division, Real Estate Services Section, Room 830 King County Administration Building, 500 Fourth Avenue, Seattle, WA 98104.

Transferor understands that this certification may be disclosed to the Internal Revenue Service by transferee and that any false statement contained herein could be punished by fine, imprisonment, or both.

Under penalties of perjury I declare that I have examined this certification and to the best of my knowledge and belief it is true, correct, and complete, and I further declare that I have authority to sign this document on behalf of Transferor.

Dated this ____ day of _____, 20__.

King County, Transferor:

By: _____
Name: _____
Title: _____

EXHIBIT F

Access Agreement

DocuSign Envelope ID: C81A30AD-7D6C-4EED-B03A-035B41BEE089

ACCESS AGREEMENT

This ACCESS AGREEMENT ("Agreement"), dated for reference purposes, _____, is entered into by and between the PORT OF SEATTLE, a Washington municipal corporation (the "Port"), AMERICAN BEST TRUCKING LLC, a Washington corporation ("Lessee"), and KING COUNTY, a political subdivision of the State of Washington through its WASTEWATER TREATMENT DIVISION, whose address is 201 S. Jackson St. #505 Seattle, WA 98104 ("King County").

RECITALS

WHEREAS, the Port owns certain property located at the corner of SW Michigan St. and 2nd Ave. SW, the southeast corner of what is commonly known as Terminal 115 ("the Premises") as shown in Exhibit A; and

WHEREAS, the Port and Lessee entered into a lease ("Lease") dated October 28, 2016, and the lease was amended on November 30, 2016 via the First Amendment allowing Lessee to use approximately 50,000 square feet of yard space as shown in Exhibit A, and then the Lease was amended again on June 11, 2020 via the Second Amendment extending the lease term until October 31, 2021, beyond which, the lease will be on month-to-month holdover status until further notice to Lessee; and

WHEREAS, the Port and The Boeing Company ("Boeing") are parties to an agreed order ("Order") with the Washington State Department of Ecology ("Ecology") pursuant to the state Model Toxics Control Act ("MTCA"), executed on July 6, 2020, which requires specific notification and reporting requirements with the State; and

WHEREAS, King County has requested permission of the Port to enter upon the Premises for the sole purpose of conducting site investigative work including drilling monitoring wells, collecting soil and groundwater samples and temporarily storing investigation waste in drums in preparation for the proposed construction of the West Duwamish CSO Control Project (collectively "the Work") as generally described in Exhibit B;

NOW THEREFORE, in consideration of the mutual promises contained in this Agreement, the parties agree as follows:

1. **Grant of Access.** The Port and Lessee hereby grant to King County and its designees, a right to access and use the Premises in furtherance of the Work described in Exhibit B.
 - 1.1 Designees shall mean a party's employees, agents, contractors, subcontractors, or other designees whom the parties have engaged to perform activities authorized by this Agreement on the Premises.
2. **Term of Agreement.** The access to the Premises granted above by Port and Lessee to King County shall be for two (2) years or until the expiration or termination of the Purchase and Sale Agreement dated _____ entered into between the Port and King County, whichever is later, unless the Termination Date is extended in writing by the parties. The term shall begin on the date when all three parties' signatures have been obtained. The term shall not be extended without prior

written approval of the Port, email is acceptable.

3. **Access.** Except as specifically accompanied by Port or Lessee representative(s), King County's access to the Premises shall be limited to the hours of 7:00 a.m. to 7:00 p.m., daily. King County shall notify the Port and Lessee at least five (5) working days, with the exception of sampling activities (see Section 6), in advance of any planned entry by King County onto the Premises to carry out the Work (or any portion of it). Such notice shall state the portion(s) of the Work to be performed, the persons who will perform those portion(s) of the Work, and the time during which such persons shall be on the Premises. The Port and Lessee shall have the right to be present during and to observe all of King County's activities at the Premises. The rights granted to King County by this Agreement shall not extend to any other portion of the Premises without the Port's prior written consent. Key tasks associated with the Work as well as the space needs and the number of estimated days of impact on current use of the Premises are listed in Exhibit C. King County shall use good faith efforts to minimize disruption of access during days impacting the current use and operations of the Premises, and shall exercise all reasonable efforts to ensure that any activities on the Premises shall not result in permanent damage or injury to the property of Port or Lessee.
4. **Access Fee.** King County shall pay the Port an access fee of FIVE THOUSAND AND 00/100 DOLLARS (\$5,000.00) prior to commencing the Work described in Exhibit B and Exhibit C (Work Activities). In addition, King County shall coordinate with the Lessee, American Best Trucking LLC, to schedule the Work Activities at a time that works best for both parties and ensure that Lessee's use of the Premises is not significantly negatively impacted and any onsite movement of trucks, chassis and/or containers to allow access to monitoring wells shall be communicated at least 5 working days ahead.
5. **No Additional Work; Limitations; Requirements.**
 - 5.1 King County shall not, except as allowed by the Port in writing, perform any additional activities or work in addition to or different from the Work set forth herein. King County may not engage in, nor shall the Work be construed to include the authority to engage in any destructive testing.
 - 5.2 King County shall, upon request by the Port, provide the Port with split samples of any and all samples that King County obtains pursuant to this Agreement. The Port shall provide all containers and other materials necessary for receiving such split samples.
 - 5.3 King County shall provide the Port with copies of all data and summary reports, whether monitoring data and chemical analytical data, generated from the Work that King County conducts pursuant to this Agreement. King County shall provide the data in such form as reasonably requested by the Port.
6. **Advance Notice of Sampling.** King County shall provide ten (10) business days' advance written notice to the Port and the Lessee (the "Notice Period") before entering the Premises to conduct any sampling. Said notice shall be provided by email to the person identified in Section 19. Notices must describe the proposed activities and the precise location of those activities, identify the persons and companies who will perform the activities, and specify the desired date and time of such activities. With respect to notices pertaining to the collection or analysis of groundwater samples collected from the Monitoring Wells, King County shall provide to the Port for approval a sampling and analysis plan identifying the analyses to be conducted on the groundwater samples, the methods to

be taken to collect the samples, and the actions to be taken to validate the data generated by the samples.

7. **Performance of Work.** With accepted practices in the environmental consulting industry, King County and its designees shall perform all activities authorized by this Agreement during the Port and Lessee's normal business hours. King County and its designees shall perform all activities authorized by this Agreement in accordance with all federal, state, and local laws and regulations and using qualified environmental consulting firms and contractors, unless otherwise requested or approved by the Port. The Port may accompany, if it so elects, King County throughout the entire time when King County is on the Premises. King County and its designees shall use best efforts to perform all activities authorized by this Agreement in a manner that does not interfere with the Port and Lessee's of the Premises. While on Lessee's Premises, King County shall abide by Lessee's safety precautions at all times, but shall nonetheless be solely responsible for safe performance of all activities conducted by King County and its designees and the safety of all persons that perform such activities. In addition to any insurance or indemnity provided by King County pursuant to this Agreement, King County shall bear all costs and expense with the activities it performs under this Agreement.
8. **Availability of Samples and Results.** Upon request, King County shall, at no additional expense to the Port, provide the Port the opportunity to obtain split or duplicate samples of any sample collected pursuant to this Agreement. King County shall promptly provide to the Port all written reports, field notes, tables, summaries, quality assurance/quality control documentation and other test results (collectively, "Environmental Documents"), whether or not validated, that are prepared from sampling, monitoring, and analytical activities conducted pursuant to this Agreement. As used in the preceding sentence, the word "promptly" means within thirty (30) days after King County obtains an Environmental Document unless King County notifies the Port of circumstances preventing King County from meeting this deadline, in which case King County shall deliver the Environmental Document to the Port within sixty (60) days after King County obtains an Environmental Document.
9. **Compliance with Laws, Rules, and Regulations.** King County will carry out or cause to be carried out the Work at its sole cost and expense, in a good, workmanlike and orderly manner so as to avoid interfering with or interrupting the normal business operations and quiet enjoyment of Lessee, the Port, and other occupants of the Premises, in full compliance with all applicable governmental laws, rules, regulations, and codes. King County, at its sole cost and expense, shall obtain any and all permits, licenses, and approvals that may be required in order to make lawful King County's entry onto the premises and performance of the Work.
10. **King County Responsible for Safety and Property.** King County's activities within, on or about the Premises shall be at its sole risk, and neither the Port nor Lessee shall not be responsible for the safety of King County or its agents or employees, or for the condition or loss of any items of personal property brought onto the Premises.
11. **King County Responsible for Damages.** King County assumes full responsibility for the Work and for all damages or losses arising from King County's entry on the Premises or performance of Work suffered by King County, the Port, Lessee, or any of the parties' agents, contractors, employees, or invitees, whether such damage or loss occurs in the Premises.

11.1 King County shall not make any alterations to the Premises without the advance written

approval of the Port. If any damage is caused to the property of Lessee or the Port in the course of performance of activities undertaken pursuant to this Agreement, including without limitation, damage to any paved surface, landscaping, utilities, equipment, or structure, then King County shall, at its sole cost and expense, promptly, and as soon as reasonably practicable, take all action reasonably necessary to repair the damage and restore the property of Lessee to the condition existing before the activities commenced. As soon as King County completes any activities authorized by this Agreement, but in no event more than thirty (30) days after the Termination Date, King County shall remove all machinery, equipment, material, rubbish, waste, or other personal property on the Premises and shall restore the property of Lessee and the Premises to substantially the same condition as existed before King County conducted activities on the Premises of Lessee. King County will decommission or abandon the Monitoring Wells on Port Property to the Port's satisfaction within thirty (30) days after the Termination Date, only if the Purchase and Sale Agreement has been terminated or expired, or leave the Monitoring Wells on site per Ecology order, should there be one.

12. **Suspension of Work and Early Termination.** The Port in its discretion may suspend any or all activities being conducted by King County and its designees on the Premises under this Agreement, if it reasonably determines a dangerous condition exists or King County has breached any term or condition of this Agreement. The Port shall notify King County no less than five (5) days before suspending the activities if circumstances allow and as soon as reasonably practicable in all other circumstances. King County and its designees shall not resume any suspended activities until it obtains the approval of the Port.
13. **Termination.** The Port may terminate this agreement only if King County is in material breach of this agreement and King County does not correct the breach within a reasonable time after receiving written notice of breach by the Port. This Agreement shall terminate, without further action of the parties, upon the expiration or termination of the Purchase and Sale Agreement dated _____ entered into between the Port and King County (the "Termination Date"), unless the Termination Date is extended in writing by the parties. The obligations set out in Sections 7, 10, 11, 12, 14, 15, 17, 18, 19 and 25 shall be continuing and shall survive termination or expiration of this Agreement.
14. **Environmental.** King County agrees to comply with all applicable rules and regulations of the Port pertaining to the Premises in existence or hereafter promulgated for water quality and pollution prevention, for the general safety and convenience of the Port; its various tenants, invitees, and licensees; and the general public. King County further agrees to comply with all applicable federal, state and municipal laws, ordinances and regulations, including, without limitation, those relating to environmental matters. "Law or Regulation" as used herein shall mean any environmentally related local, state or federal law, regulation, ordinance or order (including without limitation any final order of any court of competent jurisdiction), now or hereafter in effect. "Hazardous Substances" as used herein shall mean any substance or material defined or designated as a hazardous waste, toxic substance, or other pollutant or contaminant, by any Law or Regulation.
15. **Hazardous Substances.**
 - 15.1. **Hazardous Substances.** King County shall not allow the release of any Hazardous Substances into adjacent surface waters, soils, underground waters, or air. Upon request, King County shall provide the Port with copies of all Safety Data Sheets (SDS), Generator Annual Dangerous Waste Reports, environmentally related regulatory permits or approvals

(including revisions or renewals) and any correspondence King County receives from, or provides to, any governmental unit or agency in connection with King County's handling of Hazardous Substances or the presence, or possible presence, of any Hazardous Substance on the Premises. If King County is in violation of any Law or Regulation concerning the use, handling, or storage of Hazardous Substances, King County shall promptly take such action as is necessary to mitigate and correct the violation.

- 15.2 King County as Generator. King County shall be the "generator" of record and shall be responsible for proper procedures applicable to generation, storage, characterization, and disposal of any waste, including purge volumes and decontamination fluids and materials generated by its activities under this Agreement ("Investigation Derived Waste" or "IDW"), and shall remove all IDW from the Premises at the end of each workday or within one (1) month following the last sampling efforts described in this agreement.
- 15.3 Environmental Indemnity. In addition to all other indemnities provided in this Agreement, King county agrees to defend, indemnify and hold the Property Owner, the Port and Lessee free and harmless from any and all claims, causes of action, regulatory demands, liabilities, fines penalties, losses, and expenses, including without limitation cleanup or other remedial costs (and including attorneys' fees, costs and all other reasonable litigation expenses when incurred and whether incurred in defense of actual litigation or in reasonable anticipation of litigation) arising from King County's handling or disposal of any Hazardous Substance on the Premises made, commenced, or incurred during the term of this Agreement.

16. No Liens. King County shall not permit any lien to stand against the Premises leased to Lessee for any activity authorized by this Agreement. King County shall remove any such lien at its expense within ten (10) business days after Lessee notifies King County of any such lien.

17. Insurance.

- 17.1 King County maintains a fully funded Self-Insurance program for the protection and handling of King County's liabilities including injuries to persons and damage to property including liabilities from automobile use. The Port acknowledges, agrees and understands that King County is self-funded for all of its liability exposures. King County agrees, at its own expense, to maintain, through its self-funded program, coverage for all of its liability exposures for this King County shall submit to the Port, prior to any work or access on site, documentation that King County is financially sound to the extent it can meet current and future anticipated claim obligations. King County's contractors' and subcontractors shall maintain the following insurance as follows:

- 17.1.1 Contractor and all Sub-Contractor's shall procure and maintain insurance in the following minimum form and limits. All deductibles or self-insurance retentions are the responsibility of the Contractor. Contractor may meet required insurance limits through a combination of primary and umbrella or excess insurance. Any insurance the Port may carry will apply strictly on an excess basis over any applicable insurance the Contractor may carry. Coverage shall not lapse or be terminated without the insurer's written notification to the Port, delivered by mail, not less than thirty (30) days prior to any such lapse or termination. Where identified below, Contractor shall submit endorsements (Additional Insured Endorsement) along with a Certificate of Insurance. Contractor shall provide evidence of insurance on each insurance renewal date, throughout the duration of the Contract.

- 17.1.2 Commercial General Liability insurance on ISO Form CG 00 01 10 01 (or equivalent)

for third party property damage, bodily injury, personal and advertising injury, and medical payments in an amount which is not less than \$1,000,000 per occurrence and \$2,000,000 annual aggregate. The insurance shall cover liability arising from premises, operations, products completed operations, and liability assumed under an insured contract. The Contractor's insurance shall be primary and non-contributory with respect to any insurance the Port carries and apply separately to each insured. Port shall be named as an additional insured for all work arising out of Contractor's work, using ISO Form CG 20 26 or an equivalent endorsement approved by the Port. Contractor and Sub-Contractors shall provide endorsements to go with the Certificate of Insurance for each of the following:

17.1.2.1.1 Additional insured endorsement – ongoing work;

17.1.2.1.2 Waiver of subrogation;

17.1.2.1.3 Primary and non-contributory coverage.

17.1.3 Automobile Liability Insurance shall be provided in an amount no less than the following on a combined single limit basis for bodily injury and property damage using ISO Form CA 00 01 (or equivalent). The Port shall have a waiver of subrogation submitted to it from the Contractor's insurance company; or the Port shall be included as an additional insured on the automobile policy. Coverage is to extend coverage to all "owned, non-owned, hired, leased, and borrowed automobiles" (as defined on ISO Form CA 00 01). The limit of insurance shall be no less than \$1,000,000 per occurrence for all driving other than on the airfield at Seattle-Tacoma International Airport.

17.1.4 Contractor's Pollution liability coverage shall be provided for sudden and accidental incidents involving hazardous, toxic, biological, mold, and other pollution related materials. Coverage in the amount of not less than \$ 1 million per occurrence/per claim is required. The Port shall be an additional insured on this policy and evidence validating that the Port is an additional insured shall be submitted prior to contract inception. Submission of an insurance certificate that states the Port is an additional insured for this coverage is not acceptable by itself. The actual policy or endorsement that identifies the Port as an additional insured must be submitted to the Port.

17.2 Contractor is responsible for complying with the Washington State laws that pertain to industrial insurance (Reference Revised Code of Washington, Title 51 Industrial Insurance) for its employees. Contractor shall submit a current employer liability certificate as issued by the Washington Department of Labor and Industries that shows the status of Contractor's worker compensation account prior to commencing work, including those Contractors who are qualified self- insurers with the State.

18. Indemnification. The Port and Lessee, including their officers, employees and agents, shall not be liable for any injury (including death) to any persons or for damage to any property regardless of how such injury or damage be caused, sustained or alleged to have been sustained by King County or by others, including but not limited to all persons directly or indirectly employed by King County, or any agents, contractors or subcontractors of King County, as a result of any condition (including existing or future defects in the Premises) or occurrence (including failure or interruption of utility service) whatsoever related in any way to the Premises and the areas adjacent thereto, or related in any way to King County's use of the Premises and of areas adjacent thereto.

King County shall defend, fully indemnify and hold and save the Port and Lessee, including their respective officers, employees and agents harmless from and against any and all liability or expenses (including attorneys' fees, costs, and all expenses of litigation) in connection with any such items of actual or alleged injury or damage, except to the extent that such injury or damage is caused by the negligence or willful misconduct of the Port or Lessee. To the extent that this Agreement is construed to be subject to RCW 4.24.115, and where the injury or damage arises from the concurrent negligence of the Port and/or Lessee, on the one hand, and King County on the other, King County's indemnity will only extend to its negligence.

THE PARTIES AGREE AND ACKNOWLEDGE THAT THIS PROVISION IS THE PRODUCT OF MUTUAL NEGOTIATION. The obligations under this Section 18 shall survive the expiration or any earlier termination of this Agreement.

- 19. Notices.** All notices and communications regarding this Agreement, including those sent in order to commence the running of the Notice Period, shall be effective when delivered to the parties pursuant to this Section 19. Notices shall be sent via certified mail, return receipt requested, or electronic mail. Contact information for the parties is as follows:

King County

Robert R. Gilmore
King County Wastewater Treatment Division
Real Property Agent IV
(206) 477-5408
KSC-NR-0505
201 South Jackson Street
Seattle, WA 98104
Robert.Gilmore@kingcounty.gov

Port of Seattle

Lily Ninburg
 Portfolio & Asset Management
 Port of Seattle
 PO Box 1209
 Seattle, WA 98111-1209
Ninburg.L@portseattle.org

20. **No Admission.** Nothing in this Agreement shall constitute an admission of fact, responsibility, fault, or liability of any kind, including without limitation an admission by any party of responsibility for any portion of contamination, if any, on the Premises, or constitute a waiver or limitation of any legal claim or defense available to any party. The execution of this Agreement shall not be construed or deemed acquiescence in, or acknowledgement or approval of the adequacy or sufficiency of the results of sampling conducted pursuant to this Agreement, or any conclusion or recommendation based upon such sampling.
21. **Relationship of Parties and Enforceability by Third Parties.** Nothing contained in this Agreement shall be deemed or construed to create a partnership, joint venture, or any other association between the parties. This Agreement is not intended for any third party's benefit and is not enforceable by any third party.
22. **Reservation of Rights.** Nothing in this Agreement shall constitute or be construed as a waiver or compromise by any party of any right, claim, or cause of action under any state or federal statute, regulation or rule, or common law, including without limitation any right of the Port to seek contribution or damages relating to any hazardous substances, waste, or contamination found on, above, near, under or about the Premises or any other property.
23. **No Interest in Premises.** This Agreement constitutes a limited, nonexclusive license only and does not convey any right, title, or interest in, on, the Premises. Nothing in this Agreement shall constitute a landlord/tenant or similar relationship.
24. **Parties Bound and Assignment.** This Agreement shall be binding on and inure to the benefit of the parties and their respective successors and assigns. No party may assign this Agreement without the other parties' prior written consent, which may be denied for any reason or no reason.
25. **Waiver, Full Compliance, and Severability.** The waiver of performance of any covenant, term, or condition of this Agreement by any party shall not be construed as a waiver of any subsequent breach of the same covenant, term, or condition. Neither failure of King County to comply with any or all of the terms, conditions, and requirements of this Agreement, nor the failure to secure any authorization, approval, or agreement as may be necessary to comply with or carry out the terms and provisions of this Agreement, shall be construed to limit or relieve King County from any of its obligations under this Agreement. If a court determines any provision of this Agreement is invalid or otherwise unenforceable, all remaining provisions shall remain in full force and effect.

26. **Captions and Article Numbers.** The captions in this Agreement are only for convenience and in no way define, limit, construe or describe the scope or intent of this Agreement.
27. **Entire Agreement.** This Agreement sets forth all covenants, promises, agreements, conditions and understandings between the parties concerning the matters addressed in this Agreement, and there are no covenants, promises, agreements, conditions or understandings, either oral or written, between the parties other than as set forth in this Agreement. No subsequent alteration, amendment, change or addition to this Agreement shall be binding upon the parties or unless reduced to writing and signed by all parties.
28. **Applicable Law, Venue, and Attorneys' Fees.** This Agreement shall be construed and enforced in accordance with the laws of the State of Washington and venue for any action relating to this Agreement shall be in a court of competent jurisdictions in King County, Washington. In an action to enforce the terms of this Agreement, the prevailing party shall be entitled to a reasonable sum for attorneys' fees, witness fees, and other costs and expenses, both at trial and on appeal, and in any administrative action or proceeding.
29. **Execution in Counterparts.** This Agreement may be executed in multiple counterparts, and all such counterparts once so executed shall together be deemed to constitute one final agreement, as if one document had been signed by all parties, and each such counterpart, upon execution and delivery, shall be deemed a complete original, binding on the parties. An email copy of an original signature shall be deemed to have the same force and effect as the original signature.

PORT OF SEATTLE

BY: 

ITS: Managing Director

KING COUNTY, WASTEWATER
TREATMENT DIVISION

BY: 

ITS: Environmental Programs Supervisor

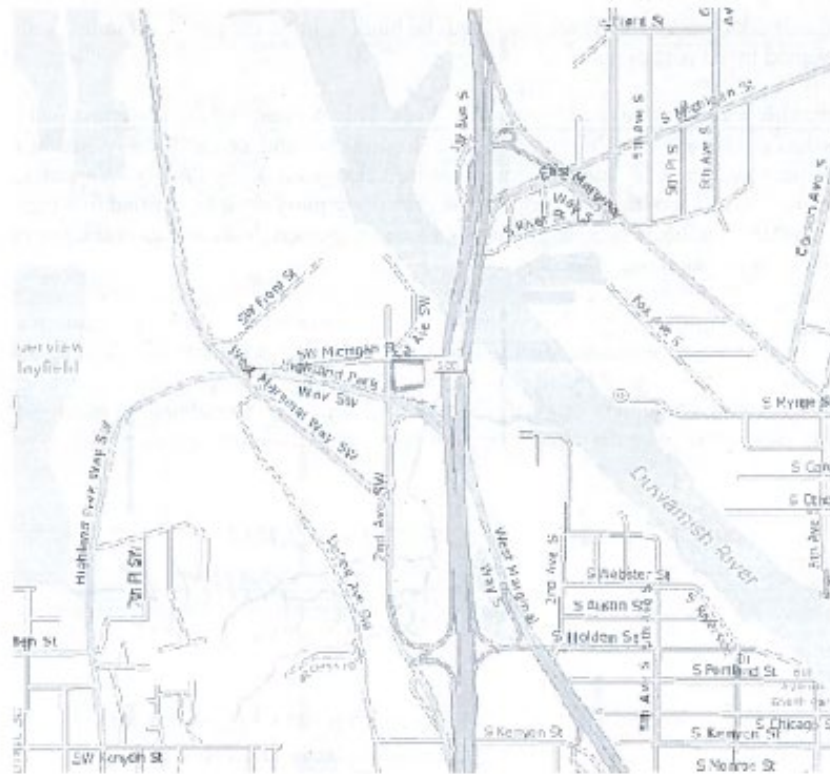
AMERICAN BEST TRUCKING LLC

BY: 

ITS: Samuel Mekuria

EXHIBIT A: The Premises

Approximately 50,000 SF of Yard Space Leased to American Best Trucking LLC

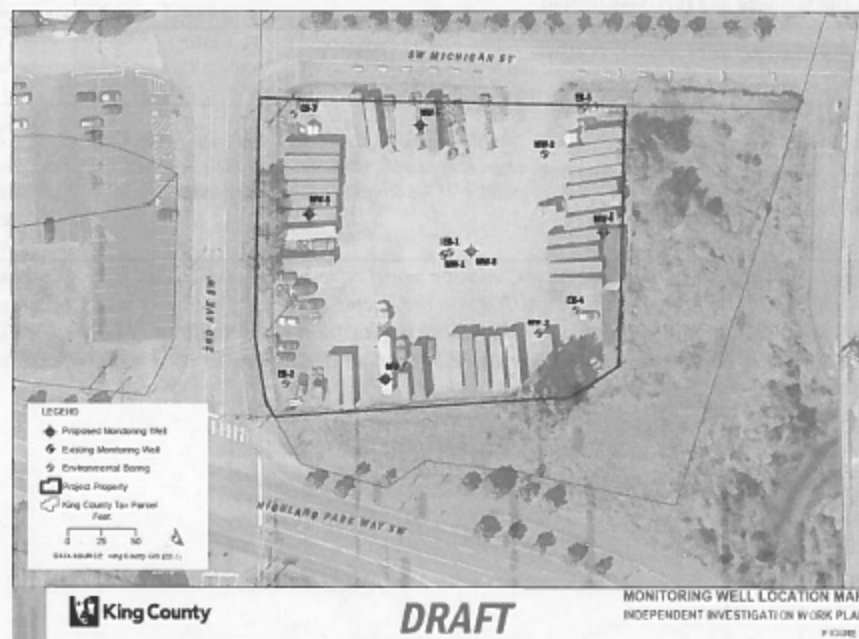


ACCESS AGREEMENT

Exhibit A

Exhibit B: The Work

- Installation and development of approximately five (5) additional groundwater monitoring wells in the locations illustrated on the map below as MW-4, MW-5, MW-6, MW-7 and MW-8.
- Collection and laboratory analysis of soil samples from the new borings.
- Collection and laboratory analysis of groundwater samples from the new monitoring wells and existing monitoring wells.
- Collection of data from transducers currently installed in the existing wells, illustrated as MW-1 and MW-2 on the attached map
- Collection of groundwater samples from the existing and new wells.
- If the County needs to install additional borings and/or conduct additional investigations on the site, then the County will send a map illustrating the location of the additional boring(s) and SOW for the Port to review and approval.



ACCESS AGREEMENT

Exhibit B

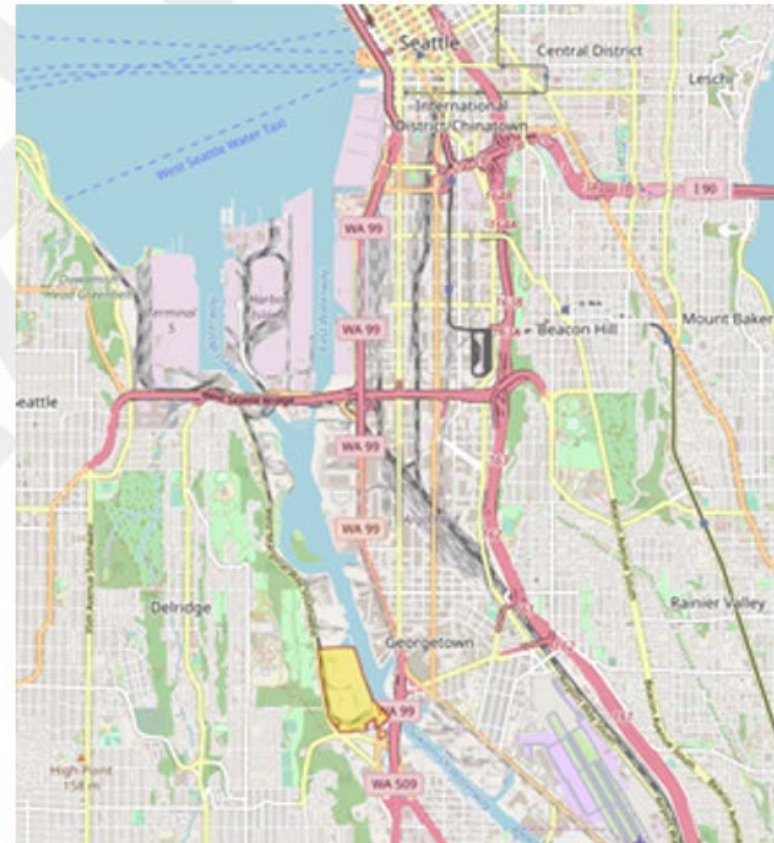
Exhibit C: Key Tasks of Proposed Site Investigative Work

#	Key Tasks of Proposed Site Investigative Work	Space Needs	Timeline	Days of Impact & Disruptions to Tenant Use	Notes and Comments
1	Initial access and site visit to...				
	Mark boring locations	...around parked tenant trucks as long as proposed monitoring wells locations are not blocked	2-3 wks from eff. access date	1	1 field scientist
	Mark utility locations				
2	Premises need to be mostly fully vacated for 2 days for...	...for a large, truck-mounted drill rig and 2 support trucks	1 wk after initial site access	4	1 field scientist, 1 private utility locator, 3-4 drillers
	drilling and well development				
3a	Groundwater sampling and surveying (initial)	...areas around each well cleared and 1 vehicle	1 wk after wells drilled	1	1 field scientist, 2 subcontractors
3b	Groundwater sampling and surveying (follow-up samples)	...areas around each well cleared and 1 vehicle	3 mo after wells drilled	1	1 field scientist, 2 subcontractors
4	Identify space & location on site for short-term storage for...	...18-21 drums & 1 mid- to large-size truck near the location of the drums	4-6 wks after drilling is completed	10	1-2 personnel on site for loading and removal of drums.
	storing drums containing soil and groundwaterspoils from site investigation and a truck				

**Tasks and scope in Exhibit B and Exhibit C may be modified to include additional borings/wells and/or conduct additional sampling and investigations on the Premises. Should the tasks and scope need to be modified, King County shall send a map illustrating the location of the additional borings/wells and a written scope to the Port representative identified in Section 19 (Notice) for review and approval, email is acceptable.*

ACCESS AGREEMENT

Exhibit C



**PORT OF SEATTLE
RESOLUTION NO. 3803**

A RESOLUTION of the Port Commission of the Port of Seattle amending Unit 20 of the Comprehensive Scheme of Harbor Improvements of the Port of Seattle (Lower Duwamish Industrial Development District) by: (i) declaring certain real property surplus and no longer needed for port district purposes; (ii) deleting said property from Unit 20 of the Comprehensive Scheme; and (iii) authorizing the Executive Director, or his designee, to finalize negotiation, preparation and execution all necessary documents to sell said real property to King County for purposes of developing a Combined Sewer Overflow (CSO) facility.

WHEREAS, the original Comprehensive Scheme of Harbor Improvements of the Port of Seattle was fixed in Resolution No. 17 of the Port Commission and was ratified by the qualified electors of the Port District at a special election held therein on March 5, 1912; and

WHEREAS, Unit 20 of the Comprehensive Scheme – the Lower Duwamish Industrial Development District was initially created by Port Commission adoption of Resolution No. 2769 on May 27, 1980; and

WHEREAS, the boundaries of said Unit 20 were subsequently revised and restated by Port Commission adoption of Resolution No. 2805 on February 10, 1981, as subsequently amended; and

WHEREAS, included within said Unit 20 is the Port-owned real property located in the vicinity of 6000 W. Marginal Way SW, King County, State of Washington (portion of Parcel No. 5367202505), legally described on attached Exhibit A (the “Property”); and

35 **WHEREAS**, King County has offered to purchase the Property for use as a proposed site
36 for a Combined Sewer Overflow (CSO) facility to be developed by King County; and

37 **WHEREAS**, the Port has negotiated a purchase and sale agreement (the “Purchase and
38 Sale Agreement”) with King County to sell the Property to King County for a purchase price of
39 Two Million Two Hundred Thousand Dollars (\$2,200,000) pursuant to appraisal and negotiation;
40 and

41 **WHEREAS**, pursuant to Chapter 39.33 of the Revised Code of Washington
42 (Intergovernmental Disposition of Property Act) the Port may sell, transfer, exchange, lease or
43 otherwise dispose of real and personal property to the state, any municipality or any political
44 subdivision thereof on such terms and conditions as may be mutually agreed upon by the governing
45 authorities of the participating entities; and

46 **WHEREAS**, a resolution declaring the Property surplus and deleting the Property from
47 Unit 20 of the Comprehensive Scheme is a prerequisite to sale of the Property; and

48 **WHEREAS**, an official public hearing was held May 10, 2022, after notice of such hearing
49 was duly published as provided by law, to consider whether said Unit 20 of the Comprehensive
50 Scheme should be amended to provide for the Property to be declared surplus to Port of Seattle
51 needs and no longer needed for Port purposes, to delete the Property from Unit 20 of the
52 Comprehensive Scheme, and to authorize its sale to King County; and

53 **WHEREAS**, the Port of Seattle Commission has heard from all persons desiring to speak
54 at said public hearing with regard to the proposed amendment and modification to Unit 20; and

55 **WHEREAS**, the members of the Port of Seattle Commission have discussed and
56 considered the proposed amendment to Unit 20 of the Comprehensive Scheme in light of all
57 comments by members of the public at the public hearing;

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

60 Section 1. The Property, which is part of Unit 20 of the Comprehensive Scheme, is hereby
61 declared surplus to Port of Seattle needs and no longer needed for Port purposes and deleted from
62 Unit 20 of the Comprehensive Scheme.

63 Section 2. The Executive Director is authorized to take all necessary steps and to execute
64 all documents, including the Purchase and Sale Agreement, necessary to accomplish sale of the
65 Property to King County, in accordance with state law.

66 **ADOPTED** by the Port Commission of the Port of Seattle at a regular meeting held this
67 ____ day of _____, 2022, and duly authenticated in open session by the
68 signatures of the Commissioners voting in favor thereof and the seal of the Commission.
69

70 _____

71 _____

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74 _____

75 Port Commission
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Exhibit A

Resolution No. 3803

Legal Description

ALL THAT PORTION OF REAL PROPERTY LOCATED IN THE SOUTHEAST QUARTER OF THE NORTHEAST QUARTER OF SECTION 30, TOWNSHIP 24 NORTH, RANGE 4 EAST, WILLAMETTE MERIDIAN, AND CITY OF SEATTLE LOT BOUNDARY ADJUSTMENT NO. 2207807 RECORDED UNDER KING COUNTY RECORDING NO. 20030211900004, MORE PARTICULARLY DESCRIBED AS: LOTS 10-20 INCLUSIVE, BLOCK 19 OF THE PLAT OF JOSEPH R. MCLAUGHLIN'S WATERFRONT ADDITION TO THE CITY OF SEATTLE, RECORDED IN VOLUME 13 OF PLATS, PAGE 28, IN KING COUNTY, WASHINGTON;

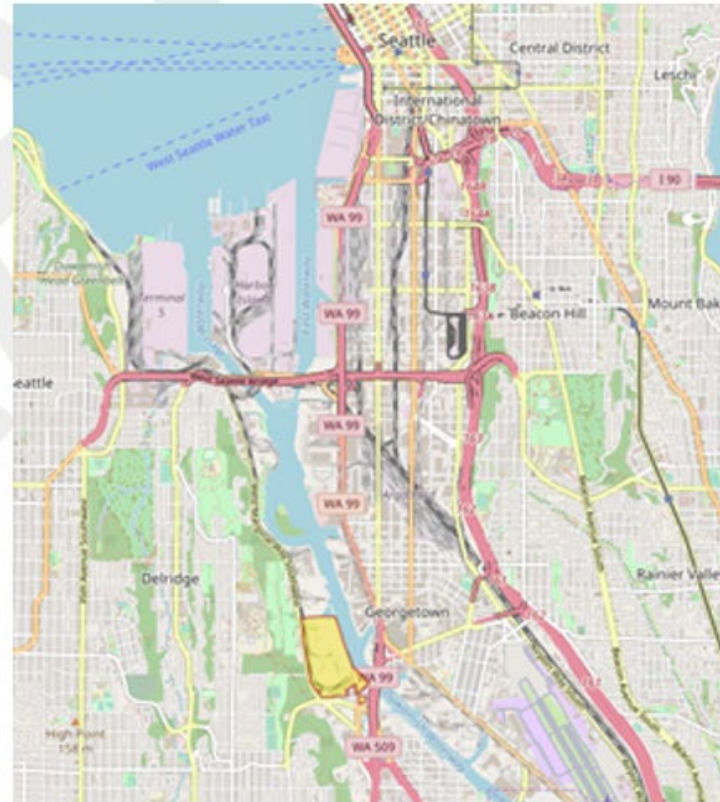
TOGETHER WITH THOSE PORTIONS OF ADJOINING ALLEY AND THE WEST HALF OF VACATED 1ST AVENUE SW LYING BETWEEN THE SOUTHERN RIGHT OF WAY LINE OF SW MICHIGAN STREET RECORDED UNDER KING COUNTY RECORDING NO. 20051129002557, CONVEYED TO THE CITY OF SEATTLE, AND EXHIBIT "T" IN QUITCLAIM DEED RECORDED UNDER KING COUNTY RECORDING NO. 20051129002573, CONVEYED TO THE STATE OF WASHINGTON.

EXCEPT THOSE PORTIONS OF TRACT 2 LYING WITHIN LOTS 15 AND 16 IN QUITCLAIM DEED AS RECORDED UNDER KING COUNTY RECORDING NO. 200511290556, AS CONVEYED TO THE STATE OF WASHINGTON.

AND EXCEPT THOSE PORTIONS OF LOTS 10 AND 20, LYING WITHIN SW MICHIGAN STREET PER QUITCLAIM DEED RECORDED UNDER KING COUNTY RECORDING NO. 20051129002557.

SITUATE IN THE COUNTY OF KING, STATE OF WASHINGTON.

Surplus and Sale of **Terminal 115 Non-Alliance Portion** of Property to King County as a Site for Building a Combined Sewer Overflow (CSO) Facility



Subject Property

(blue-shaded area)



- **Parcel Info:**
Subject Property is the blue-shaded area. Parcel Number is #536720-2505.
- **Location:** Between 2nd Ave SW and SW Michigan.
- **Size:** 58,121 SF
- **Sale price:** \$2.2 million
- **Current Tenant**
American Best Trucking is on a month-to-month lease.

Background

- King County is currently under a 2013 **Consent Decree** with the Environmental Protection Agency (EPA).
- The Consent Decree requires King County to **complete its CSO Control Plan by 2030**.
 - This plan contains a list of “*Protecting Our Waters*” projects with strict timelines.
 - The CSO (combined sewer overflow) control project involving construction of a new CSO facility located at SW. Michigan St./ Terminal 115 is required to meet the critical milestone of “construction completion by December 31, 2025”.
- After performing a rigorous site selection process, and based on the preliminary designs, scope of work and time needed in constructing of this CSO facility, King County has approached the Port and asked to acquire this property to ensure **meeting the goal and strict timelines** set by the Federal Consent Degree.
- If King County cannot purchase this property in an amicable manner from the Port, they will likely use **eminent domain** to acquire the property.

KC Site Selection

King County completed an extensive site selection process in 2017 that included the careful evaluation of 17 sites.

- The result of this process identified the **T115 Parcel A property** as the ideal site for building a storage tank as part of a CSO control plan, because
 - ✓ the majority of the control volume required is at the W. Michigan St. Regulator Station Overflow, which is directly adjacent to the site and the West Michigan outfall, thus limiting conveyance needs while reducing costs and traffic and property impacts.
 - ✓ The T115 Parcel A site is also the ideal shape and size, allows gravity flow into the tank and minimal conveyance.
 - ✓ Additionally, it is a large site sufficient for the tank size needed with room for on-site landscaping and stormwater treatment and allows for adequate access to perform routine maintenance.

Environmental & Health Benefits

- The proposed Combined Sewer Overflow (CSO) storage tank at the T115 Parcel A location is to **control the number of sewage spills from two outfalls** (“West Michigan” and “T115”) directly into the Duwamish river, to fewer than one occurrence per year.
- It will reduce uncontrolled sewage spills, thus creating **tremendous water quality and health benefits** through prevention of debris (including plastics), biodegradable solids, other pollutants and bacteria from entering the Duwamish River.

Staff Recommendation

- **Sell at market value to King County.**
- **Cost Estimate: \$0. No cost to Port.**
- **Pros:**
 - 1) Sell to King County at fair market value. Net sale revenue can fund other Port initiatives and projects that are critical to Port growth and Century Agenda goals.
 - 2) Cooperate and assist King County, as a public entity, in fulfilling its goals and milestones set by the Federal Consent Decree, thus indirectly contributing to and facilitating the construction of CSO facility that reduces sewer overflow pollution while also benefiting the local communities that the Port serves.
 - 3) Surplus the subject property that's not deemed important to the Port's future business growth strategies or aligned with overall Century Agenda missions and visions. A parcel this small in this location has limited development opportunity.
- **Cons:**
 - 1) Loss of a yard lease revenue generating property (\$105,000/year) with little maintenance & repair cost.
 - 2) Loss of a property for potential future development.

Summary/Next Steps

- Staff recommendation is to sell small property adjacent to Terminal 115 to King County to support a Combined Sewer Overflow (CSO) facility that will help reduce uncontrolled sewer overflows into Duwamish River.
 - Size: 58,121 square feet (approximately 1.3 acres)
 - Sale Price: \$2.2 Million
- Sale of property requires two public hearings (2nd hearing scheduled for May 24)
- Due diligence period is two years from PSA execution date (TBD).

[RETURN TO AGENDA](#)

ORDER NO. 2022-07**AN ORDER OF THE PORT OF SEATTLE COMMISSION**

... Appointing a Public Member to the Port of Seattle Audit Committee.

**PROPOSED
MAY 24, 2022**

INTRODUCTION

Until December 2021, Christina Gehrke served the Port of Seattle (Port) Commission as the Audit Committee Public Member. Christina had played a pivotal role by serving as an independent advisor and subject matter expert on Internal Audit matters, risk and internal control assessments, and governance. Christina's tenure began in January 2011 and ended in December 2021.

Since Christina Gehrke's departure, an extensive recruitment effort has taken place, with the Port reaching out to key parties through various means. These include advertising the position on LinkedIn; the Washington Society of Certified Public Accountants; and the Institute of Internal Auditors Puget Sound Chapter. Additionally, the Port has conducted personalized outreach to select organizations and individuals within the Seattle audit and business communities.

TEXT OF THE ORDER

The Port Commission, in accordance with the Audit Committee Charter, hereby appoints and confirms Sarah Holmstrom to serve a three-year term as the Public Member on the Port Commission's Audit Committee, effective June 1, 2022, and ending May 31, 2025.

STATEMENT IN SUPPORT OF THE ORDER

On March 31, 2009, the Port Commission, through Resolution No. 3613, amended the Audit Committee Charter to require a public member serve on the Committee in the capacity of a non-voting expert advisor. The Audit Committee represents the Commission and provides review and oversight authority on matters relating to the Port's auditing process and procedures.

The Audit Committee is composed of two Port Commissioners and one Public Member with the accounting and auditing qualifications described in the Audit Committee Charter. The Audit Committee recommends a new Public Member for appointment and confirmation by the Commission.

Ms. Holmstrom is a Certified Public Accountant (CPA) with over 15 years of experience working with various federal, state, and local governmental agencies. She served as Chief Financial Officer

47 for over ten years with two Native American organizations in Washington State. Currently, Sarah
48 is a Finance Leader for Amazon Web Services working in infrastructure financial planning and
49 analysis.

RETURN TO AGENDA



COMMISSION
AGENDA MEMORANDUM

Item No.

10a

ACTION ITEM

Date of Meeting

May 24, 2022

DATE: March 29, 2022

TO: Stephen P. Metruck, Executive Director

FROM: Jeff Moken, Interim Director Aviation and Business Properties
 Steve Kennard, Property Manager

SUBJECT: Public hearing and Adoption of Resolution No. 3802: surplus of remnant parcels

ACTION REQUESTED

Public hearing and Adoption of Resolution No. 3802: A Resolution of the Port of Seattle to amend Unit 18 of the Comprehensive Scheme of Harbor Improvements of the Port of Seattle by: (i) declaring certain real property surplus and no longer needed for Port district purposes; (ii) deleting said property, following a public hearing in accordance with law, from Unit 18 of the Comprehensive Scheme; and (iii) authorizing the Executive Director to take all necessary steps and execute all documents for the sale of such real property to Bridge Point SeaTac 300, LLC.

EXECUTIVE SUMMARY

The proposed sale of real property to Bridge Point SeaTac 300, LLC ("Bridge") consists of remnants of four parcels comprising approximately one acre (the "Remnant Parcels"), together with certain street right of way areas adjacent thereto (the "Right of Way Areas"), all located in the City of SeaTac, King County (collectively, the "Property"). This is a briefing for a surplus action and a request for conveyance of the Property by the Port to Bridge.

The Remnant Parcels were acquired by the Port as part of a larger acquisition in the 1970's using FAA funds to mitigate noise impacts on residential property. Most of the acquired properties were conveyed to WSDOT in 2009 for development of the SR 509 extension. WSDOT declined to purchase Port property with parcel boundaries intact and instead purchased only the minimum land area needed for constructing SR 509 thereby creating the Remnant Parcels.

In connection with development of its property, Bridge has sought to quiet title to certain adjacent street right of way areas adjacent to its development site property, including bringing a quiet title action in King County Superior Court, naming the Port as defendant, for the Right of Way Areas.

In addition, WSDOT and Bridge are working on a grading plan to install an engineered slope to resolve elevation differences between the height of the future SR 509 roadbed and Bridge's development site.

May 24, 2022

The Remnant Parcels are required for the siting of this slope. The Port has not identified an aviation related use for the Remnant Parcels.

To address Bridge's need for the Remnant Parcels and to resolve the quiet title action, Bridge and the Port propose to enter into a transaction under which Bridge will purchase from the Port, for appraised market value, the Property, including the Port's interest in the Right of Way Areas.

In connection with this proposed transaction, Port and Bridge are currently negotiating a purchase and sale agreement, pursuant to which Bridge would purchase the Property for appraised fair market value, and would also grant the Port avigation easements on Bridge Point's development site property, contingent upon the parties obtaining a stipulated order of judgment from the court to legally establish Bridge and the Port's respective ownership of portions of the Right of Way Areas and to finally resolve the Port's involvement in the quiet title action. Staff seeks Commission authorization to complete this proposed purchase and sale transaction, including final negotiation and execution of the purchase and sale agreement between the Port and Bridge.

In order to complete the proposed purchase and sale of the Property, authorization is requested for the Commission to declare, by resolution, that the Property is surplus and no longer needed for Port purposes, and also authorize completion of the sale of the Property to Bridge.

The May 10, 2022 Commission Meeting consists of the first reading of Resolution 3802. Before the Commission takes final action on Resolution 3802, the Port must conduct a public hearing with published notice as required by law. Accordingly, as part of the May 24, 2022 Commission Meeting, for the second reading of Resolution 3802, the Port will conduct a public hearing, with public notice as required by law, to consider whether the Property should be declared no longer needed for port district purposes and surplus to Port needs and the proposed sale of the Property to Bridge.

JUSTIFICATION

Disposal of the Property will reduce the Port's liability and maintenance costs. The Remnant Parcels are landlocked, are a maintenance burden to the Port, and do not support airport operations.

Disposal of the Remnant Parcels will support economic development in the City of SeaTac. Bridge has purchased an unused, fire-damaged school building site adjacent to the Remnant Parcels along with a number of smaller properties and plans to develop a commercial warehouse property on this assemblage. The Bridge project is supported by the City of SeaTac and is expected to increase warehouse and logistics capacity near the airport and reduce unauthorized occupancy of vacant land near Port property.

Disposal of the Remnant Parcels supports the construction of SR 509. WSDOT has identified access to the Remnant Parcels as a requirement for the installation of permanent slope changes for both the SR 509 project and the Bridge's adjacent warehouse development.

As part of the proposed transaction, the Port will receive avigation easements on the Property; will obtain additional avigation easements on other properties in the Bridge development assemblage; and

May 24, 2022

will resolve the quiet title action and ownership of the Right of Way Areas. The Port has obtained an appraisal of the Property and agrees that the valuation is consistent with fair market value.

Scope of Work

Execute conveyance documents.

Schedule

Q2 2022

ALTERNATIVES AND IMPLICATIONS CONSIDERED

The Port's alternative is to refuse to sell the Parcels. In this scenario the Port will have a perpetual obligation to maintain vacant land that is not suitable for airport use and the Port will have to take legal action to obtain access to the Parcels.

FINANCIAL IMPLICATIONS

The Port will receive market value for the property sold. Funds received through this transaction are anticipated to be reinvested back into the Ports noise mitigation programs.

Area	Square Footage*	Valuation**
Parcel# 768620-0620	21,400	\$388,512
Parcel# 768620-0560	2,700	\$49,018
Parcel# 768620-0980	10,700	\$194,256
Parcel# 768620-1520	17,900	\$324,970
Total	52,700	\$956,756

* Square footages include portions of adjacent abandoned City of SeaTac rights of way and are not field verified.

** All values have been reviewed and approved by Port appraiser and have not been offset by the cost to acquire avigation easements from the buyer.

ATTACHMENTS TO THIS REQUEST

- (1) Property Surplus Resolution No. 3802
- (2) Presentation slides

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

- Resolution 3617, June 9, 2009 WSDOT Land Swap
- Commission Item 6f, June 2, 2009 WSDOT Land Swap

**PORT OF SEATTLE
RESOLUTION NO. 3802**

A RESOLUTION of the Port Commission of the Port of Seattle to amend Unit 18 of the Comprehensive Scheme of Harbor Improvements of the Port of Seattle by: (i) declaring certain real property surplus and no longer needed for Port district purposes; (ii) deleting said property from Unit 18 of the Comprehensive Scheme; and (iii) authorizing the Executive Director to take all necessary steps and execute all documents for the sale of such real property to Bridge Point Seatac 300, LLC.

WHEREAS, the voters of King County, pursuant to the provisions of enabling legislation adopted by the Legislature of the State of Washington, Chapter 92, Laws of 1911, RCW 53.04.010, authorized and approved at a special election held in King County on the 5th day of September 1911, the formation of a port district coextensive with King County to be known as the Port of Seattle; and

WHEREAS, the Port of Seattle (the "Port") was thereupon established as a port district and has since been and now is a duly authorized and acting port district of the State of Washington; and

WHEREAS, the Port of Seattle Port Commission established the Port's Comprehensive Scheme of Harbor Improvements in 1912 by adoption of Resolution No. 17; and

WHEREAS, on November 5, 1946, the Port Commission established Unit 18 of the Comprehensive Scheme by adoption of Resolution No. 1194, which unit has been subsequently amended as provided by law; and

34 **WHEREAS**, included within said Unit 18 is certain Port-owned real property located in
35 the vicinity of 1410 South 200th Street, City of Seatac, King County, State of Washington
36 (portions of Parcel Nos. 7686200620, 7686200560, 7686200980 and 7686201520) (the “Remnant
37 Property”) together with certain street right of way areas adjacent thereto (the “Right of Way
38 Areas”), as legally described on attached Exhibit A (collectively, the “Property”); and

39 **WHEREAS**, the Port retained ownership of the Remnant Properties following a 2009 sale
40 of other Port property to the Washington State Department of Transportation in connection with
41 its planned Highway 509 extension project; and

42 **WHEREAS**, Bridge Point Seatac 300, LLC (“Bridge Point”) owns certain real estate
43 adjacent to the Property and is preparing to commence construction of two distribution and
44 warehouse buildings on its development site property; and

45 **WHEREAS**, Bridge Point brought a quiet title action in King County Superior Court (the
46 “Court”), naming the Port as a defendant, for the purpose of disputing and quieting title to Right
47 of Way Areas (the “Quiet Title Action”); and

48 **WHEREAS**, the Port and Bridge Point have discussed resolving the Quiet Title Action by
49 entering into a transaction under which Bridge Point will purchase from the Port, for appraised fair
50 market value, the Property, including the Port’s interest in the disputed Right of Way Areas which
51 are the subject of the Quiet Title Action (the “Proposed Sale Transaction”); and

52 **WHEREAS**, in connection with the Proposed Sale Transaction, the Port and Bridge are
53 currently negotiating to finalize a purchase and sale agreement, pursuant to which Bridge Point
54 would purchase the Property for appraised fair market value, and would also grant the Port
55 avigation easements on Bridge Point’s development site property, contingent upon the parties
56 obtaining a stipulated order of judgment from the Court to (i) legally establish Bridge Point and

the Port’s respective ownership of portions of the Right of Way Areas and (ii) resolve the Quiet Title Action (the “Purchase and Sale Agreement”); and

WHEREAS, a resolution declaring the Property surplus to port district needs and no longer needed for port district purposes is a prerequisite to sale of the Property to Bridge Point; and

WHEREAS, an official public hearing was held May 24, 2022, after notice of such hearing was duly published as provided by law, to consider whether the Property should be declared no longer needed for port district purposes and surplus to port district needs and the proposed sale of the Property to Bridge Point; and

WHEREAS, the maps and other data regarding the Property are on file at the offices of the Port’s Aviation Properties Division; and

WHEREAS, the Port of Seattle Commission has heard from all persons desiring to speak at the public hearing regarding the proposed surplusing of the Property and sale of the Property to Bridge Point; and

WHEREAS, the members of the Port of Seattle Commission have considered the proposed surplusing of the Property, the proposed sale of the Property to Bridge Point, and any comments by members of the public attending the public hearing.

NOW, THEREFORE, BE IT RESOLVED by the Port Commission of the Port of Seattle that:

Section 1. The Property, described on Exhibit A attached to this Resolution, which is part of Unit 18 of the Comprehensive Scheme, is hereby declared surplus to Port of Seattle needs and no longer needed for Port purposes and deleted from Unit 18 of the Comprehensive Scheme.

ADOPTED by the Port Commission of the Port of Seattle at a regular meeting thereof, held this ____ day of _____, 2022, and duly authenticated in open session by the signatures of the Commissioners voting in favor thereof and the seal of the Commission.

Port Commissioners

**EXHIBIT A
TO
RESOLUTION NO. 3802**

Legal Description of Property

THOSE PORTIONS OF THE SOUTHEAST QUARTER AND THE NORTHEAST QUARTER OF SECTION 05, TOWNSHIP 22 NORTH, RANGE 04 EAST, W.M., KING COUNTY, WASHINGTON, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BLOCKS 14 AND 15, SEELEY'S ADDITION TO THE CITY OF DES MOINES "VACATED", ACCORDING TO THE PLAT THEREOF RECORDED IN VOLUME 4 OF PLATS, PAGE 59, IN KING COUNTY, WASHINGTON;

TOGETHER WITH THE EAST HALF OF ALLEY LYING WEST OF THE SOUTH 50 FEET AND THE SOUTH 50 FEET OF THE NORTH 150 FEET OF SAID BLOCK 15, VACATED BY ORDER ENTERED IN KING COUNTY SUPERIOR COURT CAUSE NUMBER 85-2-07561-7, RECORDED UNDER RECORDING NUMBER 8508150435 AND ATTACHING THERETO BY OPERATION OF LAW;

AND TOGETHER WITH 14TH AVENUE SOUTH, ADJOINING SAID BLOCKS 14 AND 15, VACATED BY CITY OF SEATAC ORDINANCE NUMBERS 98-1044 AND 96-1011, RECORDED UNDER RECORDING NUMBERS 9904151321 AND 20060614001524, AND ATTACHING THERETO BY OPERATION OF LAW;

AND TOGETHER WITH THE NORTH HALF OF SOUTH 198TH ADJOINING SAID BLOCKS 14 AND 15, VACATED BY ORDER ENTERED IN KING COUNTY SUPERIOR COURT CAUSE NUMBER 85-2-07561-7, RECORDED UNDER RECORDING NUMBER 8508150435 AND VACATED BY CITY OF SEATAC ORDINANCE NUMBER 96-1011, RECORDED UNDER RECORDING NUMBER 20060614001524, AND ATTACHING THERETO BY OPERATION OF LAW.

EXCEPTING THAT PORTION DESCRIBED IN QUIT CLAIM DEED RECORDED UNDER RECORDING NUMBER 20090807001592.

BLOCKS 22 AND 32, SEELEY'S ADDITION TO THE CITY OF DES MOINES
"VACATED", ACCORDING TO THE PLAT THEREOF RECORDED IN VOLUME 4 OF
PLATS, PAGE 59, IN KING COUNTY, WASHINGTON;

TOGETHER WITH EAST HALF OF 15TH AVENUE SOUTH, ADJOINING SAID BLOCKS
22 AND 32, VACATED BY CITY OF SEATAC ORDINANCE NUMBER 96-1011,
RECORDED UNDER RECORDING NUMBER 20060614001524, AND ATTACHING
THERETO BY OPERATION OF LAW;

AND TOGETHER WITH SOUTH 199TH STREET, ADJOINING SAID BLOCKS 22 AND 32,
VACATED BY CITY OF SEATAC ORDINANCE NUMBERS 98-1044 AND 96-1011,
RECORDED UNDER RECORDING NUMBERS 9904151321 AND 20060614001524, AND
ATTACHING THERETO BY OPERATION OF LAW;

AND TOGETHER WITH THE WEST HALF OF ALLEY, ADJOINING SAID BLOCKS 32,
VACATED BY CITY OF SEATAC ORDINANCE NUMBER 98-1044, RECORDED UNDER
RECORDING NUMBER 990415321, AND ATTACHING THERETO BY OPERATION OF
LAW;

EXCEPTING THAT PORTION DESCRIBED IN QUIT CLAIM DEED RECORDED UNDER
RECORDING NUMBER 20090807001592.

Port of Seattle

Property Surplus and Conveyance in Support of WSDOT SR 509 Extension

Resolution 3802: Surplus of Remnant Parcels
Commission Meeting May 24, 2022





Property Surplus and Conveyance for SR 509

Executive Summary

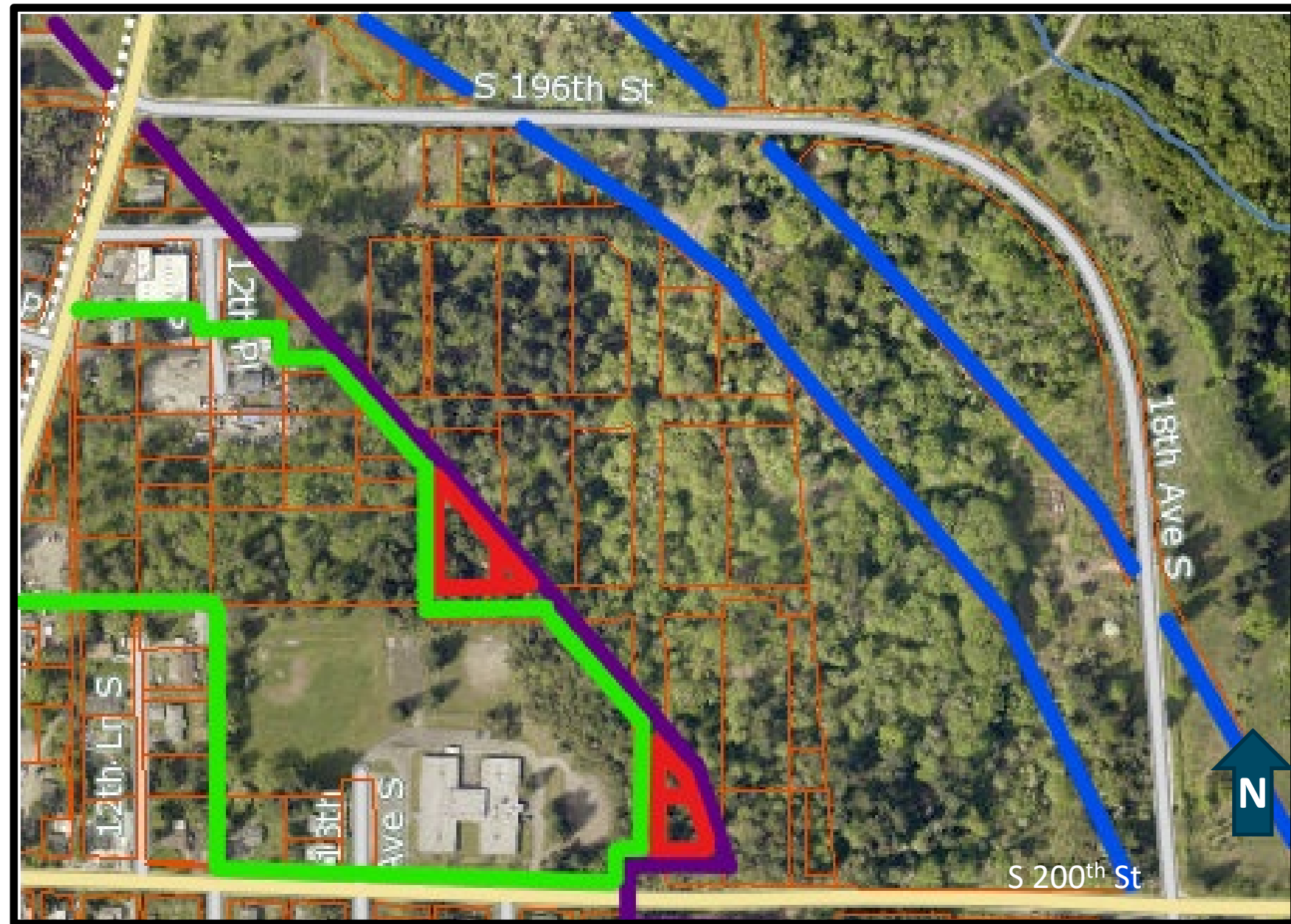
- Subject property (Port owned portions of 4 “**Parcels**”) was purchased with FAA noise funds in 1976.
- Parcels are a remnant after the Port’s 2009 sale of 19.68 of its 20.45 acres in this area as required by WSDOT to enable the extension of SR 509 ROW.
- Bridge Industrial owns land SW of Parcels along the WSDOT SR 509 ROW and is working with WSDOT on a grading plan to manage the grade change between WSDOT’s future roadbed and Bridge’s future warehouse development.
- WSDOT & Bridge seek to include Parcels in the grading plan, Port has no operational or commercial use for Parcels and wishes to convey Parcels to Bridge.



Port Parcels Adjacent Property

- Original SR 509 ROW 
- Expanded SR 509 ROW 
- Port of Seattle Parcels 
- Bridge Point SeaTac, LLC 

[RETURN TO AGENDA](#)



COMMISSION
AGENDA MEMORANDUM

Item No. 10b

ACTION ITEM

Date of Meeting May 24, 2022

DATE : April 19, 2022

TO: Stephen P. Metruck, Executive Director

FROM: Sarah Ogier, Maritime Director-Environment & Sustainability
Jon Sloan, Sr. Manager, Environmental Programs, ME&S
Kathleen Hurley, Sr. Environmental Program Manager, ME&S

SUBJECT: Interlocal Agreement for the Duwamish Basin Steward

Amount of this request: \$0

Total estimated project cost: Up to \$150,000
(2022 authorized
funds plus annual
budget requests)

ACTION REQUESTED

Request Commission authorization for the Executive Director to execute an Interlocal Agreement with King County, City of Seattle, and City of Tukwila for the Duwamish Basin Steward position.

EXECUTIVE SUMMARY

The purpose of the agreement is to deliver Basin Stewardship services and provide a mechanism to promote, develop, and implement environmental stewardship projects within the Duwamish Service Area.

This Interlocal Agreement (ILA) funds stewardship capacity for the Duwamish Service Area to focus on land conservation and habitat restoration, community engagement and partner coordination, as well as improved environmental sustainability of the Duwamish Valley industrial complex along the river's shorelines. Additionally, the ILA will support each entity's development and implementation of Chinook salmon habitat restoration projects, conservation of open space, and collaboration with community organizations and private businesses to promote creative solutions for stormwater management, floodplain restoration, riparian restoration, climate adaptation, and other environmental activities within the service area.

Meeting Date: May 24, 2022

JUSTIFICATION

The Port's participation in this ILA supports Century Agenda goals around equity and environment, specifically habitat restoration in areas in which the Port operates. The Duwamish Basin Steward will play an important role in coordinating habitat restoration and stewardship efforts for optimal impact throughout the service area. This ILA was added to the 2022 budget per request by Commissioner Felleman and through the Commission Budget Request process.

Port support for a new Duwamish River steward is in alignment with the Duwamish Valley Community Equity Program which was adopted by the Port Commission in 2019. The Duwamish Valley Community Equity Program aims to harnesses the Port's economic development mission to promote community partnerships, healthy environments and communities, and economic prosperity.

Diversity in Contracting

The Port will not conduct any procurement under this ILA.

DETAILS

The ILA will create a dedicated position for a Duwamish Basin Steward (hired and managed by King County) that will support collaboration and advance restoration efforts with communities in the Duwamish Service Area.

This ILA will also provide a mechanism for securing technical assistance and funding from federal and state agencies and other sources to undertake habitat stewardship activities in the Duwamish Service Area. The service area includes the Duwamish sub-watershed, as defined in the WRIA 9 Plan, as well as two unincorporated urban areas that overlap in part with the Duwamish sub-watershed, North Highline area (between Seattle and Burien) and the Skyway unincorporated area, extending to Lake Washington.

The agreement will remain in effect until December 31, 2026. Should the Port decide to exit the agreement, there are provisions within the ILA to do so, as well as options for extending the ILA beyond the five-year time period, upon execution by each party.

Scope of Work Each party to the ILA will have one representative on the Duwamish Basin Management Team (DBMT). The DBMT will manage the Duwamish Basin Stewardship program ("Duwamish Program") for carrying out the basin stewardship purposes of the ILA and define the scope of the basin steward's work.

The DBMT will meet at least four times per calendar year, and more frequently if the DBMT determines it necessary, to review Duwamish Program workplan progress, as well as partnerships that would benefit the Program, including potential funding. Each year, prior to October 1, the DBMT shall develop a draft work program and budget for consideration by the DBMT for the following calendar year.

Meeting Date: May 24, 2022

King County will perform day-to-day project management and direction and communicate with other DBMT participants as needed to conduct Duwamish Program activities. King County will schedule, facilitate, and provide summaries of all DBMT meetings to each Party during implementation of the Duwamish Program.

Budget

The budget is \$26,000 in 2022, which represents 12% of the Duwamish Basin Steward position cost. The term of the ILA is five years and approximately \$150,000 total through December 31, 2026. Port staff will include an annual budget request to support the position in future years.

The estimated cost share by all partners is as follows:

Estimated Annual Cost Share (2022-2023)		
King County	37.5%	\$ 78,000.00
City of Seattle	37.5%	\$ 78,000.00
City of Tukwila	12.5%	\$ 26,000.00
Port of Seattle	12.5%	\$ 26,000.00

Schedule

The ILA shall remain in effect until December 31, 2026. The Duwamish Basin Steward position will be hosted at King County and King County will lead recruitment of the role.

Activity

Port Commission approval of the ILA	2022 2 nd Quarter
Recruitment of the steward position (by King County)	2022 3 rd Quarter

ALTERNATIVES AND IMPLICATIONS CONSIDERED**Alternative 1 – Do not participate in the ILA**

Cost Implications: The annual cost of approximately \$26,000 per year through 2026 would be available to utilize on alternative projects.

Pros:

- (1) Previously approved 2022 funds would not go to funding the ILA and could potentially be applied to alternative projects.

Meeting Date: May 24, 2022

Cons:

- (1) Forego the opportunity to leverage partnerships to amplify impacts of habitat restoration and stewardship throughout the basin;
- (2) Forego the opportunity to coordinate restoration and stewardship efforts on a landscape scale to optimize Port restoration investments.

This is not the recommended alternative.

Alternative 2 – Participate in the ILA

Cost Implications: \$26,000 in 2022; approximately \$150,000 total through December 31, 2026

Pros:

- (1) Advance Port of Seattle habitat and stewardship goals within the Duwamish Valley in collaboration with local partners;
- (2) Opportunities to leverage partnerships to amplify impacts of habitat restoration and stewardship throughout the basin;
- (3) Enhances the opportunity to coordinate restoration and stewardship efforts on a landscape scale to optimize Port restoration investments.

Cons:

- (1) Cost of \$26,000, potentially up to \$150,000 if the Port remains a party for five years.

This is the recommended alternative.

FINANCIAL IMPLICATIONS

The DBMT will, based on the desired scope of work, set a budget for the upcoming year's work by the Basin Steward. Each party will seek authorization through appropriation, and this number may change over time depending on the number of parties, the overall scope of work, and the availability of outside funding sources (e.g., grants).

The Port's cost share for funding this position is 12% of the total position cost per year. For 2022, this 12% cost share is equal to \$26,000 and is expected to escalate annually with cost of living increases. The agreement will last until December 31, 2026 and the anticipated total cost is up to \$150,000.

The Port's contribution of \$26,000 for the first year of work (2022) is already in the budget; Port staff will return in Fall 2022 to seek funding for 2023 and annually thereafter.

Meeting Date: May 24, 2022

Cost Estimate/Authorization Summary

	Capital	Expense	Total
COST ESTIMATE			
Original estimate	\$0	\$150,000	\$0
AUTHORIZATION			
Previous authorizations	0	\$26,000	0
Current request for authorization	0	0	0
Total authorizations, including this request	0	\$26,000	\$26,000
Remaining amount to be authorized (estimated)	\$0	Up to \$124,000	Up to \$124,000

Annual Budget Status and Source of Funds

The \$26,000 has been authorized in the 2022 budget.

Financial Analysis and Summary – N/A

Project cost for analysis	
Business Unit (BU)	
Effect on business performance (NOI after depreciation)	
IRR/NPV (if relevant)	
CPE Impact	

Future Revenues and Expenses (Total cost of ownership)

N/A

ADDITIONAL BACKGROUND

N/A

ATTACHMENTS TO THIS REQUEST

(1) Presentation

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

None

Duwamish Basin Steward Interlocal Agreement

Request for approval to execute
Interlocal Agreement between
King County, City of Seattle, City
of Tukwila, and Port of Seattle



Request

Request Commission authorization for the Executive Director to execute an Interlocal Agreement (ILA) with King County, City of Seattle, and City of Tukwila for a new Duwamish Basin Steward position.

This request furthers a Commission priority related to stewardship capacity in the Duwamish Service area.

Justification

- Aligned with the Duwamish Valley Community Equity Program which was adopted by the Port Commission in 2019. The Duwamish Valley Community Equity Program aims to harnesses the Port's economic development mission to promote community partnerships, healthy environments and communities, and economic prosperity.
- Aligned with the Port's Century Agenda goal to "restore, create, and enhance 40 additional acres of habitat in the Green/Duwamish Watershed."

Duwamish Basin Service Area



Key Priorities for Basin Steward

- Increase stewardship capacity for Duwamish Service Area focused on:
 - Salmon recovery
 - Shoreline habitat restoration
 - Community engagement
 - Partnership and funding coordination
 - Creative stormwater management
 - Climate adaptation and resilience
 - Land conservation
 - Community-based science
 - Other stewardship activities within the service area

Outcomes of the Interlocal Agreement

- The Duwamish Basin Steward position will:
 - Increase collaboration with landowners, businesses, communities, agencies and tribes in the Duwamish Service Area.
 - Secure technical assistance and funding from federal and state agencies and other sources.
 - Participate in landscape-level stewardship and restoration planning with key partners in the Duwamish Service Area.
 - Assist the Port in optimizing its Sustainable Shorelines Program, Multi-Site Mitigation Bank, Stormwater Utility, and climate resilience programs.



Cost Share

Estimated Annual Cost Share (2022-2023)		
King County	37.5%	\$ 78,000
City of Seattle	37.5%	\$ 78,000
City of Tukwila	12.5%	\$ 26,000
Port of Seattle	12.5%	\$ 26,000

Next steps

- Spring 2022: Finalize and execute the Interlocal Agreement
- Summer/Fall 2022: Recruit and hire the Duwamish Basin Steward position (led by King County) with support from the Duwamish Basin Management Team
- Fall 2022: Port staff request funds for Port share for 2023

[RETURN TO AGENDA](#)

COMMISSION
AGENDA MEMORANDUM

Item No.

11a

BRIEFING ITEM

Date of Meeting

May 24, 2022

DATE: Update date

TO: Stephen P. Metruck, Executive Director

FROM: Luis Navarro, Director, Workforce Development Programs

SUBJECT: 2021 Workforce Development Annual Report

EXECUTIVE SUMMARY

Workforce development is critical to achieving the Port's mission as an economic development agency. As a regional anchor institution, the Port leverages its cross-sector influence and leadership to promote long-term, sustainable advancements across port-related economic activities that promote equity.

In the 2021 State of the Port, Port Commission President Fred Felleman and Executive Director Steve Metruck indicated that 2021 marked the third year that COVID impacted our budget and community, but we also saw positive signs on the horizon. The pandemic continued to present new challenges, especially for those who were already deprived of opportunities for success. We tracked a major travel recovery during the spring and summer of 2021. Passenger volume at the airport returned to 75 percent of what we consider typical. Cruise operations resumed in July with reduced ship calls and with fewer passengers.

In the area of workforce development, the Port continued to invest in regional efforts in 2021. In 2020, the workforce development budget was reduced to meet the new port-wide financial goals from the impacts of COVID-19, requiring a recalibration of priorities for 2021, including the elimination of proposed new staff, reduction and postponement of planned contracts and consulting services for market data analysis, among other areas. However, existing contracts continued without reduction that funded key employment and training programs in Port communities, in particular BIPOC communities and women who are underrepresented in port related industries.

In 2021 the Port invested in communities-oriented programs:

- Invested in workforce development in maritime, aviation, construction and green jobs
- Added resources for the South King County Community Impact Fund to mitigate the impacts of the pandemic on the community and support regional economic recovery
- Advanced the implementation of Duwamish Valley Community Equity Program
- Established the Equity Index as a resource to place resources where they are needed most
- Funded the Youth Opportunity Initiative to support nearly 300 youth internships

Meeting Date: May 24, 2022

BACKGROUND

In June 2020, the Port of Seattle Commission adopted the Workforce Development Policy Directive under Resolution 3776, with the purpose of fulfilling the Century Agenda strategic objectives of increasing equitable access for workers in port-related economic activities in maritime, aviation, construction trades, green careers, and other port related economic industries and activities. Staff developed a three-year Workforce Development Strategic Plan for 2021-2023 guided by the Port's Century Agenda and key provisions from Resolution 3776 to ensure that Port investments in workforce development and related activities produce outcomes that support a skilled workforce in Port related industries, and that workforce development programs create equitable access for all.

Resolution 3776 provides guidance in two key provisions:

- Goal 1: Increase Equitable Access to Economic Prosperity. Increase equitable workforce access for the trades in port-related economic activities, with an emphasis on expanding opportunities to near-port communities, which are most disproportionately impacted. Port staff will develop program priorities, actions, benchmarks, and metrics for success.
- Goal 2: Leverage Port Impact and Innovation. Identify and prioritize opportunities for leadership to influence and promote a sector-based approach to workforce development centered on equity, diversity and inclusion.
- Resolution 3776 also requires staff to provide an annual report to the Port Commission and the report also satisfies a requirement under RCW 53.08.245(2)(c) by providing quantitative information on program outcomes including: the number of workers trained, recruited, placed in jobs, and retained; the types of jobs and range of compensation; the number and types of businesses that are served; and any other tangible benefits realized by the port, the workers, businesses, and the public.

2021 RESULTS

Analysis of *Results of Investments* (ROI) for 2021 was conducted by Port staff and consultant Bob Watrus, a workforce development expert hired to support the analysis. The ROI report is presented in the categories of impact, influence, and leverage.

In 2021, COVID-19 continued to impact operations of community-based organizations. Important economic indicators showed a slow recovery, which didn't arrive equally in all communities, as communities of color recover more slowly. Nonprofit and training organizations continued with a hybrid approach to training with good results because it allowed people to participate in what felt comfortable to them or was possible considering their personal barriers. In 2021, the Port also remained committed to the communities we serve by not cancelling any existing contracts.

Meeting Date: May 24, 2022

Port Investments

The Port's workforce development actual investments in 2021 was \$3.3 million and included \$1.7 million for a second summer youth employment program, and \$1.6 million for programs in port related sectors of aviation, maritime, and construction trades. Investments included contracts with services providers such as: the pre-apprenticeship organization ANEW, the Urban League of Metropolitan Seattle, and the Youth Maritime Collaboration, and Port Jobs. The following is a report on the impact of the Port investments in workforce development. This memo also outlines how the Port influences the regional workforce development system and how we leverage external funding to support port sectors.

IMPACT

In 2021, the Port of Seattle's workforce development investments resulted in 1,312 job placements and 380 training competitions. Types of jobs in which participants were placed included airport restaurant operations, airport customer service, janitorial/cleaning, ramp/ airfield, warehouse/freight, and retail operations in the aviation sector; and apprentice electrician, laborer, carpenter, installer and helper, and sheet metal worker in the construction trades sector. Hourly wage at placement in aviation was \$17.02, and in construction, \$25.61.

In addition, Port construction projects with apprentice utilization requirements provided 591 apprentices work, including 197 apprentices of color, 55 women apprentices, and those with Priority Hire goals reported 99 Priority Hire workers.

With respect to youth, the Port's investments resulted in 535 youth participating in a range of career connected learning opportunities in port-related sectors, including maritime and environmental sustainability and green jobs.

The vast majority of participants in the Port's workforce development efforts were from communities of color (BIPOC). Most lived in priority communities (e.g., South King County and Priority Hire ZIP codes).

In 2021, 134 employers hired participants or provided youth career connected learning opportunities. Types of employers included airport concessionaires, ground handling companies, airlines, construction contractors, boat repair shops, recreational boating rental providers, and other maritime employers (e.g., cargo ship operator, marine terminal operator, and marine science and engineering firm).

Partners in the Port's workforce development efforts, in addition to employers in port related sectors, included community-based organizations, other public entities, and the regional workforce development system.

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A. Port Related Sector Reports

The following are the results of investment of the port sectors:

B. Aviation Sector

Airport passenger traffic continued to rebound in 2021 despite increases in COVID cases due to the Delta and Omicron variants. The number of job openings at SEA Airport increased in 2021, as compared to 2020. At the same time, the unemployment rate in King County was low (4.4% in October 2021, for example), and airport companies found it challenging to hire new employees. Many airport companies began offering hiring, attendance, or retention bonuses to entice job applicants.

Airport Employment Center and Airport University

Airport Employment Center job placements totaled 1,211 in 2021 reflecting the increase of air travel and the resulting job placements were up about 42 percent from 2020, but still well below 2019 pre-COVID numbers. The number of employers hiring through the center totaled 80, also up from 2020, but still below 2019 numbers. In addition, 79 airport workers completed training. Training enrollments and completions also increased from 2020 and included two new cohorts in the Introduction to Aviation Maintenance Technology career pathway (described in more detail below).

In 2021, the Airport Employment Center and Airport University provided employment and training services to SEA airport companies fill open positions and to help community members, SEA employees, and laid-off employees find employment and build skills for career advancement. Airport University supports incumbent workers acquire new skills. Employment and training services, provided in person at the Airport Jobs center and remotely by contractor Port Jobs, included:

- A “Hotlist” of job openings at SEA Airport available online at www.portjobs.org and sent weekly to community-based organizations and colleges.
- In-person open interview events in partnership with airport companies. Promotion of airport company-hosted hiring events; Information about jobs and career pathways at SEA Airport.
- In-person and remote job search assistance, including assistance to newly arrived Afghan refugees.
- Career navigation and resume development.
- SIDA badge training preparation to help English language learners pass the Port of Seattle’s updated SIDA badge training required for airport employment.
- Free college classes for career pathways and skill building through the Airport University program, with a focus on Aviation Maintenance Technology.
- Scholarships to SEA employees through the Alaska Airlines-Airport University scholarship program.

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- Combined Job & Health Insurance Enrollment & Vaccination Fairs in partnership with King County Public Health and the Port of Seattle for airport employees and community members.

2022 results are projected to remain steady, with an expected continuation of a tight labor market, and continued uncertainties about COVID variants and impacts.

Airport Employment Center and Airport University – Port Jobs				
	2019 (baseline)	2020 (actual)	2021 (actual)	2022 (projected)
# Registered for employment and/or training (unduplicated)	4,882	1,810	1,482	1600
# Job placements	2,239	857	1,211	1300
Hourly wage @ placement	\$16.04	\$16.40	\$17.02	\$17.54
# Hiring employers	90	70	80	80
# Training enrollments	247	197	247	250
# Training completions	198	174	200	200

Source: Port Jobs 2021 Year-end Highlights

Participant demographics: 44 percent African/African American/Black, 23 percent Asian, 14 percent white, 8 percent Spanish/Hispanic/Latino, 7 percent Pacific Islander/Native Hawaiian, and less than 1 percent American Indian/Alaska Native. 52 percent female and 48 percent male. 59 percent South King County residents.

Types of jobs: Restaurant operations, 28 percent; airport customer service, 27 percent; janitorial/cleaning, 18 percent; ramp/airfield, 9 percent; warehouse/freight, 8 percent; and retail operations 7 percent, and other 3 percent.

Types of businesses served: All SEA airport companies, including airlines, airport concessionaires, ground handling companies, warehouse/cargo companies, janitorial/cleaning companies, rental car agencies, etc.

Partnerships: Aviation employers (e.g., Alaska Airlines and Boeing); community colleges (Highline and South Seattle, which teach Airport University classes); K-12 system (e.g., Puget Sound Skills Center); Aerospace Joint Apprenticeship Committee and ANEW (apprenticeship referrals); Northwest Education Access (college and financial aid navigation); King County Reconnect to Opportunity (young adult employment); community based organizations (African Chamber of Commerce, Asian Counseling and Referral Services, and others); Annie.

Meeting Date: May 24, 2022

E Casey Foundation and its Generation Work Initiative; and Washington State Department of Social and Health Services (Basic Food Employment and Training);); and King County Public Health (health insurance enrollment fairs).

COVID-19 impact and response: Remote and in-person job search assistance at Airport Jobs throughout the pandemic. In-person open interview events at Airport Jobs and promotion of employer-hosted hiring events. Use of computers and internet at Airport Jobs for job search. Free health insurance enrollment fairs for laid off airport workers and community members who've lost health insurance benefits. Information on safety net resources such as unemployment, health care resources, food and energy assistance, etc. Airport University college classes and Alaska Airlines-Airport University scholarships for skill building and career advancement.

Aviation Career Pathways: Aviation Maintenance Technician (AMT): Port Jobs and South Seattle College partnered with the Port of Seattle to offer an Introduction to Aviation Maintenance Technology (AMT) course at SEA Airport in Winter Quarter 2021 and again in Fall Quarter 2021. Students in these two cohorts—primarily airport workers in entry jobs such as ramp agents and fuelers —gained math skills, toured the college's AMT program, and received financial aid application assistance and navigation support to bridge into the college's two year, FAA-approved AMT program. Completers received a \$1,000 scholarship from Port Jobs' Alaska Airlines-Airport University scholarship program.

Once enrolled in South Seattle College's AMT program, students receive academic and other supports.

In 2021, a diverse group of 29 SEA airport employees, former employees and community members completed the course, seven of whom enrolled in the AMT program at South Seattle College in 2021; another eight students are expected to enroll in Spring 2022. Said one female student, "Thank you so much for coordinating this class. It has inspired me to move forward in my career which I know is exactly its intention."

Aviation Career Pathways (2020-21: Aviation Maintenance Technician, with Port Jobs and South Seattle College)			
	2020 (actual)	2021 (actual)	2022 (projected)
# Training enrollments (Intro to AMT)	23	40	40
# Training completions (Intro to AMT)	17	29	30
# Training enrollments (two-year AMT Program at South Seattle College)	5	15	16
Hourly wage & job placement (post-graduation)			\$30/hour*

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Cohorts have yet to reach these milestones.

*The first cohort will complete AMT training late in 2022, having enrolled in the eight-quarter college program in Spring 2020, a quarter which was interrupted due to the start of the pandemic.

Participant demographics: 90 percent BIPOC and 25 percent women.

Types of jobs: Aviation maintenance technician, which are in high demand and can pay salaries over \$85,000.

Types of businesses served: Airlines, warehouse/cargo companies

Partnerships: Port Jobs and South Seattle College.

Aviation Career Pathways: Planning and Development

Aviation career pathways planning and development work in 2021 included: development of a second aviation career pathways project targeting air cargo and logistics, with a launch date set for fall 2022; and expansion of Port of Seattle apprenticeship opportunities, including aviation maintenance as well as maritime maintenance, etc.

Fair Work Center

The Fair Work Center, in partnership with Partner in Employment and other community-based organizations, reached out to 3,742 SEA Airport workers through outreach events and activities, one-on-one intake and follow up, training workshops, and community collaborations, educating them on the City of SeaTac's Prop 1 and helping them to improve their workplace conditions. Outreach focused on the hardest to reach workers, including workers of color, women, and newly arrived immigrant workers. 273 workers participated in Fair Work Center training workshops.

C. Construction Trades Sector (Worker Outreach, Training, and Retention)

Construction training completions totaled 180 in 2021, with 101 placements in apprenticeships and trades related jobs. Hourly wage at placement was \$25.61. 2021 data include results from construction outreach, training and retention funded jointly by the Port, City of Seattle, and Sound Transit.

Projections for 2022 are 242 training completions and 180 placements.

Construction Worker Outreach, Training, and Retention – ANEW, Urban League and Ironworkers, plus Rainier Beach Action Coalition, Carpenters, and PACT in 2021				
	2018-19 (baseline)	2020 (actual)	2021 (actual)*	2022 (projected)
# Enrolled	206	49	274	257
# Training completions	175	36	180	242

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# Placements (apprenticeships, trades related jobs)	190	43	101	180
# Hiring employers	40	11	42	50
Hourly wage @ placement	\$26.21	\$24.50+	\$25.61	\$27.00
Retention @ 3 mos	142 (75%)	46	52	225
Retention @ 12 mos	107 (56%)	40	49	158
Retention @ 18 mos	86 (45%)	40	41	145

* Numbers include those from construction worker outreach, training, and retention jointly funded by the Port of Seattle, City of Seattle, and Sound Transit.

Participant demographics: 72 percent BIPOC. 63 percent men and 36 percent women. 58 percent Priority Hire ZIP codes.

Types of jobs: Electricians, laborers, carpenters, installers and helpers, sheet metal workers, and plasterers.

Types of businesses served: Construction contractors.

Partnerships: City of Seattle, King County, Sound Transit and other public contracting entities (Regional Public Owners group), community-based organizations (Rainier Beach Action Coalition and Urban League of Metropolitan Seattle), pre-apprenticeship and apprenticeship programs (ANEW, PACT, Ironworkers, and Carpenters), and construction contractors.

Port Apprentice Utilization and Priority Hire

In 2021, 17 Port of Seattle construction projects with a total of almost 1,010,167 total labor hours worked had apprentice utilization requirements. These projects provided work to 591 apprentices, who performed 23 percent of labor hours worked. People of color apprentices—numbering 172—accounted for 32 percent of apprentice labor hours worked on these projects and women apprentices—numbering 55 or 12 percent.

Also in 2021, eight Port of Seattle construction projects with 60,985 total labor hours worked had Priority Hire requirements. These projects provided work to 99 Priority Hire workers, who performed 25 percent of total labor hours worked. Of the 99 Priority Hire workers, 24 were apprentices and 75 journey workers; and 26 were people of color and 4 women.

Among the crafts represented: carpenters, cement masons, electricians, ironworkers, laborers, and sheet metal workers.

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Apprentice Utilization	2019 (baseline)	2020 (actual)	2021 (actual)
Port projects with apprentice utilization requirements and total labor hours worked on these projects		30 projects/ 1,642,378 total labor hours	40 projects/ 1,010,167 total labor hours
% labor hours worked by apprentices	20%	23%	23%
# apprentices		819	591
% apprentice hours worked by people of color	33%	38%	32%
# people of color apprentices		275	197
#/% apprentice hours worked by women	10%	9%	12%
# women apprentices		77	55
Priority Hire			
Number of Port projects with Priority Hire requirements and total labor hours worked on these projects	N/A	3 projects/17,700 total labor hours	8 projects/ 60,895 total labor hours
% labor hours worked by Priority Hire workers	N/A	34%	25%
# Priority Hire workers		35	99
# Priority Hire apprentices		4	24
# Priority Hire journey Workers		31	75
# Priority Hire people of color workers	N/A	20	26
# Priority Hire women workers	N/A	5	4

D. Maritime Sector

- Maritime Experiential Learning and Internships**

In 2021, the number of students participating in maritime experiential learning events totaled 188, over twice the number participating in 2020, but only one third of the number participating in 2019 pre-Covid.

In addition, 17 youth participated in external summer internships.

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Maritime Experiential Learning and Internships – Youth Maritime Collaborative and Sound Experience				
	2019 (baseline)	2020 (actual)	2021 (actual)	2022 (projected)
# Students participating in maritime experiential events	474	75	188	90
# Youth participating in maritime internships	N/A	30	17	N/A
# Employers providing internships	N/A	11	12	N/A

The Youth Maritime Collaborative contract ended in January 2022. Sound Experience will continue to offer maritime experiential learning programming in 2022.

Participant demographics: 22% Black/African American, 44% Hispanic/Latino, 26% Asian/Pacific Islander, 7% White.

Types of businesses that supported youth: Boat repair shops, cargo ship operator, marine terminal operator, marine supplies recycler, recreational boating rental providers, and marine science and engineering firm.

Partnerships: Maritime employers, schools, community-based organizations (e.g., El Centro de la Raza), community and technical colleges, and maritime nonprofits (e.g., Center for Wooden Boats).

Maritime High School

37 students enrolled in Maritime High School for the 2021-22 school year. For the 2022-23 school year, it's projected to be 100.

Maritime High School		
	2021-22 (actual)	2022-23 (projected)
# Enrolled	37	100

2022 Investments

The new Youth Maritime Career Launch program, funded for \$4.1 million for three years, is set to begin in the fall of 2022, with career preparation and launch placements expected to

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begin in 2023. The Port will issue solicitations for contracts to support career connected programs with emphasis on the launch component in the maritime sector.

E. Green Jobs Sector

Planning efforts were added for a green sector strategy to be developed in 2022 and 2023. A consultant is conducting a green jobs labor market analysis. The Port also invested \$757 thousand through the summer youth opportunity initiative serving 81 students.

F. Youth Programs

Youth programing has remained as key strategy in workforce development. Due to Covid restrictions that prevented the expansion of career connected youth programs in 2021, the efforts were directed at supporting existing programs by allowing service providers to operate in a hybrid format, and the most important effort in 2021 was the Opportunity Youth Initiative.

Opportunity Youth Initiative

The Opportunity Youth Initiative had 293 youth participants, with 291 completing. Interns were paid \$15 an hour and mentor lead interns \$16 to \$20 an hour. This initiative is being converted in 2022 into a maritime youth training and career launch program. In 2023, other port related sectors will be added.

Opportunity Youth Initiative – Seattle Goodwill Industries, Partner in Employment, Urban League of Metropolitan Seattle and Seattle Parks Foundation		
	2021 (actual)	2022*
# Enrolled	293	N/A
# Completions	291	N/A
Hourly wage	Interns: \$15 Mentor lead interns:\$16-20	N/A

*In 2022 the Port of Seattle Commission directed staff to rename the Opportunity Youth Initiative the Youth Career Launch program and implement it as 3-year pilot program. See section C 2022 Investments for more information.

2021 Participant demographics: 94% BIPOC. 46% Priority Hire ZIP codes.

INFLUENCE

The Port of Seattle’s workforce development efforts also aim to influence broader workforce development policies, practices, systems, and investments as they relate to port-related sectors. In 2021, examples included:

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Regional Public Owners (RPO's) – The Port of Seattle is a partner with the City of Seattle, King County, Sound Transit and other public contracting entities in the Regional Public Owners (RPO) group, which aims to create a pipeline of skilled, diverse construction workers to meet current and future needs driven by Port and other public infrastructure projects. RPO's goals are to align and champion greater workforce diversification in the trades, increase entry and diversity, and improve retention.

RPO's 2021 efforts included:

- Analyzing construction labor supply and demand to help inform RPO's regional strategies.
- Sponsoring a construction apprenticeship guidebook to increase equitable access to the trades. The guidebook provides information on regional pre-apprenticeship and apprenticeship programs, including application process, program requirements, and contact information. It's distributed at community outreach events, construction sites, and workforce and education and training partners.
- Supporting state legislation that calls for an apprentice retention study and creates a grant program for wrap-around supports to address barriers to beginning and competing apprenticeship programs (it passed the legislature and, was signed into law by the governor in late March).
- Working on acceptable/respectful worksite practices.

Maritime industry table – The Port of Seattle is supporting the Workforce Development Council of Seattle-King County's establishment of a maritime industry table to help develop regional strategies to address the maritime industry's workforce needs and advance job quality and racial equity. The WDC will convene and support the maritime industry table, and the Port will bring its industry expertise and employer connections to the table.

Youth Maritime Collaborative – The Youth Maritime Collaborative was a partnership of workforce education and training providers and employers that the Port of Seattle helped establish and promotes maritime career awareness and career connected learning activities, with a focus on low-income youth and youth of color. In 2021, the Youth Maritime Collaborative provided equity training to 10 maritime employers, as a way to promote equitable practices in the maritime industry and create youth internship opportunities for low-income youth and youth of color.

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LEVERAGE

The Port of Seattle’s workforce development investments also leverage other funding and resources. For 2021, the amount leveraged was over \$1.5 million. This included:

- \$920,000 in non-Port support for Port Jobs’ work, from the state Department of Social and Health Services Basic Food Employment & Training program, BECU, Boeing, Alaska Airlines, King County, and the Annie E. Casey Foundation.
- \$200,000 from the City of Seattle and Sound Transit as part of construction worker outreach, training, and retention jointly funded with the Port.
- \$420,000 from foundation grants and program contracts to support the work of the Youth Maritime Collaborative, which as noted above the Port of Seattle helped establish and promotes maritime career awareness and career connected learning.

ATTACHMENTS TO THIS BRIEFING

- (1) Workforce Development Resolution No. 3776
- (2) Port Jobs Annual Report Summary
- (3) Demographics in Construction and Maritime
- (4) Presentation

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

- (1) February 2022 – The Commission approved a Youth Career Launch Program
- (2) June 2020 – The Commission adopted the Workforce Development Resolution 3776
- (3) July 2020 – OEDI staff presented the 2021, 2023,-2023 workforce development plan

2021 Year-end Highlights

AIRPORT JOBS

Job Placements	1,211
Hiring Employers	80

Average Wage
\$17.02 per Hour



Supported 133 job
fairs, hiring sessions
& recruiter events in
partnership with
airport companies

4,400 Community
Members Served

40,000 Individuals
Reached Through
99,600 Website Views

Top Hiring Employers

1. G2 Secure Staff - 160
2. Hudson New Group - 79
3. HMS Host - 76
4. Prospect Int'l - 70
5. SSP America - 58
6. Worldwide Flight Svcs - 58
7. McGee Air Svcs - 49

Top Hiring Job Types

1. Restaurant Operations - 28%
2. Airport Customer Service - 27%
3. Janitorial/Cleaning - 18%
4. Ramp/Airfield - 9%
5. Warehouse/Freight - 8%
6. Retail Operations - 7%
7. Other - 3%

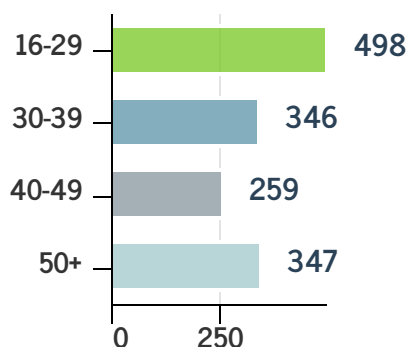
CLIENT DEMOGRAPHICS

Ethnicity and Gender

African/Afr-Amer./Black: 44%
American Indian/Alaska Native: <1%
Asian: 23%
Caucasian: 14%
Pacific Islander/Native Hawaiian: 7%
Spanish/Hispanic/Latino: 8%
Other: 4%

Male - 48%
Female - 52%
Other - <1%

Age Ranges



Top Languages Spoken Out of 59 Total Home Languages

1. English - 52%
2. Amharic - 14%
3. Spanish - 5%
4. Somali - 4%
5. Tagalog - 4%
6. French - 3%
7. Other - 18%



Residence



Seattle: 20%
South King County: 59%
East King County: 5%
Pierce County: 12%
Other: 4%

Education



Some High School: 6%
HS Diploma/GED: 50%
Certification: 1%
Some College: 20%
College Degree: 23%

Employment Status at Time of Registration with Port Jobs



Not Working: 63%
Work @ Airport: 21%
Work Outside Airport: 16%

AIRPORT UNIVERSITY

79 Students
Completed **125**



College and
Bridge Courses

Classes in Aviation
Maintenance Technology,
Customer Service,
Logistics, Keyboarding,
Powerpoint, and
Homeland Security



128 people completed
SIDA and AOA badge
training preparation,
computer skills classes
with partner ACRS, and
career navigation

ALASKA AIRLINES - AIRPORT UNIVERSITY SCHOLARSHIPS

73 scholarships awarded to
current and laid-off SEA
Airport employees

\$55,000 in
scholarships
awarded
year-to-date



262 airport employees
have been awarded
scholarships since the
program began in 2015

COMMUNITY PARTNERSHIPS

To learn more
about partnering
with Port Jobs
see our website
[portjobs.org/
community](http://portjobs.org/community)

Port Jobs is here to support Afghan refugees who want to work at SEA Airport. We invite resettlement organizations, community partners and Afghans to:

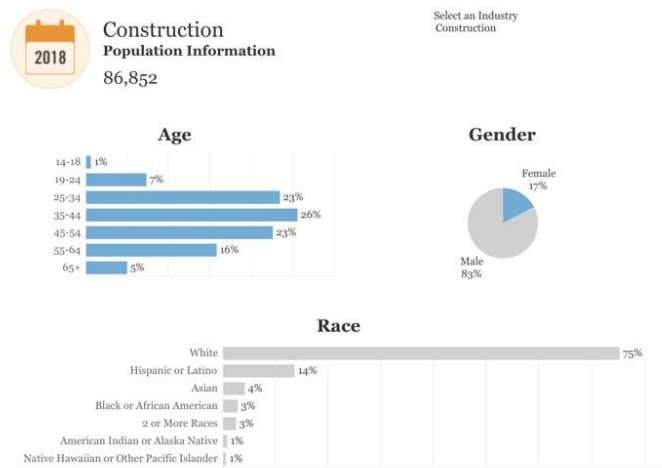
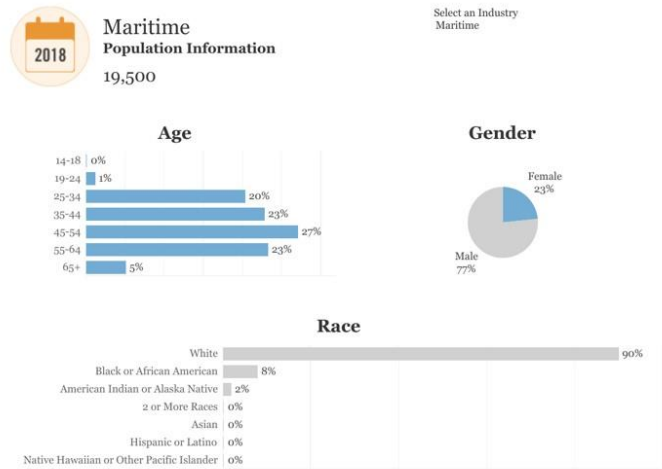
- * Utilize the Airport Jobs hotlist, which has open airport positions and upcoming hiring events and is available at www.portjobs.org and sent weekly to our CBO mailing list.
- * Make appointments with clients for job search assistance.
- * Once hired, we will provide training to refugees who need assistance passing security badge training and testing, which is a requirement for many airport jobs.

PORT JOBS SERVICES PROVIDED

- Hotlist of 655 job listings at Sea-Tac International Airport (SEA) with in-person and virtual job search assistance provided at Airport Jobs office.
- Career navigation services, resume assistance, interview preparation
- 194 Hygiene packs with \$200 worth of grooming products for Basic Food Employment & Training clients
- Connection to resources such as training opportunities, unemployment, healthcare resources, food and energy assistance, low-cost internet and COVID testing/vaccines
- Free Airport University college courses for SEA airport employees in partnership with Highline College and South Seattle College
- Scholarships for airport employees taking college classes through the Alaska Airlines-Airport University Scholarship Program
- Security badge (SIDA and AOA) training preparation and test assistance

Exhibit

Demographics – Mariti



RESOLUTION NO. 3776

A RESOLUTION of the Port of Seattle Commission establishing a Workforce Development Policy Directive to guide the increase in the number of skilled employees within the industries necessary for Port development.

WHEREAS, the Port of Seattle is committed to creating economic opportunity for all, steward our environment responsibly, partner with surrounding communities, promote social responsibility, conduct ourselves transparently, and hold ourselves accountable;

WHEREAS, the Port of Seattle Commission believes that workforce development is critical to achieving the Port's primary mission to serve as an economic development agency generating jobs and economic growth for the region and increasing operational efficiency and economic mobility;

WHEREAS, the Port has been directly engaged in workforce development efforts and initiatives for over 25 years;

WHEREAS, the Port created Port Jobs, a workforce intermediary to bring together business, labor, education, and public stakeholders to expand opportunities to build a thriving, competitive Port economy,

WHEREAS, the Port has funded ANEW's Apprenticeship Opportunities Project, which helps under-employed and unemployed jobseekers to find livable wage jobs or apprenticeships and offers limited financial assistance to qualified individuals, and

WHEREAS, the Port supports the Youth Maritime Collaborative, which works to create career pathways for youth pursuing careers in the maritime industry through experiential learning and high school internships;

WHEREAS, the Port supports Career Connected Learning best practices as guided by the State of Washington;

WHEREAS, on July 1, 2014, the Port Commission passed a Motion "Increasing Workforce Development and Career Opportunities Activities" that required the creation of a strategic plan and implementation of policies to improve upon and expand workforce efforts in port-related industries;

WHEREAS, on July 22, 2014, the Port Commission adopted Resolution No. 3694 to ensure necessary hiring standards, training opportunities and minimum compensation requirements to maintain a well-trained workforce at Sea-Tac Airport as part of a Quality Jobs Initiative;

WHEREAS, on November 28, 2017, the Port Commission established the Priority Hire Policy Directive to increase the diversity of the workforce on Port construction projects which accounts for some the largest infrastructure investments in the region;

WHEREAS, on March 26, 2019, the Port Commission established the first ever Workforce Development Special Committee, which was chartered to review the Century Agenda strategy associated with Workforce Development and to review and make recommendations for updating the workforce development policy and the three-year strategic plan;

WHEREAS, in 2019, the Port of Seattle became the first port authority in the nation to create a stand-alone department responsible for equity, diversity.

WHEREAS, the Port of Seattle recognizes that equity, diversity and inclusion is the foundation of effective workforce development.

WHEREAS, the Port of Seattle is committed ensuring equity, actions outlined in this policy directive shall strive to address the concerns of community members disproportionately impacted as a result of institutional racism and generational poverty.

WHEREAS, the Port Commission finds it is a benefit to the Port, related industry partners and near-Port communities to center diversity, equity, and inclusion to broaden opportunities, for populations facing barriers to employment for persons to learn and develop the skills necessary to obtain quality jobs;

WHEREAS, the Port Commission has long demonstrated its commitment to advancing regional workforce development opportunities, but has not been presented with the opportunity to formally consider adoption of a workforce development policy directive to guide the efforts of the Port of Seattle until today.

NOW, THEREFORE, BE IT RESOLVED by the Port Commission of the Port of Seattle as follows:

Section 1. The Workforce Development Policy Directive as shown in the attached Exhibit A is hereby established in accordance with the following goals and accountability measures:

- A. **Goal 1: Increase Equitable Access to Economic Prosperity.** Increase equitable workforce access for the trades in port-related economic activities, with an emphasis on expanding opportunities to disproportionately impacted near-port communities which most disproportionately impacted. Port staff will develop program priorities, actions, benchmarks, and metrics for success.

- B. **Goal 2: Leverage Port's Impact and Innovation.** Identify and prioritize opportunities for leadership and influence to promote a sector-based approach to workforce development centered on equity, diversity and inclusion.
- C. **Accountability Measures.** The Port will assure its programs are accountable by annually assessing the number of students that receive skills and job training; the number of workers trained, recruited, placed in jobs, and retained; the types of jobs and range of compensation; the number and types of businesses that are served; and any other tangible benefits realized by the port, the workers, businesses, and the public.

Section 2. The Policy Directive contained in Exhibit A and attached to this Resolution shall be labeled and cataloged as appropriate, together with other Commission Policy Directives, and shall be made readily available for use by Port staff and members of the public as a governance document of the Port of Seattle.

ADOPTED by the Port Commission of the Port of Seattle, at a duly noticed meeting held this 23rd day of June, 2020, and duly authenticated in open session by the signatures of the Commissioners voting in favor thereof and the seal of the Commission.


Ryan Calkins (Jun 26, 2020 14:00 PDT)


Stephanie L. Bowman (Jun 29, 2020 10 14 PDT)


Ryan Calkins (Jun 26, 2020 13:21 PDT)




Fred Felleman (Jul 6, 2020 14:18 PDT)

Port Commissioners

SECTION 1. Purpose.

The purpose of this Policy Directive is to fulfil Century Agenda strategic objectives by increasing equitable access for workers in port-related economic activities, create opportunities for workers to acquire the skills, experience, and education they need to secure increasingly complex and better compensated jobs and careers at the Port and in port-related economic industries and activities; and to guide the workforce development efforts of the Port of Seattle to benefit workers, Port customers and tenants, and port-related economic activities in near-port communities in King County and the general area.

Workforce development is critical to achieving the Port’s mission to serve as an economic development agency. As a regional anchor institution, the Port will leverage its cross-sector influence and leadership to promote long-term, sustainable advancements across port-related economic activities that promote equity.

The port-related workforce development described herein provides a substantial public benefit consistent with the Port Commission’s economic development goals and is consistent with ongoing worker training initiatives in place in King County.

This policy directive advances the Port of Seattle’s commitment to workforce development and is intended to:

1. Increase Equitable Access to Economic Prosperity
2. Leverage Port Impact and Innovation

SECTION 2. Definitions.

When used in this policy directive, the following words and phrases shall have the meanings given below unless the context in which they are included clearly indicates otherwise:

“Apprentice” means an individual participating in a registered program that provides closely supervised on-the-job training which may be supplemented with classroom instruction. Apprentices receive wages when they begin and earn increases as they become proficient in various skills. Once the program is complete, apprentices receive industry certifications and licenses to practice their trade.

“Career and Technical Education” means the practice of teaching specific career skills to students in middle school, high school, and post-secondary institutions.

“Career Connected Learning” means a continuum of events and work-related experiences designed to create meaningful linkages between K-12 education and future employment opportunities. They are typically broken down into a series of events classified as, “Awareness”, “Experiential”, “Preparation”, and “Launch.” These events are geared towards creating experiential awareness about career pipelines or pathways for young people from an early age.

“Career Pathways” means an integrated collection of programs and services intended to develop community members’ core academic, technical and employability skills; provide them with continuous education, training; and place them in high-demand, high-opportunity jobs and careers.

“Career Transitions” means the experience by opportunity youth and adults transitioning from high school and or GED programs, involvement with the criminal justice system, income-related housing insecurity, military veterans, and or under-employment.

“Community Capacity Building” means the process by which community members and community organizations obtain, improve, and retain the skills, knowledge, tools, equipment, and other resources needed to engage effectively in planning and decision-making processes and advocate for self-determination in both policy and project decisions.

“Demand Occupations” means Occupations within the high growth industries (as defined by Federal government) and having more than the average number of new openings.

“Disaggregated Data” means data that has been broken down by detailed sub-categories, such as race, gender, income, or census tract level findings. Disaggregated data can reveal disproportionalities that may not be fully reflected in aggregated data.

“Displacement” means the involuntary relocation of current residents or businesses from their current residence. This is a different phenomenon than when property owners voluntarily sell their interests to capture an increase in value. Physical (direct) displacement is the result of eviction, condemnation, rehabilitation, or demolition of property, or the expiration of covenants on rent- or income-restricted housing. Economic (indirect) displacement occurs when residents and businesses can no longer afford escalating rents or property taxes. Cultural displacement occurs when people choose to move because their neighbors and culturally related businesses have left the area.

“Disparities Rank” means, according to the Washington Environmental Health Disparities Map, means a ranking of cumulative impacts that determines the prevalence of disparity within an area. The rank is identified by multiplying environmental exposures and effects with the presence of sensitive populations and socioeconomic factors.

“Economic Development Programs” means occupational job training and placement, job advancement and job retention, pre-apprenticeship training, or occupational education programs associated with port tenants, customers, and local economic development related to port tenants or port-related economic activities that are sponsored by a port and operated by a nonprofit, private, or public entity. The Port of Seattle refers to these as “workforce development programs.”

“Equity” means the fair treatment, access, opportunity, and advancement for all people while striving to identify and eliminate barriers that have prevented the full participation of

communities historically oppressed. Improving equity involves increasing justice and fairness with the procedures and processes of institutions or systems and a fair, intentional distribution of resources.

“Equity Driven” means embedding race, gender, and broad social equity approaches throughout projects or programs.

“Fellowships” refers to programs designed to provide hands-on career experience and mentorship to identify and guide program participants.

“Green Job/Green Career” means a job or career needed to operate and sustainably manage Port assets. Green jobs/green careers provide the skilled and diverse workforce in King County required by the Port to satisfy environment and sustainability commitments identified in the Century Agenda and support the Port’s operations. This workforce is created using principles of an inclusive green economy that concurrently enhance the environmental health and economic well-being of communities. Examples of Port-related green jobs/green careers may include but is not limited to: renewable and solar energy, stormwater management, habitat restoration and carbon banking, eco-tourism and sustainable transportation, environmental compliance and remediation, environmental policy, as allowable by law.

“Inclusive Green Economy” means according to the European Commission, as an economic model, one that differs from traditional ones in that it takes due consideration of environmental and social externalities, focuses on resource efficiency and ecosystems, as building blocks of the economy; taking into account that environment degradation undermines long-term economic growth and human development. The transition to an inclusive green economy entails joined efforts at many levels, including in stimulating sustainable lifestyles, scaling up sustainable consumption and production and encouraging green entrepreneurship, through the advancement of eco-innovations, the facilitation of resource efficiency, and the mainstreaming of green consumer behavior. In the course of change, new green jobs are to be created without compromising on existing employment, and a significant reduction on carbon emissions, waste and other forms of pollution is to be achieved.

“Port-related Industries” means aviation, maritime, construction trades and green career industries.

“Priority Hire Policy” means the Port of Seattle Resolution No. 3736 and amended by Resolution No. 3746 adopted by the Port of Seattle Commission which strives to increase access to jobs for qualified construction workers from economically distressed areas of King County to Port of Seattle projects.

“Pre-Apprentice” means an individual participating in a registered program that provides the training and skill development needed to meet the qualifications for entry into an

apprenticeship. These programs also provide wrap-around support that allows participants to remain in the program.

“Opportunity Youth” are defined as people between the ages of 16 and 24 who are neither enrolled in school nor participating in the labor market. For instance, in many cases, these young people are experiencing connected challenges like homelessness, being in foster care, involvement in the youth or adult criminal justice systems, and being an immigrant or child of an immigrant; these life circumstances become barriers to participating in the workforce.

“Training system” means programs and courses of secondary vocational education, technical college programs and courses, community college vocational programs and courses, private career school and college programs and courses, employer-sponsored training, adult basic education programs and courses, programs and courses funded by the federal workforce innovation and opportunity act, programs and courses funded by the federal vocational act, programs and courses funded under the federal adult education act, publicly funded programs and courses for adult literacy education, and apprenticeships, and programs and courses offered by private and public nonprofit organizations that are representative of communities or significant segments of communities and provide job training or adult literacy services.

“Workforce Development” means the composite of strategies and services, including career connected learning, K-12 education, worker and employer training and job matching that help connect and retain workers to careers within the Port and port-related economic activities, and that help ensure area businesses have access to the skilled workforce they need to thrive and grow. RCW 53.08.245(1) provides that “[i]t shall be in the public purpose for all port districts to engage in economic development programs.” RCW 53.08.245(2)(a) provides that such economic development programs may include “[o]ccupational job training and placement, job advancement and job retention, preapprenticeship training, or occupational education programs associated with port tenants, customers, and local economic development related to port tenants or port-related economic activities that are sponsored by a port and operated by a nonprofit, private, or public entity.”

“Wrap-Around Services” means those services and support systems including but not limited to, public transportation assistance, work related clothing, tools, work related food assistance, child-care and monetary compensation as they relate to work-needs, and as allowable by law, regulations and funding sources, that promote access and stronger alignment of workforce, education, vocational rehabilitation, and other human services systems.

SECTION 3. Scope and Applicability.

This policy directive, in alignment with WA RCW 53.08.245, applies to all activities of the Port of Seattle’s employees and related business units that support economic development programs, hereafter referred to as “workforce development programs.”

SECTION 4. Responsibilities.

The Executive Director shall engage in the following activities in pursuit of this policy directive, either directly or by appropriate delegation of authority:

- A. Develop and implement economic and workforce development programs consistent with this policy directive.
- B. Incorporate current Port policies when developing and implementing workforce development efforts, including the Port's Century Agenda, the Diversity in Contracting Policy Directive, the Priority Hire Policy Directive, the Duwamish Valley Community Benefits Commitment Policy Directive, the South King County Fund, the Opportunities Motion, and other relevant Port directives and policies.
- C. Develop a three-year workforce development strategic plan to implement this policy and guide equitable, diverse, and inclusive economic development programs across King County and the region. The strategic plan will include the following elements:
 - 1. An overview of workforce development best practices in port-related industries including: education, job placement assistance, training, coaching, navigation assistance, and skills needs of workers to acquire and retain jobs and advance in their careers;
 - 2. A strategic overview of port-related industries for career connected learning opportunities, workforce education and training system gaps, and possible areas of focus for the Port with an emphasis on equitable impact;
 - 3. Identification of current and future labor and skills needs of the Port and port-related industry employers;
 - 4. Identification of gaps in port-related industry workforce education and training system offerings with recommendations;
 - 5. Identification of additional funding sources and partnership opportunities to support port-related industries;
 - 6. Identification of disproportionately impacted communities who are also at high risk of displacement will be prioritized in the workforce development strategy;
 - 7. Identification of opportunities for the Port to promote an inclusive green economy through innovative workforce training and career pathways that further advance opportunities for port-related economic activities to advance the region's sustainability and climate change resilience.

8. Identification of all port resources needed to carry out the strategic plan.

SECTION 5. Policy.

Port-related workforce development provides a substantial public benefit consistent with the Port of Seattle Commission's economic development goals and is consistent with ongoing worker training initiatives in place. To center equity, diversity and inclusion in its workforce development efforts and to support sustainable and competitive port-related industries, the Port shall pursue the following goals:

- A. Goal 1: Increase Equitable Access to Economic Prosperity. Increase equitable workforce access for the trades in port-related economic activities, with an emphasis on expanding opportunities to near-port communities which are most disproportionately impacted. Port staff will develop program priorities, actions, benchmarks, and metrics for success.
 1. Focus on workforce training and education on Port and port-related economic activities where the greatest gaps and disparity rankings exist and;
 2. Promote access to wrap around services and infrastructure that are necessary to improve the delivery of services to individuals, including adults and youth who face barriers to employment and job retention, where such services are allowed by law.
 3. Career Pathways
 - (i.) Increase equitable access to port related industry specific career pathways and port-related economic activities;
 - (ii.) Support the development of equitable port related industry specific career pathways with an emphasis on progressively high demand careers and in careers which the Port of Seattle's economic vitality is dependent upon.
 4. Career Connected Learning: Adopt Career Connected Learning best practices into Port workforce development, internships, and fellowship programs for all four (4) of the commonly identified phases, with a special emphasis on support for opportunity youth:
 - (i) Awareness: provides youth an introductory level exposure to industries and job skills in port-related economic sectors.
 - (ii) Experiential: provides youth a focused level of direct exposure to learning in industries and port-related economic sectors.
 - (iii) Preparation: provides youth with supervised, practical application of skills and knowledge through extended direct interactions with industry and sector professionals in Port-related economic sectors.

- (iv) Launch: provides workforce-ready youth the preparation needed for employment in a specific range of occupations within the Port and in Port-related economic activities.
- B. Goal 2: Leverage Port Impact and Innovation. Identify and prioritize opportunities for leadership and influence to promote a sector-based approach to workforce development centered on equity, diversity and inclusion.
1. Make strategic investments in the maritime, aviation, construction trades, green careers, and other port-related economic activities where the Port is uniquely positioned to leverage the greatest community impact.
 - (i.) Develop metrics to demonstrate the opportunities for leadership, influence and investment.
 - (ii.) Create targeted emphasis to increase workforce development programs in near-port communities.
 - (iii.) Leverage industry participation to increase recruitment and retention of workers in port-related demand occupations and high need careers.
 - (iv.) Create awareness and access to education and career pathways in port related industries.
 - (v.) Leverage port-related industry investment in programs that support training for basic skills and career advancement.
 - (vi.) Invest Port funds in recruitment, retention, and training programs that will leverage increased investment in port-related careers.
 2. 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:
 - (i) Support Priority Hire and ongoing government to government coordination to improve apprenticeship outcomes for individuals living in economically distressed zip codes, women and people of color.
 - (ii) Career and Technical Education, CTE
 - a. Coordinate with school districts and other degree-granting institutions to ensure Port fellows and interns are eligible for CTE credit when available.

- b. Create opportunities to support port and port-related industry apprentice and pre-apprentice programs.
 - c. Improve access to educational and career support resources, such as job training centers, that facilitates workers' physical access to workforce development opportunities for disproportionately impacted near-port communities.
- (iii) Youth Employment
 - a. Facilitate the expansion of the Port of Seattle Internship Program, such as by increasing the number of high school and college interns placed in Port of Seattle internships, supporting port-related internship programs or exploring other strategies to support port-related career-connected learning.
 - b. Support the placement of opportunity youth 16-24 years old in high-quality, compensated fellowship, internship, and job opportunities at the Port and with partner organizations to support port-related career-connected learning.

SECTION 6. Program Evaluation.

The Executive Director, or a delegate, shall establish benchmarks and metrics to include, but not limited to the following:

- A. Provide an annual report to the Commission no later than April 30th.
 - 1. The application of Career Connected Learning best practices in Awareness, Experiential, Preparation, and Launch.
 - 2. Evaluation of the Port's workforce investments on an annual basis, using disaggregated data. Report will show how the Port's workforce development resources are utilized to leverage industry involvement to address evolving workforce training, education and retention demand projections as necessary and to ensure equity, actions outlined in the policy directive shall strive to address the concerns of community members disproportionately impacted.
 - 3. Identification of investments, outcomes and progress of the Port's workforce development efforts including, but not limited to:
 - (i) The number youth placed in internships and jobs;
 - (ii) The number of persons trained, recruited, placed in jobs, and retained;

- (iii) The types of internships and jobs and range of compensation;
- (iv) The number and types of businesses that are served;
- (v) Any other tangible benefits realized by the port, the workers, businesses, and the public.
- (vi) List the partnerships identified under Section 5(b)(2).

Workforce Development

2021 Annual Report to Commission
May 24, 2022

Agenda

- Guiding Principles
- 2021 Results of Investments (ROI)
- 2021 Impact, Influence and Leverage
- 2022 Programs Priorities
- The Future of Workforce Development



The Port's Role

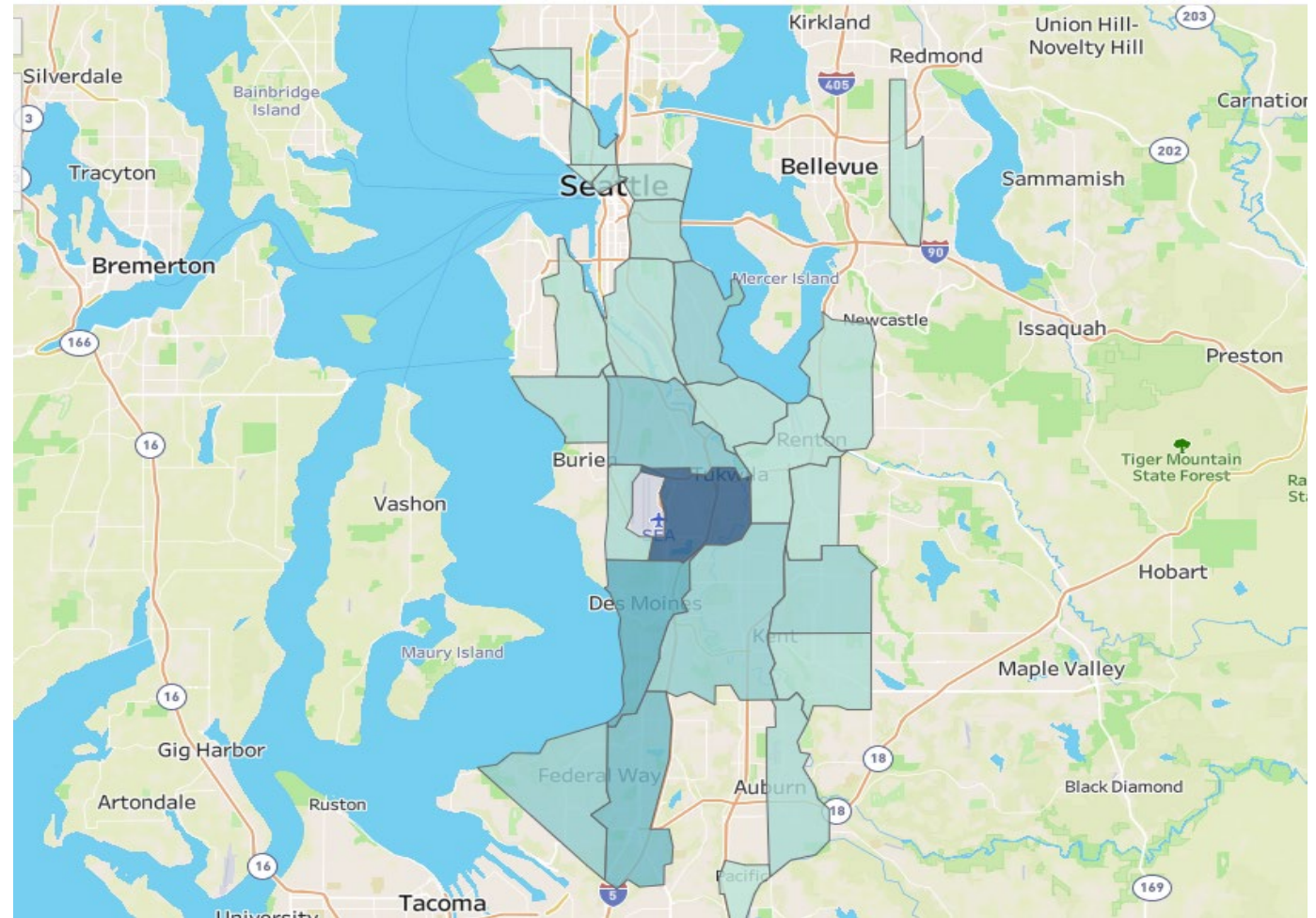
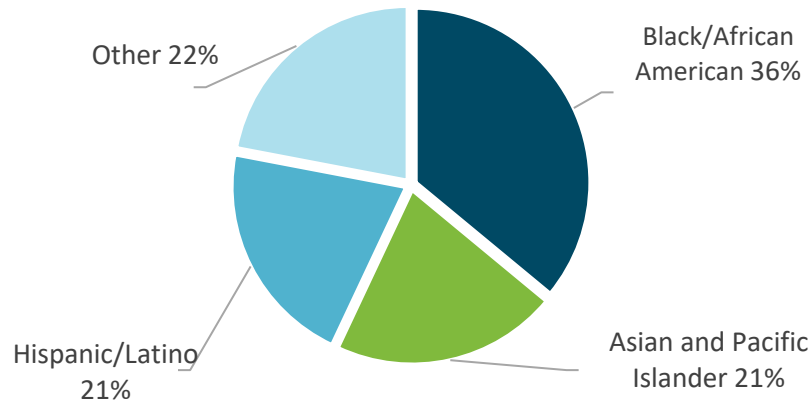
- **Century Agenda**
 - Advance regional workforce development in port-related industries to provide equitable access to quality careers
- **Regional Demographics**
 - More women and diverse communities participating in the labor force
- **Workforce Development Resolution 3776**
 - Workforce development is critical to achieving the Port's mission
- **RCW 53.08.245(2)(c)**
 - Washington State Legislature legal authority



Communities Served in 2021

- **Job and Apprenticeship Placements**

- ✓ 55% from Economically-Distressed Zip Codes in King County
- ✓ Most from South King County



2021 Results of Investments (ROI)

- **Impact of Investments**

- ✓ \$3.7 million workforce development funds invested in port sectors
 - 1,312 job placements (aviation and construction)
 - 259 training completions
 - 37 youth participated in maritime experiential learning
 - \$1.7 million invested in 2021 in the Opportunity Youth Initiative supported 291 youth who earned \$16-\$20 hourly
- ✓ **Job Types**
 - Janitorial, food service, ramp/airfield, customer service, airfreight
 - Apprentice ironworkers, laborers, pipefitters, bricklayers, cement masons
- ✓ **Average Wages Earned**
 - Aviation \$17.02, Construction \$25.61



2021 Results of Investments (ROI) cont'd

- **Influence**

- ✓ Regional Public Owners (City of Seattle, King County, Sound Transit, WA Department of Transportation)
- ✓ South Seattle College
- ✓ Youth Maritime Collaborative
- ✓ Maritime High School

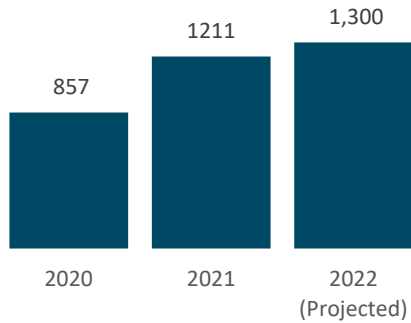
- **Leverage**

- ✓ Over \$1.5 million leveraged from Port Jobs partners including; King County, City of Seattle, Sound Transit, and Youth Maritime Collaborative partners



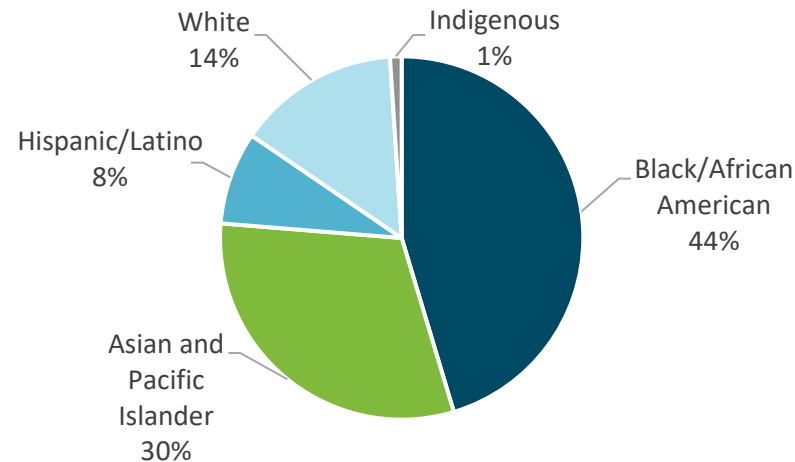
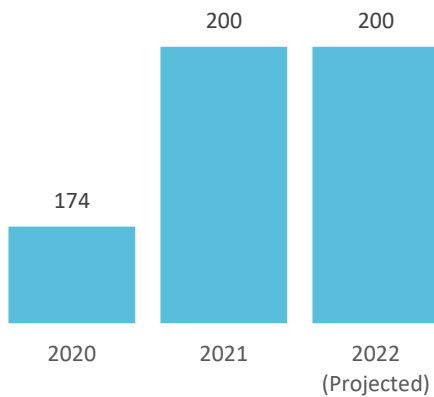
2021 Results - Aviation Sector

Job placements



- **80 SEA Airport employers supported by Port Jobs**
 - ✓ 1211 job placements through the SEA employment center managed by Port Jobs
- **Types of businesses served**
 - ✓ Airport concessionaires, ground handlers, airlines, other airport tenants
- **COVID-19 impact and response**
 - ✓ Provided in-person and virtual services
 - ✓ Services: health insurance, unemployment, food and energy assistance

Training completions



2021 Results - Aviation Sector

- **Aviation Career Pathways (Aviation Maintenance Technician)**

- ✓ These training programs support in-demand careers
- ✓ 40 students enrolled, 29 completions (salary over \$80K)
- ✓ Participant demographics: 90% people of color, 25% women



- **Fair Work Center (Labor Rights Education)**

- ✓ 3,700 workers reached, 310 activities, 41 training sessions

- **2022 Priorities**

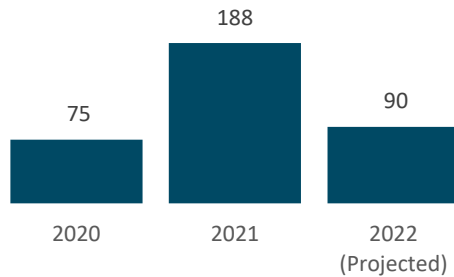
- ✓ Expand services provided by the Airport University program, as allowed under the new contract
- ✓ Fourth cohort for the airport maintenance technician program
- ✓ Implement a second aviation career pathway in air cargo logistics
- ✓ Continued support for immigrant and refugees to obtain employment in port sectors



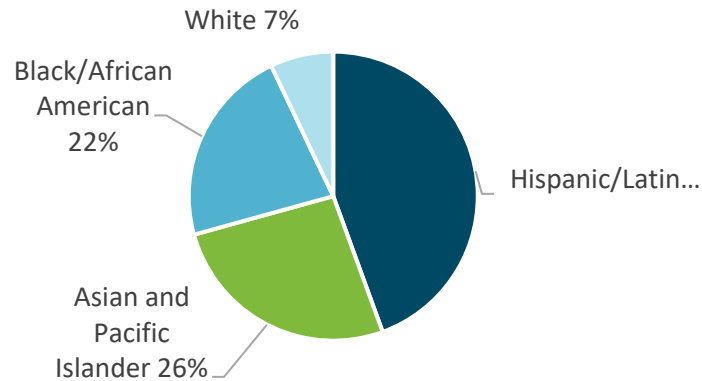
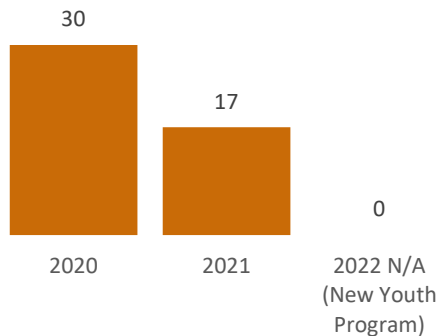
[upbeat music]

2021 Results - Maritime Sector

Students Participating in Events



Internship Placements



Businesses Participating in External Youth Internships

- ✓ Boat repair shops, cargo ship operator, marine terminal operator, marine science and engineering firms

Maritime High School's Inaugural Cohort

- ✓ 37 students enrolled 2021-22 school year
- ✓ 100 students projected for the 2022-23 school year

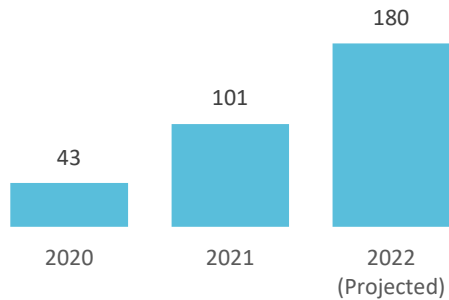
2022 Priorities

- ✓ \$4.1 Million Youth Maritime Career Launch
- ✓ Career-Connected Learning Training for Educators
- ✓ Maritime Industry Table Coordinated by WDC
- ✓ \$250K support for Maritime High School

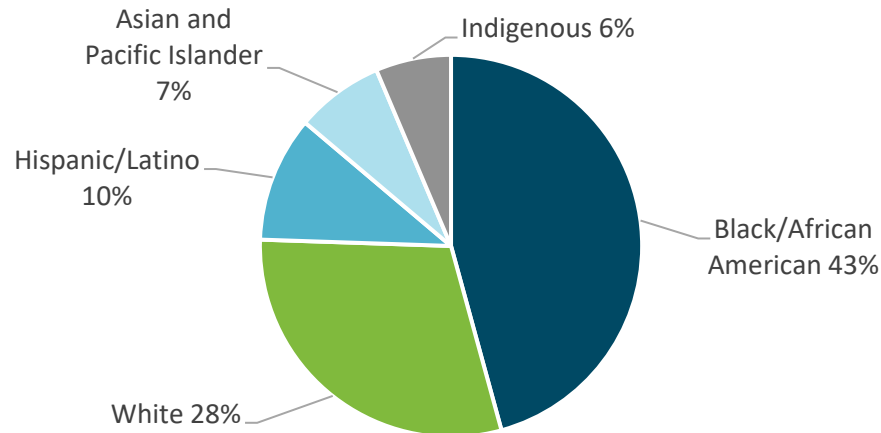
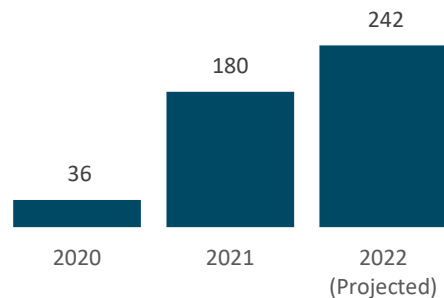
[slow music]

2021 Construction Sector Training & Retention

Job Placements



Training Completions



Participants Place of Residency

- ✓ 58% lived in Priority Hire ZIP codes

Support and COVID-19 response

- ✓ Online outreach, info-sessions, classes
- ✓ Increased focus on retention of apprentices
- ✓ Provided wraparound supports

2022 Priorities

- ✓ Remain engaged on equity issues in construction
- ✓ Fund \$700K in construction training programs
- ✓ Assess impact of concrete strike on new apprentices
- ✓ Support apprenticeship and priority hire programs
- ✓ Recommended language in SB-5600 for increased pre-apprenticeship funding

Pre-Apprenticeship, Priority Hire & Apprentices

- **Internal Support**

- ✓ Expand short-term apprenticeship opportunities at the airport in Port maintenance teams (aviation maintenance, marine maintenance, and Port Construction Services)
- ✓ Continued support for the Port's Apprenticeship Utilization and Priority Hire programs



- **External Collaboration**

- ✓ Partnership with City of Seattle, Sound Transit and King County in a \$1.5 million pre-apprenticeship outreach and retention program



[inspiring music]

2021 Green Careers Strategies

- **2021 Work**
 - ✓ Supported Port's Duwamish Valley community engagement program
 - ✓ Invested \$757K in Green Career experiences through the Opportunity Youth Initiative, 81 students benefitted
- **2022 Priorities**
 - ✓ Conducting a green careers labor market analysis
 - ✓ Exploring partnerships with City of Seattle and King County
 - ✓ Developing a strategy for one or two career pathways programs in 2023



Future of Workforce Development

- **Promoting the Port's Priorities**
 - ✓ Continued investments in port sectors through competitive service contracts and paid workgroups, as allowed
 - ✓ Propose multi-year funding authorization from the commission to support the work, including staffing resources
 - ✓ Develop a regional model for maritime youth career launch programs
 - ✓ Develop and implement a green jobs initiative
 - ✓ Evaluate new sectors in the future (i.e., transportation, manufacturing, etc.)
 - ✓ Continued support for a regional workforce development systems approach
 - ✓ Industry and community needs driven



WFD Partners and Stakeholders

Aviation

- Employers
- Port Jobs
- Highline School District
- Highline College
- South Seattle College
- Museum of Flight
- and more...

Construction

- AGC
- Contractors
- City of Seattle
- King County
- Sound Transit
- WSDOT
- ANEW
- Urban League
- Apprenticeship Coordinators
- and more...

Maritime

- Employers
- Youth Maritime Collaborative
- Highline School District
- Maritime High School
- Seattle Public Schools Skills Center
- Seattle Goodwill
- Labor
- and more...

Green Careers

- Duwamish Valley
- and more...

Others

- Workforce Development Council Seattle/King County

Port Leaders

- Port divisions, Commission, HR, External Relations, other teams

Questions?



[RETURN TO AGENDA](#)

COMMISSION
AGENDA MEMORANDUM

Item No. 11b

BRIEFING ITEM

Date of Meeting May 24, 2022

DATE: May 17, 2022

TO: Stephen P. Metruck, Executive Director

FROM: Janice Zahn, Assistant Director of Engineering, Construction Services
Sheri Cook, Manager, Construction Labor Group
Samuel Pierce, Apprenticeship and Priority Hire Manager

SUBJECT: 2021 Apprenticeship and Priority Hire Annual Report

EXECUTIVE SUMMARY

The Port's Priority Hire and Construction Apprenticeship programs have been established to improve access to quality, family-wage careers in construction. Targeting access to opportunities will lead to sustainable economic growth and job creation in economically distressed areas and underserved communities that are experiencing economic distress and disparities.

The Port of Seattle is committed to equity and removing disparities in the construction workforce, so underrepresented workers have opportunities to be hired and establish a career in the construction trades.

The Apprenticeship and Priority Hire Annual Report to the Commission will provide the Port's 2021 results for both programs administered on our major works projects. The overall goals established for apprenticeship and priority hire utilization for 2021 have been met, although several individual projects did not meet all of their project-specific goals.

BACKGROUND AND GOALS

In October 2016, Port Commission Resolution No. 3725 recognized that effective and economical execution of the Port's capital program depended on a healthy and diverse market of general contractor, sub- contractors, and suppliers, and on the availability of a skilled, experienced, and capable construction labor workforce. To meet labor supply needs and to ensure equality of opportunity, the Port recognized the construction labor workforce must include participation by women, workers of color and those living in economically distressed neighborhoods. To help create economic prosperity across the region, the Port recognized jobs generated by Port activity are quality jobs on which workers can build their careers and support their families. Apprenticeship and pre-apprenticeship programs, as well as Priority Hire programs, play a key role both in providing fair access for individuals aspiring to have family wage construction jobs and in supplying enough trained and capable workers to meet construction needs of the Port and other public and private owners.

Meeting Date: May 24, 2022

Resolution No. 3725 requires the establishment of apprenticeship goals, and aspirational women and workers of color apprentice hiring goals. There are apprenticeship requirements on Port of Seattle major construction and tenant-reimbursement contracts of \$1 million in value or greater, and goals for prioritizing local workers living in economically disadvantaged neighborhoods.

Resolution No. 3736 establishes a Priority Hire policy that ensures better access to training programs and family wage construction jobs for local workers from economically distressed areas, with a focus on increasing the diversity of the workforce on Port construction projects.

CONSTRUCTION APPRENTICESHIP PROGRAM

The Port of Seattle was the first to adopt apprenticeship utilization goals over three decades ago and is committed to achieving its apprenticeship hiring goals set in Port policy and addressing the disproportionately low involvement by people of color and women in the construction labor force.

Apprentice utilization goals for non-Project Labor Agreement (PLA) major works construction projects are set at 15% and includes a goal of 10% of apprenticeship hours for women and 15% for people of color. In 2018, the Construction Labor Group negotiated new goals for projects with a Project Labor Agreement to increase percentages for people of color and women. The apprentice utilization goals for PLA projects are now set at 15% per craft, which includes a goal of 12% of apprenticeship hours for women and 21% for people of color. These new goals are in alignment with the other Regional Public Agencies.

2021 Apprenticeship Performance Summary

In 2021, there were 18 contracts that included a Project Labor Agreement and 22 non-PLA contracts with Apprenticeship utilization goals.

Overall apprentice utilization on the 40 projects with Apprenticeship goals in 2021 was 21.8% overall based on project duration.

- 9 of 40 projects are meeting their overall apprenticeship goals

Apprenticeship utilization for people of color was 32.4% overall based on project duration.

- 22 of 40 projects are meeting their inclusion goal for people of color apprentices

Apprenticeship utilization for women was 9.9% overall based on project duration.

- 13 of 40 projects are meeting their inclusion goal for women apprentices

Our efforts have resulted in increased participation by women on our Port projects with performance close to our established goals and rising participation in each of the last 4 years. Overall utilization and the utilization for people of color have consistently exceeded the goals we have set when evaluated at a program level.

Meeting Date: May 24, 2022

PRIORITY HIRE PROGRAM

The Port of Seattle supports the City of Seattle and King County findings that King County has geographic areas of economic distress as evidenced by poverty indicators. The Port of Seattle seeks to act effectively and expeditiously to encourage solutions toward economic growth and job creation in areas of the County that are economically distressed as evidenced by comparatively high levels of poverty, unemployment rates and education attainment. The Priority Hire program enhances community partnerships focused on inclusion and access to opportunities and services; expands opportunities for disadvantaged populations to advance equity and social justice; and ensures that Port construction projects are planned and implemented in a way that improves equity in local communities.

The Priority Hire program requires contractors to hire workers from economically distressed areas of King County. Priority Hire ZIP codes are defined by King County as having a high concentration of residents based on these three criteria:

- People living 200% below the Federal poverty level
- Unemployment rate
- People without a college degree

King County ZIP codes with a high density per acre of the three criteria are identified as Economically Distressed Areas (EDA) and included on the Priority Hire ZIP code list published by King County's Finance and Business Operations Division.

The goal for Priority Hire utilization is 20% annually and is administered only through a Project Labor Agreement. 2021 was the first full year we applied a Priority Hire program to new Project Labor Agreements.

2021 Priority Hire Performance Summary

Overall priority worker utilization on the 8 projects with Priority Hire goals in 2021 was 25.3% overall.

- 5 of 8 projects met their overall Priority Hire goal

Inclusion goals for apprentices, journey workers, women, or people of color have not been established, but tracking of performance in these areas is ongoing to better understand performance of these programs.

Priority Worker utilization for Apprentices was 21.8% of total Priority Hire hours in 2021.

Priority Worker utilization for Journey Workers was 78.2% of total Priority Hire hours in 2021.

Priority Worker utilization for people of color was 41% of total Priority Hire hours in 2021.

Meeting Date: May 24, 2022

Priority Worker utilization for women was 3.3% of total Priority Hire hours in 2021.

LOOKING FORWARD

In addition to the established program and project goals, we are also considering other goals or adjustments to strengthen the Apprenticeship and Priority Hire programs.

Hearing from our community along with industry partners (labor and contractors) is critical to our programs. We collaborate closely with other public agencies, like the City of Seattle and King County, to ensure our programs are as successful as possible. This includes attending the King County and City of Seattle Priority Hire Advisory Committee. As we learn from these peer agencies, this will inform the Port's exploration of a joint Regional Priority Hire Advisory Committee.

The development of enhanced data analytics and dashboards is another way we have been learning about the program and the participants. We can use these tools to evaluate the programs and inform our decisions such as adding subgoals for women and workers of color for the Priority Hire program or increasing our overall goals.

While we have a mature Apprenticeship program, our Priority Hire program is still largely in its infancy. We are excited to grow our community impact, and make sure our most underserved communities have access and opportunity to these living wage construction jobs and careers.

ATTACHMENTS TO THIS BRIEFING

- (1) Presentation

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

- 2020 Apprenticeship and Priority Hire EWFD Committee Briefing – July 2021
- 2020 Apprenticeship and Priority Hire Annual Report - July 2021
- 2021 Apprenticeship and Priority Hire EWFD Committee Briefing – April 2022



Agenda Item No. 11b_supp
Meeting Date: May 24, 2022

Apprenticeship, Priority Hire and Community Impact

Annual Report to Commission
May 24, 2022

Agenda

Overview

Apprenticeship Program

Priority Hire Program

Looking forward

Questions

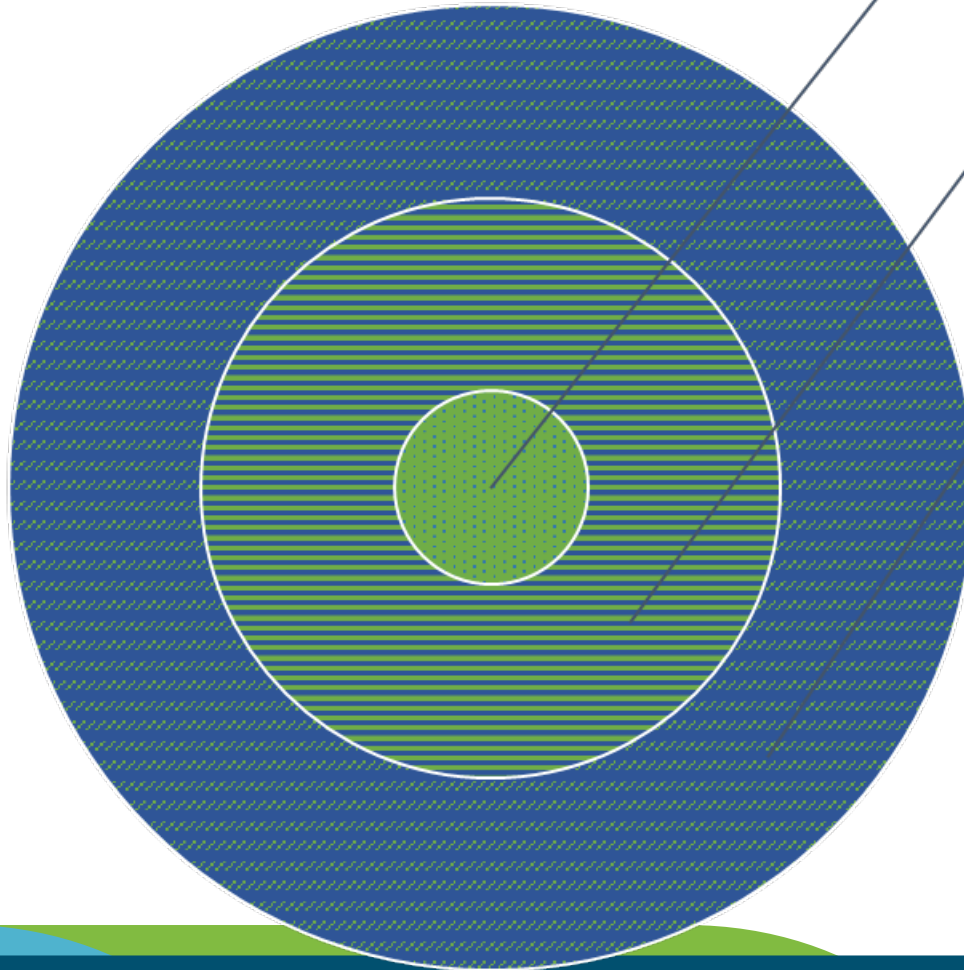
The Apprenticeship and Priority Hire programs are in place to improve access to quality, family-wage careers in construction.

Program requirements are included in:

- Resolution 3725 adopted in 2016
- Resolution 3736 adopted in 2017
- Resolution 3746 adopted in 2018 (amendment)



2021 Projects in Construction



**Priority Hire Projects
in 2021 = 8**

only within a PLA project

**PLA Projects
in 2021 = 18**

construction contracts > \$5mil

**Apprenticeship Projects
in 2021 = 40**

construction contracts > \$1mil
including 22 non-PLA projects

PLA = Project Labor Agreement

Over \$348M of construction payout to contractors and nearly \$55M paid in worker wages and benefits

Through 2021 (Life of Contract):



3,000+ apprentices worked over **1.1M+ hours** on the Port's 40 active construction projects.



900+ apprentices of color contributed **32% of apprentice hours** on active projects. That's **365K+ hours worked**.



275 women apprentices worked nearly **10% of apprentice hours**. That's **110k+ hours worked**.

In 2021



99 Priority Hire workers earned nearly **\$770K in wages and benefits** on the Port's Priority Hire projects.



592 Apprentices earned **\$9.3M+ in wages and benefits** on the Port's construction projects.



\$348M of construction payout to contractors and nearly **\$55M paid in construction worker wages and benefits**

Apprenticeship Program

Apprenticeship Program

The overall goal is for 15% of all labor hours during the construction phase of each project to be performed by Apprentices over the duration of the project.

Aspirational goals for women and people of color (POC) have also been established:

Project Type	Overall	Women	People of Color	Preferred Entry+
PLA Projects	15%*	10% / 12%	15% / 21%	1 in 5
Non-PLA Projects	15%	10%	15%	N/A

**tracked per craft for PLA projects*

+ Preferred Entry = hiring an apprentice that graduated from a pre-apprenticeship program

2021 Apprenticeship Utilization

40 projects with Apprenticeship Goals	592 Apprentices		231K+ Apprentice Hours
	22.0% Overall Utilization		
	12.3% Women	32.1% POC	\$9.3M+ Wages and Benefits
22.5% Meeting Overall Goals (9 projects)	32.5% Meeting Women Apprenticeship Goals (13 projects)		55.0% Meeting People of Color Apprenticeship Goals (22 projects)

Apprenticeship Utilization (Project Duration)

21.5% Overall Apprenticeship Utilization

- **9.9% Women Apprentices**
- **32.4% People of Color Apprentices**

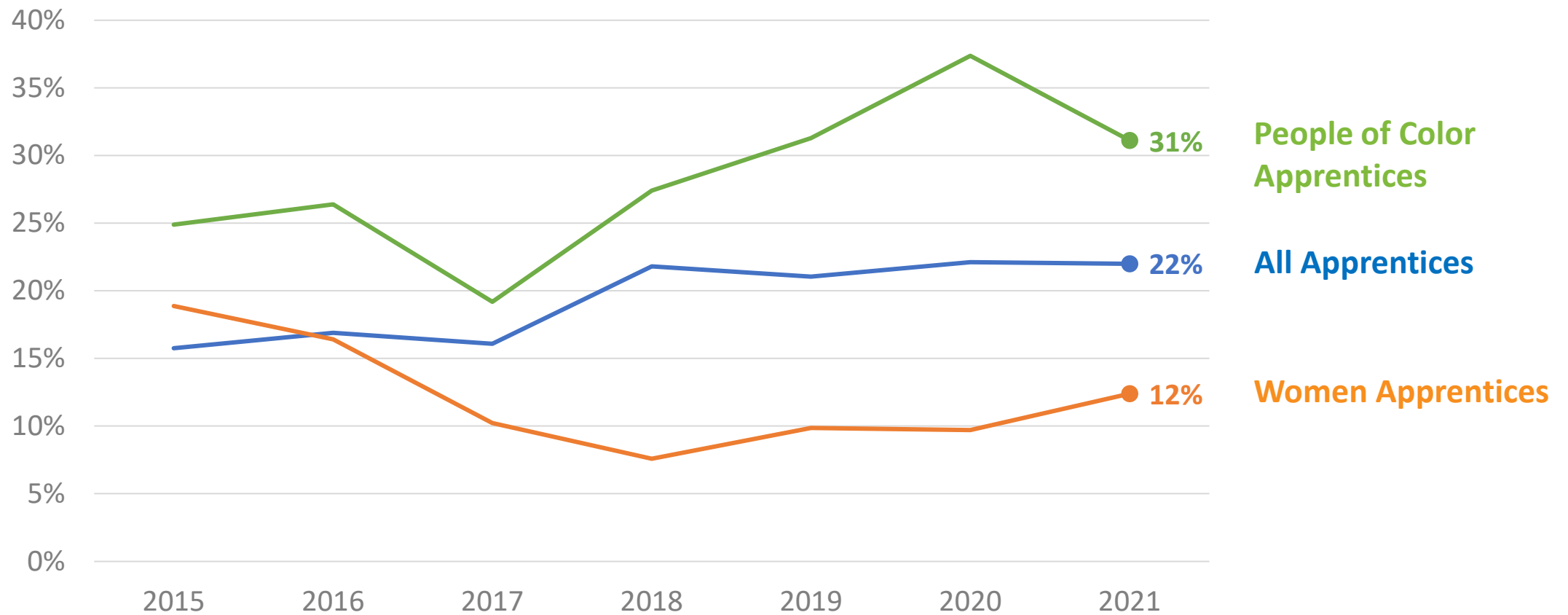
PLA Projects:

- 21.8% Apprenticeship Utilization
 - 9.9% Women Apprentices
 - 32.7% People of Color Apprentices

Non-PLA Projects:

- 13.2% Apprenticeship Utilization
 - 12.4% Women Apprentices
 - 22.0% People of Color Apprentices

²⁴³ Apprenticeship Program Performance by Year



In 2021 there were nearly 600 apprentices across 50 different crafts

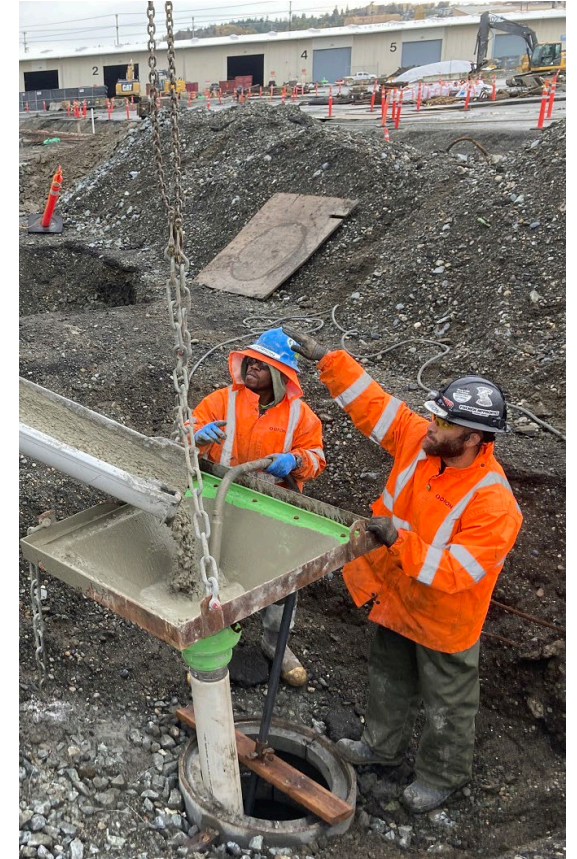
Crafts with . . .

15 or more apprentices

- Cement masons
- Drywall applicators
- Electronic & telecommunications technicians
- Elevator constructors
- Ironworkers
- Millwrights
- Piledrivers
- Plumbers & pipefitters
- Power equipment operators
- Roofers
- Sheet metal workers
- Traffic control stripers

50 or more apprentices:

- Carpenters
- Electricians - inside
- Laborers



Priority Hire Program

Priority Hire Program

The Priority Hire program requires contractors to hire workers from economically disadvantaged areas (EDAs) as defined by King County

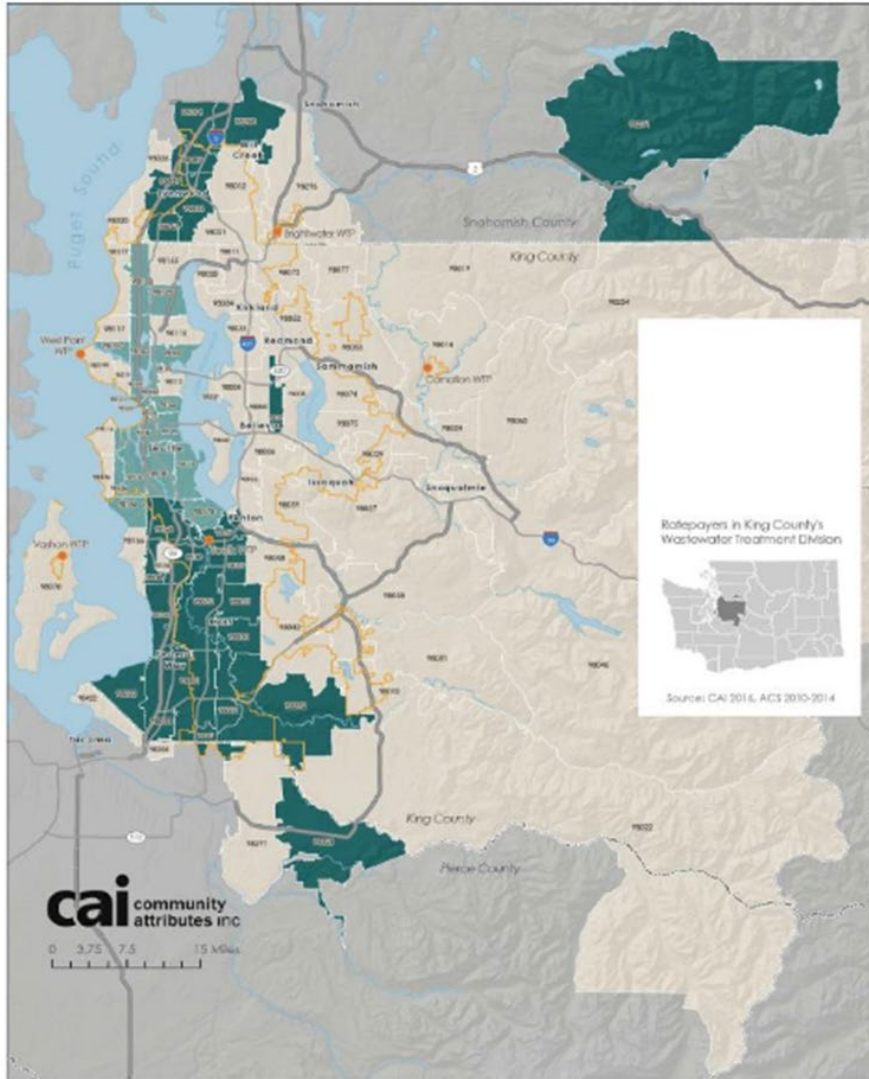
Priority ZIP Codes have a high concentration of people that meet these 3 criteria:

- People living under 200% below the Federal poverty level
- Unemployment rate
- People without a college degree

There is an Overall Goal of 20% of hours to be performed by Priority Hire Workers on each project annually.

PRIORITY ZIP CODES BY MAP

King, Pierce, and Snohomish Counties



King County PRIORITY HIRE ZIP CODES

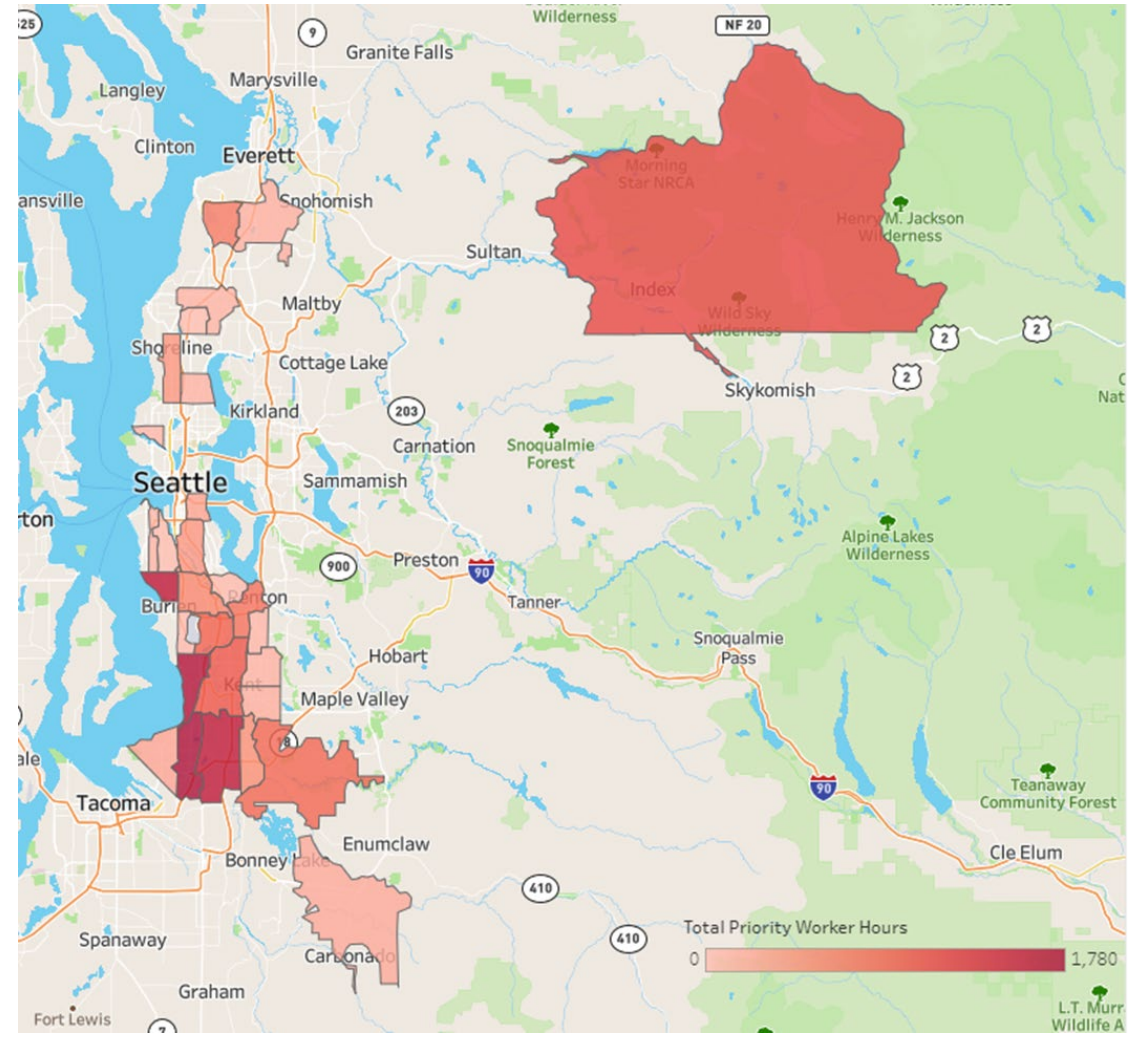
ZIP Code	Neighborhood or City
98001	Auburn
98002	Auburn
98003	Federal Way
98007	Bellevue
98023	Federal Way
98030	Kent
98031	Kent
98032	Kent
98036	Lynnwood
98037	Lynnwood
98043	Mountlake Terrace
98047	Pacific
98055	Renton
98057	Renton
98087	Lynnwood
98092	Auburn
98101	Downtown
98102	Capitol Hill/Eastlake
98103	Green Lake
98104	Downtown/ID
98105	Laurelhurst/ University District
98106	Delridge

ZIP Code	Neighborhood or City
98107	Ballard
98108	S. Beacon Hill/South Park
98109	Queen Anne
98118	Rainier Valley/Rainier Beach
98121	Belltown
98122	Central District
98125	Lake City
98126	Delridge
98133	Bitter Lake
98134	Industrial District
98144	Mount Baker
98146	White Center
98148	Burien
98168	SeaTac/Tukwila
98178	Rainier Beach
98188	SeaTac/Tukwila
98198	Des Moines
98204	Everett
98208	Everett
98251	Gold Bar
98321	Buckley

2021 Priority Hire Utilization

8 projects with Priority Hire Goals	99 Priority Workers		79 King County Workers	
	75 Journey Workers	24 Apprentices	20 Non-King County Workers	
15.4K Priority Hire Hours	\$751K Wages and Benefits		25.31% Overall Utilization	
62.5% Meeting Overall Goals (5 projects)			3.33% Women	41% POC

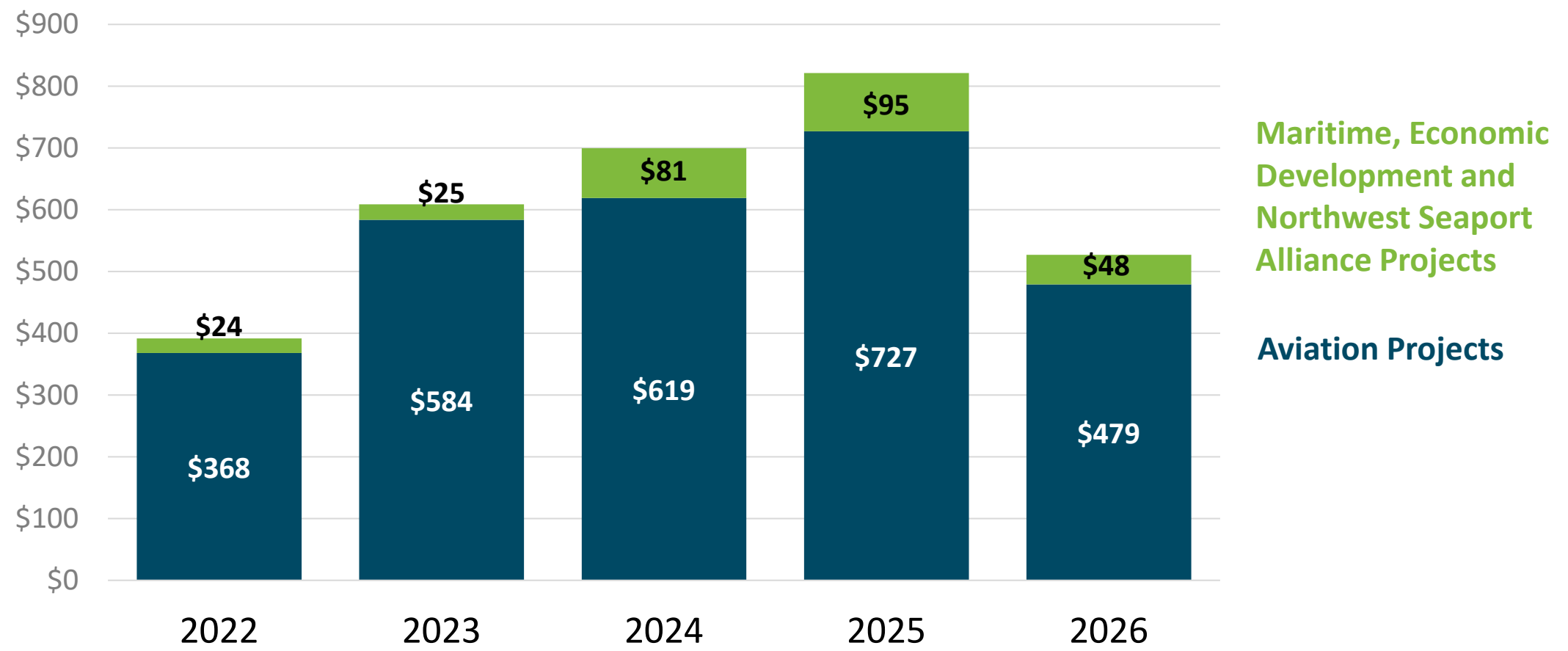
Project	Goal	Utilization
Air Cargo Rd / S 170th St Improvements	20%	11.30%
Arc Flash Mitigation	20%	23.44%
Concourse C New Power Center	20%	40.58%
GSE Electric Charge Stations - Part 2B	20%	48.81%
Parking Garage Elevator Modernization	20%	30.83%
Parking Revenue Infrastructure	20%	30.00%
Pier 91 Berths J, K, L and M Fender System Replacement	20%	19.33%
Remote Aircraft Deicing	20%	In closeout
Overall 2021 Utilization		25.31%



Looking forward...

\$3+ billion in Portwide capital investments over the next five years

2022 – 2026 Port Construction Spend Forecast
(in millions)



Regional Public Owners Apprenticeship Utilization and Priority Hire Program

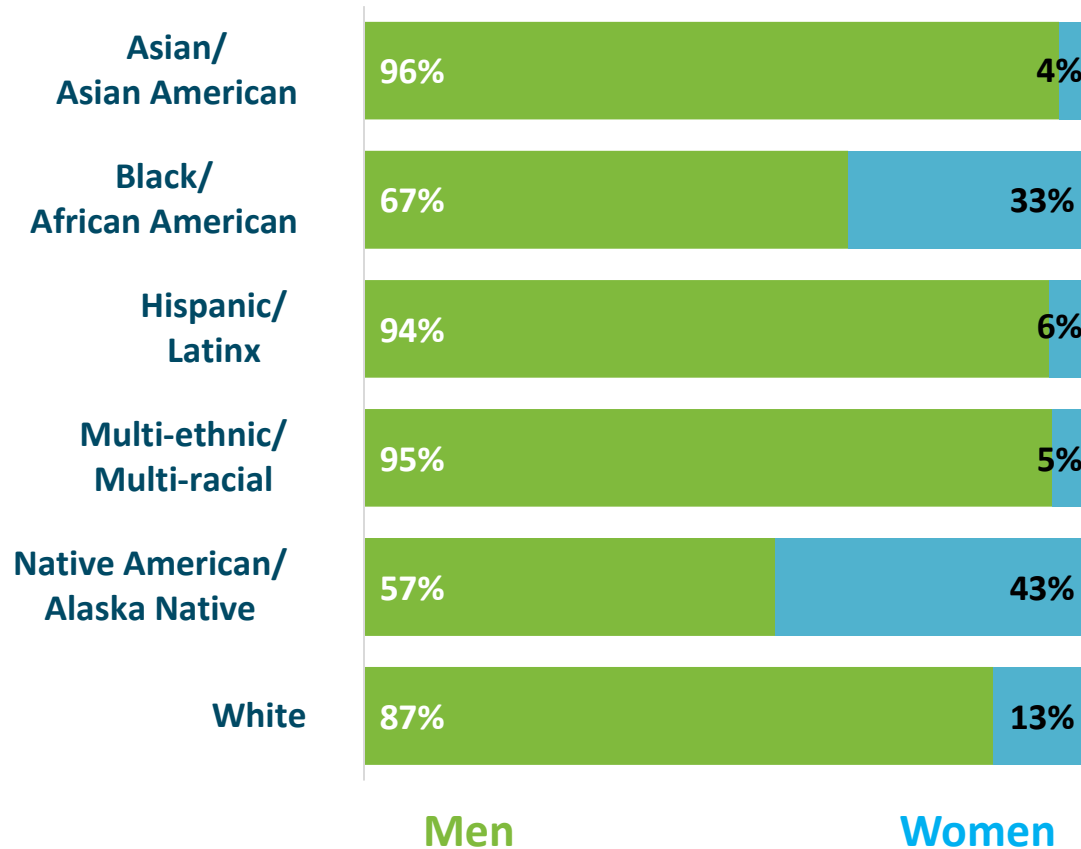
Regional Public Owner	Apprenticeship				Priority Hire			
	Goal	Overall	Women	POC	Goal	Overall	Women	POC
Port of Seattle (2021)	15%	22%	12%	32%	20%	25%	3%	41%
King County (2020)	9%	15%	14%	26%	23%	29%	8%	39%
City of Seattle (2020)	15-20%	19%	Not Available		29%	27%	11%	30%
Sound Transit (2020)	20%	20%	7%	31%	No Program			

Port of Seattle data is for 2021, other agency data is for 2020, as 2021 data is not yet available

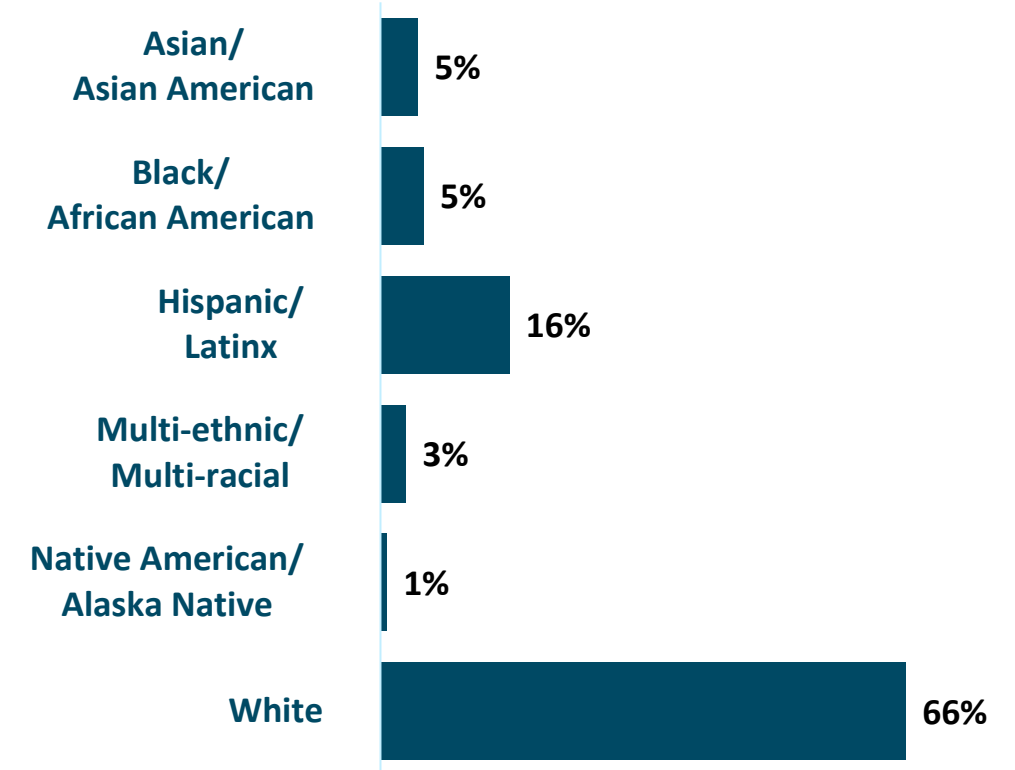
 = highest utilization level in each category

2021 Apprentice Utilization by Gender & Ethnicity

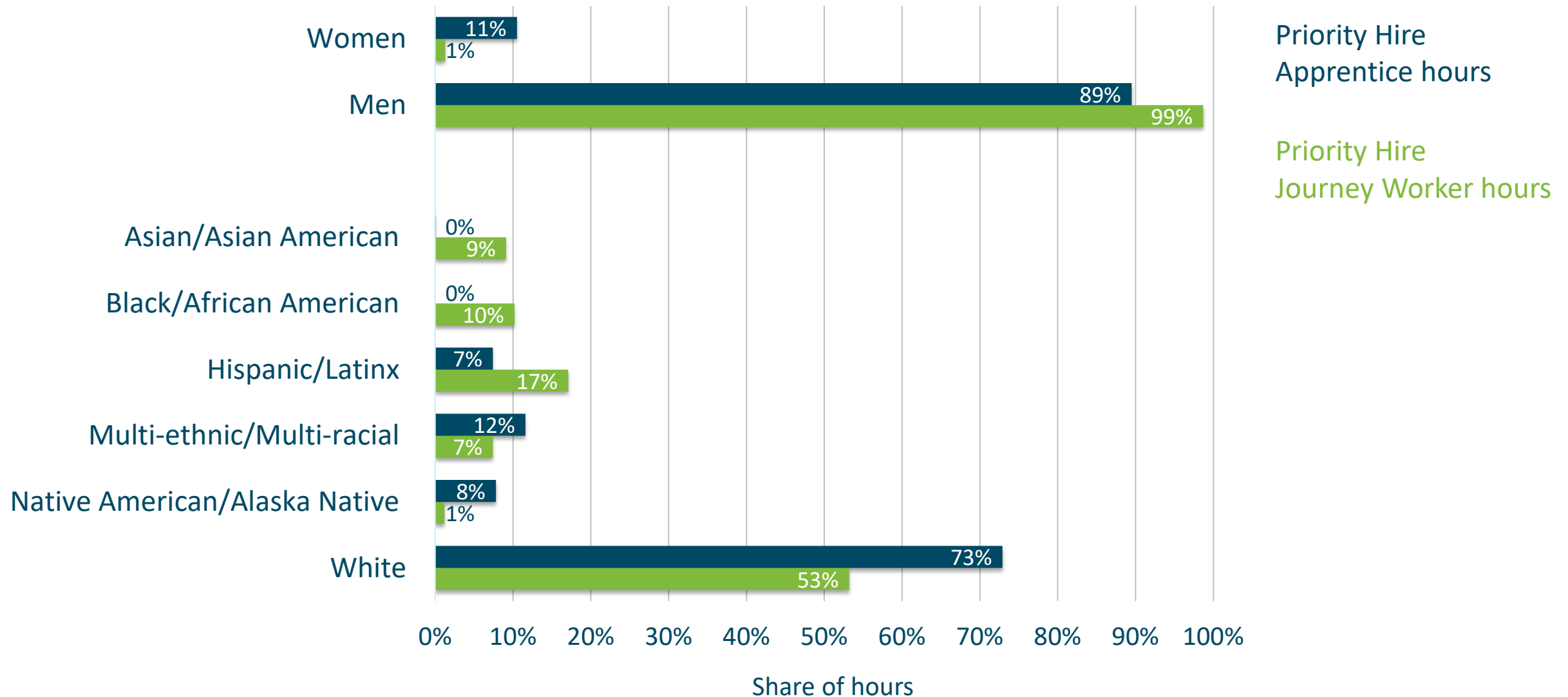
Apprentices by Gender



Apprentices by Ethnicity



2021 Priority Hire Utilization by Gender and Ethnicity



Apprenticeship and Priority Hire Programs – Looking Forward

- Program goals
 - Add new Priority Hire subgoals for women and workers of color
 - Increase Priority Hire overall goal from 20% to 35% by 2026
- Enhance data analytics/dashboard
- Priority Hire Advisory Committee
 - Continue attending the City of Seattle and King County advisory committees
 - Explore a joint Regional Priority Hire Advisory Committee

Questions?



[RETURN TO AGENDA](#)

COMMISSION
AGENDA MEMORANDUM

BRIEFING ITEM

Item No.

11c

Date of Meeting

May 24, 2022

DATE: May 6, 2022
TO: Stephen P. Metruck, Executive Director
FROM: Dan Thomas, Chief Financial Officer
 Michael Tong, Director, Corporate Budget
SUBJECT: Q1 2022 Financial Performance Briefing

EXECUTIVE SUMMARY

The purpose of this presentation is to provide a status report of the Q1 2022 financial performance results.

BACKGROUND

The Port's overall operating revenues for Q1 2022 were \$166.6 million, which is \$21.0 million above budget and \$53.7 million lower than the same period last year. Excluding Aeronautical revenues, which are based on cost recovery and revenue sharing formulas, other Airport Non-Aero revenues were \$50.9 million, \$20.0 million over budget mainly due to timing in applying the Concessionaire Relief Grant and \$24.0 million above last year mainly due to higher revenues from each line of businesses.

Non-Airport revenues were \$28.5 million, \$1.9 million above budget and \$3.8 million higher YoY mainly due to higher revenue from Conference & Event Centers and Recreational Boating, and more NWSA Distributable Revenue.

Total operating expenses for first quarter of 2022 were \$105.0 million, which is \$14.1 million below budget and \$10.1 million higher than 2021. The favorable budget variance was largely due to delay in Outside Services spending, vacant positions, Equipment Expense, and Travel & Other Employee Expenses.

Net operating income before depreciation was \$61.6 million, which is \$35.1 million above budget and \$43.6 million higher than 2021.

The presentation outline is as follows:

- (1) Portwide Operating Results
- (2) Aviation Division Operating Results
- (3) Maritime Division Operating Results

Meeting Date: May 24, 2022

- (4) Economic Development Division Operating Results
- (5) Central Services Operating Results

ATTACHMENTS TO THIS BRIEFING

- (1) Q1 2022 Financial and Performance Report
- (2) Presentation

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

None



Item No. 11c attach
Meeting Date: May 24, 2022

PORT OF SEATTLE

Q1 2022 FINANCIAL PERFORMANCE REPORT

AS OF MARCH 31, 2022

TABLE OF CONTENTS

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III. Maritime Division Report	19-23
IV. Economic Development Division Report	24-28
V. Central Services Division Report	29-33

I. PORTWIDE**EXECUTIVE SUMMARY**

The Port's first quarter results still reflect the effects of COVID-19 with lines of businesses showing different rates of recovery. Airport passenger volume continue to rebound and expected to be 7.6% lower than 2019. Federal relief funds allow the airport to extend relief to concession tenants and improve the financial outlook for the Aviation division.

The 2022 cruise schedule was announced in February with a record 295 scheduled sailings and an estimated 1.26 million revenue passengers. Grain volumes is up 6% year over year and is expected to exceed budget while Conference and Event Centers is experiencing a slower rate of recovery.

The Port continues to implement planned initiatives and programs to help communities hardest hit by the pandemic. This includes the launch of the second year of funding under the Environmental Grants Program. Eighteen organizations will receive grants to support projects related to urban forest restoration, park trails maintenance, youth environmental stewardship, community garden improvements, and installation of a public bicycle skills track.

PORTWIDE FINANCIAL SUMMARY

	2020 YTD	2021 YTD	2022 YTD	2022 YTD	Fav (UnFav) Actual vs. Budget Variance		Incr (Decr) Change from 2021	
\$ in 000's	Actual	Actual	Actual	Budget	\$	%	\$	%
Aeronautical Revenues	86,284	61,313	87,213	88,140	(927)	-1.1%	25,901	42.2%
Airport Non-Aero Revenues	49,956	26,930	50,944	30,915	20,029	64.8%	24,013	89.2%
Non-Airport Revenues	25,313	24,658	28,488	26,599	1,889	7.1%	3,830	15.5%
Total Operating Revenues	161,553	112,901	166,645	145,654	20,991	14.4%	53,744	47.6%
Total Operating Expenses	103,591	94,866	105,002	119,102	14,099	11.8%	10,137	10.7%
NOI before Depreciation	57,962	18,036	61,643	26,552	35,091	132.2%	43,608	241.8%
Depreciation	43,728	44,829	51,021	45,996	(5,025)	-10.9%	6,192	13.8%
NOI after Depreciation	14,233	(26,794)	10,622	(19,444)	30,066	-154.6%	37,416	-139.6%

2022 YTD Actuals vs. 2022 YTD Budget:

- Airport Non-Aero Revenues were up \$20.0M compared to budget mainly due to timing of applying the Concessionaire Relief Grant and higher Public Parking revenue, partially offset by lower revenue from Rental Cars.
- Non-Airport Revenues were \$1.9M above budget mainly due to higher NWSA Distributable revenue.
- Total Operating Expenses are \$14.1M lower than budget due to delays in hiring and implementing projects/initiatives.

2022 YTD Actuals vs. 2021 YTD Actuals:

- Total Operating Revenues were up \$53.7M due higher passenger volumes compared to 2021; higher revenues in non-aeronautical lines of businesses (Public Parking, ADR & Terminal Leased Space, Rental Cars, Ground Transportation, Clubs & Lounges, Airport Commercial Properties) and NWSA Distributable Revenue.
- Total Operating Expenses was \$10.1 M higher compared to 2021 due to higher Payroll, Utilities, Outside Services, and General Expenses.

NON-AIRPORT FINANCIAL SUMMARY

	2020 YTD	2021 YTD	2022 YTD	2022 YTD	Fav (UnFav) Actual vs. Budget Variance		Incr (Decr) Change from 2021	
\$ in 000's	Actual	Actual	Actual	Budget	\$	%	\$	%
NWSA Distributable Revenue	10,730	11,343	14,030	12,360	1,670	13.5%	2,687	23.7%
Maritime Revenues	9,340	9,539	10,511	9,969	542	5.4%	972	10.2%
EDD Revenues	3,277	2,002	2,580	3,338	(758)	-22.7%	578	28.9%
SWU & Other	1,966	1,774	1,367	931	435	46.8%	(407)	-23.0%
Total Operating Revenues	25,313	24,658	28,488	26,599	1,889	7.1%	3,830	15.5%
Total Operating Expenses	18,425	16,778	19,736	23,480	3,745	15.9%	2,958	17.6%
NOI before Depreciation	6,888	7,881	8,753	3,119	5,634	180.7%	872	11.1%
Depreciation	9,423	9,510	9,452	9,098	(354)	-3.9%	(59)	-0.6%
NOI after Depreciation	(2,535)	(1,630)	(699)	(5,979)	5,280	-88.3%	930	-57.1%

2022 YTD Actuals vs. 2022 YTD Budget

- Non-Airport Operating Revenues were up \$1.9M compared to budget due to higher NWSA Distributable Revenue, Grain, Fishing and Operations, Stormwater Utilities (SWU), Maritime Portfolio Management, and unbudgeted police forfeitures which were offset by lower volumes at the Conference and Event Center.
- Non-Airport Operating Expenses were \$3.7M lower than budget because of delays in hiring, project spending delays, timing of tenant improvements, and maintenance costs offset by higher Utilities and General Expenses.

2022 YTD Actuals vs. 2021 YTD Actuals

- Non-Airport Operating Revenues were \$3.8M higher compared to 2021 because of higher revenues from Conference and Event Centers, Maritime Portfolio Management, Grain, NWSA Distributable Revenue, Recreational Boating, Fishing and Operations, and unbudgeted police forfeitures offset by lower Cruise revenue.
- Non-Airport Operating Expenses were \$3.0M higher than 2021 due to higher Payroll, Outside Services, Equipment Expense, Insurance Expense, and other General Expenses.

I. PORTWIDE FINANCIAL & PERFORMANCE REPORT 03/31/22

MAJOR OPERATING REVENUES SUMMARY

	2020 YTD	2021 YTD	2022 YTD	2022 YTD	Fav (UnFav)		Incr (Decr)	
	Actual	Actual	Actual	Budget	Actual vs. Budget	Variance	Change from 2021	
\$ in 000's					\$	%	\$	%
Aeronautical Revenues	86,284	61,313	87,213	88,140	(927)	-1.1%	25,901	42.2%
Public Parking	16,720	9,330	18,872	17,121	1,752	10.2%	9,542	102.3%
Rental Cars - Operations	6,928	3,484	6,705	7,384	(679)	-9.2%	3,221	92.4%
Rental Cars - Operating CFC	-	-	566	1,971	(1,405)	-71.3%	566	0.0%
ADR & Terminal Leased Space	12,376	6,297	11,374	(9,025)	20,398	-226.0%	5,076	80.6%
Ground Transportation	3,931	1,459	3,551	3,536	14	0.4%	2,091	143.3%
Employee Parking	2,623	2,144	2,447	2,617	(170)	-6.5%	303	14.1%
Airport Commercial Properties	3,641	2,557	3,807	3,306	501	15.1%	1,250	48.9%
Airport Utilities	1,606	1,297	1,801	1,941	(140)	-7.2%	504	38.9%
Clubs and Lounges	1,714	175	1,057	1,738	(682)	-39.2%	882	505.3%
Cruise	114	48	(66)	59	(125)	-211.5%	(114)	-237.5%
Recreational Boating	3,134	3,125	3,443	3,377	66	2.0%	318	10.2%
Fishing & Operations	2,501	2,203	2,488	2,222	267	12.0%	285	13.0%
Grain	1,048	1,719	1,874	1,753	122	6.9%	155	9.0%
Maritime Portfolio Management	2,541	2,443	2,765	2,554	211	8.3%	322	13.2%
Central Harbor Management	2,158	1,870	1,962	1,984	(21)	-1.1%	92	4.9%
Conference & Event Centers	1,115	127	618	1,347	(729)	-54.1%	491	386.9%
NWSA Distributable Revenue	10,730	11,343	14,030	12,360	1,670	13.5%	2,687	23.7%
Other	2,391	1,967	2,137	1,268	869	68.6%	170	8.7%
Total Operating Revenues (w/o Aero)	75,269	51,589	79,432	57,514	21,918	38.1%	27,843	54.0%
TOTAL	161,553	112,901	166,645	145,654	20,991	14.4%	53,744	47.6%

MAJOR OPERATING EXPENSES SUMMARY

	2020 YTD	2021 YTD	2022 YTD	2022 YTD	Fav (UnFav)		Incr (Decr)	
	Actual	Actual	Actual	Budget	Actual vs. Budget	Variance	Change from 2021	
\$ in 000's					\$	%	\$	%
Salaries & Benefits	35,987	35,317	37,033	37,228	195	0.5%	1,717	4.9%
Wages & Benefits	34,133	31,551	32,529	35,049	2,520	7.2%	978	3.1%
Payroll to Capital Projects	6,497	6,398	5,556	8,669	3,112	35.9%	(842)	-13.2%
Outside Services	20,420	19,135	20,451	35,166	14,715	41.8%	1,316	6.9%
Utilities	6,871	6,658	8,149	6,894	(1,255)	-18.2%	1,491	22.4%
Equipment Expense	2,160	1,248	1,946	3,153	1,207	38.3%	699	56.0%
Supplies & Stock	2,503	2,127	1,980	2,364	383	16.2%	(147)	-6.9%
Travel & Other Employee Expenses	1,101	445	672	1,628	956	58.7%	227	50.9%
Third Party Mgmt Op Exp	2,445	886	1,466	2,344	878	37.4%	580	65.5%
B&O Taxes	1,086	764	974	1,084	110	10.1%	210	27.5%
Other Expenses	3,989	2,270	5,711	3,985	(1,726)	-43.3%	3,441	151.6%
Charges to Capital Projects/Overhead Alloc	(13,602)	(11,933)	(11,466)	(18,461)	(6,994)	37.9%	467	-3.9%
TOTAL	103,591	94,866	105,002	119,102	14,099	11.8%	10,137	10.7%

PORTWIDE FINANCIAL YEAR-END FORECAST SUMMARY

	2020	2021	2022	2022	Fav (UnFav) Fest vs. Budget Variance		Incr (Decr) Change from 2021	
\$ in 000's	Actual	Actual	Forecast	Budget	\$	%	\$	%
Aeronautical Revenues	297,909	317,513	385,706	394,963	(9,257)	-2.3%	68,193	21.5%
Airport Non-Aero Revenues	116,473	183,819	239,404	240,820	(1,415)	-0.6%	55,586	30.2%
Non-Airport Revenues	96,446	120,689	137,373	131,072	6,302	4.8%	16,685	13.8%
Total Operating Revenues	510,828	622,020	762,484	766,854	(4,370)	-0.6%	140,464	22.6%
Total Operating Expenses	408,681	364,656	494,450	499,146	4,696	0.9%	129,794	35.6%
NOI before Depreciation	102,147	257,364	268,033	267,708	325	0.1%	10,670	4.1%
Depreciation	180,086	190,683	196,757	196,757	-	0.0%	6,074	3.2%
NOI after Depreciation	(77,939)	66,681	71,277	70,952	325	0.5%	4,596	6.9%

Year-End Forecast

- Total Operating Revenues are expected to be \$4.4M lower than budget but \$140.5M higher than 2021; the federal relief helps offset \$77M of the Aeronautical revenues for 2022.
- Total Operating Expenses are expected to be \$4.7M favorable to the budget and \$129.8M higher than 2021. It would have only been \$72.1M higher than 2021 after adjusting for \$57.7M state pension credit in 2021.
- NOI before depreciation forecast to be \$325K favorable to the budget and \$10.7M higher than 2021.

KEY PERFORMANCE METRICS

	2021 YTD	2022 YTD	2021	2022	2022	Fav (UnFav) Fest vs. Budget Variance		Incr (Decr) Change from 2021	
	Actual	Actual	Actual	Forecast	Budget	Chg.	%	Chg.	%
Total Passengers (in 000's)	4,868	9,015	36,146	47,819	48,517	(698)	-1.4%	11,673	32.3%
Landed Weight (lbs. in millions)	5,266	6,430	26,584	29,448	29,448	-	0.0%	2,864	10.8%
Passenger CPE (in \$)	N/A	N/A	15.93	14.44	14.82	0.38	2.6%	(1.49)	-9.4%
Grain Volume (metric tons in 000's)	1,393	1,480	4,720	4,613	4,500	113	2.5%	(108)	-2.3%
Cruise Passenger (in 000's)	-	-	229	1,300	907	-	0.0%	-	0.0%
Shilshole Bay Marina Occupancy	93.1%	96.9%	94.5%	96.3%	96.3%	0.0%	0.0%	1.8%	1.9%

KEY BUSINESS EVENTS

The Port welcomed the first two women of color to the Commission and for the first time in the Port's 110-year history. One of the new commission's first agenda for 2022 was the briefing on the results of the Port-wide equity assessment. The goals of the assessment were to identify strengths, weaknesses, and barriers to equity; establish a baseline to track the Port's progress in becoming a more equitable organization; and develop strategies and actions to build a more equitable, anti-racist Port. A progress report will be presented to the commission in December of 2022.

The Port expanded its investment in equitable recovery programs with approval of \$3.9 million in funding for the Youth Career Launch Program (formerly Opportunity Youth Initiative) and Economic Development Partnership. The Youth Career Launch Program was originally launched in 2020 to help mitigate the impacts of the pandemic. The program provided internship training opportunities in Port-related jobs and careers in aviation, construction, green jobs, and maritime to 280 youth of color and from economically distressed zip codes in 2021. This year's grants will continue to focus on projects that advance equitable economic recovery.

The Port has selected 25 grant applicants to receive a total of \$200,000 Port funds under the 2022 Tourism Marketing Support Program (TMSP). Projects spearheaded by awardees will support equity, cultural tourism values, ecotourism, responsible travel, and increase the number of visitors and visitor expenditures within Washington. Additionally, the Port awarded 18 organizations serving communities around Seattle-Tacoma International Airport (SEA) with environmental grants totaling \$687,000. The Port offered multi-year awards of up to 3 years to allow groups to invest in long-term planning and implementation of projects geared in addressing noise mitigation, environmental health, and sustainability.

The Port Commission authorized the Memorandum of Understanding (MOU) with the City of Seattle that will contribute \$5.5 million to the East Marginal Way Corridor Improvement project. This project will improve safety, support freight loads by rebuilding East Marginal Way to heavy haul standards, promote efficiency through signal modifications, and improve wayfinding and lighting. The project will commence this year and is estimated to wrap up in 2025.

The Port hosted a special event to reveal Seattle-Tacoma International Airport (SEA)'s brand-new International Arrivals Facility (IAF), which is the most complex capital project in the Port's history. It will dramatically improve travelers' experience and advance the Puget Sound region as a leading tourism and business gateway. Construction consisted of nearly three million labor hours including nearly one million minority labor hours (35%), over 500,000 apprentice hours (19%), and more than 139,000 (5%) labor hours by women. In addition, SEA became the only second large hub U.S. airport to earn the travel industry's prestigious Skytrax 4-Star Airport Rating. Key improvements that led to this high rating include wayfinding and customer information improvements, seating and furniture upgrades, seat power rollout, and substantive upgrades to the dining experience.

The Port shared the 2022 preliminary cruise schedule with 295 scheduled sailings and an estimated 1.26 million revenue passengers through the two cruise ship terminals. The Port partnered with the cruise line to host cruise a job fair at the Port's Community Hub in South Park. The Port is one of the most environmentally progressive cruise homeports in North America, setting new standards that go beyond regulatory compliance. The Port continues to work closely with the industry to minimize the climate change and air quality impacts by requiring shore power capable ships to use shore power. A new shore power connection at Bell Street Pier Cruise Terminal is expected to be completed in 2023.

CAPITAL SPENDING SUMMARY

\$ in 000's	2022	2022	2022	2022	Budget Variance	
	YTD Actual	Forecast	Budget	POF	\$	%
Aviation	58,342	449,817	527,917	514,812	78,100	14.8%
Maritime	2,357	21,950	23,521	23,408	1,571	6.7%
Economic Development	1,179	10,811	10,483	10,515	(328)	-3.1%
Central Services & Other (note 1)	1,157	11,210	12,889	11,013	1,679	13.0%
TOTAL	63,035	493,788	574,810	559,748	81,022	14.1%

Note:

POF (Plan of Finance) is the total estimated during the budget process.

(1) "Other" includes 100% Port legacy projects in the North Harbor and Storm Water Utility Small Capital projects.

Total capital spending is forecast to be \$493.8M for 2022, 85.9% of the budget due to delay in projects: P66 Shore Power, North MT Redevelopment, C1 Building Floor Expansion, Office Wi-Fi Refresh.

PORTWIDE INVESTMENT PORTFOLIO

During the first quarter of 2022, the investment portfolio earned 0.81% versus the benchmark's (the Bank of America Merrill Lynch 1-3 Year US Treasury & Agency Index) of 2.22%. Over the last twelve months, the portfolio and the benchmark have earned 0.87% and 0.86%, respectively. Since the Port became its own Treasurer in 2002, the life-to-date earnings of the Port's portfolio and the benchmark are 2.31% and 1.67%, respectively.

II. AVIATION DIVISION FINANCIAL & PERFORMANCE REPORT 03/31/22

II. AVIATION DIVISION

FINANCIAL SUMMARY

Financial Summary (\$ in 000's)	2020	2021	2022	2022	Fav(UnFav) Actual vs. Budget Variance		Incr/(Decr) Change from 2021	
	Actual	Actual	Forecast	Budget	\$	%	\$	%
Operating Revenue								
Aeronautical Revenues	297,909	317,513	385,706	394,963	(9,257)	-2.3%	68,193	21.5%
Non-Aeronautical Revenues	116,473	183,819	239,404	240,820	(1,415)	-0.6%	55,586	30.2%
Total Operating Revenues	414,382	501,332	625,110	635,783	(10,672)	-1.7%	123,779	24.7%
Operating Expenses								
Airport Direct Charges	235,854	218,644	283,514	285,197	1,684	0.6%	64,869	29.7%
Environmental Remediation Liability	(2,361)	1,583	791	985	194	19.7%	(792)	-50.0%
Capital to Expense	2,588	1,254	-	-	-	-	(1,254)	-100.0%
Charges from Other Divisions	93,599	72,736	112,527	111,440	(1,087)	-1.0%	39,790	54.7%
Total Operating Expenses	329,680	294,217	396,831	397,622	791	0.2%	102,614	34.9%
Net Operating Income	84,702	207,114	228,279	238,160	(9,881)	-4.1%	21,165	10.2%
CPE	26.50	15.93	14.44	14.82	0.38	2.6%	(1.49)	-9.4%
Non-Aero NOI (\$ in 000s)	93,175	21,521	110,779	114,047	(3,268)	-2.9%	89,258	414.8%
Enplaned passengers (in 000s)	10,044	18,073	23,909	24,259	(349)	-1.4%	5,836	32.3%
Capital Expenditures (in 000s)	573,598	389,051	449,817	527,917	78,100	14.8%	60,766	15.6%

2022 Forecast vs. 2022 Budget

- Net Operating Income (NOI) for 2022 which includes Federal Relief grants is forecasted to be (-\$9.9M or -4.1%) unfavorable to the budget, driven primarily by:
 - Lower Aeronautical revenue (-\$9.3M or -2.3%) is primarily due to savings in cost from the delays in the Airline Realignment timing and IAF and with more grants applied in the forecast compared to what was in the budget. See the Airline Rate Base Cost Drivers table for more details.
 - Non-Aeronautical revenue is (-1.4M or -0.6%) unfavorable primarily due to the shortage of labor and impact of slower recovery in international passenger volumes, along with the delay of opening the new Salty's Restaurant, delay of the AMEX Lounge opening and lower lounge visits so far this year, partially offset by strong performances in In-Flight Kitchens and AIClear.
 - Total Operating Expenses are projected to be closely aligned to budget at (\$791K or 0.2%) favorable.

2022 Forecasts vs. 2021 Actuals

- Net Operating Income for 2022 is projected to be (\$21.2M or 10.2%) higher than prior year primarily driven by:
 - Higher Operating Revenue (\$123.8M or 24.7%) compared to prior year is due to passenger levels improving with a forecast of being down only 7.5% compared to 2019 vs. 29.6% down in 2021 when compared to 2019.
 - Higher Operating Expenses (\$102.6M or 34.9%) compared to prior year were primarily driven by higher Payroll, Outside Services, and Charges from Other Divisions compared to 2021. 2021 was the first year of recovery, but spending was still lower than normal due to directives to spend less due to the business environment related to the pandemic.

II. AVIATION DIVISION FINANCIAL & PERFORMANCE REPORT 03/31/22

A. BUSINESS EVENTS

- Expected passenger levels is projected to be 7.6% lower than 2019.
- Federal relief continues to improve bottom line, and helps customers:
 - \$118.8 million for ARPA
 - \$21.4 million for tenant concessions relief (CRRSAA)
 - Planning to reserve \$22.9 million for 2023
- Soft opening of IAF in April 2022

B. KEY PERFORMANCE METRICS

	YTD 2020	YTD 2021	YTD 2022	% YTD Change from 2021
Total Passengers (000's)				
Domestic	8,205	4,662	8,338	78.9%
International	1,004	205	677	229.5%
Total	9,209	4,868	9,015	85.2%
Operations	99,983	75,878	89,018	17.3%
Landed Weight (In Millions of lbs.)				
Cargo	606	709	691	-2.5%
All other	6,283	4,557	5,739	25.9%
Total	6,889	5,266	6,430	22.1%
Cargo - Metric Tons				
Domestic freight	75,866	84,502	82,797	-2.0%
International & Mail freight	25,795	25,223	32,145	27.4%
Total	101,661	109,725	114,942	4.8%

*Mail weight for 2021 forward is incorporated in freight

II. AVIATION DIVISION FINANCIAL & PERFORMANCE REPORT 03/31/22

Key Performance Measures

	2020	2021	2022	2022	Fav(UnFav) Actual vs. Budget Variance		Incr/(Decr) Change from 2021	
	Actual	Actual	Forecast	Approved Budget	\$	%	\$	%
Key Performance Metrics								
Cost per Enplanement (CPE)	26.50	15.93	14.44	14.82	0.38	2.6%	(1.49)	-9.4%
Non-Aeronautical NOI (in 000's) ¹	6,671	93,175	110,779	114,047	(3,268)	-2.9%	17,604	18.9%
Other Performance Metrics								
O&M Cost per Enplanement	32.82	16.28	16.60	16.39	(0.21)	-1.3%	0.32	2.0%
Non-Aero Revenue per Enplanement	11.60	10.17	10.01	9.93	0.09	0.9%	(0.16)	-1.6%
Debt per Enplanement (in \$)	326	198	142	140	(2)	-1.5%	(56)	-28.2%
Debt Service Coverage	1.40	1.69	2.29	2.03	0.26	12.8%	0.60	35.5%
Days cash on hand (10 months = 304 days)	327	423	411	426	-15	-3.6%	(12)	-2.9%
Aeronautical Revenue Sharing (\$ in 000's)	1	-	-	-	-	0.0%	-	0.0%
Activity (in 000's)								
Enplanements	10,044	18,073	23,909	24,259	(349)	-1.4%	5,836	32.3%
Total Passengers	20,087	36,146	47,819	48,517	(698)	-1.4%	11,673	32.3%

(1) Assumes Federal Relief for Concessions applied in the 2022 Forecast

Key Performance Metrics

2022 Forecast vs. 2022 Budget

- Cost per Enplanement (CPE):
 - CPE is (\$.38 or 2.6%) favorable driven primarily by the Federal Relief to help lower the Aeronautical costs to recover.
 - Non-Aero NOI is (-\$3.3M or -2.9%) unfavorable to budget primarily due to shortage of labor and impact of slower recovery in international passenger volumes, along with the delay of opening the new Salty's Restaurant.

2022 Forecast vs. 2021 Actuals

- CPE is \$1.49 lower compared to prior year due to more Federal Relief offsetting the costs compared to prior year.
- Non-Aero NOI is \$17.6M higher than prior year due to projection of improved revenues compared to prior year across the Non-Aeronautical businesses.

II. AVIATION DIVISION FINANCIAL & PERFORMANCE REPORT 03/31/22

C. OPERATING RESULTS

Division Summary – YTD Actuals

Total Airport Expense Summary (\$ in 000's)	2020 YTD	2021 YTD	2022 YTD	2022 YTD	Fav(UnFav) Actual vs. Budget Variance		Incr/(Decr) Change from 2021	
	Actual	Actual	Actual	Budget	\$	%	\$	%
Operating Expenses								
Payroll	39,071	37,305	38,499	39,668	1,169	2.9%	1,193	3.2%
Outside Services	14,011	13,477	14,781	25,625	10,844	42.3%	1,304	9.7%
Utilities	4,884	5,060	5,529	4,723	(806)	-17.1%	469	9.3%
Other Expenses	3,061	24	2,502	(565)	(3,066)	543.1%	2,478	10515.5%
Total Airport Direct Charges	61,027	55,865	61,310	69,450	8,141	11.7%	5,444	9.7%
Environmental Remediation Liability	-	-	-	-	-		-	
Capital to Expense	-	75	-	-	-		(75)	-100.0%
Total Exceptions	-	75	-	-	-		(75)	-100.0%
Total Airport Expenses	61,027	55,940	61,310	69,450	8,141	11.7%	5,370	9.6%
Corporate	16,791	15,891	17,627	18,321	693	3.8%	1,736	10.9%
Police	6,509	5,537	5,562	6,910	1,348	19.5%	25	0.5%
Maritime/Economic Development/Other	838	720	767	940	173	18.4%	47	6.6%
Total Charges from Other Divisions	24,139	22,148	23,957	26,171	2,214	8.5%	1,809	8.2%
Total Operating Expenses	85,166	78,088	85,267	95,621	10,355	10.8%	7,179	9.2%

Expenses – 2022 YTD Actuals vs. 2022 YTD Budget

- Operating Expenses were (\$10.4M or 10.8%) favorable driven primarily by the underspend in Charges from other Divisions of \$2.2M, and in Outside Services of \$10.8M across multiple business areas. The bulk of the under-run is in the Aviation Project Management Group with delays in the Airline Realignment work and Custodial Contract in Maintenance due to late invoices, and under-runs in Facilities and Infrastructure due to timing of when service directives are executed. Also, there were \$2.2M under-run in Charges from Other Divisions.

II. AVIATION DIVISION FINANCIAL & PERFORMANCE REPORT 03/31/22

Division Summary – YE Forecast

Total Airport Expense Summary (\$ in 000's)	2020	2021	2022	2022	Fav(UnFav) Actual vs. Budget Variance		Incr/(Decr) Change from 2021	
	Actual	Actual	Forecast	Budget	\$	%	\$	%
Operating Expenses								
Payroll	152,895	134,567	168,162	167,505	(657)	-0.4%	33,594	25.0%
Outside Services	63,922	62,382	95,565	101,757	6,193	6.1%	33,182	53.2%
Utilities	15,695	20,175	21,308	21,008	(300)	-1.4%	1,133	5.6%
Other Expenses	3,341	1,519	(1,521)	(5,074)	(3,553)	70.0%	(3,040)	-200.1%
Total Airport Direct Charges	235,854	218,644	283,514	285,197	1,684	0.6%	64,869	29.7%
Environmental Remediation Liability	(2,361)	1,583	791	985	194	19.7%	(792)	-50.0%
Capital to Expense	2,588	1,254	-	-	-		(1,254)	-100.0%
Total Exceptions	227	2,837	791	985	194	19.7%	(2,046)	-72.1%
Total Airport Expenses	236,081	221,481	284,305	286,182	1,878	0.7%	62,824	28.4%
Corporate	68,316	56,711	79,902	78,940	(962)	-1.2%	23,191	40.9%
Police	22,150	13,916	27,767	27,658	(108)	-0.4%	13,850	99.5%
Maritime/Economic Development/Other	3,134	2,110	4,858	4,842	(16)	-0.3%	2,749	130.3%
Total Charges from Other Divisions	93,599	72,736	112,527	111,440	(1,087)	-1.0%	39,790	54.7%
Total Operating Expenses	329,680	294,217	396,831	397,622	791	0.2%	102,614	34.9%

Operating Expenses – 2022 YE Forecast compared to 2022 YE Budget (\$398K or 0.1% favorable)

- Total Operating Expenses is forecasted to be under-run to Budget by \$791K driven by projected savings at year-end primarily due to the delays in the Airline Realignment work within the Aviation Project Management Group and delays in the opening of IAF in Q1, partially offset overruns due to less charges to capital versus expenses, vacancy savings target that has not been fully met, and more allocations from Central Services.

II. AVIATION DIVISION FINANCIAL & PERFORMANCE REPORT 03/31/22

Aeronautical Business Unit Summary – YTD Actuals

Aeronautical NOI (\$ in 000's)	2020 YTD	2021 YTD	2022 YTD	2022 YTD	Fav(UnFav) Actual vs. Budget Variance		Incr/(Decr) Change from 2021	
	Actual	Actual	Actual	Budget	\$	%	\$	%
Rate Base Revenues								
Airfield Movement Area	25,223	15,396	23,669	23,700	(31)	-0.1%	8,272	53.7%
Airfield Apron Area	5,360	4,302	4,119	3,691	428	11.6%	(183)	-4.3%
Terminal Rents	47,756	35,605	50,680	51,922	(1,243)	-2.4%	15,075	42.3%
Federal Inspection Services (FIS)	4,019	1,869	4,662	4,679	(17)	-0.4%	2,794	149.5%
Total Rate Base Revenues	82,357	57,172	83,130	83,993	(863)	-1.0%	25,958	45.4%
Airfield Commercial Area	3,927	4,139	4,084	4,148	(64)	-1.5%	(55)	-1.3%
Subtotal before Revenue Sharing	86,284	61,311	87,213	88,140	(927)	-1.1%	25,903	42.2%
Revenue Sharing	-	-	-	-	-	-	-	-
Total Aeronautical Revenues	86,284	61,311	87,213	88,140	(927)	-1.1%	25,903	42.2%
Total Aeronautical Expenses	50,268	54,141	58,283	65,628	7,344	11.2%	4,142	7.7%
Aeronautical NOI	36,016	7,169	28,930	22,513	6,417	28.5%	21,761	303.5%

Aeronautical – 2022 YTD Actuals vs. 2022 YTD Budget

- Net Operating Income was (\$6.4M or 28.5%) favorable to budget driven by lower operating expenses in Outside Services and Charges from Other Divisions.

Aeronautical – 2022 YTD Actuals vs. 2021 YTD Actuals

- Net Operating Income was (\$21.8M or 303.5%) higher than 2021 Q1 because aeronautical revenues in 2022 were based on increased passenger activity compared to the same last year when it was only the first year of recovery where activity levels were still low.

Aeronautical Business Unit Summary - YE Forecast

Aeronautical NOI (\$ in 000's)	2020	2021	2022	2022	Fav(UnFav) Actual vs. Budget Variance		Incr/(Decr) Change from 2021	
	Actual	Actual	Forecast	Budget	\$	%	\$	%
Rate Base Revenues								
Airfield Movement Area	84,906	88,061	118,704	118,291	413	0.3%	30,643	34.8%
Airfield Apron Area	22,016	17,146	15,197	16,439	(1,242)	-7.6%	(1,950)	-11.4%
Terminal Rents	205,283	184,625	212,017	220,174	(8,157)	-3.7%	27,393	14.8%
Federal Inspection Services (FIS)	8,616	10,978	23,280	23,468	(188)	-0.8%	12,302	112.1%
Total Rate Base Revenues	320,821	300,810	369,198	378,373	(9,174)	-2.4%	68,388	22.7%
Airfield Commercial Area	17,633	16,702	16,508	16,590	(82)	-0.5%	(194)	-1.2%
Subtotal before Revenue Sharing	338,454	317,513	385,706	394,963	(9,257)	-2.3%	68,193	21.5%
Revenue Sharing	1	-	-	-	-	-	-	-
Total Aeronautical Revenues	338,455	317,513	385,706	394,963	(9,257)	-2.3%	68,193	21.5%
Total Aeronautical Expenses	219,878	203,573	268,206	270,850	2,643	1.0%	64,633	31.7%
Aeronautical NOI	118,577	113,940	117,500	124,113	(6,613)	-5.3%	3,560	3.1%

II. AVIATION DIVISION FINANCIAL & PERFORMANCE REPORT 03/31/22

Airline Rate Base Cost Drivers

\$ in 000's	2021 Actual	2022 Budget	2022 Forecast	Impact on Aero Revenues Budget vs Forecast	
				\$	%
O&M ⁽¹⁾	198,065	263,372	260,645	(2,727)	-1.0%
Federal Relief Grants O&M	(2,571)	(12,700)	(9,300)	3,400	-26.8%
Net O&M	195,494	250,672	251,345	673	0.3%
Debt Service Before Offsets	187,134	235,151	234,475	(676)	-0.3%
Debt Service PFC Offset	(54,076)	(79,803)	(79,903)	(100)	0.1%
Federal Relief Grants Debt Service	(58,878)	(58,975)	(68,180)	(9,205)	15.6%
Net Debt Service	74,180	96,373	86,392	(9,981)	-10.4%
Amortization	32,511	33,699	33,699	-	0.0%
Space Vacancy	(1,102)	(1,613)	(1,585)	28	-1.7%
TSA Operating Grant and Other	(687)	(758)	(735)	23	-3.1%
Rate Base Revenues	300,397	378,373	369,116	(9,257)	-2%
Commercial area	16,702	16,590	16,590	-	0%
Total Aero Revenues	317,099	394,963	385,706	(9,257)	-2%

(1) O&M, Debt Service Gross, and Amortization do not include commercial area costs or the international incentive expenses

2022 Forecast to 2022 Budget

- O&M – \$2.7M lower due primarily to delays in Airline Realignment work and IAF opening later, partially offset by small increases in Airfield Movement and Terminal cost centers.
- Federal Relief Grants Aero Portion:
 - Payroll Impact (O&M) – Reducing \$9.3M from Rate Base
 - Debt Service Impact – Reducing \$68.2M from Rate Base

II. AVIATION DIVISION FINANCIAL & PERFORMANCE REPORT 03/31/22

Non-Aero Business Unit Summary – YTD Actuals

Non-Aeronautical NOI (\$ in 000's)	2020 YTD	2021 YTD	2022 YTD	2022 YTD	Fav(UnFav) Actual vs. Budget Variance		Incr/(Decr) Change from 2021	
	Actual	Actual	Actual	Budget	\$	%	\$	%
Non-Aeronautical Revenues								
Public Parking	16,720	9,330	18,872	17,121	1,752	10.2%	9,542	102.3%
Rental Cars	6,928	3,484	7,272	9,355	(2,083)	-22.3%	3,787	108.7%
Ground Transportation	3,931	1,459	3,551	3,536	14	0.4%	2,091	143.3%
Airport Dining & Retail	10,680	4,865	9,794	(10,448)	20,243	-193.7%	4,929	101.3%
Other	11,697	7,791	11,455	11,351	104	0.9%	3,664	47.0%
Total Non-Aeronautical Revenues	49,956	26,930	50,944	30,915	20,029	64.8%	24,013	89.2%
Total Non-Aeronautical Expenses	24,307	23,947	26,983	29,994	3,011	10.0%	3,036	12.7%
Non-Aeronautical NOI	25,649	2,984	23,961	921	23,040	2501.5%	20,977	703.1%
Less: CFC Surplus	-	-	-	-	-		-	
Adjusted Non-Aeronautical NOI	25,649	2,984	23,961	921	23,040	2501.5%	20,977	703.1%
Debt Service	-	-	-	-	-		-	
Net Cash Flow	25,649	2,984	23,961	921	23,040	2501.5%	20,977	703.1%

Non-Aeronautical – 2022 YTD Actuals vs. 2022 YTD Budget

- Net Operating Income is (\$23M or 2501.5%) favorable to budget driven by:
 - Timing of \$21.4M of Concessionaire Relief Grant assumed in the Airport, Dining, and Retail (ADR) budget in Q1 resulting in lower budgeted revenues at end of Q1, while the actuals for the corresponding Concessionaire Relief Grant has not been realized yet. Without the Concessionaire Relief Grant in the budget, the actuals would be closer aligned to budget in total Non-Aeronautical revenues.
 - Public Parking revenue is improving and more closely aligned with changes in passenger volumes, while there is slower recovery in the Commercial Management operations, particularly in ADR due to lower enplanements, coupled with the delay of the Salty's Restaurant opening is driving ADR revenue down in 1Q.
 - Non-Aeronautical operating expenses were (\$3M or 10%) favorable.

Non-Aeronautical – 2022 YTD Actuals vs. 2021 YTD Actuals

- Net Operating Income was (\$21M or 703.1%) higher than 2021 driven by:
 - Increasing passenger levels and activity when compared to Q1 2021 when it was still early in the first year of recovery from the pandemic.

II. AVIATION DIVISION FINANCIAL & PERFORMANCE REPORT 03/31/22

Non-Aero Business Unit Summary - YE Forecast

Non-Aeronautical NOI (\$ in 000's)	2020	2021	2022	2022	Fav(UnFav) Actual vs. Budget Variance		Incr/(Decr) Change from 2021	
	Actual	Actual	Forecast	Budget	\$	%	\$	%
Non-Aeronautical Revenues								
Public Parking	34,502	64,104	81,028	81,028	-	0.0%	16,924	26.4%
Rental Cars	16,637	34,740	52,138	52,138	-	0.0%	17,398	50.1%
Ground Transportation	6,557	11,947	18,242	18,242	-	0.0%	6,295	52.7%
Airport Dining & Retail	25,418	35,565	37,170	37,829	(660)	-1.7%	1,605	4.5%
Other	33,359	37,463	50,827	51,582	(756)	-1.5%	13,364	35.7%
Total Non-Aeronautical Revenues	116,473	183,819	239,404	240,820	(1,415)	-0.6%	55,586	30.2%
Total Non-Aeronautical Expenses	109,802	90,644	128,625	126,773	(1,852)	-1.5%	37,981	41.9%
Non-Aeronautical NOI¹	6,671	93,175	110,779	114,047	(3,268)	-2.9%	17,604	18.9%
Less: CFC Surplus	(6,834)	-	-	-	-		-	
Adjusted Non-Aeronautical NOI	(163)	93,175	110,779	114,047	(3,268)	-2.9%	17,604	18.9%
Debt Service	(33,065)	(27,096)	(24,474)	(33,372)	8,898	-26.7%	2,622	-9.7%
Net Cash Flow	(33,229)	66,079	86,305	80,676	5,630	7.0%	20,227	30.6%

Non-Aeronautical – 2022 Forecast vs. 2022 Budget

- Non-Aeronautical net operating income is forecasted to be (-\$3.3M or -2.9%) unfavorable primarily in Commercial Management where ADR revenue is forecasted unfavorable to budget driven by enplanements down (1.4%), the delay in the opening of the new Salty's Restaurant, partially offset by slightly lower average percentage rent to the Port.
- Duty Free is forecasted unfavorable (\$324K) as this group continues to suffer from a slow recovery in international enplanements as travel restrictions continue and we see sluggish international flying. This is compounded by lower sales per enplanement and lower average percentage rent rate to the Port.
- Food & Beverage is forecasted to be (\$781K) unfavorable to budget due to the delay of the Salty's Restaurant opening from Q1 2022 to Q3 2022.

Non-Aeronautical – 2022 Forecast vs. 2021 Actuals

- Net Operating Income for 2022 is forecasted to be (\$17.6M or 18.9%) higher compared to prior year due to passenger levels improving with a forecast of being down 7.6% compared to 2019 vs. 29.6% down in 2021 compared to 2019.

II. AVIATION DIVISION FINANCIAL & PERFORMANCE REPORT 03/31/22

D. CAPITAL RESULTS

Capital Variance

\$ in 000's	2022 YTD Actual	2022 Year-End Forecast	2022 Budget	2022 POF	Bud vs. Fcst	
					\$	%
North MT Redevelopment ⁽¹⁾	2,390	80,444	97,849	38,575	17,405	17.8%
C1 Building Floor Expansion ⁽²⁾	2,778	20,746	31,576	50,155	10,829	34.3%
Checkpoint 1 Relocation ⁽³⁾	365	4,778	14,122	20,388	9,344	66.2%
Concourse A Expansion ⁽⁴⁾	957	8,816	17,138	13,986	8,323	48.6%
SSAT Infrastructure HVAC ⁽⁵⁾	533	1,467	7,719	6,077	6,252	81.0%
Checked Baggage ⁽⁶⁾	25,937	125,412	130,600	104,000	5,188	4.0%
Upgrades STS Train Control ⁽⁷⁾	261	13,222	17,278	15,117	4,056	23.5%
Conc HVAC renewal & replace ⁽⁸⁾	-	374	4,326	2,537	3,953	91.4%
NSAT Renovation ⁽⁹⁾	1,196	15,560	19,270	27,347	3,710	19.3%
Apartment Sound Insulation ⁽¹⁰⁾	59	2,933	6,270	4,656	3,336	53.2%
GSE Electrical Chrg Stations ⁽¹¹⁾	612	6,031	9,209	9,411	3,178	34.5%
International Arrivals Facility ⁽¹²⁾	4,356	19,556	16,700	20,509	(2,856)	-17.1%
All Other	18,898	198,272	223,284	297,864	25,011	11.2%
Subtotal	58,342	497,612	595,341	610,622	97,729	16.4%
CIP Cashflow Mgmt Reserve	-	(47,795)	(67,424)	(95,810)	(19,629)	29.1%
Total Spending	58,342	449,817	527,917	514,812	78,100	14.8%

Note: POF (Plan of Finance) is the total estimated during the budget process.

- Underspent due to the delay in executing TRA 1, which was not fully executed until December 2021.
- Commission Authorization delays, due to re-evaluating financial impacts with COVID-19.
- Design required more effort than originally projected delaying start of construction.
- Potential delay due to recent request from the tenant.
- Returned \$5M savings in Q1 and design delays have caused underspending.
- SSAT work has been delayed by approximately 6 months due to delay in IAF opening.
- Significant 4-5 month delay in negotiating/executing contract with the STS manufacturer and revised schedule has deferred cashflows.
- Delayed start of the project due to PM resources.
- Under-run due to delays finalizing Dec 2021 Contractor invoice, final construction contract audit and reduced Port staff engagement.
- Clarity on project scope shifts cost out and identifies likely savings.
- Contract for Phase 2B came under estimate.
- Flood recovery costs added to 2022. Opening delayed from March to May. Extended LOE for closeout & litigation support for PM/CM teams.

III. MARITIME DIVISION FINANCIAL & PERFORMANCE REPORT 03/31/22**III. MARITIME DIVISION****FINANCIAL SUMMARY (Excludes Pension Adjustments)**

	2020	2021	2022	2022	Fav (UnFav) Actual vs. Budget Variance		Incr (Decr) Change from 2021	
\$ in 000's	Actual	Actual	Forecast	Budget	\$	%	\$	%
Total Revenues	42,111	48,738	67,920	59,137	8,783	15%	19,182	39%
Total Operating Expenses	52,357	47,784	58,862	57,865	(997)	-2%	11,078	23%
Net Operating Income	(10,246)	954	9,058	1,272	7,786	-612%	8,104	-849%
<i>NOI Including Pension Adj</i>	<i>(8,117)</i>	<i>7,616</i>	<i>9,058</i>	<i>1,272</i>	<i>6,789</i>	<i>-534%</i>	<i>1,442</i>	<i>19%</i>
Capital Expenditures	19,698	18,923	21,949	23,521	1,572	7%	3,026	16%

2022 Forecast vs. 2022 Budget

- Operating Revenues are forecasted \$8.8M higher than budget driven by occupancy rates and the expectation of a full cruise season.
- Operating Expenses forecasted \$1.0M unfavorable to budget from capital to expense of the Gateway Building at Fishermen's Terminal.
- Net Operating Income forecasted \$7.8M favorable to budget.
- Capital Spending forecasted at 93.3% of \$23.5M budget.

2022 Forecast vs. 2021 Actuals

- Operating Revenues expected \$19.2M higher than 2021 due to full season of cruise business.
- Operating Expenses forecasted \$11.1M higher than 2021 actual driven by higher payroll cost and elimination of pandemic austerity measures.
- Net Operating Income forecasted \$8.1M above 2021 actual.

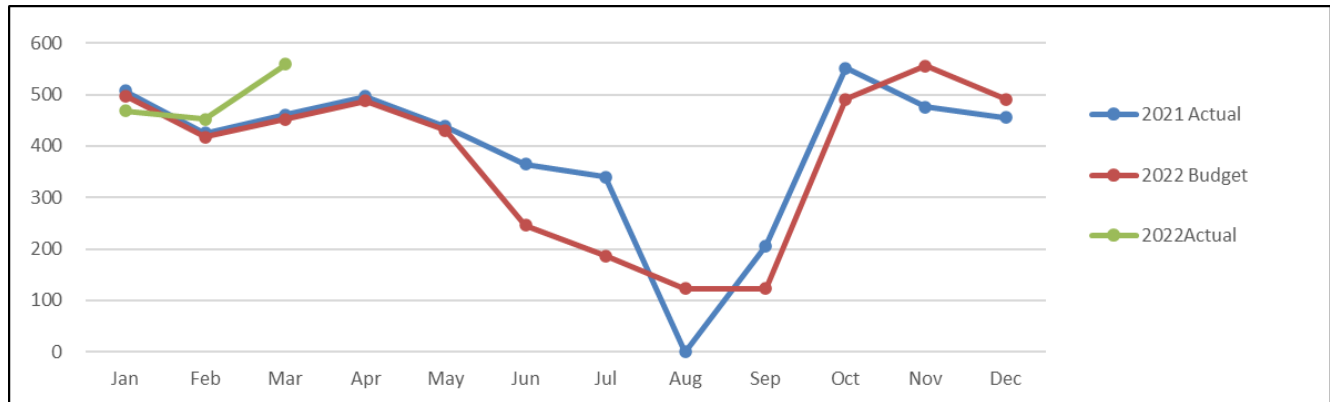
Net Operating Income before Depreciation by Business

	2021 YTD	2022 YTD	2022 YTD	Fav (UnFav) Actual vs. Budget Variance		Incr (Decr) Change from 2020	
\$ in 000's	Actual	Actual	Budget	\$	%	\$	%
Ship Canal Fishing & Operations	(372)	(494)	(774)	280	36%	(122)	-33%
Elliott Bay Fishing & Commercial Operations	(261)	(351)	(613)	262	43%	(90)	NA
Recreational Boating	304	259	60	200	333%	(44)	-15%
Cruise	(2,517)	(2,819)	(3,163)	344	11%	(301)	-12%
Grain	1,431	1,572	1,390	182	13%	140	10%
Maritime Portfolio	88	(393)	(1,062)	669	63%	(481)	546%
All Other	(71)	8	120	(112)	93%	79	-111%
Total Maritime	(1,398)	(2,218)	(4,043)	1,826	45%	(820)	-59%

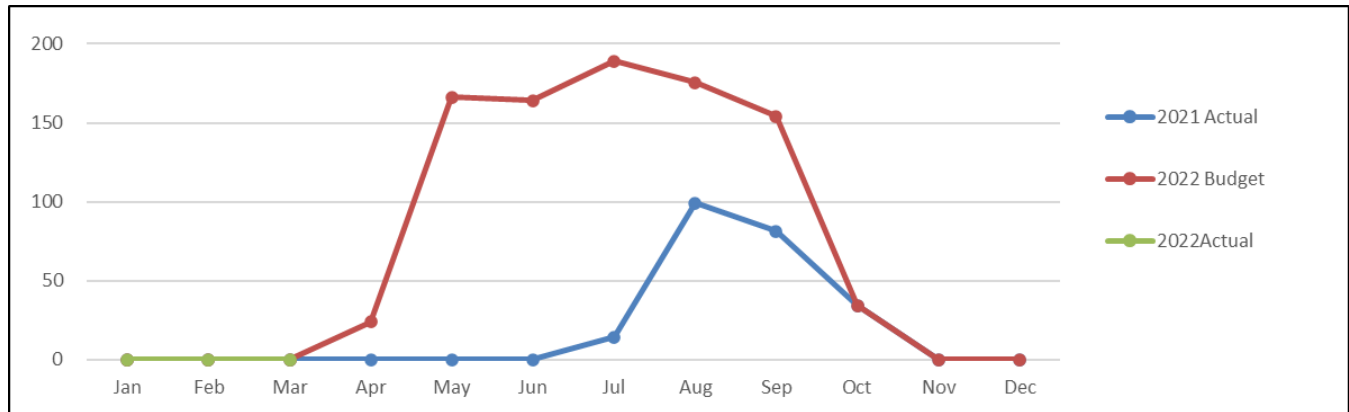
III. MARITIME DIVISION FINANCIAL & PERFORMANCE REPORT 03/31/22

A. KEY PERFORMANCE METRICS

Grain Volume – Metric Tons in 000's



Cruise Passengers in 000's



III. MARITIME DIVISION FINANCIAL & PERFORMANCE REPORT 03/31/22

B. OPERATING RESULTS

	2020 YTD	2021 YTD	2022 YTD	2022 YTD	Fav (UnFav) Actual vs. Budget Variance		Incr (Decr) Change from 2021	
\$ in 000's	Actual	Actual	Actual	Budget	\$	%	\$	%
Ship Canal Fishing & Operations	1,082	1,067	1,180	1,076	104	10%	113	11%
Elliott Bay Fishing & Commercial Operations	1,418	1,136	1,308	1,145	163	14%	172	15%
Recreational Boating	3,134	3,125	3,443	3,377	66	2%	318	10%
Cruise	114	48	(66)	59	(125)	-212%	(114)	-238%
Grain	1,048	1,719	1,874	1,753	122	7%	155	9%
Maritime Portfolio Management	2,541	2,443	2,765	2,554	211	8%	322	13%
Other	3	1	6	5	2	NA	5	598%
Total Revenue	9,340	9,539	10,511	9,969	542	5%	972	10%
Expenses								
Maritime (Excl. Maint)	3,724	3,576	3,957	3,825	(132)	-3%	381	11%
Economic Development	1,314	1,059	1,589	1,775	186	10%	530	50%
Total Direct	5,038	4,635	5,546	5,600	54	1%	910	20%
Maintenance Expenses	2,671	2,357	2,720	3,372	652	19%	363	15%
Envir Services & Planning	447	359	140	601	461	77%	(218)	-61%
Seaport Finance & Cost Recovery	227	237	210	257	47	18%	(28)	-12%
Seaport Project Management	43	76	171	149	(22)	-15%	95	124%
Total Support Services	3,387	3,029	3,241	4,380	1,139	26%	212	7%
IT	689	651	751	798	48	6%	100	15%
Police Expenses	842	722	752	884	132	15%	30	4%
External Relations	305	281	365	414	49	12%	83	30%
Other Central Services	1,340	1,549	1,987	1,873	(114)	-6%	439	28%
Aviation Division / Other	59	71	88	64	(24)	-38%	18	25%
Total Central Services / Other	3,236	3,273	3,943	4,033	90	2%	670	20%
Total Expense	11,661	10,937	12,729	14,013	1,283	9%	1,792	16%
NOI Before Depreciation	(2,321)	(1,398)	(2,218)	(4,043)	1,826	45%	(820)	-59%
Depreciation	4,395	4,464	4,464	4,219	(244)	-6%	(0)	0%
NOI After Depreciation	(6,715)	(5,862)	(6,682)	(8,263)	1,581	19%	(820)	-14%

2022 YTD Actuals vs. 2022 YTD Budget

- Operating Revenues were \$542K higher than budget driven by:
 - Ship Canal favorable \$104K from higher occupancy and favorable utility sales.
 - Elliott Bay Fishing higher by \$163K due to favorable moorage and heavy lift truck rental.
 - Recreational Boating 66K favorable from occupancy and electrical sales.
 - Cruise \$125K lower due to invoice timing.
 - Grain \$122K favorable from higher volumes.
 - Maritime Portfolio Management \$211 higher from favorable temporary leases.
- Operating Expenses were \$1,283K lower than budget:
 - Direct Expenses were \$54K lower than budget
 - Rec Boating \$11K higher than budget due to utilities expenses.
 - Ship Canal Fishing and Operations \$79K higher due to utilities expenses.
 - Elliot Bay Fishing and Commercial \$95K over from litigation reserve.
 - Cruise \$203K under from timing of outside services and open FTE.
 - Maritime Security \$20K lower than budget.
 - Maritime Marketing \$116K below budget due to timing of spend.
 - Maritime Portfolio Management \$192K below budget due to timing tenant improvements.
 - Divisional contingency open headcount vacancy factor created a \$314K unfavorable variance.
 - All other Direct Expenses net to \$22K under budget.
 - Total Support Services were \$1,139K favorable to budget due to significant open FTEs in both Maintenance and Environmental along with saving from project deferrals.

III. MARITIME DIVISION FINANCIAL & PERFORMANCE REPORT 03/31/22

- Total Central Services / Other were \$90K favorable to budget.
- Net Operating Income was \$1,826K favorable to budget.

2022 YTD Actuals vs. 2021 YTD Actuals

- Operating Revenues were \$1.0M higher than 2021 due to increased rates at marinas and commercial properties.
- Operating Expenses were \$1.8M higher than 2021 actual driven by higher utilities, increased wage rates, and removal of austerity measures.
- Net Operating Income was \$.8M lower than 2021 actual.

	2020	2021	2022	2022	Fav (UnFav) Actual vs. Budget Variance		Incr (Decr) Change from 2021	
\$ in 000's	Actual	Actual	Forecast	Budget	\$	%	\$	%
Ship Canal Fishing & Operations	4,704	4,240	4,361	4,211	150	4%	121	3%
Elliott Bay Fishing & Commercial Operations	5,752	5,618	4,917	4,717	200	4%	(701)	-12%
Recreational Boating	12,611	12,851	13,831	13,731	100	1%	980	8%
Cruise	3,824	9,517	28,574	20,574	8,000	39%	19,057	200%
Grain	5,142	6,112	6,022	5,900	122	2%	(90)	-1%
Maritime Portfolio Management	10,074	10,392	10,197	9,986	211	2%	(196)	-2%
Other	4	7	19	19	0	NA	12	164%
<i>Pension Revenue Adjustment</i>	<i>0</i>	<i>(408)</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>NA</i>	<i>408</i>	<i>NA</i>
Total Revenue	42,111	48,331	67,920	59,137	8,783	15%	19,590	41%
Expenses								
Maritime (Excl. Maint)	16,676	13,951	17,672	16,022	(1,650)	-10%	3,721	27%
Economic Development	4,549	4,559	6,065	6,065	0	0%	1,506	33%
Total Direct	21,225	18,510	23,737	22,087	(1,650)	-7%	5,227	28%
Maintenance Expenses	12,353	11,326	14,399	14,624	225	2%	3,073	27%
Envir Services & Planning	2,947	2,018	2,317	2,542	225	9%	300	15%
Seaport Finance & Cost Recovery	1,072	1,163	1,096	1,096	0	0%	(67)	-6%
Seaport Project Management	1,144	342	712	712	0	0%	370	108%
Total Support Services	17,518	14,849	18,525	18,975	450	2%	3,676	25%
IT	2,888	2,695	3,349	3,349	0	0%	655	24%
Police Expenses	3,131	3,064	3,380	3,495	115	3%	316	10%
External Relations	1,242	1,222	1,357	1,654	297	18%	135	11%
Other Central Services	6,035	7,109	8,230	8,021	(209)	-3%	1,121	16%
Aviation Division / Other	318	336	285	285	0	0%	(51)	-15%
Total Central Services / Other	13,614	14,426	16,601	16,804	203	1%	2,175	15%
Total Expense before Pension Adjustment	52,357	47,784	58,862	57,865	(997)	-2%	11,078	23%
<i>Pension Expense Adjustment</i>	<i>(2,129)</i>	<i>(7,070)</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>NA</i>	<i>7,070</i>	<i>-100%</i>
Total Expense	50,228	40,714	58,862	57,865	(997)	-2%	18,148	45%
<i>NOI excluding Pension Adjustments</i>	<i>(10,246)</i>	<i>954</i>	<i>9,058</i>	<i>1,272</i>	<i>7,786</i>	<i>612%</i>	<i>8,104</i>	<i>849%</i>
NOI Before Depreciation	(8,117)	7,616	9,058	1,272	7,786	612%	1,442	-19%
Depreciation	17,624	17,718	17,510	17,510	0	0%	(208)	-1%
NOI After Depreciation	(25,741)	(10,101)	(8,452)	(16,238)	7,786	48%	1,650	16%

2022 Forecast vs. 2022 Budget

- Operating Revenues are forecasted \$8.8M higher than budget:
 - Cruise \$8.0M higher based on more sailings than budgeted with the reduction of COVID-19 issues.
 - Fishing, Commercial, and Boating Marinas are \$450K higher due to better pier utilization and occupancy.
- Operating Expenses forecasted \$1.0M unfavorable to budget from a capital to expense classification of the discontinued Fishermen's Terminal Gateway building.
- Net Operating Income Planned \$7.8M favorable to budget.

III. MARITIME DIVISION FINANCIAL & PERFORMANCE REPORT 03/31/22

2022 Forecast vs. 2021 Actuals (Excludes Pension Adjustment)

- Operating Revenues expected \$20.0M higher than 2021 with resumption of Cruise, higher Grain volumes, and rate increases.
- Operating Expenses forecasted \$11.1M higher than 2021 actual driven primarily by increased represented and non-represented wage rates.
- Net Operating Income forecasted \$8.1M better than 2021 actual.

C. CAPITAL RESULTS

	2022 YTD Actual	2022 Year- End Forecast	2022 Budget	2022 POF	Budget vs Forecast	
\$ in 000's					\$	%
P66 Shore Power	45	5,342	7,582	7,500	2,240	30%
T117 Restoration	1,283	5,208	5,346	2,502	138	3%
MD Video Camera Pro	0	1,400	1,400	1,400	0	0%
T91 Berth 6&8 Redev	111	1,019	1,235	1,334	216	17%
FT Maritime Innovation Center	132	1,222	1,222	1,317	0	0%
FT ADA Compliance	68	1,138	1,138	1,385	0	0%
SBM Dock X Pier Replacement	48	975	1,000	833	25	3%
P90E Timber Pile Caps	9	55	909	837	854	94%
MD Fleet	200	2,870	2,670	2,085	(200)	-7%
MD Small Projects	126	2,396	2,445	2,246	49	2%
All Other Project	334	6,483	7,371	11,544	888	12%
Subtotal	2,356	28,108	32,318	32,983	4,210	13%
CIP Cashflow Mgmt Reserve	0	(6,159)	(8,797)	(9,775)	(2,638)	30.0%
Total Maritime	2,356	21,949	23,521	23,208	1,572	6.7%

Note: POF (Plan of Finance) is the total estimated during the budget process.

Comments on Key Projects

- **P66 Shore Power**– Significant project schedule and budget reset to account for permitting concerns, continuing supply chain delays, and construction cost escalations.
- **P90E Timber Pile Caps**– Construction delayed for one year due to Construction Management resource constraint.

IV. ECONOMIC DEVELOPMENT DIVISION FINANCIAL & PERFORMANCE REPORT 03/31/22
IV. ECONOMIC DEVELOPMENT DIVISION
FINANCIAL SUMMARY

	2020	2021	2022	2022	Fav (UnFav) Actual vs. Budget Variance		Incr (Decr) Change from 2021	
\$ in 000's	Actual	Actual	Forecast	Budget	\$	%	\$	%
Total Revenues	9,470	9,294	14,470	18,769	(4,299)	-23%	5,176	56%
Total Operating Expenses	21,382	20,560	25,332	28,301	2,969	10%	4,773	23%
Net Operating Income	(11,912)	(11,266)	(10,862)	(9,532)	(1,330)	-14%	404	-4%
NOI Including Pension Adj	(11,141)	(8,870)	(10,862)	(9,532)	1,639	17%	(1,992)	22%
Capital Expenditures	9,314	4,311	10,811	10,483	(328)	-3%	6,500	151%

2022 Forecast vs. 2022 Budget

- Operating Revenues forecasted to \$4.3M unfavorable to budget due to lower volumes at the Conference & Event Center.
- Operating Expenses \$3.0M favorable to budget due to variable cost impact of lower Conference Center volumes (\$2.8M), delayed hiring, and Maintenance Expenses.
- Net Operating Income forecasted at \$1.3M below budget.
- Capital Spending forecasted at 103.1% of \$10.5M budget.

2022 Forecast vs. 2021 Actuals

- Operating Revenues forecasted \$5.2 M higher than 2021 with \$4.1M increase in Conference & Event Center along with increased concession revenue at the Bell Street garage.
- Operating Expenses \$4.8M higher than 2021 due to payroll increases and Conference & Event Center volumes.
- Net Operating Income forecasted \$.4M better than 2021 actual, but \$2.0M worse when factoring in the pension adjustments.

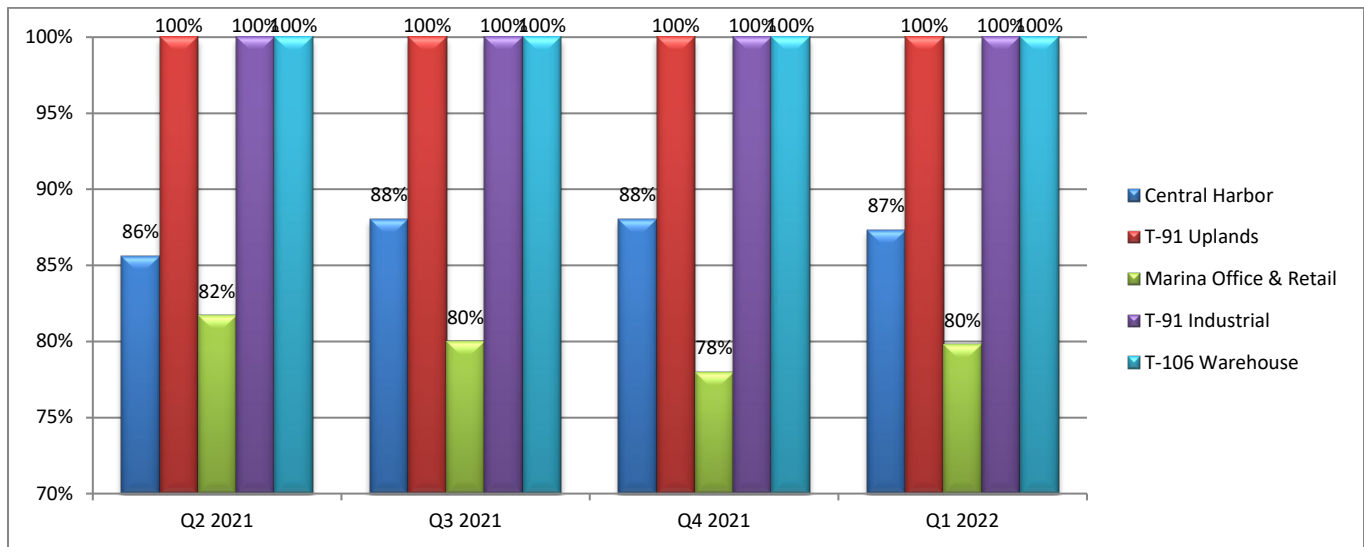
Net Operating Income before Depreciation by Business

	2021 YTD	2022 YTD	2022 YTD	Fav (UnFav) Actual vs. Budget Variance		Incr (Decr) Change from 2021	
\$ in 000's	Actual	Actual	Budget	\$	%	\$	%
Portfolio Management	(845)	(1,056)	(1,166)	109	9%	(211)	-25%
Conference & Event Centers	(1,030)	(928)	(953)	24	3%	102	10%
Tourism	(169)	(146)	(289)	142	49%	23	13%
EDD Grants	21	26	(113)	138	123%	5	23%
Env Grants/Remed Liab/ERC	(23)	(364)	83	(447)	-538%	(340)	-1467%
Total Econ Dev	(2,047)	(2,469)	(2,436)	(32)	-1%	(422)	-21%

IV. ECONOMIC DEVELOPMENT DIVISION FINANCIAL & PERFORMANCE REPORT 03/31/22

A. KEY PERFORMANCE METRICS

Building Occupancy by Location:



Key Building Vacancies

Central Harbor

- T-102 Corporate Center mainly Suite A-205 (9,061sf), Suite A-105 (4,191sf), Suite A-203 (3,745sf), and Suite A-104 (2,212sf).
- World Trade Center West Suite 130 (11,388sf) and Suite 230 (5,777sf).

Marina Office & Retail

- Maritime Industrial Center mainly Building A1 Suite 300 (15,651sf) and Suite 301 (11,657sf).
- Fishermen's Terminal mainly Building C-2 Suite D (4,967sf) and Building C-15 Suite 315 (4,811sf).

IV. ECONOMIC DEVELOPMENT DIVISION FINANCIAL & PERFORMANCE REPORT 03/31/22**B. OPERATING RESULTS**

	2020 YTD	2021 YTD	2022 YTD	2022 YTD	Fav (UnFav) Actual vs. Budget Variance		Incr (Decr) Change from 2021	
\$ in 000's	Actual	Actual	Actual	Budget	\$	%	\$	%
Revenue	2,163	1,875	1,962	1,991	(29)	-1%	87	5%
Conf & Event Centers	1,115	127	618	1,347	(729)	-54%	491	387%
Total Revenue	3,277	2,002	2,580	3,338	(758)	-23%	578	29%
Expenses								
Portfolio Management	899	839	1,011	915	(96)	-10%	172	21%
Conf & Event Centers	1,557	545	888	1,624	735	45%	343	63%
P69 Facilities Expenses	55	47	51	68	17	25%	4	8%
RE Dev & Planning	41	48	75	49	(26)	-53%	27	57%
EconDev Expenses Other	291	187	249	176	(73)	-42%	62	33%
Maintenance Expenses	635	847	809	978	169	17%	(38)	-5%
Maritime Expenses (Excl Maint)	244	235	229	302	72	24%	(6)	-3%
Total EDD & Maritime Expenses	3,722	2,748	3,313	4,111	798	19%	565	21%
Diversity in Contracting	25	26	26	32	5	17%	1	3%
Tourism	207	167	496	281	(215)	-76%	329	197%
EDD Grants	(57)	(21)	(26)	113	138	123%	(5)	22%
Total EDD Initiatives	175	172	497	426	(71)	-17%	325	189%
Environmental & Sustainability	8	5	5	6	1	16%	1	13%
Police Expenses	58	48	49	58	9	15%	1	2%
Other Central Services	1,244	1,041	1,142	1,143	1	0%	101	10%
Aviation Division	29	35	43	31	(12)	-39%	8	24%
Total Central Services & Aviation	1,339	1,129	1,240	1,238	(1)	0%	111	10%
Envir Remed Liability	0	0	0	0	0	NA	0	NA
Total Expense	5,236	4,049	5,049	5,775	726	13%	1,000	25%
NOI Before Depreciation	(1,959)	(2,047)	(2,469)	(2,436)	(32)	-1%	(422)	-21%
Depreciation	909	958	938	891	(48)	-5%	(19)	-2%
NOI After Depreciation	(2,867)	(3,005)	(3,407)	(3,327)	(80)	-2%	(403)	-13%

2022 YTD Actuals vs. 2022 YTD Budget

- Operating Revenue were \$758K unfavorable to budget due primarily to lower than anticipated Conference and Event Center from a slow recovery threatened by COVID-19 variants.
- Operating Expenses were \$726K favorable to budget:
 - Conference and Event Center \$735K favorable from lower activity.
 - Maintenance Expenses \$169K favorable due to open positions.
 - EDD Initiatives \$71K below budget.
 - All other expenses net to \$107K below budget.
- Net Operating Income was \$32K below budget.

2022 YTD Actuals vs. 2021 YTD Actuals

- Operating Revenues were \$578K higher than 2021 actual
- Operating Expenses were \$1,000K higher than 2021 actual:
 - Conference and Event Centers \$343K higher than 2021 due to variable costs associated with higher Conference and Event Center volumes.
 - Maintenance Expenses \$38K lower than 2021 due to open positions.
 - Central Services \$111K higher than 2021.
 - All other Expenses net to \$584K higher than 2021.
- Net Operating Income was \$422K below 2021 actual.

IV. ECONOMIC DEVELOPMENT DIVISION FINANCIAL & PERFORMANCE REPORT 03/31/22

	2020	2021	2022	2022	Fav(UnFav) Actual vs. Budget Variance		Incr (Decr) Change from 2021	
\$ in 000's	Actual	Actual	Forecast	Budget	\$	%	\$	%
Revenue	7,808	7,384	8,470	8,470	0	0%	1,086	15%
Conf & Event Centers	1,662	1,910	6,000	10,299	(4,299)	-42%	4,090	214%
Total Revenue	9,470	9,294	14,470	18,769	(4,299)	-23%	5,176	56%
Expenses								
Portfolio Management	3,143	3,737	3,905	3,905	0	0%	168	5%
Conf & Event Centers	4,440	3,124	6,318	9,018	2,700	30%	3,194	102%
P69 Facilities Expenses	268	268	228	228	0	0%	(39)	-15%
RE Dev & Planning	230	231	246	246	0	0%	15	7%
EconDev Expenses Other	974	736	842	842	0	0%	106	14%
Maintenance Expenses	3,055	3,769	4,101	4,201	100	2%	332	9%
Maritime Expenses (Excl Maint)	1,117	862	1,279	1,279	0	0%	417	48%
Total EDD & Maritime Expenses	13,227	12,727	16,919	19,719	2,800	14%	4,193	33%
Diversity in Contracting	162	253	168	168	0	0%	(85)	-34%
Tourism	991	1,877	1,750	1,750	0	0%	(127)	-7%
EDD Grants	778	889	1,500	1,500	0	0%	611	69%
Total EDD Initiatives	1,931	3,019	3,418	3,418	0	0%	399	13%
Environmental & Sustainability	33	24	55	59	4	7%	31	128%
Police Expenses	215	205	221	229	8	3%	16	8%
Other Central Services	5,815	4,408	4,592	4,749	157	3%	184	4%
Aviation Division	161	177	128	128	0	0%	(49)	-28%
Total Central Services & Aviation	6,225	4,814	4,996	5,165	169	3%	181	4%
Total Expense before Pension Adjustment	21,382	20,560	25,332	28,301	2,969	10%	4,773	23%
Pension Expense Adjustment	(771)	(2,396)	0	0	0	NA	2,396	-100%
Total Expense	20,611	18,164	25,332	28,301	2,969	10%	7,168	39%
NOI Before Depreciation	(11,141)	(8,870)	(10,862)	(9,532)	(1,330)	-14%	(1,992)	-22%
Depreciation	3,611	3,841	3,741	3,741	0	0%	(100)	-3%
NOI After Depreciation	(14,752)	(12,711)	(14,603)	(13,273)	(1,330)	-10%	(1,892)	-15%

2022 Forecast vs. 2022 Budget

- Operating Revenues forecasted to \$4.3M unfavorable to budget due to lower volumes at the Conference & Event Center.
- Operating Expenses \$3.0M favorable to budget due to variable cost impact of lower Conference Center volumes (\$2.8M), delayed hiring, and Maintenance Expenses.
- Net Operating Income forecasted at \$1.3M below budget.

2022 Forecast vs. 2021 Actuals (Excludes Pension Adjustments)

- Operating Revenues forecasted \$5.2M higher than 2021 with \$4.1M increase in Conference & Event Center along with increased concession revenue at the Bell Street garage.
- Operating Expenses \$4.8M higher than 2021 due to payroll increases and Conference & Event Center volumes.
- Net Operating Income forecasted \$.4M better than 2021 actual.

IV. ECONOMIC DEVELOPMENT DIVISION FINANCIAL & PERFORMANCE REPORT 03/31/22**C. CAPITAL RESULTS**

	2022 YTD Actual	2022 Year- End Forecast	2022 Budget	2022 POF	Budget vs Forecast	
\$ in 000's					\$	%
P69 Underdock Utility Rpl	64	2,678	2,678	2,600	0	0%
CW Bridge Elev Modernization	167	2,352	2,352	2,000	0	0%
P66 Roof Upgrades	339	1,553	1,559	752	6	0%
T91 Uplands Dev Phase 1	20	1,513	1,404	1,484	(109)	-8%
WTCW Roof Replacement	22	1,099	1,099	1,570	0	0%
WTC HVAC Replacement	537	1,020	1,020	2,739	0	0%
Tenant Improvements -Capital	0	501	501	300	0	0%
BHICC Interior Modernization	8	168	310	4	142	46%
EDD Technology Projects	0	250	250	250	0	0%
EDD Small Projects	11	670	669	620	(1)	0%
All Other Projects	11	1,055	1,046	1,750	(9)	-1%
Subtotal	1,179	12,859	12,888	14,069	29	0%
CIP Cashflow Mgmt Reserve	0	(2,048)	(2,405)	(3,554)	(357)	15%
Total Economic Development	1,179	10,811	10,483	10,515	(328)	-3%

Note: POF (Plan of Finance) is the total estimated during the budget process.

Comments on Key Projects

As of Q1, 2022 Economic Development Capital Spending is forecasted to slightly exceed budget. Favorable resolution of claim at BHICC offset by increased cost on all other projects.

V. CENTRAL SERVICES DIVISION FINANCIAL & PERFORMANCE REPORT 03/31/22

V. CENTRAL SERVICES DIVISION

FINANCIAL SUMMARY

	2020 YTD	2021 YTD	2022 YTD	2022 YTD	Fav (UnFav) Actual vs. Budget Variance		Incr (Decr) Change from 2021	
\$ in 000's	Actual	Actual	Actual	Budget	\$	%	\$	%
Total Operating Revenues	907	956	165	47	118	253.6%	(791)	-82.8%
Core Central Support Services	19,359	18,743	21,471	22,691	1,220	5.4%	2,728	14.6%
Police	7,908	6,748	6,756	8,200	1,444	17.6%	8	0.1%
Engineering/PCS	2,158	1,965	1,923	2,793	869	31.1%	(41)	-2.1%
Total Operating Expenses	29,425	27,455	30,150	33,683	3,533	10.5%	2,695	9.8%

2022 YTD Actuals vs. 2022 YTD Budget

- Operating Revenues favorable by \$118K due primarily to Police forfeiture.
- Operating Expenses \$3.5M favorable to budget mainly due to staffing vacancies, and project spending delays offset by lower charges to Capital Projects.

2022 YTD Actuals vs. 2021 YTD Actuals

- Operating Revenues \$791K below 2021 mainly due to higher Police forfeiture seizures in 2021.
- Operating Expenses \$2.7M higher than 2021 mainly due to higher Payroll, Equipment Expense, Outside Services, Travel & Other Employee Expenses, and General Expenses.

A. BUSINESS EVENTS

- Port partnered with WorkSource to host the Job and Resource Fair for newly arrived Afghan refugees
- Developed and implemented an electronic daily self-check health survey for consultants/contractors
- Reviewed and finalized the budget for the WMBE goals
- Received the GFOA Financial Reporting Excellence Award for the 16th consecutive year
- Finalized the banking services procurement; ongoing work to ensure smooth implementation/transition
- Conducted the Equitable Disruption event and Strengths, Weaknesses, Opportunities, and Threats (SWOT) training
- Designed and led a Rapid Improvement project to assist with ACH Vendor Payment Improvements
- Hosted the International Arrivals Facility VIP and online “reveal” events
- Completed the Evidence Management System that will allow Port police to efficiently manage physical/digital evidence and property associated with calls for service, incidents, and cases
- Police Assessment Implementation Team (PAIT) reviewed the 52 recommendations highlighted by the consultant and identified resources for implementation
- Acquired a new boat to assist the POS Police Marine Unit in providing required waterside security
- Communicated the results of the port-wide Equity Assessment and Women of Color Assessment; shared the equity performance goal requirements and new hiring process requirements
- Physical Completion issued for the Pier 66 Interior Modernization and South Satellite Infrastructure Upgrade projects
- Substantial completion achieved on: Main Terminal Space Conversion Phase II, ADA access controls at C4 area, and Concourse Info Hub

V. CENTRAL SERVICES DIVISION FINANCIAL & PERFORMANCE REPORT 03/31/22
B. KEY PERFORMANCE METRICS

Century Agenda Strategic Objectives	YTD 2020	YTD 2021	YTD 2022
Responsibly Invest in the Economic Growth of the Region and all its Communities			
A. Job seekers placed in jobs at SEA Airport through the Employment Center	366	166	300
B. Number of SEA Airport tenants supported in finding employees	56	49	59
C. Employment Center training completions	107	48	87
D. K-12 Career Connected Learning: WFD engagement with teachers/faculty	1,800	0	0
E. Community members entering employment in construction, maritime and environmental sustainability	0	9	10
F. Number of Job Openings created	201	66	100
G. Job applications received	2,855	2,276	2722
H. Number of job interviews conducted	351	171	487
I. Number of new employees hired	95	24	122
J. Number of interns	25	1	1
K. Number of Veteran Fellows	0	0	0
L. Number of employees participating in Tuition Reimbursement	27	40	36
Become a Model for Equity, Diversity and Inclusion			
A. Employee participation in OEDI programming (Caucuses, Book Clubs, Town Halls, etc.)	N/A	178	63
B. Port employees and supervisors completing required racial equity orientations/trainings.	N/A	N/A	548
Be a Highly Effective Public Agency			
A. Central Services costs as a % of Total Operating Expenses	27.8%	28.3%	28.1%
B. Investment portfolio earnings versus the benchmark (the Bank of America Merrill Lynch 1-3 Year US Treasury & Agency Index)	2.16%/0.21%	1.33%/0.19%	0.81%/2.22%
C. Comply with Public Disclosure Act and respond in a timely manner	135	153	227
D. Percent of annual audit work plan completed each year	100%	100%	100%
E. Employee Development Class Attendees/Structured Learning	1,100	492	573
F. Total Recordable Incident Rate (previous Occupational Injury Rate)	4.28	5.49	2.33
G. Lost Work Day Rate (previously Days Away Severity Rate)	35.38	32.69	19.18
H. Customer Survey for Police Service Excellent or Above Average	84%	100%	90%

V. CENTRAL SERVICES DIVISION FINANCIAL & PERFORMANCE REPORT 03/31/22

C. OPERATING RESULTS

Financial Summary (Year-End Forecast)

	2020	2021	2022	2022	Fav (UnFav) Actual vs. Budget Variance		Incr (Decr) Change from 2021	
\$ in 000's	Actual	Actual	Forecast	Budget	\$	%	\$	%
Total Revenues	2,512	(233)	334	186	148	79.3%	568	-243.2%
Executive	2,263	2,051	2,759	2,738	(21)	-0.8%	708	34.5%
Commission	1,755	1,773	2,454	2,486	32	1.3%	681	38.4%
Legal	6,290	7,054	5,248	5,105	(143)	-2.8%	(1,806)	-25.6%
External Relations	7,481	6,827	9,438	10,874	1,436	13.2%	2,611	38.2%
Equity Diversity and Inclusion	4,676	4,937	6,306	5,756	(550)	-9.6%	1,369	27.7%
Human Resources	8,380	8,675	13,141	13,126	(15)	-0.1%	4,465	51.5%
Labor Relations	1,286	1,110	1,402	1,444	41	2.9%	293	26.4%
Internal Audit	1,540	1,296	2,608	1,868	(740)	-39.6%	1,312	101.2%
Accounting & Financial Reporting Services	8,165	6,967	9,326	9,418	92	1.0%	2,358	33.9%
Information & Communication Technology	24,732	19,944	27,597	27,597	()	0.0%	7,653	38.4%
Information Security	1,656	1,328	2,311	2,449	138	5.6%	983	74.0%
Finance & Budget	2,177	1,801	2,478	2,525	47	1.9%	677	37.6%
Business Intelligence	1,181	904	1,930	1,953	23	1.2%	1,026	113.6%
Risk Services	3,349	4,047	4,890	4,688	(202)	-4.3%	842	20.8%
Office of Strategic Initiatives	934	713	1,156	1,231	75	6.1%	443	62.2%
Central Procurement Office	4,280	3,633	6,479	6,678	200	3.0%	2,846	78.3%
Contingency	(190)	(123)	(3,763)	(5,000)	(1,238)	24.8%	(3,640)	2959.8%
Core Central Support Services	79,956	72,936	95,759	94,936	(823)	-0.9%	22,823	31.3%
Police	27,538	17,194	31,686	32,746	1,060	3.2%	14,492	84.3%
Total Before Cap Dev & Environment	107,494	90,130	127,445	127,682	237	0.2%	37,315	41.4%
Capital Development								
Engineering	4,959	1,626	6,935	7,428	493	6.6%	5,309	326.4%
Port Construction Services	4,138	3,321	4,499	4,906	407	8.3%	1,178	35.5%
Sub-Total	9,096	4,948	11,434	12,334	900	7.3%	6,486	131.1%
Environment & Sustainability								
Environment & Sustainability	692	676	1,660	1,741	81	4.7%	984	145.5%
Sub-Total	692	676	1,660	1,741	81	4.7%	984	145.5%
Industrial Development Corporation	-	-	-	-	-	0.0%	-	0.0%
Capital to Expense	193	-	-	-	-	0.0%	-	0.0%
Total Expenses	117,476	95,753	140,538	141,756	1,218	0.9%	44,785	46.8%

2022 Forecast vs. 2022 Budget

Operating Expenses for 2022 are forecasted to be \$1.2M below Budget due primarily to:

- **Executive** – unfavorable variance of (\$21K) primarily due to higher Payroll.
- **Commission** – favorable variance of \$32K due to lower Payroll \$45K offset by higher General Expenses of (\$15K).
- **Legal** – unfavorable variance of (\$143K) due to higher Outside Services (\$165K) offset by lower Payroll of \$23K.
- **External Relations** – favorable variance of \$1.4M primarily due to reduced Outside Services of \$1.4M and Promotional Expenses of \$101K offset by higher Payroll of (\$46K).
- **Equity, Diversity, and Inclusion** – unfavorable variance of (\$550K) primarily due to the increase of Property Rentals of (\$1.1M) offset by lower Outside Services of \$538K.
- **Human Resources** – unfavorable variance of (\$15K) primarily due to higher Payroll of (\$134K) and General Expenses (\$46K) offset by lower Equipment \$42K, Outside Services \$58K and Travel of \$64K.
- **Labor Relations** – favorable variance of \$41K due to lower Payroll.
- **Internal Audit** – unfavorable variance of (\$740K) primarily due to unplanned General Expense of (\$739K) and lower charges to Capital Projects (\$90K) offset by lower Outside Services \$90K.
- **Accounting and Financial Reporting Services** – favorable variance of \$92K primarily due to lower Payroll of \$68K, General Expenses \$26K, and Travel of \$8K offset by higher Telecommunications of (\$9K).
- **Information & Communication Technology** – plans to be on target.
- **Information Security** – favorable variance of \$138K primarily due to lower Outside Services of \$132K and lower Payroll of 5K.
- **Corporate Finance & Budget** – favorable variance of \$47K primarily due to lower Payroll.
- **Business Intelligence** – favorable variance of \$23K primarily due to lower Payroll.
- **Risk Services** – unfavorable variance of (\$202K) due to higher Insurance Expenses of (\$253K) offset by lower Payroll of \$44K.
- **Office of Strategic Initiative** – favorable variance of \$75K due to lower Payroll of \$67K and Outside Services of 7K.
- **Central Procurement Office** – favorable variance of \$200K primarily due to more charges to Capital Projects \$261K offset by higher Payroll of (\$55K) and Outside Services of (\$6K).
- **Police** – favorable variance of \$1.1M primarily due to lower Payroll of \$1.5M offset by higher General Expenses of (\$491K).
- **Engineering** – favorable variance of \$493K primarily due to lower Payroll of \$2.1M offset by less charges to Capital Projects of (\$1.7M).
- **PCS** – favorable variance of \$407K primarily due to lower Payroll of \$468K, Outside Services of \$163K, and Supplies & Stock \$57K offset by lower charges to Capital Projects of (\$366K).
- **Environment & Sustainability Admin** – favorable variance of \$81K due to lower Payroll.
- **Contingency** – unfavorable variance of (\$1.2M). Adjusted forecast for Vacancy Factor actuals.

V. CENTRAL SERVICES DIVISION FINANCIAL & PERFORMANCE REPORT 03/31/22

2022 Forecast vs. 2021 Actuals

- Operating Expenses for 2022 are forecasted to be \$15.0M higher than 2021, after adjusting for \$29.8M state pension credit in 2021 actuals, mainly due to:
 - **Core Central Support Services** – \$10.0M higher than 2021 primarily due to: higher payroll for current employees and new and unfrozen positions as well as full year salaries for mid-year 2021 positions; contractual increases; addition of new initiatives to support growing needs of the organization.
 - **Police** – \$3.0M above 2021 due to: increase in salary and benefits for represented groups based on contracts; new and unfrozen positions; addition of new initiatives to enhance the safety and security of the public.
 - **Capital Development** – \$2.0M higher than 2021 primarily due to higher payroll and addition of new and unfrozen positions as well as contractual increases to support the capital program.

D. CAPITAL RESULTS

\$ in 000's	2022 YTD Actual	2022 Year-End Forecast	2022 Budget	2022 POF	Budget Variance	
					\$	%
Engineering Fleet Replacement	267	2,127	2,065	1,465	(62)	-3.0%
Services Tech - Small Cap	313	1,992	1,500	1,500	(492)	-32.8%
Infrastructure - Small Cap	43	1,493	1,500	1,500	7	0.5%
Phone System Upgrade	54	1,414	1,414	1,000	0	0.0%
Radio Microwave Redund. Loop	0	1,040	1,040	1,040	0	0.0%
Office Wi-Fi Refresh	39	229	1,039	1,300	810	78.0%
Corporate Fleet Replacement	165	799	901	645	102	11.3%
Other (note 1)	18	4,484	5,830	4,844	1,346	23.1%
Subtotal	899	13,578	15,289	13,294	1,711	11.2%
CIP Cashflow Adjustment	0	(3,800)	(4,400)	(3,900)	(600)	13.6%
TOTAL	899	9,778	10,889	9,394	1,111	10.2%

Note:

POF (Plan of Finance) is the total estimated during the budget process.

(1) "Other" includes remaining ICT projects and small capital projects/acquisitions.



Port of Seattle Q1 2022 Financial Performance Report Commission Meeting

Key Highlights

- Port lines of businesses are still recovering from the disruption caused by the pandemic
- SEA passenger growth is rebounding; forecasting 7.6% fewer passengers than 2019
- Federal Relief grants continue to improve SEA's bottom line
- Projecting a record 295 sailings and 1.26 million passengers in the 2022 cruise season
- Projecting operating expenses to be \$4.7M favorable to the budget on a full-year basis
- Continuing to support investments aimed at regional economic recovery

Port Wide Financial Summary (YE Forecast)

	2020	2021	2022	2022	Fav (UnFav) Fcst vs. Budget Variance		Incr (Decr) Change from 2021	
\$ in 000's	Actual	Actual	Forecast	Budget	\$	%	\$	%
Aeronautical Revenues	297,909	317,513	385,706	394,963	(9,257)	-2.3%	68,193	21.5%
Airport Non-Aero Revenues	116,473	183,819	239,404	240,820	(1,415)	-0.6%	55,586	30.2%
Non-Airport Revenues	96,446	120,689	137,373	131,072	6,302	4.8%	16,685	13.8%
Total Operating Revenues	510,828	622,020	762,484	766,854	(4,370)	-0.6%	140,464	22.6%
Total Operating Expenses	408,681	364,656	494,450	499,146	4,696	0.9%	129,794	35.6%
NOI before Depreciation	102,147	257,364	268,033	267,708	325	0.1%	10,670	4.1%
Depreciation	180,086	190,683	196,757	196,757	-	0.0%	6,074	3.2%
NOI after Depreciation	(77,939)	66,681	71,277	70,952	325	0.5%	4,596	6.9%

- Operating Revenues are expected to be \$4.4M below budget due to \$77M in Federal Relief grants applied to offset Aeronautical revenue requirements
- Total Operating expenses are expected to be \$4.7M below budget mainly due to delayed hiring and project spending, offset by higher utility costs and capital to expense writeoff related to the Gateway Building project at Fishermen's Terminal
- Net Operating Income before Depreciation is forecasted to be \$325K above budget

Aviation Division Financial Performance Summary

Business Highlights

- Passenger level forecast slightly below budget, 7.6% below 2019
- Aeronautical revenues below budget due to planned higher grant use
- Delay in Salty's and AMEX lounge openings impacting non-aero revenues
- Risks to O&M budget include payroll vacancy, garage fire repairs, and unplanned project costs to be expensed.
- ADF target shortfall will be addressed by modifying funding plan and/or grant use plan

<i>Figures in \$000s</i>	Forecast YE 2022	Budget YE 2022	Variance
Revenues			
Aeronautical	385,706	394,963	(9,257)
Non-Aeronautical	239,404	240,820	
Total Revenues	625,110	635,783	(10,672)
O&M expense	396,831	397,622	791
NOI	228,279	238,160	(9,881)
Federal Relief	118,794	98,000	20,794
Concessions Relief	21,419	21,419	-
NOI (after Federal Relief Grants)	368,492	357,579	10,913
<u>Key Measures</u>			
Non-Aero NOI (in \$000s)	110,779	114,047	(3,268)
CPE (\$)	14.44	14.82	0.38
Debt Service Coverage	2.29	2.03	0.26
<u>Other Information</u>			
ADF Balance (in \$000s)	446,426	464,000	(17,574)
Capital Spending (in \$000s)	449,817	527,917	78,100

Seaport Performance Summary

	2021 YTD	2022 YTD	2022 YTD	Fav (UnFav) Actual vs. Budget Variance		Incr (Decr) Change from 2021		2022	2022	Fav (UnFav) Fcst vs. Budget Variance	
\$ in 000's	Actual	Actual	Budget	\$	%	\$	%	Forecast	Budget	\$	%
Revenues											
Maritime	9,539	10,511	9,969	542	5%	972	10%	67,920	59,137	8,783	15%
Economic Development Division	2,002	2,580	3,338	(758)	-23%	578	29%	14,470	18,769	(4,299)	-23%
Joint Venture*	10,988	13,982	11,975	2,007	17%	2,994	27%	47,899	47,899	0	0%
Total Revenue	22,529	27,074	25,283	1,791	7%	4,545	20%	130,290	125,806	4,484	4%
Expenses											
Maritime	10,937	12,729	14,013	1,283	9%	1,792	16%	58,862	57,865	(997)	-2%
Economic Development Division	4,049	5,049	5,775	726	13%	1,000	25%	25,332	28,301	2,969	10%
Joint Venture	382	322	355	33	9%	(60)	-16%	1,727	1,727	0	0%
Total Expense	15,368	18,100	20,142	2,043	10%	2,732	18%	85,922	87,894	1,972	2%
NOI Before Stormwater Utility	7,161	8,974	5,140	3,834	75%	1,813	25%	44,368	37,912	6,456	17%
Stormwater Utility Revenues	1,545	1,680	1,692	(12)	-1%	135	9%	6,768	6,768	0	0%
Stormwater Utility Expenses	1,123	1,199	1,530	331	22%	76	7%	6,266	6,266	0	0%
Stormwater Utility NOI	422	481	162	319	197%	59	14%	502	502	0	0%
Total Non-Aviation Business NOI	7,583	9,455	5,302	4,153	78%	1,872	25%	44,871	38,415	6,456	17%

Year-to-Date

- Favorable timing of NWSA/Joint Venture income.
- Better than expected waterside occupancy at Maritime terminals, piers and marinas.
- Slow return of conferences and events.
- Employee vacancies driving lower expenses.

Forecast

- Cruise expected to exceed revenue and passenger budgets.
- Expected in Q2: \$1.2M remaining Capital to Expense for Gateway Building at Fishermen's Terminal.
- Conference & Event Centers at 58% of budget.
- Joint Venture and Stormwater utility on budget.

Central Services

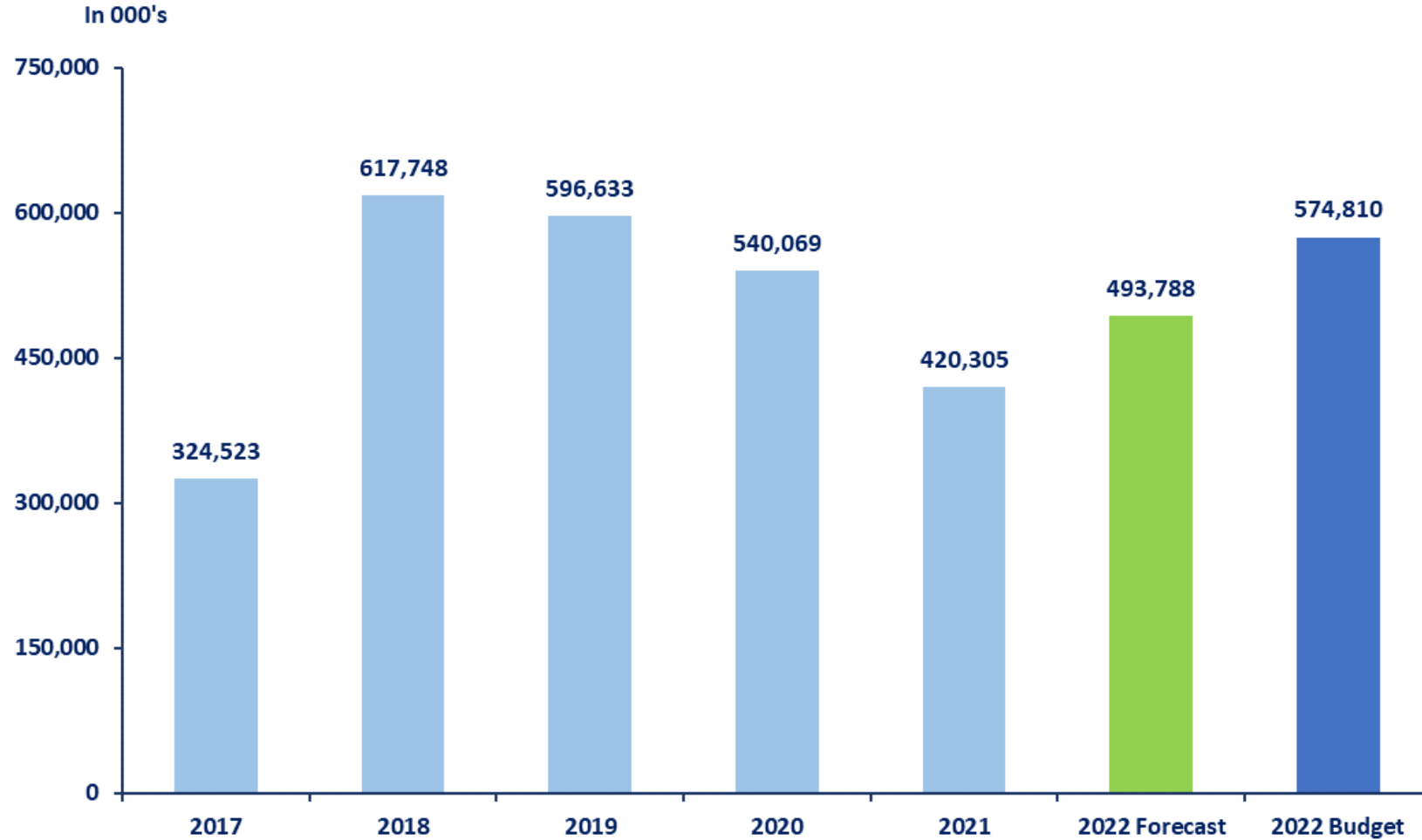
Financial Summary

<i>Figures in \$000s</i>	2022 Forecast	2022 Budget	Variance
Revenues	334	186	148
Core Central Services	97,419	96,677	(742)
Police	31,686	32,746	1,060
Engineering/PCS	11,434	12,334	900
O&M Expenses	140,538	141,756	1,218
Capital Spending	9,778	10,889	1,111

Business Highlights

- Port partnered with WorkSource to host the **Job and Resource Fair** for newly arrived Afghan refugees; 250 people attended
- Shared the results of the port-wide **Equity Assessment and Women of Color Assessment**, the **equity performance goal** requirements, and the **new hiring process** requirements
- Police Assessment Implementation Team (PAIT) reviewed the **52 recommendations** highlighted by the consultant (21 CP)

Port Wide Capital Spending



- Total Q1 YTD capital spending was \$63M
- For the full year, total capital spending is expected to be \$494M, 85.9% of the budget

[RETURN TO AGENDA](#)